



DALAROO

METALS Ltd

ACN 648 476 699

PROSPECTUS 2021



For an offer by the Company of 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000 (before costs) (**Public Offer**).

This Prospectus also includes an offer of 5,000,000 New Options at an issue price of \$0.001 each to the Lead Manager (or its nominees) (**Lead Manager Offer**).

LEAD MANAGER:
CPS Capital Group Pty Ltd
ACN 088 055 636
AFSL 294 848

Important: *This Prospectus is an important document and it should be read in its entirety. Please read the instructions in this Prospectus and the relevant Application Form regarding acceptance of an Offer. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer. The Securities offered by this Prospectus should be considered highly speculative.*



STOCKBROKING • CORPORATE FINANCE
AFSL NO : 294848 EST 2001

www.dalaroometals.com.au

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Important Information

General

This prospectus (**Prospectus**) is issued by Dalaroo Metals Ltd (ACN 648 476 699) (**Company**).

This Prospectus is dated 16 August 2021 (**Prospectus Date**) and a copy was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

The Company will apply to ASX for admission to the Official List and for its Shares to be granted quotation on the ASX within 7 days after the Prospectus Date.

The fact that ASX may list the Securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed Securities.

ASX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

No Securities will be issued pursuant to this Prospectus later than 13 months after the Prospectus Date.

Persons wishing to apply for Securities pursuant to an Offer must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for Securities, investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Securities, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Investors who do not understand this document should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Securities under an Offer.

No person is authorised to give any information or to make any representation in relation to an Offer which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

Prospectus availability

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's website at www.dalaroometals.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in

the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 8 6380 9675.

Exposure Period

The Corporations Act prohibits the Company from processing applications under the Offers during a period of 7 days after the Prospectus Date (**Exposure Period**). The Exposure period may be extended by ASIC for a further period of up to 7 days.

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Investors should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

The Company will not accept applications until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

Foreign investor restrictions

The offers of Securities under this Prospectus do not constitute offers in any jurisdiction outside Australia. The Offers are not made to persons or places to which, or in which, it would not be lawful to make such an offer of Securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other consents are required or whether any other formalities need to be considered and followed. See section 2.14 for further information.

No cooling off rights

Applicants have no cooling off rights in relation to Securities for which they apply. This means that an applicant is not permitted or entitled to withdraw its

application once submitted, other than in certain circumstances under the Corporations Act.

Risk factors

Before deciding to invest in the Company, investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Securities offered by this Prospectus should be considered highly speculative. See section 5 for information relating to risk factors.

Competent Person statements

The information contained in this Prospectus that relates to exploration results is based on and fairly represents information and supporting documentation prepared by Mr Jeremy Peters. Mr Peters, FAusIMM CP (Mining, Geology), has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has undertaken, to qualify as a Competent Person as defined in the JORC Code. Mr Peters consents to the inclusion of the matters based on his information in the form and context in which the exploration results and supporting information are presented in this Prospectus.

Disclaimers

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Certain statements in this Prospectus constitute forward looking statements. These forward-looking statements are identified by words such as “may”, “could”, “believes”, “expects”, “intends”, and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements.

This Prospectus uses market data and third-party estimates and projections. There is no assurance that any of the third-party estimates or projections contained in this information will be achieved. The Company has not independently verified this information but has taken reasonable care in reproducing it. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those in section 5.

Third party publications

This Prospectus (including section 3) includes attributed statements from books, journals and comparable publications that are not specific to, and have no direct connection with, the Company. The authors of these books, journals and comparable publications have not provided their consent for these statements to be included in this Prospectus, and the Company is relying on *ASIC Corporations (Consents to Statements) Instrument 2016/72* for their inclusion in this Prospectus without such consent having been obtained.

Financial amounts

All references in this Prospectus to “\$”, “A\$”, “AUD”, “dollars” or “cents” are references to the currency of Australia unless otherwise stated.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorsed this Prospectus or its contents, or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are for illustration only and may not be to scale.

Definitions and time

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in section 9.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Key Numbers and Dates

| Key Numbers | Amount |
|-----------------------------------------------------------------------------------------|-------------------|
| Offer price per Share | \$0.20 |
| Shares on issue at the Prospectus Date | 29,000,000 |
| Shares to be issued under the Public Offer | 25,000,000 |
| Funds to be raised under the Public Offer (before costs) | \$5,000,000 |
| Total Shares on issue upon completion of the Offers | 54,000,000 |
| Vendor Options on issue at the Prospectus Date ¹ | 8,000,000 |
| New Options offered under the Lead Manager Offer ² | 5,000,000 |
| Total Options on issue upon completion of the Offers | 13,000,000 |
| Fully diluted share capital upon completion of the Offers³ | 67,000,000 |
| Indicative market capitalisation upon completion of the Offers (undiluted) ⁴ | \$10,800,000 |

Notes:

- 1 See section 8.2 for the terms of Vendor Options.
- 2 See section 8.3 for the terms of New Options.
- 3 See section 2.9 for further details on the proposed capital structure of the Company.
- 4 Calculated based on the offer price of \$0.20 per Share. Please note that Shares may trade above or below this price upon the Company being admitted to ASX.

| Key Dates | Date |
|------------------------------------------------|-------------------|
| Prospectus Date | 16 August 2021 |
| Opening Date | 24 August 2021 |
| Closing Date | 6 September 2021 |
| Issue of Securities under the Offers | 13 September 2021 |
| Dispatch of holding statements to Shareholders | 14 September 2021 |
| Quotation of Shares on ASX | 15 September 2021 |

Note: The dates shown in the table above are indicative only and may change without notice. The Exposure Period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offers without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants.

Chairman's Letter

16 August 2021

Dear Investor

On behalf of the Board, it gives me great pleasure to invite you to become a Shareholder of Dalaroo Metals Limited (ACN 648 476 699) (**Company**).

The Company has built a substantial portfolio comprising its Namban Ni-Cu-PGE and Lyons River Zn-Pb-Cu projects that cover an area of approximately 1,140 square kilometres in the Yilgarn and Gascoyne mineral regions of Western Australia, a tier 1 jurisdiction.

On completion of the Offers, our exploration activities will immediately focus on undertaking the following:

- At Namban, systematic auger geochemical sampling over some of the magnetic intrusion targets will commence. Airborne Electromagnetics will be flown followed by ground EM surveys. A combination of geochemical anomalism and EM data will define and prioritise early drill targets.
- At Lyons River Project, to test the significant Four Corners anomaly where recent diamond drilling returned primary zinc, lead copper sulphides, downhole IP and or EM surveys have been planned and leading contractors engaged. This will be followed by a targeted 3,000 metre reverse circulation program.

Our Namban Project is located in the mid-north part of the wheatbelt adjacent to the town of Moora, a regional centre, 150km from Perth, straddling the Midland road/rail network. Namban comprises a large but under explored ground package totalling 437km² and is deemed to be prospective for magmatic intrusion related Ni-Cu-PGE deposits. Project tenements cover a strike distance of 60 km, adjacent to the crustal scale Darling Fault, on the western margin of the Archaean Yilgarn Craton. Namban is 80km north of Chalice Mining's recent Julimar discovery. Interpretation of aeromagnetic data over the Namban Project area has defined magnetic intrusions/anomalies prospective for Ni-Cu-PGE mineralisation similar to Julimar.

The Lyons River Project is located approximately 1,100 kilometres to the north east of Perth and approximately 100 kilometres to the north east of the town of Gascoyne Junction in the Gascoyne region of Western Australia. The site is easily accessible via a combination of sealed bitumen and unsealed roads.

The Lyons River Project represents a first mover advantage for the discovery of significant SEDEX/BHT deposits in the underexplored Gascoyne Province. Exploration work undertaken at the Lyons River Project has identified base metals mineralisation associated with geochemical and geophysical anomalies that indicates the presence of a large system.

Four diamond holes completed in late 2020, which utilised a State government supported co-funded drilling program grant of \$125,000 tested the very significant 2.5 km strike length IP chargeability anomalies with coincident soil anomalism and historical 2008 RC drill results. Drilling has delineated a signature SEDEX/BHT lithological package with significant intervals of pyrite and pyrrhotite. Coeval galena, and chalcopyrite and sphalerite has also been observed. Early uXRF spectral analysis has returned encouraging grades of Zn (3.72 %), Pb (3.58%) and Cu (0.2%). Laboratory assays results are awaited for the four diamond holes.

This Prospectus is seeking to raise \$5,000,000 by the issue of 25,000,000 Shares at an issue price of \$0.20 per Share and the primary purpose of the Offer is to provide funds to implement the Company's exploration and development strategy at its 2 high quality project areas.

Investors should note that the Company is in the early stages of its growth. Accordingly, any investment made in the Company should be considered highly speculative. Information about certain risks associated with an investment in the Company is set out in section 5, which I encourage you to read carefully. These risks include being an early stage business, exploration risks, COVID-19 and changes in commodity prices.

To implement its strategy, the Company has a management team with a proven track record of both exploration success and of bringing a diverse range of mineral projects into production on time and on budget.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David', with a stylized flourish extending to the right.

David Quinlivan
Chairman

1 Investment Overview

This section 1 is not intended to provide full information for investors intending to apply for Securities offered under this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

| Topic | Summary | More Info |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Company Introduction | | |
| Who is the issuer of this Prospectus? | Dalaroo Metals Ltd (ACN 648 476 699) (Dalaroo or the Company). | Section 3 |
| Who is the Company and what does it do? | <p>The Company is an Australian public company incorporated on 5 March 2021 for the purpose of pursuing exploration and development opportunities within the resources sector.</p> <p>Since incorporation, the Company has entered into 3 separate tenement sale agreements (Acquisition Agreements) with:</p> <ul style="list-style-type: none">• Shenton Resources Limited (ACN 152 726 595) (Shenton);• Serena Minerals Limited (ACN 158 164 204) (Serena); and• Slambam Enterprises Pty Ltd (ACN 131 914 399) (Slambam), <p>to acquire the Tenements situated within the Namban Project and the Lyons River Project (Projects).</p> | Section 3.1 |
| What is the Company's interest in the Projects? | <p>The Company has agreed to acquire 100% interests in the following Projects:</p> <ul style="list-style-type: none">• Namban Project (Ni-Cu-PGE) 437km² tenement package located 150km north of Perth, Western Australia, comprising 6 granted exploration licenses, E70/4694, E70/4928, E70/5494, E70/5502, E70/5702 and E70/5604.• Lyons River Project (Pb-Zn-Cu-Ag) 702km² tenement package located 200km east north east of Carnarvon, Western Australia, comprising of 7 granted exploration licenses, E09/1824, E09/1825, E09/2098, E09/2102, E09/2304, E09/2305 and E09/2312. | Section 3.1 |
| What is the Company's business model? | <p>Following admission to the Official List, the Company plans to systematically explore the Projects in line with its intended exploration program.</p> <p>A more detailed explanation of the Company's business model is provided in section 3.4.</p> | Section 3.4 |
| What are the key dependencies of the Company's business model? | <p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none">• maintaining title to the Tenements that comprise the Projects;• retaining and recruiting key personnel skilled in the mining and resource sector and in particular, mineral exploration; | Section 3.4.2 |

| Topic | Summary | More Info |
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| | <ul style="list-style-type: none"> the ability to access additional capital for the Company to carry out its exploration and development plans, prior to the Company being in a position to generate income; the market prices for nickel, copper, PGE's, lead, zinc and silver and other commodities remaining at levels sufficient to warrant the continued exploration and any future development of the Projects; and the ability to enter into additional Land Access Agreements with private landowners in relation to private land that overlaps some of the Company's Tenements. | |
| <p>What are the Company's business objectives and strategy?</p> | <p>Following admission to the Official List, the Company plans to undertake systematic exploration activities on the Projects for, subject to exploration results, the discovery and delineation of an economic mineral resource.</p> <p>The Company may also seek to acquire or earn into new projects within the resources sector in the future which it considers have the potential to create value for Shareholders.</p> <p>Further details of the Company's intended exploration program can be found in section 3.4.3.</p> | <p>Sections 3.4 and 3.4.3</p> |
| <p>How does the Company generate revenue?</p> | <p>The Company is an exploration company and as at the Prospectus Date has no operating revenue and is unlikely to generate operating revenue in the near future.</p> | <p>Section 3.4</p> |
| <p>What are the key advantages of an investment in the Company?</p> | <p>The Directors consider that an investment in the Company provides the following non-exhaustive list of potential benefits:</p> <ul style="list-style-type: none"> High quality projects <p>The Projects contain a number of exploration targets prospective for nickel, copper, platinum-group elements, lead, zinc and silver in Western Australia.</p> <ul style="list-style-type: none"> Sufficient funding for exploration strategy <p>Upon completion of the Offers, the Company will have sufficient funding to commence its planned exploration programs as detailed in section 3.4.3.</p> <ul style="list-style-type: none"> Experienced Board and Management <p>The Board is highly experienced and credible in exploration and project development within the resources sector.</p> | <p>Section 3</p> |
| <p>What is the financial performance and position of the Company?</p> | <p>Having been incorporated on 5 March 2021, the Company has limited financial information on which to evaluate its business and prospects. Investors should refer to section 4 and the Independent Limited Assurance Report at Attachment 3 for details on the Company's financial performance and position, including:</p> <ul style="list-style-type: none"> the historical statement of financial position as at 31 May 2021; the historical statement of profit or loss and the statement of cashflows for the period to 31 May 2021; and | <p>Section 4</p> |

| Topic | Summary | More Info |
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| | <ul style="list-style-type: none"> the pro-forma historical statement of financial position as at 31 May 2021 and associated details of the pro-forma adjustments. | |

Key Risks

Investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in section 5, and other general risks applicable to all investments in listed shares, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This section summarises only some of the risks which apply to an investment in the Company and investors should refer to section 5 for further information.

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| Limited operating history | The Company has limited operational history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses. | Section 5.2.1 |
| Exploration | The Tenements comprising the Projects are at exploration stage and investors should understand that mineral exploration and development are high risk undertakings. There can be no assurance that future exploration of the Projects or any other tenements that may be acquired by the Company in the future will result in the discovery of an economic mineral resource. | Section 5.2.2 |
| Future capital requirements | The Company is an exploration company and does not generate operating revenue and is unlikely to generate operating revenue unless and until the Projects are successfully developed and exploited. The Company believes that the proceeds raised under the Offers will be sufficient to fund its exploration program, achieve its business objectives and provide sufficient working capital as stated in this Prospectus. The Company may require further financing in the future. Any additional equity financing will dilute shareholdings and may be completed at lower prices than the market price of the Shares. Debt financing, if available may involve restrictions on financing and operating activities. There is no guarantee that the Company will be able to secure future funding. | Section 5.2.7 |
| Title and access | Pursuant to the Mining Act, an exploration licence cannot be transferred within the first 12 months of its grant unless approval from the Minister is obtained. The Company has entered binding Acquisition Agreements with respect to E70/5494, E70/5502, E70/5604 and E70/5702, however legal title to these tenements is unable to be transferred to the Company until the expiry of 12 months from the date they were granted or unless approval from the Minister is obtained. The Company has been granted a licence by the registered holders of these Tenements to conduct exploration activities, however, will not be transferred legal title to these Tenements until the earlier of the expiry of 12 months from the date they were granted or until Ministerial approval is obtained. These tenements are therefore subject to the registered holders maintaining their good standing in accordance with the Acquisition Agreements, until they are validly transferred to the Company. | Section 5.2.9 |

| Topic | Summary | More Info |
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| | <p>The Company has agreed to acquire a 100% beneficial interest in E70/4694 and E70/4928, however, these Tenements are subject to Land Access Agreements with the owners of private agricultural land which these Tenements cover. The Company has been assigned full benefit under the Land Access Agreements which will remain in force until the expiry of these Tenements, although the Company must pay compensation to the owners of the land for any exploration activities undertaken on it. Further details of the Land Access Agreements are provided in section 7.4.</p> | |
| Native title and Aboriginal heritage | <p>In relation to the Tenements or any tenements that the Company may in the future acquire an interest in, there may be areas over which legitimate common law native title rights may exist. If such native title rights do exist, the ability of the Company to gain access to such tenements (through obtaining consent of any relevant native title holders) or to progress from the exploration phase to the development and mining phase of operations may be adversely affected.</p> | Section 5.2.16 |
| Tenure risks | <p>The Company's Tenements are subject to the applicable mining acts and regulations in Western Australia, pursuant to which mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. There is no guarantee that current or future tenements or future applications for mining leases will be approved. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. Both E09/1824 and E09/1825 expire on 9/01/2022 and E70/4928 expires on 5/07/2022, unless the Company applies for and is granted a renewal for these Tenements under the Mining Act. There can be no guarantee that a renewal will be approved. If the Company is unable to secure a renewal for these Tenements this may impact the Company's exploration plans for the Projects and may adversely impact the Company and/or the value of its Shares.</p> | Section 5.2.15 |
| Exploration costs | <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p> | Section 5.2.3 |
| Unforeseen expenses | <p>The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.</p> | Section 5.2.26 |
| Other risks | <p>For additional specific risks please refer to section 5.2. For general risks please refer to section 5.3.</p> | Sections 5.2 and 5.3 |

| Topic | Summary | More Info |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Key People and Interests | | |
| Who are the Company's Directors and key management personnel? | <p>The current Directors include:</p> <ul style="list-style-type: none"> • Mr David Quinlivan – Non-Executive Chairman • Mr Harjinder Kehal – Managing Director; and • Mr Robert Beeck – Non-Executive Director. <p>Mr David Peterson is the Company Secretary.</p> <p>Profiles of each of the Directors and Company Secretary are provided in sections 6.2 and 6.3.</p> | Section 6 |
| What benefits are being paid to the Directors? | <ul style="list-style-type: none"> • Mr David Quinlivan was appointment as Non-Executive Chairman on incorporation of the Company. The Company will pay Mr Quinlivan an annual salary of \$65,000 plus statutory superannuation, commencing on the date the Company is admitted to the Official List. • Mr Harjinder Kehal was appointed as Managing Director on incorporation of the Company. The Company will pay Mr Kehal an annual salary of \$250,000 plus statutory superannuation, commencing on the date the Company is admitted to the Official List. • Mr Robert Beeck was appointed as Non-Executive Director on incorporation of the Company. The Company will pay Mr Beeck an annual salary of \$45,000 plus statutory superannuation, commencing on the date the Company is admitted to the Official List. | Section 6.5.2 |
| What are the significant interests of the Directors? | <p>As at the Prospectus Date, the Directors and their associated entities have the following indirect interest in Securities of the Company:</p> <ul style="list-style-type: none"> • Mr Quinlivan has an indirect interest in the Company through his shareholding of 6,086,663 shares in Serena and 12,500 shares in Shenton, amounting to a 9.26% interest in Serena and 0.01% interest in Shenton; • Mr Kehal has an indirect interest in the Company through his shareholding of 6,279,593 shares in Serena and 1,625,000 shares in Shenton, amounting to a 9.56% interest in Serena and 11.9% interest in Shenton; and • Mr Beeck has an indirect interest in the Company through his shareholding of 1,663,462 shares in Serena and 2,143,750 shares and 2,468,750 options in Shenton, amounting to a 2.49% interest in Serena and 15.7% (undiluted) interest in Shenton. | Section 6.4 |
| What contracts with related parties is the Company a party to? | <p>The Company has entered into Acquisition Agreements with each of Shenton and Serena, who are related parties as they each have a voting power in the Company over 20%.</p> <p>The Company has entered into Appointment Letters with each of its Non-Executive Directors and an Executive Services Agreement with its Managing Director. Further details are provided in sections 7.6.1 and 7.6.2. The Company has also entered into Deeds of Indemnity, Insurance and Access with each of its Directors.</p> | Section 6.6 |

| Topic | Summary | More Info | | | | | | | | | | | | | | | | |
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| | The Company is also party to an office lease agreement with an entity controlled by its Non-Executive Chairman, Mr Quinlivan. | | | | | | | | | | | | | | | | | |
| Who are and will be the substantial shareholders of the Company? | <p>As at the Prospectus Date, the following persons (and their associates) hold an interest in 5% or more of the Shares on issue in the Company. On completion of the Offers, the following persons (and their associates), except Cityscape Asset Pty Ltd, will hold an interest in 5% or more of the Shares on issue in the Company.</p> <table border="1"> <thead> <tr> <th>Holder</th> <th>Shares</th> <th>Existing</th> <th>Completion</th> </tr> </thead> <tbody> <tr> <td>Shenton Resources Limited</td> <td>11,225,000</td> <td>38.71%</td> <td>20.8%</td> </tr> <tr> <td>Serena Minerals Limited</td> <td>11,500,000</td> <td>39.65%</td> <td>21.3%</td> </tr> <tr> <td>Cityscape Asset Pty Ltd¹</td> <td>2,000,000</td> <td>6.9%</td> <td>3.7%</td> </tr> </tbody> </table> <p>Notes:</p> <p>1 Mr Jason Peterson, Managing Director of the Lead Manager, has a relevant interest in the Shares held by Cityscape Asset Pty Ltd.</p> <p>2 Prior to the quotation of Shares on ASX, the Company will announce to ASX details of its top 20 Shareholders by number of Shares.</p> | Holder | Shares | Existing | Completion | Shenton Resources Limited | 11,225,000 | 38.71% | 20.8% | Serena Minerals Limited | 11,500,000 | 39.65% | 21.3% | Cityscape Asset Pty Ltd ¹ | 2,000,000 | 6.9% | 3.7% | Section 8.5 |
| Holder | Shares | Existing | Completion | | | | | | | | | | | | | | | |
| Shenton Resources Limited | 11,225,000 | 38.71% | 20.8% | | | | | | | | | | | | | | | |
| Serena Minerals Limited | 11,500,000 | 39.65% | 21.3% | | | | | | | | | | | | | | | |
| Cityscape Asset Pty Ltd ¹ | 2,000,000 | 6.9% | 3.7% | | | | | | | | | | | | | | | |
| What fees have been paid or are payable to the Lead Manager? | <p>Pursuant to the Lead Manager Mandate, key benefits paid or payable by the Company to CPS Capital Group Pty Ltd (ACN 088 055 636) (Lead Manager) include the following (plus GST):</p> <ul style="list-style-type: none"> The Company will pay to the Lead Manager a fee equal to 6% on the amount raised under the Public Offer, which comprises a 2% management fee and a 4% placement fee (i.e. \$300,000). The Lead Manager has managed the Pre-IPO Raising (being 4,000,000 Shares issued at \$0.10 each to raise \$400,000) and the Seed Raising (being 2,000,000 Shares issued at \$0.02 each to raise \$40,000) completed by the Company in May 2021. The Lead Manager received a 6% fee on the amount raised under the Pre-IPO Raising (i.e. \$24,000). The Company proposes to issue 5,000,000 New Options to the Lead Manager at an issue price of \$0.001 each, which have an exercise price of \$0.25 each and expire 3 years from the Company's admission to the Official List (see section 8.3 for the terms of New Options). This proposed issue of New Options is being undertaken via the Lead Manager Offer under this Prospectus. | Sections 2.8 and 7.1 | | | | | | | | | | | | | | | | |
| Key Offer Details | | | | | | | | | | | | | | | | | | |
| What is the Public Offer? | The Company is offering 25,000,000 Shares for subscription at an issue price of \$0.20 each to raise \$5,000,000 (before costs) (Public Offer). | Section 2.1 | | | | | | | | | | | | | | | | |
| What is the Lead Manager Offer? | This Prospectus also includes a separate offer of 5,000,000 New Options at a price of \$0.001 each, exercisable at \$0.25 each on or before the date that is 3 years following the date the Company is admitted to the Official List, and vesting on the date that is 2 years | Section 2.2 | | | | | | | | | | | | | | | | |

| Topic | Summary | More Info |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| | following the date the Company is admitted to the Official List, to the Lead Manager (or its nominees) (Lead Manager Offer). | |
| Is there a Minimum Subscription under the Public Offer? | The Public Offer is subject to a minimum of \$5,000,000 being raised. No oversubscriptions will be accepted by the Company. If the Minimum Subscription is not met, Shares under the Public Offer will not be issued. | Section 2.2 |
| Will the Public Offer be underwritten? | The Public Offer is not underwritten. | Section 2.6 |
| What are the purposes of the Public Offer? | The purpose of the Public Offer is to: <ul style="list-style-type: none"> raise \$5,000,000 (before costs); facilitate the application of the Company to the Official List; position the Company to seek to achieve its stated objectives, as detailed in section 3; and provide the Company with access to equity capital markets for any future funding requirements. | Section 2.4 |
| How will the proceeds of the Public Offer be used? | The proceeds of the Public Offer are intended to be used for: <ul style="list-style-type: none"> undertaking systematic exploration on the Company's Projects; general working capital purposes; and the expenses of the Offers. <p>The Directors are satisfied that on completion of the Offers, the Company will have sufficient working capital to seek to achieve its intended business objectives as specified in this Prospectus.</p> <p>Further details of the Company's intended use of funds can be found in section 2.6.</p> | Section 2.6 |
| Will the Shares issued under the Public Offer be quoted? | Application for quotation of the Shares issued under the Public Offer will be made to ASX within 7 days after the Prospectus Date. | Section 2.19 |
| Who is the Lead Manager to the Public Offer? | The Company has appointed CPS Capital as lead manager to the Public Offer. | Section 7.1 |
| What is the minimum investment size under the Public Offer? | Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares). | Section 2.6 |
| What are the conditions of the Offers? | The Offers are conditional upon the following events occurring: <ul style="list-style-type: none"> the Company raising the Minimum Subscription (no less than \$5,000,000) under the Public Offer; and | Section 2.3 |

| Topic | Summary | More Info | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------|------------|-----------------|------------|-------|-------------------------------|------------|-------|---------------------|-------------------|--------------|-------------------------|-----------|-------|------------------------------------------|-----------|------|----------------------|-------------------|--------------|------------------------------------|-------------------|-------------|-------------|
| | <ul style="list-style-type: none"> ASX granting conditional approval for the Company to be admitted to the Official List on conditions which the Directors are confident can be satisfied. | | | | | | | | | | | | | | | | | | | | | | | | | |
| What are the important dates of the Offers? | The important dates of the Offers are set out in the indicative timetable in the Key Offer Information section. | Page 5 | | | | | | | | | | | | | | | | | | | | | | | | |
| How do I apply for Shares under the Public Offer? | <p>Applications under the Public Offer can be made by completing the Application Form attached to this Prospectus in accordance with the instructions.</p> <p>Further details on how to apply for Shares under the Public Offer are provided in section 2.6.</p> | Section 2.6 | | | | | | | | | | | | | | | | | | | | | | | | |
| What rights and liabilities attach to the Shares being offered under the Public Offer? | A summary of the rights and liabilities attaching to the Shares being offered under the Public Offer is provided in section 8.1. | Section 8.1 | | | | | | | | | | | | | | | | | | | | | | | | |
| Are there any escrow arrangements? | <p>ASX will likely classify certain existing Securities, including the Shares and New Options issued to the Vendors and Shares issued to investors who participated in the Seed Raising and Pre-Seed Raising as being 'restricted securities' for the purposes of the Listing Rules. Restricted securities will be required to be held in escrow for up to 24 months and would not be able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior written approval of ASX.</p> <p>Shares issued under the Public Offer will not be classified as restricted securities.</p> <p>Following completion of the Offers, the Company will announce to ASX full details of any escrow arrangements prior to the quotation of Shares on ASX.</p> | Section 2.10 | | | | | | | | | | | | | | | | | | | | | | | | |
| What will the Company's capital structure look like after completion of the Offers? | <p>The capital structure of the Company upon completion of the Offers is summarised below.</p> <table border="1"> <thead> <tr> <th>Security</th> <th>Amount</th> <th>Proportion</th> </tr> </thead> <tbody> <tr> <td>Shares on issue</td> <td>29,000,000</td> <td>43.3%</td> </tr> <tr> <td>Shares under the Public Offer</td> <td>25,000,000</td> <td>37.3%</td> </tr> <tr> <td>Total Shares</td> <td>54,000,000</td> <td>80.6%</td> </tr> <tr> <td>Vendor Options on issue</td> <td>8,000,000</td> <td>11.9%</td> </tr> <tr> <td>New Options under the Lead Manager Offer</td> <td>5,000,000</td> <td>7.5%</td> </tr> <tr> <td>Total Options</td> <td>13,000,000</td> <td>19.4%</td> </tr> <tr> <td>Fully diluted share capital</td> <td>67,000,000</td> <td>100%</td> </tr> </tbody> </table> | Security | Amount | Proportion | Shares on issue | 29,000,000 | 43.3% | Shares under the Public Offer | 25,000,000 | 37.3% | Total Shares | 54,000,000 | 80.6% | Vendor Options on issue | 8,000,000 | 11.9% | New Options under the Lead Manager Offer | 5,000,000 | 7.5% | Total Options | 13,000,000 | 19.4% | Fully diluted share capital | 67,000,000 | 100% | Section 2.9 |
| Security | Amount | Proportion | | | | | | | | | | | | | | | | | | | | | | | | |
| Shares on issue | 29,000,000 | 43.3% | | | | | | | | | | | | | | | | | | | | | | | | |
| Shares under the Public Offer | 25,000,000 | 37.3% | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Shares | 54,000,000 | 80.6% | | | | | | | | | | | | | | | | | | | | | | | | |
| Vendor Options on issue | 8,000,000 | 11.9% | | | | | | | | | | | | | | | | | | | | | | | | |
| New Options under the Lead Manager Offer | 5,000,000 | 7.5% | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Options | 13,000,000 | 19.4% | | | | | | | | | | | | | | | | | | | | | | | | |
| Fully diluted share capital | 67,000,000 | 100% | | | | | | | | | | | | | | | | | | | | | | | | |
| What is the allocation policy? | The allocation of Shares under the Public Offer will be determined by the Directors in consultation with the Lead Manager, and the Directors reserve their right to reject any application under the Public | Section 2.13 | | | | | | | | | | | | | | | | | | | | | | | | |

| Topic | Summary | More Info |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| | <p>Offer or to issue fewer Shares than the number applied for. Some of the factors that may influence allocations include:</p> <ul style="list-style-type: none"> the number of Shares applied for; the Company's desire for an informed and active trading market following completion of the Offers; the Company's desire to establish a spread of investors, including institutional investors; the overall level of demand under the Public Offer; the size and type of funds under management of particular applicants; and the likelihood that particular applicants will be long-term and/or strategic Shareholders. | |

Key Contracts

| | | |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| What material contracts is the Company a party to? | <p>The Company is party to various key contracts, including:</p> <ul style="list-style-type: none"> the Lead Manager Mandate; the Shenton Acquisition Agreement; the Serena Acquisition Agreement; the Slambam Acquisition Agreement; the E70/4694 Land Access Agreements; the E70/4928 Land Access Agreements; the MGM Land Access Deed; the Heritage Agreements; the Executive Services Agreement; the Appointment Letters; and the deeds of access, indemnity and insurance. | Section 7 |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

Miscellaneous Details

| | | |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Have financial forecasts been included in this Prospectus? | <p>The Company is an exploration company and having considered <i>ASIC Regulatory Guide 170</i> the Directors do not believe there is a reasonable basis upon which any forecasts of future earnings could be made. Therefore, no forecasts are included in this Prospectus.</p> | Section 2.22 |
| What is the Company's dividend policy? | <p>The Company does not yet have a dividend policy. The Company's intention is to pay dividends to Shareholders out of profits. A dividend policy will be established if and when the Company is in a position to pay dividends which will be based on the profitability and the financial position of the Company at that point in time.</p> | Section 3.6 |
| What are the expenses of the Offers? | <p>The expenses of the Offers are estimated to be approximately \$540,700. The details of the expenses are set out in section 8.8.</p> | Section 8.8 |
| Who is eligible to participate in the Offers? | <p>The Public Offer is open to the general public in Australia. The distribution of this Prospectus in jurisdictions outside of Australia may</p> | Sections 2.1 and 2.2 |

| Topic | Summary | More Info |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| | <p>be restricted by law and persons who come into possession of this Prospectus should seek professional advice.</p> <p>Only the Lead Manager (or its nominees) may accept the Lead Manager Offer.</p> | |
| <p>When will I know if my application under the Public Offer was successful?</p> | <p>Holding statements confirming allocations under the Public Offer will be sent to successful applicants.</p> | <p>Section 2.18</p> |
| <p>What are the tax implications of investing in Shares under the Public Offer?</p> | <p>Shares may be subject to Australian tax on dividends that might be payable thereon and possibly capital gains on future disposal of Shares acquired under this Prospectus. The tax consequences of any investment in Shares will depend entirely upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares issued under this Prospectus.</p> | <p>Section 2.23</p> |
| <p>Is there any brokerage, commission or duty payable by applicants?</p> | <p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Public Offer.</p> | |
| <p>Where can I direct enquiries?</p> | <p>General queries about the Public Offer or completion of a Public Offer Application Form can be directed to the Share Registry on +61 8 9389 8033.</p> | <p>2.25</p> |

2 Offer Details

2.1 Public Offer

Under this Prospectus, the Company is offering 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000 (before costs) (**Public Offer**).

The Shares to be issued under the Public Offer are of the same class and will rank equally in all respects with existing Shares on issue.

The Public Offer is open to the public generally. Investors should ensure, however, that they have read this Prospectus in its entirety as it is an important document. Any investment in the Company should be considered highly speculative, so investors who do not understand this Prospectus should consult their stockbroker, lawyer, accountant or other professional adviser before deciding to apply for Shares. Further, any non-Australian resident investors should be particularly mindful of the statements and restrictions in section 2.14.

Please refer to section 2.12.2 for information on how to apply for Shares under the Public Offer.

2.2 Lead Manager Offer

The Company is also offering 5,000,000 New Options at an issue price of \$0.001 each to the Lead Manager (or its nominees) under this Prospectus (**Lead Manager Offer**).

The terms of the New Options are set out in section 8.3. Any Shares issued upon any exercise of the New Options will be of the same class and will rank equally in all respects with then existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in section 8.1.

The Company is issuing the New Options under this Prospectus so that they are issued with disclosure and therefore the New Options and any Shares issued upon their exercise will not be subject to the 12 month on-sale restrictions under section 707(3) of the Corporations Act (however, the New Options will likely be subject to ASX imposed escrow – see section 2.10 for further information).

The Company is not offering the Securities under the Lead Manager Offer for the purpose of the Lead Manager selling or transferring their Securities. However, the Company considers that such persons should be entitled, if they wish, to on-sell their Securities prior to the expiry of 12 months, subject to any escrow restrictions.

The Lead Manager Offer is only open to the Lead Manager (or its nominees). Please refer to section 2.12.2 for information on how to apply for New Options under the Lead Manager Offer.

2.3 Conditions

The Offers under this Prospectus are conditional upon the following events occurring:

- the Company raising the Minimum Subscription (see section 2.4 for further information); and
- ASX granting conditional approval for the Company to be admitted to the Official List on conditions which the Directors are confident can be satisfied.

Subject to any extension permitted by law, if the conditions are not satisfied and the Company is not admitted to the Official List within 3 months after the Prospectus Date, then the Company will not proceed with the Offers and will repay all Application Monies received without interest in accordance with the Corporations Act.

2.4 Minimum Subscription

The minimum subscription requirement for the Public Offer is \$5,000,000, representing the subscription of 25,000,000 Shares at an issue price of \$0.20 each (**Minimum Subscription**). No Shares will be issued until the Public Offer has reached the Minimum Subscription.

Subject to any extension permitted by law, if the Minimum Subscription has not been achieved within 4 months after the Prospectus Date, all Application Monies will be refunded without interest in accordance with the Corporations Act.

2.5 Purpose

The principle purposes of the Offers are to:

- assist the Company with meeting the admission requirements of Chapters 1 and 2 of the Listing Rules so that it can achieve a listing on the ASX;
- provide the Company with funding to, among other things, conduct exploration on the Projects (see section 2.6 for further details); and
- provide the Company with better access to equity capital markets and, therefore, more flexibility with respect to sourcing finance and growth opportunities.

2.6 Use of funds

The Company intends to apply its existing cash reserves and funds raised under the Public Offer as follows:

| Item | Amount | Proportion |
|-----------------------------------------------------|--------------------|-------------|
| Available funds | | |
| Existing cash reserves ¹ | \$413,600 | 7.6% |
| Funds raised under the Public Offer | \$5,000,000 | 92.4% |
| Total | \$5,413,600 | 100% |
| Use of funds | | |
| Exploration on the Lyons River Project ² | \$1,775,000 | 33.8% |
| Exploration on the Namban Project ² | \$1,425,000 | 26.3% |
| Expenses of the Offers ³ | \$540,700 | 10% |
| General working capital ⁴ | \$1,672,900 | 30.9% |
| Total | \$5,413,600 | 100% |

Notes:

- 1 Being the Company's cash reserves as at 31 May 2021.
- 2 See section 3.5 for further information on the Company's proposed exploration expenditure.
- 3 See section 8.8 for further information on the expenses of the Offers.
- 4 General working capital may include wages, accounts payable, director fees, contractor fees, rent and outgoings, insurance, accounting, audit, legal, listing and registry fees, and other items of a general administrative nature. These funds may also be used for corporate expenditure items or in connection with any project, investment or acquisition, as determined by the Board at the relevant time.

The above table is a statement of current intentions as at the Prospectus Date. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of exploration, development of new acquisition opportunities or market conditions. In light of this, the Company reserves the right to alter the way the funds are applied.

The Directors are satisfied that upon completion of the Offers, the Company will have sufficient working capital to carry out its objectives set out in this Prospectus.

It is anticipated that the funds raised under the Offers will provide sufficient funding for approximately 2 full years of operations. As the Company has no operating revenue, and it is unlikely to generate operating revenue in the near future, the Company may require additional funding, which would likely involve debt or equity financing (see section 5.2.7 for discussion on the risks associated with future capital requirements). The use of debt or equity financing will be considered by the Board where it is appropriate to fund additional exploration on its Projects or to capitalise on acquisition opportunities within the resources sector.

The Company proposes to actively pursue further acquisitions which complement its existing focus. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both.

2.7 Underwriting

The Offers are not underwritten.

2.8 Lead Manager fees

The Company has engaged CPS Capital Group Pty Ltd (**CPS Capital** or **Lead Manager**) as its lead manager to the Public Offer under the Lead Manager Mandate summarised in section 7.2.

Key benefits paid or payable to the Lead Manager (or its nominees) include the following (plus GST):

- The Company will pay to the Lead Manager a fee equal to 6% on the amount raised under the Public Offer, which comprises a 2% management fee and a 4% placement fee (i.e. \$300,000).
- The Lead Manager has managed the Pre-IPO Raising (being 4,000,000 Shares issued at \$0.10 each to raise \$400,000) and the Seed Raising (being 2,000,000 Shares issued at \$0.02 each to raise \$40,000) completed by the Company in May 2021. The Lead Manager received a 6% fee on the amount raised under the Pre-IPO Raising (i.e. \$24,000).
- The Company proposes to issue 5,000,000 New Options to the Lead Manager at an issue price of \$0.001 each, which have an exercise price of \$0.25 each and expire 3 years from the Company's admission to the Official List (see section 8.3 for the terms of New Options). This proposed issue of New Options is being undertaken via the Lead Manager Offer under this Prospectus.

As at the Prospectus Date, the Lead Manager does not have a relevant interest in any Shares. If the Lead Manager is issued 5,000,000 New Options under the Lead Manager Offer, and ultimately exercises all of them into Shares, then the Lead Manager would have a relevant interest in 5,000,000 Shares. This would represent a voting power of 8.5% based on the Company's proposed Share capital upon completion of the Offers.

2.9 Capital structure

The table below provides a summary of the proposed capital structure of the Company upon completion of the Offers.

| Security | Number | Proportion ¹ |
|--------------------------------------------------------------------|-------------------|-------------------------|
| Shares | | |
| Shares on issue at the Prospectus Date | 29,000,000 | 43.3% |
| Shares to be issued under the Public Offer | 25,000,000 | 37.3% |
| Total Shares | 54,000,000 | 80.6% |
| Options | | |
| Vendor Options on issue at the Prospectus Date ² | 8,000,000 | 11.9% |
| New Options to be issued under the Lead Manager Offer ³ | 5,000,000 | 7.5% |
| Total Options | 13,000,000 | 19.4% |
| Fully diluted share capital | 67,000,000 | 100% |

Notes:

- 1 Proportion against the proposed fully diluted share capital of the Company upon completion of the Offers.
- 2 See section 8.2 for the terms of Vendor Options.
- 3 See section 8.3 for the terms of New Options.

2.10 Escrow

Under the Listing Rules, ASX may determine that certain Securities issued to related parties, promoters, vendors and seed investors have escrow restrictions placed on them for up to 24 months from quotation of the Company's Shares on ASX. During an escrow period, the holder will be prohibited from selling or otherwise dealing in the relevant Securities (except in certain circumstances).

Subject to confirming ASX's position as part of its listing application, the Company anticipates that the following escrow will apply to its Securities upon completion of the Offers:

| Holder | Shares held | Shares escrowed | Proportion of total Shares | Options escrowed |
|-----------------------------|-------------------|-------------------|----------------------------|-------------------|
| Shenton Resources Limited | 11,225,000 | 11,225,000 | 20.8% | 4,000,000 |
| Serena Minerals Limited | 11,500,000 | 11,500,000 | 21.3% | 4,000,000 |
| Slambam Enterprises Pty Ltd | 275,000 | 275,000 | 0.5% | - |
| Pre-IPO Investors | 6,000,000 | 3,800,000 | 7% | - |
| CPS Capital Group Pty Ltd | - | - | - | 5,000,000 |
| Total | 29,000,000 | 26,800,000 | 49.6% | 13,000,000 |

The Company anticipates that Securities held by Shenton, Serena and CPS Capital will be subject to 24 months' escrow from quotation, and Securities held by Slambam and Pre-IPO Investors may be subject to 12 or 24 months' escrow.

Prior to being admitted to the Official List, the Company will announce full details (including the quantity and duration) of the Securities that will be subject to ASX imposed escrow restrictions.

2.11 Free float

The Company confirms its 'free float' at the time of admission to the Official List will not be less than 20%, in compliance with Listing Rule 1.1 (Condition 7). On an undiluted basis, assuming the Company raises the Minimum Subscription, the Company's free float will be approximately 50.4%, based on the number of Shares issued pursuant to the Public Offer.

2.12 Applications

2.12.1 Offer period

The Opening Date for the Offers will be 9:00am (AWST) on 24 August 2021 (unless varied). The Offers will remain open until the Closing Date, which is expected to be 5:00pm (AWST) on 6 September 2021 (unless varied).

2.12.2 Public Offer

Applicants who wish to apply for Shares under the Public Offer can either:

- apply online at www.advancedshare.com.au/IPO-Offers and pay by BPAY® in accordance with the relevant instructions; or
- complete and return the Public Offer Application Form with accompanying cheque or money order to the address below, in accordance with the relevant instructions.

Post delivery

Dalaroo Metals Ltd
c/- Advanced Share Registry
PO Box 1156
Nedlands WA 6909

Hand delivery

Dalaroo Metals Ltd
c/- Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Applications for Shares under the Public Offer must be for a minimum of 10,000 Shares (i.e. \$2,000) and thereafter in multiples of not less than 2,500 Shares (i.e. \$500). Payment for the Shares must be made in full at the issue price of \$0.20 per Share. No brokerage, stamp duty or other costs are payable by applicants.

2.12.3 Lead Manager Offer

Only the Lead Manager (or its nominees) can apply for New Options under the Lead Manager Offer. In order to do so, the applicant must complete and return the Public Offer Application Form with accompanying cheque or money order in accordance with the relevant instructions.

2.12.4 Applicant representations

The return of an Application Form or otherwise applying for Securities under an Offer will be taken by the Company to constitute a representation by the applicant that it (as applicable):

- has received a printed or electronic copy of this Prospectus and accompanying Application Form, and has read them in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;

- makes the representations and warranties in section 2.14 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Securities under the Offer;
- declares that all details and statements in its Application Form are complete and accurate;
- declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under its Application Form;
- acknowledges that once its Application Form is returned or payment is made its acceptance may not be withdrawn;
- upon payment of the relevant Application Monies, agrees to being issued the number of Securities it applies for (or such lesser number issued in accordance with this Prospectus or as determined by the Company (in its absolute discretion));
- authorises the Company to register it as the holder of the Securities issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Securities are suitable for it, given its investment objectives, financial situation or particular needs;
- acknowledges that, if the Application Form is not completed correctly or if payment is for the wrong amount, it may still be treated by the Company as valid (in its absolute discretion); and
- authorises the Company and its officers or agents to do anything on its behalf necessary for the Securities to be issued to it, including correcting any errors in its Application Form.

2.13 Allocation policy

The allocation of Shares among applicants under the Public Offer will be determined by the Company in consultation with the Lead Manager. The allocation policy will be influenced (but not limited) by the following factors:

- the number of Shares applied for;
- the Company's desire for an informed and active trading market following completion of the Offers;
- the Company's desire to establish a spread of investors, including institutional investors;
- the overall level of demand under the Public Offer;
- the size and type of funds under management of particular applicants;
- the likelihood that particular applicants will be long-term and/or strategic Shareholders; and
- other factors that the Company and the Lead Manager consider appropriate.

2.14 Foreign investor restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek professional advice. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register this Prospectus or otherwise to permit a public offering of Securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident

investors to obtain all necessary approvals for the issue to them of Securities offered pursuant to this Prospectus.

The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

The Offers do not and will not constitute an offer of Securities in the United States of America. Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. If the Company believes that any applicant is ordinarily resident in the United States, or is acting on behalf of a person or entity that is ordinarily a resident of the United States, the Company will reject that application.

2.15 Risk factors

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in section 5. The Securities offered under this Prospectus should be considered highly speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

2.16 Exposure Period

This Prospectus is subject to an Exposure Period of 7 days after the Prospectus Date. The Exposure Period may be extended by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

During the Exposure Period, this Prospectus can be viewed online on the Company's website at www.dalaroometals.com.au, and hard copies of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

2.17 Application Monies

All Application Monies will be held in trust in a separate subscription account on behalf of applicants until the Securities are issued pursuant to the Offers.

If the Minimum Subscription is not achieved within a period of 4 months after the Prospectus Date, all Application Monies will be refunded in full (without interest), and no Securities will be issued under the Offers. Any interest earned on Application Monies (including those which do not result in the issue of Securities) will be retained by the Company.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm (AWST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

2.18 Issue of Securities

The Company reserves the right to reject any application or to issue a lesser number of Shares than that applied for under the Public Offer. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the Company's Shares, the issue of Securities will occur as soon as practicable after the Closing Date. Holding statements will be sent to successful

applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statement will do so at their own risk.

2.19 ASX listing and quotation

The Company will apply to ASX no later than 7 days after the Prospectus Date for admission of the Company to the Official List and quotation of the Shares offered under this Prospectus (apart from Shares that may be designated by ASX as restricted securities). The Company does not intend to apply for quotation of any other Securities on the ASX.

Subject to any extension, if the Shares are not admitted to quotation within 3 months after the Prospectus Date, no Shares will be issued, and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant admission of the Company to the Official List and quotation of the Shares being offered is not to be taken in any way as an indication by ASX as to the merits of the Company or the Securities offered pursuant to this Prospectus.

2.20 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These 2 sub-registers will make up the Company's register of Shares.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for security holders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under this Prospectus and the Holder Identification Number (for security holders who elect to hold Shares on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

2.21 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company on +61 8 6380 9675.

2.22 Financial forecasts

After considering *ASIC Regulatory Guide 170*, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company on the basis that the operations of the Company are inherently uncertain. Accordingly, financial forecasts are not included in this Prospectus.

2.23 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. The Directors do not consider it appropriate to give applicants advice regarding the taxation consequences of subscribing for Securities.

To the maximum extent permitted by law, the Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to applicants. As a result, applicants should consult their professional tax adviser in connection with subscribing for Securities.

2.24 Withdrawal

The Company reserves the right to not proceed with the Offers at any time prior to the issue of Securities. If the Offers do not proceed, the Company will return all Application Monies as soon as practicable without interest.

2.25 Enquiries

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

General questions relating to the Public Offer or completion of a Public Offer Application Form can be directed to the Share Registry on +61 8 9389 8033.

3 Company and Project Overview

3.1 Background

3.1.1 Corporate

The Company was incorporated on 5 March 2021 as a public company limited by shares. The purpose of incorporating the Company was to pursue mineral exploration and development opportunities in Australia.

On 20 May 2021, the Company entered into the Acquisition Agreements with Shenton, Serena and Slambam (as applicable) to acquire the Namban Project and the Lyons River Project, which comprise various exploration licences located in Western Australia.

Currently and on completion of the Offers, the Company will comprise a single entity which does not have any subsidiaries.

3.1.2 Projects

The Namban Project and Lyons River Project occupy a large strategic land position totalling 1,140 km² with scale to host significant sized orebodies located in the Tier 1 jurisdiction of Western Australia (Figure 1).



Figure 1: Projects location map.

The Namban Project is an under explored ground package totalling 437 km² located in the mid-north wheatbelt and considered by the Company to be prospective for magmatic intrusion related Ni-Cu-PGE deposits akin to the recent Chalice Mining Julimar/Gonneville discovery. Interpretation of aeromagnetic data by the Company has defined several magnetic intrusions/anomalies on its tenements. A near surface potassium rich zone has already been outlined within the Namban Project in the Watheroo area with an Exploration Target of 20 to 25 Mt at a grade range of 6% to 8% K₂O.

The Lyons River Project is a strategic land position of 703 km² in an emerging SEDEX/BHT province. First pass RC drilling in 2008 returned results with sphalerite, galena, chalcopyrite and silver intersected comprising – 2.3% Pb, 0.3% Zn, 0.9% Cu and 4g/t Ag. Subsequent diamond drilling in December quarter 2020 has returned pXRF spectral results of 3.72% Zn, 3.58% Pb, and 2000ppm Cu. Laboratory assays results are due in September 2021.

The Company management expertise spans grassroots exploration, resource definition drilling, project development and operations. The ethos is to spend the majority of funds on exploration, generating high conviction targets and making discoveries. The Board is committed to drilling targets to yield potentially economic mineral discoveries from its exploration Projects:

- Namban (Ni-Cu-PGE-potash)
- Lyons River (Pb-Zn-Cu-Ag)

3.1.3 Acquisition Agreements

Although the Acquisition Agreements have completed, the Company is not yet the registered holder of the Tenements. However, the Company holds the signed transfer forms with respect to the Tenements. Before completion of the Offers, the Company will pay the applicable duty assessed by the Office of State Revenue on the Tenements. Subsequently, the Company will lodge with the Department the transfer forms for the Tenements granted more than 12 months ago. The effective transfer of the Tenements cannot occur until the Company pays the applicable duty.

The Company will have a licence to conduct activities on the Tenements granted less than 12 months ago in accordance with the Acquisition Agreements until they are transferred into the Company's name in due course (see section 7.3 for further information).

3.2 Namban Project

3.2.1 Overview

The Namban Project comprises an under explored ground package totalling 437km² located in the mid-north part of the wheatbelt region, deemed by the Company to be prospective for magmatic intrusion related Ni-Cu-PGE deposits.

The Company has agreed to acquire a 100% interest in the Namban Project, comprising 6 exploration licences extending from the townships of Moora in the south to Three Springs in the north (Figure 2). The project area is 150 km from Perth and 80km north of Chalice Mining Limited's Julimar project. Interpretation of aeromagnetic data over the Namban Project area by the Company has defined magnetic intrusions/anomalies prospective for Ni-Cu-PGE mineralisation.

Several land owner access agreements are in place over part of the Namban Project with most of the project area being covered by freehold land.

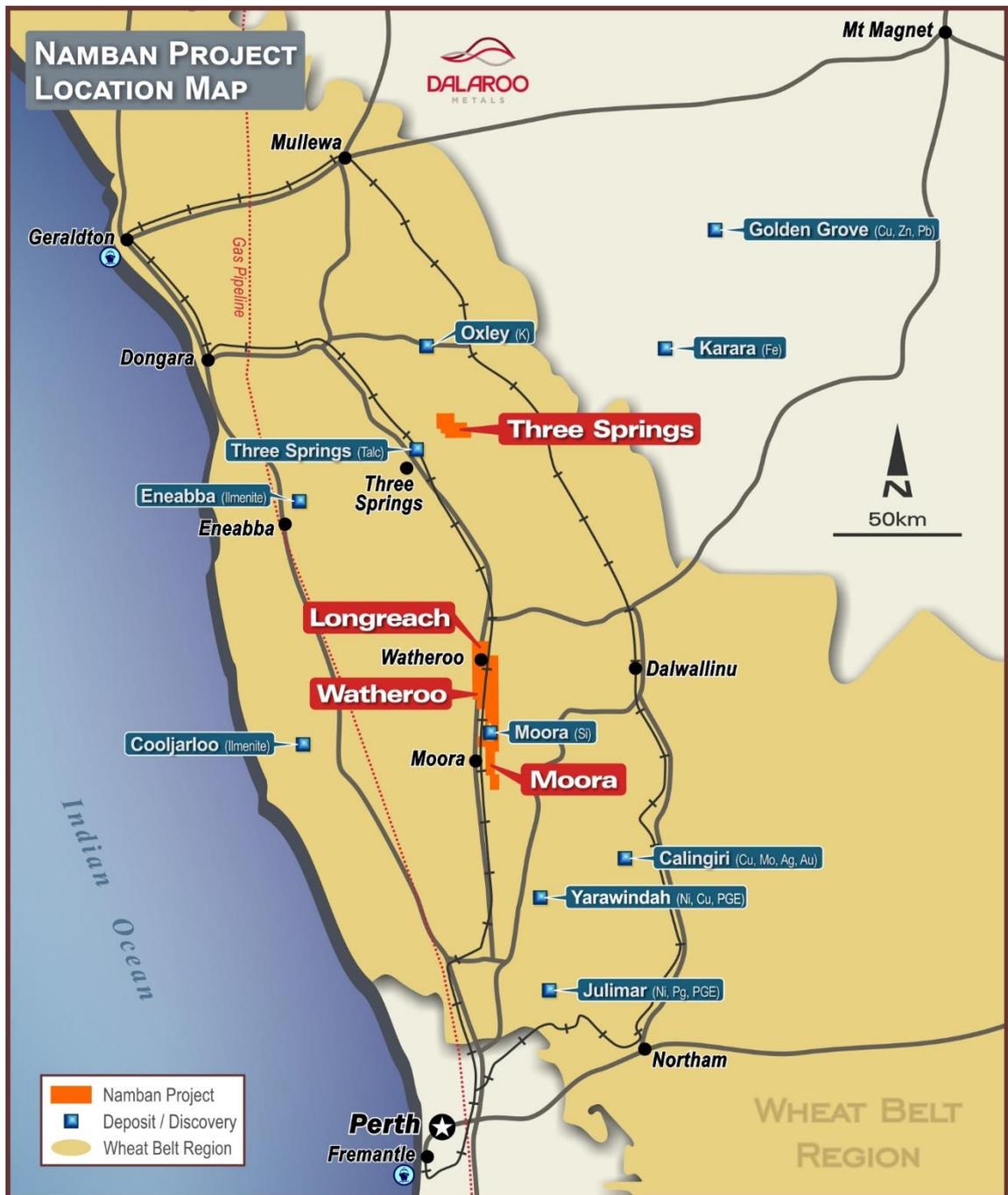


Figure 2: Namban Project tenements location map.

3.2.2 Namban – Moora area

The Namban – Moora tenements cover a strike distance of 60 km, adjacent to the crustal-scale Darling Fault, on the western margin of the Archaean Yilgarn Craton. A north-west trend of Ni-Cu-PGE anomalism from neighbours to the east Liontown Resources (LTR:ASX) and Lachlan StarJV (ASX:LSA) is inferred by the Company to extend onto the Moora area tenement E70/4928 (Figure 3).

Assessment of aeromagnetic TMI imagery has highlighted several distinct magnetic anomalies at Moora.

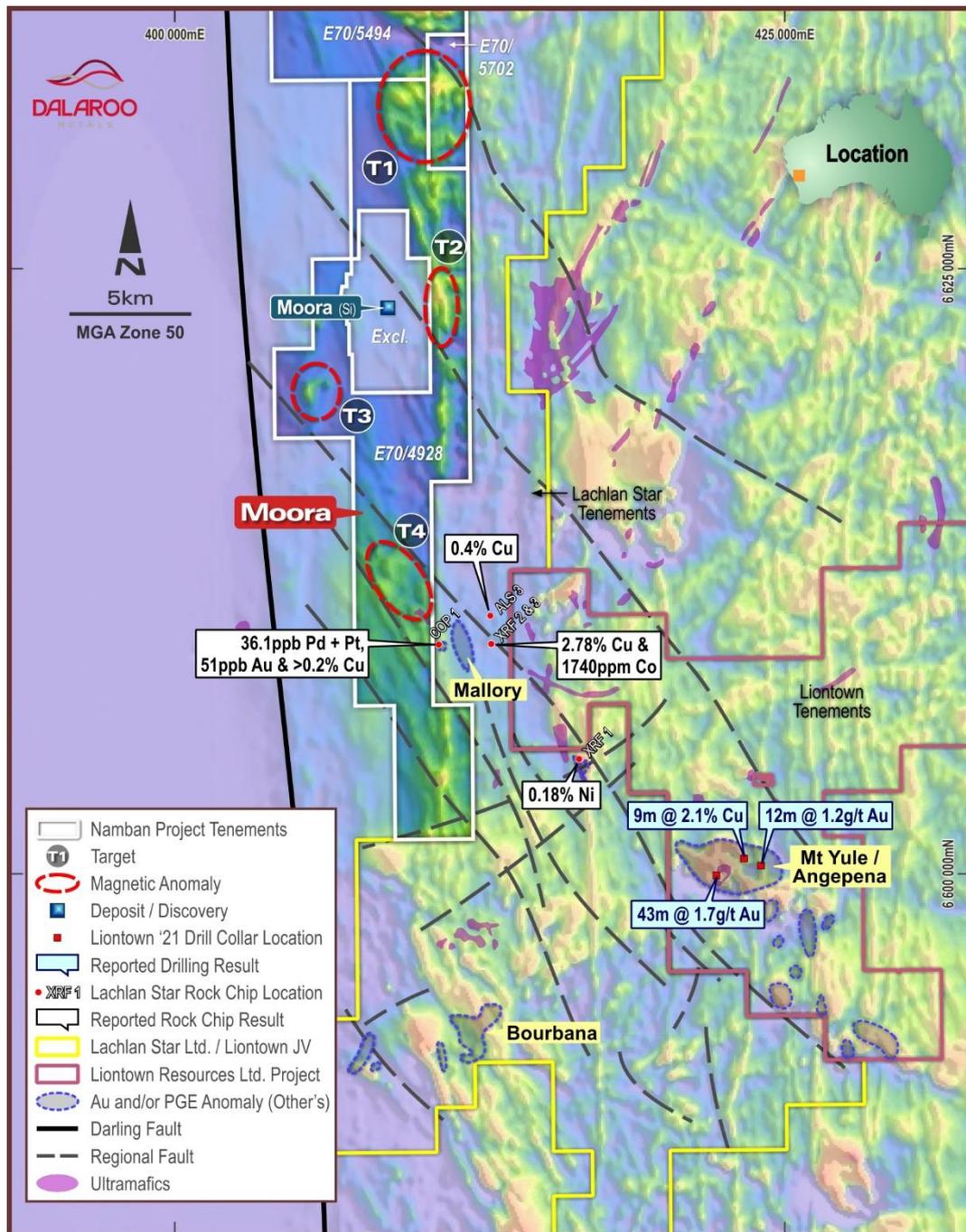


Figure 3: Magnetic imagery showing the Company's tenure adjoining tenement holder's prospects.

3.2.3 Namban – Watheroo Chonolith

The Company has identified a mafic intrusion (chonolith) covering an area of 5 km X 2 km, located at the Yilgarn Craton/crustal Darling Fault boundary. The chonolith is thought by the Company to be prospective for Ni-Cu; chonolith type deposits having been recognised since 2017. The magnetic source rocks are inferred to be close to the surface. 3D magnetic data modelling shows an overall structure which appears to be a synformal keel (Figure 4). First pass reconnaissance stream sediment sampling has returned Cu values of up to 80ppm.

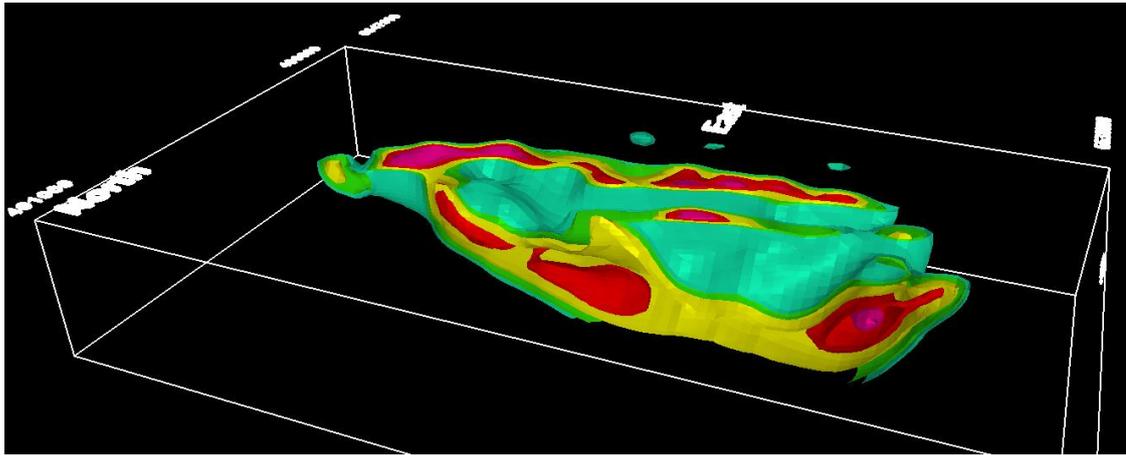


Figure 4: Watheroo Chonolith 3D inversion model.

3.2.4 Namban – Longreach

Longreach is a “bullseye” magnetic anomaly, covering an area of 1.2 km x 0.4km. The Company postulates that it is a mafic intrusion prospective for Ni-Cu deposits on the northern edge of Namban granite (Figure 5). The target is unexplored.

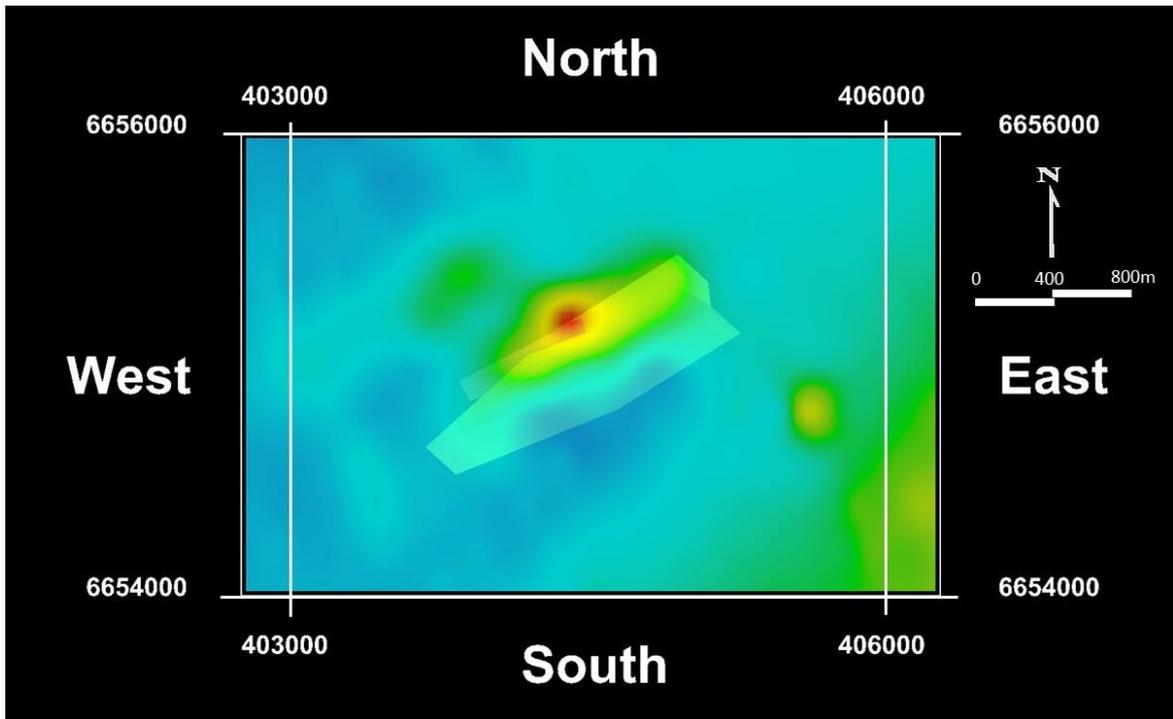


Figure 5: Namban – Longreach “bullseye” magnetic anomaly.

3.2.5 Namban – Three Springs

Three Springs comprises a granted exploration licence E70/5502, covering an area of 80 square kilometres, located approximately 250 kilometres north of Perth, within the northern Wheatbelt of Western Australia.

3.2.6 Watheroo Potash

The Namban Project contains an ultrapotassic rock succession, with potash sourced from potash feldspar ($KAlSi_3O_8$) rocks covering a strike length of 40 km over freehold agricultural land. The potash feldspar concentrations (8 to 12% K_2O) occur within regionally extensive, flat-lying volcanic

and sedimentary rock units. The ultrapotassic succession outcrops at the surface, in contrast to conventional (evaporite) potash resources that lie 500 to 2500+m depth in North America and Eastern Europe.

A near surface potassium rich zone has been outlined west of the Watheroo township over a 2km strike length by 2 drilling programs (63 vertical AC and RC holes), totalling 1,800m. The best drill intersection to date is 29m @ 8.74% K₂O (Figure 6). An Exploration Target of 20 to 25 Mt at a grade range of 6% to 7% K₂O has been outlined.

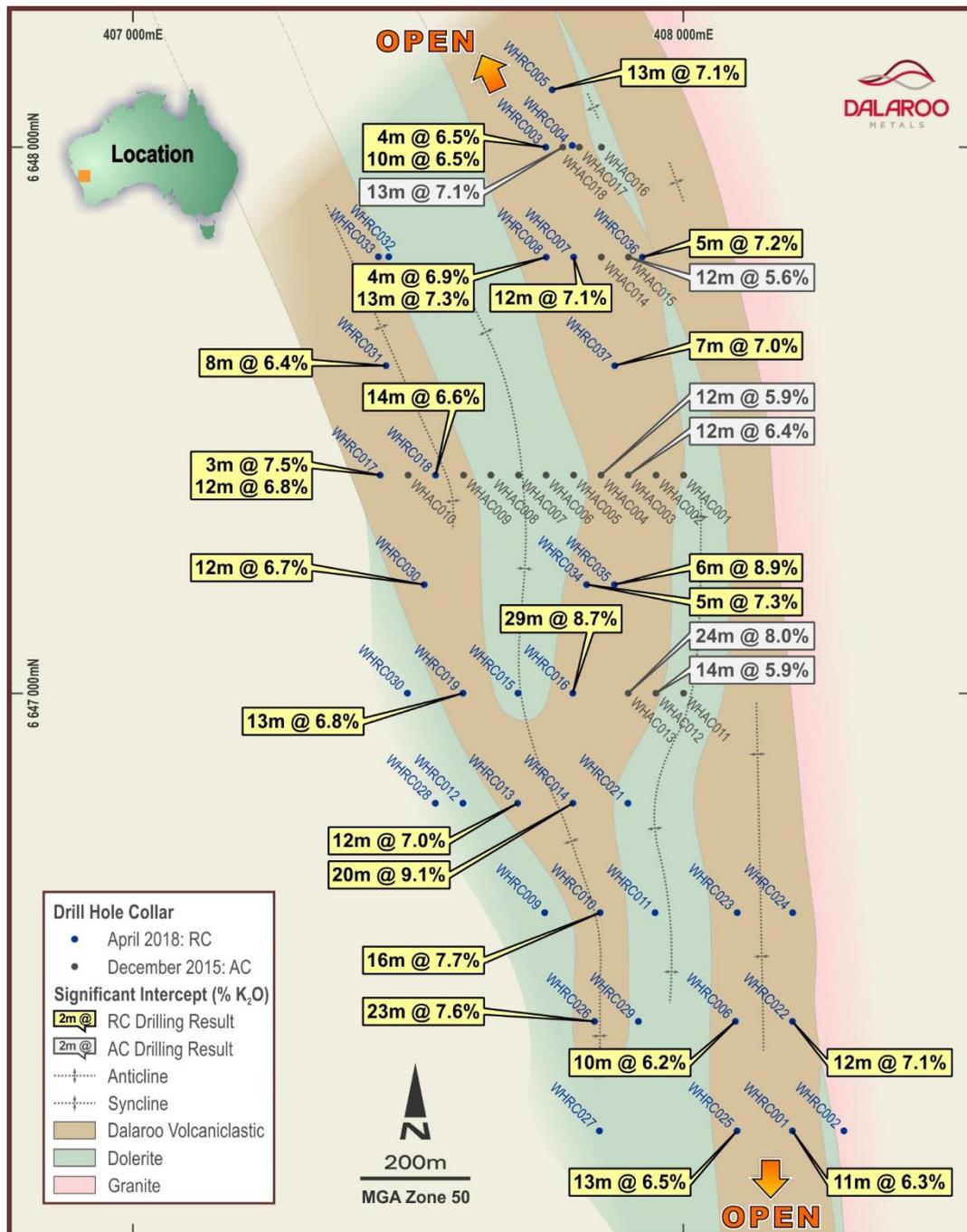


Figure 6: Watheroo drill defined 2km strike length potassium rich zone.

A proposal is to delineate a Mineral Resource to support a long-lived hard rock potash mining operation. Testwork conducted by the Company has indicated K₂O extraction rates of up to 87% before optimisation, from oxide and transition ores. The project area lies within 2km of major

road/rail corridor and regional power grid as well as the major population and service centre of Moora.

3.2.7 Tenure

Details of the tenements comprising the Namban Project are set out below.

| Tenement | Area (blocks) | Grant Date | Expiry Date |
|----------|---------------|------------|-------------|
| E70/4694 | 6 | 11/05/2015 | 10/05/2025 |
| E70/4928 | 41 | 6/07/2017 | 5/07/2022 |
| E70/5702 | 3 | 26/03/2021 | 25/03/2026 |
| E70/5494 | 52 | 22/01/2021 | 21/01/2026 |
| E70/5604 | 17 | 25/05/2021 | 24/05/2026 |
| E70/5502 | 28 | 01/12/2020 | 30/11/2025 |

Further information on the Namban Project can be found in the Independent Geologist Report at Attachment 1 to this Prospectus, and the Legal Tenement Report at Attachment 2.

3.3 Lyons River Project

Lyons River is located approximately 1,100km north of Perth and approximately 220 km to the north-east of the coastal town of Carnarvon, Western Australia (Figure 7).

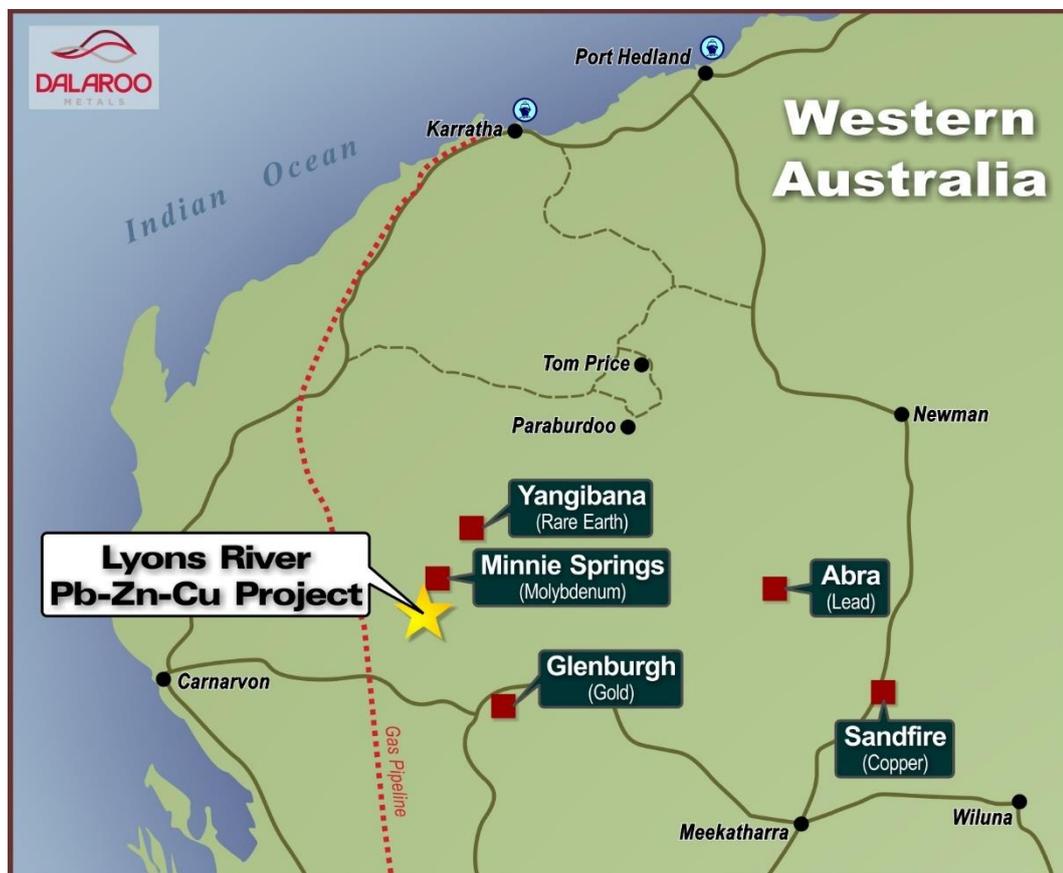


Figure 7: Lyons River Project location diagram.

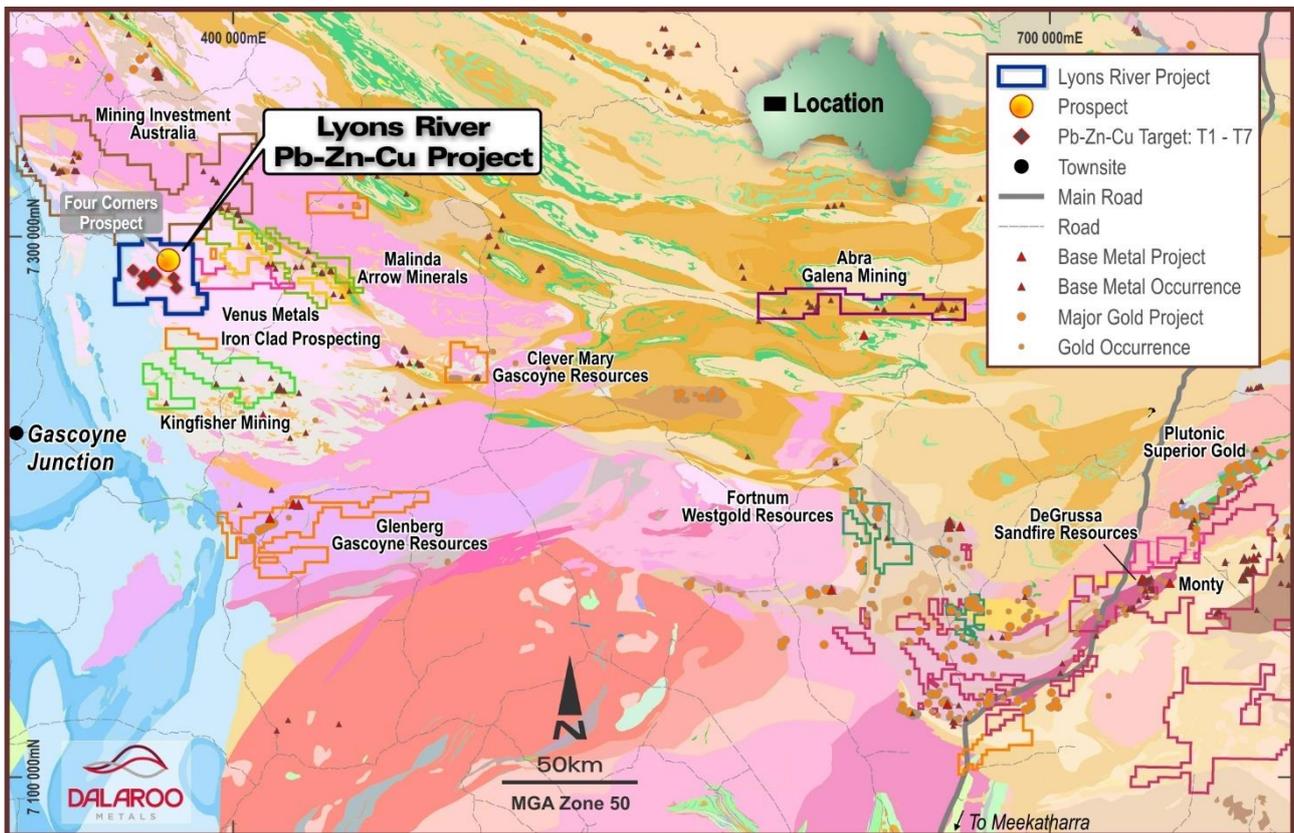


Figure 8: Location diagram showing geological setting.

3.3.1 Regional and local geology

The Lyons River Project lies within the Mutherbukin Zone of the Gascoyne Province, which is the deformed and high-grade metamorphic core zone of the early Proterozoic Capricorn Orogen. The Mutherbukin Zone is 50km wide and trends WNW-ESE, bounded to the north by the Ti Tree Shear Zone and to the south by the Chaliba Shear Zone (Figures 8 and 9). These south-dipping, crustal-scale structures delineate the margins of the Mutherbukin Zone and separate it from the older Limejuice Zone to the north and the Mooloo Zone to the south.

Detailed airborne magnetic survey, on 50m line-spacing, over the project area has enabled a geological interpretation which shows the structure of the project area to be dominated by a west northwest striking domal feature. Magnetics show the dome to be cut by several north-northeast trending faults and mafic dykes whilst the north western area (the region of possible intrusion and complex folding) is separated by northwest striking faults.

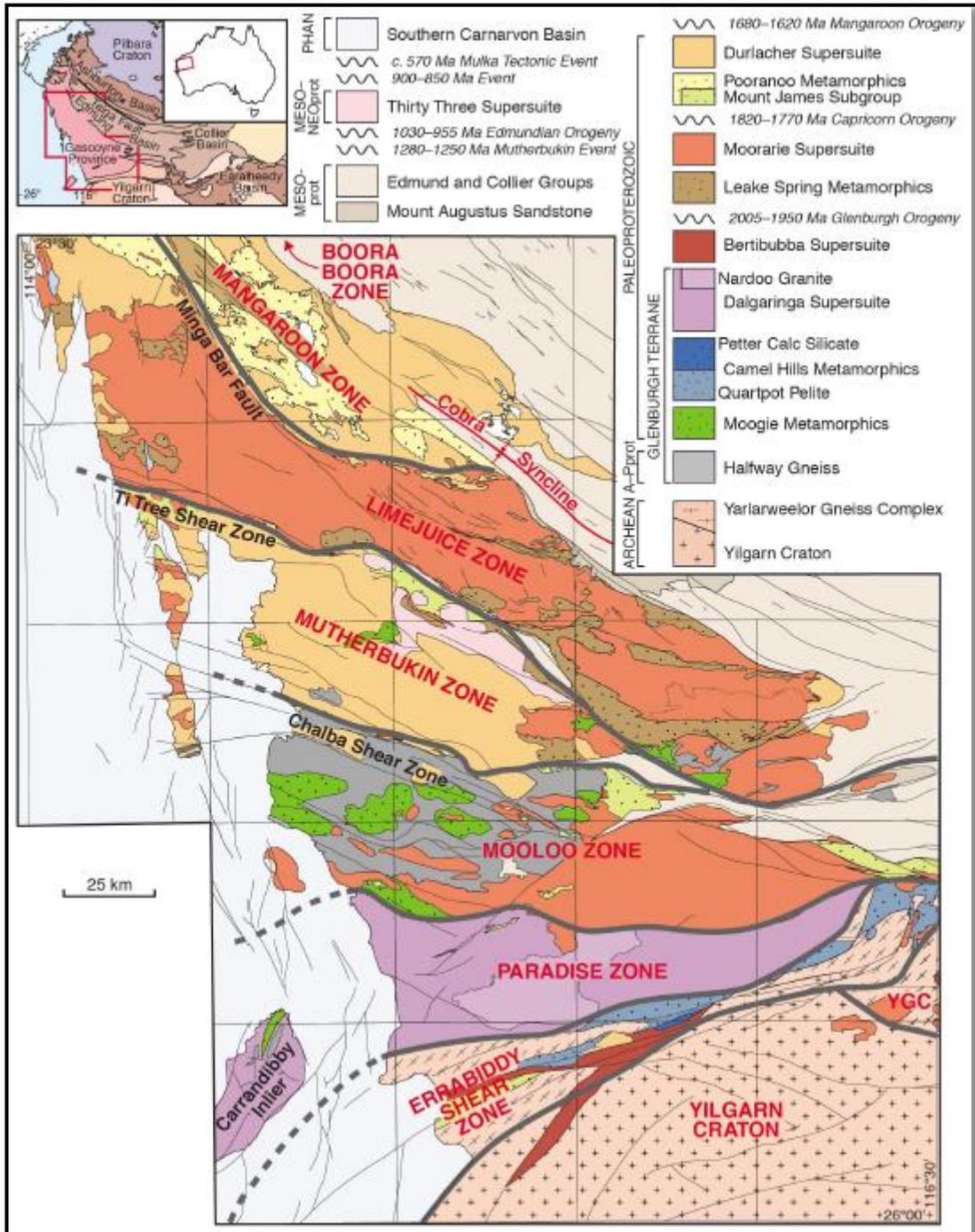


Figure 9: Geology Gascoyne Province structural and metamorphic zones after GSWA Record 146.

3.3.2 Exploration completed to date

GSWA's semi-regional stream sediment sampling in the late 1990s, with a sample density of 1 sample per 16km² within the Lyons River Project, highlighted a cluster of samples with elevated Ag and Pb coincident with gahnite. A 2003 gahnite study by BHP, following the analysis of heavy mineral samples collected during earlier diamond exploration, highlighted the BHT Pb-Zn-Ag potential. In particular, the prospectivity of the Proterozoic Morrissey Metamorphic Suite. The presence of gahnites is interpreted to be related to BHT base metal mineralisation.

BHP reconnaissance soil and rock chip sampling and geological traverses defined a 6 km long Pb-Zn-Cu soil anomaly coincident with gahnite-bearing and Pb-anomalous drainages. The soil

anomalies were coincident with weathered manganiferous and garnetiferous schists/gneisses with up to 990 ppm Pb, as well as gossanous float with up to 0.14% Zn.

Systematic auger geochemistry was completed in 2008, where previous BHP geochemistry had returned anomalous Pb and Zn values coincident with “thumbprint” magnetic anomalies with values of up to 566 ppm Zn and 1150 ppm Pb. Auger geochemical Pb Zn anomalies were RC drill tested at Area 1/Four Corners intersecting predominantly, high-grade metamorphics (quartz-biotite-garnet gneiss) probably derived from pelitic sediments. Base metal values were intersected in holes GRC004, 014 and 016 of up to 2.3% Pb, 0.6% Cu and 0.3% Zn. The drilling defined a mineralised trend striking NE-SW and parallel to the stratigraphy. The alteration and sulphide mineralisation outlined was postulated to be peripheral to a larger base metal deposition.

Three generations of IP surveys at Area 1 in 2008, 2012 and 2017, initially in the immediate vicinity of drill hole GRC004, have demonstrated that IP is likely to be an effective exploration technique. The IP surveys have been successful in delineating a major north-east trending polarisable zone and 2 polarisable zones outlined east of the central zone exhibit south-west to north-east trend. The largest of these is the north-east (NE) zone. Both the NE and SE zones extend beyond the limit of the IP surveys and remain open to the east (Figure 10). Soil geochemical sampling completed over Area 1/Four Corners reveal anomalous Pb Zn values, the patterns showing some correlation with the NE and SE IP zones. All three polarisable zones have been the focus of the recent diamond drill program.

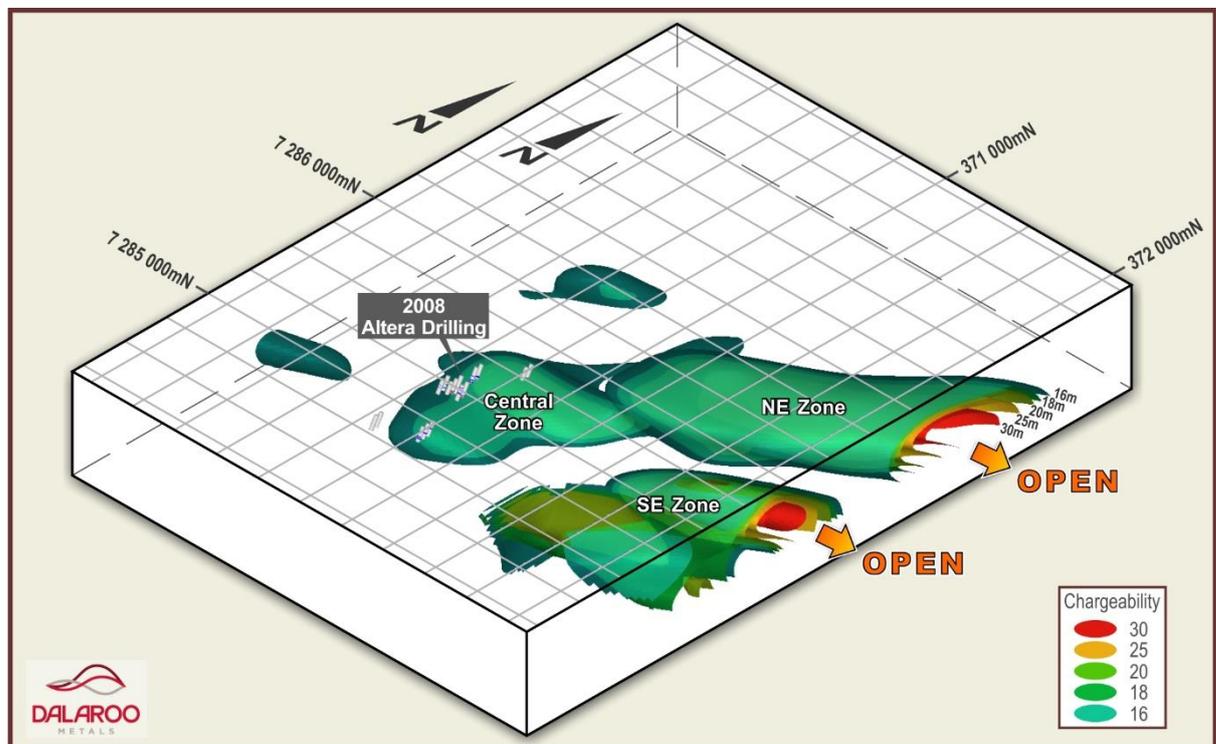


Figure 10: Four Corners – Isometric view down toward NW of 3D Induced Polarisation model (compiled from 2D inversions of 100m dipole-dipole traverses completed in 2012 and 2017) showing chargeable zones and 2008 drill holes.

3.3.3 Deposit model

Exploration programs undertaken by a number of companies in the Lyons River area over the previous 15 years have outlined substantial clusters of IP anomalies that are coincident with anomalous zinc and lead soil geochemistry over a strike of 2.5km. Combination of all previously completed exploration work has led to the development of a conceptual model that suggests the Lyons River Project is prospective for Broken Hill Type (BHT) deposits.

Geoscience Australia’s 2019 study, using surface wave tomography and a parameterisation for anelasticity at seismic frequencies shows 85% of the world’s sediment hosted base metal deposits

occur within 200km of the edges of thick lithosphere (Hoggard, M.J., Czarnota, K., Richards, F.D. *et al.* Global distribution of sediment-hosted metals controlled by craton edge stability. *Nat. Geosci.* 13, 504–510 (2020)). The Australian model shows striking correlation between major sediment hosted deposits and edge of thick lithosphere, defined by 170km LAB contour. Lyons River Project is located 156km from the 170km LAB contour (Figure 11).

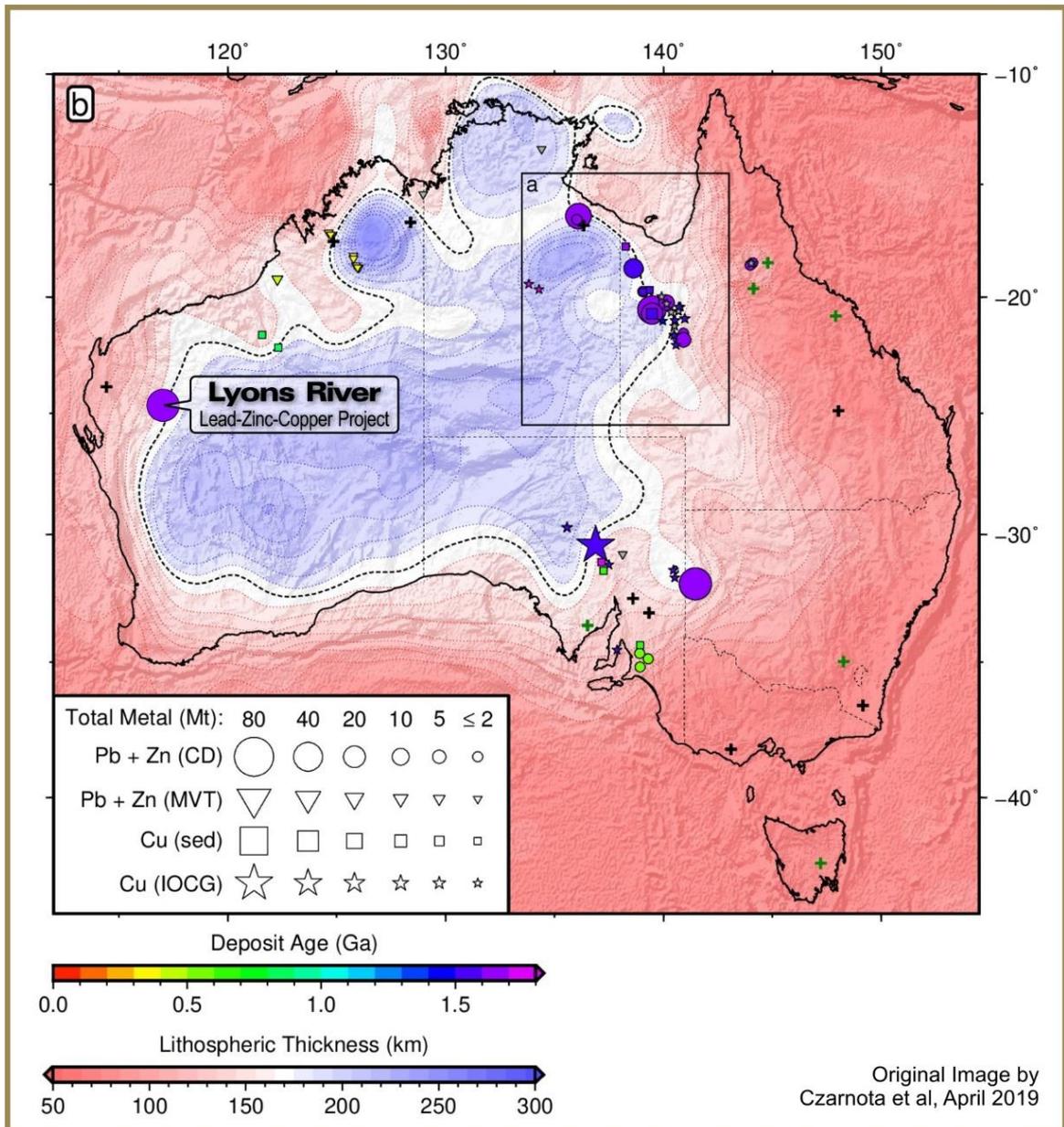


Figure 11: Distribution of SEDEX deposits, function of lithospheric thickness in Australia.

In addition, large systematic soil geochemical surveys conducted from 2017 at Lyons River Project over approximately 20km of stratigraphy have outlined another four geochemical targets (Figure 12).

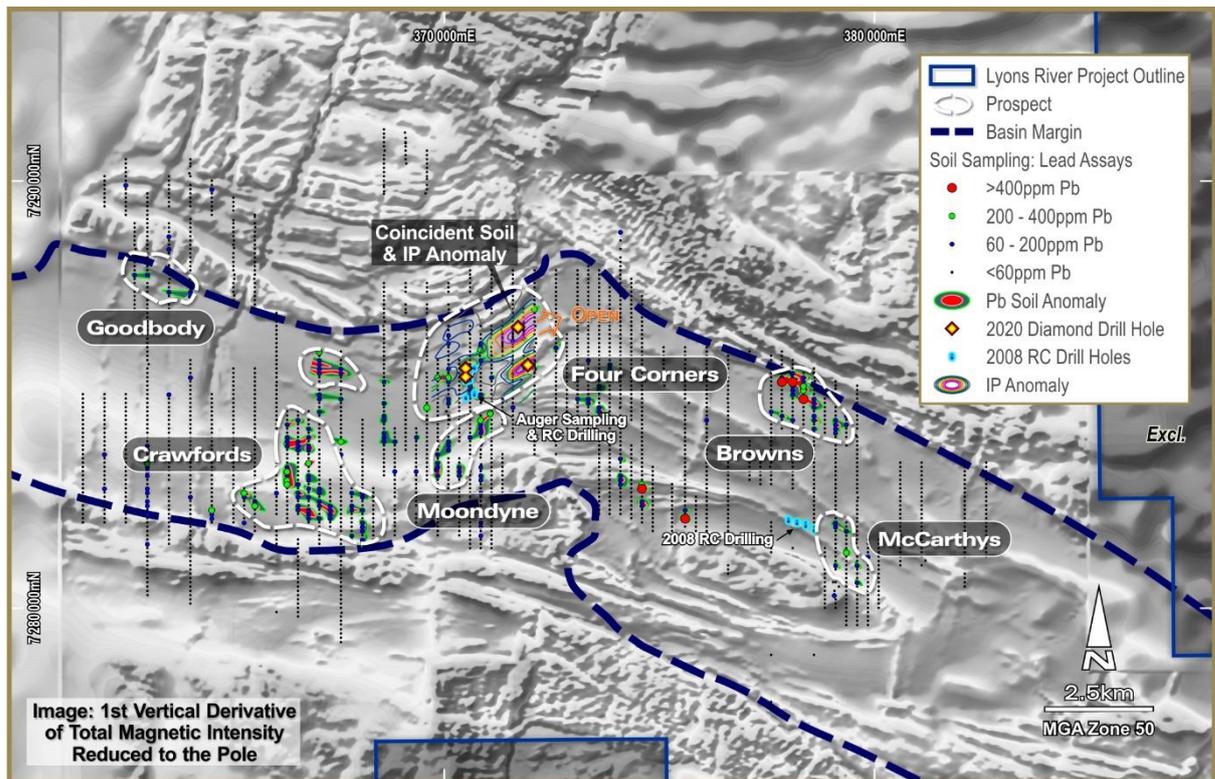


Figure 12: Lyons River Four Corner prospect and additional targets.

In December 2020, 1,364m of diamond core was drilled in four drill holes to test the very significant 2.5 km strike length IP chargeability anomalies with coincident soil anomalism and historical 2008 RC drill results (Figure 13).

Diamond drilling has delineated, a signature SEDEX/BHT lithological package with interpreted psammitic and pelitic rocks which have undergone high grade metamorphism and alteration and are comprised of biotite-quartz-anorthoclase-corderite-sillimanite. These metamorphosed rocks have subsequently been intruded by the Davey Well granite batholith and pegmatite dykes. Significant intervals of disseminated/blebby pyrite and pyrrhotite occur within the IP chargeability zones which was the focus of the recently completed diamond drilling program. Coeval galena, and chalcopyrite and sphalerite have been observed. pXRF spectral results of Pb 3.58% and Zn 3.72% have been recorded. Varying amounts of chalcopyrite have been observed in most of the holes.

The following work is earmarked to be completed on the Lyons River Project over the coming months comprising:

- 1 Petrographic studies are underway to confirm mineral assemblage and define SEDEX lithological package.
- 2 Quarter core drill samples have been sent for analysis
- 3 Consultant geophysicist has recommended that downhole IP surveys be undertaken in some of the holes, based on the large sulphide intervals being intersected. There is a case for DHEM due to the presence of significant pyrrhotite in drill hole LRDD004. Geophysical contractors are being investigated to undertake the downhole geophysical surveys.

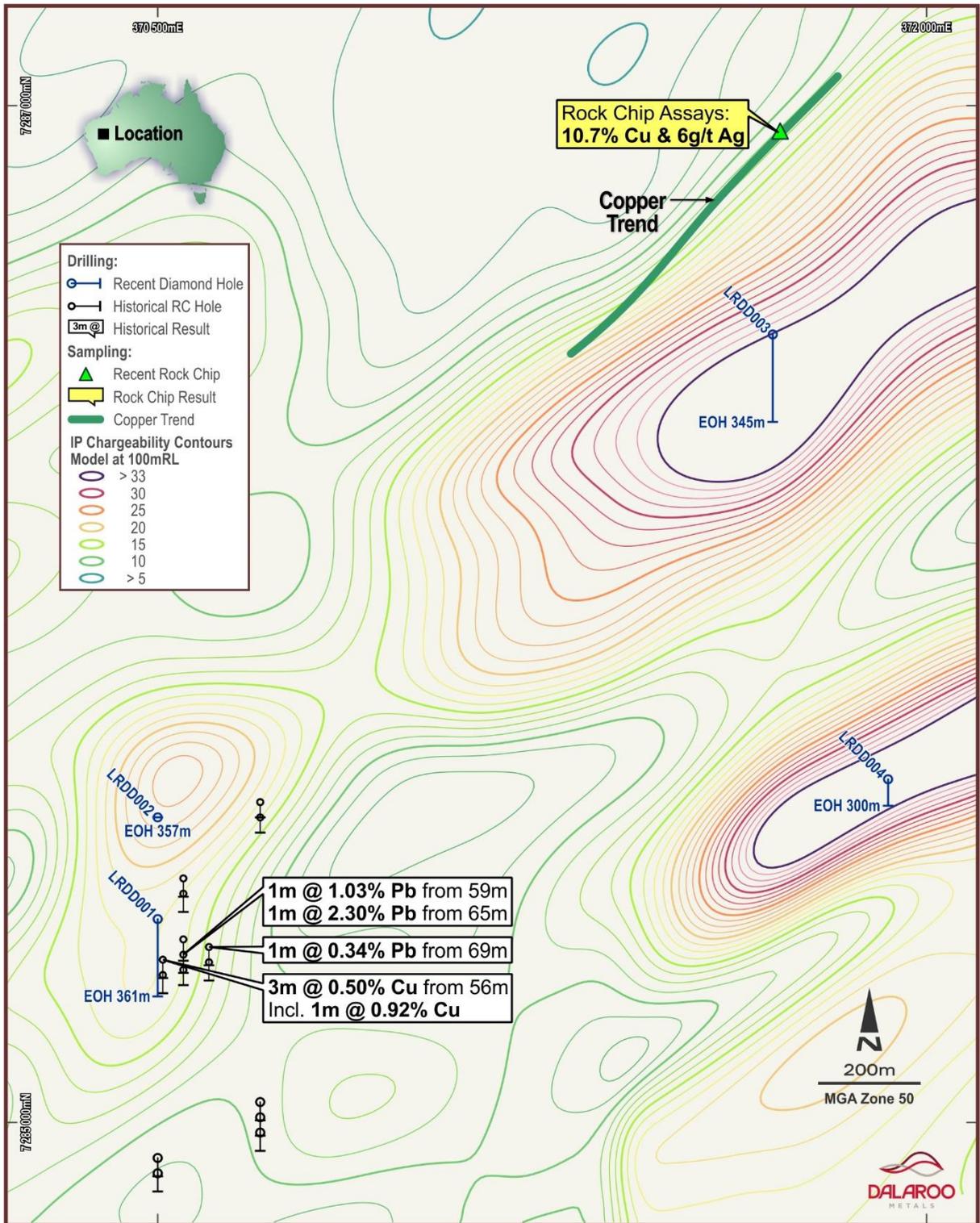


Figure 13: Drill hole location map with historical holes, recent rock chip sample results and diamond hole locations.

3.3.4 Tenure

Details of the tenements that comprise the Lyons River Project are set out below.

| Tenement | Area (blocks) | Grant Date | Expiry Date |
|----------|---------------|------------|-------------|
| E09/1824 | 7 | 10/01/2012 | 9/01/2022 |
| E09/1825 | 40 | 10/01/2012 | 9/01/2022 |
| E09/2098 | 4 | 4/03/2015 | 3/03/2025 |
| E09/2102 | 42 | 15/07/2015 | 14/07/2025 |
| E09/2304 | 42 | 17/04/2019 | 16/04/2024 |
| E09/2305 | 19 | 17/04/2019 | 16/04/2024 |
| E09/2312 | 68 | 17/04/2019 | 16/04/2024 |

Further information on the Lyons River Project can be found in the Independent Geologist Report at Attachment 1 to this Prospectus, and the Legal Tenement Report at Attachment 2.

3.4 Business model

3.4.1 Overview

Following admission to the Official List, the Company intends to systematically explore the Projects with the intention of discovering and proving an economic mineral resource. The primary objective is to discover and delineate an economic resource that has the potential to be developed into a mine, creating value for Shareholders. The success of exploration activities will be a key determining factor for the future allocation of funds towards the Projects.

In addition to commencing exploration on the Projects, the Company may actively evaluate additional projects for potential acquisition opportunities that the Directors believe have the potential to create value for Shareholders.

The Company will benefit from the experience and skill set of its Directors' who have a wealth of experience in the resources sector, in particular with the discovery, development and mining stages of resource operations as well as project acquisitions and joint venture operations.

3.4.2 Key dependencies

The Company considers that the key dependencies of its business model include:

- maintaining title to the Tenements that comprise the Projects;
- retaining and recruiting key personnel skilled in the exploration, mining and resource sector at a reasonable cost to the Company;
- the ability of the Company to access additional capital to carry out its exploration and development plans, prior to the Company being in a position to start generating an income;
- maintenance of sufficient worldwide demand and prices for nickel, cobalt and PGE's, lead, zinc and silver and other commodities remaining at levels sufficient to warrant the continued exploration and any future development of the Projects; and
- the ability of the Company to enter into additional Land Access Agreements with private landowners in relation to private land which is overlapped by the Tenements.

3.4.3 Growth strategy

The Company's growth strategy includes:

- focussing on the systematic mineral exploration, and any subsequent development, of the Projects, and
- pursuit of other strategic acquisitions and earn-in opportunities in the resources sector, including lead, zinc, copper, nickel, PGM and other minerals.

3.5 Exploration program and expenditure

Details of the Company's intended exploration programs over the 2 years following admission to the Official List are set out in the Independent Geologist Report. A summary of the Company's proposed expenditure for these programs is set out below.

| Activity | Lyons River Project | | Namban Project | |
|---------------------------------|---------------------|------------------|------------------|------------------|
| | Year 1 | Year 2 | Year 1 | Year 2 |
| Drilling | \$470,000 | \$480,000 | \$370,000 | \$380,000 |
| Geophysics | \$100,000 | \$50,000 | \$120,000 | \$50,000 |
| Soil geochemistry | \$105,000 | \$35,000 | \$100,000 | \$40,000 |
| Heritage and other surveys | \$40,000 | \$30,000 | \$20,000 | \$10,000 |
| Geological and field staff | \$145,000 | \$75,000 | \$80,000 | \$30,000 |
| Assays and consumables | \$120,000 | \$40,000 | \$110,000 | \$55,000 |
| Vehicles | \$10,000 | \$10,000 | \$10,000 | \$10,000 |
| Field accommodation and messing | \$45,000 | \$20,000 | \$20,000 | \$20,000 |
| Total | \$1,035,000 | \$740,000 | \$830,000 | \$595,000 |

The exploration and drilling programs and budgeted expenditure outlined in the Independent Geologist Report are subject to modification on an ongoing basis and are contingent on circumstances, results and other opportunities. Expenditure may be reallocated as a consequence of such changes or new opportunities arising and will always be prioritised in accordance with due regard to geological merit and other business decisions related to the Company's activities. Ongoing assessment of the Projects may lead to increased or decreased levels of expenditure reflecting a change of emphasis.

Please also refer to section 2.6 for further information regarding the Company's proposed expenditure.

3.6 Dividend policy

The Company does not yet have a dividend policy. The Company anticipates that significant expenditure will be incurred in the exploration and evaluation of the Projects. These activities are expected to dominate the 2 year period following the date of admission to the Official List. Accordingly, the Company has no immediate intention to declare or distribute dividends and does not expect to declare any dividends during that period. Payment of future dividends will depend upon the future profitability and financial position of the Company.

4 Financial Information

4.1 Introduction

This section 4 contains a summary of the following financial information in relation to the Company:

- the historical Statement of Financial Position at 31 May 2021;
- the historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cashflows for the period from incorporation of the Company, being 5 March 2021 to 31 May 2021,

(together, the **Historical Financial Information**); and

- the pro-forma historical Statement of Financial Position of the Company at 31 May 2021 and associated details of the pro-forma adjustments (the **Pro Forma Statement of Financial Position**);

(collectively referred to as the **Financial Information**).

The Financial Information should be read in conjunction with the other information contained in the Prospectus, including:

- the risk factors described in section 5;
- the description of the use of proceeds of the Offer described in section 2.6; and
- the Independent Limited Assurance Report set out in Attachment 3.

Please note that past performance is not an indication of future performance of the Company.

4.2 Basis of Preparation and Presentation of the Financial Information

The Historical Financial information of the Company has been extracted from its financial statements, which were audited by Crowe Perth in accordance with Australian Auditing Standards. Crowe Perth issued an unmodified audit opinion on the financial statements with the inclusion of a separate section under the heading “material uncertainty regarding going concern”. The Pro Forma Statement of Financial Position has been derived from the historical Statement of Financial Position of the Company and includes pro forma adjustments for certain subsequent events and transactions associated with the Offer, as if those events and transactions had occurred at 31 May 2021.

The Financial Information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and the significant accounting policies adopted by the Company, as detailed in this Appendix.

The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements, comparative information and notes required in an annual financial report prepared in accordance with Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Directors are responsible for the preparation and presentation of the Financial Information contained in the Prospectus. Crowe Australasia has prepared an Independent Limited Assurance Report in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the work conducted, is included in this Prospectus at Attachment 3.

4.3 Historical Financial Information

| Audited Statement of Financial Position | | 31 May 2021 |
|------------------------------------------------|--|--------------------|
| | | \$ |
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | | 413,600 |
| Trade and other receivables | | 2,400 |
| Total Current Assets | | 416,000 |
| Non-Current Assets | | |
| Exploration and Evaluation Assets | | 960,635 |
| Total Non-Current Assets | | 960,635 |
| Total Assets | | 1,376,635 |
| Liabilities | | |
| Current Liabilities | | |
| Trade and other payables | | 30,635 |
| Borrowings | | 2,069 |
| Total Current Liabilities | | 32,704 |
| Total Liabilities | | 32,704 |
| Net Assets | | 1,343,931 |
| Equity | | |
| Issued Capital | | 1,346,002 |
| Accumulated Losses | | (2,071) |
| Total Equity | | 1,343,931 |

| Audited Statement of Profit or Loss and Other Comprehensive Income | 5 March 2021 to 31 May 2021 \$ |
|---------------------------------------------------------------------------|-----------------------------------------------|
| Other Expenses | (2,071) |
| Loss Before Income Tax | (2,071) |
| Income tax expense (benefit) | - |
| Loss for the Period | (2,071) |
| Other Comprehensive Income | - |
| Total Comprehensive Loss for the Period | (2,071) |

| Audited Statement of Cashflows | 5 March 2021 to 31 May 2021 \$ |
|---------------------------------------------------------------|-----------------------------------------------|
| Cashflows from Operating Activities | |
| Payments to suppliers and employees | (2,400) |
| Cashflows (used in) / provided by Operating Activities | (2,400) |
| Cashflows from Financing Activities | |
| Proceeds from share issues | 440,000 |
| Costs of share issues | (24,000) |
| Cashflows (used in) / provided by Financing Activities | 416,000 |
| Net increase (decrease) in cash during the period | 413,600 |
| Cash at the beginning of the period | - |
| Cash at the end of the period | 413,600 |

4.4 Historical and Pro Forma Statement of Financial Position

The table below sets out the historical Statement of Financial Position of the Company as at 31 May 2021 and the Pro Forma Statement of Financial Position as at 31 May 2021 assuming the Company receives the Minimum Subscription under the Public Offer.

The Pro Forma Statement of Financial Position has been prepared for illustrative purposes and is presented on a proforma basis only, and as a result it is likely that this information will differ from the actual financial information for the Company as at completion of the ASX listing.

| | Notes to Pro Forma | Audited 31 May 2021 \$ | Pro Forma Adjustments \$ | Pro Forma 31 May 2021 \$ |
|-----------------------------------|-----------------------|------------------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | (a) | 413,600 | 4,462,231 | 4,875,831 |
| Trade and other receivables | | 2,400 | | 2,400 |
| Total Current Assets | | 416,000 | 4,462,231 | 4,878,231 |
| Non-Current Assets | | | | |
| Exploration and Evaluation Assets | | 960,635 | - | 960,635 |
| Total Non-Current Assets | | 960,635 | - | 960,635 |
| Total Assets | | 1,376,635 | 4,462,231 | 5,838,866 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Trade and other payables | | 30,635 | - | 30,635 |
| Borrowings | (b) | 2,069 | (2,069) | - |
| Total Current Liabilities | | 32,704 | (2,069) | 30,635 |
| Total Liabilities | | 32,704 | (2,069) | 30,635 |
| Net Assets | | 1,343,931 | 4,464,300 | 5,808,231 |
| Equity | | | | |
| Issued Capital | (c) | 1,346,002 | 4,640,944 | 5,986,946 |
| Reserves | (c) | - | 5,000 | 5,000 |
| Accumulated Losses | (d) | (2,071) | (181,644) | (183,715) |
| Total Equity | | 1,343,931 | 4,464,300 | 5,808,231 |

4.5 Description of Pro Forma Adjustments

The Pro Forma Statement of Financial Position has been derived from the historical Statement of Financial Position of the Company at 31 May 2021, after reflecting the Directors' pro forma adjustments for the following events and transactions which are proposed to occur immediately before or following completion of the Offers, as if they had occurred as at 31 May 2021.

- The issue by the Company, pursuant to this Prospectus, of 25,000,000 Shares at \$0.20 each to raise \$5,000,000 (before costs).
- The issue to CPS Capital Group Pty Ltd (**CPS Capital**) of 5 million unlisted options in the Company. These options have an expiry term of 3 years from the date of the Company's admission to the ASX, with an exercise price of \$0.25 each. These options are to be issued at a cost price of \$0.001 each. The options are separate and distinct from the payment to be made to CPS Capital for services supplied under the Lead Manager & Broker Mandate. Accordingly, they have been valued at the fair value of the consideration to be received by the Company, which is \$5,000.
- Costs of the Offers are estimated at \$540,700. Under the Accounting Standards, those costs which related to the issuing of new Shares are to be offset against contributed equity, while the remaining costs are to be expensed. Of the above costs of the Offers, \$359,056 has been offset against contributed equity. The remaining \$181,644 has been expensed.
- At 31 May 2021, the Company owed \$2,069 to related parties for costs incurred on behalf of the Company. The Pro Forma Statement of Financial Position has assumed repayment of these costs from proceeds of the Offer.
- On 20 April 2021, the Company executed a Lead Manager & Broker Mandate with CPS Capital. Under the terms of this Mandate, CPS Capital are to receive:
 - a management fee of 2% plus GST where applicable, for managing the Pre-IPO Raising and Public Offer; and
 - a placing fee of 4% plus GST where applicable, for funds raised via the Pre-IPO Raising and Public Offer.

4.6 Notes to the Pro Forma Statement of Financial Position

(a) Cash and Cash equivalents

| | Pro Forma \$ |
|-------------------------------------------------|------------------|
| Cash and cash equivalents at 31 May 2021 | 413,600 |
| Public Capital raising | 5,000,000 |
| Costs of the Offer | (540,700) |
| Repayment of related party loans | (2,069) |
| Proceeds from issue of options to CPS Capital | 5,000 |
| Pro forma Cash and cash equivalents | 4,875,831 |

(b) Borrowings

| | Pro Forma \$ |
|----------------------------------|-----------------|
| Borrowings at 31 May 2021 | 2,069 |
| Repayment of borrowings | (2,069) |
| Pro forma Borrowings | - |

(c) Issued Capital and Options Reserve

| | Number of Shares | \$ | Number of Options | \$ |
|---------------------------------------------------------|---------------------|------------------|----------------------|--------------|
| Balance at 31 May 2021 | 29,000,000 | 1,346,002 | 8,000,000 | - |
| Public Offer | 25,000,000 | 5,000,000 | - | - |
| CPS Capital options issued | - | - | 5,000,000 | 5,000 |
| Costs of the Offer | - | (359,056) | - | - |
| Pro forma Issued Capital and Options Reserve | 54,000,000 | 5,986,946 | 13,000,000 | 5,000 |

(d) Accumulated Losses

| | Pro Forma \$ |
|------------------------------------------|------------------|
| Accumulated Losses at 31 May 2021 | (2,071) |
| Costs of the Offer expensed | (181,644) |
| Pro forma Accumulated Losses | (183,715) |

(e) Exploration Commitments

Following the acquisition of tenements on 20 May 2021 from Serena Minerals Limited, Shenton Resources Limited and Slambam Enterprises Pty Ltd, the Company is required to maintain the tenements in good standing, which includes meeting all expenditure conditions prescribed under applicable legislation and all statutory obligations relating to the activities on the tenements. At 31 May 2021, the statutory minimum expenditure commitments required by the Department of Mines, Industry Regulation and Safety for the following 12 month period is \$716,500.

4.7 Summary of Significant Accounting Policies

(a) Mineral Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is written off as incurred. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development and exploitation of the area of interest, or by its sale or where exploration activities in the area are continuing and have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

(b) Business Combinations / Asset Acquisitions

The Company applies the acquisition method when the assets acquired and liabilities assumed constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income or other income from ordinary activities. A business will generally consist of inputs and processes applied to those inputs. In a business combination all transaction costs are expensed.

If the assets acquired do not constitute a business, the Company accounts for the transaction as an asset acquisition, whereby the assets and liabilities are assigned carrying values based on their relative fair values in an asset purchase transaction. No deferred taxes will arise in relation to the acquired assets or liabilities assumed as a result of the application of the initial exemption for deferred tax under AASB 112. No goodwill arises on the acquisition. Transaction costs in relation to asset acquisitions are capitalized.

(c) Share Based Payments

For equity settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless the fair value cannot be reliably estimated. If the Company cannot reliably estimate the fair value of the goods or services received, it measures their fair value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

For transactions measured by reference to the fair value of the equity instruments granted, the Company measures the fair value of the equity instruments granted at the measurement date. For transactions with parties other than employees (and those providing similar services), the measurement date is the date that the Company obtains the goods or the counterparty renders the service.

(d) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(e) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts.

(g) Trade Receivables and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money.

(h) Trade Creditors and Other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

(j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

5 Risk Factors

5.1 Overview

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free, and the Directors strongly recommend investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities under an Offer. Investors should also consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of its Shares. The following is not intended to be an exhaustive list of the risk factors to which the Company is or may be exposed.

5.2 Specific risks

5.2.1 Limited operational history

The Company was incorporated on 5 March 2021 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Projects. Until the Company is able to realise value from the Projects, it is likely to incur operational losses.

5.2.2 Exploration risk

Mineral exploration and development is considered a high risk activity. There is no guarantee that exploration of the Company's Tenements will result in the discovery of an economically viable resource. Even if an economically viable resource is discovered, there is no guarantee that the resource can be economically exploited.

Exploration on the Company's Projects may be unsuccessful, resulting in a reduction of the value of those Projects, diminution in the cash reserves of the Company and possible relinquishment of such Projects.

5.2.3 Exploration costs

Mineral exploration and development is considered a high risk activity. There is no guarantee that exploration of the Projects will result in the discovery of an economically viable resource. Even if a resource is discovered, there is no guarantee that the resource can be economically exploited.

The proposed exploration costs of the Company summarised in section 3.5 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's ability to complete the exploration program as planned.

5.2.4 Resource estimates may be inaccurate

The Company has not published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit.

Furthermore, resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or technologies become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

5.2.5 Development risks

The business of exploration, project development and mining contains risks by its very nature. To prosper, it depends on the successful exploration and/or acquisition of reserves, design and construction of efficient production and processing facilities, competent operation and managerial performance and proficient marketing of the product. In particular, exploration is a speculative endeavour and force majeure circumstances, cost over runs and other unforeseen events can hamper mining operations.

5.2.6 Operational risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Even though the Directors have between them significant mineral exploration and operational experience, no assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements. Until the Company is able to realise value from its Projects, it likely to incur ongoing operating losses.

5.2.7 Future capital requirements

The Company currently has no operating revenue and is unlikely to generate any operational revenue unless the Company's Tenements are successfully developed and exploited. The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes the net proceeds of the Public Offer should be adequate to fund its business development activities, exploration program and other Company objectives as outlined in this Prospectus.

In addition, should the Company consider that its exploration results justify commencement of production on any of its Projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the Prospectus Date. The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Any additional equity financing may be dilutive to Shareholders and may be undertaken at lower prices than the market price. Any debt financing, if available, may involve restrictions on financing and operating activities. There can be no assurance that additional finance will be available when needed

Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development, or production on the Company's Projects or even loss of interest in the Company's Tenements.

5.2.8 Dilution risk

In the future, the Company may elect to issue Securities in connection with fundraisings, including to raise proceeds to fund further exploration of its Projects. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Securities.

Upon admission to the Official List, the Company will have 13,000,000 Options on issue which, if exercised will further dilute the interests of Shareholders. However, the 13,000,000 Options will be subject to a 24-month escrow, within which they will be unable to be exercised without the consent of ASX. Furthermore, these Options have an exercise price of \$0.25 each which means the Company will receive additional funds of \$3,250,000 if they are all exercised.

5.2.9 Title and access risk

The Company's interests in the Tenements are subject to the relevant mining laws and regulations in Western Australia and cannot be guaranteed. Each of the Tenements carries annual expenditure and reporting requirements. There is therefore a risk that the Company could lose its interest in the Tenements for failing to meet the compliance requirements.

The Company has agreed to acquire a 100% legal and beneficial interest in E70/4694, E70/4928, however, part of these Tenements are subject to Land Access Agreements with the owners of private agricultural land which part of these Tenements cover. The Company has been assigned full benefit under the Land Access Agreements which will remain in force until the expiry of these Tenements, although the Company must pay compensation to the owners of the land for any exploration activities undertaken. Furthermore, part or in some cases all of E70/5494, E70/5502, E70/5604 and E70/5702 cover private land used for agricultural purposes. The Company intends to enter into additional land access agreements with these private landholders to ensure it has full capacity to undertake its proposed exploration activities on these Tenements. Please refer to the Legal Tenement Report at Attachment 2 for further information.

Furthermore, legal title to E70/5494, E70/5502, E70/5702 and E70/5604 is unable to be transferred to the Company until the expiry of 12 months from the date they were granted, unless Ministerial approval is obtained. The Company has been granted a licence by the registered holder of these tenements to conduct exploration activities as it wishes, however, will not obtain a legal interest in these tenements until the earlier of the expiry of 12 months from the date they were granted or the grant of the Minister's approval to the transfer of title. These Tenements are therefore subject to the registered holder maintaining their good standing as required under the relevant Acquisition Agreements until they are validly transferred to the Company.

5.2.10 Liquidity risk

Certain Securities on issue in the Company upon admission to the Official List will be subject to ASX imposed escrow restrictions (please refer to section 2.10 for further details). During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to ASX full details (including quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.

5.2.11 Potential acquisitions

The Company may pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

5.2.12 Competition risk

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these Companies.

5.2.13 Commodity price and exchange rate risk

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of base metals fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of minerals which the Company plans to explore for could cause the development of, and eventually the commercial production from, the Company's Projects to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of base metals are produced, a profitable market will exist for it.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

5.2.14 Environmental risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Natural events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.

Furthermore, under the *Mining Rehabilitation Fund Act 2012 (WA)* (**Mining Rehabilitation Fund Act**), the Company is required to provide assessment information to the Department of Mines, Industry Regulation and Safety in respect of a mining rehabilitation levy payable for mining tenements granted under the Mining Act. The Company is required to contribute annually to the mining rehabilitation fund established under the Mining Rehabilitation Fund Act if its rehabilitation liability is above \$50,000.

5.2.15 Tenure risks

The Company's Tenements are subject to the applicable mining acts and regulations in Western Australia, pursuant to which mining and exploration tenements are subject to periodic renewal. The

renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. Both E09/1824 and E09/1825 expire on 9/01/2022 and E70/4928 expires on 5/07/2022, unless the Company applies for and is granted a renewal for these Tenements under the Mining Act. There can be no guarantee that a renewal will be approved. If the Company is unable to secure a renewal for these Tenements this may impact the Company's exploration plans for the Projects and may adversely impact the Company and/or the value of its Shares.

Prior to any development on any of its properties, the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Group will hold all licences/permits necessary to develop or continue operating at any particular property.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure being budgeted by the Company. However, the consequences of forfeiture or involuntary surrender of a granted tenement for reasons beyond the control of the Company could be significant.

Similarly, the rights to mining exploration licences carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the licence and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a licence or licences. There is no guarantee that current or future exploration applications or existing licence renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration permits.

5.2.16 Native title and Aboriginal heritage

In relation to the Tenements or any tenements that the Company may in the future acquire an interest in, there may be areas over which legitimate common law native rights may exist. If such native title rights do exist, the ability of the Company to gain access to such tenements (through obtaining consent of any relevant native title holders) or to progress from the exploration phase to the development and mining phase of operations may be adversely affected.

As at the Prospectus Date, 6 of the 7 Tenements comprising the Lyons River Project are subject to the Gnulli, Gnulli #2 and Gnulli #3 – Yinggarda, Baiyungu and Thalanyji People native title determination which was determined in the Federal Court on 17 December 2019. Furthermore, E70/5502 is subject to the Yamataji Nation native title determination which was determined in the Federal Court on 07 February 2020. E70/4694, E70/4928, E70/5494, E70/5604 and E70/5702 are subject to the Yued native title claim which was registered with the Native Title Tribunal on 22 August 1997. Please refer to the Legal Tenement Report in Attachment 2 for further details.

5.2.17 Crown land and pastoral lease risk

The land covered by the Tenements overlaps with Crown land, including pastoral leases. If mining on any of the Tenements is contemplated in the future, the Company may need to consider entering into a compensation and access agreement with the lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. As at the Prospectus Date, the Company has not entered into Land Access Agreements with respect to certain Tenements subject to pastoral leases. In the absence of an agreement, the Warden's Court determines compensation payable to leaseholders for any mining activities that may be undertaken in the future. The entry into these agreements may delay the undertaking of activities, including the development of any future mines, and may restrict the areas within which the Company can explore for mineral development.

5.2.18 Minerals to owner land risk

Prior to 1 January 1899 in Western Australia, most grants of freehold land included rights to the minerals other than gold, silver and other precious metals (**Royal Metals**) which were reserved to the Crown. As the landowner of such private land owned the mineral rights (except the Royal Metals) they had the right to exploit those minerals for their own benefit. Accordingly, freehold land granted prior to 1 January 1899 is referred to as 'minerals to owner' land as the minerals (except the Royal Metals) are owned by the landowner rather than the Crown. Some of the private land which is encroached by E70/4928 consists of 'minerals to owner' land.

As outlined in section 8.5 of the Legal Tenement Report, the Company's investigations suggest that most of the mineral ownership rights over the 'minerals to owner' land have been transferred back to the Crown. However, the Company's investigations are inconclusive with respect to 8 parcels of private 'minerals to owner' land. Accordingly, it is possible that some mineral rights still remain with the private landowners over these 8 private land parcels. We further note the possibility that mineral rights have been privately transferred from these 8 land parcels pursuant to transfer instruments which are not accessible on Landgate's databases. Since most of the 'minerals to owner' land grants occurred more than 120 years ago and various land transfers have occurred since then, there is a risk of errors in transfer notices which incorrectly indicate a transfer of mineral rights to the Crown when the mineral rights are in fact owned by the private landowner. As such, there is a risk that mineral rights over some of the 'minerals to owner' land are owned by the private landholder rather than the Crown.

If it is discovered that some of the mineral rights are owned by private landowners rather than the Crown, the Company may be required to apply for an Extractive Industry Licence (**EIL**) pursuant to the *Local Government Act 1995* (WA) or Development Approval (**DA**) under the *Planning and Development Act 2005* (WA) over such land. Furthermore, the Company will be required to negotiate an access and compensation agreement with the private landowner. Any such proposal may require the approval of the Environmental Protection Authority. Alternatively, Section 37 of the Mining Act provides for a process under which minerals to owner land can be brought under the Mining Act for purposes of mineral exploration and extraction in the instance it is established that some of the "private land" encroached by the Tenements is in fact minerals to owner land. This process would also require the consent of the relevant owner of the minerals in order to be successful. Either process outlined above may delay the undertaking of activities, including the development of any future mines, and may result in the Company having to incur unforeseen additional costs in making additional regulatory applications and negotiating access and compensation agreements with private landowners of minerals to owner land.

5.2.19 Sovereign risk

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possible expropriation of the Company's properties without adequate compensation. If the Company was to extend its activities into jurisdictions other than Western Australia and Australia in the future, the risks described in this paragraph may be considerably increased.

5.2.20 Climate change risk

There are several climate-related factors that may affect the operations and proposed activities of the Company. One of the climate change risks particularly attributable to the Company is the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its potential future profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Furthermore, climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

5.2.21 Equipment availability

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source appropriate contractors with access to relevant drilling and other exploration and mining equipment. Equipment is not always available and the market for exploration and mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial or trading position.

5.2.22 Conflicts of interest

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. These engagements are summarised in the Director profiles in section 6.1. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in first instance.

Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

5.2.23 Third party contractor risks

It is the Company's intention to outsource a substantial part of its exploration activities to third party contractors. The Company is unable to predict the risk of insolvency or managerial failure of any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

5.2.24 Reliance on key personnel

Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance that there will be no detrimental impact on the Company if such persons employed by the Company from time to time cease their employment with the Company.

5.2.25 Insurance risk

The Company intends to insure its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

5.2.26 Unforeseen expenses

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

5.3 General risks

5.3.1 Speculative investment

The Securities to be issued under this Prospectus should be considered highly speculative. There is no guarantee as to the payment of dividends, return of capital, the underlying market liquidity of the Company's Securities (i.e. the volume of Shares that may be able to be traded on ASX at any given price) or the market value of the Securities trading on ASX from time to time. The price at which an investor is able to trade Shares may be above or below the price paid for Shares under the Public Offer. Whilst the Directors commend the Offers, investors must make their own assessment of the risks, consult with professionals and determine whether an investment in the Company is appropriate in their own circumstances.

5.3.2 Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

5.3.3 Market conditions

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- fear of global pandemics; and
- terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or its Directors warrant the future performance of the Company or any return on an investment in the Company.

5.3.4 Securities investment risks

Investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the price of the Company's Securities, regardless of its performance.

5.3.5 Force majeure

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Securities. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any of the events described above occurs.

5.3.6 Government and regulatory risks

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities and stakeholders to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects. Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain required permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a Project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

5.3.7 Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, particularly if proven, may impact adversely on the Company's operations, financial performance and financial position. As at the Prospectus Date, there are no legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

5.3.8 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

5.3.9 COVID-19

Global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may also be adversely affected by the economic uncertainty caused by COVID-19.

There is a risk that this uncertainty may continue for the foreseeable future, which could interrupt the Company's operations, its contractual obligations, cause disruptions to supply chains or interrupt the Company's ability to access capital.

5.3.10 Other risks

This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares. Therefore, the Securities offered under this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or their market value.

6 Key People and Corporate Governance

6.1 Board of Directors

The Company's Board of Directors is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

Collectively, the Board has significant experience across a range of industries, including the resources and mining industry, finance and corporate sectors. Brief profiles of each Director are set out in section 6.2.

6.2 Directors

Mr David Quinlivan

Non-Executive Chairman

B.App Sci, MinEng, Grad. Dip. Fin Serv, FAusImm, FFINSA, MMICA

Mr Quinlivan is a mining engineer with significant mining and executive leadership experience, having held 11 years of service at WMC Resources Limited, followed by a number of high-profile mining development positions.

Since 1989, Mr Quinlivan has served as Principal of Borden Mining Services, a mining and consulting services firm, where he has worked on a number of mining projects in various capacities.

Currently, Mr Quinlivan is Chairman of Silver Lake Resources (ASX:SLR) and Non-Executive Director of Ora Banda Mining (ASX:OBM). Previously, Mr Quinlivan served as Chief Executive Officer of Sons of Gwalia Ltd (post appointment of administrators), Chief Operating Officer of Mount Gibson Iron Ltd, President and Chief Executive Officer of Alacer Gold Corporation and Chairman of Churchill Mining PLC.

Mr Quinlivan is not considered to be an independent Director given he is also a Director of Serena Minerals Limited, which is a substantial Shareholder.

Mr Quinlivan was appointed as a Director on 5 March 2021.

Mr Harjinder Kehal

Managing Director

BSc (Hons), MMEE

Mr Kehal is a geologist with 30 years' experience in the mineral resources sector in Australia, Chile, India and Vietnam.

Mr Kehal has a proven track record in project management and evaluation, feasibility studies, joint venture negotiations and statutory reporting and played a leading role in the discovery of a number of gold and base metal deposits in Western Australia and the Northern Territory, including the 1 million ounce Golden Cities deposit, 600,000 ounce Tooheys Well gold deposit and Erayinia VMS lead-zinc deposit.

Currently, Mr Kehal is also Managing Director of Serena Minerals Limited. Previous positions include Chief Operating Officer of AXG Mining Ltd and Executive Director and Chairman of Altera Resources Ltd.

Mr Kehal was appointed as a Director on 5 March 2021.

Mr Robert Beeck

Non-Executive Director
MBA, Associate Member of the AusIMM

Mr Beeck has 30 years' experience in mineral processing operations management in Australia with relation to nickel, diamonds, gold and iron ore. Mr Beeck has held senior roles in mine operations, feasibility studies, engineer design and construction of ore processing and infrastructure projects.

Mr Beeck is an associate member of the AusIMM and Master of Business Administration (University of Western Australia).

Currently, Mr Beeck is General Manager of API Management, the manager of the joint venture of the West Pilbara Iron Ore Project.

Mr Beeck is not considered to be an independent director given he is a Director of Serena Minerals Limited and Shenton Resources Limited, both substantial shareholders of the Company.

Mr Beeck was appointed as a Director on 5 March 2021.

6.3 Company Secretary

Mr David Peterson

Company Secretary
B.Arts(Acc), CPA, FGIA, FCG

Mr Peterson has over 30 years' experience as a company secretary in the mining and exploration industry in Western Australia and Queensland. For the 12 years to December 2011, Mr Peterson was company secretary and executive general manager corporate at Kagara Ltd, an ASX listed base metals producer and for 10 years prior to that was company secretary and administration manager at Forrestania Gold NL a gold producer listed on ASX until it was taken over 1997. Since January 2012, David has been providing company secretarial, corporate and related consultancy services to listed and publicly unlisted companies.

Mr Peterson was appointed as Company Secretary on 5 March 2021.

6.4 Senior management

The Company does not currently have any senior management personnel other than as set out above.

6.5 Director interests

6.5.1 Overview

Other than as set out below or elsewhere in this Prospectus, no Director holds as at the Prospectus Date, or has held in the 2 years prior to the Prospectus Date, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to a Director to induce them to become, or qualify as, a Director or for services in connection with the formation or promotion of the Company or the Offers.

6.5.2 Remuneration

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders. As at the Prospectus Date, the maximum aggregate remuneration of Directors is \$300,000 per annum. The remuneration of Directors is reviewed annually by the Company.

The Directors are also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses the Directors may incur when travelling to or from meetings or when otherwise engaged in the business of the Company.

The annual salaries (plus statutory superannuation) payable to the Directors from the Company's admission to the Official List are set out below.

| Director | Position | Amount |
|-----------------|------------------------|-----------|
| David Quinlivan | Non-Executive Chairman | \$65,000 |
| Harjinder Kehal | Managing Director | \$250,000 |
| Robert Beeck | Non-Executive Director | \$45,000 |

6.5.3 Security holdings

Set out below are the anticipated relevant interests of the Directors in the Securities of the Company upon completion of the Offers.

| Director | Shares ¹ | Voting Power ¹ | Options |
|------------------------------|---------------------|---------------------------|---------|
| David Quinlivan ² | Nil | Nil | Nil |
| Harjinder Kehal ³ | Nil | Nil | Nil |
| Robert Beeck ⁴ | Nil | Nil | Nil |

Notes:

- 1 The above table does not include any Shares applied for and received by a Director under the Public Offer. Each Director reserves the right to apply for Shares under the Public Offer. To the extent that a Director does participate, the number of Shares it holds (and therefore its voting power) upon completion of the Offers will increase accordingly.
- 2 Mr Quinlivan has an indirect interest in the Company's Shares through his holdings of 6,086,913 shares in Serena and 12,500 shares in Shenton, amounting to a 9.26% interest in Serena and a 0.01% interest in Shenton. Mr Quinlivan is also the Chairman of Serena.
- 3 Mr Kehal has an indirect interest in the Company's Shares through his holdings of 6,279,593 shares in Serena and 1,625,000 shares in Shenton, amounting to a 9.56% interest in Serena and a 11.9% interest in Shenton. Mr Kehal is also Managing Director of Serena and a technical adviser to Shenton.
- 4 Mr Beeck has an indirect interest in the Company's Shares through his shareholding of 1,633,422 shares in Serena and 2,143,750 shares and 2,468,750 options (exercisable at \$0.20 each) in Shenton, amounting to a 2.49% interest in Serena and 15.7% (undiluted) interest in Shenton. Mr Beeck is also Non-Executive Director of both Serena and Shenton.
- 5 Furthermore, it is possible that both Shenton and Serena may undertake an in-specie distribution in the future to distribute Securities in the Company to their shareholders. To the extent that this occurs, the Securities held by the Directors would increase accordingly. The Company will be required to notify ASX of any change of interest of Directors in the Securities if such in-specie distributions were to eventuate.

6.6 Related party transactions

The Company has entered into the following related party transactions on arm's length terms:

- the Shenton Acquisition Agreement with Shenton Resources Limited (see sections 6.7 and 7.3.1 for further details);
- the Serena Acquisition Agreement with Serena Resources Limited (see sections 6.7 and 7.3.2 for further details);
- the Appointment Letters with each of its Non-Executive Directors (see section 7.6.2 for further details);
- an Executive Services Agreement with its Managing Director (see section 7.6.1 for further details);
- deeds of indemnity, insurance and access with each of its Directors (see section 7.6.3 for further details); and
- an office lease agreement between the Company and Borden Holdings Pty Ltd (ACN 009 286 971) (**Borden**), which is a related party of the Company by virtue of David Quinlivan, a Director of the Company, being a director and controlling shareholder of Borden Holdings Pty Ltd. The lease relates to office space at the Company's registered office in Subiaco, Western Australia, and the Company will pay annual rent of \$84,000 (excluding GST) to Borden.

As at the Prospectus Date, no other material transactions with related parties exist that the Directors are aware of, other than those disclosed in this Prospectus.

6.7 Major Shareholders

The Company's 2 largest Shareholders are Shenton Resources Limited (**Shenton**) and Serena Minerals Limited (**Serena**) (**Major Shareholders**) as set out in section 8.5. Each Major Shareholder is a related party of the Company as they will have a voting power of more than 20% in the Company, and therefore are to control the Company. The Company noted, however, that the Major Shareholders are not considered to be associates of one another.

The Major Shareholders are unlisted public companies registered in Australia under the Corporations Act. The Directors have certain interests in the Major Shareholders set out in section 6.5.3.

6.8 Corporate governance

6.8.1 Overview

The Board is responsible for the governance of the Company and oversees its operational and financial performance. It sets strategic direction, establishes goals for management and assesses the achievement of those goals, determines the appropriate risk profile and monitors compliance in terms of regulatory and ethical standards. Copies of the Company's main corporate governance documents, including the Constitution, Charters of the Board and Board committee and key policies are available on the Company's website at www.dalارoometals.com.au.

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the Prospectus Date are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at www.dalaroometals.com.au.

6.8.2 Board responsibilities

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- appointment of the Chief Executive Officer / Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- approving the annual, half yearly and quarterly accounts;
- approving significant changes to the organisational structure;
- approving the issue of any shares, options, equity instruments or other Securities in the Company (subject to compliance with the Listing Rules if applicable);
- ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Listing Rules if applicable); and
- meeting with the external auditor, at their request, without management being present.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

6.8.3 Board composition

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists of 3 Directors (2 Non-Executive Directors and one Managing Director) of whom none are considered to be independent.

The Board considers an independent Director to be a Non-Executive Director who is not a substantial Shareholder or a member of management, and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. As at the Prospectus Date, none of the directors on the Board are considered to be independent Directors.

The Board considers the current balance of skills and expertise to be appropriate given the current size and operations of the Company. The composition of the Board will be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

6.8.4 Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

6.8.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

6.8.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

6.8.7 Remuneration arrangements

The remuneration of any Executive Director will be decided by the Board, without the affected Executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of Non-Executive Directors is a sum not exceeding the aggregate sum from time to time determined by the Company in general meeting. As at the Prospectus Date, the maximum aggregate remuneration for Non-Executive Directors is \$300,000 per annum.

The Directors are also entitled to be reimbursed out of the funds of the Company such reasonable travelling, accommodation and other expenses the Directors may incur when travelling to or from meetings or when otherwise engaged in the business of the Company.

In addition, subject to any necessary Shareholder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director (e.g. non-cash performance incentives such as options).

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

6.8.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities in the Company by its key management personnel (including Directors). The policy provides that any key management personnel (other than the Chairman) wishing to buy, sell or exercise rights in relation to the Company's Securities must obtain the prior written approval of the Chairman or the Board before doing so. If the Chairman wishes to buy, sell or exercise rights in relation to the Company's Securities, the Chairman must obtain the prior approval of the Board before doing so.

6.8.9 Diversity policy

The Company and all its related bodies corporate are committed to workplace diversity. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and

ideas and benefiting from all available talent. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. Accordingly, the Company has set in place a diversity policy. The Diversity Policy provides a framework for the Company to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

The Chairman will monitor the scope and accuracy of this policy.

6.8.10 Audit committee

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

6.8.11 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

6.8.12 Whistleblower policy

The Company is committed to maintaining a positive culture of openness, responsible corporate governance and ethical behaviour where Company Staff are able to report incidents of corrupt, illegal or unethical work related conduct without fear of reprisal. Accordingly, the Company has adopted a whistleblower policy. The purpose of this policy is to promote the responsibility of Company staff to report suspected incidents of corrupt, illegal or unethical work related behaviour in breach of the Company's Code of Conduct.

6.8.13 Anti-bribery and corruption policy

The Company is committed to conducting its operations and business activities with integrity and preventing bribery or corruption by any of its Directors, officers, employees or any other party acting on its behalf. The Company is committed to complying with all laws that apply to it, including anti-bribery and corruption laws. Accordingly, the Company has adopted an anti-bribery and corruption policy. The purpose of this policy is to supplement the Company's code of conduct by setting out the conduct expected by the Company to minimise the risk of bribery or corruption occurring in connection with its operations and activities and to provide guidance on how to deal with instances of bribery or corruption.

6.8.14 Departures from ASX Recommendations

Following admission to the Official List, the Company will be required to report any departures from the ASX Recommendations in its annual financial report. The Company considers that its corporate

governance policies comply with the ASX Recommendations as at the Prospectus Date, except to the extent set out below.

| ASX Recommendation | Comments |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p> | <p>At this point in time, the Company does not have formal process for the evaluation of the performance of the Board. The Company is a junior resources company and the Board believes that a formal performance evaluation is not required at this point in time and that no efficiencies or other benefits would be gained from a formal performance evaluation. The Chairman is responsible for evaluating the Board and informal discussions are undertaken during the course of the year. As the Company grows and develops, it will continue to consider the efficiencies and merits of a more formal performance evaluation of the Board, its committees and individual directors.</p> |
| <p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least 3 members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>Neither the Company nor the Board is not currently of a sufficient size and structure to establish a nomination committee. At present, the full Board carries out the duties that would ordinarily be assigned to a nomination committee under the Company's nomination committee charter.</p> <p>The Board is responsible for the appointment of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination.</p> <p>The Board regularly reviews the composition of the Board to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>As the Company grows in size, it is planned that the Company will establish a separate nomination committee.</p> |
| <p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>The composition of the Board is reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>As the Company grows in size, it is planned that the nomination committee will maintain and disclose a board skills matrix.</p> |
| <p>2.4 A majority of the board of a listed entity should be independent directors.</p> | <p>Currently, independent directors do not form a majority of the Board as none of the Directors are considered to be independent directors. The Board will continue to assess the Company's needs as it grows in size and if appropriate, appoint additional non-executive and independent directors.</p> |
| <p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | <p>The Company does not currently have a sole independent Non-Executive Chairman. The Board will continue to assess the Company's needs as it grows in size and if appropriate, appoint an independent non-executive chairman.</p> |
| <p>3.1 A listed entity should articulate and disclose its values.</p> | <p>The Company is in the process of developing a formalised statement of values that will be placed on the Company's website in due course.</p> |
| <p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> | <p>The Board is not currently of a sufficient size and structure to establish an audit committee. At present, the full Board carries out the duties that would ordinarily be assigned to an audit committee under the written terms of reference for that committee.</p> |

| ASX Recommendation | Comments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>As the Company grows in size, it is planned that the Company will establish a separate audit committee with its own audit committee charter.</p> <p>Under the Board's charter, the specific responsibilities of the Board include to recommend to shareholders the appointment of the external auditor and to meet with the external auditor when required and without management being present.</p> <p>The Board meets with the Company's auditors at regular intervals to continually assess and monitor the performance of the external auditors.</p> |
| <p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>The Board currently determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.</p> <p>The Board as a whole is ultimately responsible for undertaking and assessing risk management and internal control effectiveness. Due to the size and development phase of the Company, the Board believes that no efficiencies or other benefits would be gained by establishing a separate risk committee.</p> <p>As the Company grows in size, it is planned that the Company will establish a separate audit and risk committee with its own committee charter.</p> |
| <p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p> | <p>The Company does not have an internal audit function.</p> <p>The full Board oversees the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.</p> <p>The Board reviews the efficiency and effectiveness of risk management and associated internal compliance and control procedures.</p> <p>When the Company and the Board is of a sufficient size and nature, it will establish and delegate to an Audit and Risk Committee responsible for implementing the Company's risk management system.</p> |
| <p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least 3 members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> | <p>The full Board is responsible for the determination of the remuneration of directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>Where considered necessary, the Board may engage a remuneration consultant to assist with setting and reviewing the Company's executive and non-executive remuneration policies to ensure the Company attracts and retains executives and Directors who will create value for shareholders.</p> |

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| <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>As the Company grows in size, it is planned that the Company will establish a separate remuneration committee with its own remuneration committee charter.</p> |
| <p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>Although the Company has not adopted an equity-based remuneration scheme to date, the Company has resolved at Board level to adopt an equity-based remuneration scheme, subject to the Company obtaining shareholder approval its next Annual General Meeting.</p> |

7 Material Contracts

7.1 Overview

Set out in this section 7 is a summary of the material contracts to which the Company is a party that may be material in terms of the Offers, for the operation of the business of the Company, or otherwise may be relevant to a potential investor in the Company.

The whole of the provisions of the contracts are not repeated in this Prospectus and any intending applicant who wishes to gain full knowledge of the content of the material contracts should inspect the same at the registered office of the Company.

7.2 Lead Manager Mandate

On 20 April 2021, the Company and CPS Capital entered into a mandate agreement pursuant to which the Company appointed CPS Capital as the lead manager and broker with respect to the Public Offer on an exclusive basis (**Lead Manager Mandate**). Please also refer to section 2.8 for information about the Lead Manager's interests, including with respect to the Pre-IPO Raising and the Seed Raising.

The material terms of the Lead Manager Mandate are summarised below.

- (a) **(Capital raisings):**
- (i) The Company has agreed to pay CPS Capital a fee of 6% (plus GST) of funds raised under the Public Offer, comprising a management fee of 2% (plus GST) and a placement fee of 4% (plus GST).
 - (ii) The Company has paid to CPS Capital a fee of \$24,000 (plus GST) (i.e. 6%) with respect to the Pre-IPO Raising, under which the Company raised \$400,000 at \$0.10 per Share.
 - (iii) CPS Capital has also managed the Seed Raising, under which the Company raised \$40,000 at \$0.02 per Share.
- (b) **(New Options):** The Company will issue to CPS Capital 5,000,000 New Options at an issue price of \$0.001 each, which have an exercise price of \$0.25 each (see section 8.3 for the terms of New Options).
- (c) **(Expenses):** The Company has also agreed to reimburse CPS Capital for reasonable travel expenses incurred in performing its role under the Lead Manager Mandate. Any travel expenses exceeding \$1,000 will not be incurred without the prior approval of the Chairman (or his nominee). Further, any other expenses excluding travel expenses will only be reimbursed by the Company if prior approval has been given by the Company for CPS Capital to incur such expenses.
- (d) **(Termination by Lead Manager):** CPS Capital is entitled to terminate the Lead Manager Mandate:
- (i) by providing 14 days written notice to the Company if:
 - (A) the Company commits, or allows to be committed, a material breach of the terms and conditions of the Lead Manager Mandate; or
 - (B) any warranty or representation given by the Company proves to be untrue or is not complied with.
 - (ii) immediately by written notice to the Company if:

- (A) the Company becomes insolvent, has a receiver or administrator appointed over the whole or any of its assets, enters into any compensation with creditors generally or has an order made or resolution passed to be wound up; or
 - (B) a court makes an administration order with respect to the Company.
- (e) **(Termination by Company):** The Lead Manager Mandate may be terminated by the Company by providing 7 days written notice to CPS Capital. In the event this occurs, any outstanding expenses to be paid to CPS Capital will become immediately payable.

All other terms of the Lead Manager Mandate, including in relation to representations and warranties, confidentiality and indemnities are considered standard for an agreement of this nature.

7.3 Acquisition Agreements

7.3.1 Shenton Acquisition Agreement

On 20 May 2021, the Company and Shenton Resources Limited (**Shenton**) entered into a tenement acquisition agreement pursuant to which the Company agreed to acquire a 100% legal and beneficial interest in E70/4694 and E70/4928.

The key terms of the Shenton Acquisition Agreement are set out below.

- (a) **(Consideration):** In consideration for this acquisition, the Company issued to Shenton 11,224,999 Shares (giving Shenton a total of 11,225,000 Shares) at an issue price of \$0.031 per Share and 4,000,000 New Options with an exercise price of \$0.25, expiring 4 years from the date the Company is admitted to the Official List (please refer to section 8.2 for the terms and conditions of the New Options).
- (b) **(Escrow):** Shenton has agreed to enter into a 12 month voluntary escrow agreement with respect to these Securities which commences on the date the Company is admitted to the Official List. The Securities will also be subject to any escrow restrictions that may be imposed by ASX under Chapter 9 of the Listing Rules. If ASX imposed escrow is for a period of at least 12 months, the Company will not enter into a voluntary escrow agreement with Shenton.
- (c) **(Conditions):** Given 12 months is yet to expire since the date E70/5702 was granted under the Mining Act, the transfer of a 100% legal and beneficial interest in E70/5702 is conditional on the earlier of the following occurring:
 - (i) the Company obtaining the prior written consent of the Minister or an officer acting with the authority of the Minister to the transfer of title; or
 - (ii) the expiry of 12 months from the date upon which E70/5702 was granted under the Mining Act.
- (d) **(Licence):** Shenton has granted the Company a license over E70/7502 to access, use all mining information and do all things Shenton is lawfully entitled to do on the Tenement, including conducting any exploration activities it wishes in accordance with the Mining Act, until the Condition Precedent is satisfied.

The Shenton Acquisition Agreement is otherwise on terms and conditions that are considered customary for an agreement of this nature including with respect to confidentiality, termination, representations and warranties.

7.3.2 Serena Acquisition Agreement

On 20 May 2021, the Company and Serena Minerals Limited (**Serena**) entered into a tenement acquisition agreement pursuant to which the Company agreed to acquire a 100% legal and

beneficial interest in the Tenements that comprise the Lyons River Project, which consists of the following E09/1824; E09/1825, E09/2098, E09/2102, E09/2304, E09/2305 and E09/2312.

The key terms of the Serena Acquisition Agreement are set out below.

- (a) **(Consideration)**: In consideration for this acquisition, the Company issued to Serena 11,499,999 Shares (giving Serena a total of 11,500,000 Shares) at an issue price of \$0.031 per Share and 4,000,000 New Options with an exercise price of \$0.25, expiring 4 years from the date the Company is admitted to the Official List (please refer to section 8.2 for the terms and conditions of the New Options).
- (b) **(Escrow)**: Serena has agreed to enter into a 12 month voluntary escrow agreement with respect to these Securities which commences on the date the Company is admitted to the Official List. The Securities will also be subject to any escrow restrictions that may be imposed by ASX under Chapter 9 of the Listing Rules. If ASX imposed escrow is for a period of at least 12 months, the Company will not enter into a voluntary escrow agreement with Serena.

The Serena Acquisition Agreement is otherwise on terms and conditions that are considered customary for an agreement of this nature including with respect to confidentiality, termination, representations and warranties.

7.3.3 Slambam Acquisition Agreement

On 20 May 2021, the Company and Slambam Enterprises Pty Ltd (**Slambam**) entered into a tenement acquisition agreement pursuant to which the Company agreed to acquire a 100% legal and beneficial interest to E70/5494, E70/5502 and E70/5604.

The key terms of the Slambam Acquisition Agreement are set out below.

- (a) **(Consideration)**: In consideration for this acquisition, the Company issued to Slambam 275,000 Shares at an issue price of \$0.031 per Share.
- (b) **(Escrow)**: Slambam has agreed to enter into a 12 month voluntary escrow agreement with respect to these Shares which commences on the date the Company is admitted to the Official List. The Shares will also be subject to any escrow restrictions that may be imposed by ASX under Chapter 9 of the Listing Rules. If ASX imposed escrow is for a period of at least 12 months, the Company will not enter into a voluntary escrow agreement with Slambam.
- (c) **(Conditions)**: Given 12 months is yet to expire since the date E70/5494, E70/5502 and E70/5604 were granted under the Mining Act the transfer of 100% legal and beneficial interest in E70/5494, E70/5502 and E70/5604 is conditional on the earlier of the following occurring:
 - (i) the Company obtaining the prior written consent of the Minister or an officer acting with the authority of the Minister to the transfer of title; or
 - (ii) the expiry of 12 months from the date upon which the Tenements were granted under the Mining Act.
- (d) **(Licence)**: Slambam has granted the Company a license over these Tenements to access, use all mining information and do all things Slambam is lawfully entitled to do on the Tenement, including conducting any exploration activities it wishes in accordance with the Mining Act, until the Condition Precedent is satisfied.

The Slambam Acquisition Agreement is otherwise on terms and conditions that are considered customary for an agreement of this nature including with respect to confidentiality, termination, representations and warranties.

7.4 Land Access Agreements

7.4.1 E70/4694 Land Access Agreements

In or about September 2015, Shenton Resources Limited entered into 2 separate Land Access Agreements relating to E70/4694 with Wadsforth Pty Ltd (ACN 009 104 394) and Jeff and Brent Millstead (**E70/4694 Proprietors**). The E70/4694 Proprietors are the owners of freehold land used for agricultural purposes which is partly covered, or in some cases completely covered by E70/4694. On 20 May 2021, the Company entered into a deed of assignment and assumption with respect to the E70/4694 Land Access Agreements pursuant to which the Company assumed all rights, title and interest under the E70/4694 Land Access Agreements from Shenton.

The key terms of the E70/4694 Land Access Agreements have been outlined below.

- (a) (**Consent**): The E70/4694 Proprietors have consented to the grant of the exploration lease, with such consent extending to the consent of all leases that may be applied for in the future (including mining leases) for the purpose of the Mining Act. The consent to the grant of E70/4694 extended to the land within 30 metres of the highest part of the natural surface of this Tenement in accordance with section 29(2) of the Mining Act. The Company has not applied under the Mining Act for the grant of this Tenement in relation to the land within 30 metres of the surface in accordance with section 29(5).
- (b) (**Term**): The term of the agreement extends until the expiry of any Tenements that are applicable to the agreement.
- (c) (**Notice of exploration or mining activities**): Pursuant to the agreement, the Company must give the E70/4694 Proprietors at least 2 days' notice of any exploration activities it wishes to undertake on E70/4694. The Company is required to give notice to the E70/4694 Proprietors of any intention or proposal of commercial mining operations that may be undertaken by the Company on the relevant tenement.
- (d) (**Compensation for drilling**): Additionally, the Company must pay the following amounts (plus GST) for each hole drilling by it on E70/4694:
 - (i) \$500 per diamond drill hole;
 - (ii) \$250 per costean;
 - (iii) \$300 per rotary percussion drill hole;
 - (iv) \$150 per aircore or rotary air blast drill hole; and
 - (v) \$30 per auger drill hole.
- (e) (**Compensation for mining**): The Company and the E70/4694 Proprietors will be required to negotiate and agree upon any compensation for the carrying out of any commercial mining operations. If the parties are unable to agree on such compensation arrangements, then these will be determined under the Mining Act.
- (f) (**Surety payment**): Furthermore prior to commencing any drilling, the Company is required to pay a bond of \$10,000 as surety for the clean-up of all drill sites to a standard that complies with the Department requirements. The bond will be released to the Company at the completion of the clean-up of all drill sites. The Company will be required to repair, reinstate, rehabilitate and make good or pay compensation in respect of any damage on the relevant land arising from its exploration activities.

The terms of the E70/4694 Land Access Agreements are otherwise considered customary for agreements of this nature.

7.4.2 E70/4928 Land Access Agreements

In or about January 2019, Shenton Resources Limited entered into 2 separate Land Access Agreements relating to E70/4928 with Colin and Roberta Gardiner and Noondine Pastoral Co Pty Ltd (ACN 008 715 099) (**E70/4928 Proprietors**). The E70/4928 Proprietors are the owners of freehold land used for agricultural purposes which is partly covered, or in some cases completely covered by E70/4928. On 20 May 2021, the Company entered into a deed of assignment and assumption with respect to the E70/4928 Land Access Agreements pursuant to which the Company assumed all right, title and interest under the E70/4928 Land Access Agreements from Shenton.

The key terms of the E70/4928 Land Access Agreements have been outlined below.

- (a) (**Consent**): The E70/4928 Proprietors have consented to the grant of the exploration lease, with such consent extending to the consent of all leases that may be applied for in the future (including mining leases) for the purpose of the Mining Act. The Company has not obtained the consent of the E70/4928 Proprietors for the grant of the Tenement with respect to the land within 30 metres of the highest part of the natural surface of this Tenement. The Company has not applied under the Mining Act for the grant of this Tenement in relation to the land within 30 metres of the surface in accordance with section 29(5).
- (b) (**Term**): The term of the agreement extends until the expiry of any Tenements that are applicable to the agreement.
- (c) (**Notice of exploration or mining activities**): The Company must give the E70/4928 Proprietors at least 2 days' notice of any exploration activities it wishes to undertake on E70/4928. The Company is also required to give notice to the E70/4928 Proprietors of any intention or proposal of commercial mining operations that may be undertaken by the Company on the relevant tenement.
- (d) (**Compensation for drilling**): The Company must pay the following amounts (plus GST) for each hole drilling by it on E70/4928:
 - (i) \$500 per diamond drill hole;
 - (ii) \$250 per costean;
 - (iii) \$300 per rotary percussion drill hole;
 - (iv) \$150 per aircore or rotary air blast drill hole; and
 - (v) \$30 per auger drill hole.
- (e) (**Compensation for mining**): The Company and the E70/4928 Proprietors will be required to negotiate and agree upon any compensation for the carrying out of any commercial mining operations. If the parties are unable to agree on such compensation arrangements, then these will be determined under the Mining Act.
- (f) (**Surety Payment**): Furthermore prior to commencing any drilling, the Company is required to pay a bond of \$10,000 as surety for the clean up of all drill sites to a standard that complies with the Department requirements. The bond will be released to the Company at the completion of the clean up of all drill sites. The Company will be required to repair, reinstate, rehabilitate and make good or pay compensation in respect of any damage on the relevant land arising from its exploration activities.

The terms of the E70/4928 Land Access Agreements are otherwise considered customary for agreements of this nature.

7.4.3 MGM Land Access Deed

Please refer to the Legal Tenement Report at Attachment 2 for details of the access deed with MGM Pipelines Pty Ltd and Extension Hill Pty Ltd.

7.5 Heritage agreements

Please refer to the Legal Tenement Report at Attachment 2 for details of the heritage agreements that relate to the Company.

7.6 Director agreements

7.6.1 Executive Services Agreement

The Company has entered into an Executive Services Agreement with Mr Harjinder Kehal dated 30 July 2021, pursuant to which Mr Kehal will serve as Managing Director of the Company (**Executive Services Agreement**).

A summary of the material terms of the Executive Services Agreement is set out below.

- (a) (**Term**): The Executive Services Agreement commences on the date that the Company is admitted to the Official List (**Commencement Date**) and continues for a term of 3 years unless terminated prior in accordance with the terms of the Executive Services Agreement.
- (b) (**Remuneration**): The remuneration payable to Mr Kehal from the Commencement Date is \$250,000 per annum (plus statutory superannuation).
- (c) (**Expenses**): Mr Kehal is entitled to be reimbursed for all reasonable out-of-pocket expenses necessarily incurred in the performance of his duties in connection with the business of the Company. Furthermore, Mr Kehal is entitled to be indemnified against the cost of the purchase of a mobile phone and the costs/charges of a suitable plan as agreed between Mr Kehal and the Board. Mr Kehal will also be provided with a laptop computer and software for the Company's business purposes.
- (d) (**Role and Responsibilities**): Mr Kehal's role includes, amongst other things, managing the day to day operations of the Company, preparing and implementing the Company's strategic, coordinating fundraising, establishing and maintaining management and administrative systems for the Company, overseeing exploration programs and marketing and promoting the Company to shareholders and the broader equity market.
- (e) (**Non-Compete**): During the term of the Executive Services Agreement, Mr Kehal is restricted, without the prior consent of the Company, from being concerned, either as a principal, agent, partner, employee, shareholder, unit holder, joint venturer, director, trustee, beneficiary, manager, consultant or adviser in any business undertaking which competes with the Company.
- (f) (**Termination by Company**): The Company may terminate the Executive Services Agreement at any time during the Term:
 - (i) without cause by giving 7 days written notice and in such case the Company must pay Mr Kehal an amount equal to 6 months Remuneration (less any tax required by law), subject to Listing Rule 10.19 and any limits imposed under the Corporations Act in full and final satisfaction of all claims that may be brought against the Company by Mr Kehal;
 - (ii) by giving one month's written notice due to illness, accident or any other incident rendering Mr Kehal unable to perform his obligations under the Executive Services Agreement:
 - (A) for one period of 3 months; or
 - (B) a period aggregating 3 months over the course of any 12 month period;
 - (iii) summarily without notice in certain circumstances, such as a wilful breach, bankruptcy or Mr Kehal being convicted of a criminal offence involving dishonesty or fraud.

- (g) **(Termination by Kehal)**: Mr Kehal is required to give the Company at least 3 months written notice of termination.
- (h) **(Consequences of Termination)**: Upon termination of the Executive Services Agreement, however occurring, Mr Kehal will be required, at request of the Company or its designated nominee, to resign without claim for compensation from any office held by him in the Company.

The Executive Services Agreement otherwise contains terms that are considered customary for agreements of this nature.

7.6.2 Appointment Letters

The Company has entered into Non-Executive Director letters of appointment with Mr David Quinlivan and Mr Robert Beeck, pursuant to which they have each respectively been appointed as Non-Executive Director and Non-Executive Chairman of the Company (**Appointment Letters**).

A summary of the material terms of the Appointment Letters is set out below.

- (a) **(Commencement)**: The Appointment Letters commence on the following dates:
 - (i) Mr Quinlivan – 11 August 2021; and
 - (ii) Mr Beeck – 28 July 2021.
- (b) **(Term)**: The term of each Appointment Letter is subject to provisions of the Constitution relating to removal, retirement by rotation and re-election of directors and will automatically cease upon removal or at the end of any meeting at which the Non-Executive Director is not re-elected by Shareholders.
- (c) **(Remuneration)**: The Non-Executive Directors will be paid the following fees (plus statutory superannuation), with effect from the date the Company is admitted to the Official List:
 - (i) Mr Quinlivan – \$65,000 per annum; and
 - (ii) Mr Beeck – \$45,000 per annum.
- (d) **(Intellectual property)**: Each Non-Executive Director acknowledges and agrees that all intellectual property rights (present or future) created, discovered or coming into existence as a result of, for the purposes of or in connection with their role as a Director or their respective Letter will vest in the Company and will be the Company's property as and when created.

The Appointment Letters otherwise contain terms and conditions that are considered standard for agreements of this nature.

7.6.3 Deeds of access, indemnity and insurance

The Company has entered into deeds of access, indemnity and insurance with each Director which confirm each Director's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

8 Additional Information

8.1 Rights attaching to Shares

A summary of the rights and liabilities attaching to Shares is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting rights

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every fully paid up Share held by them. In the case of a partly paid share, a fraction of a vote equivalent to the proportion which the amount paid up on that member's share bears to the total amounts paid and payable (excluding amounts credited) on that share.

(b) Dividends

Subject to the Corporations Act, and the terms of issue or rights of any shares with special rights to dividends, the Directors may determine or declare that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each Shareholder entitled to that dividend. Interest is not payable by the Company on a dividend.

All dividends are to be paid apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period for which the dividend is paid, but, if any share is issued on terms providing that it will rank for dividend as from a particular date, that share ranks for dividend accordingly.

The Directors may deduct from any dividend payable to, or at the direction of, a Shareholder any sums presently payable by that Shareholder to the Company on account of calls or otherwise in relation to shares in the Company.

(c) Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(d) Issue of Shares

The issue of Shares in the Company is under the control of the Directors who may issue, allot and cancel or otherwise dispose of Shares in the Company, grant options over unissued Shares in the Company, reclassify or convert Shares and settle the manner in which fractions of a Share, however arising, are to be dealt with, subject to the Corporations Act, the Listing Rules and any special rights conferred on the holders of any shares or class of shares.

(e) Variation of rights

The rights attached to any class of Shares may, unless their terms of issue state otherwise, be varied:

- (i) with the written consent of the holders of 75% of the Shares of the class; or
- (ii) by a special resolution passed at a separate meeting of the holders of Shares of the class.

(f) Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

(g) Notice and meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, annual general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

(h) Sale of non-marketable holdings

The Company may take steps in respect of non-marketable holdings of Shares in the Company to effect an orderly sale of those Shares by giving notice to the relevant holders and in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the Listing Rules.

(i) Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) Shareholder liability

As Shares are fully paid shares, they are not subject to any calls for money by the Company and will therefore not become liable for forfeiture.

8.2 Terms of Vendor Options

The terms of Vendor Options are set out below.

(a) Issue price

Each Option has an issue price of nil.

(b) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(c) Exercise Price

The amount payable upon exercise of each Option is \$0.25 (**Exercise Price**).

(d) Expiry Date

Each Option will expire at 5:00pm (AWST) on the date that is 4 years from the date that the Company is admitted to the Official List (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Exercise Period

An Option is exercisable at any time on or before the Expiry Date (**Exercise Period**), subject to any ASX imposed escrow restrictions.

(f) Exercise Notice

An Option may be exercised during the Exercise Period by written notice to the Company in any manner specified on the Option certificate (**Exercise Notice**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) Exercise Date

An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) Timing of Shares issued on exercise

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the Official List of ASX at the time, apply for quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under section (ii) above is not effective (for any reason) to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Ranking of Shares

Shares issued on exercise of the Options rank equally with the then existing Shares of the Company.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

- (k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising their Options.

- (l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

- (m) Quotation

The Company will not apply for quotation of the Options on ASX.

8.3 Terms of New Options

The terms of New Options are set out below.

- (a) Issue price

Each Option has an issue price of \$0.001.

- (b) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

- (c) Exercise Price

The amount payable upon exercise of each Option is \$0.25 (**Exercise Price**).

- (d) Expiry Date

Each Option will expire at 5:00pm (AWST) on the date that is 3 years from the date that the Company is admitted to the Official List (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (e) Exercise Period

Each Option will vest and become exercisable on the date that is 2 years from the date that the Company is admitted to the Official List (**Vesting Date**). From the Vesting Date, each Option is exercisable at any time on or before the Expiry Date (**Exercise Period**), subject to any ASX imposed escrow restrictions.

- (f) Exercise Notice

An Option may be exercised during the Exercise Period by written notice to the Company in any manner specified on the Option certificate (**Exercise Notice**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

- (g) Exercise Date

An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) Timing of Shares issued on exercise

Within 10 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the Official List of ASX at the time, apply for quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under section (ii) above is not effective (for any reason) to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Ranking of Shares

Shares issued on exercise of the Options rank equally with the then existing Shares of the Company.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising their Options.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) Quotation

The Company will not apply for quotation of the Options on ASX.

8.4 Employee Securities Incentive Plan

A summary of the key terms of the Plan is set out below. For the purposes of Listing 7.2 (Exception 13), the Company proposes to issue a maximum of 5,400,000 Securities under the Plan, equating to 10% of the total Shares on issue upon completion of the Offers.

(a) **(Purpose of Plan):** The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and

- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Related Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Awards (being securities exercisable for Shares, including options and performance rights).
- (a) **(Eligibility to participate):** An Eligible Participant means a person that:
 - (i) is an "eligible participant" (as defined in *ASIC Class Order [CO 14/1000]*) in relation to the Company or any Related Body Corporate (as defined in the Corporations Act) (n.b. this includes Directors); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
 - (b) **(Administration of Plan):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its absolute discretion. The Board may delegate its powers and discretion.
 - (c) **(Offers of Awards):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an offer to that Eligible Participant to apply for Options or Performance Rights (**Awards**).
 - (d) **(Applications for Awards):** An Eligible Participant who wishes to apply to participate in the Plan in response to an Offer must provide a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the Offer, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation in order for that nominee to be granted the Awards the subject of the Offer.
 - (e) **(Grant of Awards):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Awards, subject to the terms and conditions set out in the Offer, the Plan rules and any ancillary documentation required.
 - (f) **(Terms of Awards):** Each 'Award' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to an Award being exercised, a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Award by virtue of holding the Award.
 - (g) **(Vesting of Awards):** Any vesting conditions applicable to the grant of Awards will be described in the Offer. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Awards have vested. Unless and until the vesting notice is issued by the Company, the Awards will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to an Award are not satisfied and/or otherwise waived by the Board, that Award will lapse.
 - (h) **(Delivery of Shares):** As soon as practicable after the valid exercise of an Award by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Awards held by that Participant.
 - (i) **(Exercise of Awards):** In the case of an Award which is an Option, to exercise an Award, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Awards (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. In the case of an Award which is a Performance Right, following the issue of a Vesting Notice, a vested Performance Right will automatically be exercised within the period specified by the Board in the relevant Offer.

The Participant may elect not to be required to provide payment of the exercise price for the number of Awards specified in a notice of exercise, but that on exercise of those Awards the Company will transfer or issue to the Participant that number of Shares as are equal in value to the difference between the total Exercise Price otherwise payable for the Awards on the Awards being exercised and the then market value of Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the 5 trading-day period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = A \times (MSP - EP) / MSP$$

Where:

- (i) **S** = Number of Shares to be issued on exercise of the Awards;
- (ii) **A** = Number of Awards;
- (iii) **MSP** = Market value of Shares (calculated using the volume weighted average price (as that term is defined in the Listing Rules) at which Shares were traded on the ASX during the 5 trading day-period immediately preceding the exercise date); and
- (iv) **EP** = Exercise Price.

If the difference between the total Exercise Price otherwise payable for the Awards on the Awards being exercised and the then market value of Shares at the time of exercise (calculated in accordance with the formula above) is zero or negative, then a holder will not be entitled to use the Cashless Exercise Facility.

- (j) **(Restrictions on dealing)**: A Participant may not sell, transfer, assign, grant a security interest over, option, swap, alienate or otherwise deal with an Award that has been granted to them.

The Board may impose a restriction on dealing with Shares allocated on exercise or vesting of an Award. The Board may implement any procedure it considers appropriate to ensure the compliance by the Participant with this restriction, including the imposition of a holding lock or requiring that Shares be held in trust on behalf of the Participant.

- (k) **(Forfeiture of Awards)**: Where a Participant who holds Awards ceases to be an Eligible Participant or becomes insolvent, all unvested Awards will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Awards to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Awards held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Awards which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Awards which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control)**: If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its absolute discretion determine that:
 - (i) all or a specified number of a Participant's unvested Awards are deemed to have vested;

- (ii) all or a specified number of a Participant's Options may be exercised for a period specified by the Board, and if not exercised within that period, will lapse;
 - (iii) dealing restrictions or any other terms which apply to the Award cease to apply; and/or
 - (iv) dealing restrictions which apply to Shares allocated on the vesting of or exercise of an Award (as applicable) cease to apply.
- (m) **(Rights):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of an Award, will rank equally in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares.
- (n) **(Adjustment for capital reconstructions):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Awards will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Awards is entitled, upon exercise of the Awards, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Awards are exercised.

Unless otherwise determined by the Board, a holder of Awards does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Awards and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Awards without exercising the Awards.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including the terms upon which any Awards have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.
- No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
- (q) **(Term of Plan):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

8.5 Substantial holders

As at the Prospectus Date, the following persons (and their associates) hold an interest in 5% or more of the Shares on issue in the Company. On completion of the Offers, the following persons, except Cityscape Asset Pty Ltd, will hold an interest in 5% or more of the Shares on issue in the Company. Prior to quotation of its Shares, the Company will announce to ASX details of its top 20 Shareholders by number of Shares.

| Holder | Shares ¹ | Voting Power | |
|----------------------------------------|---------------------|--------------|-------------------------|
| | | Existing | Completion ¹ |
| Shenton Resources Limited ² | 11,225,000 | 38.7% | 20.8% |
| Serena Minerals Limited ³ | 11,500,000 | 39.7% | 21.3% |
| Cityscape Asset Pty Ltd ⁴ | 2,000,000 | 6.9% | 3.7% |

Notes:

- 1 Assumes that none of the above holders participates in the Public Offer.
- 2 Shenton also holds 4,000,000 Vendor Options. If they are all exercised into Shares then Shenton's voting power based on the number of Shares at completion of the Offers would be 26.3%. See section 8.2 for the terms of Vendor Options.
- 3 Serena also holds 4,000,000 Vendor Options. If they are all exercised into Shares then Serena's voting power based on the number of Shares at completion of the Offers would be 26.7%. See section 8.2 for the terms of Vendor Options.
- 4 Cityscape Asset Pty Ltd is an entity controlled by Mr Jason Peterson, who is the Managing Director of the Lead Manager.

8.6 Expert and adviser interests

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, as at the Prospectus Date, or has held in the 2 years prior to the Prospectus Date, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offers.

CPS Capital has acted as the Lead Manager to the Public Offer. Details of the payments to the Lead Manager for these and other services are set out in section 7.2. During the 2 years before the Lodgement Date, the Lead Manager has not received any other payments from the Company.

Crowe Perth has been appointed to act as auditor to the Company. The Company estimates that it will pay Crowe Perth a total of \$29,500 (excluding GST) for these services. During the 2 years before the Prospectus Date, Crowe Perth has not provided any other services to the Company.

Crowe Australasia has acted as investigating accountant to the Company and has prepared the Independent Limited Assurance Report included at Attachment 3 of this Prospectus. The Company estimates that it will pay Crowe Australasia a total of \$22,000 (excluding GST) for these services. During the 2 years before the Prospectus Date, Crowe Australasia has not provided any other services to the Company.

Burnt Shirt Pty Ltd has acted as independent geologist to the Company and has prepared the Independent Geologist Report included at Attachment 1 of this Prospectus. The Company estimates that it will pay Burnt Shirt Pty Ltd a total of \$27,000 (excluding GST) for these services. During the 2 years before the Prospectus Date, Burnt Shirt Pty Ltd has not provided any other services to the Company.

AGH Law has acted as legal adviser to the Company in relation to the Offers and has prepared the Legal Tenement Report included at Attachment 2 of this Prospectus. The Company estimates that it will pay AGH Law a total of \$65,000 (excluding GST) for these services. During the 2 years before lodgement of this Prospectus with ASIC, AGH Law has not provided any other services to the Company.

8.7 Consents

Each of the parties referred to below:

- (a) does not make the Offers;
- (b) has not authorised or caused the issue of this Prospectus;
- (c) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below.

CPS Capital has given, and has not before the Prospectus Date withdrawn, its written consent to be named in this Prospectus as the lead manager to the Public Offer in the form and context in which it is named.

Crowe Perth has given, and has not before the Prospectus Date withdrawn, its written consent to be named in this Prospectus as the auditor to the Company in the form and context in which it is named.

Crowe Australasia has given, and has not before the Prospectus Date withdrawn, its written consent to be named in this Prospectus as the investigating accountant to the Company in the form and context in which it is named and to the inclusion of the Independent Limited Assurance Report attached to this Prospectus in the form and context in which it is included.

Burnt Shirt Pty Ltd has given, and has not before the Prospectus Date withdrawn, its written consent to be named in this Prospectus as the independent geologist to the Company in the form and context in which it is named and to the inclusion of the Independent Geologist Report attached to this Prospectus in the form and context in which it is included.

AGH Law has given, and has not before the Prospectus Date withdrawn, its written consent to be named in this Prospectus as legal adviser to the Company in relation to the Offers, in the form and context in which it is named and to the inclusion of the Legal Tenement Report attached to this Prospectus in the form and context in which it is included.

Advanced Share Registry Ltd has given, and has not before the Prospectus Date withdrawn, its written consent to be named in this Prospectus as the share registry to the Company in the form and context in which it is named.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

8.8 Offer expenses

The estimated cash expenses of the Offers (excluding GST) are set out below.

| Item | Amount |
|--------------------------------------|------------------|
| Lead Manager fees ¹ | \$300,000 |
| Investigating accountant fees | \$22,000 |
| Independent geologist fees | \$27,000 |
| Legal fees | \$65,000 |
| ASX listing fees | \$77,722 |
| ASIC lodgement fees | \$3,206 |
| Website, printing and registry costs | \$18,000 |
| Marketing costs | \$10,000 |
| Miscellaneous costs | \$17,772 |
| Total | \$540,700 |

Notes:

1 See sections 2.8 and 7.2 for details regarding payments to the Lead Manager.

8.9 Legal proceedings

As at the Prospectus Date, the Company is not involved in any material legal proceedings and no Director is aware of any material legal proceedings that are pending or threatened against the Company.

8.10 Regulatory relief and waivers

No ASIC or ASX waivers have been obtained or relied upon in relation to the Offers.

8.11 Continuous disclosure

The Company will be a “disclosing entity” for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Securities of the Company.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company will post information on its website after ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.12 Documents available for inspection

Copies of this Prospectus and the Constitution are available for inspection during normal business hours at the registered office of the Company.

8.13 Director statements

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in section 4, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

9 Definitions

Acquisition Agreements means the Shenton Acquisition Agreement, the Slambam Acquisition Agreement and/or the Serena Acquisition Agreement (as applicable).

Application Form means the Public Offer Application Form and/or the Lead Manager Offer Application Form (as applicable).

Application Monies means the amount of money paid or made available by an applicant under an Application Form.

Appointment Letters means the appointment letters with Non-Executive Directors summarised in section 7.6.2.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange (as applicable).

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Operating Rules means the official settlement and operating rules of ASX Settlement.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors of the Company.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offers close, being 5.00pm (AWST) on 6 September 2021, or any other time and date determined by the Company.

Company means Dalaroo Metals Ltd (ACN 648 476 699).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Crowe Australasia means Findex (Aust) Pty Ltd (ACN 006 466 351) trading as Crowe Australasia.

Department means the Department of Mines, Industry Regulation and Safety of Western Australia.

Director means a director of the Company.

E70/4694 Land Access Agreement means a land access agreement summarised in section 7.4.1 (as applicable).

E70/4694 Proprietor means an owner of private land located within E70/4694 (as applicable).

E70/4928 Land Access Agreement means a land access agreement summarised in section 7.4.2 (as applicable).

E70/4928 Proprietor means an owner of private land located within E70/4928 (as applicable).

Executive Services Agreement means the agreement between the Company and Mr Harjinder Kehal for his services as summarised in section 7.6.1.

Exposure Period means the period of 7 days after the Prospectus Date, which period may be extended by up to a further 7 days.

Independent Geologist Report means the independent geologist report at Attachment 1.

Independent Limited Assurance Report means the independent limited assurance report at Attachment 3.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.

Land Access Agreements means the land access agreements summarised in section 7.4.

Lead Manager or **CPS Capital** means CPS Capital Group Pty Ltd (ACN 088 055 636) (Australian Financial Services Number 294848).

Lead Manager Application Form means an application form accompanying this Prospectus distributed to the Lead Manager in respect of the Lead Manager Offer.

Lead Manager Mandate or **Mandate** means the lead manager and broker mandate between the Company and the Lead Manager summarised in section 7.1.

Lead Manager Offer means the offer of 5,000,000 New Options under this Prospectus at an issue price of \$0.001 each to the Lead Manager (or its nominees).

Legal Tenement Report means the legal tenement report at Attachment 2.

Listing Rules means the official listing rules of ASX.

Lyons River Project means the mineral exploration project described in section 3.3 (including the Tenements listed in section 3.3.4).

Minister means the Minister for Mines and Petroleum in Western Australia.

Mining Act means the *Mining Act 1978 (WA)*.

Minimum Subscription means the subscription of 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000 (before costs) under the Public Offer.

Namban Project means the mineral exploration project described in section 3.2 (including the Tenements listed in section 3.2.7).

New Option means an Option on the terms set out in section 8.3.

Offer means the Public Offer and/or the Lead Manager Offer (as applicable).

Official List means the official list of ASX.

Opening Date means the date that the Offers open, being 9:00am (AWST) on 24 August 2021 (subject to any extension of the Exposure Period), or any other time and date determined by the Company.

Option means an option to acquire a Share.

Plan means the employee securities incentive plan adopted by the Company summarised in section 8.4.

Pre-IPO Investor means an investor under the Pre-IPO Raising or the Seed Raising.

Pre-IPO Raising means the placement of 4,000,000 Shares at \$0.10 each to raise \$400,000 undertaken by the Company.

Project means the Namban Project and/or the Lyons River Project (as applicable).

Prospectus means this prospectus (including any supplementary or replacement prospectus in relation to this document).

Prospectus Date means the date on which a copy of this Prospectus was lodged with ASIC, being 16 August 2021.

Public Offer means the offer of 25,000,000 Shares under this Prospectus at an issue price of \$0.20 each to raise a minimum of \$5,000,000 (before costs).

Public Offer Application Form means an application form accompanying this Prospectus (including any electronic form provided by an online application facility) in respect of the Public Offer.

Security means an equity security (as defined in the Listing Rules) of the Company.

Seed Raising means the placement of 2,000,000 Shares at \$0.02 each to raise \$40,000 undertaken by the Company.

Serena Acquisition Agreement means the tenement sale agreement summarised in section 7.3.2.

Serena means Serena Minerals Limited (ACN 158 164 204).

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Advanced Share Registry Ltd (ACN 127 175 946).

Shareholder means a holder of one or more Shares.

Shenton Acquisition Agreement means the tenement sale agreement summarised in section 7.3.1.

Shenton means Shenton Resources Limited (ACN 152 726 595).

Slambam Acquisition Agreement means the tenement sale agreement summarised in section 7.3.2.

Slambam means Slambam Enterprises Pty Ltd (ACN 131 914 399).

Tenement means a mining tenement within a Project (as applicable).

Vendor means Shenton, Serena and/or Slambam (as applicable).

Vendor Option means an Option on the terms set out in section 8.2.

Attachment 1 – Independent Geologist Report



DALAROO METALS LTD

Independent Geologists Report

12 AUGUST 2021

REPORT PREPARED FOR DALAROO METALS LTD

MR HARJINDER KEHAL

REPORT AUTHOR

JEREMY PETERS

BSc BEng FAUSIMM CP (MIN,GEO)

REPORT REVIEWER

VANESSA O'TOOLE

BSc MAUSIMM



Burnt
Shirt



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1 EXECUTIVE SUMMARY

Burnt Shirt Pty Ltd (Burnt Shirt) was requested by Dalaroo Metals Ltd (Dalaroo) to prepare an Independent Geologists Report (IGR) for its Western Australian Mineral Assets¹, which comprise the Lyons River base metal and the Namban nickel, platinum group element (PGE) and copper exploration projects (collectively, the “Projects”).

Lyons River is located in the Gascoyne region of Western Australia and Namban is located in the inner Wheatbelt region, near the town of Moora, Western Australia.

Figure 1.1 Dalaroo project location map



Source: Dalaroo, July 2021

¹ As defined by the VALMIN Code

Table 1.1 Mineral Assets

| Project | Tenement | Status | Blocks | Grant date | Expiry date |
|-------------|----------|---------|--------|-------------|-------------|
| Lyons River | E09/1824 | Granted | 7 | 10 Jan 2012 | 9 Jan 2022 |
| | E09/1825 | | 40 | 10 Jan 2012 | 9 Jan 2022 |
| | E09/2098 | | 4 | 4 Mar 2015 | 3 Mar 2020 |
| | E09/2102 | | 42 | 15 Jul 2015 | 14 Jul 2020 |
| | E09/2304 | | 42 | 17 Apr 2019 | 16 Apr 2024 |
| | E09/2305 | | 19 | 17 Apr 2019 | 16 Apr 2024 |
| | E09/2312 | | 68 | 17 Apr 2019 | 16 Apr 2024 |
| Namban | E70/4694 | Granted | 6 | 11 May 2015 | 10 May 2025 |
| | E70/4928 | | 41 | 6 Jul 2017 | 5 July 2022 |
| | E70/5702 | | 3 | 26 Mar 2021 | 25 Mar 2022 |
| | E70/5494 | | 52 | 22 Jan 2021 | 21 Jan 2026 |
| | E70/5604 | | 17 | 25 May 2021 | 24 May 2026 |
| | E70/5502 | | 28 | 1 Dec 2020 | 30 Nov 2025 |

Source: Dalaroo, July 2021

This report has an Effective Date of 16 August 2021, being the most recent date on which Dalaroo made material in its possession available to Burnt Shirt; and Burnt Shirt is unaware of any material change since this date.

This document is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee (the "JORC Code") and the 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the "VALMIN Code").

1.1 Summary of Geology and Mineralisation

Dalaroo's assets cover a variety of geological styles within two regions in Western Australia. The mineralisation associated with each is varied, as are the exploration concepts and stages of development.

Dalaroo operates these Projects and is responsible for target generation, tenement management, exploration and expenditure.

1.1.1 Lyons River

Lyons River comprises seven granted Exploration Licenses (EL) for a total of 702 km² within the Gascoyne Province, which is the deformed and high-grade metamorphic core of the early Proterozoic Capricorn Orogen.

Initial field reconnaissance in the area was completed in 2003 by BHP Minerals Limited (BHP) and identified a 6 km long lead-zinc-copper soil anomaly coincident with gahnite-bearing and lead-anomalous drainages. Subsequent geophysics, geochemical work and drilling has identified a cluster of strong induced polarity (IP) anomalies over a strike distance of 2.5 km that coincide with publicly reported reverse circulation (RC) drill results of 2.3% Pb, 0.9% Cu and Zn 0.4%².

² Altera Resources Limited ASX release, 31 March 2008

1.1.2 Namban

The Namban project comprises six granted Exploration Licences that total 437 km² that have historically been explored for potash and talc, and an Exploration Target identified based on the results of previous drilling that led to an estimate of the volume and grade of mineralisation present. Minor historical copper exploration took place to the west of the tenure.

The recent discovery of the Julimar base metal and platinum group element (PGE) deposit has led to Dalaroo re-assessing its tenure for the discovery of these metals, associated with mafic intrusions that are either inferred from geophysics or observed to be present on its tenure.

Watheroo Exploration Target

Historical exploration resulted in an internal estimate of mineralisation that Burnt Shirt has used as the basis of an Exploration Target of between 20 Mt and 50 Mt at between 6% and 7% K₂O. Shenton's mineralisation estimate is based on modelling of its drilling undertaken at Watheroo. For more information, refer to Section 4.2.4 of this report.

Responsibility for the Exploration Target is taken by Mr Jeremy Peters, FAusIMM CP (Min, Geo), a suitably experienced and qualified geologist and mining engineer and Director of Burnt Shirt.

Burnt Shirt cautions that an Exploration Target is conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

1.2 Summary of Exploration Strategy

Burnt Shirt considers Dalaroo's Projects to be early-stage exploration projects¹³ with attractive geology. The Projects enjoy relative ease of access and the regional presence of significant infrastructure, when compared to other Australian exploration projects.

Lyons River has the potential for hosting a Broken Hill type (BHT) base metals deposit.

Namban lies in similar geology to that at Chalice Mining's Julimar nickel-copper-PGE discovery, announced in March 2020⁴ and also has demonstrable potential to host potash mineralisation.

Dalaroo has prioritised its exploration such that the initial focus will be those projects considered to have the greatest potential to yield economic mineralisation in the short term and those proximal to established infrastructure.

Burnt Shirt considers this to be sound strategy and comments that in its view, the understanding of the geology of these Projects is more valuable than exploration results returned to date. This is particularly the case with Lyons River, where technically sound geological thinking is developing areas identified by previous explorers and Dalaroo.

Burnt Shirt has been advised that Dalaroo has budgeted approximately A\$3.20 million from a raising of A\$5.0 million, for full subscription (Table 1.2), for exploration expenditure on its tenements over two years and considers this to be appropriate to support the strategy described.

³ As defined by the VALMIN Code

⁴ CHN ASX announcement, 23 March 2020

Table 1.2 Summary of proposed exploration expenditure, full subscription case (A\$3.2M)

| Activity | Lyons River | | Namban | | Total |
|-------------------|-------------|---------|---------|---------|-----------|
| | Year 1 | Year 2 | Year 1 | Year 2 | |
| Drilling | 470,000 | 480,000 | 370,000 | 380,000 | 1,700,000 |
| Geophysics | 100,000 | 50,000 | 120,000 | 50,000 | 320,000 |
| Soil Geochemistry | 105,000 | 35,000 | 100,000 | 40,000 | 280,000 |
| Surveys | 40,000 | 30,000 | 20,000 | 10,000 | 100,000 |
| Staff | 145,000 | 75,000 | 80,000 | 30,000 | 330,000 |
| Consumables | 120,000 | 40,000 | 110,000 | 55,000 | 325,000 |
| Vehicle | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 |
| Accommodation | 45,000 | 20,000 | 20,000 | 20,000 | 105,000 |
| Total | 1,035,000 | 740,000 | 830,000 | 595,000 | 3,200,000 |

Source: Dalaroo

Burnt Shirt considers that Dalaroo staff are suitably qualified and experienced to successfully implement the proposed program.

1.3 Burnt Shirt Opinion

Burnt Shirt considers that Dalaroo holds tenure over some highly prospective mineral tenements in Western Australia and recommends that it proceed to implement its exploration strategy on the listing of Dalaroo.

The Lyons River project has historically demonstrated geological similarities to Broken Hill Type deposits and the results of geochemical, geophysical and preliminary drilling support the presence of base metals mineralisation in the area.

The Namban project has historically demonstrated the potential to host economic potash mineralisation. Its geology is the same as that which hosts the regional Julimar deposit and neighbouring explorers have returned results that indicate the presence of base metals and PGE mineralisation. Dalaroo has observed and inferred from geophysics the presence of mafic bodies on its tenure and intends to explore these.

1.4 Burnt Shirt Conclusions

Burnt Shirt concludes that Dalaroo's Lyons River project is at an early stage of exploration but has returned strong indications of the presence of potentially significant base metals mineralisation that commands immediate attention.

Burnt Shirt concludes that Dalaroo's Namban project is at an early stage of exploration but its geology and proximity to the Julimar discovery demands systematic and intensive exploration.

Dalaroo will derive benefit from a long period of well-executed exploration performed by previous explorers on its Projects that has resulted in an excellent geological database, which represents considerable value.

Burnt Shirt has examined the proposed exploration budget of approximately A\$3.2 million and the proposed work program for the first two years after Dalaroo's listing (refer Section 5). Burnt Shirt concludes that these are reasonable and achievable.

1.5 Burnt Shirt Recommendations

Burnt Shirt recommends that:

- At Lyons River, the Broken Hill model be pursued, and systematic drilling of the geophysical anomalies be undertaken. Assay results from diamond drillholes completed in late 2019 remain outstanding and Burnt Shirt recommends that these be expedited.
- At Namban, Burnt Shirt recommends that base metal and PGE exploration be expedited through the drilling of mafic geological units inferred from geophysics. The publicly released exploration results of neighbouring parties should be used to inform this effort.

2 INTRODUCTION

Burnt Shirt was requested by Dalaroo to prepare an IGR on its Western Australian Mineral Assets. Burnt Shirt understands that this IGR is to be included in a Prospectus dated 16 August 2021 for an initial public offer of shares to raise up to \$5,000,000 to facilitate a listing on the Australian Securities Exchange (ASX).

Burnt Shirt understands that the Mineral Assets are wholly owned by Dalaroo. The Mineral Assets will be referred to as being the assets of Dalaroo in this report.

Burnt Shirt has sighted evidence, in the form of a Solicitor's Report, that the Mineral Assets are in good standing and have been transferred to Dalaroo's ownership from other entities. The Solicitor's Report is included in Dalaroo's Prospectus.

The Dalaroo Mineral Assets are all located within Western Australia and comprise:

- Lyons River
- Namban

This document is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee (the JORC Code) and the 2015 Australasian Code for Public Reporting of technical assessments and valuations of mineral assets (the VALMIN Code).

This IGR does not value Dalaroo's Projects.

2.1 Competent Person, Effective Date, and No Material Change

This document is prepared in accordance with the JORC Code and the VALMIN Code. This IGR is a Technical Assessment Report, as defined by the VALMIN Code.

The information in this IGR that relates to the Exploration Results is based on information compiled by and conclusions derived by Mr Jeremy Peters, BSc (ANU), BEng (Min, AWASM), a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Chartered Professional Geologist and Mining Engineer of that organisation. Mr Peters has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the JORC Code and a Practitioner as defined by the VALMIN Code.

Mr Peters is an employee of Burnt Shirt and has no direct or indirect interest in Dalaroo. Burnt Shirt will receive a fee for the preparation of this IGR in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the IGR and Burnt Shirt will receive no other benefit for the preparation of this IGR. Burnt Shirt does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets.

Neither Burnt Shirt, the Competent Person, Mr Peters, who is responsible for authoring this IGR, nor any Directors of Burnt Shirt have at the date of this IGR, nor have had within the previous two years, any shareholding in Dalaroo or any of its related parties.

Consequently, Burnt Shirt, Mr Peters and the Directors of Burnt Shirt consider themselves to be independent of Dalaroo and its related parties.

Mr Peters (the Competent Person and Practitioner) consents to the inclusion in this IGR of the matters based on his information in the form and context in which it appears.

Unless otherwise stated, information and data contained in this IGR or used in its preparation have been provided by Dalaroo or gathered from public sources. All illustrations in this document have been prepared under the guidance of the Competent Person.

The Competent Person advises that exploration is a risky undertaking and that there is no guarantee that activities undertaken by Dalaroo will discover mineralisation or result in estimation of a Mineral Resource at any of its Projects.

2.1.1 Confirmations

The Exploration Results contained within this IGR are based on, and fairly represent, information and supporting documentation prepared by Mr Peters, the Competent Person.

Burnt Shirt advises that it is not qualified to offer opinion on legal matters and that these are dealt with in the Solicitor's Report included in the Prospectus.

2.1.2 Effective Date

The Effective Date of this IGR is 16 August 2021, this being the date at which no further information was supplied to the author by Dalaroo, and the author is not aware of any material change in the status of the Projects in the period between receipt of data and completion of the IGR.

2.1.3 No Material Change

The Competent Person confirms there has been no material change in the matters being reported at the date of this IGR.

2.2 Mineral Assets

Dalaroo's Projects are located within Western Australia and are directed toward the discovery of economic deposits of base and precious metals. These metals are internationally traded and backed by international exchanges. Burnt Shirt understands that Dalaroo has entered agreements with the registered tenement holders to acquire 100% of the tenements.

The Mineral Assets that are the subject of this IGR are granted Exploration Licences (Table 1.1) under Western Australian mining legislation⁵.

2.2.1 Competing Tenure

All tenements are subject to Native Title and freehold tenure to some extent, as detailed in the solicitor's report that accompanies Dalaroo's Prospectus. Indigenous Land Use Agreements and land access agreements have been negotiated with the relevant landholders and Aboriginal groups.

2.3 Mineral Resources and Ore Reserves

Dalaroo's Projects contain no Mineral Resources or Ore Reserves, as defined by the JORC Code.

⁵ For an explanation of Western Australian mining tenure, refer to [Mining Tenements explained \(dmp.wa.gov.au\)](https://dmp.wa.gov.au)

2.3.1 Exploration Targets

Watheroo Exploration Target

Historical exploration resulted in an internal estimate of mineralisation that Burnt Shirt has used as the basis of an Exploration Target of between 20 Mt and 50 Mt at between 5% and 8% K₂O. Shenton's mineralisation estimate is based on modelling of its drilling undertaken at Watheroo. For more information, refer to Section 4.2.4 of this report.

Responsibility for the Exploration Target is taken by Mr Jeremy Peters, FAusIMM CP (Min, Geo), a suitably experienced and qualified geologist and mining engineer and Director of Burnt Shirt.

Burnt Shirt cautions that an Exploration Target is conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

2.4 Responsibility, Sources of Information and Site Visit

The Competent Person for preparation of this report is Mr Jeremy Peters, FAusIMM CP (Mining, Geology), Director of Burnt Shirt, who has extensive professional experience with the geology of Western Australia.

Mr Peters inspected the Namban Project on 16 July 2021 and has satisfied himself as to the geology and the veracity of statements made regarding the project by Dalaroo.

The Lyons River Project is at an early stage of exploration and, in Mr Peters' opinion, does not warrant a site visit at this stage. He has observed the results of Serena Minerals Limited (Serena) exploration efforts over the last several years and therefore has not conducted a direct site visit, having worked in the area, particularly at Glenburgh, Yangibana and Abra. Mr Peters has inspected the geological logs and core photographs of diamond drilling conducted by Serena in late 2020. Mr Peters consequently considers that there is no material value in physically examining the Lyons River Project and accepts representations made by Dalaroo and bases his inferences on his own experience in the locality of Lyons River.

Mr Peters takes responsibility as the Competent Person for Exploration Results⁶ for the Lyons River and Namban Projects. Mr Peters has sufficient experience and qualifications to act as the Competent Person in this regard.

Other than Dalaroo's Lyons River geochemical results, Exploration Results quoted in this report have been publicly released by previous explorers and reference is provided to the relevant public reports that describe these Exploration Results and supporting information.

Mr Peters takes responsibility as the Competent Person for the Watheroo project Exploration Target⁷. Mr Peters has sufficient experience and qualifications to act as Competent Person in this regard.

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 2.4.1 below. Mr Peters has critically examined this information, made his own enquiries and applied his general geological competence to conclude that the information presented in this IGR complies with the definitions and guidelines of the JORC Code.

The responsibility of the author is provided in Table 2.1.

⁶ As defined by Clause 18 of the JORC Code

⁷ As defined by Clause 17 of the JORC Code

Table 2.1 Responsibilities of the author

| Author | Responsible for sections |
|--------------------------------------|---------------------------------------------|
| Jeremy Peters, FAusIMM CP (Min, Geo) | 1, 2, 3, 4, 5, 6, 7, Appendix A, Appendix B |

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$) and units of measurement are metric except for gold, which is variously expressed in Troy ounces. Historical units have been converted to metric units. All map references are in Australian Map Grid (AMG) unless otherwise stated.

Burnt Shirt is responsible for this report as part of Dalaroo's listing documentation and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no material omissions.

2.4.1 Reliance on Other Experts

In preparing this report, Burnt Shirt has been reliant on information provided by Dalaroo and publicly available information regarding geology and operations in the relevant project areas. Mr Peters has critically examined this information, made his own enquiries, and applied his general geological competence to conclude that the information presented in this IGR complies with the definitions and guidelines of the JORC (2012) Code.

The principal source of information regarding Dalaroo's assets is private and statutory reports that have been variously prepared by Dalaroo or previous holders of its tenements and submitted to the Department of Mines, Industry Regulation and Safety (DMIRS) of the Western Australian Government.

2.4.2 Reliance on Information

Burnt Shirt believes that its opinion must be considered as a whole, and that selection of portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinions presented in this IGR. The preparation of an IGR is a complex process and does not lend itself to partial analysis or summary.

Burnt Shirt advises that these opinions are based on the findings of previous exploration and Burnt Shirt has referenced the publicly available sources of this information, as appropriate.

2.4.3 Consent

Various statements in this report attributable to third parties have been included without the consent of those parties. Those statements are made or based upon statements made in previous technical reports that the Competent Person confirms are publicly available from either government sources or the ASX, but those reports are not incorporated by reference into the Dalaroo Prospectus. The authors of these reports have not consented to their statements being used in this IGR, and those statements are included in accordance with Australian Securities and Investments Commission (ASIC) Corporations (Consent and Statements) Instrument 2016/72.

Extensive reference is made to the results of historical exploration. Some of these results have not previously been reported in accordance with the JORC Code and may not have been reported in accordance with any of its predecessors. Consequently, these results are to be interpreted with an appropriate degree of caution. The Competent Person considers these to be adequately reliable for the purposes of indicating geological prospectivity. Burnt Shirt has referred to the publicly available Geological Survey of Western Australia (GSWA) Western Australian mineral exploration

reports database (WAMEX)⁸ file numbers for these historical exploration results, where they can be read in their original format and context.

2.4.4 Expression of Drilling Results

Burnt Shirt expresses the drilling results of previous explorers in this report and in each case has elected to express the average grade of the assays from the zones identified as being mineralised, weighted by downhole length. All intervals are downhole intervals, and no correction has been made for true width nor have assay results been cut or modified in any manner.

These are expressed in accordance with the provisions of Clause 19 of the JORC Code and a list of these intersections is provided in Appendix B.

2.4.5 Limitations

Dalaroo has agreed to indemnify Burnt Shirt for any liability arising as a result of or in connection with the information provided by or on behalf of it being incomplete, incorrect or misleading in any material respect. Dalaroo has confirmed in writing to Burnt Shirt that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. Burnt Shirt has no reason to believe that any material facts have been withheld and Dalaroo has confirmed in writing to Burnt Shirt that it believes it has provided all material information available to it.

2.4.6 Declaration

Burnt Shirt will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the report and Burnt Shirt will receive no other benefit for the preparation of this report. Burnt Shirt does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets.

Neither Burnt Shirt, the Competent Person, Mr Peters, who is responsible for authoring this report, nor any Directors of Burnt Shirt have at the date of this report, nor have had within the previous two years, any shareholding in Dalaroo or any of its advisors.

Consequently, Burnt Shirt, Mr Peters and the Directors of Burnt Shirt consider themselves to be independent of Dalaroo and its related parties.

2.4.7 Copyright

Copyright of all text and other material matters in this document, including the manner of presentation, is the exclusive property of Burnt Shirt.

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⁸ [Geocortex Viewer for HTML5 \(dmp.wa.gov.au\)](http://dmp.wa.gov.au)

3 LYONS RIVER

3.1 Lyons River

The Lyons River project is located in the same region as Galena Mining’s Abra base metals project, Gascoyne Resources’ Glenburgh and Egerton gold projects, and Hastings Technology Metals’ Yangibana rare earths project (Figure 3.1).

Figure 3.1 Lyons River project location



Source: Dalaroo, July 2021

3.2 Location and Access

The Lyons River Project is situated in Western Australia and is located approximately 100 km north of the township of Gascoyne Junction and 220 km to the northeast of Carnarvon and lies in the central west of the Mount Phillips (SG50-02) 1:250,000 map sheet.

Access is by the Great Northern Highway and Carnarvon-Mullewa Road to Gascoyne Junction and then the Ullawarra Road to Lyons River.

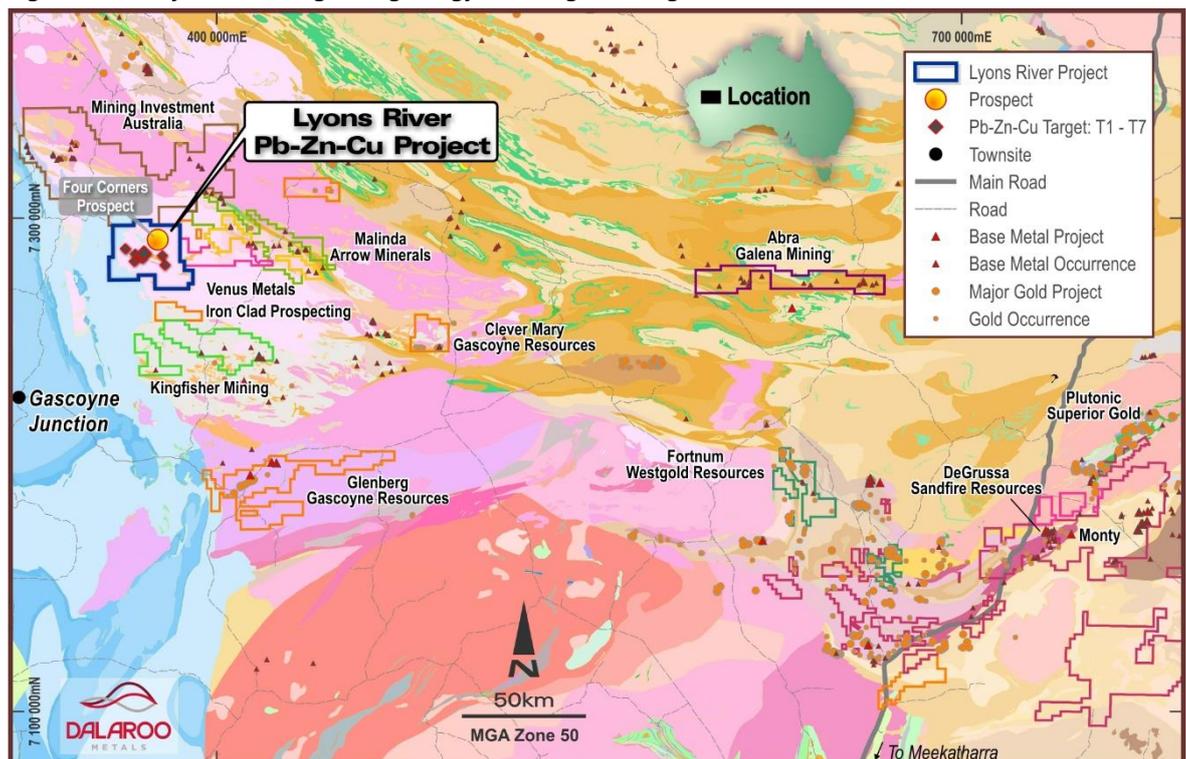
Station tracks to windmills allow access to various parts of the project area. Several rivers and creeks between Gascoyne Junction and Eudamullah have large catchment areas and after heavy rain, they can be impassable for periods ranging from days to weeks.

3.3 Geology and Mineralisation

3.3.1 Regional Geology

Lyons River lies within the Mutherbukin Zone of the Gascoyne Province, which is the deformed and high-grade metamorphic core zone of the early Proterozoic Capricorn Orogen. The province consists of granitoid intrusions, mantled-gneiss domes, metamorphosed and partly melted sedimentary rocks, and remobilised Archaean basement gneiss. It lies between the Archaean Pilbara Block and Yilgarn Block and tectonic trends within the Gascoyne Province wrap around the margins of these relatively stable cratons (Figure 3.2).

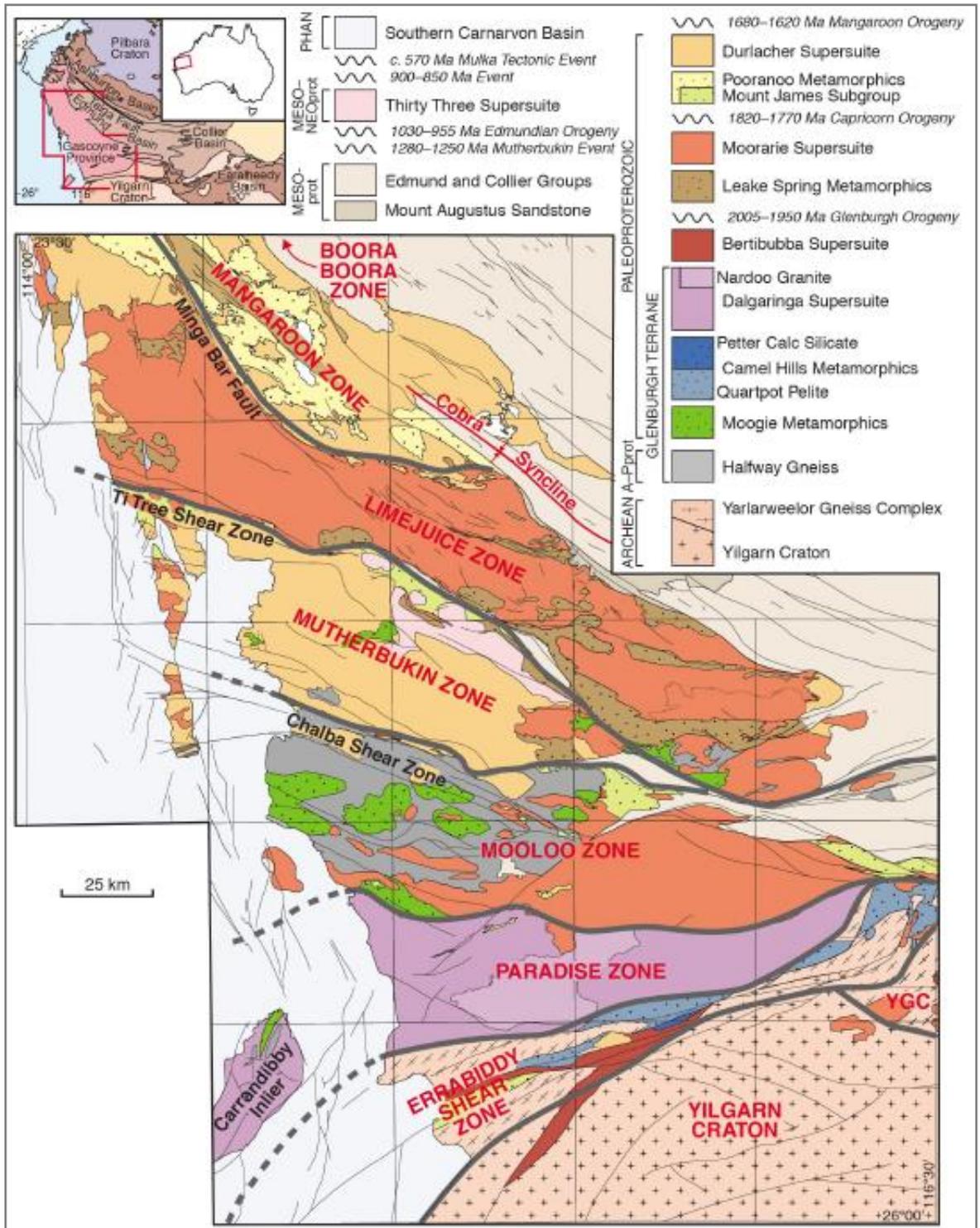
Figure 3.2 Lyons River regional geology and neighbouring tenure



Source: Dalaroo, July 2021

The Mutherbukin Zone is 50 km wide and trends west-northwest to east-southeast, bounded to the north by the Ti Tree Shear Zone and to the south by the Chaliba Shear Zone (Figure 3.3). These south dipping, crustal-scale structures delineate the margins of the Mutherbukin Zone and separate it from the older Limejuice Zone to the north and the Mooloo Zone to the south.

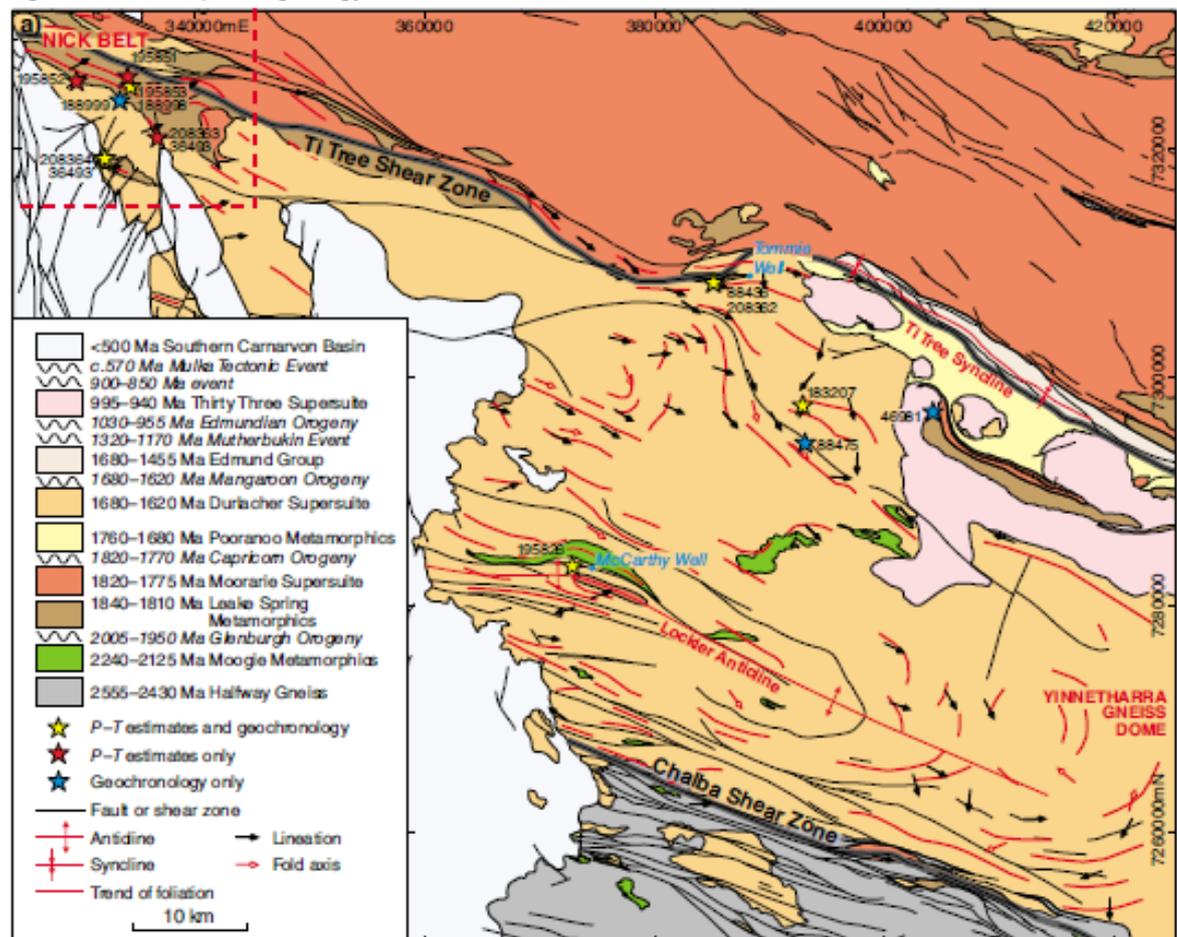
Figure 3.3 Gascoyne Province structural and metamorphic zones



Source: Dalaroo, after GSWA Record 146, July 2021

The Mutherbukin Zone is dominated by late Palaeozoic granites of the Davey Well Batholith, part of the 1680–1620 Ma Durlacher Supersuite (Figure 3.4).

Figure 3.4 Simplified geology of the Mutherbukin Zone



Source: Dalaroo, after GSWA Record 146, July 2021

At the core of the anticline are remnants of mostly recrystallised quartzite Moogie Metamorphics that form east-west to northwest-southeast trending belts and Moorarie Supersuite rocks. The Moorarie Supersuite rocks comprise foliated to gneissic biotite (–muscovite) metamonzogranite, metagranodiorite, and metatonalite. The supersuite is intruded by granites and gneiss of the Durlacher Supersuite.

The Durlacher Supersuite metagranites and sheared remnants of the Moogie Metamorphics, parallel and wrap around the central anticlinal spine of Mumba Psammite. The majority of the units within the Durlacher Supersuite are strongly peraluminous, with S-type characters suggesting they were derived largely by remelting of older crust that included a significant proportion of metasedimentary rock. They were generated during the high-temperature intracontinental Mangaroon Orogeny and were emplaced at mid-crustal levels. Where these granites intrude older rocks, they cannot (without dating) in all instances reliably be distinguished from granites of the earlier Moorarie Supersuite.

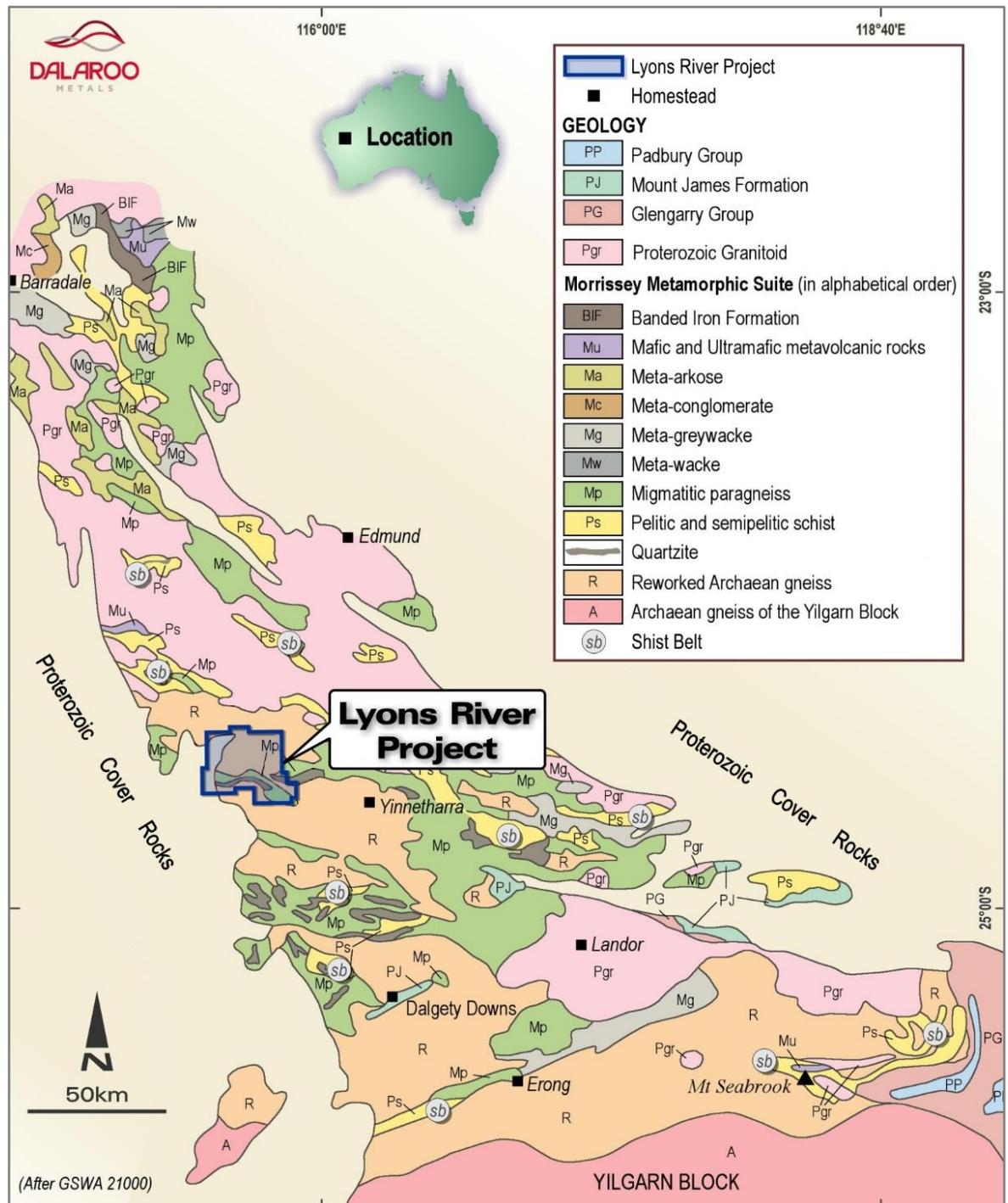
The Mutherbukin Orogeny is responsible for the strong upright schistosity in the pelitic rocks and the similar fabric in granites of the Durlacher and Moorarie Supersuites.

The Thirty-Three Supersuite comprises a belt of granitic plutons and pegmatite along the northern edge of the Mutherbukin Zone. Pegmatite of the Thirty-Three Supersuite intrudes the Durlacher Supersuite.

3.3.2 Local Geology

The Morrissey Metamorphic Suite consists of four main units (Figure 3.5) and the dominant unit is a quartz-microcline-oligoclase-biotite-muscovite paragneiss and schist. A subordinate unit is a quartz-biotite-muscovite-feldspar-garnet paragneiss-schist with intercalated quartzite and micaceous quartzite. A large oval body of migmatite and gneissic granodiorite occurs within the eastern portion of the Project area, which coincides with a distinctive magnetic ovoid.

Figure 3.5 Lyons River local geology



Source: Dalaroo, July 2021

A detailed airborne magnetic survey over the project area on 50 m line spacing has enabled a geological interpretation, which shows the structure of the project area to be dominated by a west northwest striking domal feature. The southern margin of the antiform has been transected by a west-northwest striking shear, whilst the western part of the dome has undergone a later stage folding regime and the intrusion of a granitoid. Magnetics show the dome to be cut by several north-northeast trending faults and mafic dykes whilst the north-western area (the region of possible intrusion and complex folding) is separated by northwest striking faults. On the northern flank of the dome, in an area of magnetic quiescence, subtle parallel (stratigraphic) linear anomalies can be discerned. Periodically, along some of these linear features are weak but definite magnetic anomalies.

A large area of Permian glacial sediments of unknown thickness runs north-south across the western portions of the Project area.

Pegmatite veins in this region tend to be quartz-rich and are intimately associated with the northwest trending shears. Quartz veins or lenses occur as sinuous outcrops parallel to the regional strike or as *en-echelon* sets almost orthogonal to the shear. The veins at Nardoo Hill Well are of the second type and are less than 100 m in length and 1–8 m in thickness.

3.3.3 Exploration Potential

The Broken Hill deposit in New South Wales is considered by geologists to be a highly metamorphosed sedimentary-exhalative deposit. Silver, lead and zinc at Broken Hill occurs at a stratigraphic contact between psammite and psammopelite gneisses. The Potosi Gneiss contains a unique gahnite (manganiferous garnet) horizon and there is a demonstrable regional association of lead and zinc with the gahnite horizons.

The association of the Broken Hill line of lode with a horizon of gahnite is considered by geologists to be partly a function of a exhalative manganiferous chert protolith that has been metamorphically upgraded to a garnet gneiss, with perhaps some protolith reconstitution by metasomatism associated with the nearby massive sulphides.

Dalaroo proposes a BHT mineralisation model (Table 3.1) for Lyons River. Burnt Shirt concurs that this represents a valid model.

Table 3.1 Deposit characteristics – Lyons River against BHT/SedEx

| Characteristics | Lyons River | Broken Hill | Cannington | Rampura Agucha |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| Resource | Potential based on coincident IP anomaly with core of 30 ms, RC drill results and soil geochemistry. | 280 Mt @ 8.5% Zn, 10.0% Pb, 148 g/t Ag, 0.14% Cu | 45 Mt @ 4.4% Zn, 11.1% Pb, 500 g/t Ag, 0.1% Cu | 64 Mt @ 13.6% Zn, 1.9% Pb, 45 g/t Ag |
| Age | Palaeoproterozoic | | | |
| Surface geochemical signature | Zinc-lead in-soil anomalism (five additional discrete anomalies outlined). Zinc-rich gahnites widespread across prospective stratigraphy. | Zinc-rich gahnites define lateral extents of prospective stratigraphy. | Zinc-lead soil anomalism (though discovered by gossan prospecting). | Zinc-lead soil anomalism (though discovered by gossan prospecting, by the ancients and rediscovered in 1977 by GSI). |

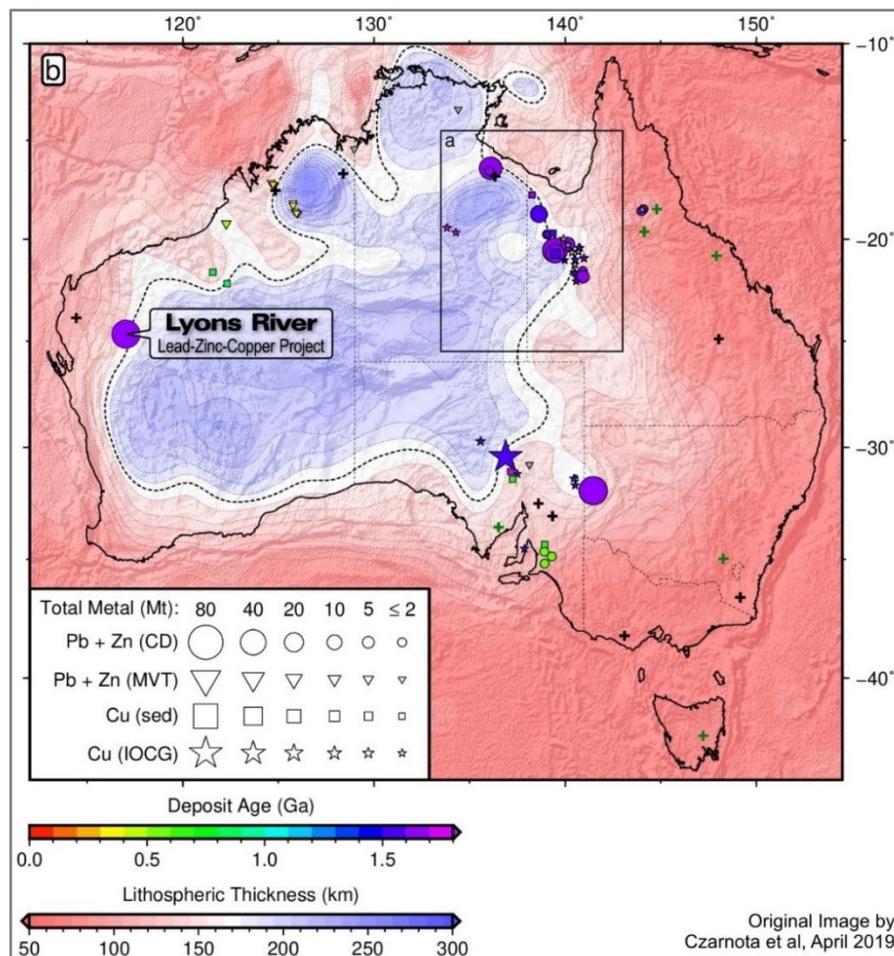
| Characteristics | Lyons River | Broken Hill | Cannington | Rampura Agucha |
|-----------------------|----------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------|------------------------------|
| Geophysical signature | IP/Resistivity anomalism (IP high). | Gravity anomaly (high). | Anomalous IP, susceptible to influence from chargeable stratigraphy. | IP anomaly over the deposit. |
| Sulphide minerals | Sphalerite, galena, chalcopyrite (in RC and diamond drilling). | Sphalerite, galena, chalcopyrite. | Sphalerite, galena, chalcopyrite. | Sphalerite and galena. |
| LAB contour distance | 156 km. | 92 km. | 67 km. | 115 km. |

Source: Dalaroo

Deposit Model

Geoscience Australia performed a study in 2019⁹ that demonstrated that 85% of the world’s sediment-hosted base metal deposits occur within 200 km of the edges of thick lithosphere. The Australian model shows correlation between major sediment hosted deposits and edge of thick lithosphere, defined by the 170 km contour of the lithosphere-aesthenosphere boundary (LAB). The Lyons River Project is located 156 km away from the 170 km LAB contour (Figure 3.6).

Figure 3.6 Lyons River located against the 170 km LAB boundary



Source: Dalaroo, after Czarnota et al, July 2021

⁹ Hoggard, M.J., Czarnota, K., Richards, F.D. et al. Global distribution of sediment-hosted metals controlled by craton edge stability. *Nat. Geosci.* 13, 504–510 (2020).

3.4 Exploration Summary

The primary sources of these results are referenced throughout, and the Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the geology.

3.4.1 Historical Exploration

BHP Minerals Limited

In 2003, BHP Minerals Limited (BHP) conducted soil sampling, rock chip sampling and geological traversing, including the collection of 17 soil and 15 rock samples within the project area¹⁰. This defined a 6 km long lead-zinc-copper soil anomaly coincident with previously identified gahnite-bearing and lead-anomalous drainages¹¹. The soil anomalies are coincident with weathered manganiferous and garnetiferous schists/gneisses that have returned elevated lead values, as well as elevated zinc in gossanous float.

In 2004, BHP surveyed approximately 2,500 gravity stations over prospective Morrissey Metamorphic Suite stratigraphy. The survey did not identify any large anomalies, but six small anomalies were identified that were interpreted as possible deep BHT targets. Two of these six targets are within the Project area.

Field work by BHP indicated that both anomalies had extensive outcrop:

- Anomaly 1 included partially silicified weathered laterite, containing weathered fragments of metasedimentary rock and pods of amphibolite.
- Anomaly 2 included partially weathered granitic gneiss outcrops with amphibolite pods. The presence of amphibolites was considered sufficient to explain the gravity feature at that time.

In 2007, a 100 m spaced airborne magnetic survey was carried out by ABM Resources Limited¹². Subsequent geological interpretation by joint venture partner, Altera Resources (Altera), indicated the structure of the project area was dominated by a west-northwest striking (290°) dome and probable siliceous, clastic sediments.

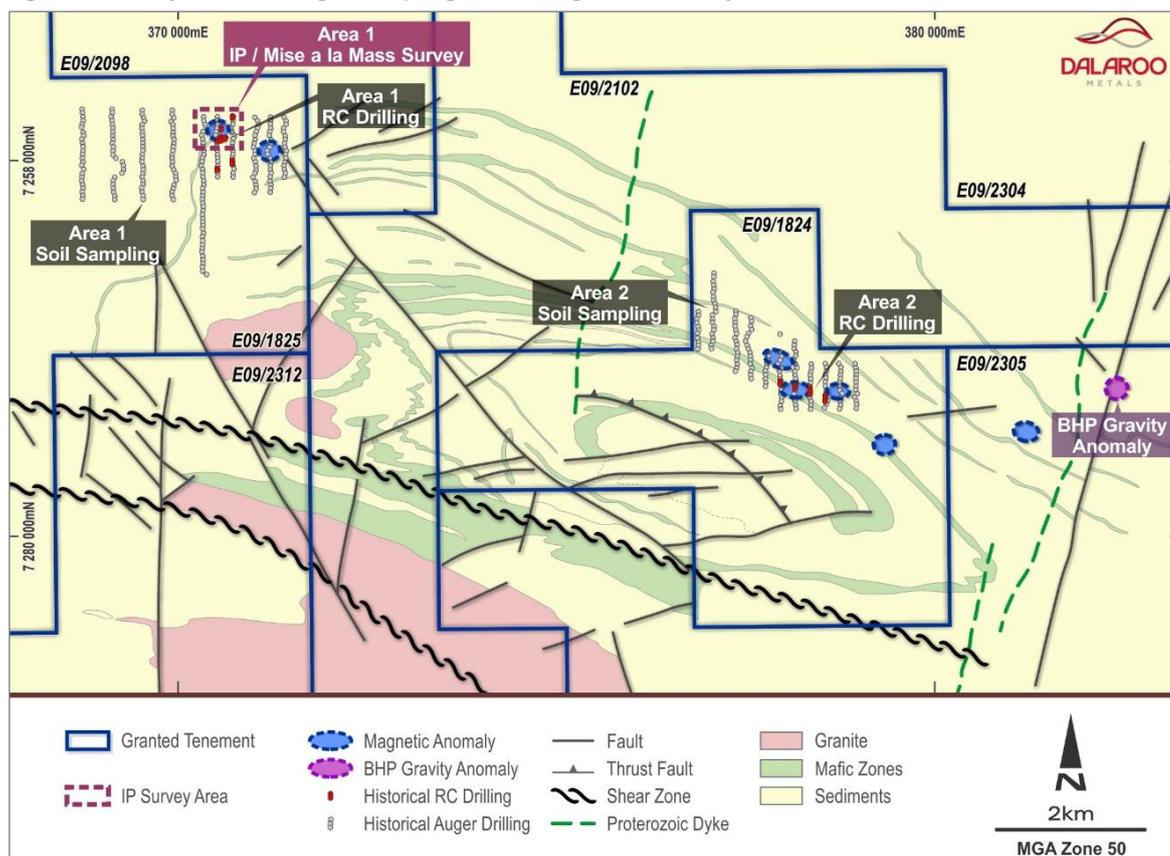
Subsequent magnetic interpretation by Serena indicates the dome to be cut by several north-northeast trending faults and mafic dykes, whilst the north-western region of possible intrusion and complex folding is separated by northwest striking faults (Figure 3.7). On the northern flank of the dome, there are subtle parallel (stratigraphic) linear anomalies that contain periodic weak but definite magnetic anomalies. BHP geochemical sampling was carried out in zones of relative magnetic quiescence to the north and northwest of the dome.

¹⁰ WAMEX file number A71830

¹¹ WAMEX file number A21530

¹² WAMEX file number A77182

Figure 3.7 Lyons River auger sampling, RC drilling and IP survey



Source: Dalaroo, July 2021

Altera Resources

In 2008, Altera conducted an auger drilling geochemistry program (Figure 3.7) for a total of 397 holes/samples over two areas where previous BHP geochemistry had returned anomalous lead and zinc values that are coincident with magnetic anomalies. This exercise returned anomalous zinc and lead values¹⁴ (Table 3.2) at two targets that were considered worthy of follow-up RC drill testing.

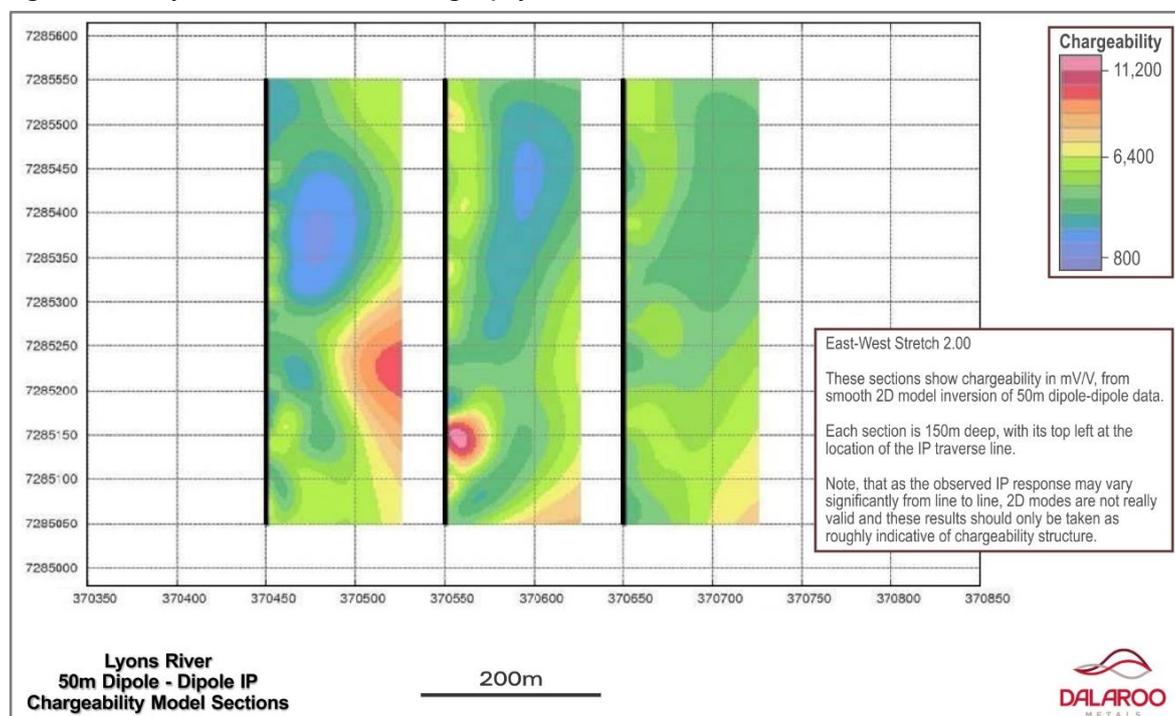
Table 3.2 Lyons River soil geochemistry results

| Sample no. | East | North | Pb (ppm) | Zn (ppm) | Cu (ppm) | Ba (ppm) |
|------------|--------|---------|----------|----------|----------|----------|
| GPMB16 | 370289 | 7284252 | 184 | 466 | | |
| GPMB49 | 370469 | 7285357 | 357 | 1550 | | |
| GPMB50 | 370492 | 7285297 | 92 | 204 | | |
| GPMB64 | 370712 | 7284945 | 1150 | 398 | | |
| GPMB65 | 370692 | 7285000 | 95 | | | |
| GPMB77 | 370704 | 7285601 | 212 | 178 | 264 | |
| GPMB154 | 368704 | 7284904 | 341 | 284 | | |
| GPMB153 | 368698 | 7284851 | | | | 1140 |
| GPMB324 | 377992 | 7281744 | 90 | 386 | | |
| GPMB338 | 378985 | 7282298 | 102 | 444 | | |
| GPMB354 | 378620 | 7281801 | 117 | 380 | | |
| GPMB353 | 378607 | 7281753 | | | | 1080 |
| GPMB355 | 378607 | 7281849 | | 432 | | |
| GPMB372 | 378372 | 7281950 | | 246 | | 1610 |

| Sample no. | East | North | Pb (ppm) | Zn (ppm) | Cu (ppm) | Ba (ppm) |
|------------|--------|---------|----------|----------|----------|----------|
| GPMB373 | 378373 | 7281900 | 87 | 184 | | 1434 |
| GPMB371 | 378376 | 7281997 | 93 | | | |

Source: WAMEX report number A80774

Figure 3.8 Lyons River misé la masse geophysical results



Source: Dalaroo, July 2021

In January 2008, Altera conducted a 30-hole RC drilling program for 2,136 m to follow up the auger soil geochemistry at Areas 1 and 2¹³ (Figure 3.10).

Four anomalies within 300 m of each other in the northwest of Area 1 were tested by 16 inclined RC holes for a total of 1,128 m. This area is predominantly high-grade metamorphic rocks (quartz-biotite-garnet gneiss), probably derived from greywacke sediments. Amphibolites may have been derived from intercalated mafic volcanic or possibly from late stage doleritic intrusions. The area has been folded by more than one phase of deformation and subsequently intruded by granitoids. Table 3.3) were intersected in three holes¹⁴ (GRC004, GRC014 and GRC016 (Figure 3.7 and Source: Altera Resources ASX release, 22 April 2008

Figure 3.9) which were drilled on three traverses, nominally 50 m apart. Galena was identified in RC drill chips from GRC004 and chalcopyrite from GRC016. Sulphides are associated with evidence of hydrothermal hematite-silica-magnetite alteration and quartz-carbonate veining. Anomalous gold, silver and zinc values are also present.

Table 3.3 Lyons River Area 1 Altera significant RC drill intersections

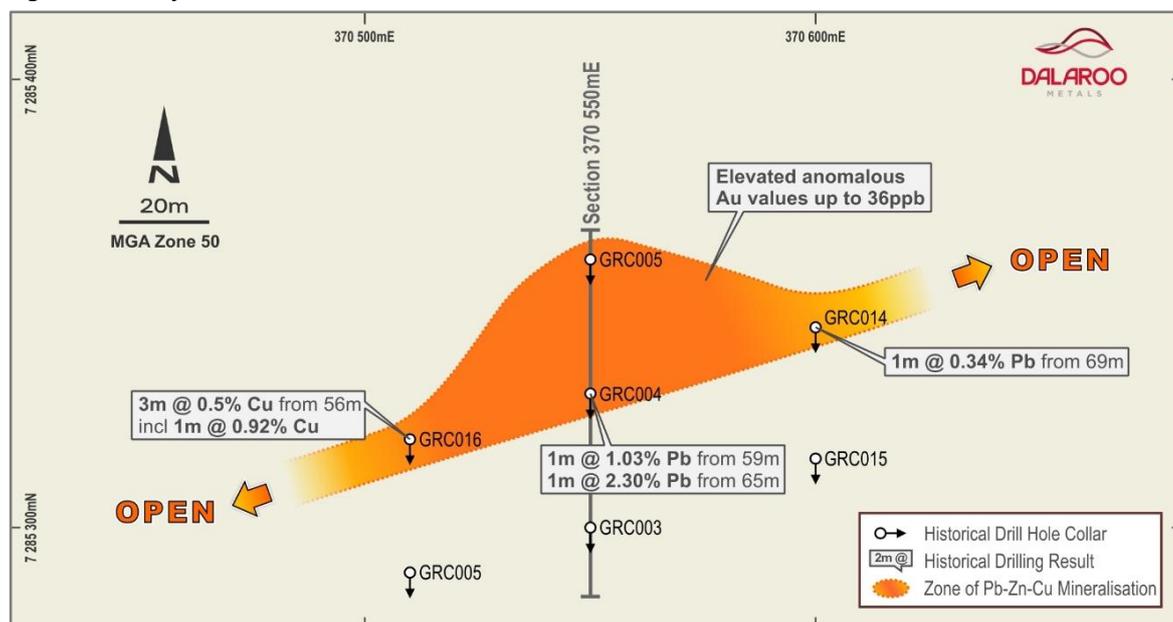
| Drillhole | North | East | Dip (°) | Azimuth (°) | Interval (m) | Pb (ppm) | Cu (ppm) | Zn (ppm) |
|-----------|---------|--------|---------|-------------|--------------|----------|----------|----------|
| GRC004 | 7285330 | 370550 | -60 | 180 | 59-62 | 4890 | 2310 | 790 |
| | | | | | 65-66 | 2.3% | 0.6% | 0.3% |
| GRC014 | 7285345 | 370600 | -60 | 180 | 67-70 | 1440 | 800 | 1060 |
| GRC016 | 7285320 | 370510 | -60 | 180 | 56-59 | 130 | 5040 | 450 |
| | | | | including | 58-59 | | 0.9% | |

¹³ WAMEX file number A85427

¹⁴ Altera Resources ASX release, 22 April 2008

Source: Altera Resources ASX release, 22 April 2008

Figure 3.9 Lyons River Area 1 drill results



Source: Dalaroo, July 2021

The intersections at Area 1 strike northeast-southwest and are parallel to the palaeo-stratigraphy and drill cross-sections (Figure 3.10). The alteration and sulphide mineralisation outlined at Area 1 was postulated by Altera to be peripheral to more significant metal deposition.

Area 2 is about 9 km to the southeast of Area 1 and is a 1,200 m long lead-zinc in soil anomaly that is in part, coincident with an airborne-magnetic anomaly where 14 inclined RC holes for 1,008 m were drilled on four traverses 200 m apart. Anomalous zinc values were returned for a maximum 1 m value of 0.17% Zn (Table 3.4)¹⁵ and the host rocks are similar to those at Area 1.

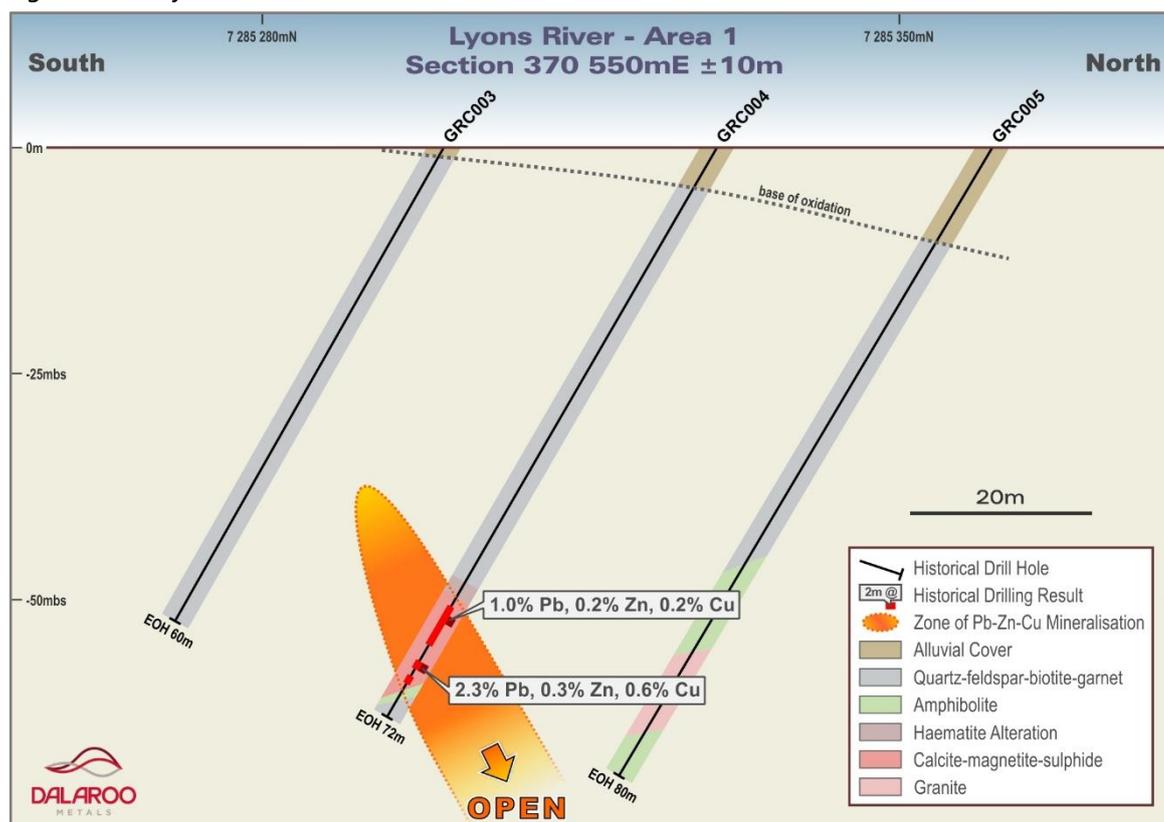
Table 3.4 Lyons River Area 2 Altera significant base metal RC drill intersections

| Drillhole | North | East | Dip (°) | Azimuth (°) | Interval (m) | Pb (ppm) | Cu (ppm) | Zn (ppm) |
|-----------|---------|--------|---------|-------------|--------------|----------|----------|----------|
| GRC020 | 7281890 | 378600 | -60 | 180 | 70-71 | 75 | 39 | 1690 |

Source: Altera Resources ASX release, 31 March 2008

¹⁵ Altera Resources ASX release, 31 March 2008

Figure 3.10 Lyons River Area 1 cross section



Source: Dalaroo, July 2021

In 2008, Altera conducted IP and misé la masse geophysical surveys¹⁶ at Area 1 (Figure 3.7), intended to identify any extensive sulphide mineralisation in the immediate vicinity of drillhole GRC004. The 50 m IP dipole-dipole traverses were laid out at on three lines 100 m apart.

A significant chargeable zone was indicated from the dipole-dipole data on line 370450E, in the area from 7285150 to 7285250 (Figure 3.10) and considered by Altera to be worthy of further investigation. Preliminary two-dimensional modelling suggested that this zone lies below 100 m depth, but more measurements to the west and three-dimensional modelling would be required to refine this depth estimate and indicate the zone's lateral extent.

Burnt Shirt notes that Altera's consultant geophysicist recommended that IP surveys be undertaken over a wider area to seek significant bodies of disseminated sulphide mineralisation and that the result of this survey demonstrates that IP is likely to be an effective exploration technique. Dalaroo considers gradient array IP surveys to be more cost effective in the first instance and then selected anomalies followed up by dipole-dipole measurements. Burnt Shirt concurs with this view.

Audalia Resources Limited

During 2011, Audalia Resources Limited (Audalia) acquired the Lyons River project.

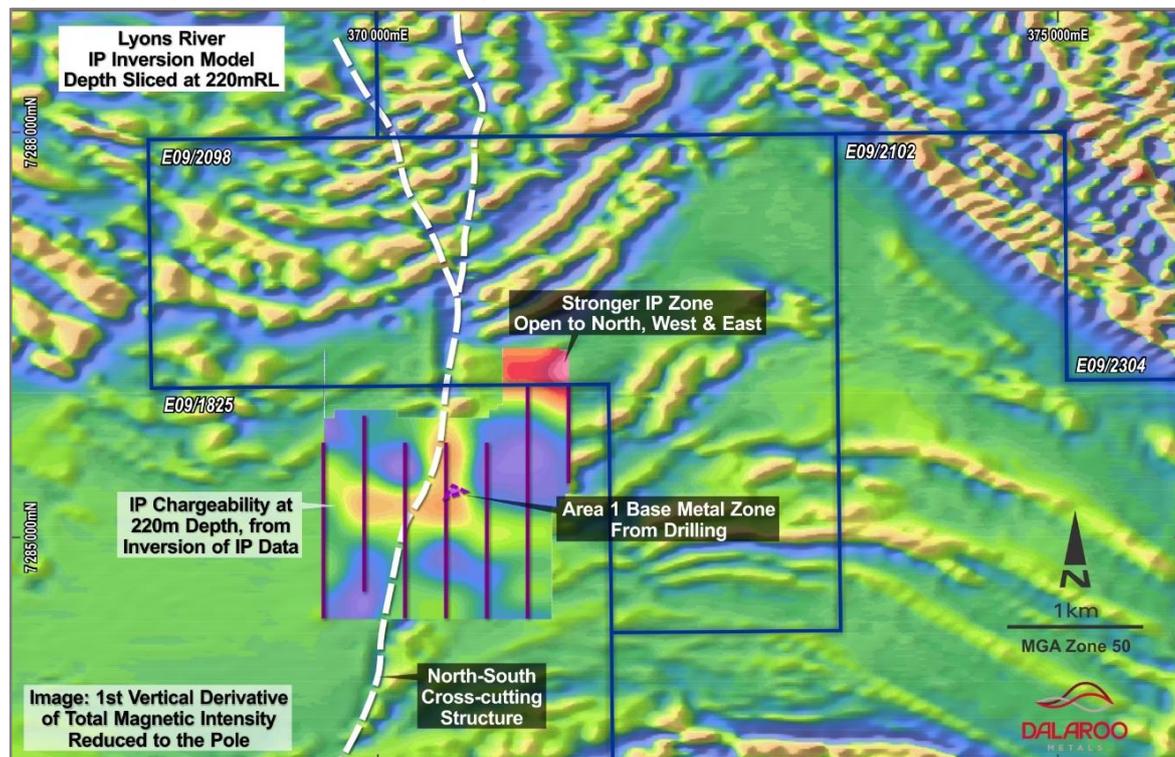
In 2012, Audalia conducted a follow-up dipole-dipole IP survey¹⁷, consisting of north-south traverses spaced at 300 m and covering an area 1,500 m east-west by 1,000 m north-south. This exercise identified a prominent chargeability anomaly in the northeast and a weaker, broad chargeability anomaly stretching across the central part of the survey area.

¹⁶ Altera Resources ASX release, 30 July 2008

¹⁷ Audalia Resources ASX release, 30 September 2012

The central chargeability anomaly trends east-west and a northerly trending arm and lies near to and below the Altera RC drill drilling that intersected mineralisation at a depth of 55–70 m (Figure 3.11). The depth to the main parts of the chargeable zone is interpreted to be at least 200 m, and drill testing was recommended with a 350 m hole designed to test the strongest central section of the zone. This hole was not drilled.

Figure 3.11 Lyons River central IP anomaly



Source: Dalaroo, July 2021

Between 2012 and 2016, Audalia performed reconnaissance geological mapping and rock chip, stream sediment and some soil sampling.

Rock chip sampling returned elevated levels¹⁸ of copper (1,132 ppm), lead (1,055 ppm) and zinc (811 ppm). Barium and manganese results in this sampling program were as much as 4,100 ppm and 12,600 ppm, respectively. Dalaroo consider these to be typical gangue elements at Broken Hill and to be encouraging. Burnt Shirt concurs with this assessment.

Audalia identified two gold anomalies through this rock chip sampling, each comprising a series of thin quartz veins, with rock chips returning up to 378 ppb and 318 ppb Au at the first prospect and a selected sample of vein quartz yielding 3.68 g/t Au at the second prospect¹⁹.

A stream sediment program in this period identified 15 low-order gold anomalies and three low-order base metal anomalies. Ten of the gold anomalies were followed up, without revealing any significant gold values. Soil geochemical samples collected from the western part of the project returned anomalous values of up to 163 ppm Pb and 141 ppm Zn¹⁹.

¹⁸ Audalia Resources ASX release, 16 September 2014

¹⁹ Audalia Resources ASX release, 24 January 2014

Twenty rock chip samples were submitted for petrography and in November 2014, a detailed aeromagnetic/radiometric survey was flown²⁰ to produce geological interpretations over the project area, with a focus on structural and stratigraphic data.

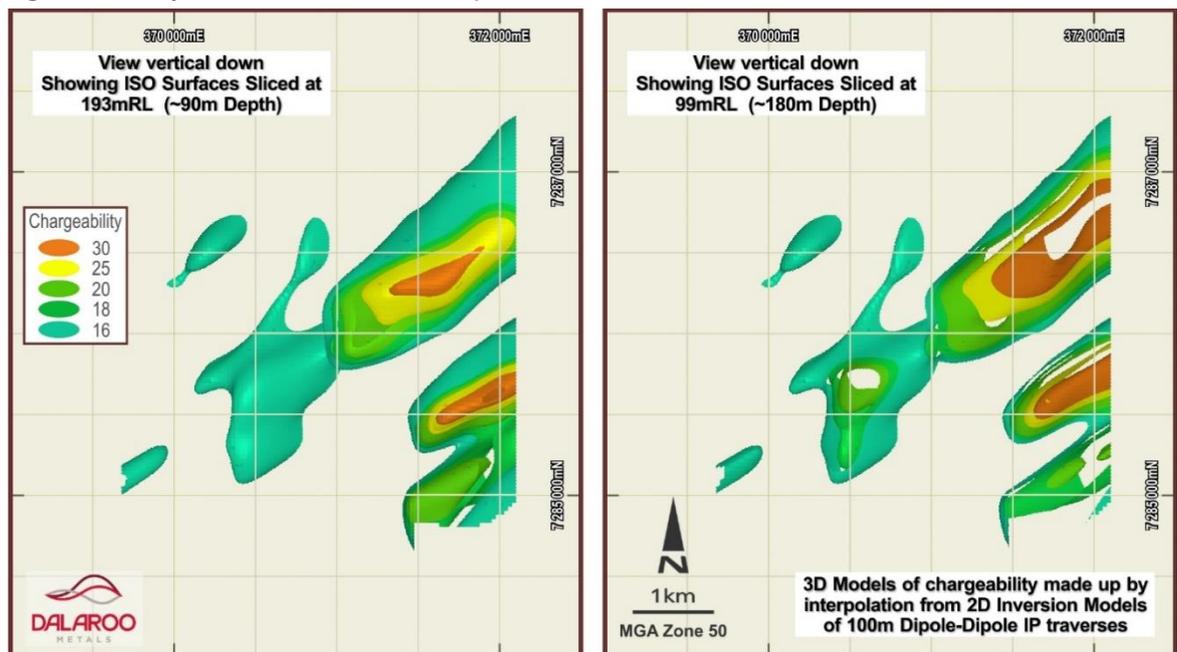
3.4.2 Recent Exploration

Serena acquired the Lyons River project and completed an extensive review of the project data in 2017. Serena concluded that Area 1, renamed the Four Corners prospect, represented its primary exploration focus. Burnt Shirt concurs with this view.

In the December 2017 quarter, Serena extended the Audalia IP survey comprising nine lines over a total length of 13.3 line-km using the same contractor and equipment as Audalia.

The 2017 IP surveys were successful in further delineating a northeast trending polarisable zone (Figure 3.12 and Figure 3.13). The IP survey demonstrated a near-surface layer of low resistivity in the order of 5–100 m thick. The two polarisable zones to the east of the central zone exhibit a southwest to northeast trend. The largest of these is the North-East (NE) zone, the other being the South-East (SE) zone. Both the NE and SE zones extend beyond the limit of the IP surveys and remain open to the east.

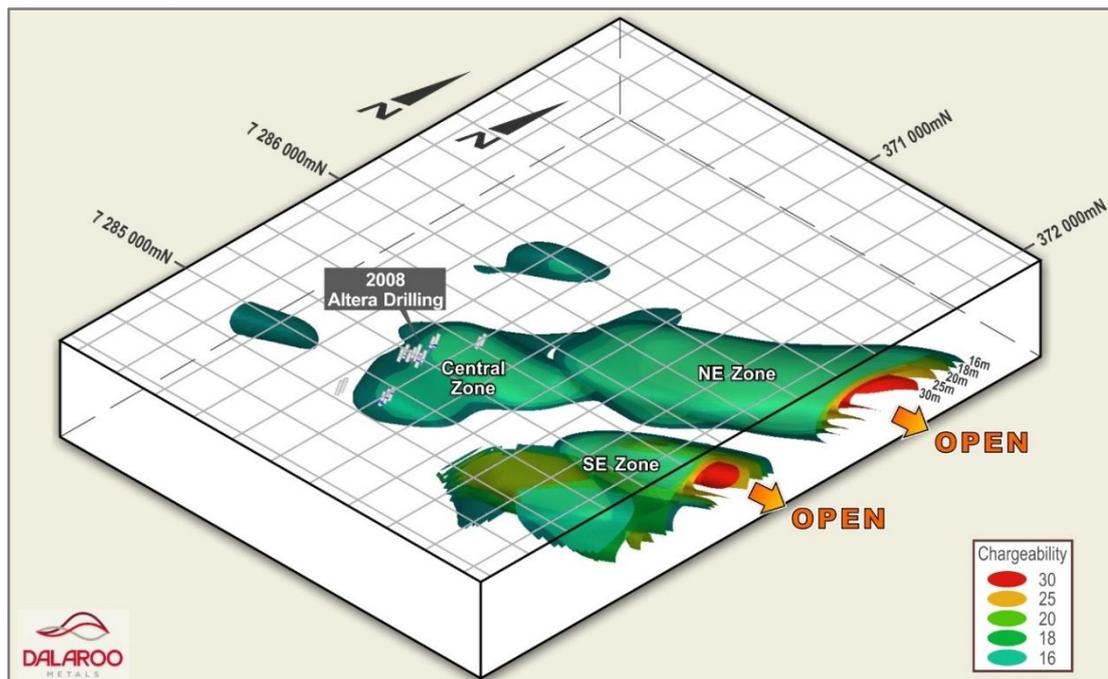
Figure 3.12 Lyons River collated IP data, plan view



Source: Dalaroo, July 2021

²⁰ Audalia Resources ASX release, 31 December 2014

Figure 3.13 Lyons River modelled IP data

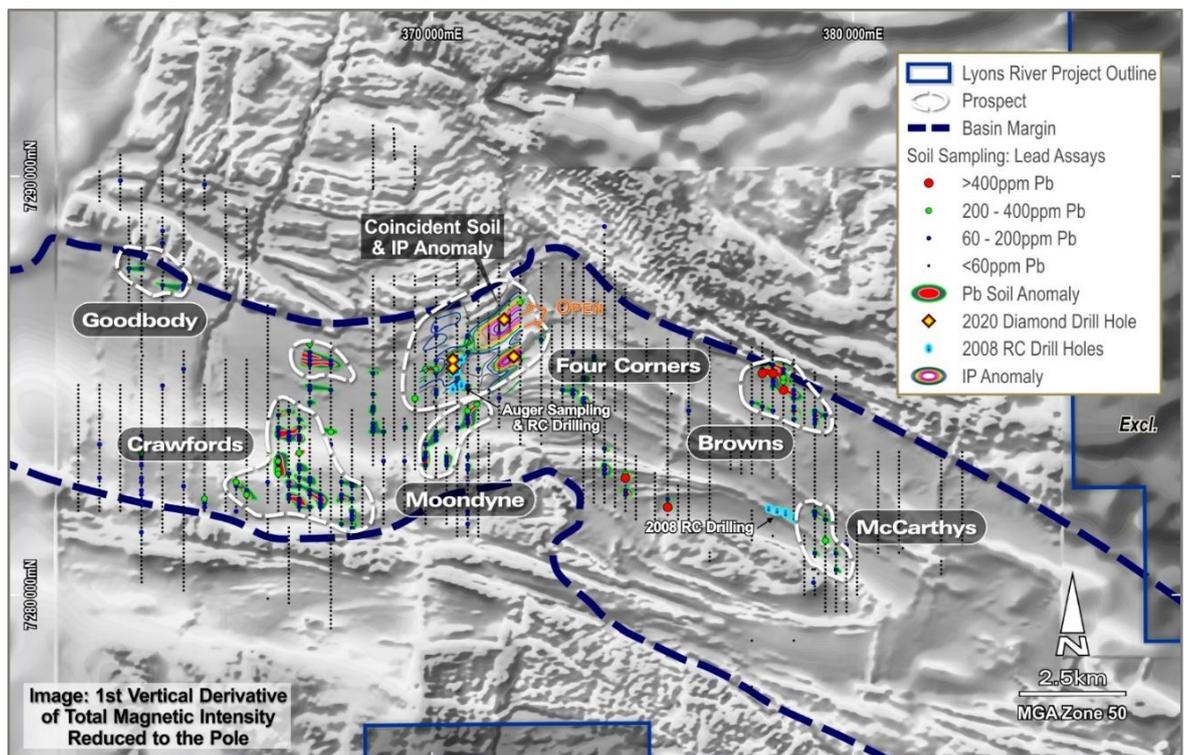


Source: Dalaroo, July 2021

Serena subsequently conducted systematic soil geochemical sampling covering areas not sampled previously. Three phases of soil surveys have been completed, comprising 2,645 samples over an area of 22 km by 5 km to 10 km at a spacing of 250 m by 100 m.

In addition to the Four Corners prospect, five lead-zinc geochemical anomalies have been delineated at prospects named: Crawfords, Browns, Moondyne, McCarthy and Goodbody (Figure 3.14).

Figure 3.14 Lyons River soil sampling program and targets

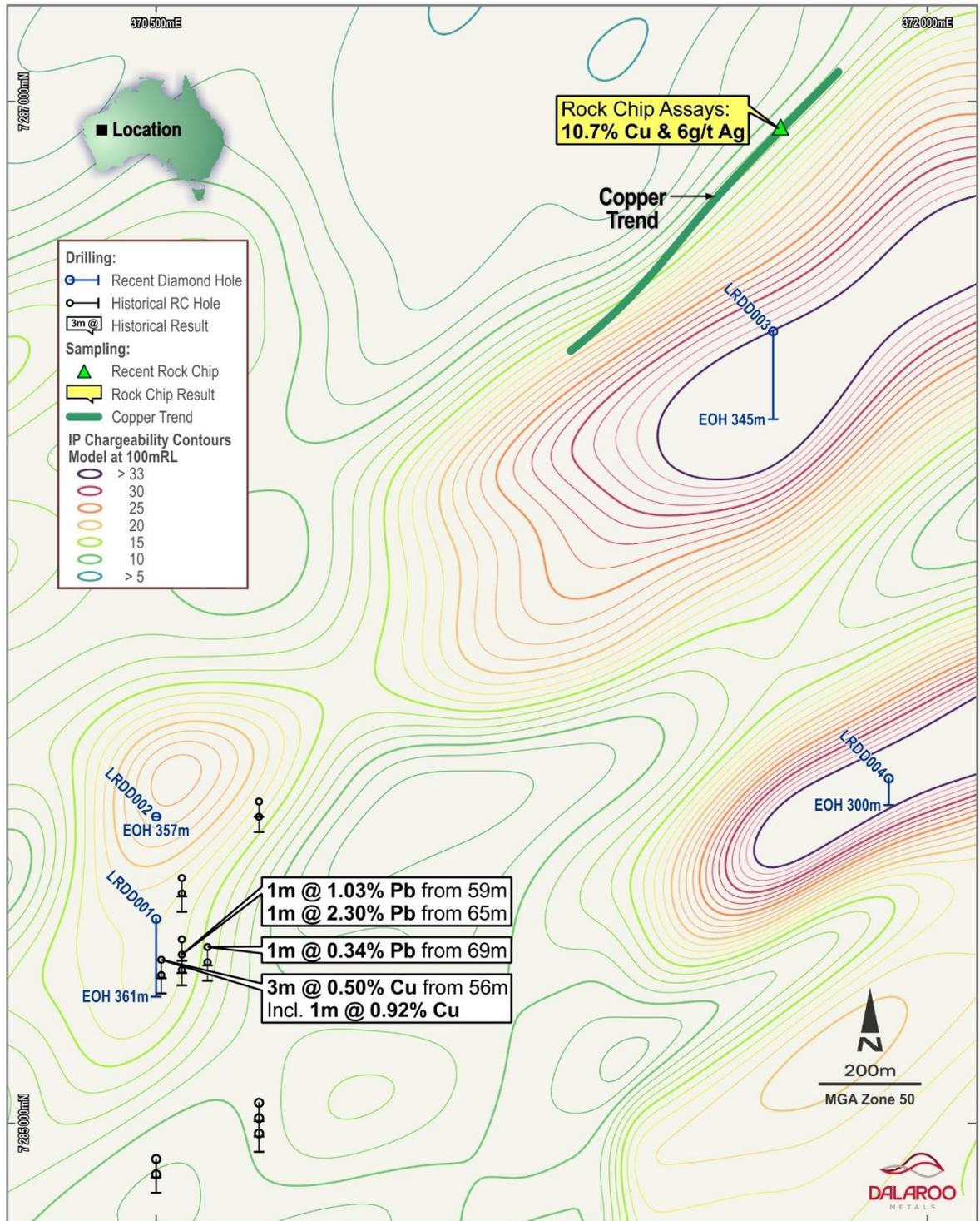


Source: Dalaroo July 2021. Background is total magnetic intensity,

Diamond Drilling

Serena conducted a diamond drilling program during late 2020, completing four holes for 1,363.9 m and ranging in depth from 300.5 m to 360.3 m to test three separate zones of the prospective coincident IP/geochemical targets (Figure 3.15 and Table 3.5). Serena was awarded an Exploration Incentive Scheme (EIS) co-funding drilling grant of \$125,000 by the DMIRS²¹.

Figure 3.15 Lyons River recent drillhole locations historical holes and recent rock chip sample results



²¹ DMIRS, EIS Round 20

These diamond drillholes have been geologically logged and sampled, but assays have not been returned at the time of reporting due to delays in transport and at the laboratory. Burnt Shirt has examined the logs of these drillholes.

Table 3.5 Lyons River 2020 Serena drilling locations

| Drillhole | IP anomaly | MGAE | MGAN | RL | Dip (°) | Azimuth (mag) | Depth (m) | Tenement |
|-----------|-----------------------|--------|---------|-----|---------|---------------|-----------|----------|
| LRDD001 | Four Corners: Central | 370509 | 7285412 | 282 | -65 | 180° | 360.9 | E09/1825 |
| LRDD002 | | 370504 | 7285601 | 280 | -90 | | 357.2 | E09/1825 |
| LRDD003 | Four Corners: NE | 371699 | 7286546 | 279 | -60 | | 345.3 | E09/2098 |
| LRDD004 | Four Corners: SE | 371925 | 7285682 | 284 | -80 | | 300.5 | E09/2098 |

Source: *Serena, July 2021*

Disseminated to banded wall-rock potassic feldspar, biotite and pink almandine garnet alteration is superimposed on the sedimentary protolith through most of the logged drill core.

Serena considers that the lithology identified in the drill core represents a signature sedimentary-exhalative or BHT lithology, interpreting psammitic and pelitic rocks that have undergone high grade metamorphism to quartz-biotite-garnet-muscovite-cordierite-sillimanite. These metamorphosed rocks have subsequently been intruded by the Davey Well granite batholith and pegmatite dykes. Burnt Shirt concurs with the lithological similarity to rocks at Broken Hill.

Serena's logging identified silicified zones with accompanying pyrite and chlorite, pyrrhotite and weak to moderate haematite alteration with coeval galena, and chalcopyrite and sphalerite have been observed (Figure 3.16).

3.4.3 Burnt Shirt Opinion

Burnt Shirt considers that the Lyons River project is at an early stage of exploration but has demonstrated strong indications of the presence of potentially significant base metals mineralisation that commands immediate attention.

Figure 3.16 Lyons River 2020 drilling



Source: Dalaroo, July 2021. Examples of muscovite-chlorite-pyrite alteration. Top – Pale-silvery-white muscovite defining cleavage seams, LRDD004 104 m depth. Middle – Film-like aggregates of fine pyrite intergrown with muscovite on a cleavage seam, LRDD004 120 m depth. Bottom – Fine quartz veinlets cutting biotite schist and a K-feldspar replacement vein, with feldspar replaced by chlorite in a narrow selvage and coarse euhedral pyrite intergrown with chlorite along the replacement vein.

4 NAMBAN PROJECT

4.1 Location and Access

The Namban project comprises six granted exploration licences that total 425 km² located in the mid-north part of the wheatbelt region. The Project is divided into four sub-projects: Longreach, Watheroo and Moora, being contiguous holdings around the town of Moora (collectively, the Moora Project) and the Three Springs tenure located around 100 km to the north.

The Moora sub-project areas are located 150 km north of Perth, being accessed by the sealed Great Northern, Midland or Brand highways. The Perth-Moora-Mingenew-Geraldton rail line transects the project (Figure 4.1). The physiography is dominated by gently undulating hills, flat sand, and loam rich plains. Internal access to the project is via well maintained Shire roads and farm tracks.

The Moora sub-project areas are located on the GSWA Moora SH50-10 1:250,000 scale map sheet, Moora 2136, Badgingarra 2017, and Watheroo 2137 1:100,000 scale map sheets. The Three Springs sub-project is located on the GSWA Perenjori SH50-06 1:250,000 scale map sheet and Yandanooka 2039 1:100,000 scale map sheet.

4.2 Geology and Mineralisation

4.2.1 Regional Geology

Moora

The Moora Project areas are partly overlying the Coomberdale subgroup of a Middle Proterozoic sedimentary basin developed on the western margin of the Yilgarn Craton (Figure 4.2). Part of the Moora Basin formed during a transgressive period forming clastic sediments and dolomite on a predominantly granitoid basement. This geology has historically been the subject of quartzite mining and exploration to produce high-purity silica²².

Shallowly west dipping sediments of the Moora Group are bound to the west by the Darling Fault, beyond which is the much thicker clastic dominated Perth Basin.

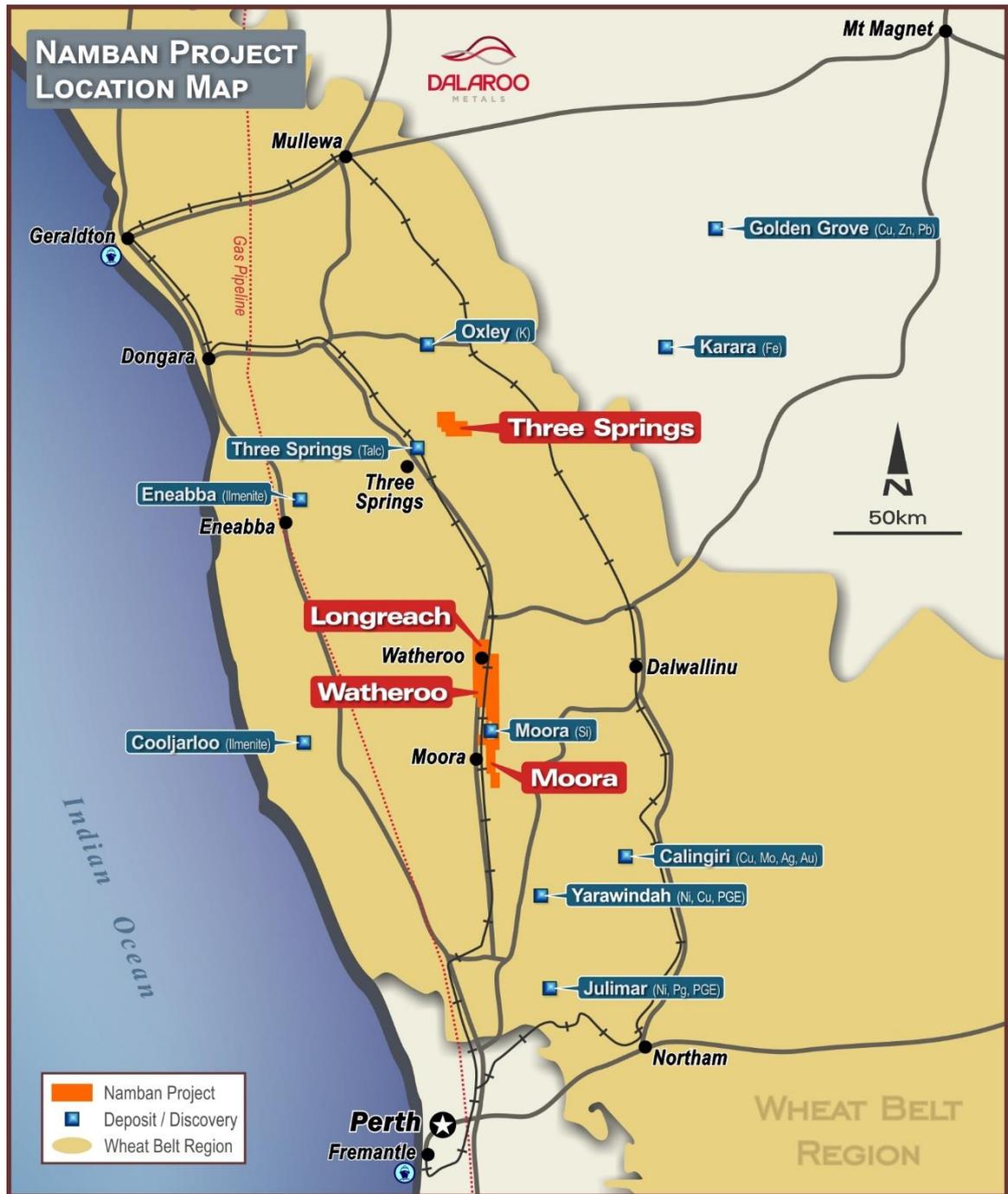
The eastern part of the tenure is underlain by South-West Terrain Greenstones⁴, which are of direct economic interest following the Julimar PGE and base metal discovery by Chalice in 2020.

The area is mapped by the GSWA as covering the northern portion of the 250 km long Jimperding Metamorphic Belt, which is a loosely defined succession of Archaean metasediments including banded iron formation, gneiss, migmatite and mafic to ultramafic intrusions, part of the South-West Terrain of the Yilgarn Block.

The Darling Fault forms the western boundary of the Yilgarn Block. The ultramafic and mafic rocks are typically poorly exposed throughout the region.

²² GSWA WAMWE report number A100942

Figure 4.1 Namban project location map

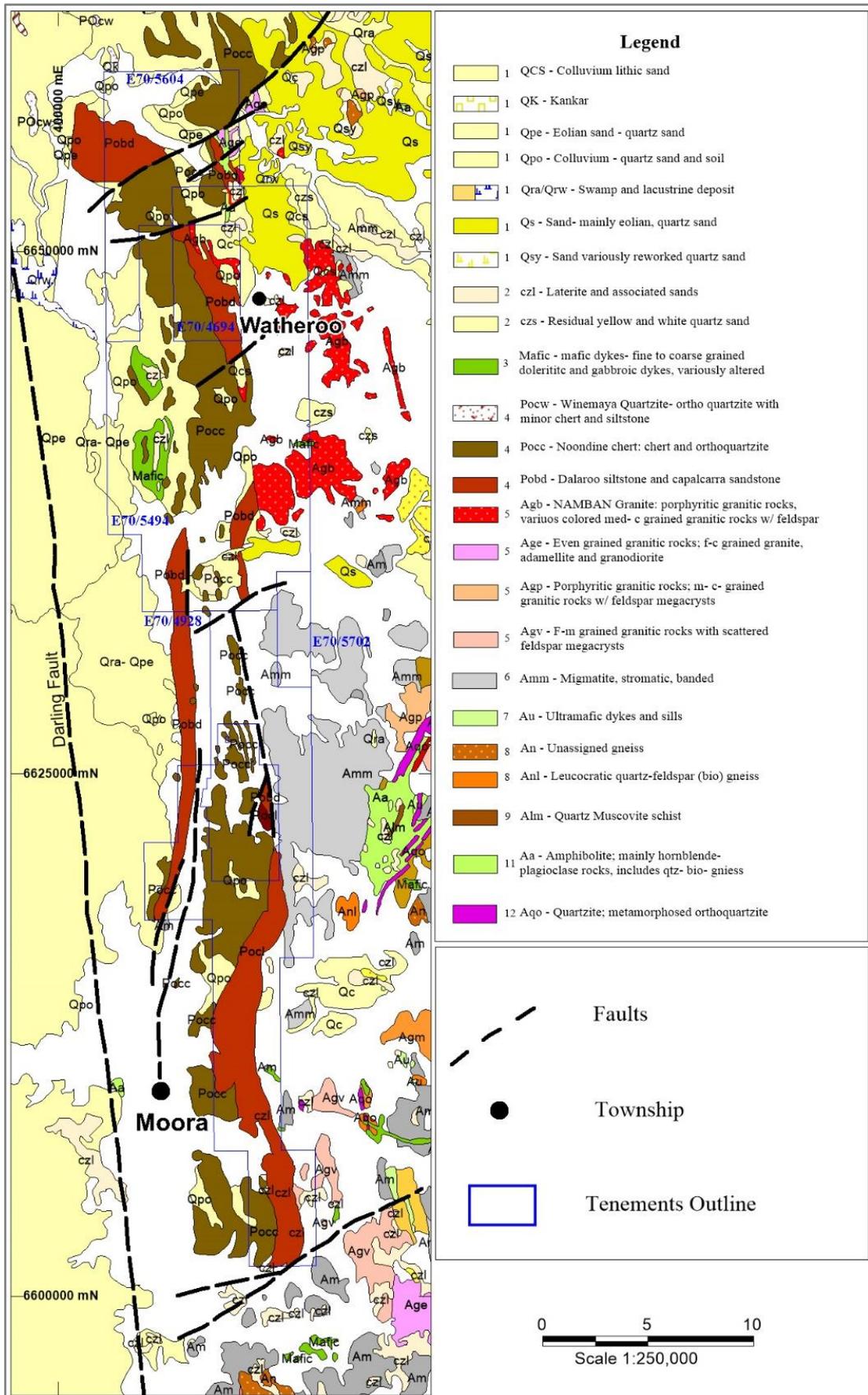


Source: Dalaroo, July 2021

Three Springs

The regional geology of the Three Springs area is the Middle Proterozoic Moora sedimentary basin, emplaced as a platform sequence on the western margin of the Yilgarn Craton. Part of the Moora Basin formed during a transgressive period, forming clastic sediments and dolomite on a predominantly granitoid basement. Shallowly west dipping sediments of the Moora Group are bound to the west by the Darling Fault. The southern part of the tenure is underlain by the Archaean South-West Terrain.

Figure 4.2 Namban project regional geology



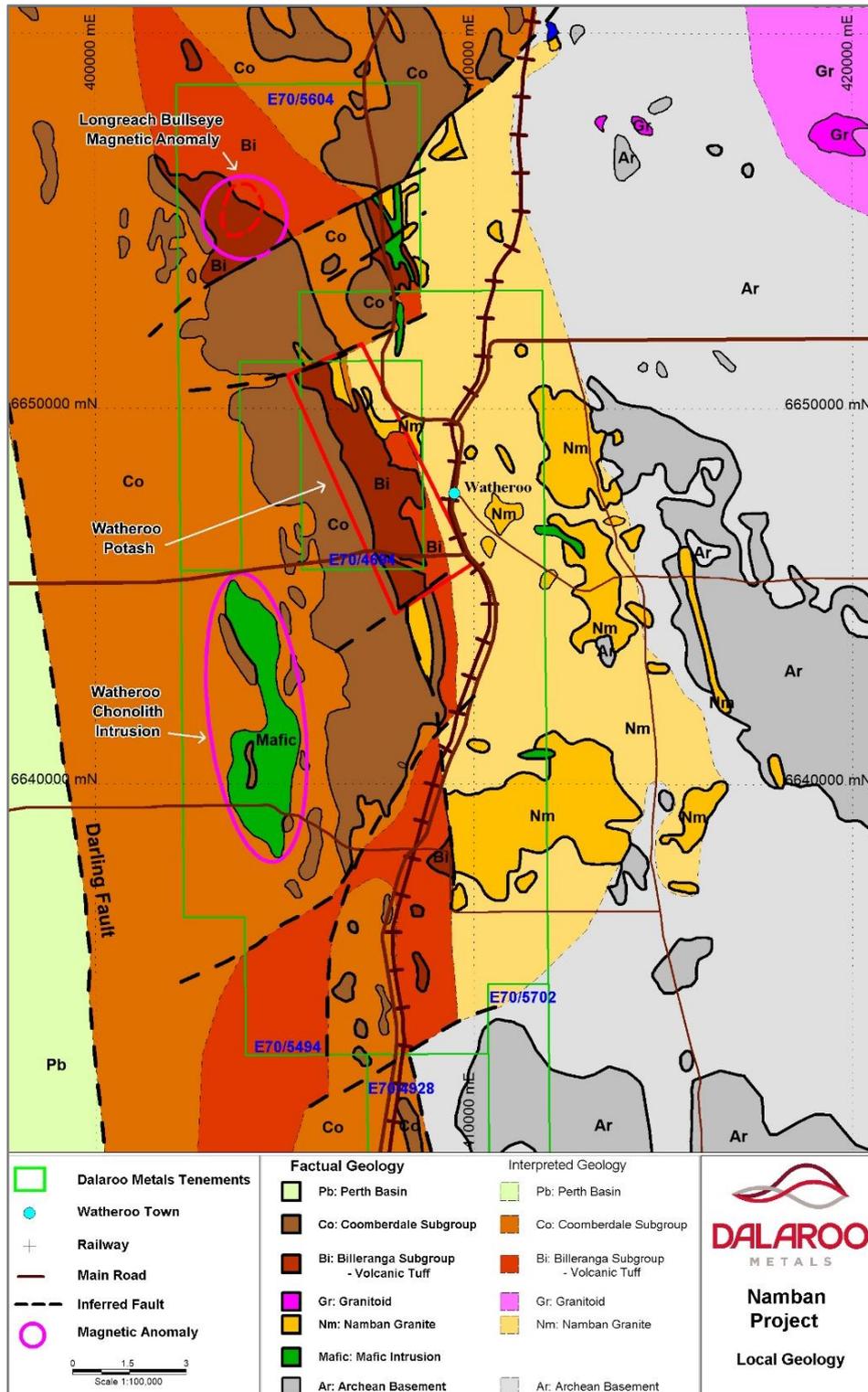
Source: Dalaroo, July 2021

4.2.2 Local Geology

Moora

The Moora tenements cover a strike distance of 60 km, adjacent to the crustal scale Darling Fault, on the western margin of the Archaean Yilgarn Craton and located approximately 80 km north of Julimar, within the Western Gneiss Terrain of the Yilgarn Craton (Figure 4.3).

Figure 4.3 Moora project geology



Source: Dalaroo, July 2021

The tenements overlie a Middle Proterozoic Moora sedimentary basin developed on the western margin of the Yilgarn Craton, comprising a shallow on-lap basin of clastic sediments and dolomite, deposited on dominantly granitoid basement. The shallowly west dipping sediments of the Moora Group are bound to the west by the Darling Fault, beyond which is the Perth Basin.

The Moora Group can be divided into a basal immature fluvialite-alluvial fan basin margin sequence, the Billeranga Subgroup, comprising sandstone, siltstone, basalt, and tuff. This is disconformably overlain by the Coomberdale Subgroup, a mature upward fining, siliciclastic-dolomite sequence. From the base, the Coomberdale Subgroup comprises sandstones of the Mokadine Formation, the Campbell Sandstone and then the Noingarra Siltstone.

The Noondine Chert and Jingemia Dolomite occur at the top of the Coomberdale Subgroup and comprise a thick sequence of dolomite and chert. The economic talc deposits in the Moora Basin are hosted by the Noondine Chert and Jingemia Dolomite (Three Springs Mine and Fowlers prospect).

The Archaean basement morphology is complex, with basement highs focusing hydrothermal fluids. The grade of metamorphism is very low except in narrow zones of hornfels adjacent to dolerite dykes and younger intrusives.

In the northwest part of the basin, the architecture is governed by north-south to north-northwest to south-southeast striking faults, including the Darling Fault, which form the boundary between the Moora and Perth basins. These have produced steps in the basement, deepening towards the west. These faults are filled by north-south striking dykes.

In the southern part of the basin, the north-south to north-northwest to south-southeast striking faults are less important and a later set of east-northeast to west-southwest striking faults appear to control the basin.

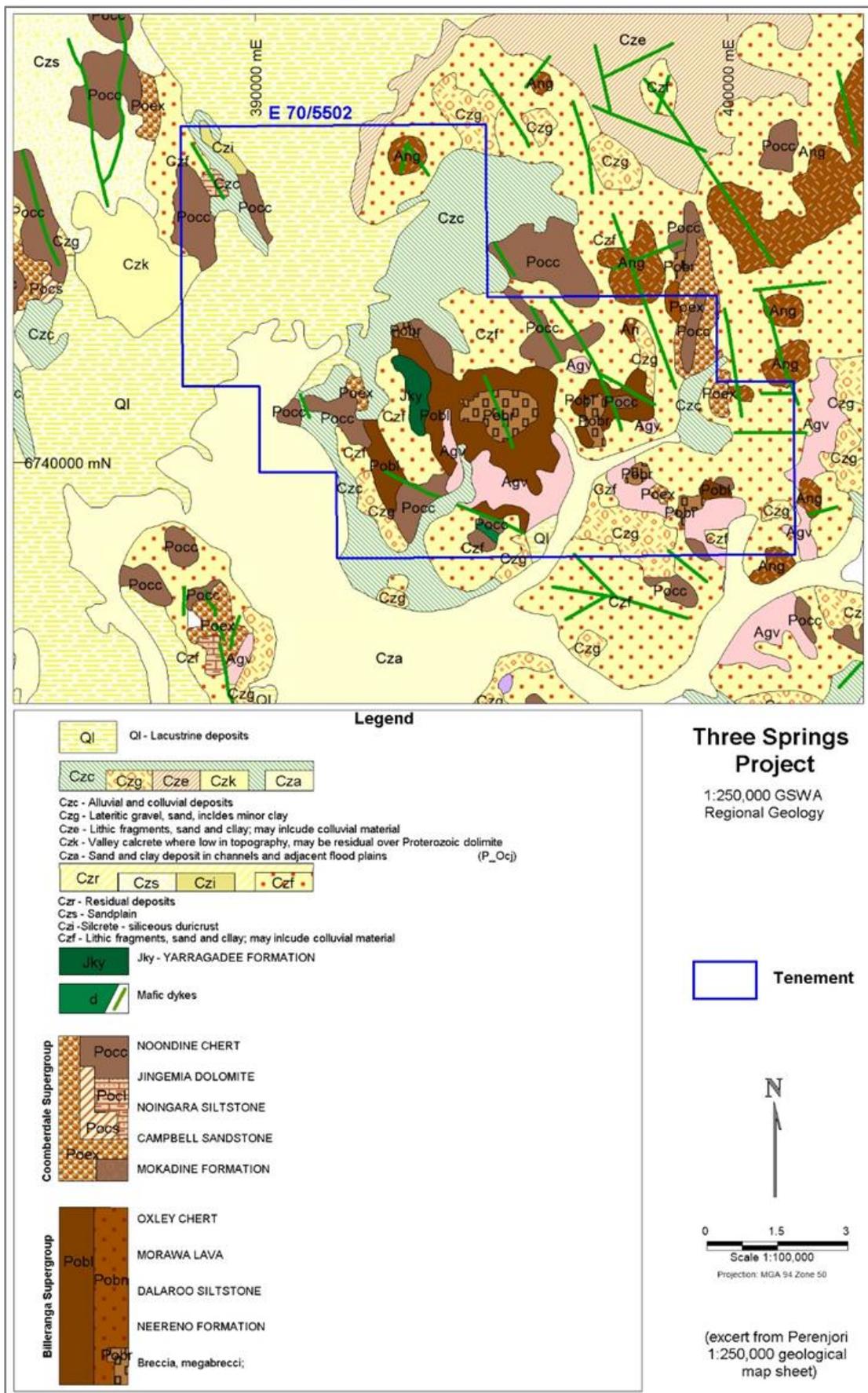
The area is densely intruded by several swarms of mafic dykes that produce prominent magnetic anomalies against the granitoid basement and basin sediments. These dyke swarms fall into several sets, based on orientation:

- An east-west striking set, which produce weak magnetic anomalies and extend into the Perth Basin.
- A north-south to north-northwest to south-southeast striking set, which extend the length of the basin and produce prominent magnetic anomalies. Dykes of this set are associated with the north-south basement rise and appear to be associated with the Darling Fault.
- A north-northwest to south-southeast striking set, which intrude the basement and Moora Basin sediments, but do not extend into the Perth Basin.
- A northeast-southwest striking set which intrude the basement and Moora Basin sediments but does not extend into the Perth Basin near surface.

Three Springs

The Moora Group basal sequence comprises interbedded fluvialite and shallow marine arkose, sandstone, siltstone, wacke, basalt and tuff. It is formally known as the Billeranga Subgroup (Figure 4.4). The total thickness of this package ranges from 100 m to 400 m on an irregular, locally rugged surface. This sequence is disconformably overlain by the Coomberdale Subgroup that is about 1,500 m thick.

Figure 4.4 Three Springs local geology



Source: Dalaroo, July 2021

At the base of this subgroup is the Mokadine Formation, above which is the Campbell Sandstone and Noingarra Siltstone. The Noondine Chert and Jingemia Dolomite lie above the Coomberdale Subgroup, representing an upper carbonate facies.

The grade of regional metamorphism is very low. Narrow zones of hornfels are known to exist adjacent to dolerite dykes and younger intrusives. The Moora Basin and the Archaean granitoid basement are densely intruded by swarms of mafic dykes, which have commonly been subject to weak degrees of propylitic alteration. The dykes outcrop quite prominently, and typically produce rich loamy soils that are visible on aerial photographs.

4.2.3 Exploration Potential

Moora

Assessment of publicly available aeromagnetic total magnetic intensity (TMI) imagery by Dalaroo has highlighted several distinct magnetic anomalies at Moora (Figure 4.5).

Dalaroo infers that a northwest trend of nickel-copper-PGE anomalism from neighbours to the east, Liontown Resources Limited (Liontown) and its joint venture with Lachlan Star extends onto the Moora tenement, E70/4928. Significant assay results from Liontown of 10 m at 1.9% Cu from 32 m²³ and 44 m at 1.6 g/t Au from 200 m²⁴ are located 10 km east of Dalaroo's Moora area in identical geology.

Lachlan Star reports anomalous results >0.2% Cu, 36.1 ppb Pd+Pt and 51 ppb Au at the Dalaroo tenement boundary. Other results nearby include 2.78% Cu, 1,740 ppm Co and 0.18% Ni²⁵.

Liontown's Mallory PGE-gold anomaly has been outlined over an area of 1.4 km by 1 km area with PGE values of up to 160 ppb (0.16 g/t) associated with elevated gold (up to 12 ppb), copper (up to 270 ppm) and nickel (up to 242 ppm)²⁶.

Dalaroo has undertaken preliminary ground-based exploration and field inspection by Burnt Shirt reveals the presence of mafic intrusives that in places show green staining, indicative of copper or nickel mineralisation.

In late July 2021, Dalraoo completed a drone magnetic survey at the Namban Project. This data is currently being analysed by external consultants.

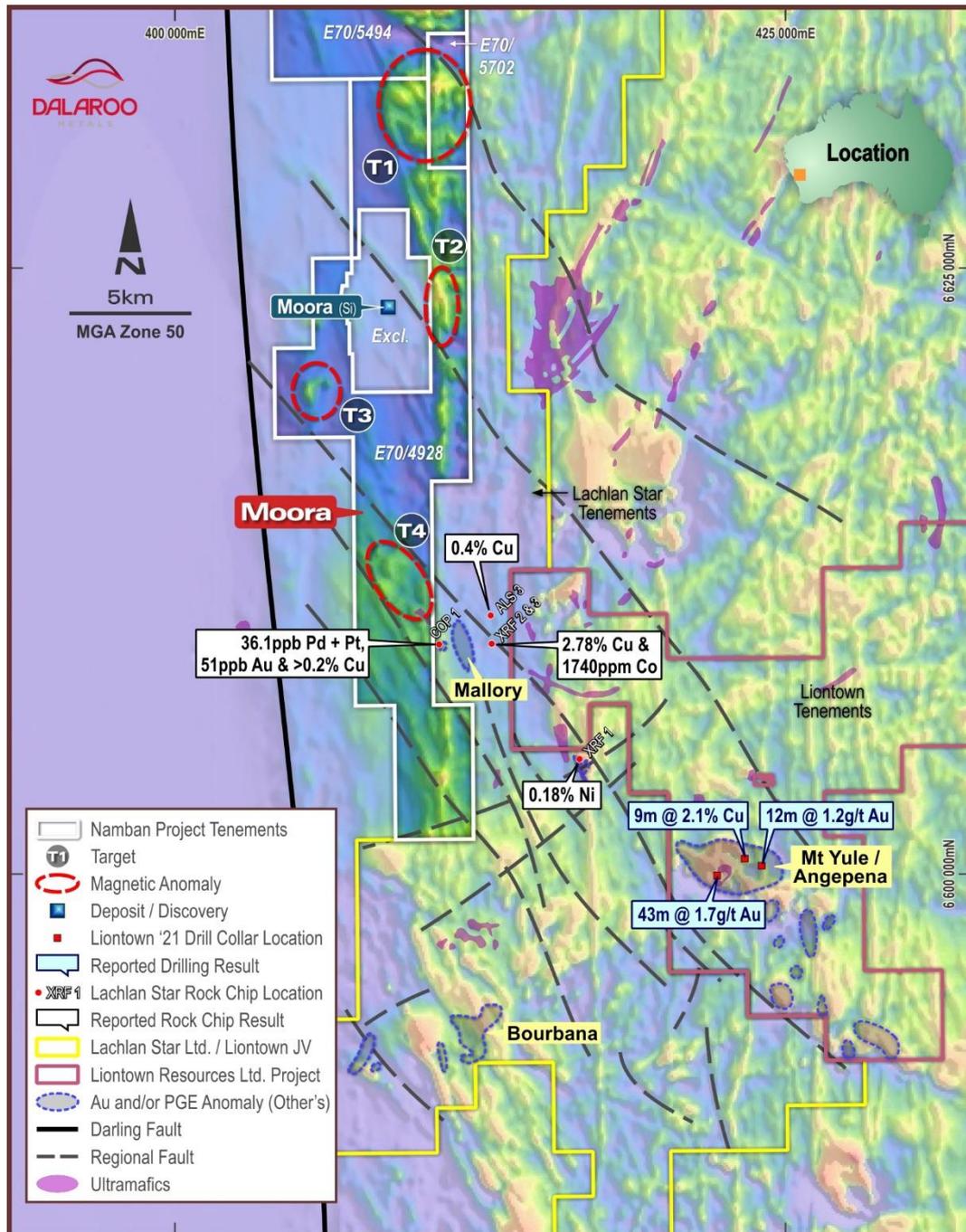
²³ LTR announcement, 19 January 2021

²⁴ LTR announcement, 2 March 2021

²⁵ LSA announcement, 26 June 2020

²⁶ LTR announcement, 6 May 2021

Figure 4.5 Recent third-party Moora results

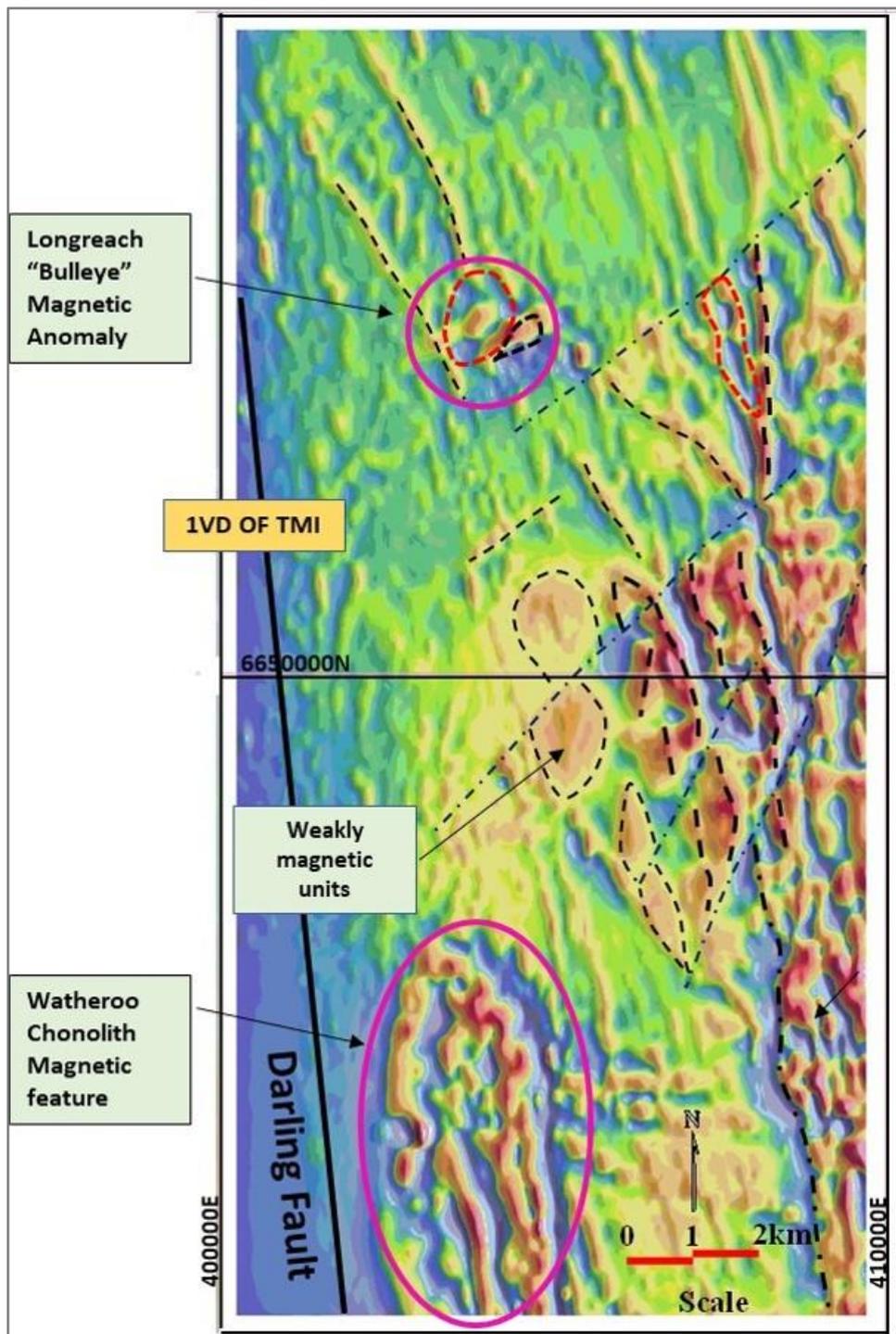


Source: Dalaroo, July 2021

Watheroo

Dalaroo has used publicly available geophysics to identify a mafic intrusion, interpreted to be a chonolith, covering an area of 5 km by 2 km located at the Yilgarn Craton boundary (Figure 4.6). Chonoliths are plutonic intrusions and are associated with nickel, copper and platinum mineralisation at Nebo-Babel in Western Australia and Norilsk, in Russia. This chonolith is thought by Dalaroo to be prospective for nickel-copper mineralisation and Burnt Shirt concurs with this assessment, given the proximity to the recent Julimar discovery.

Figure 4.6 Watheroo geophysical anomalies

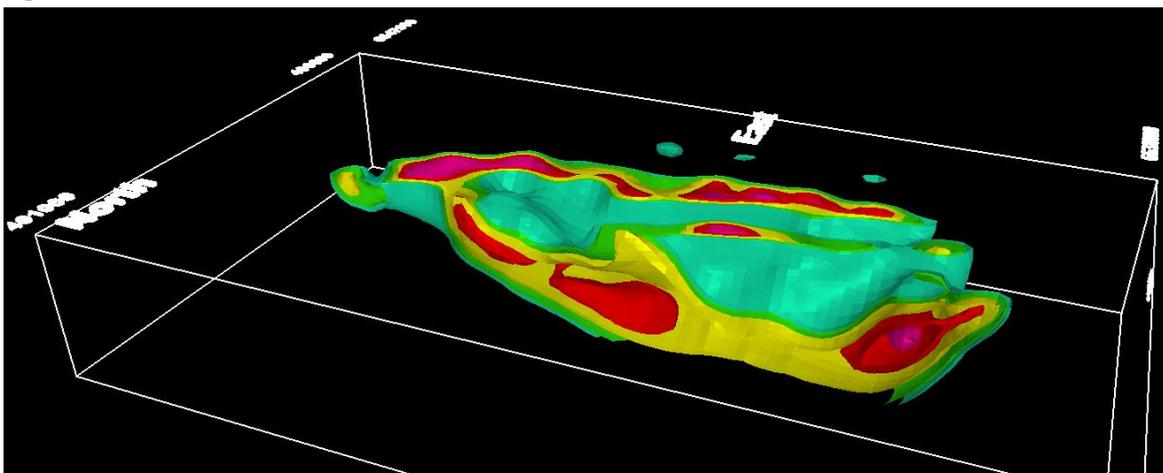


Source: Dalaroo, July 2021

Dalaroo has not undertaken substantial ground-based exploration at Watheroo but infers the presence of the chonolith from geophysics and reconnaissance inspection.

The magnetic source rocks are inferred to be close to the surface and three-dimensional magnetic data modelling shows an overall structure which appears to be a synformal keel (Figure 4.7).

Figure 4.7 Watheroo chonolith three-dimensional inversion model



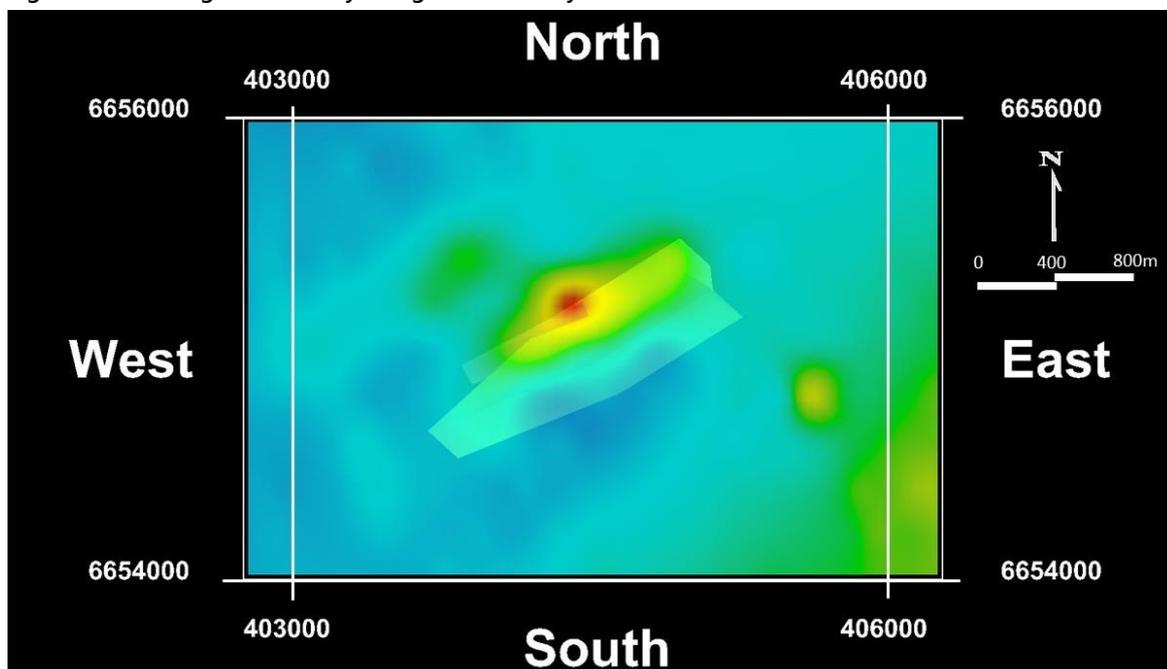
Source: Dalaroo, July 2021, view to east-northwest showing section at 403411E

First pass reconnaissance stream sediment sampling by Dalaroo has returned anomalous copper values.

Longreach

Longreach is a bullseye magnetic anomaly, covering an area of 1.2 km by 0.4 km. Dalaroo's consultant geophysicist has postulated that this is possibly a mafic intrusion. Given recent activity and understanding of the geology of the area, Dalaroo considers it to be prospective for nickel-copper deposits on the northern edge of Namban granite (Figure 4.8).

Figure 4.8 Longreach bullseye magnetic anomaly



Source: Dalaroo, July 2021

No exploration has been undertaken on this target, and Dalaroo proposes to undertake ground geophysics to better define the target before engaging in geochemical prospecting.

Burnt Shirt concurs with this approach.

Three Springs

Three Springs comprises a granted exploration licence E70/5502, covering an area of 80 km², located approximately 250 km north of Perth, within the northern Wheatbelt of Western Australia (Figure 4.1).

The GSWA 1:250 000 Perenjori map sheet shows outcrops of mafic-ultramafic intrusions within the Dalaroo tenement and immediate surrounding area. Aeromagnetic TMI imagery highlights the northern extension of an intrusive body prospective for magmatic nickel-copper-PGE mineralisation immediately adjacent to crustal scale Darling Fault, to the west.

4.2.4 Mineralisation

Moora

The area has historically been explored for potash and talc, notably by interests associated with the various owners of the economically significant Three Springs Talc mine, excised from Dalaroo's tenements, at the centre of the Namban holding.

Potash has notably been identified in sanidine feldspar-rich gassy lava flows, sometimes containing >10% K₂O. Typical microsyenite outcrops consist of iron-stained brown to pink-brown blocks containing abundant open and filled vesicles. Individual flows are up to 12 m thick, apparently erupting from fissures and constrained by the irregular topography preceding trachyte flows.

Watheroo Potash Exploration Target

The Watheroo prospect at the Namban Project contains a potash feldspar rock succession covering a strike length of 40 km over freehold agricultural land. The potash feldspar contains concentrations of potassium of between 8% and 12% K₂O²⁷ within extensive flat-lying volcanic and sedimentary rock of the Proterozoic Billelangra Subgroup units that outcrop at the surface.

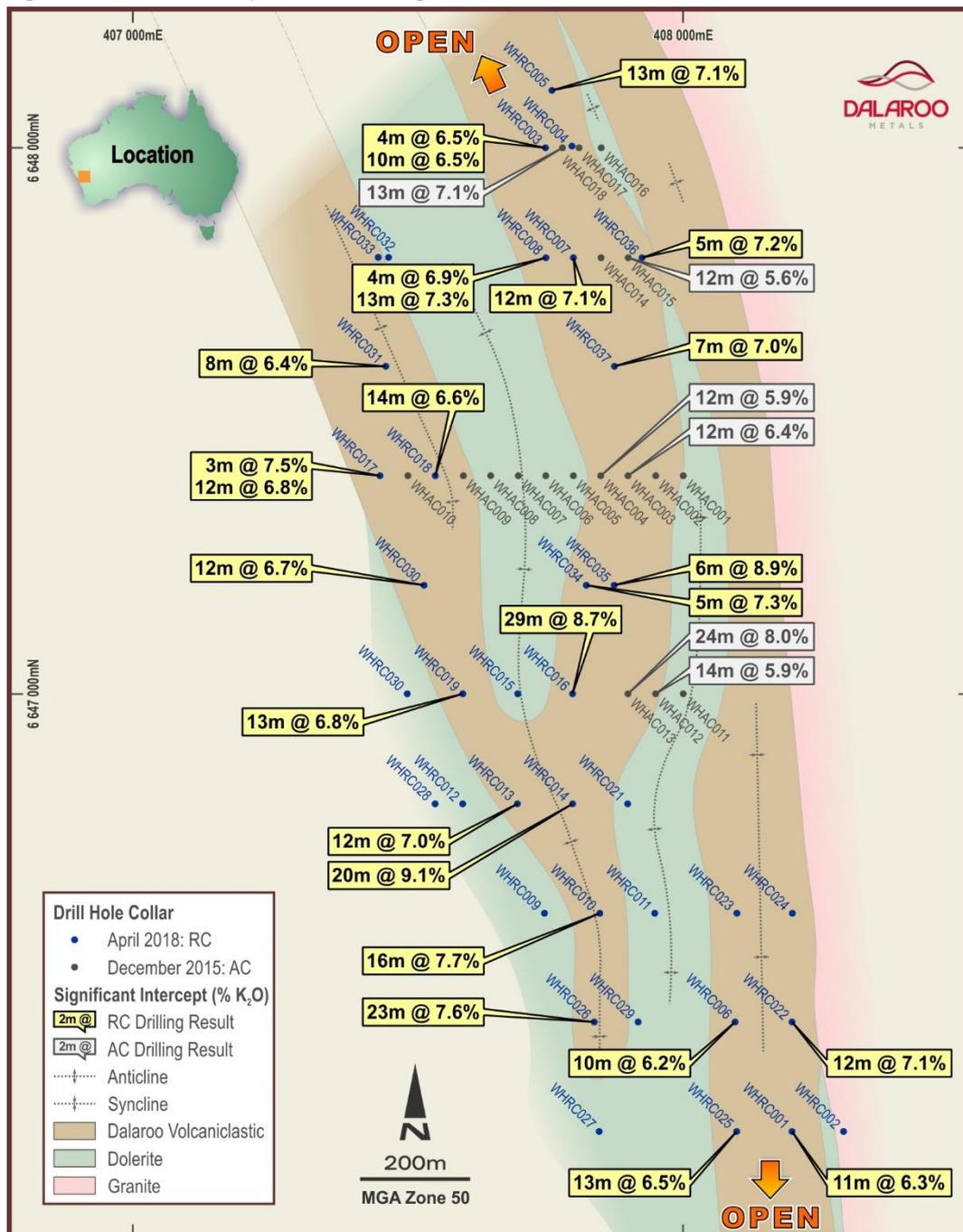
At Watheroo, these ultrapotassic horizons are confined to the Dalaroo Siltstone member which was aircore drilled by Shenton Resources Limited (Shenton) in 2015²⁸ and was the focus of a State Government co-funded RC drilling program during 2018.

This drilling defined a near-surface potassium-rich zone to the west of Watheroo township over a 2 km strike length, with a best drill intersection of 29 m at 8.74% K₂O (Figure 4.9 and Figure 4.10).

²⁷ Shenton Resources Limited, Annual Report, year ended 30 June 2020

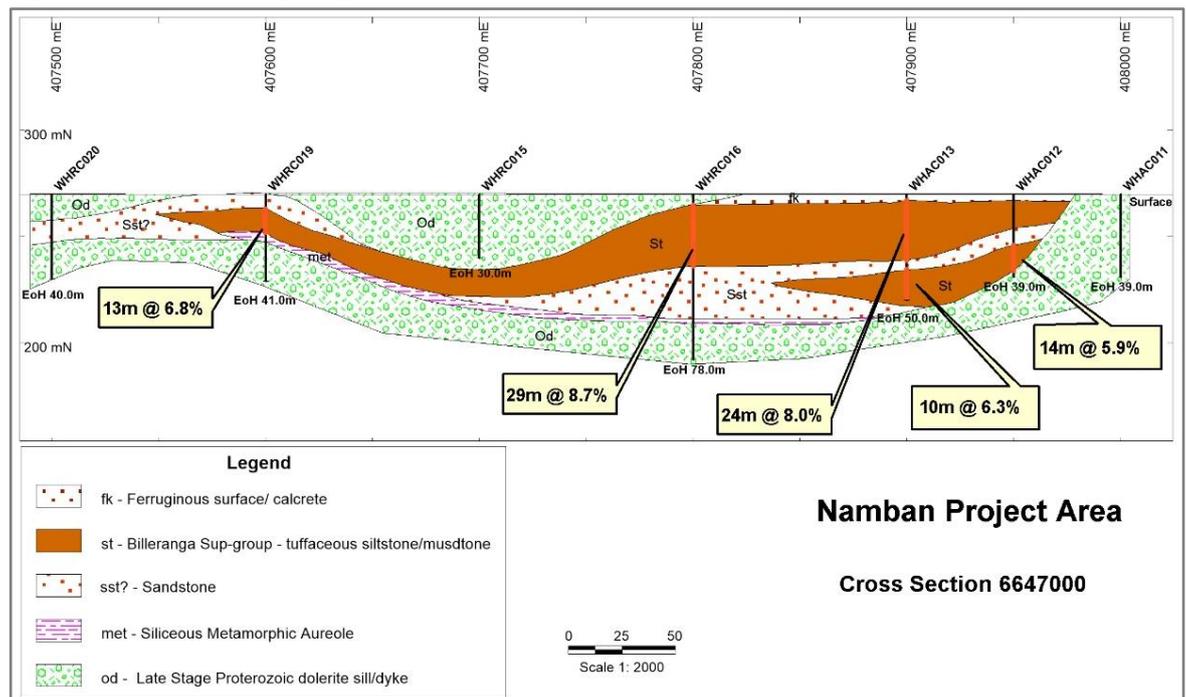
²⁸ Shenton Resources Limited, Annual Report, year ended 30 June 2017

Figure 4.9 Watheroo potassium drilling



Source: Dalaroo July 2021

Figure 4.10 Watheroo geological cross section



Source: Dalaroo, July 2021

Shenton subsequently made an internal estimate of mineralisation that Burnt Shirt has used as the basis of an Exploration Target of between 20 Mt and 50 Mt at between 6% and 7% K₂O. Shenton's mineralisation estimate is based on modelling of its drilling undertaken at Watheroo.

Responsibility for the Exploration target is taken by Mr Jeremy Peters, FAusIMM CP (Min, Geo), a suitably experienced and qualified geologist and mining engineer and Director of Burnt Shirt.

Burnt Shirt cautions that an Exploration Target is conceptual in nature and that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Three Springs

Work by Dalaroo at Three Springs has identified potassium-enriched tuff within the Billeranga Subgroup. The geology is similar to that at Dalroo's Watheroo potash project, around 100 km to the south and Dalaroo considers that it holds similar potential to host potash mineralisation.

5 EXPLORATION STRATEGY

Burnt Shirt considers Dalaroo's Projects to be early-stage exploration projects with attractive geology. The Projects enjoy relative ease of access and the regional presence of significant infrastructure, when compared to other Australian exploration projects.

Lyons River has the potential for hosting a BHT base metals deposit.

Namban lies in similar geology to that at Chalice Mining's Julimar nickel-copper-PGE discovery, announced in March 2020 and has demonstrable potential to host potash mineralisation.

Dalaroo has prioritised its exploration such that the initial focus will be those projects considered to have the greatest potential to yield economic mineralisation in the short term and those proximal to established infrastructure.

Burnt Shirt considers this to be sound strategy and comments that in its view, the understanding of the geology of these Projects is more valuable than exploration results returned to date. This is particularly the case with Lyons River, where technically sound geological thinking is developing areas identified by previous explorers and Dalaroo. Burnt Shirt has been advised that Dalaroo has budgeted approximately A\$3.20 million from a raising of A\$5.0 million, for full subscription (Table 5.1), for exploration expenditure on its tenements over two years and considers this to be appropriate to support the strategy described.

Table 5.1 Summary of proposed exploration expenditure, full subscription case (A\$3.2M)

| Activity | Lyons River | | Namban | | Total |
|-------------------------------|-------------|---------|---------|---------|-----------|
| | Year 1 | Year 2 | Year 1 | Year 2 | |
| Drilling | 470,000 | 480,000 | 370,000 | 380,000 | 1,700,000 |
| Geophysics | 100,000 | 50,000 | 120,000 | 50,000 | 320,000 |
| Soil Geochemistry | 105,000 | 35,000 | 100,000 | 40,000 | 280,000 |
| Heritage & other Surveys | 40,000 | 30,000 | 20,000 | 10,000 | 100,000 |
| Geological and field staff | 145,000 | 75,000 | 80,000 | 30,000 | 330,000 |
| Assays & Consumables | 120,000 | 40,000 | 110,000 | 55,000 | 325,000 |
| Vehicle | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 |
| Field Accommodation & Messing | 45,000 | 20,000 | 20,000 | 20,000 | 105,000 |
| Total | 1,035,000 | 740,000 | 830,000 | 595,000 | 3,200,000 |

Source: Dalaroo

Burnt Shirt considers that Dalaroo staff are suitably qualified and experienced to successfully implement the proposed program.

5.1 Burnt Shirt Opinion

Burnt Shirt considers that Dalaroo has tenure over demonstrably mineralised geology in Western Australia, prospective for base metals and PGE mineralisation. This is particularly the case for Lyons River, where previous explorers have conducted sufficient drilling to identify potential Broken Hill style base metals mineralisation.

5.2 Conclusions

Burnt Shirt concludes that Dalaroo has rights to tenure over areas in Western Australia that have prospective geology and recommends that it proceed to implement its exploration strategy on ASX listing. Burnt Shirt considers that the Projects enjoy relative ease of access and the regional presence of significant infrastructure.

Burnt Shirt considers the Projects to be at an Early Exploration stage, yet clearly demonstrate potential for the discovery of mineralisation. Previous explorers have returned encouraging drill intersections. Numerous geophysical and geochemical targets have been identified that are yet to be drill tested.

Dalaroo will benefit from the work by previous explorers that has resulted in the identification of mineralisation. Dalaroo benefits from access to the results of considerable publicly available exploration data for each of these project areas and compilation and analysis of this data will greatly expedite its exploration efforts.

Burnt Shirt has been advised that Dalaroo has budgeted approximately A\$3.2 million on direct exploration out of available funds of \$5.0 million pre-expenses, post listing on the ASX. The budget contemplates exploration expenditure over two years and Burnt Shirt considers this to be appropriate to support the strategy described.

Burnt Shirt considers that the Lyons River project is prospective for BHT mineralisation, and is encouraged by the following points:

- The geology is high-grade metamorphic and previous explorers have returned anomalous base metal in soil geochemical results
- Drilling by Altera has returned an intersection of base metals mineralisation
- Drilling by Serena has intersected sulphides and assay results are pending

Burnt Shirt considers that the Namban Project is prospective for potash and Julimar-type mineralisation:

- The Watheroo project has been drilled and potash mineralisation identified, for which an Exploration Target is postulated
- The Namban tenements host mafic geology that has been observed or inferred from geophysical survey
- Neighbouring parties are reporting positive exploration results for base metals and PGE, and the geology that hosts these is interpreted to continue onto Dalaroo's tenure

None of the Namban projects have been subjected to coherent exploration that has yielded definitive results for base metals or PGEs.

5.3 Recommendations

Following comprehensive data compilation and assessment along with field validation, Burnt Shirt recommends that drill testing be undertaken of the mineralisation at Lyons River with the intent of ultimately ascertaining whether a Mineral Resource can be defined and reported.

Further exploration should be completed at Namban to better define targets that can be subsequently drilled.

Burnt Shirt recommends that structural geology work should commence in parallel with the proposed geophysics, mapping, and geochemical sampling to provide context to the results of these exercises.

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7 ABBREVIATIONS AND UNITS

| Abbreviation/unit | Definition |
|-------------------|---------------------------------------------------------------------------------------------------------------------|
| ° | degrees |
| °C | degrees Celsius |
| A\$ | Australian dollars |
| Ag | silver |
| Altera | Altera Resources Limited |
| AMG | Australian Map Grid |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Securities Exchange |
| Au | gold |
| Audalia | Audalia Resources Limited |
| Ba | barium |
| BHP | BHP Minerals Limited |
| BHT | Broken Hill type – a metamorphosed base metals deposit, typified by the Broken Hill deposit in NSW, Australia |
| Burnt Shirt | Burnt Shirt Pty Ltd |
| Co | cobalt |
| Cu | copper |
| Dalaroo | Dalaroo Metals Limited |
| DMIRS | Department of Mines, Industry Regulation and Safety |
| EIS | Exploration Incentive Scheme |
| g/t | grams per tonne |
| GSWA | Geological Survey of Western Australia |
| IGR | Independent Geologists Report |
| IP | induced polarity (an electromagnetic geophysical prospecting technique) |
| JORC | The 2012 guidelines of the Australian Joint Ore Reserves Committee (the JORC Code) |
| K ₂ O | potassium oxide |
| kg | kilogram(s) |
| km | kilometre(s) |
| km ² | square kilometres |
| LAB | lithosphere-aesthenosphere boundary |
| Liontown | Liontown Resources Limited |
| m | metre(s) |
| mm | millimetres |
| Mt | million tonnes |
| Ni | nickel |
| Pb | lead |
| Pd | palladium |
| PGE | platinum group elements – platinum (Pt), palladium (Pd), rhodium (Rh), ruthenium (Ru), osmium (Os) and iridium (Ir) |

| Abbreviation/unit | Definition |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------|
| ppb | parts per billion |
| ppm | parts per million |
| Pt | platinum |
| RC | reverse circulation (a drilling technique) |
| SedEx | sedimentary exhalative |
| Serena | Serena Minerals Limited |
| Shenton | Shenton Resources Limited |
| TMI | total magnetic intensity |
| VALMIN | The 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code) |
| Zn | zinc |

Appendix A JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

| Criteria | JORC Code explanation | Commentary |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sampling techniques | <p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld x-ray fluorescence (XRF) instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p> | <p>In each case, the Competent Person considers that the sampling techniques used provide an indication of mineralisation appropriate to an early exploration project.</p> <p>Lyons River</p> <p>BHP soil and rock chip sampling is not described but the Competent Person considers that these samples were collected in accordance with good geological practice at the time and provide a reliable indicator of the presence of mineralisation.</p> <p>Alterra collected soil samples using an auger drill at 0.5 to 1.0 m depth. No other information is supplied, and the Competent Person considers that these samples were collected in accordance with good geological practice at the time and provide a reliable indicator of the presence of mineralisation.</p> <p>Alterra's reverse circulation (RC) drilling is not described but the Competent Person considers that these samples were collected in accordance with good geological practice at the time and provide a reliable indicator of the presence of mineralisation.</p> <p>Serena Minerals Limited (Serena) sieved soil samples to -2 mm and submitted 200 g samples for multi-element analysis. Rock chip samples were collected with a geological hammer, described, bagged, and sent for analysis.</p> <p>Namban</p> <p>Shenton's drilling was conducted by aircore and RC drilling with samples of approximately 3 kg split from the rig cyclone over each metre drilled and submitted for assay.</p> |
| Drilling techniques | <p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p> | <p>At each location, drilling was conducted by a combination of conventional blade-bit aircore or face-sampling RC techniques.</p> |

| Criteria | JORC Code explanation | Commentary |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Drill sample recovery | <p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p> | <p>Lyons River</p> <p>No sample recovery information is available for drilling conducted prior to that conducted by Serena. The Competent Person considers that the responsible geologists would have noted poor recoveries in the logs and that the resultant geochemical results of rotary air blast (RAB) and RC drilling have not been materially affected by recovery.</p> <p>Serena logged recoveries for its drilling and examination of the logs indicate no material problems.</p> <p>Namban</p> <p>No sample recovery information is recorded for Shenton's drilling, and drill logs imply that there is no material problem with recovery in the diamond core.</p> <p>In each case, the Competent Person considers that drill recovery has not led to material bias in an early-stage exploration project.</p> |
| Logging | <p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p> | <p>All drillholes were logged in their entirety and logging was qualitative.</p> <p>In each case, the Competent Person has examined the digitised logs of the entire drill program and considers these to be adequate to inform geological interpretation of the results, appropriate to an early-stage exploration program.</p> |
| Subsampling techniques and sample preparation | <p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all subsampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p> | <p>Lyons River</p> <p>No subsampling information is available for drilling conducted prior to that conducted by Serena. No quality control measures were applied to the historical drilling. The Competent Person considers that the RAB and RC drilling was sampled from the cyclone using a riffle splitter in accordance with then current industry practice and that this is adequate to inform an early-stage exploration project.</p> <p>Namban</p> <p>No subsampling information is recorded for Shenton's drilling, but the Competent Person considers that sampling error is unlikely to be material.</p> <p>In each case, the Competent Person considers that sampling techniques are appropriate to early-stage exploration and have not led to material sampling bias.</p> |

| Criteria | JORC Code explanation | Commentary |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Quality of assay data and laboratory tests | <p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p> | <p>Lyons River</p> <p>No quality assurance/quality control (QAQC) information is available for historical drilling.</p> <p>Namban</p> <p>No QAQC is recorded for Serena's drilling. The Competent Person observes that the number of holes drilled, and consistency of the results indicate that there is no material problem with sampling bias.</p> <p>In each case, the Competent Person considers that QAQC has not led to material bias in an early-stage exploration project.</p> |
| Verification of sampling and assaying | <p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p> | <p>In each case, assay data is presented as it appears in the original documentation and electronic database and no adjustment has been made.</p> <p>Lyons River</p> <p>Altera conducted resampling of anomalous geochemical results which confirmed the original results.</p> <p>Serena used data current industry standard data verification protocols to the recording of information in its database.</p> <p>Namban</p> <p>No holes have been twinned, but the number of holes drilled at Namban and consistency of results provides verification appropriate to an early-stage exploration program.</p> |
| Location of data points | <p><i>Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p> | <p>In each case the drillhole collars have been located with global positioning system (GPS). Serena converted local grids to Australian Map Grid (AMG) coordinates. In each case, the Competent Person considers that the resultant locations are appropriate for an early-stage exploration project.</p> |
| Data spacing and distribution | <p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p> | <p>Lyons River</p> <p>The Competent Person considers that the paucity of drilling at Lyons River is insufficient to establish grade continuity but is indicative of mineralisation appropriate to an early-stage exploration project.</p> <p>Namban</p> <p>The Competent Person considers that the Shenton Resources Limited (Shenton) drilling is of sufficient density to inform an Exploration Target.</p> |
| Orientation of data in relation to geological structure | <p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p> | <p>The Competent Person has reported downhole intersections without reference to interpreted mineralisation orientation. This is appropriate for an early-stage exploration program where the orientation of mineralisation is preliminary, and it is inappropriate to geometrically correct intersections.</p> |

| Criteria | JORC Code explanation | Commentary |
|-------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sample security | <i>The measures taken to ensure sample security.</i> | Sample security is not recorded for any of the areas and the Competent Person observes no indication that sample security may affect the reliability of the results. |
| Audits or reviews | <i>The results of any audits or reviews of sampling techniques and data.</i> | None of the project areas have been subject to audit. The Competent Person does not consider this to be material for early-stage exploration projects. |

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

| Criteria | JORC Code explanation | Commentary |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mineral tenement and land tenure status | <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> | The tenements are wholly owned by Dalaroo Metals Limited (Dalaroo) as described in Section 2.2 of this Independent Geologists Report (IGR). The Competent Person is unaware of any impediments to development of these tenements. |
| Exploration done by other parties | <i>Acknowledgment and appraisal of exploration by other parties.</i> | Exploration of Dalaroo's Projects has been undertaken by other parties including BHP, Altera, Shenton and Serena and the Competent Person has referenced the parties involved and the results of this work throughout the text. |
| Geology | <i>Deposit type, geological setting, and style of mineralisation.</i> | Lyons River The primary mineralisation style being sought is metamorphosed base metal mineralisation of the Broken Hill type (BHT). Namban Primary potash mineralisation has historically been identified at Watheroo. Dalaroo's future exploration efforts will be focused on identifying mafic-associated base metal and platinum group element (PGE) deposits. |
| Drillhole information | <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drillhole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> | Drillhole results have been drawn from historical and publicly available exploration reports drawn from Australian Securities Exchange (ASX) releases and the Western Australian WAMEX database. These have been reported in the text and referenced to the relevant WAMEX report. Significant drillhole intersections and locations have similarly been tabulated in the text for each project area. The Competent Person considers that there is enough information supplied for the reader to reconstruct the material aspects of the drilling at each project. |

| Criteria | JORC Code explanation | Commentary |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <p>Lyons River</p> <p>Drillhole information has been supplied for significant intersections in Section 3.4 of this IGR. A comprehensive list of relevant drillholes and mineralised intersections is included in Appendix B.</p> <p>Namban</p> <p>Information that locates historical drilling is supplied in Appendix B of this report.</p> |
| Data aggregation methods | <p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p> | <p>In all cases, Exploration Results have been reported in accordance with Clause 19 of the JORC Code. Data has been reported as arithmetic averages, weighted by downhole drill intersection for identified zones of mineralisation.</p> <p>No metal equivalent values have been reported.</p> |
| Relationship between mineralisation widths and intercept lengths | <p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</i></p> | <p>With the exception of Namban, the absolute geometry of the mineralisation is unknown but has been inferred from historical drilling results.</p> <p>Downhole intersections have been reported and true width is unknown.</p> |
| Diagrams | <p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i></p> | <p>Maps and plans of geology and drilling have been incorporated in the relevant sections of the text. These are presented in Map Grid of Australia 1994 (MGA94) Zone 50 coordinates.</p> |
| Balanced reporting | <p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p> | <p>The Competent Person considers that reporting of all historical results is not practicable and has reported significant intersections with appropriate cautionary statements that these historical results are indicative of but not absolute measures of mineralisation. In each case, mineralised intersections have been recorded in accordance with Clause 19 of the JORC Code. No cutting of high or low grades has occurred and the raw assay information is reported in each instance.</p> |

| Criteria | JORC Code explanation | Commentary |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Other substantive exploration data</p> | <p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p> | <p>Each project attracts a significant amount of historical information in Open File format. Each project is early exploration and no metallurgical testwork has been completed, nor has a geotechnical study been undertaken. Each project is associated with extensive geophysical information that has been used by past explorers to identify potential drill targets. The Competent Person observes that at each area there are several generations of geophysics that have been reinterpreted several times with consistent results. Consequently, the Competent Person considers that the geophysical data is appropriate to support early-stage exploration.</p> |
| <p>Further work</p> | <p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p> | <p>Dalaroo intends to compile and analyse historical data and rank drilling targets for campaign drilling to confirm the presence of mineralisation.</p> <p>The Competent Person considers that the diagrams included in the text demonstrate the mineralisation potential of each project.</p> |

Appendix B Location of Drillholes Mentioned in the Text and Diagrams

Lyons River drilling mineralisation assays

| Drillhole | MGAE | MGAN | Depth (m) | Azimuth (mag) | Dip (°) | RL (m) | Depth (m) | Intersection (m) | Cu (ppm) | Pb (ppm) | Zn (ppm) |
|-----------|--------|---------|-----------|---------------|---------|--------|-----------|------------------|----------|----------|----------|
| GRC004 | 370550 | 7285330 | 72 | 180 | -60 | 280 | 59 | 3 | 4,890 | 2,310 | 790 |
| and | | | | | | 280 | 65 | 1 | 2.30% | 0.60% | 0.30% |
| GRC014 | 370600 | 7285345 | | | | 280 | 67 | 3 | 1,440 | 800 | 1,060 |
| GRC016 | 370510 | 7285320 | | | | 280 | 56 | 3 | 130 | 5,040 | 450 |
| and | | | | | | 280 | 58 | 1 | | 0.92% | |
| GRC020 | 378600 | 7281890 | | | | 280 | 70 | 1 | 75 | 39 | 1,690 |

Note: No other intersections returned meaningful results. Intersections are arithmetically averaged for each element within these intersections, weighted by sample interval and are inclusive of internal dilution. NSR = no significant results.

Lyons River drilling location

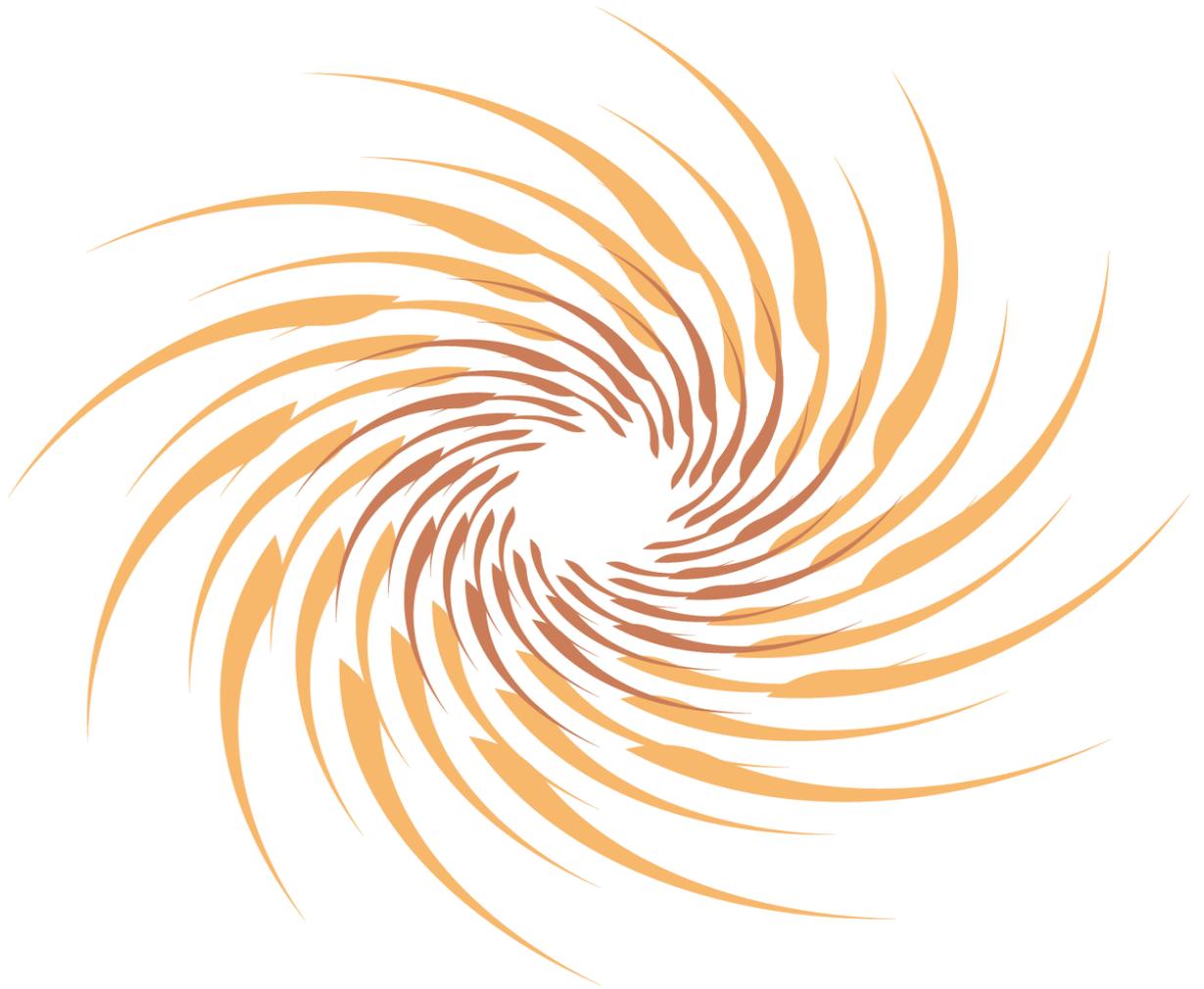
| Drillhole | IP anomaly | MGAE | MGAN | RL | Dip (°) | Azimuth (°mag) | Depth (m) |
|-----------|--------------|--------|---------|-----|---------|----------------|-----------|
| GRC001 | Four Corners | 370700 | 7285630 | 280 | -60 | 180 | 60 |
| GRC002 | | 370700 | 7285600 | 280 | | | 60 |
| GRC003 | | 370550 | 7285300 | 280 | | | 60 |
| GRC004 | | 370550 | 7285330 | 280 | | | 72 |
| GRC005 | | 370550 | 7285360 | 280 | | | 84 |
| GRC006 | | 370550 | 7285450 | 280 | | | 72 |
| GRC007 | | 370550 | 7285480 | 280 | | | 72 |
| GRC008 | | 370500 | 7284900 | 280 | | | 72 |
| GRC009 | | 370500 | 7284930 | 280 | | | 72 |
| GRC010 | | 370700 | 7284980 | 280 | | | 72 |
| GRC011 | | 370700 | 7285010 | 280 | | | 72 |
| GRC012 | | 370700 | 7285040 | 280 | | | 72 |
| GRC013 | | 370600 | 7285315 | 280 | | | 72 |
| GRC014 | | 370600 | 7285345 | 280 | | | 72 |
| GRC015 | | 370510 | 7285290 | 280 | | | 72 |
| GRC016 | | 370510 | 7285320 | 280 | | | 72 |
| GRC017 | McCarthys | 378600 | 7281800 | 280 | 72 | | |
| GRC018 | | 378600 | 7281830 | 280 | 72 | | |
| GRC019 | | 378600 | 7281860 | 280 | 72 | | |
| GRC020 | | 378600 | 7281890 | 280 | 72 | | |
| GRC021 | | 378400 | 7281900 | 280 | 72 | | |
| GRC022 | | 378400 | 7281930 | 280 | 72 | | |
| GRC023 | | 378400 | 7281960 | 280 | 72 | | |
| GRC024 | | 378400 | 7281990 | 280 | 72 | | |
| GRC025 | | 378200 | 7281970 | 280 | 72 | | |
| GRC026 | | 378200 | 7282000 | 280 | 72 | | |
| GRC027 | | 378200 | 7282030 | 280 | 72 | | |
| GRC028 | | 378000 | 7282020 | 280 | 72 | | |
| GRC029 | | 378000 | 7282050 | 280 | 72 | | |
| GRC030 | | 378000 | 7282080 | 280 | 72 | | |

Watheroo mineralisation assays

| Drillhole | MGAE | MGAN | Depth (m) | Azimuth (mag) | Dip (°) | RL (m) | Depth (m) | Intersection (m) | K ₂ O (%) |
|-----------|--------|---------|-----------|---------------|---------|--------|-----------|------------------|----------------------|
| WHAC003 | 407900 | 6647400 | 42 | | | 275 | 26 | 12 | 6.41 |
| WHAC004 | 407850 | 6647400 | 53 | | | 274 | 40 | 12 | 5.92 |
| WHAC009 | 407600 | 6647400 | 3 | | | 275 | 0 | 3 | 7.18 |
| WHAC010 | 407500 | 6647400 | 15 | | | 273 | 11 | 4 | 6.05 |
| WHAC012 | 407950 | 6647000 | 39 | | | 270 | 25 | 14 | 5.91 |
| WHAC013 | 407900 | 6647000 | 50 | | | 270 | 4 | 24 | 8.02 |
| including | | | | | | | 42 | 8 | 5.93 |
| WHAC015 | 407900 | 6647800 | 17 | | | 271 | 5 | 12 | 5.61 |
| WHAC017 | 407810 | 6648000 | 10 | | | 284 | 2 | 8 | 6.68 |
| WHAC018 | 407780 | 6648000 | 11 | | | 284 | 1 | 8 | 5.80 |
| WHAC019 | 406800 | 6649800 | 9 | | | 296 | 5 | 4 | 6.69 |
| WHAC020 | 406850 | 6649800 | 8 | | | 296 | 5 | 4 | 6.69 |
| WHAC021 | 406750 | 6649800 | 19 | | | 295 | 5 | 13 | 5.04 |
| WHAC022 | 406750 | 6650000 | 9 | | | 289 | 1 | 8 | 6.89 |
| WHAC023 | 406700 | 6650000 | 13 | | | 285 | 5 | 3 | 5.66 |
| WHAC025 | 407000 | 6649600 | 7 | | | 298 | 4 | 3 | 6.69 |
| WHAC026 | 406900 | 6649600 | 13 | | | 299 | 5 | 4 | 5.70 |
| WHRC001 | 408200 | 6646200 | 30 | | | 275 | 13 | 11 | 6.35 |
| WHRC003 | 407750 | 6648000 | 36 | | | 275 | 7 | 4 | 6.54 |
| including | | | | | | | 18 | 10 | 6.51 |
| WHRC004 | 407797 | 6648003 | 24 | | -90 | 275 | 4 | 13 | 7.05 |
| WHRC005 | 407761 | 6648105 | 24 | | | 275 | 5 | 13 | 7.08 |
| including | | | | | | | 5 | 8 | 7.27 |
| WHRC006 | 408097 | 6646400 | 36 | | | 275 | 17 | 10 | 6.25 |
| WHRC007 | 407800 | 6647800 | 40 | | | 275 | 15 | 12 | 7.07 |
| including | | | | | | | 16 | 8 | 7.25 |
| WHRC008 | 407750 | 6647800 | 48 | | | 275 | 19 | 4 | 6.92 |
| including | | | | | | | 29 | 13 | 7.34 |
| and | | | | | | | 29 | 9 | 7.52 |
| WHRC010 | 407850 | 6646600 | 42 | | | 275 | 19 | 16 | 7.73 |
| including | | | | | | | 25 | 10 | 8.23 |
| WHRC013 | 407700 | 6646800 | 43 | | | 275 | 8 | 12 | 7.02 |
| including | | | | | | | 19 | 8 | 8.02 |
| WHRC014 | 407800 | 6646800 | 69 | | | 275 | 19 | 20 | 9.06 |
| including | | | | | | | 22 | 17 | 9.57 |
| WHRC015 | 407700 | 6647000 | 30 | | | 275 | 23 | 2 | 6.14 |
| WHRC016 | 407800 | 6647000 | 78 | | | 275 | 5 | 29 | 8.74 |
| including | | | | | | | 6 | 20 | 9.76 |
| WHRC017 | 407450 | 6647400 | 36 | | | 275 | 1 | 3 | 7.52 |
| including | | | | | | | 23 | 12 | 6.82 |
| and | | | | | | | 31 | 4 | 8.05 |

| Drillhole | MGAE | MGAN | Depth (m) | Azimuth (mag) | Dip (°) | RL (m) | Depth (m) | Intersection (m) | K ₂ O (%) |
|-----------|--------|---------|-----------|---------------|---------|--------|-----------|------------------|----------------------|
| WHRC018 | 407550 | 6647400 | 27 | | | 275 | 2 | 14 | 6.58 |
| including | | | | | | | 11 | 3 | 7.69 |
| WHRC019 | 407600 | 6647000 | 41 | | | 275 | 9 | 13 | 6.81 |
| including | | | | | | | 18 | 4 | 7.97 |
| WHRC022 | 408200 | 6646400 | 40 | | | 275 | 19 | 12 | 7.06 |
| WHRC023 | 408100 | 6646600 | 24 | | | 275 | 14 | 3 | 5.46 |
| WHRC024 | 408200 | 6646600 | 30 | | | 275 | 10 | 10 | 5.51 |
| WHRC025 | 408100 | 6646200 | 30 | | | 275 | 7 | 13 | 6.47 |
| including | | | | | | | 7 | 5 | 7.2 |
| WHRC026 | 407840 | 6646400 | 42 | | | 275 | 8 | 23 | 7.57 |
| including | | | | | | | 12 | 17 | 8.00 |
| WHRC030 | 407530 | 6647200 | 35 | | | 275 | 20 | 12 | 6.71 |
| including | | | | | | | 27 | 5 | 7.73 |
| WHRC031 | 407460 | 6647600 | 18 | | | 275 | 7 | 8 | 6.4 |
| WHRC033 | 407445 | 6647800 | 17 | | | 275 | 2 | 8 | 6.09 |
| including | | | | | | | 8 | 2 | 7.40 |
| WHRC034 | 407825 | 6647200 | 30 | | | 275 | 9 | 5 | 7.27 |
| WHRC035 | 407825 | 6647200 | 54 | | | 275 | 4 | 6 | 8.92 |
| WHRC036 | 407925 | 6647800 | 24 | | | 275 | 6 | 5 | 7.16 |
| WHRC037 | 407875 | 6647600 | 36 | | | 275 | 24 | 7 | 7.00 |

Note: Intersections are arithmetically averaged for each element within these intersections, weighted by sample interval and are inclusive of internal dilution. NSR = no significant results.



Attachment 2 – Legal Tenement Report



16 August 2021

File 211044

Dalaroo Metals Ltd
Suite 2, 346 Barker Road
Subiaco WA 6008

Dear Directors

Legal Tenement Report – Dalaroo Metals Ltd

This report has been prepared for inclusion in the prospectus (**Prospectus**) to be issued by Dalaroo Metals Ltd (ACN 648 476 699) (**Company**) on or about 16 August 2021 for, among other things, a public offer of 25,000,000 fully paid ordinary shares in the Company at an issue price of \$0.20 each to raise \$5,000,000.

1 Scope

We have been requested by the Company to report on 13 exploration licences located in Western Australia that the Company has acquired or will acquire pursuant to the Acquisition Agreements (**Tenements**). Key details of the Tenements are set out in Schedule 1 of this Report, and details of non-standard conditions are set out in Schedule 2.

The Report is limited to the searches set out in section 2 (**Searches**). We have relied solely on the results of the Searches and have not been requested by the Company to investigate or report on any other matters. Except as expressly referred to in this Report, we have not conducted any enquires into, or reported on or advised in this Report as to any legal or associated factual matters which may impact on the Tenements or their validity or any restrictions on conducting activities on the Tenements. The summaries of the materials contracts in section 11 (**Material Contracts**) are based solely on our review of copies of those documents as provided to us by the Company.

In this Report, a reference to a section or Schedule means a section or Schedule of this Report, unless the context requires otherwise.

2 Searches and Enquiries

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows:

- (a) searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreement and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements on 17 May 2021 (**NNTT Searches**);

- (b) searches of the register maintained by the Western Australian Department of Mines and Petroleum (**Department**) pursuant to the *Mining Act 1978* (WA) (**Mining Act**) on 25 May 2021 (**DMIRS Searches**);
- (c) searches of the online Aboriginal Heritage Inquiry System (**AHIS**) maintained by the Department of Aboriginal Affairs for any Aboriginal sites registered on the Register of Aboriginal Sites and other heritage places over the Tenements on 17 May 2021 (**Heritage Searches**);
- (d) quick appraisal user searches of the Tengraph system maintain by the Department to obtain details of features or interests affecting the Tenements on 18 May 2021 (**Tengraph Searches**); and
- (e) review of the Material Contracts.

3 Opinion

As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

- (a) the Company's interests in the Tenements;
- (b) the validity and good standing of the Tenements;
- (c) the conditions which apply to the Tenements; and
- (d) third party interests, including encumbrances, in relation to the Tenements.

4 Tenements

4.1 Overview

The Tenements comprise of 13 exploration licences granted under the Mining Act. The following provides a description of the nature and key terms of these types of mining tenements, as well as certain potential successor tenements.

4.2 Exploration licences

(a) Rights

The holder of an exploration licence is authorised to enter land to explore using vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land. The holder of an exploration licence may excavate, extract or remove earth, soil, rocks, stone, fluid or mineral-bearing substances not exceeding 1,000 tonnes over the term of the licence.

(b) Term

Exploration licences are granted for a term of 5 years. The Minister may extend the term by a further period of 5 years followed by a further period of 2 years if satisfied that a prescribed ground for extension exists.

'Prescribed grounds' for extension include circumstances when the holder experienced difficulties or delays arising from governmental, legal, climatic or heritage reasons, where work carried out justifies further exploration, or where the Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

(c) Area

An exploration licence must not be granted in respect of an area which is greater than 70 blocks, unless otherwise designated by the Minister.

(d) Retention status

The holder of an exploration licence granted after 10 February 2006 may apply for approval of a retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, on approval, the holder of the exploration licence may have to comply with a specified programme of work or the Minister may require the holder to show cause why a mining lease should not be applied for over the land.

(e) Relinquishment

Exploration licences of more than 10 blocks applied for after 10 February 2006 are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the 6th year that the licence is held. A failure to lodge the required partial surrender could render the exploration licence liable to forfeiture.

(f) Right to apply for mining lease

The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(g) Annual rent and expenditure requirements

Annual rent for an exploration licence (graticular) is \$141 per block for years 1 to 3 of the term of the licence (\$369 if for only 1 block), \$238 per block for years 4 and 5, \$325 per block for years 6 and 7, and \$615 per block for year 8 and each subsequent year of the term of the licence (based on rental rates current as at the date of this Report).

Exploration licences are subject to minimum annual expenditure requirements which are calculated at not less than:

- (i) \$1,000 per block for years 1 to 3 of the term of the licence (subject to minimums of \$10,000 for licences of 1 block only, \$15,000 for licences of 2 to 5 blocks and \$20,000 for licences of 6 or more blocks);
- (ii) \$1,500 per block for years 4 and 5 of the term of the licence (subject to minimums of \$10,000 for licences of 1 block only, \$20,000 for licences of 2 to 5 blocks and \$30,000 for licences of 6 or more blocks);
- (iii) \$2,000 per block for years 6 and 7 of the term of the licence (subject to minimums of \$15,000 for licences of 1 block only, \$30,000 for licences of 2 to 5 blocks and \$50,000 for licences of 6 or more blocks); and
- (iv) \$3,000 per block for years 8 and each subsequent year of the term of the licence (subject to minimums of \$20,000 for licences of 1 block only, \$50,000 for licences of 2 to 5 blocks and \$70,000 for licences of 6 or more blocks),

based on expenditure requirements current as at the date of this Report.

The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

(h) Transfer

No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister or an officer of the Department acting on the authority of the Minister. Thereafter, there is no restriction on transfer or other dealings.

E70/5702 was granted on 26 March 2021 and is therefore currently in its first year of grant. Accordingly, Ministerial consent or the expiry of 12 months from the date of grant must be satisfied prior to the Company becoming the registered holder of this Tenement. We note that the Acquisition Agreement with Shenton Resources Limited (ACN 152 726 595) (**Shenton**) provides that either of these events must occur prior to the transfer of the Tenement to the Company, and that both parties must do all things necessary to obtain Ministerial consent to ensure the Tenement is transferred to the Company expeditiously (see section 11.1 for further details).

E70/5502, E70/5494 and E70/5604 were granted on 1 December 2020, 22 January 2021 and 25 May 2021 respectively and are therefore currently in their first year of grant. Accordingly, Ministerial consent or the expiry of 12 months from the date of grant must be satisfied prior to the Company becoming the registered holder of these Tenements. We note that the Acquisition Agreement with Slambam Enterprises Pty Ltd (ACN 131 914 399) (**Slambam**) provides that either of these events must occur prior to the transfer of these Tenements to the Company, and that both parties must do all things necessary to obtain Ministerial consent to ensure the Tenements are transferred to the Company expeditiously (see section 11.2 for further details).

(i) Conditions

Exploration licences are subject to other standard conditions that must be complied with, including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder must obtain the consent of an officer of the Department prior to conducting any ground disturbing work, basic environmental and rehabilitation conditions (such as the removal of all waste, capping of drill holes, etc.) and prohibitions or restrictions on disturbing existing infrastructure such as roads, powerlines, aerial landing ground, airstrips and geodetic survey stations.

In addition to these standard conditions, please refer to Schedule 2 for certain significant or non-standard conditions that apply to the Tenements.

4.3 Mining leases

(a) Applications

Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The grant of mining leases under the Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Since 11 February 2011, the area over which a mining lease may be granted is unrestricted.

An application made after 10 February 2006, must be accompanied by either a mining proposal or a 'mineralisation report' indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a 'mineralisation report' will only be approved where the Director, Geological Survey

considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

The High Court of Australia decision in *Forrest & Forrest Pty Ltd v Wilson* (2017) 262 CLR 510, makes it apparent that strict compliance with section 74(1)(ca)(ii) of the Mining Act is required. This section states that an application for a mining lease must be lodged contemporaneously with a mining operations statement and mineralisation report. Failure to lodge a mining operations statement and mineralisation report at the same time as a mining lease application will therefore render the application invalid. The fact that the mining operations statement and mineralisation report was subsequently lodged, prior to the Warden's consideration of the validity of the original application, made no difference to the validity of the original application.

The *Mining Amendment (Procedures and Validation) Bill 2018* (WA) (**Bill**) was introduced to the WA Legislative Assembly on 28 November 2018 in an attempt to validate those mining leases where the mineralisation report was not submitted concurrently with the mining application. The Bill subsequently lapsed on 28 November 2019. As at the date of this Report the Bill has not been passed into law.

(b) Rights

A mining lease granted pursuant to the Mining Act entitles the holder to use, occupy and enjoy the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a programme of work being approved by the Department.

The holder has the right to own all minerals lawfully mined on a mining lease, except where the mining lease has not been endorsed for iron ore mining or otherwise limited to specific minerals.

(c) Term

A mining lease remains in force for up to 21 years from the date of grant. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent.

(d) Transfer

The holder of a mining lease must obtain the consent of the Minister, or an officer of the Department acting on the authority of the Minister in order to assign or mortgage a legal interest in the mining lease.

(e) Annual rent and expenditure requirements

Annual rent for a mining lease is \$22 per hectare or part thereof (based on rates as at the date of this Report).

Mining leases are subject to minimum annual expenditure requirements of not less than \$100 for each hectare, with a minimum of \$10,000 per year during each year of the term of the lease. If the mining lease does not exceed 5 hectares, the minimum annual expenditure will be \$5,000 (based on expenditure requirements current as at the date of this Report).

(f) Royalty

Where minerals of economic significance are discovered, the holder of a mining lease is obliged to report this to the Minister promptly. A royalty is payable to the State of Western Australia in relation to minerals obtained from the land that is the subject of a mining lease granted under the Mining Act. This is particularly relevant where native

title agreement royalties are calculated by reference to the royalty payable to the State of Western Australia. The royalty rates vary according to the product concerned. Western Australia has a 3-tiered royalty system which applies one of 3 royalty rates depending on the form in which the mineral is sold (ore, concentrate or final form), and the extent to which it is processed. In Western Australia, there are 2 systems used to collect mineral royalties:

- (i) 'specific rate' – calculated as a flat rate per tonne produced and generally applies under legislation to low value construction and industrial minerals. The 2 specific rates on production between 1 July 2015 and 30 June 2025 are Amount A, 73 cents per tonne and Amount B, 117 cents per tonne; and
- (ii) 'ad valorem' – calculated as a percentage of the 'royalty value' of the mineral, which applies under the Mining Regulations. The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, minus any allowable deductions. The ad valorem royalty rate takes into account price fluctuations and material grades as follows:
 - (A) bulk material (subject to limited treatment) – 7.5% of the royalty value;
 - (B) concentrate material (subject to substantial enrichment through a concentration plant) – 5% of the royalty value; and
 - (C) metal – 2.5% of the royalty value.

The 'royalty value' components used to calculate the 'royalty value' are defined under the Mining Regulations. In some cases (e.g. nickel), an alternative value applies.

- (g) Mining rehabilitation fund
 - (i) The Mining Rehabilitation Fund (**Fund**) is a pooled fund to which Western Australian mining operators contribute. Money in the Fund will be used to rehabilitate abandoned mine sites in Western Australia.
 - (ii) The holders of all mining tenements, except those tenements covered by special agreements with the State of Western Australia not listed in the *Mining Rehabilitation Fund Regulations 2013 (WA)*, are required to participate in the Fund. This involves reporting disturbance data and contributing annually to the Fund. Holders of tenements with a rehabilitation liability estimate below a threshold of \$50,000 are required to report disturbance data but are not required to pay into the Fund.

5 Forfeiture Applications

Third parties may also apply to the Warden for the forfeiture of exploration licences or mining leases where expenditure conditions have not been complied with. In the case of applications for the forfeiture of exploration licences or mining leases, the role of the Warden is to make a recommendation to the Minister and the Minister makes the final decision as to whether the tenement should be forfeited.

6 Aboriginal Heritage

6.1 Overview

Aboriginal heritage is protected by both Commonwealth legislation as well as legislation in each State and Territory of Australia.

The principal articles of legislation which provide for the protection of sites of Aboriginal heritage or significance located on the Tenements are:

- (a) the *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth) (**Commonwealth Heritage Act**); and
- (b) the *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**).

6.2 Commonwealth Heritage Act

The Commonwealth Heritage Act is aimed at the preservation and protection of any Aboriginal objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Federal Minister for Aboriginal Affairs may make interim or permanent declarations to preserve and protect significant Aboriginal areas and objects, which have the potential to halt exploration activities, and it is an offence if any person contravenes such a declaration made under the Commonwealth Heritage Act.

Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

We have not undertaken any searches in respect of the Commonwealth Heritage Act for the purposes of this Report.

6.3 WA Heritage Act

Tenements are granted subject to a condition requiring observance of the WA Heritage Act.

It is an offence under the WA Heritage Act to excavate, destroy, damage, conceal or in any way alter an Aboriginal site or any object on or under an Aboriginal site, unless the person or company is acting with the authority of the Registrar or the consent of the relevant Minister. The offence applies regardless of whether the Aboriginal site has been entered on the Register of Aboriginal sites, however, it is a defence if the person (or company) charged can prove that he did not know and could not reasonably be expected to have known, that the place or object was protected by the WA Heritage Act.

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act, however, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites provided they meet the criteria in section 5 of the Act.

6.4 Aboriginal sites and other heritage places

The Heritage Searches of the Tenements identified the following registered Aboriginal heritage sites:

| Tenement | Site ID | Site name | Status | Description |
|-----------------|---------|--------------------------|-----------------|-------------------------------------------------------------------------------|
| E70/5604 | 5473 | Jingemia Hill | Registered site | Man-Made Structure, Natural feature |
| E70/5494 | 5944 | Watheroo | Registered site | Artefacts/Scatter, Camp |
| E70/5502 | 22432 | Bimara | Registered site | Natural Feature |
| | 24382 | Yarra Yarra Lakes | Registered site | Mythological, Natural Feature |
| E70/4928 | 4747 | Cardarie Well East | Registered site | Artefacts/Scatter, Quarry |
| | 20008 | Gingin Brook Waggyl Site | Registered site | Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Resource |
| | 20749 | Moore River Waugal | Registered site | Mythological |

The above table does not consider Aboriginal heritage sites that have not been registered to date.

6.5 Aboriginal Heritage Survey

The following Aboriginal Heritage Survey Areas (**HSA**) have been identified on the Tenements:

| Tenement | HSA No. | Land Affected | Encroachment |
|----------|----------|---------------|--------------|
| E70/4928 | 200658 1 | 0.1392HA | <0.01% |
| E70/5494 | 200658 1 | 0.0929HA | <0.01% |
| E70/4928 | 106750 1 | 72.346HA | 0.62% |
| E70/5502 | 104255 1 | 72.8222HA | 0.87% |
| E70/5502 | 22671 1 | 393.3261HA | 4.71% |
| E70/5502 | 22706 2 | 65.148HA | 0.78% |
| E70/5502 | 23287 1 | 292.8754HA | 3.5% |
| E70/5502 | 23496 1 | 292.8754HA | 3.5% |
| E70/5502 | 28195 1 | 393.5174HA | 4.71% |
| E70/5502 | 28203 1 | 393.3261HA | 4.71% |
| E70/5502 | 28397 1 | 14.5894HA | 0.17% |
| E70/5502 | 28399 1 | 14.5894HA | 0.17% |
| E70/5502 | 28400 1 | 14.5894HA | 0.17% |
| E70/5502 | 28401 1 | 36.5773HA | 0.44% |
| E70/5502 | 28645 1 | 14.5894HA | 0.17% |
| E70/5502 | 28646 1 | 36.5773HA | 0.44% |
| E70/5502 | 28652 1 | 36.5773HA | 0.44% |

6.6 Aboriginal heritage agreements

Aboriginal heritage agreements will generally include a process of engagement between the parties to protect Aboriginal heritage. This process includes the undertaking of heritage surveys to identify Aboriginal sites. A procedure is usually included for the parties to consider the proposed works on the tenements, and decide on the best course of action given any potential impacts the proposed works may have on Aboriginal sites.

The Company has provided us with the following information in relation to Aboriginal heritage agreements entered into with respect to the Tenements:

- (a) the Company has been assigned the rights and interests, and has assumed the obligations under, the Heritage Agreement entered into between Serena Minerals Limited (ACN 158 164 204) (**Serena**) and the Yamataji Marlpa Aboriginal Corporations (as agent for the Gnulli Claimant Group) with respect to E09/1824, E09/1825, E09/2098 and E09/2102 dated 6 September 2018 and the subsequent Variation of Heritage Agreement adding Tenements E09/2304, E09/2305 and E09/2312 dated 12 April 2019 entered into between the same parties; and

- (b) the Company has been assigned the rights and interests, and has assumed the obligations under, the Noongar Standard Heritage Agreement entered into between Shenton and South West Aboriginal Land & Sea Council Aboriginal Corporation (for and on behalf of the Yued Agreement Group) dated 23 June 2017, relating to Tenement E70/4928.

7 Native Title

7.1 Overview

The law in Australia recognises native title. It recognises that Aboriginal people may hold native title rights and interests in respect of their land. Native title exists where Aboriginal people have maintained a traditional connection to their land and waters, provided it has not been extinguished.

The grant of a mining tenement also creates rights in respect of land. Those mining tenement rights may affect (i.e., be inconsistent with) certain native title rights and interests. As a general statement, those mining tenement rights will be invalid as against any native title rights, unless made valid by certain procedures in the Native Title Act.

On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1 that the common law of Australia recognises a form of native title. Native title rights and interests to land are recognised where the claimants can establish that they have maintained a continuous connection with their land in accordance with their traditional laws and customs, and that their native title rights and interests have not been lawfully extinguished. Native title rights can be lawfully extinguished in different ways, including voluntary surrender, death of the last survivor of a community entitled to native title, abandonment of the land or the grant of incompatible title (such as the grant of freehold land).

The Native Title Act came into effect on 1 January 1994, largely in response to the decision in *Mabo v. Queensland (No. 2)* (1992) 175 CLR 1.

The Native Title Act has been adopted in Western Australia by the enactment of the *Titles (Validation) and Native Title (Effects of Past Acts) Act 1995 (WA)*.

7.2 Native title claims

The Native Title Act sets out a process by which Aboriginal people may seek a determination by the Federal Court of Australia that they hold native title rights and interests. Whilst the Federal Court is assessing the claimed native title rights and interests, a Registrar of the NNTT will assess whether the native title claim meets certain registration requirements set out in the Native Title Act and, if so, the native title claim will be entered on the Register of Native Title Claims (**RNTC**).

If the Federal Court determines that the claimed native rights and interests exist, details of the determined native title claim (and the determined native title rights held) are then entered on the National Native Title Register (**NNTR**).

If a claim for native title is entered on the RNTC, or a determined claim is entered on the NNTR, the Native Title Act provides the claimants / holders with certain rights, including procedural rights where a 'future act' (such as the grant or renewal of a mining tenement) is proposed.

7.3 Validation of acts

The Native Title Act sets out when 'acts' will be 'valid' in the event they affect (i.e. are inconsistent with) native title, however, this process need only apply where native title exists (a determined native title claim entered on the NNTR) or is claimed to exist (a native title claim entered on the RNTC). The 'acts' can be a proposed activity or development on land and

waters. A common example in Western Australia is the proposed grants of mining tenements by the Department.

(a) Past Acts (prior to 1 January 1994)

The Native Title Act permits, and all States and Territories of Australia have passed, legislation validating certain 'acts' which were done before 1 January 1994 (**Past Acts**). In Western Australia, that legislation is the *Titles (Validation) and Native Title (Effect of Past Acts) Act 1995* (WA). It provides that all Past Acts (e.g. grants of mining tenements) prior to 1 January 1994 are valid to the extent they affect native title.

(b) Intermediate Period Acts (between 1 January 1994 and 23 December 1996)

Similarly to Past Acts, the Native Title Act permits, and all States and Territories of Australia have passed legislation validating certain acts (e.g. grants of mining tenements) done between 1 January 1994 and 23 December 1996 over land or water where a freehold estate or lease (including a pastoral lease but not a mining lease) had been validly granted (**Intermediate Period Acts**).

(c) Future Act (after 1 January 1994)

The Native Title Act provides that an 'act' that may affect native title rights (e.g. the grant or renewal of a mining tenement) carried out after 1 January 1994 (**Future Act**) must comply with certain procedures for that Future Act to be valid under the Native Title Act. The procedures will depend on the Future Act that is being carried out. The procedural requirements in the Native Title Act relating to a Future Act include:

- (i) the right to negotiate procedure;
- (ii) the expedited procedure;
- (iii) an indigenous land use agreement (ILUA); and
- (iv) the infrastructure process.

7.4 Right to negotiate procedure

(a) General

The right to negotiate procedure commences with the relevant State or Territory giving notice of the proposed future act (i.e. proposed grant of a mining tenement) (**Section 29 Notice**).

Then any native title party whose details are registered on the RNTC or NNTR, the applicant for the mining tenement and the relevant State or Territory (**Negotiation Parties**) are required to negotiate in good faith with a view to the native title party agreeing to the proposed future act.

(b) Scope of the negotiations

The scope of the negotiations includes any matters relating to the effect of the grant of the future act on the claimed or determined native title rights and interest. The scope can include any matters about which the parties are willing to negotiate. Where the future act is the proposed grant of an exploration or prospecting licence, usually an agreement is reached which aims to protect Aboriginal heritage. This is because exploration licences confer only limited rights to the registered holder of the licence, conferring rights to conduct exploration and disturb the land for that purpose.

Where the future act is the proposed grant of a mining lease, the negotiations and resulting agreement are usually more complex, as the nature of rights granted for a mining lease contemplates substantial ground disturbance over a portion of the area granted. Such a right may be incompatible with the exercise of some or all native title rights and interest over that portion. It is usual for the resulting agreement to address employment and training, environmental rehabilitation, Aboriginal heritage protection, cultural awareness and the payment of compensation to the native title party.

(c) Referral to NNTT for arbitration

If an agreement cannot be reached between the parties, then provided at least 6 months have elapsed since the Section 29 Notice, the matter may be referred to arbitration before the NNTT. Accordingly, the doing of a Future Act is dependent upon the Negotiation Parties reaching an agreement or alternatively the NNTT approving the Future Act.

If the right to negotiate procedure applies and is not complied with, the Future Act will be invalid to the extent that it affects native title.

7.5 Expedited procedure

If the relevant State or Territory believes the future act will have minimal impact on native title rights, it may in the Section 29 Notice elect to use the expedited procedure. If the relevant State or Territory gives such notice, any native title party whose details are registered on the RNTC or NNTR may object to the use of the expedited procedure.

If no objection is lodged, the mining tenement can be granted without delay. If an objection is lodged, the NNTT must determine the validity of the objection. If the objection is dismissed, the tenement can be granted without delay. If the objection is not dismissed, the right to negotiate procedure must be followed.

The State of Western Australia currently follows a policy of granting mining leases, prospecting licences and exploration licences under the expedited procedure where the applicant has entered into a standard Aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard Aboriginal heritage agreement provides a framework for the conduct of Aboriginal heritage surveys over the land the subject of a tenement prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

In Western Australia, the Right to Negotiate Procedure is generally always used for the processing of mining lease applications, as well as most general purpose lease applications.

7.6 Indigenous Land Use Agreements

An ILUA is an agreement between the native title group and other parties such as the State Government, which deals with native title and the use and management of land. It can also deal with other matters such as coexistence and future developments. ILUAs are registered with the NNT. If an ILUA provides that any particular mining tenement may be granted, then the relevant mining tenement may be granted as provided for by the ILUA, generally without following other procedures, including the right to negotiate procedure or the expedited procedure. Refer to section 7.10 for details of the Tenements that are affected by ILUAs.

7.7 Native title compensation

Native title holders may seek compensation under the Native Title Act for the impact of any Future Acts on native title rights. Pursuant to the Mining Act, mining tenement holders are liable for such compensation where awarded by reason of the mining tenements having affected native title rights. Consequently, if it has been, or is in the future, determined that native title exists over any of the land the subject of a mining tenement and the holders of the

native title apply to the Federal Court for compensation, the holder of the tenement may be liable and directed to pay any compensation determined.

7.8 Validity under the Native Title Act

(a) Granted Tenements

All Tenements were granted after 1 January 1994 and were therefore granted subject to the Native Title Act.

Provided that the Tenements were validly granted in accordance with the Native Title Act, they will be valid as against native title rights and interests. We have assumed that the Tenements were validly granted under the Native Title Act.

(b) Renewal of Tenements after 1 January 1994

The following Tenements were renewed after 1 January 1994 (**Renewed Tenements**) for a further period of 5 years:

- (i) E09/1824;
- (ii) E09/1825;
- (iii) E09/2098;
- (iv) E09/2102; and
- (v) E70/4694.

We have assumed that the Renewed Tenements were validly renewed under the Native Title Act.

7.9 Native title claims and determinations

The NNTT Searches in respect of the Tenements indicate that the following Tenements lie within certain registered or determined native title claims, the details of which are as follows:

| Tenement | NNTT File No. | Federal Court File No. | Name | Registration / Determination Date | Impact |
|----------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------|
| E09/1824 E09/1825 E09/2098 E09/2304 E09/2305 E09/2312 | WCD2019/016 | WAD22/2019 WAD366/2018 WAD261/2019 | Gnulli, Gnulli #2 and Gnulli #3 – Yinggarda, Baiyungu and Thalanyji People | 17/12/2019 (Determination) | Tenement falls wholly within the native title determination |
| E70/4694 E70/4928 E70/5494 E70/5604 E70/5702 | WC/199701 | WAD6192/1998 | Yued | 22/08/1997 (Registration) | Tenement falls wholly within the native title claim |
| E70/5502 | WCD2020/001 | WAD21/2019 WAD31/2019 WAD27/2019 WAD19/2019 WAD345/2019 | Yamataji Nation | 07/02/2020 (Determination) | Tenement falls wholly within the native title determination |

The existence of any native title claim or determination over the area covered by the above Tenements will not impact the rights and interests of the holder of the Tenements provided they have been validly granted. The grant of any subsequent mining leases may require the engagement with relevant claimants or native title holders in accordance with the Native Title Act, subject to the implications of the information provided in section 7.11.

The DMIRS Searches indicate that native title is extinguished with respect to E70/4694 and E70/5702 due to the relevant underlying land being 'freehold land'.

7.10 Indigenous Land Use Agreements

The NNTT Searches indicate that the following ILUAs exist in relation to land covered by the Tenements as follows:

| Tenement | NNTT File No. | Name | Registration Date | Subject |
|---------------------------------------------------------------------------------------------|---------------|----------------------------------------------|-------------------|-------------------------|
| E70/5502 | WI2020/002 | Yamatji Nation Indigenous Land Use Agreement | 30/07/2020 | Native Title Settlement |
| E70/4694 E70/4928 E70/5494 E70/5604 E70/5702 | WI2015/009 | Yued Indigenous Land Use Agreement | 17/10/2018 | Native Title Settlement |

Neither the Company, Shenton, Serena or Slambam are a party to these ILUAs.

7.11 South West Native Title Settlement

As detailed in section 7.10, the Tenements situated within the Namban project area cover land which is subject to the Yamatji Nation Indigenous Land Use Agreement (**Yamatji ILUA**) and the Yued Indigenous Land Use Agreement (**Yued ILUA**). Both the Yamatji ILUA and Yued ILUA are some of the 6 ILUAs comprising the South West Native Title Settlement (**Settlement**). With effect from 13 April 2021, the Settlement resolved all native title within an area covering approximately 200,000km² in the south-west region of Western Australia (**Settlement Area**), which includes the area covered by both the Yued ILUA and Yamatji ILUA. This means that the Future Act regime discussed in section 7.3(c) no longer applies with respect to the future grant or renewal of mining tenements within the Settlement Area and mining tenements may be granted or renewed without the need to consider any native title process other than the execution of an Aboriginal Heritage Agreement (as defined under the relevant ILUA) or a Noongar Standard Heritage Agreement with the South West Aboriginal Land and Sea Council Aboriginal Corporation.

8 Land Access

8.1 Concurrent private land interests

Under section 29(2) of the Mining Act, unless written consent of the land owner is obtained, a tenement cannot be granted in respect of any private land within 30 metres of the natural surface:

- (a) which is in use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is under cultivation;
- (b) which is the site of a cemetery or burial ground;
- (c) which is the site of a dam, bore, well or spring;
- (d) on which there is erected a substantial improvement;

- (e) which is situated within 100m of any private land referred to above; or
- (f) which is a separate parcel of land and has an area of 2,000m² or less.

'Private land' means any land (other than Commonwealth land) alienated from the Crown after 1899 for any estate of freehold or land which is the subject of a conditional purchase agreement or of a lease (with or without a right of acquiring the fee simple). Specifically excluded from being private land are a pastoral lease, a lease for grazing purposes and a lease of Crown land for the use of and benefit of Aboriginal inhabitants.

Accordingly, a mining tenement may be granted over private land, but such mining tenement cannot give the tenement holder rights to the surface, or to within a depth of 30 meters of the lowest part of the natural surface (**Surface Rights**), in relation to areas of the private land as described in section 29(2) unless the land owner and occupier's written consent is obtained.

Even where consent has been obtained from the owner and occupier to the grant of Surface Rights in relation to an exploration licence, should exploration be successful such that the Company wishes to obtain a mining lease over the relevant area, a further consent from the owner and occupier will be required in order to obtain a mining lease including the Surface Rights over the private land falling in any of the categories specified in section 29(2) of the Mining Act.

If the holder of a mining tenement holds Surface Rights, the holder is not permitted to commence any mining on the natural surface or within a depth of 30 meters from the lowest part of the natural surface of any private land unless and until the tenement holder has paid or tendered to the owner and the occupier thereof the amount of compensation (if any) that is required to be paid under or ascertained in accordance with section 35(1) of the Mining Act and made an agreement with the owner and occupier as to the amount, times and mode of the compensation (if any).

Sections 123 to 125 of the Mining Act apply in relation to the determination of any claims for compensation in respect of 'private land'.

The Tengraph Searches indicate that land the subject of the following Tenements overlaps private land as follows:

| Tenement | Land ID | Land Type | Land Parcels | Encroachment | Land Access | Surface Rights |
|-----------------|-------------------|--------------------|--------------|--------------|-------------|----------------|
| E70/4694 | Freehold Regional | Private / Freehold | 32 | 98.42% | Yes | Yes |
| E70/4928 | Freehold Regional | Private / Freehold | 170 | 97.3% | Yes | No |
| E70/5494 | Freehold Regional | Private / Freehold | 224 | 94.91% | No | No |
| E70/5502 | Freehold Regional | Private / Freehold | 33 | 99% | No | No |
| E70/5604 | Freehold Regional | Private / Freehold | 48 | 92.9% | No | No |
| E70/5702 | Freehold Regional | Private / Freehold | 13 | 98.58% | No | No |

E70/4694 includes land the subject of private freehold land owned by Jeff and Brent Millstead and Wadsforth Pty Ltd (**E70/4694 Proprietors**). The Company has been assigned the rights and interests, and has assumed the obligations, under the Land Access Agreements in respect of E70/4694 that were entered into by Shenton (refer to section 11.4 for further details). We note that the E70/4694 Proprietors have consented to the grant of E70/4694 with respect to the land within 30 metres of the highest part of the natural surface.

E70/4928 includes land the subject of private freehold land owned by Colin and Roberta Gardiner and Noondine Pastoral Co Pty Ltd (**E70/4928 Proprietors**). The Company has been assigned the rights and interests, and has assumed the obligations under, the Land Access Agreements in respect of E70/4928 that were entered into by Shenton (refer to section 11.5

for further details). We note that the Company has not obtained the consent of the E70/4928 Proprietors to the grant of E70/4928 with respect to the land within 30 metres of the highest part of the natural surface.

In the event the Company wishes to obtain the Surface Rights with respect to the remainder of these Tenements, it may obtain the written consent of the owner and occupier to the grant of the Surface Rights and an application can subsequently be made to the Minister for the Tenements to be granted in respect of that area less than 30m from the natural surface of the land as well as in respect of the land for which that Tenement is already granted.

We have not been instructed to make any enquiries as to whether any of the private land the subject of the relevant Tenements falls within any of the categories in section 29(2) of the Mining Act. However, we note that if such private land does fall into any such categories and the Surface Rights have not been obtained for the relevant Tenement, the rights conferred by those Tenements in relation to those areas will be limited to below a depth of 30 meters of the lowest part of the natural surface of the private land.

If the written consent of the owners and occupiers of the private land is obtained in the future, application can be made under the Mining Act to have the first 30 metres incorporated in the relevant Tenements.

It should be noted that the register maintained by the DMIRS does not disclose all private land within the area of each Tenement and where a Tenement overlaps private land, the register does not necessarily always disclose whether Surface Rights are not included in the Tenement.

8.2 Reserves

Land reserved under Part 4 of the *Land Administration Act 1997 (WA)* (**Land Administration Act**) is generally subject to a requirement that under section 24(5A) of the Mining Act that 'mining' (which term includes exploration and prospecting) on that land may be carried out with the written consent of the Minister who may refuse his consent or give consent subject to terms and conditions. This does not apply to:

- (a) certain national parks and certain class A nature reserves in relation to which more stringent controls may apply;
- (b) land reserved for mining or commons;
- (c) land reserved and designated for public utility for any purpose pursuant to that part; or
- (d) land that is a townsite within the meaning of the Land Administration Act.

Accordingly, holding a Tenement does not of itself permit exploration or mining where a relevant reserve is involved. A further consent must be obtained. The procedure for obtaining such a consent varies depending on the nature of the reserve involved.

Mining may be carried out on any of the following types of land with the written consent of the Minister who may refuse his consent or who may give his consent subject to such terms and conditions as the Minister specifies in the consent:

- (a) land that is in the South-West Division of the State as described in Schedule 1 to the Land Administration Act, or in the local government district of Esperance or Ravensthorpe and that is reserved under Part 4 of that Act and classified as a class A reserve pursuant to that Part or so classified pursuant to any other Act;
- (b) any land comprised within:

- (i) a national park, being land to which section 6(3) of the *Conservation and Land Management Act 1984* (WA) (**Conservation and Land Management Act**) applies;
- (ii) a nature reserve, being land to which section 6(5) of the *Conservation and Land Management Act* applies and which is reserved under Part 4 of the *Land Administration Act* and classified as a class A reserve pursuant to that Part or so classified pursuant to any other Act; or
- (iii) a nature reserve, not being land to which section 6(5) of the *Conservation and Land Management Act* applies but which is reserved under Part 4 of the *Land Administration Act* for the conservation of flora or fauna, or both flora and fauna, and classified as a class A reserve pursuant to that Part or so classified pursuant to any other Act.

Importantly, section 24(4) of the *Mining Act* provides that no mining lease or general purpose lease may be granted over any land referred above unless both Houses of the Western Australia Parliament by resolution consent thereto, and then only on such terms and conditions as are specified in the resolution.

Generally, the Minister responsible for the administration of the *Mining Act* must obtain the concurrence of the responsible Minister under other legislation before giving consent to mining in a reserve.

Other categories of reserves specified in sections 24 of the *Mining Act* (i.e. other than those outlined above) have less stringent requirements but still require Ministerial consent for exploration or mining after consulting with the responsible Minister and, in some cases, local government public body or trustees or other persons in control and management of such land and obtain its recommendation.

Sections 23 to 25A of the *Mining Act* impose a range of conditions to mining on public reserves and Crown land, breach of which makes the tenement liable to forfeiture.

The notes to the table in Schedule 1 disclose that a number of the Tenements and Applications are subject to Crown land and reserves of different types.

We have not been instructed to undertake the necessary research and enquiries to ascertain, or express an opinion as to, whether any of these other categories of reserve would attract a requirement for Ministerial consent or other requirements for mining activities (but we have noted in Schedule 1 any express conditions in relation to relevant Tenements that require Ministerial approval for certain activities). It is noted, therefore, that it is possible that some of the other categories of reserve applicable to some of the Tenements may attract a requirement for ministerial approval or other requirements should the holder wish to conduct mining activities on the relevant reserve area. It should also be noted that additional reserves may be established in the future of the areas affected by the Tenements.

The Tengraph Searches indicate that land the subject of the following Tenements encroaches reserves as follows:

| Tenement | Land Type | Land ID | Encroachment |
|-----------------|------------------------------------------------|---------|--------------|
| E70/4928 | "A" Class Flora and Fauna Conservation Reserve | R 47694 | 0.56% |
| E70/5494 | | R 23316 | 0.69% |
| E70/5494 | "A" Class National Park Reserve | R 24491 | 0.46% |
| E70/5604 | | R 24491 | 5.47% |
| E70/5494 | "C" Class Agricultural Hall Reserve | R 13360 | <0.01% |
| E70/4928 | "C" Class Cemetery Reserve | R 14485 | 0.04% |

| | | | |
|-----------------|-------------------------------------------|---------|--------|
| E70/5494 | "C" Class Common Reserve | R 21068 | 0.60% |
| E70/5494 | "C" Class Disused Burial Ground Reserve | R 13748 | 0.03% |
| E70/4928 | "C" Class Gravel Reserve | R 3349 | 0.01% |
| E70/5494 | | R 28673 | 0.09% |
| E70/4928 | "C" Class Mast Site and Access Reserve | R 47693 | <0.01% |
| E70/5494 | "C" Class Native Housing Reserve | R 26836 | <0.01% |
| E70/4928 | "C" Class Parking and Rest Area Reserve | R 46905 | 0.02% |
| E70/5494 | "C" Class Public Recreation Reserve | R 30131 | 0.09% |
| E70/5494 | "C" Class Railway Purposes Reserve | R 34331 | 0.02% |
| E70/5494 | "C" Class Recreation Golf Links Reserve | R 30621 | 0.37% |
| E70/4928 | "C" Class Recreation Reserve | R 44747 | <0.01% |
| E70/5494 | "C" Class Sanitary Site Reserve | R 25582 | 0.02% |
| E70/5494 | "C" Class School Site Reserve | R 15375 | 0.02% |
| E70/5494 | "C" Class Shire Council Purposes Reserve | R 22190 | <0.01% |
| E70/5494 | "C" Class Water and Gravel Reserve | R 13479 | 0.09% |
| E70/4928 | "C" Class Water Reserve | R 14481 | <0.01% |
| E70/5494 | | R 12640 | 0.06% |
| E70/5494 | "C" Class Water Supply Reserve | R 47386 | 0.02% |
| E70/5604 | "C" Class Trigonometrical Station Reserve | R 11890 | 0.01% |

8.3 Crown Land

The Tengraph Searches indicate that land the subject of the following Tenements overlaps Crown land, which in this instance includes pastoral leases, as follows:

| Tenement | Lease Name | Land ID | Encroachment |
|-----------------|-------------|------------|--------------|
| E09/1825 | Eudamullah | PL N050211 | 100% |
| E09/1824 | | | |
| E09/2098 | | | |
| E09/2304 | | | |
| E09/2102 | Eudamullah | PL N050211 | 29.2% |
| | Lyons River | PL N050460 | 32.87% |
| | Bidgemia | PL N050619 | 37.21% |
| E09/2305 | Eudamullah | PL N050211 | 78.06% |
| | Lyons River | PL N050460 | 6.38% |
| | Bidgemia | PL N050619 | 15.56% |
| E09/2312 | Eudamullah | PL N050211 | 99.88% |

The Tengraph Searches further indicate that land the subject of the following Tenements overlaps with vacant Crown land as follows:

| Tenement | Land Type | Encroachment |
|-----------------|------------------------|--------------|
| E70/4928 | Unallocated Crown Land | 0.03% |

| Tenement | Land Type | Encroachment |
|-----------------|------------------------|--------------|
| E70/5494 | Unallocated Crown Land | 0.04% |
| E70/5502 | Unallocated Crown Land | 0.04% |
| E70/5604 | Unallocated Crown Land | 0.04% |

Relevantly, the Mining Act:

- (a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 meters below the lowest part of the natural surface of the land and:
- (i) for the time being under crop, or which is situated within 100 metres of that crop;
 - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;
 - (iii) situated within 100 metres of any land that is in actual occupation and on which a house or other substantial building is erected;
 - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
 - (v) land the subject of a pastoral lease which is the site of, or is situated within 400 metres of the outer edge of, any water works, race, dam, well or bore, not being used for mining purposes by a person other than a lessee of that pastoral lease,
- without the consent of the occupier, unless ordered by the Warden or if the mining is carried out not less than 30 meters below the lowest point of the natural surface;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land, for example a pastoral lease, in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities.

The Company has confirmed that there are currently no access or compensation agreements in place with pastoral lessees in relation to the Tenements covering land subject to pastoral leases. Prior to commencing mining operations on the Tenements, the Company should endeavour to enter agreements with pastoral lessees to reduce the likelihood of disputes arising. The Wardens Court will determine any disputes that cannot be resolved between the parties.

8.4 Encroachment on live tenements

The land the subject of E70/5502 encroaches miscellaneous licence L70/154 held by MGM Pipelines Pty Ltd by 1.05%. L70/154 is pending approval.

A miscellaneous licence may be granted for one or more prescribed purposes that is directly connected with mining operations and is able to be granted over land subject to an existing mining tenement.

Although the grant of a miscellaneous licence over part of a mining lease, exploration licence or prospecting licence does not prevent the holder of the mining lease, exploration licence or prospecting licence from carrying out its activities over that area, those activities should not interfere with the permitted activities of the miscellaneous licence holder. The existence of a miscellaneous licence may therefore restrict certain activities of a mining tenement holder over the same area. The holders of overlapping tenements often enter into access agreements to govern competing interests over the area of miscellaneous licences.

The Company has been assigned the rights and interests, and has assumed the obligations under, the Access Deed with Extension Hill Pty Ltd and MGM Pipelines Pty Ltd, that was originally entered into by Slambam. Please refer to section 11.6 for further information.

8.5 Minerals to owner land

Prior to 1 January 1899 in Western Australia, most grants of freehold land included rights to the minerals other than gold, silver and other precious metals (**Royal Metals**) which were reserved to the Crown. As the landowner of such private land owned the mineral rights (except the Royal Metals) they had the right to exploit those minerals for their own benefit. Accordingly, freehold land granted prior to 1 January 1899 is referred to as 'minerals to owner' land as the minerals (except the Royal Metals) are owned by the landowner rather than the Crown.

Given that more than 120 years has passed since 1899, it is possible that mineral ownership has been transferred from the landowner of the minerals to owner land to third parties. In the region of the Namban project, various transfers of minerals to owner land have resulted in the transfer of mineral rights directly back to the Crown or indirectly through the Midland Railway Company of Western Australia Limited (**MRC**). All mineral rights that were transferred to the MRC have now transferred back to the Crown.

The Company has undertaken various searches of the registers of Landgate (**Landgate Searches**) to determine whether any private land which is encroached by the Tenements, specifically within the Namban project area, is in fact minerals to owner land. Based on the Landgate Searches, we have concluded that E70/4928 encroaches over private land which is minerals to owner land. The Landgate Searches indicate that most mineral rights over the minerals to owner land have been transferred from the private landowners back to the Crown. However, the Landgate Searches are inconclusive with respect to 8 parcels of private minerals to owner land. Accordingly, it is possible that some mineral rights still remain with the private landowners over these 8 private land parcels. We further note the possibility that mineral rights have been privately transferred from these 8 land parcels pursuant to transfer instruments which are not held on Landgate's databases. If the Company wishes to undertake exploration over any of these land parcels, the Company is advised to use reasonable endeavours to undertake further due diligence to determine the mineral ownership over this minerals to owner land.

If it is found by the Company that the mineral rights over these 8 parcels of minerals to owner land are owned by the private landowners, the Company may be required to apply for an Extractive Industry Licence (**EIL**) pursuant to the *Local Government Act 1995 (WA)* or Development Approval (**DA**) under the *Planning and Development Act 2005 (WA)* over such land. In this instance, the Company would be required to negotiate an access and compensation agreement with the private landowner. Any such proposal may require the approval of the Environmental Protection Authority. Alternatively, Section 37 of the Mining Act provides for a process under which minerals to owner land can be brought under the Mining Act for purposes of mineral exploration and extraction in the instance it is established that some of the mineral rights over the minerals to owner land are in fact still owned by the private landowner. This process would require the consent of the relevant owner of the minerals in order to be successful.

9 Petroleum Titles

Rights in respect of petroleum resources are granted under the *Petroleum and Geothermal Energy Resources Act 1967* (WA) (**Petroleum Resources Act**). Mining tenements and petroleum licences or permits are not mutually exclusive, i.e. land may be subject to both a mining tenement granted under the Mining Act and a petroleum permit granted under the Petroleum Resources Act concurrently.

The rights conferred on mining tenement holders to explore for and mine minerals expressly excludes rights in respect of petroleum resources in accordance with the definition of 'minerals' under section 8 of the Mining Act.

Disputes arising between a mining tenement holder and licensee under the Petroleum Resources Act may be referred to the Mining Warden, who will then inquire into the dispute and report to the Minister.

The Tengraph Searches indicate that land the subject of the following Tenements overlaps petroleum titles, as set out below.

| Tenement | ID | Title Type | Holder | Encroachment |
|----------|--------|----------------------------|-----------------------------|--------------|
| E70/4928 | EP 494 | PGERA67 Exploration Permit | Macallum Group Ltd | 0.44% |
| E70/5494 | | | | 11.28% |
| E70/6504 | | | | 43.21% |
| E70/5502 | EP 498 | PGERA67 Exploration Permit | Southern Sky Energy Pty Ltd | 61.63% |

10 Royalties

The Company has confirmed that there are no arrangements with Serena, Shenton and Slambam for the payment of royalties on minerals produced and sold from the Tenements.

11 Material Contracts

11.1 Shenton Acquisition Agreement

On 20 May 2021, the Company and Shenton Resources Limited entered into a tenement sale agreement (**Shenton Acquisition Agreement**) under which the Company agreed to acquire a 100% legal and beneficial interest in E70/4694 and E70/4928. Given 12 months is yet to expire since the date E70/5702 was granted under the Mining Act, the transfer of 100% legal and beneficial interest in this Tenement is conditional on:

- (a) prior written consent to the transfer of title being provided by the Minister, or an officer acting with the authority of the Minister; or
- (b) the expiry of 12 months from the date upon which E70/5702 was granted under the Mining Act,

whichever occurs earlier. Subject to the payment of transfer duty by the Company and upon satisfaction of one of these conditions, 100% legal and beneficial interest in E70/5702 will be transferred to the Company. Pursuant to the agreement, Shenton has granted the Company a licence over E70/7502 to conduct lawful exploration activities over the Tenement.

11.2 Slambam Acquisition Agreement

On 20 May 2021, the Company and Slambam Enterprises Pty Ltd entered into a tenement sale agreement (**Slambam Acquisition Agreement**) under which the Company agreed to acquire a 100% legal and beneficial interest in E70/5494, E70/5502 and E70/5604. Given 12

months is yet to expire since the date these Tenements were granted under the Mining Act, the transfer of a 100% legal and beneficial interest in these Tenements is conditional on:

- (a) prior written consent to the transfer of title being provided by the Minister, or an officer acting with the authority of the Minister; or
- (b) the expiry of 12 months from the date upon which the Tenements were granted under the Mining Act,

whichever occurs earlier. Upon satisfaction of one of these conditions, 100% legal and beneficial interest in these Tenements will be transferred to the Company. Pursuant to the agreement, Slambam has granted the Company a licence over these Tenements to conduct lawful exploration activities over them.

11.3 Serena Acquisition Agreement

On 20 May 2021, the Company and Serena Minerals Limited entered into a tenement sale agreement (**Serena Acquisition Agreement**) pursuant to which the Company agreed to acquire a 100% legal and beneficial interest in E09/1824, E09/1825, E09/2098, E09/2102, E09/2304, E09/2305 and E09/2312. Upon completion of the assessment, processing and payment of transfer duty, the Department will register the Company as the registered holder of these Tenements.

11.4 E70/4694 Land Access Agreements

In or about September 2015, Shenton and the E70/4694 Proprietors (defined below) entered into 2 separate Land Access Agreements relating to E70/4694. On 20 May 2021, the Company entered into a deed of assignment and assumption pursuant to which the Company has been assigned the rights and interests, and has assumed the obligations, under the E70/4694 Land Access Agreements from Shenton.

The **E70/4694 Proprietors** are the owners of the following freehold land used for agricultural purposes which is covered by E70/4694:

| Description | Volume / Folio |
|-------------------------|--------------------------|
| Lot 102 on Plan 42213 | 2229 / 54 |
| Lot 104 on Plan 75344 | 2824 / 281 |
| Lot 500 on Plan 302186 | 1827 / 597 |
| Lot 1201 on Plan 111828 | 836 / 166 |
| Lot 2364 on Plan 89626 | 1865 / 612 |
| Lot 3425 on Plan 157729 | 1119 / 10 |
| Lot 50 on Plan 12388 | 1083 / 86 |
| Lot 1460 on Plan 126596 | 1025 / 514 |
| Lot 1188 on Plan 108220 | 827 / 103 |
| Lot 1192 on Plan 108429 | 843 / 51 |
| Lot 1234 on Plan 111827 | 1083 / 88 |
| Lot 1303 on Plan 119111 | 2 / 224A |
| Lot 3811 on Plan 167319 | 1317 / 468 |
| Lot 4198 on Plan 143092 | 36 / 290A and 1259 / 440 |

Under the separate Land Access Agreements, the E70/4694 Proprietors have consented to the grant of the exploration license, with such consent extending to the consent of all leases that may be applied for in the future (including mining leases) under the Mining Act. The term of the agreement extends until the expiry of the Tenement. The E70/4694 Proprietors have consented to the grant of E70/4694 with respect to the land within 30 metres of the highest part of the natural surface in accordance with section 29(2) of the Mining Act. However, the Company has not applied under the Mining Act for the grant of this Tenement in relation to the land within 30 metres of the surface in accordance with section 29(5).

Under the agreement, the Company must give the E70/4694 Proprietors at least 2 days' notice of any exploration activities it wishes to undertake on the Tenement. Additionally, the Company must pay the following amounts (plus GST) for drilling undertaken on E70/4694:

- (a) \$500 per diamond drill hole;
- (b) \$250 per costean;
- (c) \$300 per rotary percussion drill hole;
- (d) \$150 per aircore or rotary air blast drill hole; and
- (e) \$30 per auger drill hole.

Further, prior to commencing any drilling, the Company is required to pay a bond of \$10,000 as surety for the clean up of all drill sites to a standard that complies with the Department's requirements. The bond will be released to the Company at the completion of the clean up of all drill sites. The Company will be required to repair, reinstate, rehabilitate and make good or pay compensation in respect of any damage on the relevant land arising from its exploration activities.

The Company is required to give notice to the E70/4694 Proprietors of any intention or proposal of commercial mining operations that may be undertaken by the Company on the relevant tenement. The Company and the E70/4694 Proprietors will be required to negotiate and agree upon any compensation for the carrying out of any commercial mining operations. If the parties are unable to agree on such compensation arrangements, then these will be determined under the Mining Act.

11.5 E70/4928 Land Access Agreements

In or about January 2019, Shenton and the E70/4928 Proprietors (defined below) entered into 2 separate Land Access Agreements relating to E70/4928. On 20 May 2021, the Company entered into a deed of assignment and assumption pursuant to which the Company has been assigned the rights and interests, and has assumed the obligations, under the E70/4928 Land Access Agreements from Shenton.

The **E70/4928 Proprietors** are the owners of the following freehold land used for agricultural purposes which is covered by E70/4928:

| Description | Volume / Folio |
|----------------------------------|----------------|
| Lot 52 on Deposited Plan 29474 | 2225 / 776 |
| Lot 4 on Diagram 29736 | 1279 / 564 |
| Lot 1 on Diagram 2969 | 1172 / 924 |
| Lot M251 on Plan 2863 | 1804 / 180 |
| Lot 249 on Deposited Plan 228014 | 1172 / 924 |

The Land Access Agreements are on substantially the same terms as those referred to in section 11.4.

We note that the Company has not obtained the consent of the E70/4928 Proprietors for the grant of the Tenement with respect to the land within 30 metres of the highest part of the natural surface. The Company has not applied under the Mining Act for the grant of this Tenement in relation to the land within 30 metres with the surface in accordance with section 29(5).

11.6 L70/154 Land Access Deed

The Company has entered into a Deed of Assignment and Assumption with Slambam whereby it has been assigned the rights and interests, and has assumed the obligations, under the Access Deed entered into between Slambam, Extension Hill Pty Ltd (**Extension Hill**) and MGM Pipelines Pty Ltd (**MGM**) that relates to the encroachment of E70/5502 on L70/154.

Under the assignment of the Access Deed, the Company has covenanted with Extension Hill and MBM that it will, among other things:

- (a) use reasonable endeavours to minimise interference with activities conducted by MGM and Extension Hill within the encroached area and within the area immediately adjacent to the encroached area, limit certain activities such as causing excessive vibration or excavation within 100 metres of any pipeline infrastructure and not undertake any excavation within 50 metres of the base of any pole or tower being part of the infrastructure on L70/154;
- (b) consult with MGM and Extension Hill in good faith regarding any activities to be carried out by the Company on the encroached area for the purpose of co-ordinating its activities to minimise any impact these may have on activities being conducted by MGM and Extension Hill; and
- (c) that it will for the term of the deed, maintain public liability, workers compensation and occupation disease, motor vehicle and any other insurance required by law.

In consideration for the Company's covenants, MGM and Extension Hill have covenanted that they will:

- (a) at all times allow the Company to enter through the encroached area and conduct all activities in the encroached area that it is legally entitled to;
- (b) use reasonable endeavours to minimise interference with any activities conducted by the Company;
- (c) consult with the Company for any activities proposed to be undertaken by the Company within the encroached area; and
- (d) maintain the same type and level of insurance as outlined above.

The Access Deed also provides a means by which the parties may agree to the relocation of infrastructure existing on L70/154 to allow the Company to conduct exploration activities, including a dispute resolution mechanism if an agreement cannot be reached.

11.7 Shenton Heritage Agreement

The Company has entered into a Deed of Assignment and Assumption with Shenton under which it has agreed to assume all of the rights and obligations under the Standard Noongar Heritage Agreement referred to in section 6.6(b). The Standard Noongar Heritage Agreement provides an agreed procedure for the Company to obtain Aboriginal Heritage surveys in

connection with carrying out exploration activities on E70/4928 in a manner that protects Aboriginal sites and Aboriginal objects.

11.8 Serena Heritage Agreement

The Company has entered into a Deed of Assignment and Assumption with Serena under which it has agreed to assume all of the rights and obligations under the Heritage Agreement and Variation of Heritage Agreement referred to in section 6.6(a). The Heritage and Variation of Heritage Agreements provide an agreed procedure for the Company to obtain Aboriginal Heritage surveys in connection with carrying out exploration activities on E09/1824, E09/1825, E09/2098, E09/2102, E09/2304, E092305 and E092312 in a manner that protects Aboriginal sites and Aboriginal objects.

12 Qualifications and Assumptions

This Report is subject to the following qualifications and assumptions (without limiting any others within this Report):

- (a) any instructions, documents and information given by the Company or any of its officers, agents or representatives are accurate and complete;
- (b) that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain each Tenement in good standing;
- (d) where a Tenement has been granted, the future act provisions of the Native Title Act have been complied with;
- (e) all information obtained from the Department, the NNTT and any other governmental or regulatory department referred to in this Report is accurate and complete;
- (f) the Company has complied with the terms and conditions of the relevant legislation and any applicable agreements;
- (g) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (h) all facts stated in documents, and responses to requests for further information, and other material on which we have relied in this Report are and continue to be correct, and no relevant matter has been misstated or withheld from us (whether deliberately or inadvertently);
- (i) that there are no documents or materials other than those which were disclosed to us and which we were instructed to review, which related to the matters examined;
- (j) the Material Contracts have been duly executed:
 - (i) if by the State of Western Australia and by the Minister, in accordance with valid delegated authority; and
 - (ii) if by a native title party, by a registered native title claimant with valid delegated authority to execute on behalf of the native title party and all persons included in the native title claimant group;
- (k) the copies of the Material Contracts made available to us are accurate, complete and conform to the originals of the Material Contracts;

- (l) all dates, execution and seals and signatures are authentic;
- (m) there are no material documents or information to be provided other than the Material Contracts referred to in this Report;
- (n) each party to the Material Contracts had, at the time of execution, and continues to have full power and authority to execute, observe and perform all of its obligations under the Material Contracts;
- (o) there may be native title, Aboriginal heritage or other third party agreements of which we are not aware;
- (p) the information in Schedule 1 is accurate as at the date of the relevant Searches. We do not comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (q) this Report is based only upon the information and materials which are described in this Report. There may be additional information and materials (of which we are unaware) which contradict or qualify that which we have described;
- (r) a recording in the mining tenement register of a person's holding in a mining tenement is not absolute proof of that person's entitlement to the tenement. The mining tenement system is not based on a system of indefeasibility by registration;
- (s) a registered mining tenement holder's entitlement to a tenement can be defective if there were procedural defects in the original grant of a tenement or if there are any subsequent dealings with a tenement. We are unable to confirm whether there are any such defects in the Tenements disclosed in this Report without a detailed review of the register for each Tenement and other matters;
- (t) this Report relates only to the laws of Western Australia and the Commonwealth of Australia in force at the date of this Report and we do not express or imply any opinion as to the laws at any other time or of any other jurisdiction;
- (u) in the performance of our enquiries for this Report, we have acted on the Company's written and oral instructions as to the manner and extent of enquiries to be conducted;
- (v) this Report is strictly limited to the matters it deals with and does not extend by implication or otherwise to any other matter;
- (w) we have relied upon information provided by third parties, including various departments, in response to searches made, or caused to be made, and enquiries by us and have relied upon that information, including the results of Searches, being accurate, current and complete as at the date of its receipt by us;
- (x) references in the Schedules are taken from details shown on the Searches we have obtained from the relevant departments. We have not undertaken independent surveys of the land the subject of the Tenements to verify the accuracy of the Tenement areas or the areas of the relevant native title claims;
- (y) where compliance with the terms and conditions of the Tenements and all applicable provisions of the mining legislation and regulations in Western Australia and all other relevant legislation and regulations, or a possible claim in relation to the Tenements is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (z) where Ministerial consent is required, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matters which would cause consent to be refused;

- (aa) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Environment Conservation;
- (bb) native title may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further the Native Title Act contains no sunset provisions and it is possible that additional native title claims could be made in the future; and
- (cc) Aboriginal heritage sites, sacred sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the relevant Register or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, sacred sites or objects within the area of the Tenements.

13 Consent

We have provided our written consent to the inclusion of this Report in the Prospectus in the form and context in which it appears. This Report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



AGH Law

Schedule 1 – Tenement Details

| Tenement | Registered Holder | Shares Held | Area (blocks) | Grant Date | Expiry Date | Annual Rent | Annual Expenditure Commitments | Encumbrances | Notes |
|----------|-----------------------------|-------------|---------------|------------|-------------|-------------------------------------------|---------------------------------------------------------|--------------|------------------|
| E09/1824 | Serena Minerals Limited | 100 | 7 | 10/01/2012 | 9/01/2022 | Current year: Paid Next year: \$4,739 | Current year: \$70,000 Prior year: Fully met | Nil | 1(a), 2 |
| E09/1825 | Serena Minerals Limited | 100 | 40 | 10/01/2012 | 9/01/2022 | Current year: Paid Next year: \$27,080 | Current year: \$120,000 Prior year: Fully met | Nil | 1(a), 2 |
| E09/2098 | Serena Minerals Limited | 100 | 4 | 4/03/2015 | 3/03/2025 | Current year: Paid Next year: \$2,708 | Current year: \$30,000 Prior year: Fully met | Nil | 1(a), 2 |
| E09/2102 | Serena Minerals Limited | 100 | 70 | 15/07/2015 | 14/07/2025 | Current year: Paid Next year: \$28,434 | Current year: \$84,000 Prior year: Fully met | Nil | 1(a), 2 |
| E09/2304 | Serena Minerals Limited | 100 | 42 | 17/04/2019 | 16/04/2024 | Current year: Paid Next year: \$11,004 | Current year: \$42,000 Prior year: Fully met | Nil | 1(a), 2 |
| E09/2305 | Serena Minerals Limited | 100 | 19 | 17/04/2019 | 16/04/2024 | Current year: Paid Next year: \$4,978 | Current year: \$20,000 Prior year: Fully met | Nil | 1(a), 2 |
| E09/2312 | Serena Minerals Limited | 100 | 68 | 17/04/2019 | 16/04/2024 | Current year: Paid Next year: \$17,816 | Current year: \$68,000 Prior year: Fully met | Nil | 1(a), 2 |
| E70/4694 | Shenton Resources Limited | 100 | 6 | 11/05/2015 | 10/05/2025 | Current year: Paid Next year: \$4,062 | Current year: \$50,000 Prior year: Fully met | Nil | 1(b), 3(b) |
| E70/4928 | Shenton Resources Limited | 100 | 41 | 6/07/2017 | 5/07/2022 | Current year: Paid Next year: \$14,678 | Current year: \$61,500 Prior year: Under by \$22,036 | Nil | 1(b), 1(c), 3(c) |
| E70/5702 | Shenton Resources Limited | 100 | 3 | 26/03/2021 | 25/03/2026 | Current year: Paid Next year: \$438 | Current year: \$15,000 Prior year: N/A | Nil | 3(e) |
| E70/5494 | Slambam Enterprises Pty Ltd | 100 | 52 | 22/01/2021 | 21/01/2026 | Current year: Paid Next year: \$7,592 | Current year: \$52,000 Prior year: N/A | Nil | 1(b), 3(d) |
| E70/5604 | Slambam Enterprises Pty Ltd | 100 | 17 | 25/05/2021 | 24/05/2026 | Current year: Paid Next year: \$2,482 | Current year: \$20,000 Prior year: N/A | Nil | 1(b), 3(a) |
| E70/5502 | Slambam Enterprises Pty Ltd | 100 | 28 | 01/12/2020 | 30/11/2025 | Current year: Paid Next year: \$4,088 | Current year: \$28,000 Prior year: N/A | Nil | 1(a) |

Notes:

- 1 **Groundwater area:** Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems. Groundwater areas are proclaimed under the *Rights in Water and Irrigation Act 1914 (WA)*. There are 45 proclaimed groundwater areas in Western Australia where licences are required to construct or alter a well and to take groundwater. The Department of Water is responsible for managing proclaimed areas under the Act.
 - (a) Ground Water Area 'GWA 17 – Gascoyne' was identified from the Tengraph Searches as encroaching 100% of E09/1824, E09/1825, E09/2098, E09/2102, E09/2304, E09/2305, E09/2312 and E70/5502.
 - (b) Ground Water Area 'GWA 26 – Jurien' was identified from the Tengraph Searches as encroaching 100% of E70/4694 and E70/5604, 38.64% of E70/4928 and 74.6% of E70/5494.

- (c) Ground Water Area 'GWA 19 – Gingin' was identified from the Tengraph Searches as encroaching 38.63% of E70/4928.
- 2 **Surface water area:** The abstraction of surface water from any watercourse is prohibited unless a current licence to take surface water has been issued by the Department of Water. Surface Water Area 'SWA 16 – Gascoyne River and Tributaries' was identified from the Tengraph Searches as encroaching 100% of E09/1824, E09/1825, E09/2098, E09/2102, E09/2304, E09/2305, E09/2312.
- 3 **Concurrent interests / encroachment:** The concurrent land interests below were identified from the Tengraph Search. Please refer to Schedule 2 for details on the restrictions to exploration activities.
- (a) E70/5604: "C" Class Reserve Trigonometrical Station R 11890 (0.01%), "A" Class Reserve National Park R 24491 (5.47%), Watheroo Water Reserve WR 98 (4.18%) and [Dieback Area] (49.84%).
- (b) E70/4694: Watheroo Water Reserve WR98 (47%), [Dieback Area] (100%), Wellhead Protection Zone WPZ 1002 (1.18%), File Notation Area FNA 8255 – proposed closure of part of Watheroo West Road (0.17%).
- (c) E70/4928: "C" Class Reserve Water R 14481 (<0.01%), "C" Class Reserve Cemetery R 14485 (0.04%), "C" Class Reserve Gravel R 3349 (0.01%), "C" Class Reserve Recreation R 44747 (<0.01%), "C" Class Reserve Parking and Rest Area R 46905 (0.02%), "C" Class Reserve Mast Site and Access R 47693 (<0.01%), "A" Class Reserve Conservation of Flora and Fauna R 47694 (0.56%), Railway Reserves (totalling 0.67%), Moora Eastern Water Reserve WR97 (5.86%), [Dieback Area] (100%), File Notation Area addition of portion of freehold Lot 52 to adjacent "A" Class Reserve 47694 (0.11%), Wellhead Protection Zone WPZ 46 (0.27%) and Rail Corridor Land Marchagee – Moora (0.64%).
- (d) E70/5494: "C" Class Reserve Water R 12640 (0.06%), "C" Class Reserve Agricultural Hall R 13360 (<0.01%), "C" Class Reserve Water & Gravel R 13479 (0.09%), "C" Class Reserve Disused Burial Ground R 13748 (0.03%), "C" Class Reserve School Site R 15375 (0.02%), "C" Class Reserve Common R 21068 (0.6%), "C" Class Reserve Shire Council Purposes R 22190 (<0.01%), "C" Class Reserve Conservation of Flora & Fauna R 23316 (0.69%), "C" Class Reserve Sanitary Site R 25582 (0.02%), "C" Class Reserve Native Housing R 26836 (<0.01%), "C" Class Reserve Gravel R 28673 (0.09%), "C" Class Reserve Public Recreation R 30131 (0.09%), "C" Class Reserve Recreation Golf Links R 30621 (0.37%), "C" Class Reserve Railway Purposes R 34331 (0.02%), "C" Class Reserve Water Supply R 47386 (0.02%), "A" Class Reserve National Park R 24491 (0.46%), Railway Reserves (totalling 0.95%), Watheroo Water Reserve WR98 (4.49%) General Lease (P) GE M243202 (0.08%), Wellhead Protection Zone WPZ 1002 (0.21%), Dieback Area (100%), File Notation Area Proposed Lease, for 'cropping and grazing' FNA 10712 (0.08%) and Rail Corridor Land Marchagee – Moora (0.86%).
- (e) E70/5702: Dieback Area (100%).

Schedule 2 – Non-Standard Conditions

| Tenement | Conditions |
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| E09/1825 | <p>No interference with the Geodetic Survey Station SSM-K41, SSM-Mount Phillips 3 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</p> <p>No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.</p> |
| E09/2098 | <p>In respect of the area covered by this licence if the Gnulli People (being the applicants in Federal Court Application No/s. WAD 6161 of 1998 (WC1997/028) send a request by pre-paid post to the licensee's or agent's address, not more than 90 days after the grant of this licence, the licensee shall within thirty days of the request execute in favour of the Gnulli People the Regional Standard Heritage Agreement (RSHA) endorsed by peak industry groups and the Yamatji Marlpa Aboriginal Corporation. We note the RSHA has been entered into by Serena and Dalaroo has been assigned all rights and interest to and obligations under the RSHA.</p> |
| E09/2312 | <p>No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.</p> |
| E70/4694 | <p>The land the subject of this Licence affects a Rare Flora site (including Rare Flora Site 91689) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Environment and Conservation for more information on the management of the Declared Rare Flora (or Priority Listed Flora) present within the tenement area.</p> <p>By approval the grant of this licence is amended to include Victoria Land District Location Lot 4198 on Plan 143092 and Melbourne Land District Locations Lot 50 on Plan 12388, Lot 1460 on Plan 126596, Lot 1188 on Plan 108220, Lot 1192 on Plan 108429, Lot 1234 on Plan 111827, Lot 1303 on Plan 119111, Lot 3811 on Plan 167319, Lot 102 on Plan 42213, Lot 104 on Plan 75344, Lot 500 on Plan 302186, Lot 1201 on Plan 111828, Lot 2364 on Plan 89626 and Lot 3425 on Plan 157729 to a depth of 30 metres from the natural surface.</p> <p>In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (<i>Phytophthora</i> sp) to the Executive Director, Environment Division, DMP for assessment and until written approval has been received. All exploration activities shall then comply with the commitments made in the management plan (Dieback Disease Restriction).</p> <p>No interference with Geodetic Survey Station Moora 60, Moora 82, SZ 2 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</p> <p>The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled: (Reg ID 56495) "Shenton Resources Limited – Dieback Management Plan" dated October 2015 signed by Harjinder Kehal and retained by the Department of Mines and Petroleum File No. EARS-POW-56945 as Doc ID 3916791.</p> |
| E70/4928 | <p>The land the subject of this Licence affects a Rare Flora site (including Rare Flora Sites 86654, 86659, 86665, 91637, 91638, 91640, 102398 and 102399) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Environment and Conservation for more information on the management of the Declared Rare Flora (or Priority Listed Flora) present within the tenement area.</p> <p>The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Gravel Reserve 3349, Conservation of Flora and Fauna Reserve 47694, Mast Site and Access Reserve 47693 and Coomberdale and Dalaroo Townsites.</p> <p>No exploration activities on Cemetery Reserve 14485 and such activities within a distance of 140 metres laterally from the Reserve being confined to below a depth of 50 metres from the lowest part of the surface of the land with rights of ingress to and egress from the said Reserve being at all times preserved to the public.</p> <p>Dieback Disease Restriction.</p> <p>No interference with Geodetic Survey Stations SSM-MOORA 180, 181T, 181, 182T, 182, 55, 55T, SSM-M15 and SSM-MRA225 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.</p> <p>No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.</p> <p>In respect to Rail Corridor Land 85 (Marchagee - Moora) the following conditions apply (Rail Corridor Land 85 Restriction):</p> <p>No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 85 (Marchagee - Moora) as shown in Tengraph without the prior written approval of the Minister responsible for the Mining Act 1978.</p> |

| Tenement | Conditions |
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No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 9 hereof than a distance equal to 3 times the depth of the excavation without the prior written approval of the State Mining Engineer, DMP.

Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition 9 hereof being approved by the State Mining Engineer, DMP in consultation with the operator of the railway on corridor land.

No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 9 hereof without the prior approval of the operator of the railway on corridor land.

The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 9 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer, DMP.

No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods Safety Branch, DMP.

The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.

Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the rail corridor land.

In respect of the grant to the Licensee of this Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the Yued People Indigenous Land Use Agreement(s) (relevant ILUA) to such grant is, as a condition precedent, subject to the Minister for Mines and Petroleum imposing the following condition (Yued Native Title Restriction):

As the Yued People ILUA (relevant ILUA) applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the relevant ILUA:

(i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the relevant ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 Business Days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;

(ii) where:

A. the Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and

B. the Licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and

C. The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 Business Days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and

(iii) provide to the Department of Mines and Petroleum a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA), as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition or that paragraph (ii) of this condition applies."

Consent to mine on Coomerdale Water Reserve 46 granted.

No mining on any Coomerdale Water Reserve 46 located within the subject mining tenement boundaries without first obtaining the written consent of the Minister responsible for Mining Act 1978.

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| E70/5494 | The land the subject of this Licence may affect a Threatened Ecological Community. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions (DBCA) Threatened Species and Communities Unit for further information on this Threatened Ecological Community at communities.data@dbca.wa.gov.au . |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The land the subject of this Licence affects Rare Flora sites (including Rare Flora sites 88820, 88821, 97745, 97746, 101523 and 101524) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions via email address flora.data@dbca.wa.gov.au (with ID numbers) to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.

No mining on any Wellhead Protection Zone 1002 located within the subject mining tenement boundaries without first obtaining the written consent of the Minister responsible for Mining Act 1978.

| Tenement | Conditions |
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The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserve 12640, Agricultural Hall Reserve 13360, Water and Gravel Reserve 13479, Disused Burial Ground Reserve 13748, School Site Reserve 15375, Shire Council Purposes Reserve 22190, Sanitary Site Reserve 25582, Native Housing Reserve 26836, Gravel Reserve 28673, Public Recreation Reserve 30131, Recreation Golf Links Reserve 30621, Railway Purposes Reserve 34331, Water Supply Reserve 47386 and Watheroo Townsite.

The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation of Flora and Fauna Reserve 23316 and National Park Reserve 24491.

Dieback Disease Restriction.

No interference with Geodetic Survey Stations M 8, Moora 61, Moora 62, TE 3 and TE 3T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.

No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

Rail Corridor Land 85 Restriction.

Yued Native Title Restriction.

Consent to mine on Watheroo Water Reserve 98 granted.

E70/5502 The land the subject of this Licence affects Rare Flora sites (DRF 115550 and DRF 85680) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions via email address flora.data@dbca.wa.gov.au (with ID numbers) to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.

No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

Mining on a strip of land 20 metres wide with any pipeline as the centreline being confined to below a depth of 31 metres from the natural surface and no mining material being deposited upon such strip and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.

As the Yamatji Nation Indigenous Land Use Agreement (Yamatji Nation ILUA) applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the

Yamatji Nation ILUA:

(i) execute and enter into, in respect of this Exploration Licence, one of the following types of agreements and maintain such agreement for the term of this Exploration Licence:

1. an Aboriginal Heritage Agreement, other than a YPSHA (as defined in the Yamatji Nation ILUA) with the Yamatji Southern Regional Corporation (Regional Entity); or
2. a YPSHA with the Regional Entity; and

(ii) where:

1. the Licensee and the Regional Entity have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and
2. the Licensee executes a YPSHA (subject only to any necessary modifications in terminology required by the tenure); and
3. the Licensee provides a copy of the YPSHA to the Regional Entity for execution;

if the Regional Entity does not execute the YPSHA and provide a copy of the executed YPSHA to the Licensee within 40 Business Days of receipt of the YPSHA, the requirements of paragraph (i) do not apply and the Licensee may proceed to exercise any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of

the Yamatji Nation ILUA after provision of the statutory declaration referred to in (iii) below; and

(iii) provide to the Minister for Mines and Petroleum a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Schedule 18 to the Yamatji Nation ILUA, as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition, or that paragraph (ii) of this condition applies.

E70/5604 The land the subject of this Licence affects Rare Flora sites (including Rare Flora sites 86823, 90659, 91639, 91690, 91691, 93311, 93312, 98880, 98881 and 103336-103337) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions via email address flora.data@dbca.wa.gov.au (with ID numbers) to receive the population details and information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.

The land the subject of this Licence may affect a Threatened Ecological Community. The Licensee is advised to contact the Department of Biodiversity Conservation and Attractions (DBCA) Threatened Species and Communities Unit for further information on this Threatened Ecological Community at communities.data@dbca.wa.gov.au.

| Tenement | Conditions |
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| | The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Trigonometrical Station Reserve 11890. |
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| | The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on National Park Reserve 24491. |
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| | Dieback Disease Restriction. |
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| | No interference with Geodetic Survey Station RH and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------|

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| | No interference with the transmission line (Moora to Three Springs) or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof. |
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| | Yued Native Title Restriction. |
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| E70/5702 | Dieback Disease Restriction. |
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| | Yued Native Title Restriction. |
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Attachment 3 – Independent Limited Assurance Report

ATTACHMENT 3 – INDEPENDENT LIMITED ASSURANCE REPORT

11 August 2021

The Directors
Dalaroo Metals Limited
Suite 1, 346 Barker Road
SUBIACO WA 6004

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON DALAROO METALS LIMITED HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Introduction

We have been engaged by Dalaroo Metals Limited (“Dalaroo” or “the Company”) to prepare this Independent Limited Assurance Report (“Report”) for inclusion in the prospectus (“Prospectus”) dated on or about 11 August 2021 in connection with Dalaroo’s initial public offering and listing on the Australian Securities Exchange (“ASX”), pursuant to which the Company is offering 25,000,000 fully paid ordinary shares at an issue price of \$0.20 per fully paid ordinary share to raise \$5 million before costs (“Offer”).

Expressions and terms defined in the Prospectus have the same meaning in this Report unless defined otherwise in this Report.

The future prospects of Dalaroo, other than the preparation of Proforma Historical Financial Information, assuming completion of the transactions summarised in Section 4 of the Prospectus, are not addressed in this Report. This Report also does not address the rights attaching to the fully paid ordinary shares to be issued pursuant to the Prospectus, nor the risks associated with an investment in Dalaroo.

Scope

We have been engaged by the Directors of Dalaroo to perform a limited assurance engagement in relation to the Historical Financial Information and Proforma Historical Financial Information described below and included in the Prospectus.

The title ‘Partner’ conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Perth, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.
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Historical Financial Information

The Historical Financial Information comprises:

- the audited historical Statement of Financial Position as at 31 May 2021 of Dalaroo; and
- the audited historical Statement of Comprehensive Income and Statement of Cashflows of Dalaroo for the period since incorporation being 5 March 2021 to 31 May 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation being the recognition and measurement principles of the Australian Accounting Standards and Dalaroo's adopted accounting policies as disclosed in Section 4 of the Prospectus. The Historical Financial Information has been extracted from the audited financial report of Dalaroo for the period commencing 5 March 2021 to 31 May 2021.

The financial report of Dalaroo for the period ended 31 May 2021 was audited by Crowe Perth in accordance with Australian Auditing Standards (as issued by the Auditing and Assurance Standards Board). The audit opinion was unmodified with the inclusion of a separate section under the heading "material uncertainty related to going concern".

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Proforma Historical Financial Information

You have requested us to review the Proforma Historical Financial Information comprising:

- The proforma historical Statement of Financial Position as at 31 May 2021; and
- The proforma adjustments applied as at that date,

referred to as the "Proforma Historical Financial Information".

The Proforma Historical Financial Information has been derived from the Historical Financial Information of Dalaroo after adjusting for the effects of the significant events and proforma adjustments described in Section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles of Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Section 4, as if those events or transactions had occurred as at the date of the Historical Financial Information.

Due to its nature, the Proforma Historical Financial Information does not represent the actual or prospective financial position of Dalaroo.

Directors' responsibility

The Directors of Dalaroo are responsible for the preparation and presentation of the Historical Financial Information and Proforma Historical Financial Information, including the selection and determination of significant events and proforma adjustments made to the Historical Financial Information and included in the Proforma Historical Financial Information, as presented in Section 4. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Proforma Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Proforma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 - *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit report on any financial information used as a source for the Historical Financial Information.

We performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

- Consideration of the work papers, accounting records and other documents, including those dealing with the extraction of the Historical Financial Information from the audited financial statements of Dalaroo for the period ended 31 May 2021;
- Enquiry of Directors, management, Dalaroo's advisors and others in relation to the Historical Financial Information;
- Analytical procedures applied to the Historical Financial Information;
- A review of Dalaroo's and its auditors' work papers, accounting records and other documents;
- A review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in Section 4 of the Prospectus, used in the preparation of the Historical Financial Information; and
- Consideration of subsequent events and proforma adjustments described in Section 4.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed and relied on representations from certain members of management of Dalaroo, that all material information concerning the Historical Financial Information and operations of Dalaroo has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information as set out in Section 4 of the Prospectus, and comprising:

- the audited historical Statement of Financial Position as at 31 May 2021 of Dalaroo; and
- the audited historical Statement of Comprehensive Income and Statement of Cashflows of Dalaroo for the period since incorporation being 5 March 2021 to 31 May 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Proforma Historical Financial Information as described in Section 4 of the Prospectus, and comprising:

- The proforma historical Statement of Financial Position as at 31 May 2021; and
- The proforma adjustments applied as at that date,

is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief, there are no other material items, transactions or events subsequent to 31 May 2021 not otherwise disclosed in the Prospectus or this Report which have come to our attention that would require comment in, or adjustment to, the information referred to in this Report or that would cause such information included to be misleading or deceptive.

Restriction of use

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the Historical Financial Information and Pro Forma Historical Financial Information, being for inclusion in the Prospectus. As a result, this Report may not be suitable for use for another purpose.

Responsibility

Crowe Australasia has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. Crowe Australasia has not authorised the issue of the Prospectus. Accordingly, Crowe Australasia makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

Crowe Australasia does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Crowe Australasia will receive a professional fee for the preparation of this Report. Crowe Perth is the auditor of Dalaroo Metals Limited, for which normal professional fees are received.

Yours faithfully

Findex (Aust) Pty Ltd
Trading as Crowe Australasia



Cyrus Patell
Partner

Corporate Directory

Directors

Mr David Quinlivan
Non-Executive Chairman

Mr Harjinder Kehal
Managing Director

Mr Robert Beeck
Non-Executive Director

Company Secretary

Mr David Peterson

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