



Havilah Resources

A New Mining Force in South Australia

HAVILAH RESOURCES LIMITED

ACN 077 435 520

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held at the Fullarton Room, Arkaba Hotel, 150 Glen Osmond Road, Fullarton SA 5063 on Wednesday, 31 August 2022 at 11:00am (Adelaide time).

The Independent Expert, BDO Corporate Finance (SA) Pty Ltd, has concluded that the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, Shareholders in the absence of a superior offer.

Your Directors unanimously recommend that Shareholders vote in favour of the Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to opine that the Kalkaroo Transaction is in the best interests of Shareholders.

*Havilah Resources Limited (**Company**) advises Shareholders that the Company has made arrangements for the general meeting (**Meeting**) to also be held virtually via an online platform. Details on how to access the Meeting virtually are provided in the Notice.*

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to info@havilah-resources.com.au by no later than 11:00am (Adelaide time) on Monday, 29 August 2022.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX market announcements platform.

The Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, accountant, solicitor or other professional adviser prior to voting.

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HAVILAH RESOURCES LIMITED

ACN 077 435 520

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Havilah Resources Limited (**Company**) will be held at the Fullarton Room, Arkaba Hotel, 150 Glen Osmond Road, Fullarton SA 5063 on Wednesday, 31 August 2022 at 11:00am (ACST) (**Meeting**). Shareholders will also be able to attend the Meeting virtually via an online platform at <https://meetnow.global/MA2NUYX>.

Due to the COVID-19 pandemic, in the interests of the health and safety of Shareholders, the Company has made arrangements for Shareholders to participate in the Meeting electronically. Details on how to attend electronically are specified in the Explanatory Memorandum below. The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form both form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 29 August 2022 at 11:00am (ACST).

Terms and abbreviations used in the Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

1 Resolution 1 – Approval of the Proposed Transaction and disposal of interest in Kalkaroo Project

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an **ordinary resolution**:

“That Shareholders approve and authorise the Company to enter into the Proposed Transaction, and that pursuant to and in accordance with Listing Rule 11.2 and for all other purposes, Shareholders approve the grant of the Kalkaroo Option and, upon exercise of the Kalkaroo Option, the disposal of the Company's interest in the Kalkaroo Project, being its main undertaking, in accordance with the Kalkaroo Transaction, on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion

The Company will disregard any votes cast on this Resolution by:

- (a) OZ Exploration and OZ Minerals or an associate of those persons; and
- (b) any other person who will obtain a material benefit as a result of the disposal of this main undertaking (except a benefit solely in their capacity as a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, the Company will not disregard a vote if it is cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Chair voting intentions

The Chair intends to vote all available undirected proxies in favour of Resolution 1.

Dated: 25 July 2022

By order of the Board

Simon Gray

Company Secretary

HAVILAH RESOURCES LIMITED

ACN 077 435 520

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Fullarton Room, Arkaba Hotel, 150 Glen Osmond Road, Fullarton SA 5063 on Wednesday, 31 August 2022 at 11:00am (ACST). The Directors have also made arrangements for Shareholders to attend the Meeting virtually via an online platform at <https://meetnow.global/MA2NUYX>.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolution.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolution:

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Background to Resolution 1
Section 4	Resolution 1 – Approval of entry into the Proposed Transaction and disposal of interest in Kalkaroo Project
Schedule 1	Definitions
Schedule 2	Pro forma statement of financial position (unaudited)
Schedule 3	Transaction Documents
Schedule 4	Independent Expert's Report

A Proxy Form is located at the end of this Explanatory Memorandum.

2 Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

2.1 Voting eligibility

For the purposes of the Corporations Act, all securities of the Company that are quoted securities at 6.30pm (ACST) on Monday, 29 August 2022 will be taken to, for the purposes of the Meeting, to be held by the person who held them at the time and only such persons are eligible to vote at the Meeting.

2.2 How to vote

Shareholders entitled to vote at the Meeting can vote:

- (a) by attending the Meeting electronically and voting using the instructions below;
- (b) by attending the Meeting physically and voting in person;
- (c) by appointing an attorney to attend the Meeting and vote on their behalf, or in the case of a corporate Shareholder, a corporate representative to attend the Meeting and vote on its behalf; or
- (d) by appointing a proxy to attend the Meeting and vote on their behalf using the Proxy Form attached to the Notice.

A personalised Proxy Form accompanies the Notice. The Proxy Form contains full details of how to appoint persons and how to sign and lodge the voting form.

To be valid, Proxy Forms or electronic voting instructions must be received by 11:00am (ACST) on Monday, 29 August 2022.

The Resolution at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

2.3 Voting in person

To vote in person, attend the Meeting on the date and place set out above. The Meeting will commence at 11:00am (ACST).

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting to allow for registration for the Meeting. The registration form for the Meeting is the Proxy Form attached to the Notice.

2.4 Voting online

Shareholders must use the Computershare Meeting Platform to vote in the Meeting. To vote in the Meeting, you can log in by entering the following URL <https://meetnow.global/MA2NUYX> on your computer, tablet or smartphone. Online registration will open 30 minutes before the Meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxy holders will need to contact the call centre before the Meeting to obtain their login details.

To vote in the meeting online follow the instructions below.

- (a) Click on 'Join Meeting Now';
- (b) Enter your SRN/HIN. Proxyholders will need to contact the Share Registrar on +61 3 9415 4024 one hour prior to the Meeting to obtain their login details;
- (c) Enter your postcode registered to your holding if you are an Australian Shareholder. If you are an overseas Shareholder select the country of your registered holding from the drop down list; and
- (d) Accept the Terms and Conditions and 'Click Continue'.

You can cast votes at the appropriate times while the Meeting is in progress.

2.5 Proxies

You can appoint a proxy by completing and returning to the Company the enclosed Proxy Form for the Meeting. Completed Proxy Forms must be completed and received by the Share

Registrar by 11:00am (ACST) on Monday, 29 August 2022, being no later than 48 hours before commencement of the Meeting by one of the following methods:

(a) Online at:

www.investorvote.com.au and following the instructions provided.

You will need your SRN or HIN and Control Number as shown on your Proxy Form.

You will be taken to have signed the Proxy Form if you lodge your proxy in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

(b) Mail, using the reply-paid envelope provided (only for use in Australia) to:

Computershare Investor Services Pty Limited

GPO Box 242, Melbourne, Victoria 3001

(c) Mobile voting:

Scan the QR Code on your Proxy Form and follow the prompts.

(d) Custodian voting:

For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

(e) Fax to:

In Australia: 1800 783 447.

From outside of Australia: +61 3 9473 2555.

If you are entitled to attend and cast a vote at the Meeting, you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a Shareholder. If you appoint two proxies each proxy may exercise half of your votes if no proportion or number of votes is specified.

If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Shareholder's behalf on a poll and the Shares the subject of the proxy appointment will not be counted in computing the required majority.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present. Each proxy will have the right to vote on the Resolution (to the extent of their appointment) and also to speak at the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.6 Corporate representatives

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the Meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that Shareholder or proxy (as applicable) corporate representative. The authority must be sent to the Company and/or the Company's Share Registrar (in a manner detailed above) in advance of the Meeting.

2.7 Power of attorney

If a Shareholder wishes to appoint an attorney that Shareholder will need to provide the Company with an original or certified copy of the power of attorney, under which they

authorise the attorney to attend and vote at the Meeting, at least 48 hours prior to the commencement of the Meeting.

2.8 Technical difficulties

Technical difficulties may arise during the course of the Meeting. The Chair has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

For this reason, Shareholders are encouraged to appoint a proxy and submit a directed Proxy Form, even if they plan to attend the Meeting online. Similarly, if a Shareholder is unable to participate in the Meeting, they are encouraged to appoint a proxy and submit a directed Proxy Form. All Proxy Forms, whether submitted online or in hard copy, must be lodged by 11:00am (ACST) on Monday, 29 August 2022.

2.9 Further information

If you have any questions regarding Proxy Forms or voting please contact the Share Registrar on 1300 850 505 (within Australia) or +61 3 9415 4000 (overseas).

3 Background to Resolution 1

3.1 Background

The Company is the sole owner of the Kalkaroo copper-gold-cobalt project in the Curnamona Province of South Australia, more commonly known as the **Kalkaroo Project**. The Kalkaroo Project contains Mineral Resources of 1.1 million tonnes of copper, 3.1 million ounces of gold and 23,200 tonnes of cobalt. It has an open pit Ore Reserve of 100.1 million tonnes, of which 90% is in the Proved category (as that term is defined in the JORC Code). As such, the Kalkaroo Project is potentially one of the larger undeveloped open pit copper-gold deposits in Australia.

In addition to the Kalkaroo Project, the Company also owns 100% of the following mineral projects in the Curnamona Province of north-eastern South Australia:

(a) Mutooroo Project

The Mutooroo Project is the Company's second advanced stage copper-cobalt project that is located within commuting distance of Broken Hill, and 16km south of the Transcontinental railway line and Barrier Highway. It contains 195,000 tonnes of copper, 20,200 tonnes of cobalt and 82,100 ounces of gold in Measured, Indicated and Inferred Mineral Resources (as those terms are defined in the JORC Code). As such, the Mutooroo Project is potentially one of the larger and higher grade sulphide cobalt deposits associated with copper in Australia. The Mutooroo Project is excluded from the Proposed Transaction.

Further details on the Mutooroo Project are detailed in the Company's Quarterly Activity Report for the period ended 30 April 2022 as released on the [ASX market announcements platform on 30 May 2022](#).

If Resolution 1 is passed and the Proposed Transaction proceeds, the Company proposes to use a portion of the funding received from the Strategic Alliance to advance the pre-feasibility study on the Mutooroo Project, based on current Measured Resources (as that term is defined in the JORC Code), initially from an open cut mine that transitions to a longer-term underground mining operation.

(b) Grants Basin, Maldorky and Grants Iron Ore Projects

The Company's Maldorky Project is located approximately 90km southwest of Broken Hill, and 26km south of the Barrier Highway and Transcontinental railway line. The Maldorky Project has an Indicated Mineral Resource of 147 million tonnes of 30.1% iron at an 18% iron cut-off. The iron ore resource is contained in a flat tabular deposit with thin overburden, making it potentially well suited to open pit mining operations.

The Grants Iron Ore Project contains 304 million tonnes of 24% iron Inferred Mineral Resource at an 18% iron cut-off.* The lack of overburden and geometry of the deposit is favourable for open pit mining operations. The Grants Basin Iron Ore Project is located approximately 80 km west-southwest of Broken Hill, and 8-10 km south of the Barrier Highway and the Transcontinental railway line. The Company intends to carry out resource delineation drilling to convert a portion of the western end Exploration Target* to a maiden Mineral Resource, initially targeting at least 0.5 billion tonnes of iron ore (note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource).

The Grants Basin, Maldorky and Grants Iron Ore Projects are excluded from the Proposed Transaction. Further current details on the Grant Basin, Maldorky and Grants Iron Ore Projects are detailed in the Company's Quarterly Activity Report for the period ended 30 April 2022 as released on the [ASX market announcements platform on 30 May 2022](#).

(together, the **Other Projects**).

* [Refer to page 17 of the Annual Report 2021, released on the ASX market announcements platform on 26 October 2021](#), noting that in each case the relevant information relating to Mineral Resources and Ore Reserves remains current as at the date of the Notice.

For further information on the Kalkaroo Project and the Other Projects, please refer to the Company's website (<https://www.havilah-resources-projects.com/>) and announcements on the ASX market announcements platform.

3.2 Proposed Transaction

On 17 May 2022, the Company announced that it had entered into a conditional binding terms sheet (**Terms Sheet**) with OZ Minerals Limited (**OZ Minerals**) and, its wholly owned subsidiary, OZ Exploration Pty Ltd (**OZ Exploration**). Under the Terms Sheet, it is proposed that:

- (a) the Company will grant OZ Exploration an option to acquire the Kalkaroo Project (**Kalkaroo Option**);
- (b) the Company will grant OZ Exploration access to the Company's Kalkaroo Station Pastoral Lease; and
- (c) a strategic alliance will be formed between the Company and OZ Exploration for the purpose of conducting further exploration for copper in the Curnamona Province of north-eastern South Australia (**Strategic Alliance**),

(together, the **Proposed Transaction**).

The Company has entered into full form Transaction Documents to give effect to the Proposed Transaction, which are subject to and conditional on the Terms Sheet Conditions being satisfied or waived. Refer to Section 3.6 for further details on the Terms Sheet Conditions.

A copy of the Terms Sheet was released on the [ASX market announcements platform on 17 May 2022](#).

3.3 Kalkaroo Option

As part of the Proposed Transaction, the Company will grant OZ Exploration, subject to Shareholder approval sought under the Notice, an option to acquire the Kalkaroo Project for nominal consideration.

OZ Exploration may exercise the Kalkaroo Option within the 18 month period commencing from the date all of the Terms Sheet Conditions are satisfied, unless extended as agreed between OZ Exploration and the Company in accordance with the Strategic Alliance Agreement or due to a force majeure or delay event (up to a maximum of 30 months from the date all of the Terms Sheet Conditions are satisfied) (**Kalkaroo Option Period**). OZ Exploration may elect to withdraw from the Kalkaroo Option at any time during the Kalkaroo Option Period

During the Kalkaroo Option Period, OZ Exploration will have exclusive possession and use of the Kalkaroo Tenements.

During the Kalkaroo Option Period, OZ Exploration must undertake and sole fund a study and work program with the aim of progressing and completing an update to the current Kalkaroo Project pre-feasibility study. As part of the study and work program, OZ Exploration will undertake a minimum 5,000 metres of drilling on the Kalkaroo Tenements. The results of the study and work program will assist OZ Exploration in determining whether or not to exercise the Kalkaroo Option.

If OZ Exploration exercises the Kalkaroo Option within the Kalkaroo Option Period, the Company and OZ Exploration will enter into an asset sale agreement for the sale of the Kalkaroo Assets to OZ Exploration in consideration for an upfront cash payment of \$205,000,000 (**Completion Payment**), and contingent consideration up to a maximum of \$200,000,000 subject to the satisfaction of the relevant milestones.

The material terms of the Call Option Agreement and Asset Sale Agreement are detailed in Schedule 3.

3.4 Kalkaroo Station Pastoral Lease

It is noted that the Kalkaroo Station Pastoral Lease is excluded from the Kalkaroo Assets and so is not the subject of the Kalkaroo Option. However, the Company, through its wholly owned subsidiary Kalkaroo Pastoral Company Pty Limited (**Kalkaroo Pastoral Company**), has separately granted OZ Exploration the right to access the Kalkaroo Station Pastoral Lease for the purposes of undertaking the study program and exploration activities, subject to the exercise of the Kalkaroo Option and Completion occurring.

In consideration for the access rights, OZ Exploration will pay the Company an annual payment that is paid quarterly in advance, equal to two times the annual Kalkaroo Tenements rent, capped at \$500 per day on the basis of 365 day year indexed by the Consumer Price Index (**Access Fee**).

OZ Exploration has a right of first refusal to purchase the Kalkaroo Station Pastoral Lease if the Kalkaroo Pastoral Company decides to dispose of it (other than a disposal to a Related Body Corporate). This right of first refusal will cease if Completion does not occur, if OZ Exploration withdraws from the Kalkaroo Option or where the Kalkaroo Option is not exercised during the Kalkaroo Option Period.

The material terms of the Access and Compensation Agreement are detailed in Schedule 3.

3.5 Strategic Alliance

With effect from the date the Terms Sheet Conditions are satisfied, OZ Exploration and the Company will form the Strategic Alliance for the purposes of conducting further exploration activities in the Curnamona Province of northeastern South Australia.

During the Alliance Period, the Company will be the initial manager of the Strategic Alliance for the purposes of conducting activities aimed at the discovery, location and delineation of copper dominant mineralisation on tenements within the AOI and any work relating to the possible development and exploitation of minerals within the AOI (**Alliance Activities**).

OZ Exploration will pay the Company \$1,000,000 per month for each month during the Alliance Period up to a maximum of \$18,000,000 (**Upfront Investment**) of which 50% must be used for costs and expenses incurred in relation to the Alliance Activities. The Upfront Investment must be repaid at the end of the Alliance Period unless such funds have already been committed to work programs or other expenses that have been approved by the stakeholder team which cannot be discontinued or suspended, or if the Company and OZ Exploration agree to extend the Alliance Period.

Where the Company makes a discovery within the AOI of copper dominant mineralisation (as measured by reference to the value of copper in the mineralisation) or other associated mineralisation that OZ Exploration considers it could process in its proposed (or upgraded) Kalkaroo Project processing plant (**AOI Discovery**), OZ Exploration may notify the Company that the AOI Discovery is a discovery of interest (**DOI**) and shall provide the Company with a proposed work program in relation to the DOI, which shall be sole funded by OZ Exploration. OZ Exploration is limited to three DOIs at any given time.

If OZ Exploration defines an initial Mineral Resource pursuant to a DOI work program in relation to the particular DOI, then a joint venture will be formed, between OZ Exploration and the Company, under which the initial joint venture interests of the participants will be:

- (a) 70% - OZ Exploration; and
- (b) 30% - the Company.

OZ Exploration will sole fund all joint venture expenditure until a final investment decision to proceed with a commercial mining operation is made by the joint venture operating committee, and OZ Exploration shall be the initial manager of the joint venture.

The Company will also grant OZ Exploration a right of first refusal to purchase the Company's interest in an AOI Discovery in the event that the Company intends to dispose of its interest in an AOI Discovery, subject to the Call Option having been exercised.

The material terms of the Strategic Alliance Agreement are detailed in Schedule 3.

3.6 Terms Sheet Conditions

The Proposed Transaction is subject to:

- (a) the Company obtaining a report from a suitably qualified independent expert opining that the Kalkaroo Transaction is in the best interests of Shareholders;
 - (b) the Company obtaining the approval of Shareholders under Listing Rule 11.2 for the Kalkaroo Transaction;
 - (c) any of the Directors failing to make, changing, qualifying, or withdrawing their recommendation or voting intention to approve the Kalkaroo Transaction in the absence of a Superior Proposal and subject to the Independent Expert opining that the Kalkaroo Transaction is in the best interests of Shareholders; and
 - (d) the parties entering into the full form Transaction Documents,
- (together, the **Terms Sheet Conditions**).

For further information on the Independent Expert's Report refer to Section 3.8.

For further information on the Directors' Recommendation refer to Section 3.11.

The Company and OZ Exploration have entered into full form Transaction Documents as contemplated by the Terms Sheet. A summary of each of the Transaction Documents is detailed in Schedule 3.

3.7 Break fee

The Company must pay OZ Minerals a break fee of \$1 million where the Proposed Transaction does not proceed due to a Competing Proposal, or \$2 million where OZ Minerals terminates the Terms Sheet for breach or as a result of a change in recommendation or voting intention from a Director (where there is no Competing Proposal) or as a result of the Independent Expert changing or withdrawing its opinion due to an act or omission by the Company or any of its Directors (without regard to any Competing Proposal).

3.8 Independent Expert

BDO Corporate Finance (SA) Pty Ltd was appointed as the independent expert (**Independent Expert**) for the purposes of preparing a report opining on whether the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, Shareholders.

The Independent Expert has concluded that the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, Shareholders in the absence of a superior offer.

In forming this opinion, the Independent Expert has assessed:

- (a) the incremental increase in value of a Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project, compared to the incremental increase in value of a Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option;
- (b) the likelihood of an alternative offer being made to the Company;
- (c) other factors which the Independent Expert considered to be relevant to Shareholders in their assessment of the Kalkaroo Transaction; and
- (d) the position of Shareholders in the event the Kalkaroo Transaction is not approved.

A copy of the Independent Expert's Report is contained in Schedule 4.

3.9 Rationale

Having undertaken a strategic review of its operations, the Company has resolved to dispose of the Kalkaroo Project based on the following considerations:

- (a) (**Shareholder return**) the Proposed Transaction provides a fair return for Shareholders without the Company taking on the longer-term development and financing risks inherent in mining projects;
- (b) (**Price certainty**) the fixed component of the Proposed Transaction consideration (in other words the Completion Payment) provides Shareholders with price certainty, with the deferred contingent consideration rewarding the Company for future value enhancing milestones;
- (c) (**Advancing exploration**) the Proposed Transaction accelerates exploration for new copper deposits in the region that could be complementary to the Kalkaroo Project, while advancing other promising mineral projects south of the Barrier Highway;
- (d) (**Certainty**) given the current economic and regulatory climate, there is no certainty that the Company could raise the additional capital required to fund the expenditure required for the Kalkaroo Project;
- (e) (**Other projects**) the Proposed Transaction allows the Company to release any additional working capital and refocus on its Other Projects;

- (f) **(No dilution)** the Proposed Transaction funding will allow the Company to meaningfully advance its exploration and Other Projects without the need for further dilutive capital raisings; and
- (g) **(Strategic Alliance)** the opportunity to develop a strategic partnership with OZ Exploration with the aim of developing the copper potential of the Curnamona Province.

With the above considerations in mind, the Board has resolved to instead focus on its Other Projects and other exploration opportunities on its Curnamona Province tenements in South Australia.

3.10 Advantages and disadvantages of the Proposed Transaction

The Board believes that the following non-exhaustive list of advantages together with the rationale points above may be relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) the Kalkaroo Transaction produces a significantly better financial outcome and lower risk alternative for Shareholders as compared to the Company developing the Kalkaroo deposit itself as determined by the Independent Expert (refer to Schedule 4 for the Independent Expert's Report);
- (b) proceeds from the Proposed Transaction will enable the Company to focus on its Other Projects and on its extensive exploration interests, which the Board believes have the potential to add significant future value for Shareholders;
- (c) the Company will be well funded, avoiding dilutionary capital raisings in a currently challenging traditional capital market for junior resource stocks;
- (d) the payments of the contingent consideration (up to \$200 million) provide the Company with exposure to future Kalkaroo Project upside in the event of resource upgrades and/or copper prices above US\$10,000 per tonne;
- (e) monetisation of the Kalkaroo Project gives the Board the option to make a share buy-back, a return of capital, or pay a special dividend to Shareholders consistent with its stated objectives;
- (f) the Strategic Alliance is a potential catalyst for development of a major new copper mining region on the Company's extensive tenement holdings in the Curnamona Province; and
- (g) there are no proposed changes to the Board and/or senior management of the Company as part of, or in connection with, the Proposed Transaction, thus preserving the collective experience and intellectual knowledge within the Company for the ongoing benefit of Shareholders.

The Board believes that a potential disadvantage that may be relevant to a Shareholder's decision on how to vote on Resolution 1 is that the Proposed Transaction involves the Company disposing of its Kalkaroo Project, its main undertaking and one of Australia's larger undeveloped open pit copper-gold deposits, which may not be consistent with the investment objectives of all Shareholders

3.11 Directors' recommendation and voting intention

The Board considers that the Proposed Transaction, including the Kalkaroo Transaction, is in the best interest of Shareholders, and recommends that Shareholders vote in favour of Resolution 1 in the absence of a Superior Proposal and subject to the Independent Expert continuing to opine that the Kalkaroo Transaction is in the best interests of Shareholders.

Each member of the Board will vote, or procure the voting of, any Shares held or controlled by them or held on their behalf in favour of Resolution 1 in the absence of a Superior Proposal

and subject to the Independent Expert continuing to opine that the Kalkaroo Transaction is in the best interests of Shareholders.

4 Resolution 1 – Approval of the Proposed Transaction and disposal of interest in Kalkaroo Project

4.1 General

Listing Rule 11.2 requires a listed company to obtain the approval of its shareholders to a disposal of its main undertaking. The Kalkaroo Option, if exercised, is a disposal of the Company's main undertaking, namely the Kalkaroo Project, for these purposes.

Resolution 1 seeks the required Shareholder approval for the Proposed Transaction, and approval for the Kalkaroo Transaction for the purposes of Listing Rule 11.2.

Resolution 1 is an ordinary resolution.

The Chair intends to vote all available undirected proxies in favour of Resolution 1.

If Resolution 1 is passed and the conditions to the Proposed Transaction are satisfied or waived, the Company will be able to proceed with the Proposed Transaction (including the Kalkaroo Transaction) and:

- (a) the Company will enter into the Strategic Alliance and will receive the Upfront Investment;
- (b) the Kalkaroo Pastoral Company will grant OZ Exploration access rights in connection with the Kalkaroo Station Pastoral Lease in consideration for the Access Fee (subject to the exercise of the Kalkaroo Option and Completion occurring);
- (c) if the Kalkaroo Option is exercised and Completion occurs, the Company will receive the Completion Payment on the transfer of the Kalkaroo Project to OZ Exploration, and the Resource Payment and Revenue Payments subject to the satisfaction of the relevant milestones;
- (d) the Company will focus on advancing and developing its Other Projects and other exploration opportunities in South Australia; and
- (e) the Company will be well equipped to potentially define further copper mineral resources within the area surrounding the Kalkaroo Project.

If Resolution 1 is not passed, the Company will not be able to proceed with the Proposed Transaction (including the Kalkaroo Transaction) and:

- (a) the Transaction Documents will not come into effect;
- (b) the Company will maintain its interest in the Kalkaroo Project;
- (c) the Company will not receive funding from OZ Exploration for the activities that would have been conducted under the Strategic Alliance;
- (d) the Company will have to continue to fund the Kalkaroo Project;
- (e) the Company may seek alternative opportunities to dispose of the Kalkaroo Project and to conduct exploration activities in the Curnamona Province of South Australia; and
- (f) the Company will continue to focus on advancing and developing its Other Projects and other exploration opportunities in South Australia.

4.2 Specific information required by ASX

Pursuant to and in accordance with section 7.2 of ASX Guidance Note 12, the following information is provided in relation to Resolution 1:

(a) **Parties**

The parties to the Proposed Transaction are the Company, Kalkaroo Copper, Kalkaroo Pastoral Company, OZ Minerals and OZ Exploration.

(b) **Material terms of the Kalkaroo Option**

The material terms of the Kalkaroo Option are detailed in Schedule 3.

(c) **Financial effect of the Kalkaroo Transaction on the Company**

An unaudited proforma statement of financial position has been prepared based on the Company's consolidated statement of financial position as at 31 January 2022, which sets out the financial effects the Kalkaroo Transaction is expected to have on the Company and is included as Schedule 2.

(d) **Effect on interests of Shareholders**

The Proposed Transaction will not impact the capital structure of the Company or the holdings of Shareholders in the Company.

(e) **Change to business model**

Following Completion, the Company intends to continue to develop its Other Projects as a mineral exploration company focused on strategic and critical minerals (including copper, cobalt, iron ore, molybdenum, rare earth elements, tin and tungsten).

Listing Rule 12.1 requires that an entity's operations are sufficient to continue quotation of its securities and its listing. The Company believes that its existing and planned exploration activities on its Other Projects as a mining exploration entity are sufficient to continue quotation of its securities and its listing.

(f) **Use of proceeds**

The Company will receive:

- (i) the Upfront Investment of which 50% of the funds received must be used for the Alliance Activities;
- (ii) the Completion Payment on Completion; and
- (iii) after Completion, the contingent Resource Payment and Revenue Payments if the relevant milestones are satisfied.

Funds received will be used to advance and develop the Other Projects and for working capital purposes.

(g) **Changes to Board or senior management**

The Company does not propose to make any changes to the Board and/or senior management in connection with, or as a consequence of, the Proposed Transaction.

(h) **Indicative timetable**

The indicative timetable for implementing the Proposed Transaction is detailed below:

Event	Date
Parties execute the Transaction Documents	Monday, 25 July 2022
Meeting of Shareholders	Wednesday, 31 August 2022
Last day to satisfy the Terms Sheet Conditions (unless otherwise agreed in writing)	Wednesday, 31 August 2022
Last day to exercise the Kalkaroo Option (unless extended)	Saturday, 2 March 2024
Last day for exercise of the Kalkaroo Option if extended to the maximum period of 30 months.	Monday, 3 March 2025

(i) **No responsibility**

ASX takes no responsibility for the contents of the Notice.

4.3 Voting exclusion statement

A voting exclusion statement is included in the Notice for Resolution 1.

4.4 Board recommendation

The Board's recommendation is contained in Section 3.11.

Schedule 1

Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian dollars;

Access Fee has the meaning given in Section 3.4;

ACST means Australian Central Standard Time, being the time in Adelaide, South Australia;

Alliance Activities has the meaning given in Section 3.5;

Alliance Period means the period commencing from the date all of the Terms Sheet Conditions are satisfied and ending on the date:

- (a) the Strategic Alliance agreement is terminated in accordance with its terms;
- (b) the date that is 18 months after the date all of the Terms Sheet Conditions are satisfied (or such longer period as agreed between the parties in accordance with the Strategic Alliance Agreement) plus any additional period equivalent to the duration of a force majeure event which delays, prevents, frustrates or otherwise interferes with the study program and/or a delay event which delays, prevents, frustrates or otherwise interferes with the Alliance Activities or any DOI work program activities, provided that the total period is no more than 30 months after the date all of the Terms Sheet Conditions are satisfied; and
- (c) if the Kalkaroo Option is exercised, the date on which Completion occurs or the date of termination of the Asset Sale Agreement;

AOI means the area comprising the tenements in which the Company or any of its Related Bodies Corporate holds an interest north of the Barrier Highway and east of Lake Frome in the Curnamona Province of northeastern South Australia as delineated more particularly in Annexure A of the Terms Sheet, and includes any tenements not yet held by the Company or its Related Bodies Corporate but which such entities may hold (by way of acquisition, grant or otherwise) during the Alliance Period (but excludes, the Kalkaroo Tenements);

AOI Discovery has the meaning given in Section 3.5;

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX;

Board means the board of Directors;

Chair means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice;

Company means Havilah Resources Limited (ACN 077 435 520);

Competing Proposal means any inquiry, offer, proposal, expression of interest, arrangement or transaction which, if completed, would mean a person or persons (other than OZ Minerals or any of its Related Bodies Corporate) would directly or indirectly:

- (a) acquire Control of the Company;
- (b) acquire an interest in or become the holder of at least 20% of all:
 - (i) the Company's issued Shares;
 - (ii) the Kalkaroo Project; or

- (iii) a material part of the assets of the Company (including the Kalkaroo Project);
or
- (c) otherwise acquire, merge or amalgamate with the Company and/or Kalkaroo Copper, irrespective of how it is structured including by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital restructure, sale or purchase of assets, joint venture or synthetic merger, or where the Company and/or Kalkaroo Copper (as the case may be) would be required to abandon or otherwise fail to proceed with the Proposed Transaction;

Completion means completion of the sale and purchase of the Kalkaroo Assets under the Asset Sale Agreement;

Completion Payment has the meaning given in Section 3.3;

Control has the meaning given in the Corporations Act;

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

Director means a director of the Company;

DOI has the meaning given in Section 3.5;

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice;

Independent Expert means BDO Corporate Finance (SA) Pty Ltd;

Independent Expert's Report means the Independent Expert's report contained in Schedule 4;

Indicated Mineral Resource has the meaning given in the JORC Code;

JORC Code means the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (2012 Edition) published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, as amended or replaced from time to time;

Kalkaroo Assets means all assets (including plant, equipment, contracts, business records and intellectual property developed, acquired or created by or on behalf of the Company or its Related Bodies Corporate) in relation to the Kalkaroo Project;

Kalkaroo Copper means Kalkaroo Copper Pty Ltd (ACN 111 129 812);

Kalkaroo Option has the meaning given in Section 3.2(a);

Kalkaroo Option Period has the meaning given in Section 3.3;

Kalkaroo Pastoral Company means Kalkaroo Pastoral Company Pty Limited (ACN 167 954 609);

Kalkaroo Project means the Kalkaroo copper-gold-cobalt project in the Curnamona Province of South Australia and comprises the Kalkaroo Tenements and the Kalkaroo Assets;

Kalkaroo Tenements means ML 6498, ML 6499, ML 6500, MPL 158 and MPL 159;

Kalkaroo Transaction means the grant and exercise of the Kalkaroo Option;

Listing Rules means the listing rules of the ASX;

MC 3828 means mineral claim 3828 or any extractive minerals lease granted under the Mining Act pursuant to an application in connection with Mineral Claim 3828;

Meeting has the meaning in the introductory paragraph of the Notice;

Mineral Resource has the meaning given in the JORC Code;

Mining Act means the *Mining Act 1971 (SA)* as amended from time to time and any regulations made pursuant to it;

Notice means the notice of general meeting which comprises the notice, agenda, Explanatory Memorandum and Proxy Form;

Ore Reserve has the meaning given in the JORC Code;

Other Projects has the meaning given in Section 3.1;

OZ Exploration means OZ Exploration Pty Ltd (ACN 137 626 914);

OZ Minerals means OZ Minerals Limited (ACN 005 482 824);

Proposed Transaction has the meaning given in Section 3.2;

Proxy Form means the proxy form attached to the Notice;

Related Bodies Corporate has the meaning given in the Corporations Act;

Resolution means the resolution contained in the Notice;

Resource Payment has the meaning given in Item 4.4(d)(i) of Part 2 of Schedule 3;

Revenue Payments has the meaning given in Item 4.4(d)(ii) of Part 2 of Schedule 3;

Schedule means a schedule to this Explanatory Memorandum;

Section means a section of this Explanatory Memorandum;

Share means an ordinary share in the issued capital of the Company;

Shareholder means a shareholder of the Company;

Share Registrar means Computershare Investor Services Pty Limited;

Strategic Alliance has the meaning given in Section 3.2(c);

Superior Proposal means a bona fide Competing Proposal which in the opinion of the Board acting reasonably in order to satisfy what the Board considers to be their fiduciary or statutory duties (having received written advice from their external legal and financial advisers who have relevant expertise to provide advice in this area):

- (a) is reasonably capable of being completed in accordance with its terms, taking into account all financial, regulatory and other aspects of the proposal, including the ability of the proposing party to complete the transactions contemplated by the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to the Shareholders as a whole than the Proposed Transaction, taking into account all of the terms of the Competing Proposal, including consideration, conditionality, funding, certainty and timing;

Terms Sheet means the terms sheet between the Company, Kalkaroo Copper, Kalkaroo Pastoral Company, OZ Minerals and OZ Exploration dated 16 May 2022;

Terms Sheet Conditions means the conditions in Section 3.6;

Transaction Documents means the Call Option Agreement, Asset Sale Agreement, Access and Compensation Agreement, Strategic Alliance Agreements and the Guarantee Deeds to be entered into between the Company and OZ Exploration or their Related Bodies Corporate (as relevant), and which have been summarised in Schedule 3;

Upfront Investment has the meaning given in Section 3.5; and

US\$ means United States dollars.

Schedule 2

Pro forma statement of financial position (unaudited)

1 Introduction

The pro forma financial information detailed below has been provided for illustrative purposes and is intended to provide Shareholders with an indication of the Company's consolidated financial position if the Kalkaroo Transaction is approved by Shareholders and the Kalkaroo Option is exercised by OZ Exploration.

	Notes	Havilah Consolidated 31 January 2022 (iv)	Adjustments	Pro forma 31 January 2022
		\$	\$	\$
Current assets				
Cash and cash equivalents	(i)	2,028,231	205,000,000	207,028,231
Trade and other receivables		111,763		111,763
Other assets		22,236		22,236
Total current assets		2,162,230		207,162,230
Non-current assets				
Exploration and evaluation expenditure	(ii)	38,546,462	(18,920,000)	19,626,462
Property, plant and equipment		2,845,950		2,845,950
Other financial assets		438,334		438,334
Total non-current assets		41,830,746		22,910,746
Total assets		43,992,976		230,072,976
Current liabilities				
Trade and other payables		397,804		397,804
Borrowings		19,280		19,280
Provisions	(iii)	592,132	39,094,374	39,686,506
Total current liabilities		1,009,216		40,103,590
Non-current liabilities				
Borrowings		94,753		94,753
Deferred grants		105,750		105,750
Total non-current liabilities		200,503		200,503
Total liabilities		1,209,719		40,304,093
Net assets		42,783,257		189,768,883
Equity				
Contributed equity		83,411,863		83,411,863
Retained earnings (Accumulated losses)		(39,152,775)	146,985,626	107,832,851
Share-based payments reserve		1,123,966		1,123,966
Buy-out reserve		(2,599,797)		(2,599,797)
Total equity		42,783,257		189,768,883

2 Basis of preparation

The pro forma financial information set out above comprises the unaudited pro forma consolidated statement of financial position as at 31 January 2022 of the Company, including the impact of the Kalkaroo Transaction should it be approved by Shareholders and the Kalkaroo Option was hypothetically exercised by OZ Exploration as at 31 January 2022.

The pro forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards to be included in annual financial statements or interim financial statements.

The values used for the pro forma consolidated statement of financial position are outlined in the notes below. These values are subject to change once actual income tax calculations are performed, as at the completion date, and an income tax return subsequently lodged.

3 Notes

If OZ Exploration exercises the Kalkaroo Option, the Company and OZ Exploration will enter into an asset sale agreement for the sale of the Kalkaroo Project to OZ Exploration in consideration for an upfront cash payment of \$205,000,000. If the Kalkaroo Option is exercised, the Company will receive the Completion Payment on the transfer of the Kalkaroo Project to OZ Exploration,

- (i) \$205,000,000 cash received for the Completion Payment on Completion, will be an increase in cash and cash equivalents.
- (ii) The Kalkaroo Project comprises \$18,920,000 of capitalised exploration and evaluation expenditure as at 31 January 2022. The carrying value of the Kalkaroo Project has been deducted in the proforma as, when the Kalkaroo Option is exercised, the Kalkaroo Project is disposed of.
- (iii) Taxation has been applied on the Completion Payment at the notional rate of 30%, which represents the estimated tax rate for the Kalkaroo Transaction. The Company's Annual Report for the financial year ended 31 July 2021 disclosed income tax losses of \$74,685,419 and the impact of these income tax losses has been used to offset estimated tax payable. For the Kalkaroo Transaction, a provision for income tax of \$39,094,734 has been estimated.
- (iv) The Company's Interim Financial Report for the financial-half year ended 31 January 2022 was released on the ASX market announcements platform on 11 April 2022. It included the consolidated statement of financial position as at 31 January 2022.

Schedule 3
Transaction Documents

1 Call Option Agreement

The material terms of the Call Option Agreement are as follows:

- (a) **(Conditions Precedent)** The commencement of the Call Option Agreement is subject to, and condition upon all of the Terms Sheet Conditions being satisfied or waived in accordance with the Terms Sheet. The Terms Sheet Conditions are detailed in Section 3.6.
- (b) **(Kalkaroo Option)** On the date the Terms Sheet Conditions are satisfied (**Effective Date**) OZ Exploration shall pay an option fee to the Company, being \$1 (**Call Option Fee**). In consideration of the payment of the Call Option Fee, the Company will grant OZ Exploration the Kalkaroo Option.
- (c) **(Exercise of the Kalkaroo Option)** OZ Exploration may exercise the Kalkaroo Option within the 18 month period commencing from the date all of the Terms Sheet Precedent are satisfied, unless extended as agreed between OZ Exploration and the Company in accordance with the Strategic Alliance Agreement or due to a force majeure or delay event (up to a maximum of 30 months from the date all of the Terms Sheet Conditions are satisfied) (**Kalkaroo Option Period**);
- (d) **(Withdrawal)** OZ Exploration may elect to withdraw from the Kalkaroo Option at any time during the Kalkaroo Option Period;
- (e) **(Nominee)** OZ Exploration may, at any time during the Kalkaroo Option Period, nominate any of its Related Bodies Corporate (**Nominee**) as the party entitled to exercise the Kalkaroo Option, provided that such Nominee is a wholly owned subsidiary of OZ Minerals.
- (f) **(Lapse of the Kalkaroo Option)** The Kalkaroo Option automatically lapses on the expiry of the Kalkaroo Option Period or on the termination of the Call Option Agreement.
- (g) **(Exercise of the Kalkaroo Option)** If OZ Exploration exercises the Kalkaroo Option, the Company and OZ Exploration will enter into an asset sale agreement for the sale of the Kalkaroo Project to OZ Exploration. Refer to Part 2 for further details on the terms of the Asset Sale Agreement.
- (h) **(Conduct during the Kalkaroo Option Period)** During the Kalkaroo Option Period, the Company and Kalkaroo Copper:
 - (i) agree to deal exclusively with OZ Exploration in connection with the Kalkaroo Project;
 - (ii) except as otherwise directed in writing by OZ Exploration, undertake not to take any action or permit any omission in respect of the Kalkaroo Project that is inconsistent with the rights granted to OZ Exploration under the Call Option Agreement;
 - (iii) must not, directly or indirectly, dispose of, agree to dispose of or create any encumbrance over or in respect of the Kalkaroo Assets (including by way of an asset or share sale) or otherwise deal with the Kalkaroo Assets or enter into any material agreement or arrangement regarding the Kalkaroo Project, except as otherwise directed in writing by OZ Exploration;

- (iv) will maintain the Kalkaroo Tenements in full force and keep the Kalkaroo Tenements in good standing, including the payment of all fees, rents, rates and other charges levied or assessed in relation to the Kalkaroo Tenements, which shall be reimbursed (on a pro-rata basis with regard to the Kalkaroo Option Period) by OZ Exploration to the Company on demand;
 - (v) will pass to OZ Exploration any notice or communication from any government agency or other person in any way affecting the Kalkaroo Project; and
 - (vi) will grant OZ Exploration and its representatives with unrestricted access to all Project Information (as that term is defined in the Call Option Agreement) that OZ Exploration may reasonably require in order to exercise its rights and carry out its obligations under the Call Option Agreement.
- (i) **(Caveats)** OZ Exploration (or its Nominee) may lodge such caveats under the Mining Act as it thinks fit in respect of the Kalkaroo Tenements to protect its interests under the Call Option Agreement.
 - (j) **(Access)** During the Kalkaroo Option Period, OZ Exploration will have exclusive possession and use of the Kalkaroo Tenements with the right to carry out exploration activities on the Kalkaroo Tenements and the Study Program.
 - (k) **(Study Program)** During the Kalkaroo Option Period, OZ Exploration must undertake and sole fund a study and work program (**Study Program**) with the aim of progressing and completing an update to the current Kalkaroo Project pre-feasibility study. The results of the study and work program will assist OZ Exploration in determining whether or not to exercise the Kalkaroo Option.
 - (l) **(Drilling Obligation)** As part of the Study Program, OZ Exploration will undertake a minimum 5,000 metres of drilling on the Kalkaroo Tenements. Except in certain circumstances, if the drilling obligation has not been satisfied by the end of the Kalkaroo Option Period, OZ Exploration must pay to the Company a shortfall amount in accordance with the formula set out in the Call Option Agreement.
 - (m) **(TAD Incubator)** Certain aspects of the Study Program will be undertaken using OZ Minerals' TAD Incubator to rethink how project studies are undertaken and test crowd based methodologies to access global ecosystems and capability, where third parties are engaged to provide innovative solutions to projects defined by OZ Minerals.
 - (n) **(Warranties)** The Call Option Agreement contains warranties and limitations that are customary for an agreement of this nature.

2 Asset Sale Agreement

The material terms of the Asset Sale Agreement are as follows:

- (a) **(Sale and Purchase)** Upon the exercise of the Kalkaroo Option, the Company and Kalkaroo Copper will sell, and OZ Exploration will purchase, the Kalkaroo Assets on the terms and conditions of the Asset Sale Agreement.
- (b) **(Conditions Precedent)** Completion will be conditional upon the satisfaction or waiver of the following conditions:
 - (i) ministerial approval under the Mining Act and the registration of dealings in connection with the Kalkaroo Tenements unconditionally or on terms satisfactory to OZ Exploration;
 - (ii) no breach by the Company of certain warranties relating to ownership, rights to transfer, native title and cultural heritage; and

- (iii) consent by Ngadjuri Adnyamathanha Wilyakali Native Title Aboriginal Corporation RNTBC (Indigenous Corporation Number 8958) to the assignment and assumption, or novation, of the Kalkaroo Copper Project Native Title Mining Agreement from the Company to OZ Exploration with effect from Completion.
- (c) **(Consideration)** The total consideration payable by OZ Exploration for the Kalkaroo Assets is an upfront cash payment of \$205,000,000 (**Completion Payment**), and contingent consideration up to a maximum of \$200,000,000 subject to the satisfaction of the relevant milestones.
- (d) **(Contingent Consideration)** The contingent consideration comprises:
- (i) a payment of \$65,000,000, which is subject to OZ Exploration or its Related Bodies Corporate delineating and reporting a 30% or more increase, based on in-situ copper tonnes, in Measured & Indicated Mineral Resources in respect of the Kalkaroo Tenements when compared to the Measured & Indicated Mineral Resources in respect of the Kalkaroo Tenements detailed in the Company's announcement dated 30 January 2018, having taken into account any depletion of Measured & Indicated Mineral Resources due to mining activities (**Resource Payment**); and
 - (ii) a payment equal to 20% of the revenue received by OZ Exploration or its Related Bodies Corporate in each year of production from the Kalkaroo Project, following Completion, on copper prices above US\$10,000 per tonne, up to a maximum payment of \$135,000,000 (which will be indexed annually by the Consumer Price Index) (**Revenue Payments**).
- (e) **(Actions before Completion)** During the period prior to Completion under the Asset Sale Agreement, the Company and Kalkaroo Copper:
- (i) agree to deal exclusively with OZ Exploration in connection with the Kalkaroo Project;
 - (ii) except as otherwise directed in writing by OZ Exploration, undertake not to take any action or permit any omission in respect of the Kalkaroo Project that is inconsistent with the rights granted to OZ Exploration under the Call Option Agreement;
 - (iii) must not, directly or indirectly, dispose of, agree to dispose of or create any encumbrance over or in respect of the Kalkaroo Assets (including by way of an asset or share sale) or otherwise deal with the Kalkaroo Assets or enter into any material agreement or arrangement regarding the Kalkaroo Project, except as otherwise directed in writing by OZ Exploration;
 - (iv) will maintain the Kalkaroo Tenements in full force and keep the Kalkaroo Tenements in good standing, including the payment of all fees, rents, rates and other charges levied or assessed in relation to the Kalkaroo Tenements, which shall be reimbursed (on a pro-rata basis with regard to the pre-Completion period) by OZ Exploration to the Company on demand;
 - (v) will pass to OZ Exploration any notice or communication from any government agency or other person in any way affecting the Kalkaroo Project;
 - (vi) will grant OZ Exploration and its representatives with unrestricted access to all Project Information (as that term is defined in the Asset Sale Agreement) that OZ Exploration may reasonably require in order to exercise its rights and carry out its obligations under the Asset Sale Agreement; and
 - (vii) will grant OZ Exploration sole and exclusive possession and use of the Kalkaroo Tenements with the right to carry out authorised operations upon the Kalkaroo Tenements.

- (f) **(New Kalkaroo Tenements)** Subject to and with effect from Completion, the Company and Kalkaroo Copper grant OZ Exploration an exclusive right to apply for one or more new mining tenements in respect of an area wholly or partly within EL 6659 where this is required to cover a contiguous extension of the existing Kalkaroo Mineral Resource disclosed in the HAV Baseline Study for mining purposes or for any ancillary operations related to or supportive of the Kalkaroo Project.
- (g) **(MC 3828)** From Completion, OZ Exploration will have the right to establish quarrying and crushing operations on MC 3828 for the purpose of obtaining rock aggregate, provided that the Company shall have the right to purchase any crushed rock product that they require for their own purposes from OZ Exploration at cost.
- (h) **(Warranties)** The Asset Sale Agreement contains warranties and limitations that are customary for an agreement of this nature.

3 Access and Compensation Agreement

- (a) **(Conditions Precedent)** The Access and Compensation Agreement is subject to, and conditional upon, all of the Terms Sheet Conditions being satisfied or waived in accordance with the Terms Sheet **(Effective Date)**. The Terms Sheet Conditions are detailed in Section 3.6.
- (b) **(Term)** The Access and Compensation Agreement will commence on the Effective Date and will continue until the earlier of:
 - (i) the withdrawal, expiration, surrender or other termination of all of the Kalkaroo Tenements;
 - (ii) the date that OZ Exploration notifies Kalkaroo Pastoral Company that OZ Exploration no longer requires access to the Kalkaroo Tenements; and
 - (iii) termination of the Asset Sale Agreement or the termination of the Call Option Agreement in accordance with its terms, other than because of the entry into the Asset Sale Agreement.
- (c) **(Access)** Kalkaroo Pastoral Company agrees to not object and otherwise consents to OZ Exploration and its Related Body Corporate (or any of their respective representatives) having, from Completion, the right to access and traverse the Kalkaroo Station Pastoral Lease for the purposes of accessing the Kalkaroo Tenements and carrying out the authorised operations. This includes the right to access and use the existing camp site facilities on the Kalkaroo Tenements and expand them (including by the addition of demountable accommodation facilities) as reasonably required in accordance with the Access and Compensation Agreement provided that such access and use does not interfere with Kalkaroo Pastoral Company's existing usage (unless otherwise agreed by Kalkaroo Pastoral Company).
- (d) **(Authorised Operations)** Kalkaroo Pastoral Company agrees to not object to or interfere with and otherwise consents to OZ Exploration and its Related Body Corporate (or any of their respective representatives) carrying out any authorised operations reasonably required for the purposes of developing and commercialising the Kalkaroo Project.
- (e) **(Subcontractors)** Kalkaroo Pastoral Company acknowledges that OZ Exploration and its Related Body Corporate (or any of their respective representatives) may engaged sub-contractors to undertake any or all of the authorised operations and that OZ Exploration's rights under subclause (c) and (d) extend to authorising its sub-contractors to exercise any OZ Exploration's rights under the Access and Compensation Agreement.

- (f) **(Infrastructure)** Kalkaroo Pastoral Company consents and agrees not to object to OZ Exploration and its Related Bodies Corporate (or any of their respective representatives) to have access to and use of the Kalkaroo Station Pastoral Lease for the operation, construction and installation of certain infrastructure for the Kalkaroo Project.
- (g) **(Notification)** OZ Exploration must notify and consult with Kalkaroo Pastoral Company prior to undertaking authorised operations to minimise interference by those authorised operations on the Kalkaroo Pastoral Company's pastoral activities.
- (h) **(Compensation)** In consideration for the access rights, OZ Exploration will pay the Company an annual payment that is paid quarterly in advance, equal to two times the annual Kalkaroo Tenements rent, capped at \$500 per day on the basis of 365 day year indexed by the Consumer Price Index (**Access Fee**). OZ Exploration may set-off against the Access Fee due and payable for the period immediately following the relevant payment date, any daily rate that was paid on the previous payment date, for any number of days during the period immediately preceding the relevant payment date in which OZ Exploration's access rights to the Kalkaroo Station Pastoral Lease was delayed, prevented or otherwise interfered with, due to any act or omission by the Kalkaroo Pastoral Company (or any of its representatives).
- (i) **(Indemnity)** OZ Exploration indemnifies Kalkaroo Pastoral Company from and in respect of any and all claims incurred as a result of any death or personal injury or any damage or destruction or loss of property of any person whatsoever caused by OZ Exploration or its presence or that of OZ Exploration's representatives on any part of the Kalkaroo Station Pastoral Lease held from time to time by Kalkaroo Pastoral Company except to the extent that the relevant loss was caused, or contributed to (directly or indirectly), by Kalkaroo Pastoral Company or its Related Body Corporate (or any of their respective representatives).
- (j) **(Right of First Refusal)** OZ Exploration has a right of first refusal to purchase the Kalkaroo Station Pastoral Lease if the Kalkaroo Pastoral Company decides to dispose of it (other than a disposal to a Related Body Corporate). This right of first refusal will cease if Completion does not occur, if OZ Exploration withdraws from the Kalkaroo Option or where the Kalkaroo Option is not exercised during the Kalkaroo Option Period.
- (k) **(Encumbrance)** Kalkaroo Pastoral Company must not create or grant an encumbrance (other than the existing Boss Uranium Pty Ltd encumbrance in relation to the Kalkaroo Station Pastoral Lease) over its interest under the Access and Compensation Agreement or the Kalkaroo Station Pastoral Lease unless OZ Exploration gives its prior written consent.

Kalkaroo Pastoral Company must use its best endeavours to procure that National Australia Bank Limited (**NAB**) enters into a tripartite agreement with OZ Exploration and Kalkaroo Pastoral Company (and their respective Related Bodies Corporate, as applicable), within 20 business days after the date of the agreement, on terms satisfactory to the Company and OZ Exploration (acting reasonably) under which NAB:

- (i) acknowledges Kalkaroo Pastoral Company's obligations and OZ Exploration's rights under the agreement, and OZ Exploration's access rights to the Kalkaroo Station Pastoral Lease under the Terms Sheet and the Call Option Agreement;
- (ii) agrees to exercise its rights of sale under the NAB mortgage, subject to Kalkaroo Pastoral Company's obligations and OZ Exploration's rights under the agreement.

(NAB Deed).

If the NAB Deed is not entered into within 30 days after the Effective Date, Kalkaroo Pastoral Company must no later than 90 days after the Effective Date, take all action necessary to discharge that NAB mortgage and any other encumbrance over the Kalkaroo Station Pastoral Lease that secures an obligation of any person so that the Kalkaroo Station Pastoral Lease is free of encumbrances for the purposes of allowing OZ Exploration to exercise its rights of first refusal under the agreement.

- (l) **(Warranties)** The Access and Compensation Agreement contains mutual warranties that are customary for an agreement of this nature.

4 Strategic Alliance Agreement

- (a) **(Conditions Precedent)** The Strategic Alliance Agreement is subject to, and conditional upon, all of the Terms Sheet Conditions being satisfied or waived in accordance with the Terms Sheet **(Effective Date)**. The Terms Sheet Conditions are detailed in Section 3.6.
- (b) **(Term)** The Strategic Alliance Agreement commences on the Effective Date and continues until the agreement is terminated in accordance with its terms.
- (c) **(Strategic Alliance)** With effect from the Effective Date, the Company and OZ Exploration agree to establish an alliance to be known as the Curnamona Province Strategic Alliance **(Strategic Alliance)**. The purpose of the Strategic Alliance is to undertake the Alliance Activities during the Alliance Period with a view to the identification of AOI Discoveries and the progression of DOIs.
- (d) **(Extension of Alliance Period)** The Company and OZ Exploration may, at any time prior to the end of the Alliance Period, agree to extend the Alliance Period to allow any unused Upfront Investment to be directed towards incomplete or new Alliance Activities as approved by the Stakeholder Team, provided the Alliance Period may only be extended by a maximum of three months.
- (e) **(Alliance Manager)** The Company will be the initial manager for the Alliance Activities during the Alliance Period **(Alliance Manager)**. The Alliance Manager may be removed in certain circumstances including, but not limited to, by unanimous resolution of the Stakeholder Team or where the Alliance Manager commits fraud, gross negligence or wilful misconduct.
- (f) **(Upfront Investment)** OZ Exploration will pay the Company \$1,000,000 per month for each month during the Alliance Period up to a maximum of \$18,000,000 **(Upfront Investment)** of which 50% must be used for costs and expenses incurred in relation to the Alliance Activities. The Upfront Investment must be repaid at the end of the Alliance Period unless such funds have already been committed to work programs or other expenses that have been approved by the Stakeholder Team which cannot be discontinued or suspended, or if the Company and OZ Exploration agree to extend the Alliance Period.
- (g) **(Stakeholder Team)** On and from the Effective Date, the Company and OZ Exploration will establish and maintain a stakeholder team **(Stakeholder Team)** to oversee (amongst other things):
- (i) and direct the activities of the Alliance Manager in the implementation of Alliance Activities and the approval of any variations to the Alliance Activities Program;
 - (ii) the identification of an AOI Discovery, the approval of any proposed DOI work program and the progression of a DOI pursuant to this agreement;

- (iii) the Study Program pursuant to the Call Option Agreement; and
 - (iv) the TAD Incubator pursuant to the Call Option Agreement.
- (h) **(AOI Discovery)** If the Alliance Manager makes an AOI Discovery during the Alliance Period, it must promptly report the AOI Discovery to OZ Exploration (through the Stakeholder Team).
- (i) **(Notification of DOI)** OZ Exploration may notify the Company, at any time during the Alliance Period, that an AOI Discovery is a DOI. OZ Exploration may not select more than three DOIs at any given time and may give notice to the Company, any time during the Alliance Period, that a previously identified DOI is no longer to be classified as a DOI.
- (j) **(DOI Work Program)** If OZ Exploration makes a notification under item (i), OZ Exploration must provide the Company with a proposed work program in relation to the DOI, which must be approved by the Stakeholder Team. If approved, OZ Exploration must use reasonable efforts to complete the DOI work program within the period of time set out in the work program, sole fund the work program and progressively report and provide copies to the Company of the results of the work program activities.
- (k) **(Joint Venture)** Subject to any shareholder approval required by the Company, OZ Exploration or OZ Minerals being obtained, if OZ Exploration defines an initial JORC Mineral Resource pursuant to a DOI work program in relation to a particular DOI then:
- (i) OZ Exploration must notify the Company in writing of that fact; and
 - (ii) a joint venture will form between OZ Exploration and the Company (or its Related Body Corporate that holds the joint venture tenements) under which the initial joint venture interests of the participants will be:
 - (A) OZE: 70%; and
 - (B) the Company: 30%; and
 - (iii) the Company and OZ Exploration must execute all documents and forms necessary to transfer a 70% interest in the joint venture tenements (free from all encumbrances) to OZ Exploration.

At any time during the period that OZ Exploration carries out a DOI work program with respect to a particular DOI, OZ Exploration may request that the parties negotiate the form of the joint venture agreement in respect of that DOI. Promptly after receipt of such request from OZ Exploration, the parties will negotiate in good faith the form of the joint venture agreement based on the key terms annexed to the Strategic Alliance Agreement.

- (l) **(Key Terms)** Until such time that the Company and OZ Exploration enter into a joint venture agreement, the following key terms will govern the joint venture:
- (i) OZ Exploration will sole fund all joint venture expenditure from the joint venture formation date until a final mining investment decision to proceed with a commercial mining operation (**Sole Funding Period**);
 - (ii) OZ Exploration may at any time prior to the end of the Sole Funding Period, withdraw from the joint venture by giving the Company not less than 30 days' notice of its intention to withdraw;
 - (iii) following the end of the Sole Funding Period, each joint venture participant will contribute to joint venture expenditure in proportion to their respective participating interests in the joint venture from time to time;

- (iv) each of the joint venture participants will have the right and privilege of receiving in kind and separately disposing of mineral product (but excluding untreated ores) in the same percentage as their respective participating interests in the joint venture from time to time;
- (v) the rights and liabilities of the joint venture participants are several in proportion to their respective interests in the joint venture from time to time and shall not be either joint or joint and several;
- (vi) OZ Exploration will be the initial manager of the joint venture and will be entitled to remain the manager for so long as it has a joint venture interest of at least 50% unless removed for wilful misconduct;
- (vii) a joint venture operating committee will be established with each joint venture participant being entitled to appoint two representatives as members of the joint venture operating committee;
- (viii) if the joint venture participants unanimously vote in favour of a decision to commence mining operations, then each joint venture participant will be bound to contribute (in proportion to its joint venture interest) to the costs of development, provided that the participants will be given a reasonable period of time in which to raise the funding it requires to bring the mining operations into operation. If the Company has not given notice to OZ Exploration that it has successfully raised the required funding, the Company will be deemed to have voted against the decision to commence mining operations and OZ Exploration will have the option to buy the whole of the Company's joint venture interest; and
- (ix) each joint venture participant will have rights of pre-emption in relation to each other participant's joint venture interest provided that either participant may assign its joint venture interest to a Related Body Corporate without triggering the pre-emptive right.

The key terms otherwise reflect terms which are customary to a joint venture of this nature.

- (m) **(Preferred Marketing Agent)** The Company agrees to appoint OZ Exploration (or its nominee) as its preferred marketing agent for the Company's joint venture share of any mineral product (including concentrate or other product but excluding untreated ores) **(HAV Mineral Product Share)** in all markets on arm's length commercial terms and conditions. If the Company is not satisfied (acting reasonably) with any offer to purchase their HAV Mineral Product Share organised by OZ Exploration, the Company will be entitled to market their HAV Mineral Product Share. If the Company receives an offer to purchase their HAV Mineral Product Share as a result of their marketing **(Offer)**, the Company must give OZ Exploration the option to purchase the HAV Mineral Product Share on the same terms and conditions of the Offer.
- (n) **(Right of Last Refusal)** If OZ Exploration provides notice that a DOI is no longer a DOI or fails to define a JORC Mineral Resource within the time period set out in the DOI work program, OZ Exploration will have a right of last refusal in relation to the sale and processing of copper ore obtained from the DOI, subject to Completion having occurred.
- (o) **(Right of First Refusal)** The Company will also grant OZ Exploration a right of first refusal to purchase the Company's interest in an AOI Discovery in the event that the Company intends to dispose of its interest in an AOI Discovery, subject to exercise of the Kalkaroo Option.
- (p) **(Warranties)** The Strategic Alliance Agreement contains warranties and limitations that are customary for an agreement of this nature.

- (q) **(Termination)** The Strategic Alliance Agreement may be terminated by mutual agreement between OZ Exploration and the Company or automatically if the Call Option Agreement terminates because notice has been given that OZ Exploration does not intend to exercise the Kalkaroo Option. The Strategic Alliance Agreement may be terminated by:
- (i) the Company if OZ Exploration:
 - (A) or OZ Minerals suffers an insolvency event; or
 - (B) commits a material breach of the Strategic Alliance Agreement and:
 - (I) fails to remedy the breach within 10 business days after being given notice by the Company to do so; or
 - (II) such breach is not capable of being remedied; or
 - (ii) OZ Exploration if the Company:
 - (A) or any of its Related Bodies Corporate suffers an insolvency event;
 - (B) the Company commits a material breach of this agreement and:
 - (I) fails to remedy the breach within 10 business days after being given notice by OZ Exploration to do so; or
 - (II) such breach is not capable of being remedied;
 - (C) a warranty given by the Company was not true and correct in all material respects at the time it was made and:
 - (I) the Company fails to remedy the breach within 10 business days after being given notice by OZ Exploration to do so; or
 - (II) such warranty is not capable of being remedied; or
 - (D) OZ Exploration considers, acting reasonably, that access to the relevant parts of any AOI Tenement for the purpose of conducting Alliance Activities is being delayed, prevented or otherwise frustrated, including as a result of:
 - (I) the acts or omissions of the relevant landowners in respect of the relevant parts of any AOI Tenement (including where access arrangements cannot be determined with the landowner); or
 - (II) the inability to obtain native title and other clearance surveys on the relevant parts of any AOI Tenement.

5 Guarantee Deeds

OZ Minerals and the Company will enter into separate guarantee deeds to guarantee the performance of their respective Related Bodies Corporate under the Transaction Documents. The material terms of the Guarantee Deeds are as follows:

- (a) The Company:
 - (i) unconditionally and irrevocably guarantees to OZ Exploration the

- (A) due and punctual performance and observance of all the obligations, undertakings, covenants, indemnities and warranties under the Transaction Documents of its Related Bodies Corporate that are a party to the Transaction Documents (**the HAV Subsidiaries**) (**Guaranteed Performance**); and
- (B) the due and punctual payment to OZ Exploration of all moneys which a HAV Subsidiary is or at any time becomes liable to pay to or for the account of OZ Exploration under or in connection with the Transaction Documents, including by way of:
 - (I) consideration, interest, fees, costs, indemnities, charges, duties or expenses; or
 - (II) payment of damages under or in relation to or as a result of any breach of or default under or in relation to any Transaction Document, including a failure to properly and adequately perform the Guaranteed Performance,

(Guaranteed Moneys);
- (ii) unconditionally and irrevocably indemnifies OZ Exploration against all loss and all costs and expenses incurred by OZ Exploration in connection with any claim (including all costs and expenses incurred as a result of action reasonably taken to avoid, dispute, object against, resist, appeal, compromise or defend a Claim and adjudication concerning a claim) which OZ Exploration may at any time suffer or incur arising from or in connection with:
 - (A) the insolvency, liquidation or winding up of a HAV Subsidiary;
 - (B) any failure to properly or adequately perform the Guaranteed Performance; or
 - (C) the Guaranteed Moneys not being, or never having been, recoverable from the Company or from a HAV Subsidiary because of any other circumstance whatsoever, including any transaction relating to the Guaranteed Moneys being void, voidable or unenforceable; and
- (iii) waives the right of set-off and the right to rely on a defence available to the HAV Subsidiaries.
- (b) OZ Minerals:
 - (i) unconditionally and irrevocably guarantees to the Company the:
 - (A) due and punctual performance and observance of all of OZ Exploration's obligations, undertakings, covenants, indemnities and warranties under the Transaction Documents (**Guaranteed Performance**); and
 - (B) the due and punctual payment to the Company of all moneys which OZ Exploration is or at any time becomes liable to pay to or for the account of the Company under or in connection with the Transaction Documents, including by way of:
 - (I) consideration, interest, fees, costs, indemnities, charges, duties or expenses; or
 - (II) payment of damages under or in relation to or as a result of any breach of or default under or in relation to any Transaction Document, including a failure to properly and adequately perform the Guaranteed Performance,

(Guaranteed Moneys);

- (ii) unconditionally and irrevocably indemnifies the Company against all loss and all costs and expenses incurred by the Company in connection with any claim (including all costs and expenses incurred as a result of action reasonably taken to avoid, dispute, object against, resist, appeal, compromise or defend a claim and adjudication concerning a claim) which the Company may at any time suffer or incur arising from or in connection with:
 - (A) the insolvency, liquidation or winding up of OZ Exploration;
 - (B) any failure to properly or adequately perform the Guaranteed Performance; or
 - (C) the Guaranteed Moneys not being, or never having been, recoverable from OZ Minerals or from OZ Exploration because of any other circumstance whatsoever, including any transaction relating to the Guaranteed Moneys being void, voidable or unenforceable; and
- (iii) waives the right of set-off and the right to rely on a defence available to OZ Exploration.

Schedule 4
Independent Expert's Report



HAVILAH RESOURCES LIMITED
Independent Expert's Report

OPINION: Fair and reasonable

19 July 2022



FINANCIAL SERVICES GUIDE

Dated: 19 July 2022

This Financial Services Guide ('FSG') helps you decide whether to use any of the financial services offered by BDO Corporate Finance (SA) Pty Ltd ('BDO Corporate Finance, we, us, our').

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 259983
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide general advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$75,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 7, 420 King William Street, Adelaide SA 5000, or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 24 hours or if that timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than **30 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11839).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Toll free: 1800 931 678
Email: info@afca.org

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au.

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The Directors
Havilah Resources Limited
107 Rundle Street
KENT TOWN SA 5067

19 July 2022

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 17 May 2022, Havilah Resources Limited ('Havilah' or the 'Company') announced that it had entered into a conditional binding agreement with OZ Minerals Limited ('OZL') and OZ Exploration Pty Ltd ('OZE') in relation to a proposed transaction ('Terms Sheet'). As per the condition in the Terms Sheet, the parties are entering into additional transaction documents which are intended to replace the relevant provisions of the Terms Sheet ('Additional Documents').

Part of the proposed transaction specified in the Terms Sheet is the grant of an option ('Kalkaroo Option') to purchase the Kalkaroo copper-gold-cobalt project ('Kalkaroo Project') to OZE ('Kalkaroo Transaction').

2. Summary and Opinion

2.1 Requirement for the report

The directors of Havilah have requested that BDO Corporate Finance (SA) Pty Ltd ('BDO') prepare an independent expert's report ('Report' or 'IER') to express an opinion as to whether or not the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, shareholders of Havilah ('Shareholders'), in satisfaction of one of the conditions precedent in the Terms Sheet.

Our Report is prepared at the request of the Directors of Havilah in connection with Shareholder approval that is being sought under ASX Listing Rule 11.2 and is to be included in the Notice of Meeting ('NoM') for Havilah in order to assist the Shareholders in their decision whether to approve the Kalkaroo Transaction.

2.2 Approach

There is no statutory requirement for the Directors of Havilah ('Directors') to commission an IER in relation to the Kalkaroo Transaction. However, as a matter of good governance, Shareholder approval is being sought under ASX Listing Rule 11.2 and the Directors of Havilah have requested that BDO prepare an IER stating whether, in BDO's opinion, the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, Shareholders and the reasons for that opinion.

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

For the purposes of our Report, we consider Shareholders have the following alternatives to consider in approving the Kalkaroo Transaction:

- To reject the Kalkaroo Transaction and for Havilah to undertake the development of the Kalkaroo Project through the raising of debt and equity;
- To approve the Kalkaroo Transaction based upon the exercise of the Kalkaroo Option.

Given the approval or rejection of the Kalkaroo Transaction will not affect the other assets and liabilities of Havilah, we have expressed our analysis of the alternatives for Shareholders as an increment in value to an ordinary share in Havilah ('Havilah Share').

In arriving at our opinion, we have assessed the terms of the Kalkaroo Transaction as outlined in the body of this Report. We have considered:

- How the incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project, compares to the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option;
- The likelihood of a superior offer being made to Havilah;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Kalkaroo Transaction; and
- The position of Shareholders should the Kalkaroo Transaction not be approved.

2.3 Opinion

Given that Shareholders are required to vote on one resolution regarding approval of the Kalkaroo Transaction, we outline a single opinion for the Kalkaroo Transaction.

We have considered the terms of the Kalkaroo Transaction as outlined in the body of this Report and have concluded that, in the absence of a superior offer and any other relevant information, the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, Shareholders.

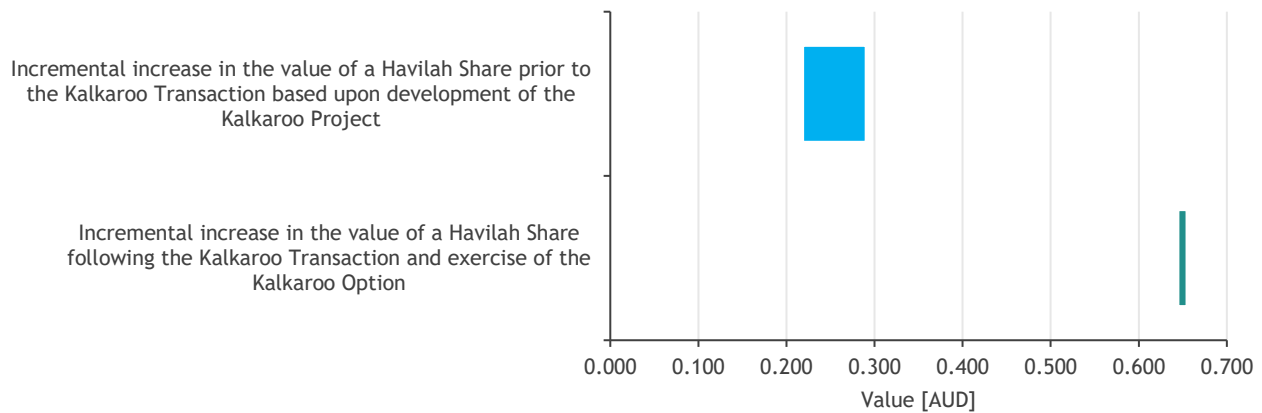
2.4 Fairness

In Sections 10 and 11 we determined the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option, is greater than the incremental increase in value of a Havilah Share prior to Kalkaroo Transaction based upon development of the Kalkaroo Project, as detailed below.

	Ref	Low AUD	Preferred AUD	High AUD
Incremental increase in value of a Havilah Share prior the Kalkaroo Transaction based upon development of the Kalkaroo Project	10	0.219	0.253	0.290
Incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option	11	0.645	0.645	0.645

Source: BDO analysis

Valuation Summary



Source: BDO analysis

The above pricing indicates that, in absence of any other relevant information, and a superior offer, the Kalkaroo Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this Report, in terms of both:

- Advantages and disadvantages of the Kalkaroo Transaction; and
- Other considerations, including the position of Shareholders if the Kalkaroo Transaction does not proceed and the consequences of not approving the Kalkaroo Transaction.

In our opinion, the position of Shareholders if the Kalkaroo Transaction is approved is more advantageous than the position if the Kalkaroo Transaction is not approved. Accordingly, in the absence of any other relevant information or a superior offer, we consider that the Kalkaroo Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3.1.	The Kalkaroo Transaction is fair	13.4.1.	Shareholders' risk profile may change
13.3.2.	Non-dilutive source of funding for current exploration activities		
13.3.3.	Opportunity to develop a strategic partnership with OZL		
13.3.4.	Provides non-dilutive funding to explore value of other projects		
13.3.5.	Removal of risks associated with developing the Kalkaroo Project		
13.3.6.	Opportunity to receive Contingent Consideration		
13.3.7.	Provides non-dilutive funding for Kalkaroo exploration activities upon non-exercise of Kalkaroo Option		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposals
13.2	Consequences of not approving the Kalkaroo Transaction

3. Scope of the Report

3.1 Purpose of the Report

There is no requirement under ASX Listing Rules or Corporations Act for Havilah to engage an independent expert in relation to the Kalkaroo Transaction.

Notwithstanding the above, as a matter of good governance, Shareholder approval is being sought under ASX Listing Rule 11.2 and the Directors of Havilah have engaged BDO to prepare this report for provision to Shareholders to assist them in deciding whether to accept or reject the Kalkaroo Transaction.

A condition precedent in the Terms Sheet is Havilah obtaining a report from an independent expert opining that the Kalkaroo Transaction is in the best interest of Shareholders (including where the report opines that the Kalkaroo Transaction is ‘not fair but reasonable’) (**‘IER Condition’**).

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of ‘fair and reasonable’. In determining whether the Kalkaroo Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is ‘fair and reasonable’ for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test— that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’, as in a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Kalkaroo Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Kalkaroo Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Fairness relates to questions of value whereas reasonableness relates to other factors that arise out of the transaction.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project, and the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option, (fairness - see Section 12 'Is the Kalkaroo Transaction Fair?').
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Kalkaroo Transaction, after reference to the value derived above (reasonableness - see Section 13 'Is the Kalkaroo Transaction Reasonable?').

A proposal that is "fair and reasonable" or "not fair but reasonable" would be in the best interests of security holders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

On 17 May 2022, Havilah announced that it had executed a conditional binding Terms Sheet with OZL and OZE pursuant to which Havilah proposed to:

- Grant OZE the Kalkaroo Option;
- Grant OZE access to Havilah’s Kalkaroo Station Pastoral Lease; and
- Form a strategic alliance with OZE for the purpose of conducting further exploration for copper in the Curnamona Province of north-eastern South Australia (**‘Strategic Alliance’**);

cumulatively, the above transaction is referred to as the “Proposed Transaction”.

As per the condition in the Terms Sheet, the parties are entering into **Additional Documents**.

Havilah is seeking Shareholder approval to proceed with the Proposed Transaction.

Part of the Proposed Transaction is the grant of the Kalkaroo Option to OZE. The material terms of the Kalkaroo Option are as follows:

- OZE may exercise the Kalkaroo Option within the 18 month period commencing from the date all of the conditions in the Terms Sheet are satisfied, unless extended in certain circumstances (up to a maximum of 30 months from the date all of the conditions in the Terms Sheet are satisfied) (**‘Option Period’**);
- OZE will have exclusive possession and use of the Kalkaroo Tenements during the Option Period;
- OZE will undertake and sole fund a study program and drilling during the Option Period, with the aim of progressing and completing an update to the current Kalkaroo Project pre-feasibility study, the results of which will assist OZE in determining whether or not to exercise the Kalkaroo Option;
- OZE may elect to withdraw from the Kalkaroo Option at any time during the Option Period;
- If OZE choose to exercise the Kalkaroo Option, Havilah will enter into an asset sale agreement with OZE for the sale of the Kalkaroo Project (and certain associated assets) to OZE for an upfront consideration of \$205 million subject to completion, which is conditional on the satisfaction of certain completion conditions as specified in the asset sale agreement (**‘Completion Payment’**);
- Subject to the exercise of the Kalkaroo Option and completion of the acquisition of the Kalkaroo Project, and achievement of certain milestones as specified in the asset sale agreement, the following deferred contingent consideration (**‘Contingent Consideration’**) may be payable by OZE:
 - \$65 million cash upon a 30% or more increase, based on in-situ copper tonnes, in Measured and Indicated Mineral Resources in respect of the Kalkaroo Tenements when compared to the current Measured and Indicated Mineral Resources in respect of the Kalkaroo Tenements detailed in Havilah’s announcement dated 30 January 2018, taking into account depletion of Measured and Indicated Resources due to mining activities (**‘Resource Payment’**); and
 - a payment equal to 20% of the revenue received by OZE (or its Related Bodies Corporate) in each year of production from the Kalkaroo Project following completion on copper prices above US\$10,000 / tonne, up to a maximum payment of \$135,000,000 (indexed to CPI (Australia)) (**‘Revenue Payment’**);

together, the above transaction is referred to as the “Kalkaroo Transaction”.

Under the Strategic Alliance, OZE will pay Havilah \$1 million per month during the Alliance Period (capped at \$18 million) ('**Upfront Investment**'). The "Alliance Period" will commence from the date all of the conditions in the Terms Sheet are satisfied and will terminate on:

- The date the Strategic Alliance agreement is terminated in accordance with its terms;
- The date that is 18 months from the date all of the conditions in the Terms Sheet are satisfied unless extended by the parties in certain circumstances (up to a maximum of 30 months from the date all of the conditions in the Terms Sheet are satisfied); and
- If the Kalkaroo Option is exercised, the date on which completion occurs or the date of termination of the asset sale agreement in accordance with its terms.

Havilah must direct 50% of the Upfront Investment to activities aimed at the discovery, location and delineation of copper dominant mineralisation and work relating to possible development and exploration of minerals within certain areas of the Curnamona Province as specified in the Strategic Alliance agreement.

Including the Upfront Investment, OZE expects to spend up to \$76 million during the Alliance Period to undertake studies and for exploration activities at the Kalkaroo Project and on alliance activities.

5. Profile of Havilah

5.1 History

Havilah is an ASX-listed mineral exploration and development company, with a portfolio of iron ore, copper, gold, cobalt, and uranium mineral tenements located in the Curnamona Province of South Australia. The Company's flagship mineral project is the Kalkaroo copper-gold-cobalt Project. Havilah also owns 100% of the Mutooroo copper-cobalt-gold Project, the Maldorky, Grants and Grants Basin iron ore exploration projects, and a substantial portfolio of under-explored tenements in the surrounding areas, comprising the Mutooroo Regional Exploration Area, Central Curnamona Regional Exploration Area, and Jupiter Regional Exploration Area. In addition, Havilah holds two joint venture agreements.

Havilah's head office is located in Adelaide, South Australia and its current board and senior management are set out below:

- Dr Christopher Giles - Executive Director
- Mr Victor Previn - Non-Executive Director
- Mr Simon Gray - Executive Director and Company Secretary
- Mr Richard Buckley - Senior Mine Planning Engineer
- Mr Travis Just - Chief Geologist

5.2 Projects

Kalkaroo Copper-Gold-Cobalt Project

The Kalkaroo Project is Havilah's flagship mineral project, located 400 kilometres ('km') north-east of Adelaide and 95km north-west of the mining town of Broken Hill. The project comprises a 100.1 million tonne ('mt') JORC Ore Reserve that is capable of supporting a large-scale open pit mining operation for over at least 13 years. Havilah has already secured the required mining permits for the Kalkaroo Project, and owns the Kalkaroo Station Pastoral Lease, a 534km² non-mineral asset on which Kalkaroo is located, reducing the land access risks for the project.

Havilah has formulated a strategic plan to develop the Kalkaroo deposit, commencing with a lower capital expenditure operation that initially focuses on mining the comparatively shallow and soft oxidised gold and native copper ore at West Kalkaroo. The proposed West Kalkaroo gold open pit is located at the very western part of the Kalkaroo deposit. Havilah has stated it is planned to produce 80,000 to 90,000 ounces of gold and 5,000 ounces of native copper over an initial 3-to-4-year period.

The priority during 2021 was to progress the West Kalkaroo gold open pit permitting work, feasibility study and financing options with the aim of advancing towards development during 2022. Sterilisation holes were also completed in the vicinity of the planned locations of key infrastructure to ensure that they will not be built too close to potentially economic mineralisation.

Mutooroo Copper-Cobalt-Gold Project

The Mutooroo project ('**Mutooroo**') is a lode-style copper and cobalt deposit, located approximately 500km by road north-east of Adelaide in South Australia, close to the New South Wales border and 60km south-west of Broken Hill. It contains 195,000 tonnes of Copper, 20,000 tonnes of cobalt and 82,100 ounces of gold in Measured, Indicated, and Inferred JORC Mineral Resources.

Havilah is undertaking a Preliminary Feasibility Study ('**PFS**') on Mutooroo as a proposed 1 million tonne per annum throughput copper and cobalt producer, based on current JORC Measured Resources, initially from an open cut mine that transitions to a longer term underground mining operation. The present drilling campaign is designed to boost open pit resources to sustain an initial 5-year open pit mining operation.

Maldorky Iron Ore Project

Located approximately 450km by road north-east of Adelaide and 90km south-west of Broken Hill, the Maldorky project ('**Maldorky**') comprises five tenements spanning close to 9km², prospective in iron ore.

Havilah completed initial drilling in Maldorky in 2010, with an initial JORC Indicated resource estimate of 147 million tonnes at 30.1% iron in 2011. The resource is contained in a flat orebody with a thin overburden, making it well suited to a low-cost open pit mine operation, which is proposed in three stages.

Havilah has applied for a mining lease for Maldorky. Granting of the mining lease for Maldorky is dependent on obtaining a signed Native Title Mining Agreement and successful land access negotiations.

Grants and Grants Basin Iron Ore Projects

The Grants Deposit ('**Grants**') and nearby Grants Basin exploration target are located north of Havilah's Maldorky project, approximately 80km west-south-west of Broken Hill. Initial drilling was undertaken by Havilah at Grants in 2012, identifying a JORC inferred resourced 304 million tonnes of 24% iron and geology favourable for an open pit mining operation. Grants Basin spans an area of 17.1km² located to the east of Grants and is largely unexplored to date.

Havilah states the iron ore appears to be geologically and mineralogically similar to Havilah's nearby Maldorky iron ore deposit and other Braemor region iron ore deposits. Havilah states this combined with the favourable logistics and deposit mining geometry, means the deposit is well suited to a low-cost open pit mining operation.

Uranium Projects

Havilah owns a 100% interest in the Oban uranium deposit and a number of surrounding exploration tenements prospective in uranium, located 520km northeast of Adelaide and 100km northwest of Broken Hill.

Havilah is currently investigating joint venture opportunities to further progress exploration at its uranium deposit.

The Benagerie Royalty

Havilah acquired the North Portia copper-gold-cobalt project ('**North Portia**') in 2003 and in partnership with Consolidating Mining & Civil Pty Ltd ('**CMC**'), explored, financed and developed the Portia Gold Mine ('**Portia**'), which is located 120km northwest of Broken Hill in south-western New South Wales. Mining commenced at Portia in March 2015 and first production was achieved in April 2016.

In November 2017, Havilah announced the modification of the existing 50/50 joint operation and revenue sharing agreement with CMC for Portia. Under the new agreement, CMC assumed full responsibility and costs for the day-to-day operations of Portia, in exchange for a 15% gold revenue stream to be paid to Havilah.

In July 2018, Havilah completed a further agreement with CMC to divest of Havilah's wholly owned subsidiary, Benagerie Gold Pty Ltd ('**Benagerie**'), which is the project vehicle for Portia and North Portia, for staged consideration of \$14.7 million and a 2% net smelter return ('**NSR**') royalty. Under the royalty agreement, Havilah will receive 2% NSR royalty on all commodity sales from the Benagerie mining license (comprising the Portia and North Portia), which will increase to 3.25% on all copper once 101,400 tonnes of copper have been produced and sold. Should the quarterly royalty be less than \$0.30 million by November 2020, Havilah will receive guaranteed payments of \$0.30 million per quarter until that date.

In April 2019, Havilah announced revised terms of the divestment of Benagerie, detailing total consideration of \$12 million plus a 1.5% NSR royalty and accelerated payments to Havilah. The new agreement also eliminated the 3.25% NSR royalty on copper sales, the minimum payment guarantee and Havilah's previous permitting obligations.

Prospect Hill Joint Venture

During September 2007, Havilah entered into a farm in agreement with Teale and Associates Pty Ltd for the Prospect Hill tin project ('**Prospect Hill**'), through which it can earn up to an 85% interest in the associated tenements.

The project is located on the northern margins of the Flinders Ranges in South Australia and following initial drilling in the 1980 has been identified as the state's largest known tin resource. Havilah has since completed two rounds of additional drilling to earn a 65% interest in the project and have the option to earn another 20% by completing a bankable feasibility study.

5.3 Historical statement of consolidated financial position

[AUD] in thousands	As at 31-Jul-20 Audited	As at 31-Jul-21 Audited	As at 31-Jan-22 Reviewed
Current assets			
Cash and cash equivalents	1,484	4,007	2,028
Trade and other receivables	102	63	112
Other assets	89	83	22
Total current assets	1,675	4,153	2,162
Non-current assets			
Exploration and evaluation expenditure	35,570	37,347	38,546
Property, plant and equipment	2,668	2,584	2,846
Other financial assets	920	601	439
Total non-current assets	39,158	40,532	41,831
Total assets	40,833	44,685	43,993
Current liabilities			
Trade and other payables	470	676	398
Borrowings	75	10	19
Provisions	519	571	592
Other current financial liabilities	543	159	-
Total current liabilities	1,607	1,416	1,009
Non-current liabilities			
Borrowings	64	53	95
Deferred grants	-	112	106
Total non-current liabilities	64	165	201
Total liabilities	1,671	1,581	1,210
Net assets	39,162	43,104	42,783
Equity			
Contributed equity	76,907	82,830	83,412
Reserves	(1,654)	(1,347)	(1,476)
Accumulated losses	(36,091)	(38,379)	(39,153)
Total equity	39,162	43,104	42,783

Source: Havilah's Interim Financial Report for the half-year ended 31 January 2022 and Annual Report for the year ended 31 July 2021.

Commentary on the consolidated historical statement of financial position

We note the following in regards to Havilah's consolidated historical statement of financial position:

- Exploration and evaluation expenditure carried forward increased during the financial half year to \$38.55 million, primarily due to \$1.28 million incurred on the Kalkaroo Project and Mutooroo Project. The Kalkaroo Project comprises \$18.92 million of exploration and evaluation expenditure at 31 January 2022.

- Other non-current financial assets includes Havilah's equity investment in ASX listed Auteco Minerals Ltd, valued at \$0.38 million at 31 January 2022.
- The groups total liabilities decreased from 31 July 2021 to 31 January 2022, predominantly due to final settlement with the Australian Tax Office on a prior financial period Research & Development amendment, and partial settlement of trade and other payables.
- The Company issued 3,529,529 new fully paid ordinary shares during the financial half year, with contributed equity increasing by \$0.58 million as at 31 January 2022. Funds raised will be used for ongoing working capital requirements.

5.4 Historical statement of consolidated comprehensive income

[AUD] in thousands	Year ended 31-Jul-20 Audited	Year ended 31-Jul-21 Audited	Half year ended 31-Jan-22 Reviewed
Income			
Revenue	123	149	27
Other income	1,170	521	50
Gain (loss) on revaluation of financial assets	826	(320)	(163)
Expenses			
Employee benefit expenses (net)	(2,070)	(1,451)	(971)
Impairment of capitalised exploration & evaluation expenditure	(107)	-	-
Finance costs	(178)	(56)	(13)
Depreciation expense	(310)	(96)	(45)
Impairment of plant and equipment	(200)	-	-
Write-down of CMC receivable	(2,595)	-	-
Extraordinary General Meeting expenses	(405)	-	-
Exploration and evaluation expenditure expensed	(374)	(399)	(54)
Share registrar, ASIC and ASX listing fees	(156)	(193)	(37)
Insurance expense	(136)	(109)	(84)
Investor relation costs	(65)	(149)	(23)
Consulting fees	(161)	(63)	(8)
Other expenses	(88)	(198)	(18)
Loss before income tax	(4,726)	(2,362)	(1,338)
Income tax expense	-	-	-
Total comprehensive loss	(4,726)	(2,362)	(1,338)

Source: Havilah's Interim Financial Report for the half-year ended 31 January 2022 and Annual Report for the year ended 31 July 2021.

Commentary on the historical consolidated statement of profit or loss and other comprehensive income

We note the following in regards to Havilah's historical consolidated statement of profit or loss and other comprehensive income:

- The loss on revaluation of financial assets of \$162,000 for the half year ended 31 January 2022 related to the Company's equity investment in Auteco Minerals Ltd.
- During the half year ended 31 January 2022, the net employee benefit expense of \$970,000 included share-based payment expenses of \$435,000 associated with unlisted share options.
- Partially offsetting the loss for the financial half year was revenue associated with Portia Gold Mine royalty revenue of \$27,000, diesel fuel rebates received of \$11,000, and overhead recovery on accelerated discovery initiative grant of \$39,000.

5.5 Capital Structure

The share structure of Havilah as at 28 June 2022 is outlined below:

	Number
Total ordinary shares on issue	316,599,210
Top 20 Shareholders	162,416,469
Top 20 Shareholders - % of shares on issue	51.30

Source: Havilah Share Registry

The range of shares held in Havilah as at 28 June 2022 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1-1,000	261	68,679	0.02
1,001-5,000	1,087	3,453,145	1.09
5,001-10,000	622	4,749,203	1.50
10,001-100,000	1,352	48,428,572	15.30
100,001 - and over	331	259,899,611	82.09
Total	3,653	316,599,210	100.0%

Source: Havilah Share Registry

The ordinary shares held by the most significant Shareholders as at 28 June 2022 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
BNP Paribas Pty Ltd ACF Clearstream	24,441,189	7.72
BNP Paribas Noms Pty Ltd (DRP)	20,007,403	6.32
First Names (Jersey) Limited	18,014,442	5.69
Trindal Pty Ltd (The Wilpena A/C)	17,457,718	5.51
Subtotal	79,920,752	25.24
Others	236,678,458	74.76
Total Ordinary Shares on Issue	316,599,210	100.00

Source: Havilah Share Registry

The most significant option holders of Havilah as at 31 January 2022 are outlined below:

Name	Number of Options	Exercise Price (AUD)	Expiry Date
Employee options	2,950,646	\$0.22	11 July 2023
Employee options	3,006,228	\$0.28	11 July 2023
Employee options	4,400,000	\$0.25	30 April 2024
Director options	7,000,000	\$0.265	22 December 2024
Total	17,356,874		

Source: Havilah's Interim Financial Report for the half-year ended 31 January 2022 and Annual Report for the year ended 31 July 2021.

6. Profile of OZ Minerals Limited

6.1 History

OZL is an ASX-listed mineral exploration and development company, with a portfolio of copper, gold, silver, nickel, iron oxide, zinc, and lead deposits. OZE is a wholly owned subsidiary of OZL. OZL's most significant projects are outlined below. References to "OZL" in this Report includes OZL's related bodies corporate.

6.2 Projects

Prominent Hill Project

Prominent Hill is a well-established underground copper, gold and silver mine located 650km north-west of Adelaide in South Australia. The mine is a reliable, low-cost producer and has delivered on annual production guidance for the last seven years. In 2021, Prominent Hill produced 62,927 tonnes of copper and 141,676 ounces of gold.

Carrapateena Project

Carrapateena is an iron-oxide-copper-gold underground mine located in the highly prospective Gawler Craton in South Australia. Carrapateena first produced concentrate in December 2019 and has since ramped up to a steady state production rate. In 2021, it produced 55,262 tonnes of copper and 89,778 ounces of gold.

West Musgrave Project

The West Musgrave Project is a major copper-nickel sulphide deposit located in the Musgrave Province of Western Australia, approximately 1,300km northeast of Perth, close to Western Australia's border with the Northern Territory and South Australia. The project is currently in its final study phase with regulatory approvals progressing and a final investment decision expected in the second half of 2022.

Carajás Project

The Carajás Province in Northern Brazil hosts some of the best undeveloped copper-gold resources in the world. The project is still in the pre-feasibility stage with technical study updates expected in the second half of 2022.

7. Economic analysis

7.1 Global overview

The upward pressure on inflation over the second half of 2021 has persisted and the global economic outlook remains uncertain. Inflation in many advanced economies increased in March and is now expected to reach 6-9 per cent during 2022. The recent increase in inflation largely reflects the increase in energy, food and other commodity prices associated with the Russian invasion of Ukraine.

The rise in global inflation has exceeded the increase in wages growth, eroding households' purchasing power across a wide range of economics. Lower-income households are particularly affected by higher fuel and food costs. The impact of higher commodity prices will boost national incomes for some economies but be negative for overall global growth. European economies are especially affected, due to their reliance on Russian gas.

Central banks in many advanced economies have begun to withdraw the extraordinary monetary stimulus introduced during the pandemic by increasing policy rates and announcing plans to reduce their asset holdings. Government bond yields have risen considerably, and financial conditions for households and businesses have become less accommodative in many economies.

In China, conditions have become significantly more challenging as a result of the recent outbreaks of COVID-19 and stringent restrictions on mobility in some cities. Restrictions have reduced consumer spending and the production of manufactured goods, adding to the challenge facing the government in meeting its recently announced growth target.

7.2 Australia

The Australian economy staged a strong recovery in late 2021 and timely indicators suggest economic activity has remained resilient to the Omicron outbreak and the east coast floods in early 2022. The underlying strength in the economy has been particularly evident in the labour market, where conditions are the most robust in many years. Strong labour demand and fiscal measures are supporting growth in household income, although recent large increases in food and energy prices are having a significant negative impact on household budgets. Inflation in Australia is high and global factors account for much of the increase in inflation in Australia, but domestic factors are also playing a role. More broadly, the increase in commodity prices following Russia's invasion of Ukraine has boosted national income, mainly in the form of elevated profits for companies in the resources sector and higher government tax revenue.

Labour market

The unemployment rate declined to 3.9 percent in May, the lowest in almost 50 years - amid strong labour demand. This demand has been met by firms increasing both headcount and hours of existing staff. Overall, the supply of labour has been responsive to the strong demand for labour, with the participation rate increasing to a record high of 66.4 percent in March, and the employment to working age population ratio also increasing to a historically high level.

Commodity prices

Commodity prices are at an elevated level when compared with recent years, which has boosted Australia's terms of trade and national income. The RBA Index of Commodity Prices remain at high levels, which are forecast to boost financial income via dividend payments from the resources sector.

Interest rates

Average interest rates on new fixed and variable rate loans continued to diverge over the March quarter. The average rate of new fixed rate housing loans rose by almost 85 basis points from its historical low in mid-2021, following significant increases in swap rates. While increases in interest rates of fixed rate loans have been broadly based, the largest increases have been on loans with fixed rate terms of more than two years.

Interest rates on outstanding business loans have drifted down slightly or been little changed across most types of loans over the recent months. However, interest rates on new business loans have increased or been little changed for most types of loans over the same period. Average interest rates on loans for small and medium businesses have picked up, following the rise in longer-term swap rates.

Increase in interest rates in June and July, flowing from RBA's increase to the cash rate target totalling 100 basis points, is a further step in the withdrawal of the extraordinary monetary support that was put in place to help insure the Australian economy against the worst possible effects of the pandemic. The RBA expects to take further steps in the process of normalising monetary conditions in Australia over the months ahead.

Australian dollar

The Australian Dollar is approximately 4 percent lower than at the start of the year, after earlier rises in the year which had been supported by the elevated level of commodity prices. The Australian Dollar depreciated markedly against the US dollar in June, alongside the appreciation of the US dollar and outlook for Chinese activity.

Source: www.rba.gov.au *Statement on Monetary Policy May 2022, Statement by Philip Lowe, Governor: Monetary Policy Decision 5 July 2022, Index of Commodity Prices June 2022*

8. Industry analysis

8.1 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years. However, more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mine production	2,957	3,167	3,272	3,366	3,515	3,579	3,653	3,599	3,473	3,561
Net producer hedging	(45)	(28)	105	13	38	(26)	(12)	6	(52)	(44)
Recycled gold	1,637	1,197	1,132	1,070	1,233	1,111	1,132	1,273	1,302	1,150
Total supply	4,549	4,336	4,509	4,449	4,786	4,664	4,773	4,878	4,723	4,667

Source: World Gold Council Full Year and Quarter 4 2021 Statistics, 28 January 2022

Historically, the price of gold is negatively correlated with the prices of other asset classes during times of uncertainty and financial crises. Growing uncertainty on the back of the recent COVID-19 outbreak has caused the price of gold to rally, as investors demand the high liquidity that gold provides. Whilst the Russian invasion of Ukraine has positively supported gold demand and prices and is likely to continue in the very near term.

The global gold price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by domestic industry operators. A weaker Australian Dollar benefits the domestic industry by boosting Australian dollar denominated returns on gold sales, likely resulting in higher volumes.

Gold ore mining trends

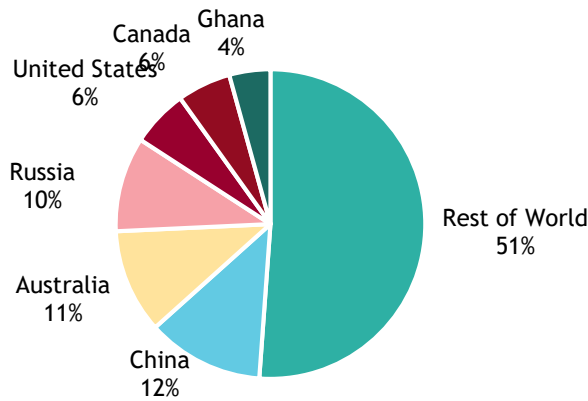
Gold ore mining is a capital intensive and high-cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse, with China and Australia leading global gold production, closely followed by Russia. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2021 was approximately 3,000 metric tonnes. The chart below illustrates the estimated global gold production by country for 2021.

According to the World Gold Council, global gold production increased 2% in 2021 reversing some of the effects of COVID-19 encountered in 2020. The virus led to fewer interruptions in global mine production in contrast to 2020, although a number of gold mine operational issues and lower grades of the commodity dominated the December 2021 quarter. The decrease in supply was hardest felt in China as production fell by 10%, whilst production also fell by 8% in Burkina Faso and 7% in Australia.

The World Gold Council expects total production to remain largely unchanged in 2022, with expected growth in mine supply due to fewer COVID-19 disruptions, and ramp-ups at various mines, being offset once again by a fall in recycling.

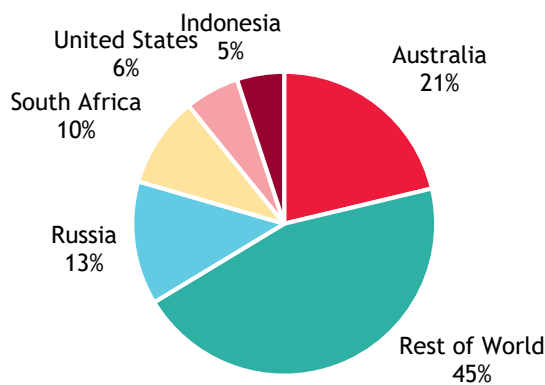
Gold Production by Country 2021



Source: 2022 USGS and BDO analysis

Despite China leading global gold production in 2021, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 44% of global gold reserves.

Gold Reserves by Country 2021

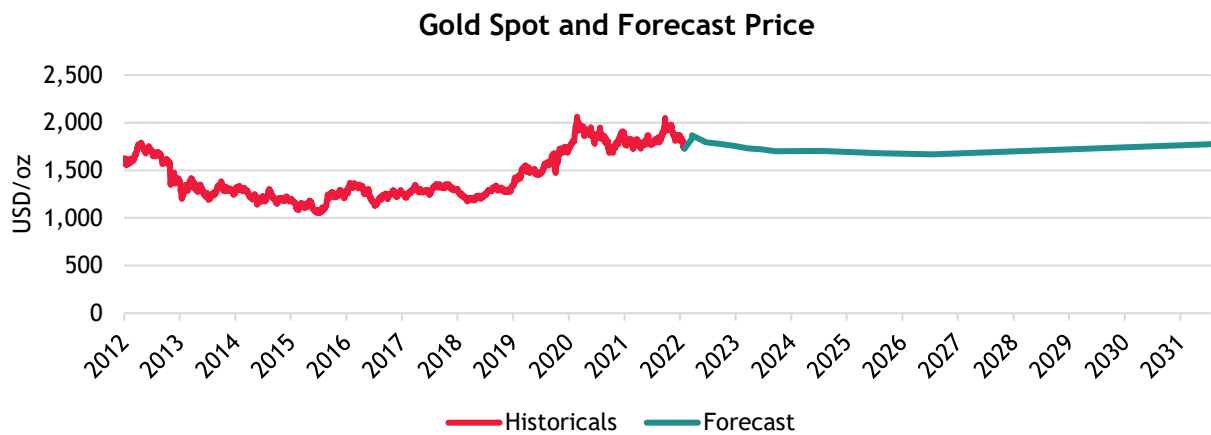


Source: 2022 USGS and BDO analysis

According to the 2022 USGS, Australia’s gold reserves amount to 11,000 tonnes, representing 21% of global reserves and the largest percentage held by any one country. IBISWorld estimates domestic industry revenue will fall by an annualised 2.3% over the five-year period through to 2025-26, dropping to approximately \$23.6 billion. This is largely expected to be the result of stabilising economic conditions and rising operating costs.

Gold prices

The gold spot price since June 2012 and forecast prices through to 2031 are depicted in the graph below.



Source: Bloomberg and Consensus Economics

Gold prices fluctuated significantly throughout 2020. Demand for gold increased in response to the uncertainty created by the global spread of COVID-19, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst the growing uncertainty caused by the crisis. Gold spot prices fell to a yearly low of USD1,471/oz, before rallying in late July and early August to exceed USD2,000/oz. Gold prices reached a record high of approximately USD2,064/oz on 6 August 2020, before declining slightly below the USD2,000/oz mark through to November 2020.

In January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over USD1,900/oz after remaining in the USD1,800s/oz through most of December 2020. During March 2021, the price of gold fell below USD1,700 for the first time in eight months as rising US treasury yields threatened gold’s appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. Demand was also weakened by increased consumer confidence in the gradual reopening of global economies as COVID-19 vaccination rates rose.

Concerns regarding the spread of the Delta variant increased the safe haven appeal of gold, which saw the price of gold climb to back above the USD1,800/oz mark in early July 2021. The price of gold slipped by over 4% in early August, reaching a four-month low as the US Federal Reserve signalled policy tightening sooner than anticipated. The price of gold steadily declined to approximately USD1,700/oz by the end of September 2021. Weakness in demand over September and October was driven by a rise in US treasury yields and a stronger US dollar. Following the US Federal Reserve’s announcement to reduce purchases of Government bonds, gold prices significantly strengthened over the course of November 2021 to surpass

USD1,850/oz. The US CPI revealed an inflation rate of 7.5% over the 12 months to January 2022, its highest level in four decades, which fuelled ongoing concerns surrounding high inflation leading to an increase in the price of gold.

Gold prices increased to above USD2,000/oz in March 2022, on the back of the Russia's invasion of Ukraine. In the second quarter of 2022 gold edged lower, before dropping below USD1,800/oz in July 2022. Gold's pullback was largely driven by aggressive monetary policy from top central banks and an elevated US dollar. Gold usually benefits from high inflation, but rising interest rates translate into a higher opportunity cost of holding gold, which is a non-interest-bearing asset. There has also been speculation that recession worries have caused a reduction in demand across a range of commodities.

According to Consensus Economics forecasts, the price of gold is forecast to decline over the medium term but remain high in comparison to historical levels.

Source: Bloomberg, Consensus Economics, IBISWorld and Reuters

8.2 Copper

Copper is a soft, malleable, ductile metal used primarily for its electrical and thermal conductive properties and its resistance to corrosion. It is highly versatile and has a variety of applications in construction, electrical and electronic components, communications and transportation.

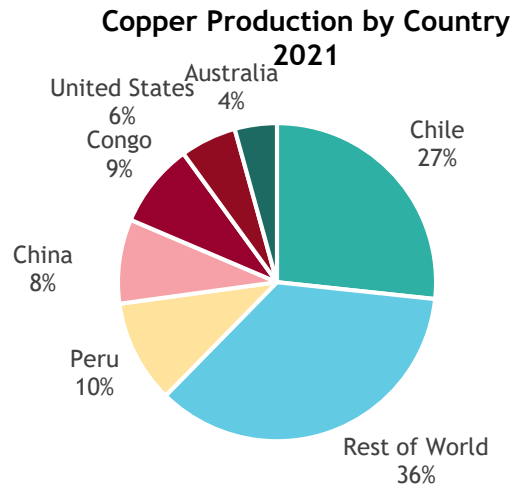
Copper occurs naturally in the Earth's crust in a variety of forms such as sulphide deposits, carbonate deposits and silicate deposits. Open pit mining is widely utilised in most copper producing countries although in Australia, approximately 93% of output is extracted through underground mining. Copper is often found in conjunction with gold, lead, cobalt or zinc, and a number of industry operators mine these metals and ores as well.

Copper concentrate is derived from an oxide through beneficiation processes and is then converted to copper products through smelting and refining. Copper is also 100% recyclable and approximately 80% of the copper ever produced is still in use today.

Copper Production

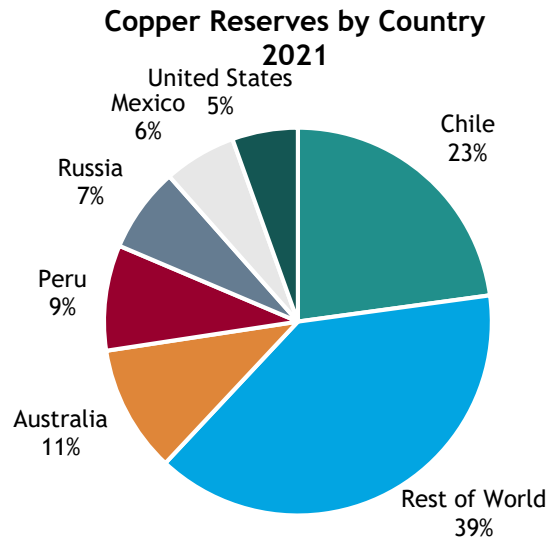
Most of the world's copper supply is sourced from Central and South America, specifically, Chile and Peru. Chile is the leading copper producer, with an estimated 5.60million tonnes of copper mined throughout 2021, equating to approximately 27% of the world copper production. However, there is continuing uncertainty around Peru and Chile's production as protests activities at Peru's Las Bambas mine are an ongoing risk, and production at Chile's Escondida mine continues to decline quarter-on-quarter due to lower feed grade. Production at the new Kamoakakula mine in the Democratic Republic of Congo ('DRC') is expected to ease immediate supply shortages in 2022 and concerns thereof. The Department of Industry, Science, Energy and Resources expects global copper production to grow up to 23.0Mt in 2022, from 21.0Mt in 2021. There are strong incentives for development projects resulting from expectations of future demand growth and current high prices, reflecting market tightness.

The graph below exhibits estimated production output for 2021, according to the United States Geological Survey:



Source: 2021 USGS and BDO analysis

Australia’s copper reserves are second only to Chile’s according to the USGS. As depicted in the chart below, Chile, Australia and Peru are estimated to collectively account for approximately 43% of global reserves of copper.



Source: 2021 USGS and BDO analysis

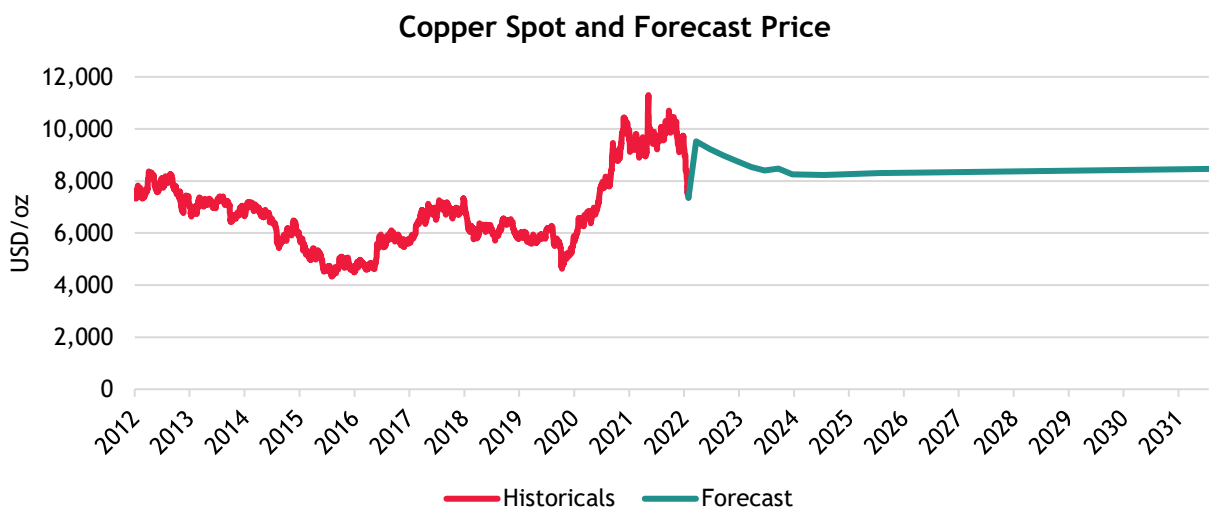
Copper Prices

Between 2012 and 2017, the copper price steadily declined, before increasing in price in mid-February 2017 as a result of strike action at the world’s largest copper mine Escondida, located in Chile. The average copper price traded around USD7,000/t for most of 2018 but then traded lower around USD6,000/t for most of 2019.

Global uncertainty as a result of the COVID pandemic was a key catalyst in the decline in copper prices throughout the first quarter of 2020, with prices dropping to a 4-year low of USD4,625/t on 23 March 2020. The subsequent decline in global production stemming from global lockdown laws in April and May 2020, coupled with an improvement in copper demand from China, caused prices to spike over the remainder of 2020. Chinese government stimulus measures further increased Chinese demand, with the industry experiencing supply constraints and an excess of demand, which pushed the price to exceed USD10,000/t in May and June 2021. The price of copper hit USD11,000/t in October 2021, which was likely the result of the unrest at the Las Bambas mine and concerns regarding the impact of rising energy prices on copper output. In January 2022 copper prices fell as concerns over Chinese demand escalated. Prices picked up in February 2022, supported by low copper inventories in exchange houses around the world. Ongoing supply tightness, falling Chilean output and rising energy costs saw copper prices remain above USD10,000/t for most of March 2022. However, in July 2022, copper prices slumped to the lowest they had been since early February 2021, with recession fears weighing on prices.

According to Consensus Economics forecasts, the price of copper is forecast to decline over the medium term but remain high in comparison to historical levels.

A summary of the historical spot price of copper, based on the quoted price on the London Metals Exchange in USD per tonne, and forecasts to 2031 (in nominal terms, free on board) are illustrated in the chart below:



Source: Bloomberg and Consensus Economics

Copper Outlook

Following three years of stagnation, resulting primarily from COVID-19 related restrictions and workforce absenteeism, the ICSG anticipates global copper production to grow by approximately 5% in both 2022 and 2023. Global copper production is expected to benefit from commencing, or newly commenced, major projects including Kamo-a-Kakula in the Democratic Republic of Congo, Quellaveco in Peru, and Spence-SGO and Quebrada Blanca QB2 in Chile.

Global refined copper production is forecasted to grow by approximately 4.3% and 3.6% in 2022 and 2023 respectively. This is primarily supported by the continued expansion of Chinese electrolytic capacity, and new and expanding operations in the DRC.

The ICSG also expects sustained growth in copper demand as it remains an essential commodity to economic activity, particularly in today's modern technological society. Infrastructure development in China and India as well as the trend towards cleaner energy is expected to support demand for the metal. World apparent refined usage is expected to increase by around 1.9% and 2.8% in 2022 and 2023 respectively. The usage growth was revised to 1.9% citing a weaker global economic outlook resulting from the negative impact of COVID-19 related lockdowns in China and the war in Ukraine. Overall, global refined copper balance projections indicate a surplus of about 142,000t in 2022, and 352,000t in 2023.

As the global economy shifts towards decarbonisation and electrification, it is expected that the demand for copper production will follow. Copper has become synonymous with a low-carbon economy as it is a highly efficient conductor of electricity and heat and is utilized in renewable energy systems to generate power from solar, hydro, thermal and wind energy across the world. Renewable energy currently provides approximately one quarter of the world's power and is expected to grow, as the Joe Biden administration has set goals for 100% renewable energy in the US power sector by 2035. The International Copper Association ('ICA') forecast that the global copper demand for use in solar and wind energy systems is expected to rise by 56% by 2027, with China being a leading catalyst due to their desired switch to renewable energy systems. The role of copper as a forward-facing metal stems from being one of the few materials that can be recycled 100 percent repeatedly without a loss in performance, as annually nearly as much copper is recovered from recycled materials as is derived from newly mined ore. BHP Group Limited expect that the production of copper must double over the next 30 years to meet the demand.

Copper will also play an instrumental role in the growth of electric vehicles ('EVs'). EVs typically contain four times more copper than traditional gasoline-powered vehicles, however most of the copper demand will result from charging stations and related infrastructure to support EV growth. The demand for EVs is expected to experience significant growth over the next decade, driven by technological improvements, increased affordability, and the deployment of more electric charging stations. As a result, the ICA forecast that by 2030 more than 250,000 tonnes of copper will be used per year as part of the windings in electric traction motors, resulting in an increase in the overall demand for copper in EVs rising from 185,000 tonnes in 2017 to 1.74 million tonnes in 2027.

Source: Consensus Economics, Reuters, Emerging Market Views September 2020, Copper Development Association, International Copper Association, IDTechEx Electric Vehicle Market Factsheet June 2017.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value, where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'Sum-of-Parts' valuation ('Sum-of-Parts').

Given the approval or rejection of the Kalkaroo Transaction will not affect the other assets and liabilities of Havilah, we have expressed our analysis of the alternatives for Shareholders as an increment in value to a Havilah Share.

In our assessment of whether the Kalkaroo Transaction is fair for Shareholders, we have assessed the transaction as follows:

- A comparison between the incremental increase in value of a Havilah Share prior the Kalkaroo Transaction based upon development of the Kalkaroo Project and the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option.

9.1 Incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project

In our assessment of the incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project, we have chosen to employ the Sum-of-Parts methodology.

Sum-of-Parts

We have employed the Sum-of-Parts method in estimating the incremental increase in value of a Havilah Share by aggregating the estimated fair market values of the components of the Kalkaroo Project, having consideration to the following:

- The value of Havilah's 100% interest in the development of the Kalkaroo Project ('Kalkaroo Development') (applying the DCF methodology); and
- The value of Havilah's interest in the residual resources of the Kalkaroo Project not included in the Kalkaroo Development.

DCF methodology

We have chosen the DCF methodology to value the Kalkaroo Development for the following reasons:

- Cash flows from the Kalkaroo Development have a finite life and these cash flows may vary substantially from year to year, rendering it suitable for a DCF valuation.
- A PFS has been completed for the Kalkaroo Development and a reserve has been identified by Havilah. In our opinion, the life of mine model provides a sufficiently reasonable basis to apply the DCF methodology.
- The information that we have been provided to assist with our DCF in relation to the Kalkaroo Development includes the following:
 - A detailed cash flow model for the Kalkaroo Development prepared by the management of Havilah with the assistance of advisors; and
 - The Independent Technical Specialist's Report prepared by AMC Consultants Pty Ltd ('AMC'), assessing the technical project assumptions contained in the cash flow model of the Kalkaroo Development.

Notional capital raising

In our Sum-of-Parts valuation approach we have assumed that Havilah will need to raise the capital required for the Kalkaroo Development through a notional capital raising.

We have considered the likely price at which Havilah will have to place its shares to a third party or to current Shareholders under a capital raising to obtain the capital required.

Whilst we understand that there may be alternatives for Havilah to raise capital, we are required by RG 111.15 to assess the funding requirements for a company that is not in financial distress when considering its value, especially when using DCF methodology. Further, ASIC's information sheet 214 states that in arriving at the fair value of the Company's securities, the expert takes into account the funding required, such as considering the increase in the number of shares on issue. This reflects that the value of the project must be shared between existing security holders and new security holders who will assist in funding the project development. Therefore, we have assumed a 'notional' capital raising that is likely to result in significant dilution for the Company in order to raise the capital.

To determine the likely issue price, we have considered the pre-announcement volume weighted average trading price ('VWAP') of a Havilah Share and the discount at which shares have been issued by ASX listed companies when compared with the prices of a Havilah Share prior to the date of the announcement of the capital raising.

Independent specialist valuations

In performing our valuation of the Kalkaroo Development using the DCF method, we have relied on the Independent Technical Specialist's Report ('ITSR') prepared by AMC based on AMC's review of the technical project assumptions contained in the cash flow model of the Kalkaroo Development, technical assessment and valuation report.

This report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) ('the Valmin Code') and the JORC Code.

A copy of AMC's Independent Technical Specialist's Report is attached in Appendix 4.

9.2 Incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option

In our assessment of the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option, we have considered the Completion Payment and funding during the Alliance Period of the Kalkaroo Transaction.

10. Incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project

We have employed the Sum-of-Parts method in estimating the incremental increase in value of a Havilah Share, prior to the Kalkaroo Transaction. We have aggregated the estimated fair market values of the components of the Kalkaroo Project, having consideration for the following:

- Value of Havilah's interest in the Kalkaroo Project;
- Cash received from a notional capital raising;
- Present value of Havilah's corporate costs; and
- Carrying value of the Kalkaroo Project.

10.1 Sum-of-Parts

The value of the components of the Kalkaroo Project considered in this valuation are reflected in the table below:

Valuation summary	Ref	[AUD] in thousands		
		Low value	Preferred value	High value
Equity value of Kalkaroo Development	10.1.1.4.	400,000	440,000	480,000
Add: valuation of the Kalkaroo mineral resource not included in the Kalkaroo Development	10.1.2.	9,000	19,000	29,300
Add: cash received from notional capital raising	10.1.3.	451,579	451,579	451,579
Less: placement fee from notional capital raising	10.1.3.	(22,579)	(22,579)	(22,579)
Less: present value of corporate costs	10.1.4.	(24,311)	(21,272)	(18,233)
Less: carrying value of Kalkaroo Project	10.1.5.	(18,920)	(18,920)	(18,920)
Incremental increase in value of Havilah		794,769	847,808	901,147
Number of Havilah shares on issue (000s)	10.1.6.	3,637,033	3,347,331	3,104,124
Incremental increase in value per share		0.219	0.253	0.290

Source: BDO analysis

The table above indicates that the incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project is between \$0.219 and \$0.290 with a preferred value of \$0.253.

10.1.1. Discounted cash flow valuation of the Kalkaroo Development

We elected to use the DCF approach in valuing the Kalkaroo Development. The DCF approach estimates the fair market value by discounting the forecast future cash flows arising from the Kalkaroo Development to their net present value. Performing a DCF valuation requires the determination of the following:

- The expected future cash flows that the Kalkaroo Development is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the Kalkaroo Development to convert them to a present value equivalent.

10.1.1.1. Future cash flows

The management of Havilah has provided a detailed cash flow model for the Kalkaroo Development (the 'Model'). The Model estimates the future cash flows expected from gold and copper production at the Kalkaroo Development based on determined JORC compliant reserves only. The Model depicts forecasts of real and nominal post-tax cash flows over the life of the mine on an annual basis. We have reviewed the model and the material assumptions that underpin it.

BDO has made certain adjustments to the Model which were considered appropriate to arrive at an adjusted model (the 'Adjusted Model'). We have used the Adjusted Model in our DCF valuation. In particular, we have adjusted the Model to reflect any changes to technical assumptions together with operating and capital costs as a result of AMC's review and any changes to the economic and other input assumptions from our research. We have also reflected the Model in cash flows on a nominal basis, only.

The Model was prepared based on estimates of a production profile, operating costs and construction and sustaining expenditure. The main assumptions underlying the Model include:

- Mining and production volumes;
- Commodity prices;
- Operating costs;
- Construction and sustaining capital expenditure and corresponding salvage values;
- Rehabilitation costs;
- Foreign exchange rates;
- Royalties and corporate tax; and
- Discount rate.

We undertook the following analysis of the Model:

- Appointed AMC as technical expert to review and, where required, provided changes to the technical assumptions underlying the Model;
- Conducted independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation, and the discount rate applicable to the future cash flows of the Kalkaroo Development;
- Held discussions with Havilah's management regarding the preparation of the forecasts in the Model and its views; and
- Performed a sensitivity analysis on the value of the Kalkaroo Development by flexing selected key assumptions and inputs.

We have undertaken a review of the cash flow forecasts in accordance with the Standard on Assurance Engagements ASAE 3450 'Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information' and do not express an opinion on the reasonableness of the assumptions or their achievability. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Model has been based have not been prepared on a reasonable basis.

Appointment of a technical expert

AMC was engaged to prepare a report providing a technical assessment of the assumptions underlying the Model. AMC’s assessment involved the review and provision of opinion on the reasonableness of the assumptions adopted in the Model, including but not limited to:

- Mining physicals (including volume mined, recovery and grade);
- Processing assumptions (including products and recovery);
- Operating costs (comprising mining, processing, refining, transport, maintenance, and administration);
- Capital expenditure (construction and sustaining capital required);
- Rehabilitation costs; and
- Other relevant assumptions.

The Kalkaroo Project is expected to have an initial mine life of 14 years.

A copy of AMC’s Independent Technical Specialist’s Report is included in Appendix 4.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management’s actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Model, as it is often the case with some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Inflation

We note that all cash flows contained in the Model are calculated on a real basis. Therefore, we have applied a forecast inflation rate to the costs in the Model to convert them to nominal cash flows.

The Kalkaroo Development is situated in South Australia, and as such the capital expenditure and operating costs are denominated in Australian Dollars (‘AUD’). Therefore, we consider the most appropriate inflation rate to apply to the cash flows in the Adjusted Model is the forecast Australian inflation rate.

Having regard to the above, we consider the application of an annual Australian inflation rate of 3% over the life of the Kalkaroo Development to be appropriate, based on consensus views of forecast inflation as sourced from Bloomberg.

Foreign exchange

The commodity prices we have assessed in the Model are denominated in US Dollars (‘USD’). As mentioned above, the capital and operating expenditure is denominated in AUD. Given that Havilah is an Australian company, and we are assessing the value of a Havilah Share in AUD, we have converted the cash flows from the sale of gold and copper in the Adjusted Model to AUD at the forecast exchange rates set out in the table below:

Exchange rates	2023	2024	2025	2026	2027+
AUDUSD	0.70	0.72	0.74	0.75	0.75

Source: Bloomberg and BDO analysis

In our assessment of foreign exchange rates, we have considered forecasts prepared by economic analysts and other publicly available information including broker consensus to arrive at our foreign exchange rate assumptions.

Pricing

The Kalkaroo Development life of mine plan includes revenue from the sale of gold and copper.

In assessing forecast gold and copper prices, we have considered:

- Most recent Consensus Economics price forecasts; and
- Historical spot and forward prices from Bloomberg.

Based on our analysis, we have adopted the following future gold and copper prices (in nominal terms):

		2023	2024	2025	2026	2027
Gold price	USD/oz	1,850	1,800	1,750	1,700	1,700
Copper price	USD/tonne	8,500	9,000	9,000	9,000	9,500

Source: Consensus Economics, Bloomberg and BDO analysis

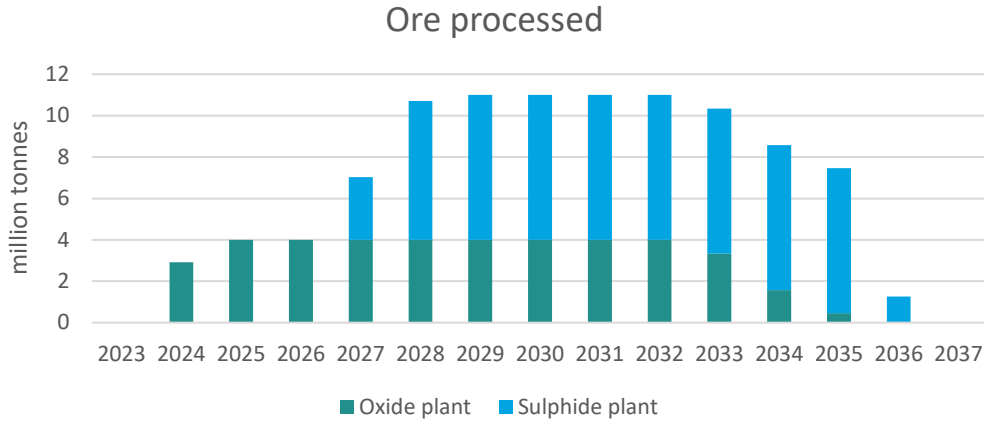
The resultant forecast gold and copper pricing we have relied on from our review of Consensus Economics and Bloomberg outlines long-term nominal prices for the period from 2027 to 2031. We have applied an inflation rate of 3% per annum (outlined above) to prices beyond 2027 on the basis that we don't not have reasonable grounds for assuming that margins are to be eroded or increased in the long term.

Mining physicals

The graph below shows the forecast ore to be mined and processed over the life of mine of the Kalkaroo Development.



Source: Adjusted Model, BDO analysis

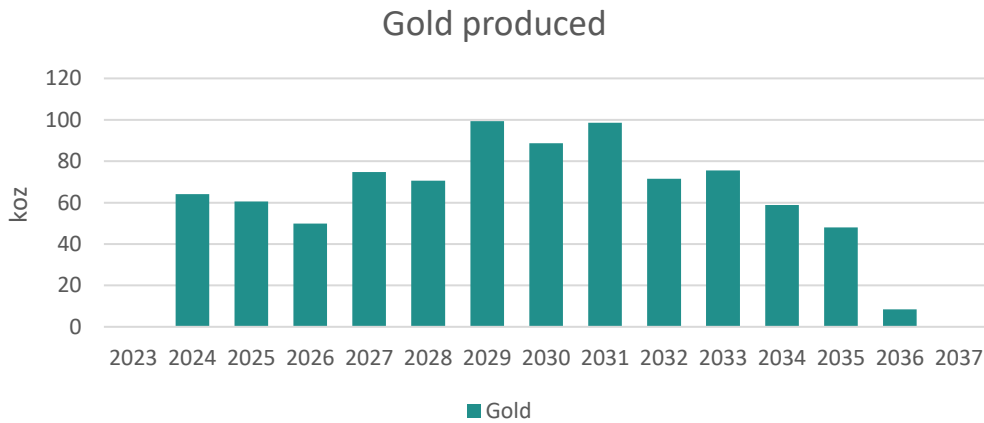


Source: Adjusted Model, BDO analysis

As illustrated in the graph above, the second processing plant that is planned for construction in 2026 and 2027, coming online part way through 2027, increasing the processing capacity of the Kalkaroo Development.

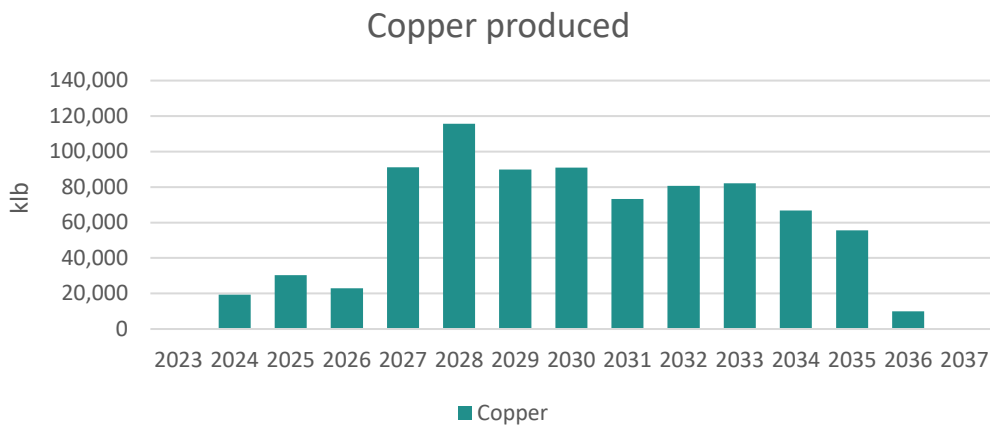
Production assumptions

The graphs below show the production forecast over the life of mine of the Kalkaroo Development.



Source: Adjusted Model, BDO analysis

As part of AMC’s review of the technical inputs of the Kalkaroo Development, AMC noted an underestimate in the gold produced in the model of approximately 29koz relative to the gold production in the processing schedule. AMC provided us with adjusted gold produced figures over the life of mine of the Kalkaroo Development.



Source: Adjusted Model, BDO analysis

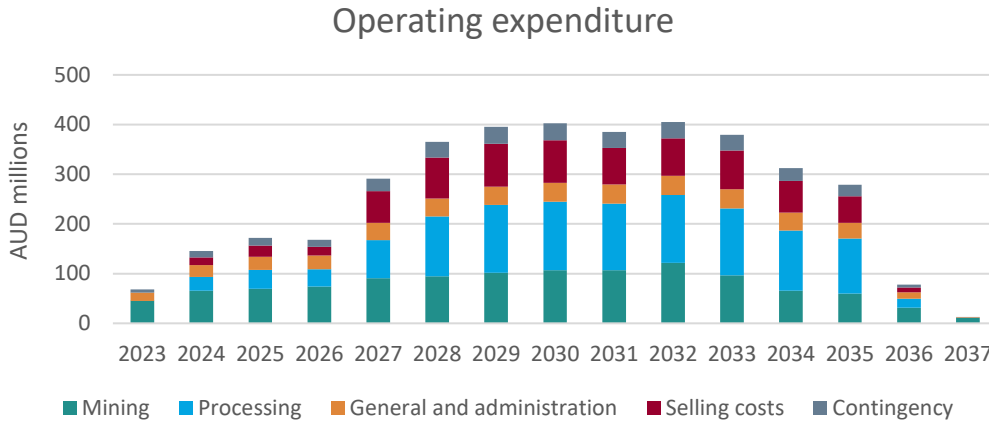
We note the significant increase in copper produced is due to the sulphide processing plant forecast to come online in 2027.

Operating costs

Operating costs included in the Adjusted Model are outlined in the graph below. AMC has noted the operating cost estimate assumptions underlying the Adjusted Model are estimated to a prefeasibility study level of accuracy, and therefore the contingencies included are appropriate. AMC has confirmed the reasonableness of the operating costs included in the Adjusted Model, stating that operating costs are within expected values based on comparable mining operations.

AMC noted that the General and Administration ('G&A') unit cost is low when compared to comparable remote mining operations and has provided us with adjusted G&A costs for inclusion in the Adjusted Model. Further detail on AMC’s assessment of the reasonableness of the operating costs at the Kalkaroo Development can be found in Appendix 4.

The graph below outlines the forecast operating costs of the Kalkaroo Development on a nominal basis over the life of mine.



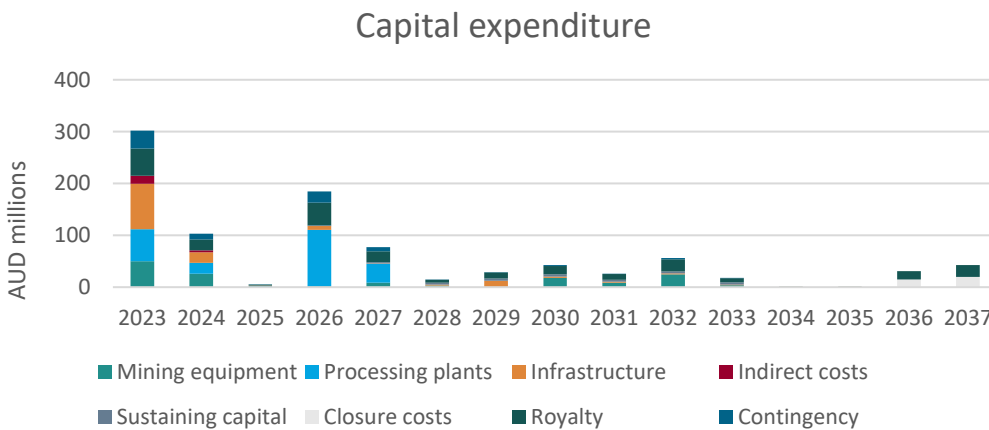
Source: Adjusted Model, BDO analysis

We note the significant increase in processing expenses in 2027 is due to the secondary sulphide processing plant coming online, increasing the processing capacity of the Kalkaroo Development from 4Mtpa to 11Mtpa.

Capital expenditure

The Kalkaroo Development is forecast to require a project investment of approximately \$934 million in nominal terms over the entire life of mine.

The forecast total capital expenditure, in nominal terms, is set out in the graph below.



Source: Adjusted Model, BDO analysis

Note the significant processing plant capital expenditure forecast for 2023 is the initial oxide processing plant with a processing capacity of 4Mtpa. The sulphide processing plant, with a maximum processing capacity of 7Mtpa, is forecast for construction in 2026 and subsequently brought online in 2027. We have considered the initial capital expenditure funding in this section and all subsequent capital expenditure is forecast to be funded from project cash flows.

We note that contingencies of between 10% and 20% are included in each capital expenditure categorisation, which was considered for reasonableness by AMC in their review.

Royalties

Havilah is liable to pay government royalties of 5% levied on all gold and copper revenues. Havilah applied a 'Reduced Royalty for New Mines' of 2% of sales for the first five years of production, which would need to be approved by South Australian Government. AMC outlined that the South Australian Government's normal royalty is 5% for concentrate products however a discount of 2% can be granted for the first five years of a new mining project. Therefore, we consider Havilah has reasonable grounds to assume such a discount.

Taxation

Taxation has been applied at the notional rate of 30% which represents the current tax rate for companies operating in Australia. Havilah's Annual Report for the year ended 31 July 2021 disclose income tax losses of \$9.6 million and the impact of these income tax losses have not been included in the assessment of the incremental increase in value of a Havilah Share.

Closure costs

A total of \$52.28 million in mine closure costs are assumed in the Adjusted Model in nominal terms, which are incurred in the final two years of the life of mine.

10.1.1.2. Discount rate

We have selected a nominal after tax discount rate in the range of 10% to 12% per annum to discount the cash flows from the Kalkaroo Development to their present value. We have used a rounded discount rate of 11% in our base case.

In selecting this range of discount rates, we have considered the following:

- The rate of return of comparable ASX listed gold and copper exploration and early-stage production companies;
- The risk profile of Havilah as compared to other gold and copper exploration and early-stage production companies; and
- The funding structure of companies with mineral assets in the development stage comparable to that of the Kalkaroo Project.

A detailed consideration of how we arrived at the adopted discount range is outlined in Appendix 3.

10.1.1.3. Sensitivity analysis

The estimated value of Kalkaroo Development is derived under the DCF approach. Our valuation is highly sensitive to changes in the forecast of operating costs, capital costs, gold and copper prices and foreign exchange rates. We have therefore included an analysis to consider the value of the Kalkaroo Development under various pricing scenarios and in applying

- Changes of + / - 10% to the gold price;
- Changes of + / - 10% to the copper price;
- Changes of + / - 10% to the capital costs;
- Changes of + / - 10% to the operating costs;
- Changes of + / - 10% to the AUD:USD exchange rate;
- Discount rates in the range of 10% to 12%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the Kalkaroo Development if our base case assumptions change.

Sensitivity analysis	NPV [AUD] in thousands	NPV [AUD] in thousands	NPV [AUD] in thousands	NPV [AUD] in thousands	NPV [AUD] in thousands
Percentage change	Gold price	Copper price	Exchange rate	Operating costs	Capital expenditure
-10.0%	365,221	276,526	700,059	580,580	489,110
-7.5%	383,683	317,162	629,791	545,451	476,600
-5.0%	402,145	357,798	563,219	510,138	464,090
-2.5%	420,608	398,434	499,684	474,604	451,580
0.0%	439,070	439,070	439,070	439,070	439,070
2.5%	457,533	479,706	381,413	403,536	426,560
5.0%	475,995	520,342	326,502	369,002	414,050
7.5%	494,457	560,978	274,144	332,468	401,540
10.0%	512,658	601,465	224,167	296,934	389,030

Source: Adjusted Model, BDO analysis

	Discount rate				
Discount rate	10.0%	10.5%	11.0%	11.5%	12.0%
NPV ([AUD] in thousands)	490,983	464,446	439,070	414,797	391,574

Source: Adjusted Model, BDO analysis

In considering the above sensitivities, Shareholders should note the following:

- The variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- The variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- The sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e., variances could be greater than the percentage increases or decreases set out in this analysis).

10.1.1.4. Conclusion on the value of Kalkaroo Development

Given the uncertainty involved with any forecast of commodity prices, exchange rates, operating costs and capital costs, we consider it appropriate to use the sensitivities outlined in Section 10.1.1.3 to form the basis of our valuation range for the Kalkaroo Development. As such, we consider the value of the Kalkaroo Development to be in the range of \$400 million to \$480 million with a most likely value of \$440 million.

10.1.2. Valuation of Kalkaroo mineral resource not included in the Kalkaroo Development

In consultation with AMC, it was agreed that AMC would provide an independent market valuation of the Kalkaroo Mineral Resource not included in the Kalkaroo Development. AMC has relied upon the yardstick approach, comparable transactions method and actual transactions method, which we consider appropriate methodologies.

The range of values, as assessed by AMC, are \$9 million to \$29.3 million with a preferred value of \$19.0 million. AMC's report detailing the value of residual resources not included in the Kalkaroo Development can be found in Appendix 4.

10.1.3. Notional capital raising

We are required by RG 111.15 to assess funding requirements for a company that is not in financial distress when considering its value, especially when using the DCF methodology. Therefore, we have assumed that Havilah would most likely fund the construction and early-stage production of the Kalkaroo Project with a combination of both debt and equity funding and consider the following notional capital raise to be the equity portion of the funding required.

We have based this assessment of a forecast capital structure based on our analysis of comparable company funding structures. The list of comparable companies contains a mix of copper and gold producers that funded the development of their projects through debt. Therefore, we have considered the capital structure of these companies as at the date of the initial drawdown of debt to derive an appropriate capital structure of Havilah when the Kalkaroo Project commences development.

Company Ticker	Company Name	Country of Operation	Commodity	D/E on Initial Drawdown
ASX:EVN	Evolution Mining Limited	Australia	Gold	44.10%
ASX:OZL	OZ Minerals Limited	Australia	Copper	49.10%
ASX:RRL	Regis Resources Limited	Australia	Gold	30.00%
ASX:SFR	Sandfire Resources Limited	Australia	Copper	153.30%
ASX:AMI	Aurelia Minerals Limited	Australia	Copper	47.40%
ASX:AIS	Aeris Minerals Limited	Australia	Copper	138.90%
ASX:HGO	Hillgrove Resources Limited	Australia	Copper	23.90%
ASX:GCY	Gascoyne Resources Limited	Australia	Gold	62.20%
Mean				67.20%
Median				45.80%

Source: Capital IQ, Bloomberg and BDO analysis

Based on our enquiries of management regarding funding options, as well as our analysis of funding structures of comparable listed companies, we consider there to be reasonable grounds to assume Havilah could obtain a debt-to-equity structure of approximately 50%.

We have assessed the funding requirement of approximately \$665 million is broadly based on the cash required to fund the construction of the oxide processing plant, initial infrastructure requirements and early-stage mining costs. We have used the borrowings of \$114,000 and total equity of \$42.78 million from Havilah's reviewed 31 January 2022 consolidated balance sheet as a base from which to add our notional debt and equity raising amounts. Therefore, at our assessed debt to equity ratio of 50%, we consider Havilah would raise \$236 million of notional debt funding and the remaining \$429 million by way of notional capital raising. We have increased the amount of notional equity funding raised to reflect our estimate of the gross amount required to meet the costs likely to be incurred in conducting the capital raising. We have assessed the costs of a capital raising to be approximately 5% of the funds raised. Therefore, Havilah will be required to raise approximately \$452 million (inclusive of a placement fee) in order to meet the funding requirements of the Kalkaroo Development. This is set out in the table below.

Cash raised through notional equity raising	[AUD] in thousands
Equity required	429,000
Placement fee	22,579
Cash raised through notional equity raising	451,579

Source: Capital IQ, Bloomberg and BDO analysis

In order to determine the likely price at which Havilah would have to place its shares to a third party, or to current Shareholders, under the notional capital raising, we considered the VWAP of Havilah's shares and the discount at which shares have been issued by ASX listed companies when compared to the respective companies' 30-day VWAP prior to the announcement of the placement.

We considered the discount at which ASX companies have issued shares over the last three years to raise capital. A summary of our results is set out in the table below.

	Offer size greater than \$100m	Capital raise to >100% market cap	Market cap <\$100m	All companies
All ASX				
No. companies	104	14	1,439	1,952
Mean	12.2%	24.9%	17.4%	16.4%
Median	7.6%	18.5%	15.7%	14.5%
All Mining				
No. companies	19	5	748	915
Mean	15.9%	11.5%	17.0%	16.6%
Median	11.3%	11.2%	15.6%	15.4%

Source: Capital IQ, Bloomberg and BDO analysis

From our analysis, the average (mean) discount for ASX listed mining companies was 16.6%. Given that the placement discounts have ranged significantly, we have also considered the median of 15.4% as this represents a better measure of central tendency.

However, given that the size of the notional capital raising required to fund the Kalkaroo Development would be more than 100% of Havilah's market capitalisation prior to the announcement of the Kalkaroo Transaction, we consider that a higher discount is required to provide a sufficient incentive for investors to participate in any raisings that Havilah performs. We have analysed placement discounts for capital raisings in which the amount raised was more than 100% of the company's market capitalisation at the time of raising and found that the median discount for ASX mining companies was 11.2% and the median across all placements on the ASX was 18.5%.

We have also assessed the discounts of capital raisings for companies with market capitalisations below \$100 million (a band in which Havilah's market capitalisation resides). The average (mean) discount across all ASX listed companies in this band was 17.4% with the median being 15.7%.

Given the above analysis and the size of the notional capital raising, we consider a placement discount in the range of 15% to 20% will be required to provide a sufficient incentive for investors to participate in any raisings that Havilah would conduct on the open market.

In Section 10.1.3.1 of our Report, we consider the QMP of Havilah's shares. From this analysis, we assessed that the value of a Havilah Share to be between \$0.17 and \$0.19 on a minority basis. Applying a discount in the range of 15% to 20% to the assessed value of a Havilah Share prior to the announcement of the Kalkaroo Transaction results in an assumed notional capital raising price of between \$0.136 and \$0.162 per share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

The table below outlines the number of new shares that will need to be issued in order to raise an equivalent of \$452 million (inclusive of a placement fee) to provide funding to develop the Kalkaroo Project at between \$0.136 and \$0.162 per share.

Number of shares issued under notional capital raise	Ref	Low	Mid	High
Equity funding required ([AUD] in thousands)		451,579	451,579	451,579
Quoted market price (minority) (AUD)	10.1.3.1	0.190	0.180	0.170
Assessed placement discount		15%	17.5%	20%
Price of capital raising (AUD)		0.162	0.149	0.136
Number of shares issued under notional capital raise ([AUD] in thousands)		2,787,525	3,030,732	3,320,434

Source: BDO analysis

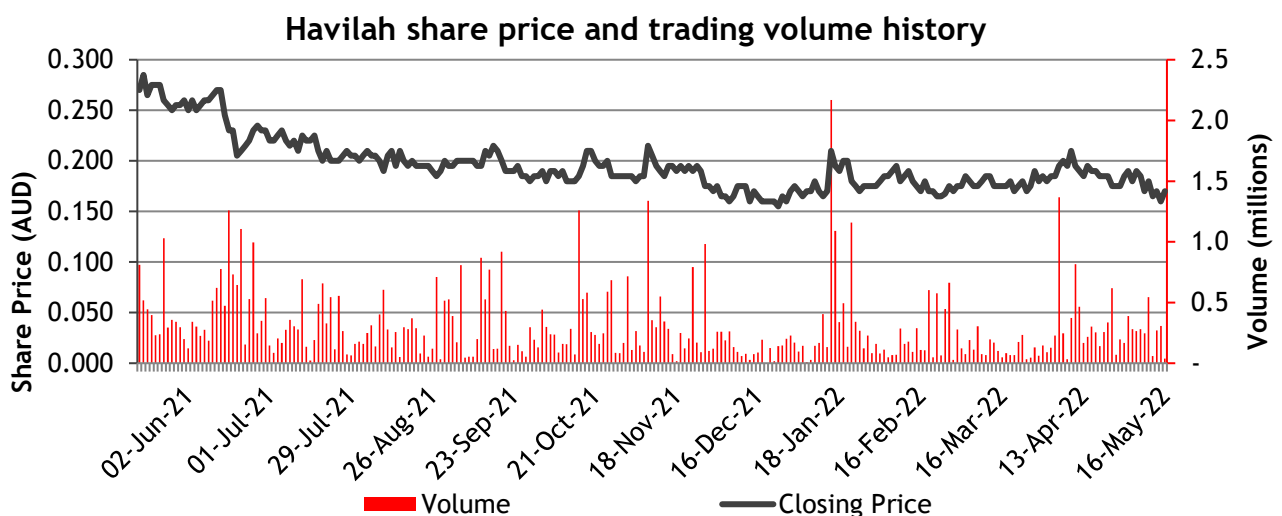
Note that any debt raised will result in a cash injection (asset) and a corresponding increase in borrowings (liability), equating to a nil effect on the consolidated balance sheet, and therefore, nil effect on our Sum-of-Parts valuation.

10.1.3.1. Quoted market prices for Havilah Securities

To provide a basis for the value of shares associated with the notional capital raise, we have assessed the quoted market price for a Havilah Share.

Our analysis of the quoted market price of a Havilah Share is based on the pricing prior to the announcement of the Kalkaroo Transaction. This is because the value of a Havilah Share after the announcement may include the effects of any change in value as a result of the Kalkaroo Transaction.

Information on the Kalkaroo Transaction was announced to the market on 17 May 2022. Therefore, the following chart provides a summary of the share prices movements over the 12 months prior to 16 May 2022, which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Havilah shares from 16 May 2021 to 16 May 2022 has ranged from a low of \$0.155 on 23 December 2021 to a high of \$0.285 on 18 May 2021. The daily volume of shares traded fluctuated largely over the year. The highest single trading day over the assessed period was on 14 January 2022, when 2,167,291 shares were traded.

To provide further analysis of the market prices for a Havilah Share, we have also considered the average market price for 10, 30, 60 and 90 day periods prior to 16 May 2022.

Share Price per unit	16-May-22	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.170				
Volume weighted average price (VWAP)		\$0.179	\$0.188	\$0.183	\$0.185

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Kalkaroo Transaction, to avoid the influence of any increase in price of Havilah shares that has occurred since the Kalkaroo Transaction was announced.

Our assessment is that a range of values for Havilah shares based on market pricing, after disregarding post announcement pricing, is between \$0.170 and \$0.190.

10.1.4. Present value of corporate costs

The Adjusted Model does not include corporate costs. Therefore, we have deducted the present value of corporate costs separately in our Sum-of-Parts valuation. This assessment of Havilah's forecast corporate costs is based on historical corporate costs incurred by the Company as well as an assessment of the corporate costs incurred by comparable companies. We have considered the corporate costs of comparable companies because we would expect that the corporate costs of Havilah are likely to increase once the Company commences production at Kalkaroo, therefore the historical level of corporate costs incurred are unlikely to reflect the future corporate costs to be incurred. The comparable companies selected for our analysis are companies of similar size, scale, and nature of operations to those operations that are included in the forecast of Kalkaroo. A summary of the companies selected, and the average corporate costs incurred over the most recent reporting periods are set out below.

Company Name	Commodity	FY21 revenue (AUDm)	Market Capitalisation at 28 June 2022(AUDm)	Average Corporate Costs for FY20 and FY21 (AUDm)
Havilah Resources Limited	Copper, Gold, Iron Ore	-	79.10	2.42
Grange Resources Limited	Iron Ore	781.70	1,527.70	4.55
Hillgrove Resources Limited	Copper, Gold	-	65.80	7.05
Willuna Mining Corporation Limited	Gold	131.50	94.20	5.33
Troy Resources Limited	Gold	59.50	30.10	2.10
Pantoro Limited	Gold, Silver	87.80	307.10	3.12
Antilles Gold Limited	Gold, Silver	-	23.70	2.02
Mean (excluding Havilah)		176.75	341.43	4.03
Median (excluding Havilah)		73.65	80.00	3.83

Source: Capital IQ, BDO analysis

	Annualised Year ended 31-Jul-22	Actual Year ended 31-Jul-21	Actual Year ended 31-Jul-20
Corporate costs (AUDm)	2.28	2.16	2.68

Source: BDO analysis

Based on the analysis above, we have assessed the level of corporate costs to be incurred by Havilah over the Kalkaroo Project life of mine to be between \$3 million and \$4 million on a real basis. We have applied our assessed forecast inflation rate for Australia of 3% per annum to the above real corporate costs and have discounted these costs at the Company's assessed WACC of 11%, the workings of which are detailed in Appendix 3.

We have also reduced the corporate cost cash flows to incorporate the tax shield received by Havilah on incurring these corporate costs.

Based on the above, we consider the present value of corporate costs to be in the range of \$18.23 million and \$24.31 million.

10.1.5. Carrying value of Kalkaroo Project

In assessing the incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction we have eliminated the exploration and evaluation expenditure in respect of the Kalkaroo Project carried on Havilah's consolidated balance sheet at 31 January 2022 of \$18.92 million. This is due to the equity value of the Kalkaroo Development (see Section 10.1.1.4) and the valuation of the Kalkaroo mineral resources not included in the Kalkaroo Development (see Section 10.1.2) together representing the total value of the Kalkaroo Project.

This provides a consistent base value for measuring the incremental increase in value of a Havilah Share across the alternatives being considered by Shareholders.

10.1.6. Number of Havilah Shares on issue

We have adjusted the number of Havilah Shares on issue to account for the notional equity raised as detailed in the Section 10.1.3. The number of Havilah Shares on issue used for our valuation is set out below.

Number of shares on issue	[AUD] in thousands		
	Low value	Preferred value	High value
Havilah Shares on issue at the date of our Report	316,599	316,599	316,599
Shares to be issued under notional capital raise	2,787,525	3,030,732	3,320,434
Total number of shares on issue prior to the Kalkaroo Transaction	3,104,124	3,347,331	3,637,033

Source: BDO analysis

We note that the low number of shares on issue forms the basis for the high end of our valuation range and the high number of shares on issue forms the low end of our valuation range.

11. Incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option

As discussed in Section 9, in our assessment of the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option, we have considered the Completion Payment and funding during the Alliance Period of the Kalkaroo Transaction.

Where OZE exercises the Kalkaroo Option, the resulting incremental increase in value of a Havilah Share is set out below:

Valuation summary	Ref	[AUD] in thousands
Investment from OZE during Alliance Period	11.1	18,000
Add: cash received from sale of Kalkaroo Project	11.2	205,000
Less: carrying value of Kalkaroo Project	11.3	(18,920)
Incremental increase in value of Havilah		204,080
Number of Havilah Shares on issue (in thousands)	5.5	316,599
Incremental increase in value per share		0.645

Source: BDO analysis

The table above indicates that the incremental increase in value of a Havilah Share following the Kalkaroo Transaction, upon exercise of the Kalkaroo Option, is \$0.645.

11.1 Investment from OZE during the Alliance Period

As discussed in Section 4 of our Report, OZE intends to invest up to \$76 million during the Alliance Period.

Pursuant to the Strategic Alliance agreement OZE will provide funding to Havilah of up to \$18 million during the Alliance Period, at least half of which will be directed towards exploration for new copper deposits.

Pursuant to OZL's announcement to the ASX released on 17 May 2022, OZE expects to invest up to an additional \$58 million into the Kalkaroo Project (in addition to the Upfront Investment) with the aim of confirming and expanding existing mineral resources and optimizing project scale and value. OZL may elect to withdraw at any time and its only obligation will be to pay the drilling shortfall payment. In the event of the exercise of the Kalkaroo Option, the value associated with this expenditure will be disposed of with the Kalkaroo Project.

We consider, in the event of exercise of the Kalkaroo Option, the Upfront Investment will directly add value to the net assets of Havilah. For the purposes of our Report, we have assessed this value as \$18 million.

11.2 Cash received from sale of Kalkaroo Project

As discussed in Section 4 of our Report, in exercising the Kalkaroo Option, OZE will purchase 100% of the Kalkaroo Project for \$205 million in cash.

11.3 Carrying value of Kalkaroo Project

The carrying value of the Kalkaroo Project on the consolidated balance sheet of Havilah at 31 January 2022 of \$18.92 million has been deducted in this scenario as, where the Kalkaroo Option is exercised, the Kalkaroo Project is disposed of.

11.4 Contingent Consideration

As discussed in Section 4 of our Report, in the scenario where the Kalkaroo Option is exercised, the Kalkaroo Transaction includes a Contingent Consideration.

Upon exercise of the Kalkaroo Option, and certain milestones being achieved as specified in the asset sale agreement, the Contingent Consideration, which consists of the Resource Payment and the Revenue Payment, may be payable by OZE to Havilah. Details of the Contingent Consideration are outlined in Section 4 of our Report.

An incremental increase in value of a Havilah Share will result upon receipt of any or all of the Contingent Consideration. The incremental increase in value of a Havilah Share based upon receipt of the maximum Contingent Consideration is detailed in the table below.

	[AUD] in thousands	Number of Havilah shares on issue	[AUD] increment per share
Resource payment	65,000	316,599	0.21
Revenue payment	135,000	316,599	0.43
Total	200,000		0.63

The table above indicates that the incremental increase in value of a Havilah Share upon receipt of the maximum Contingent Consideration, would be \$0.21 in respect of the Resource Payment and \$0.43 in respect of the Revenue Payment. These represent additional value that may flow to Shareholders over and above the incremental increase in value of \$0.645 per share arising under the scenario of the exercise of the Kalkaroo Option.

11.5 Non-exercise of the Kalkaroo Option

In our assessment of the incremental increase in value of a Havilah Share following the Kalkaroo Transaction, we have also considered the non-exercise of the Kalkaroo Option.

As detailed in Section 4 of our Report, OZE intends to invest up to \$76 million during the Alliance Period, regardless of the exercise or non-exercise of the Kalkaroo Option.

We consider, in the event of non-exercise of the Kalkaroo Option, the investment of up to \$76 million from OZE will directly add value to the net assets of Havilah, either as cash or exploration and evaluation assets.

Upon the non-exercise of the Kalkaroo Option, the Kalkaroo Project remains an asset held by Havilah, and continues to be available for development by Havilah.

12. Is the Kalkaroo Transaction fair?

A comparison between the incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project, and the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option, is set out below:

	Ref	Low AUD	Preferred AUD	High AUD
Incremental increase in value of a Havilah Share prior the Kalkaroo Transaction based upon development of the Kalkaroo Project	10	0.219	0.253	0.290
Incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option	11	0.645	0.645	0.645

Source: BDO analysis

We note from the table above that the incremental increase in value of a Havilah Share following the Kalkaroo Transaction and exercise of the Kalkaroo Option, is greater than the incremental increase in value of a Havilah Share prior to the Kalkaroo Transaction based upon development of the Kalkaroo Project.

Therefore, we consider that the Kalkaroo Transaction is fair.

13. Is the Kalkaroo Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders a premium over the value resulting from the Kalkaroo Transaction.

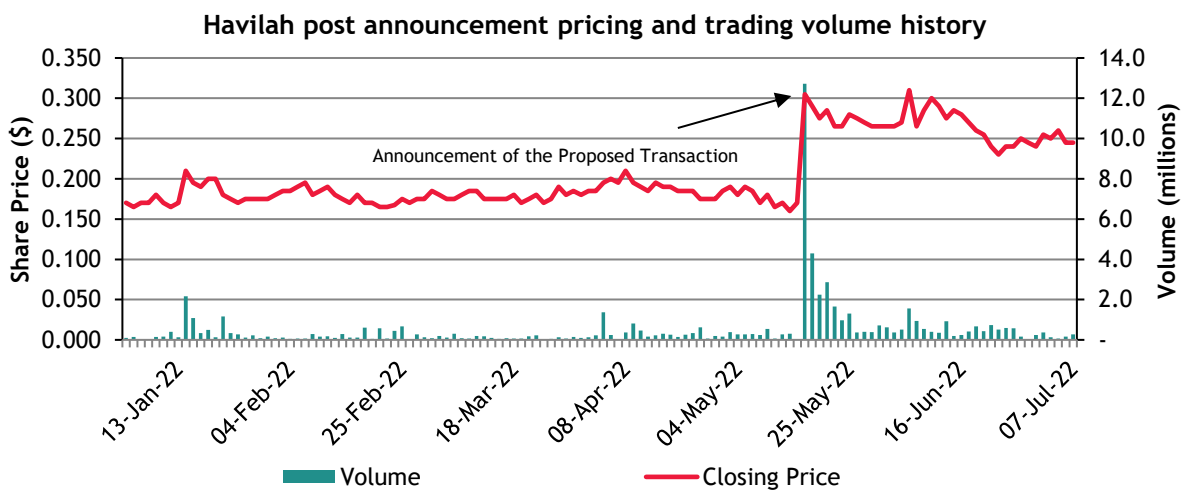
13.2 Consequences of not Approving the Kalkaroo Transaction

Consequences

If the Kalkaroo Transaction is not approved, Havilah will have to reassess its funding options and recommence the funding process for the exploration and development of the Kalkaroo Project. In Section 10 we have outlined funding requirements for Havilah to develop the Kalkaroo Project. There is no certainty that the Company will be successful in obtaining the funding it requires to fund development of the Kalkaroo Project through to definitive feasibility study stage. Furthermore, there is no certainty that the Company will be able to successfully secure alternative funding under terms that are superior to those under the Kalkaroo Transaction.

Potential impact on share price

We have analysed movements in the Havilah Share price since the Proposed Transaction was announced. A graph of the Havilah Share price and trading volume leading up to and following the announcement of the Proposed Transaction is set out below.



Source: Bloomberg

The closing price of a Havilah Share from 3 January 2022 to 7 July 2022 ranged from a low of \$0.160 on 13 May 2022 to a high of \$0.310 on 6 June 2022.

The Proposed Transaction was announced on 17 May 2022. On the date the Proposed Transaction was announced the share price closed at \$0.305, up from a closing price of \$0.170 on the previous trading day. On that day, 12,724,115 shares were traded, representing 4% of Havilah's current issued capital. Following

the announcement of the Proposed Transaction, the daily share price has fluctuated from a low of \$0.230 on 23 June 2022 to a high of \$0.310 on 6 June 2022.

Should the Proposed Transaction not be approved, there is a risk that the Havilah Share may fall back to pre-announcement levels.

13.3 Advantages of approving the Kalkaroo Transaction

We have considered the following advantages when assessing whether the Kalkaroo Transaction is reasonable.

13.3.1. The Kalkaroo Transaction is fair

As set out in Section 12, the Kalkaroo Transaction is fair to Shareholders.

13.3.2. Non-dilutive source of funding for current exploration activities

During the Alliance Period OZE will pay Havilah the Upfront Investment. Havilah must direct 50% of the Upfront Investment to activities aimed at the discovery, location and delineation of copper dominant mineralisation and work relating to possible development and exploration of minerals within certain areas of the Curnamona Province as specified in the Strategic Alliance agreement. This provides Havilah with immediate cash funding to invest into its current program of exploration projects.

The current volatile and subdued state of the markets within which Havilah is operating means that trying to source comparable funding through equity raisings would be significantly dilutive to current Shareholders.

13.3.3. Opportunity to develop a strategic partnership with OZL

Through undertaking the Proposed Transaction with OZL, Havilah has the ability to develop a strategic alliance with OZL, and benefit from OZL's world class mine design expertise and demonstrably ethical, responsible and sustainable mining and exploration activities.

13.3.4. Provides non-dilutive funding to explore value of other projects

In the event the Kalkaroo Transaction is approved by Shareholders, and the Kalkaroo Option is exercised by OZE, Havilah will receive \$205 million cash consideration in addition to the amount payable to Havilah during the Alliance Period of up to \$18 million. This is a substantial cash injection that will provide a wide variety of options for Shareholders to potentially benefit.

In the current volatile and subdued global markets, equity funding may become harder to source and therefore may pose dilutionary affects to Shareholders if equity funding is required in the short to medium term. The same volatile and subdued markets, there will also present opportunities to enforce an acquisition strategy in exploration projects that may hold value for long term investors who can afford to fund exploration activities through a potential downcycle.

13.3.5. Removal of risks associated with developing the Kalkaroo Project

Current volatility in commodities markets and project development risks such as funding issues and inflationary impact on construction costs are some of the ongoing risks and issues that Havilah will face when attempting to develop the Kalkaroo Project to unlock its potential value. If the Kalkaroo Transaction is approved and the Kalkaroo Option is exercised by OZE, Shareholders will no longer be exposed to the current risks and issues that come with holding the Kalkaroo Project.

13.3.6. Opportunity to receive Contingent Consideration

The consideration structure of the Kalkaroo Transaction consists of the following:

- Cash received during the Alliance Period;
- Completion Payment of \$205 million cash received on exercise of Kalkaroo Option;
- Contingent Consideration of up to \$200 million cash to be received upon achievement of certain milestones at the Kalkaroo Project.

Given that we have assessed receipt of cash from the Kalkaroo Option as fair to Shareholders, any Contingent Consideration received is beneficial to Shareholders and provides additional potential upside to Shareholders.

13.3.7. Provides non-dilutive funding for Kalkaroo exploration activities upon non-exercise of Kalkaroo Option

In the event the Kalkaroo Transaction is approved by Shareholders, OZL's announcement to the ASX released on 17 May 2022 indicates OZE expects to invest up to an additional \$58 million into the Kalkaroo Project (in addition to the Upfront Investment) with the aim of confirming and expanding existing mineral resources and optimizing project scale and value. OZL may elect to withdraw at any time and its only obligation will be to pay the drilling shortfall payment. Upon the non-exercise of the Kalkaroo Option Havilah retains the data and the value of OZE's investment in Kalkaroo and continues to hold the opportunity to develop the Kalkaroo Project.

Our consideration of non-exercise of the Kalkaroo Option is in Section 11.5.

13.4 Disadvantages of Approving the Kalkaroo Transaction

We have considered the following disadvantages when assessing whether the Kalkaroo Transaction is reasonable.

13.4.1. Shareholders' risk profile may change

Current Shareholders hold their Havilah Shares for the exposure to the Kalkaroo Project. If the Kalkaroo Project is sold to OZE, current Shareholders may look to offload their Havilah Shares if the risk profile of Havilah changes significantly to the point where Shareholders do not wish to be exposed to Havilah's updated business operations.

14. Conclusion

Given that Shareholders are required to vote on one resolution regarding approval of the Kalkaroo Transaction, we outline a single opinion for the Kalkaroo Transaction.

We have considered the terms of the Kalkaroo Transaction as outlined in the body of this Report and have concluded that, in the absence of a superior offer and any other relevant information, the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, the Shareholders.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited consolidated financial statements of Havilah for the years ended 31 July 2021 and 31 July 2020;
- Reviewed consolidated financial statements of Havilah for the half year ended 31 January 2022;
- Independent Technical Specialist's Report of the Kalkaroo Copper Gold Project dated 15 July 2022;
- Draft Call Option Agreement (Kalkaroo Project) between Havilah Resources Limited, Kalkaroo Copper Pty Ltd and OZ Exploration Pty Ltd;
- Draft Asset Sale Agreement (Kalkaroo Project) between Havilah Resources Limited, Kalkaroo Copper Pty Ltd and OZ Exploration Pty Ltd;
- Draft Access and Compensation Agreement (Kalkaroo Project) between OZ Exploration Pty Ltd and Kalkaroo Pastoral Company Pty Limited;
- Draft Strategic Alliance Agreement (Curnamona Province Strategic Alliance) between Havilah Resources Limited and OZ Exploration Pty Ltd;
- Draft Guarantee Deed by OZ Minerals Limited in favour of Havilah Resources Limited;
- Draft Guarantee Deed by Havilah Resources Limited in favour of OZ Exploration Pty Ltd;
- The Model for the Kalkaroo Development;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Havilah.

16. Independence

BDO Corporate Finance (SA) Pty Ltd is entitled to receive a fee of approximately \$75,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (SA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (SA) Pty Ltd has been indemnified by Havilah in respect of any claim arising from BDO Corporate Finance (SA) Pty Ltd's reliance on information provided by the Havilah, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (SA) Pty Ltd has considered its independence with respect to Havilah and OZL and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (SA) Pty Ltd's opinion it is independent of Havilah and OZL and their respective associates.

Neither the signatory to this report nor BDO Corporate Finance (SA) Pty Ltd, have had within the past two years any professional relationship with Havilah, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Havilah and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

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17. Qualifications

BDO Corporate Finance (SA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (SA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The person specifically involved in preparing and reviewing this report is David Fechner of BDO Corporate Finance (SA) Pty Ltd. David significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and was supported by other BDO staff.

David Fechner is a member of Chartered Accountants Australia and New Zealand and a Fellow of the Tax Institute of Australia. He has over thirty five years' experience working in professional accounting services being employed in many areas of accounting including tax, business services, corporate advisory, and forensic accounting services. David Fechner specialises in Business and Corporate Advisory services undertaking valuations of businesses for purposes of compliance (CGT, stamp duty, probate, finance,

etc.), mergers & acquisitions (business acquisitions, sales, mergers, partnership admissions/retirements, etc.) and expert reports (litigation support, IPO's, etc.). He has prepared over his tenure in excess of 150 valuation and expert reports. David Fechner is a member of ASIC's Professional Liaison Group and subscribes to the Forensic Accounting and Business Valuation Specialist Interest Group of Chartered Accountants Australia and New Zealand.

18. Disclaimers and consents

This report has been prepared at the request of Havilah for inclusion in the Explanatory Memorandum which will be sent to all Shareholders. Havilah engaged BDO Corporate Finance (SA) Pty Ltd to prepare an independent expert's report to express an opinion as to whether or not the Kalkaroo Transaction is fair and reasonable to, and in the best interests of, the Shareholders.

BDO Corporate Finance (SA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (SA) Pty Ltd.

BDO Corporate Finance (SA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (SA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Havilah. BDO Corporate Finance (SA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (SA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (SA) Pty Ltd by Havilah and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (SA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Kalkaroo Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders, or any other party.

BDO Corporate Finance (SA) Pty Ltd has also considered and relied upon independent valuations for the mineral assets held by Havilah.

The valuer engaged for the mineral asset valuation, AMC, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the

use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (SA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO Corporate Finance (SA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'D. Fechner'. The signature is written in a cursive style with a large, sweeping initial 'D'.

David Fechner

Director

APPENDIX 1 - GLOSSARY OF TERMS

Reference	Definition
AMC	AMC Consultants Pty Ltd
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD, \$	Australian dollars
BDO	BDO Corporate Finance (SA) Pty Ltd
Benagerie	Benagerie Gold Pty Ltd
CAPM	Capital asset pricing model
CMC	Consolidating Mining & Civil Pty Ltd
Completion Payment	As set out in Section 4
Contingent Consideration	As set out in Section 4
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted cash flow
Directors	The directors of Havilah
DRC	Democratic Republic of Congo
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EVs	Electric vehicles
FME	Future maintainable earnings
G&A	General & administration
Grants	The Grants Deposit
Havilah Share	An ordinary share in Havilah Resources Limited
Havilah, the Company	Havilah Resources Limited
IER	Independent expert's report
IER Condition	As set out in Section 3.1

Reference	Definition
ITSR	Independent Technical Specialist's Report
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Kalkaroo Development	The value of Havilah's 100% interest in the development of the Kalkaroo Project
Kalkaroo Option	The option to purchase the Kalkaroo Project
Kalkaroo Project	The Kalkaroo copper-gold-cobalt project
Kalkaroo Transaction	The grant of the Kalkaroo Option to OZE
Km	Kilometre
Maldorky	The Maldorky project
Management	The management of Havilah
Mt	Million tonne
Mutooroo	The Mutooroo project
NAV	Net asset value
NoM	Notice of Meeting
North Portia	The North Portia copper-gold-cobalt project
NSR	Net smelter return
Option Period	The initial 18-month option period (which may be extended in certain circumstances)
Our Report	This Independent Expert's Report prepared by BDO
OZE	OZ Exploration Pty Ltd
OZL	OZ Minerals Limited including OZL's related bodies corporate
PFS	Preliminary Feasibility Study
Portia	The Portia Gold Mine
Prospect Hill	The Prospect Hill tin project
QMP	Quoted market price
RBA	Reserve Bank of Australia
Resource Payment	As set out in Section 4
Revenue Payment	As set out in Section 4

Reference	Definition
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Shareholders	Shareholders of Havilah
Strategic Alliance	Strategic alliance with OZE for the purpose of conducting further exploration for copper in the Curnamona Province of north-eastern South Australia
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Terms Sheet	A conditional binding agreement with OZL and OZE in relation to a proposed transaction
The Adjusted Model	The Model after BDO made certain adjustments which were considered appropriate
The Model	Detailed cash flow model for the Kalkaroo Project prepared by management of Havilah with the assistance of advisors
Upfront Investment	As set out in Section 4
USD	United States dollars
USGS	United States Geological Survey
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

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APPENDIX 2 - VALUATION METHODOLOGIES

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

APPENDIX 3 - DISCOUNT RATE ASSESSMENT

Determining the correct discount rate, or cost of capital, for a business requires the identification and consideration of a number of factors that affect the returns and risks of a business, as well as the application of widely used accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flow from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

The capital asset pricing model ('CAPM') is commonly used in determining the market rates of return for equity type investments and project evaluations. In determining a business' weighted average cost of capital ('WACC') the CAPM results are combined with the cost of debt funding. WACC represents the return required on the project, whilst CAPM provides the required return on an equity investment.

In valuing Kalkaroo Development, we consider the most appropriate discount rate to apply to the respective projects' cash flows is the WACC, being the return required on the business. This is because we are assessing Havilah Resources' 100% interest in the Kalkaroo Development on a project level from which the cash flows are based on.

Cost of Equity and Capital Asset Pricing Model

CAPM is based on the theory that a rational investor would price an investment so that the expected return is equal to the risk free rate of return plus an appropriate premium for risk. CAPM assumes that there is a positive relationship between risk and return, that is, investors are risk averse and demand a higher return for accepting a higher level of risk.

CAPM calculates the cost of equity and is calculated as follows:

CAPM	
K_e	$= R_f + \beta \times (R_m - R_f) + \alpha$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market risk premium
$R_m - R_f$	= market risk premium
β	= equity beta
α	= inherent risk adjustment

The individual components of CAPM are discussed below:

Risk Free Rate (Rf)

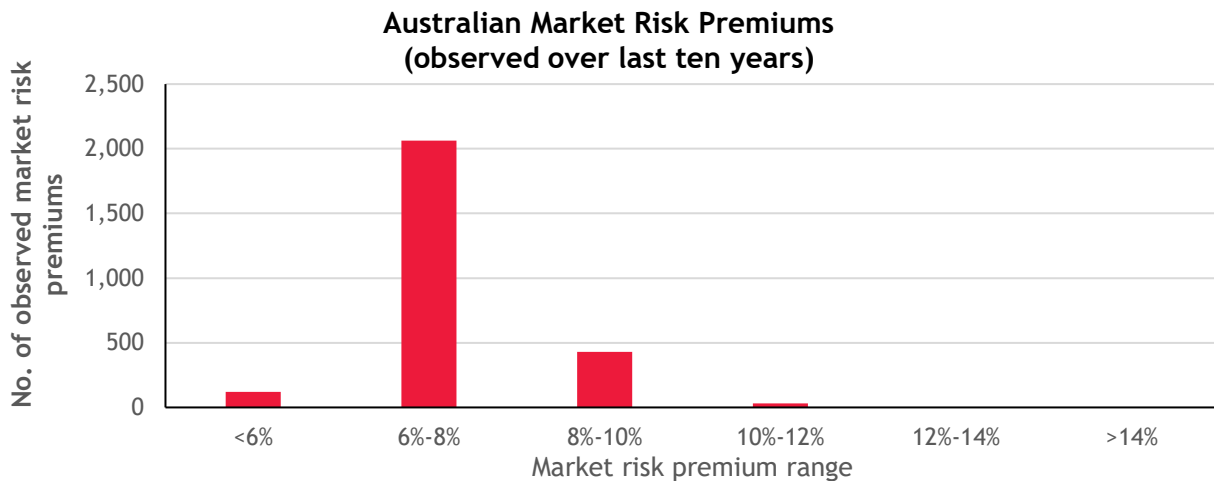
The risk free rate is normally approximated by reference to a long term government bond with a maturity equivalent to the timeframe over which the returns from the assets are expected to be received.

We have considered the current and implied forward yields for the 10-year Australian Government Bond yield. Based on our analysis, we have adopted a long term estimate of the 10-year Australian Government Bond Yield of 3.00%

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice. In order to determine an appropriate market risk premium in Australia, we analysed historical data. Our sample of data included the daily historical market risk premiums in Australia over the last ten years, from May 2012 to May 2022. Our research indicated the market risk premium in Australia has ranged from a low of 5.07% to a high of 11.78%.

The market risk premium is derived on the basis of capital weighted average return of all members of the S&P 200 Index minus the risk free rate, which is dependent on the 10-year Australian Government Bond rate.



Source: BDO analysis

The graph above illustrates the frequency of observations of the Australian market risk premium over the past ten years. The graph indicates that a high proportion of the sample data for Australian risk premium lie in the range of 6% to 8%. This is supported by long term historical average market risk premium of between 6% and 8%, which is commonly used in practice. For the purpose of our report we have adopted a market risk premium of between 6% and 8%.

Equity beta

Beta is a measure of the expected correlation of an investment's return over and above the risk free rate, relative to the return over and above the risk free rate of the market as a whole; a beta greater than one implies that an investment's return will outperform the market's average return in a bullish market and underperform the market's average return in a bearish market. On the other hand, a beta less than one implies that the business' will underperform the market's average return in a bullish market and outperform the market's average return in a bearish market.

Equity betas are normally either a historical beta or an adjusted beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. An adjusted beta is calculated based on the assumption that the relative risk of the past will continue into the future, and is hence derived from historical data. It is then modified by the assumption that a stock will move towards the market over time, taking into

consideration the industry risk factors which make the operating risk of the company greater or less risky than the comparable companies.

It is important to note that it is not possible to compare the equity betas of different companies without having regard to their gearing levels. This, a more valid analysis of betas can be achieved by “ungearing” the equity beta (β_a) by applying the following formula:

$$\beta_a = \beta / (1 + D/E \times (1 - \tau))$$

In order to assess the appropriate equity beta for the Kalkaroo Development, we have had regard to the equity betas of listed companies with projects similar in nature to the Kalkaroo Project, with respect to commodity type and location. Our analysis includes exploration and development companies as well as companies in production. Given that Kalkaroo Project is likely to move into production in the medium term, we consider these companies to represent a reasonable basis on which to assess the discount rate. The geared betas below have been calculated against the S&P ASX All Ordinaries Index using weekly data over a three year period.

Company	Market capitalisation 14-June-22 (AUDm)	Geared Beta	Gross Debt/Equity	Ungearred BETA
OZ Minerals Limited (ASX:OZL)	7,417.95	1.21	20%	1.01
Evolution Mining Limited (ASX:EVN)	6,103.92	0.82	53%	0.54
Sandfire Resources Limited (ASX:SFR)	2,127.81	1.24	10%	1.13
29 Metals Limited (ASX:29M)	1,078.16	1.14	30%	0.87
Aurelia Metals Limited (ASX:AMI)	377.30	0.98	3%	0.95
Aeris Resources Limited (ASX:AIS)	246.95	1.07	6%	1.00
Alkane Resources Limited (ASX:ALK)	515.18	0.80	8%	0.74
Chalice Mining Limited (ASX:CHN)	1,572.46	1.48	2%	1.46
Calidus Resources Limited (ASX:CAI)	260.08	0.88	81%	0.49
Develop Global Limited (ASX:DVP)	383.40	0.87	0%	0.87
Panoramic Resources Limited (ASX:PAN)	471.71	1.16	25%	0.93
Aeon Metals Limited (ASX:AML)	26.14	0.82	40%	0.58
Minor Resources Limited (ASX:MCR)	937.25	1.20	23%	0.98
Talisman Mining Limited (ASX:TLM)	28.16	0.95	2%	0.93
AIC Mines Limited (ASX:A1M)	174.45	0.67	0%	0.67
DGO Gold Limited (ASX:DGO)	227.35	0.76	0%	0.76
Mean		1.00	19%	0.90
Median		0.97	8%	0.94

Source: Bloomberg, BDO analysis

Selected Beta (β)

In selecting an appropriate equity beta for the Kalkaroo Development, we considered the similarities between the comparable companies selected above. The comparable similarities and differences are noted:

- The comparable companies all have copper, copper-cobalt or copper-gold operations;
- The operations of the comparable companies are all located in Australia;
- The comparable companies' mining and development assets have varying risk profiles depending on the assets maturity and stage of production; and
- Companies such as OZ Minerals Limited and Sandfire Resources Limited operate on a significantly larger scale compared to Havilah Resources.

Having regard to the above, we consider an appropriate ungeared beta to apply to the Kalkaroo Development is between 1.0 and 1.1.

We note that Havilah's debt to equity ratio as at 31 January 2022 was <1%, however, we have applied a forecast debt to equity ratio of 50% to regeared the aforementioned beta. We consider a 50% debt to equity ratio reflective of the approximate capital structure of Havilah and its funding of the Kalkaroo Development.

We have based this assessment of a forecast capital structure based on our analysis of comparable company funding structures. The list of comparable companies contains a mix of copper and gold producers that funded the development of their projects through debt. Therefore, we have considered the capital structure of these companies as at the date of the initial drawdown of debt to derive an appropriate capital structure of Havilah when the Kalkaroo Project commences development.

Company Ticker	Company Name	Country of Operation	Commodity	D/E on Initial Drawdown
ASX:EVN	Evolution Mining Limited	Australia	Gold	44.10%
ASX:OZL	OZ Minerals Limited	Australia	Copper	49.10%
ASX:RRL	Regis Resources Limited	Australia	Gold	30.00%
ASX:SFR	Sandfire Resources Limited	Australia	Copper	153.30%
ASX:AMI	Aurelia Minerals Limited	Australia	Copper	47.40%
ASX:AIS	Aeris Minerals Limited	Australia	Copper	138.90%
ASX:HGO	Hillgrove Resources Limited	Australia	Copper	23.90%
ASX:GCY	Gascoyne Resources Limited	Australia	Gold	62.20%
Mean				67.20%
Median				45.80%

Source: Bloomberg and BDO analysis

Based on the research summarised above, we consider a debt to equity funding structure of approximately 50% to be reasonable.

Consequently, we consider an appropriate geared beta for the Kalkaroo Development to be between 1.35 and 1.49.

Cost of equity

We have assessed the cost of equity to be in the range of 11% to 15% with our preferred value being a rounded midpoint of 13%.

Input	Value Adopted	
	Low	High
Risk free rate of return	3.00%	3.00%
Equity market risk premium	6.00%	8.00%
Beta (geared)	1.35	1.49
Cost of equity (rounded)	11%	15%

Source: BDO analysis

Weighted Average Cost of Capital

The WACC represents the market return required on the total assets of the undertaking by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security as risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e., pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is detailed in the table below:

WACC	
WACC	$= R_f + B \times (R_m - R_f) + \alpha$
Where:	
K_e	= expected return or discount rate on equity
K_d	= interest rate on debt (pre-tax)
T	= corporate tax rate
E	= market value of equity
D	= Market value of debt
(1 - t)	= tax adjustment

Cost of debt

We have assessed the relevant cost of debt for the Kalkaroo Development based on the terms of debt currently seen in the market for comparable companies at similar stages of development. Our analysis of comparable debt has provided us with comfort to consider an appropriate cost of debt of 10% per annum.

Calculation of WACC

Using the inputs above, we have calculated the WACC for the Kalkaroo Development as set out below:

Input	Value Adopted	
	Low	High
Cost of Equity (Ke)	11%	15%
Cost of Debt (Kd)	10%	10%
Proportion of Equity (E/E+D)	67%	67%
Proportion of Debt (D/E+D)	33%	33%
WACC	10%	12%

Source: BDO analysis

The WACC is therefore in the range of 10% to 12%, with a rounded midpoint value of 11%.

Comparable Listed Companies

Descriptions of comparable listed companies are summarised as follows:

Company	Business Description
OZ Minerals Limited (ASX:OZL)	OZ Minerals Limited engages in the exploration, development, mining, and processing of mining projects in Australia. The company is primarily known as a major copper producer in Australia. It owns and operates the Prominent Hill copper-gold mine located in northern South Australia and the Carrapateena copper-gold project located in South Australia. The company also holds interests in the West Musgrave copper-nickel project located in the Musgrave Province, Western Australia; Pedra Branca project located in the southern part of the Carajás in the state of Pará in the North of Brazil; and the CentroGold project located in the state of Maranhão in northern Brazil. The company was founded in 2008 and is headquartered in Adelaide, Australia.
Sandfire Resources Limited (ASX:SFR)	Sandfire Resources Limited explores for, evaluates, and develops mineral tenements and projects in Australia and internationally. It primarily explores for copper, gold, and silver, as well as sulphide deposits. The company owns a 100% interest in the DeGrussa copper-gold mine located in the Bryah Basin mineral province of Western Australia; and 87% interest in the Black Butte copper project situated in central Montana, the United States. It also holds other copper interests located in Botswana and Namibia within the Kalahari Copper Belt. Sandfire Resources Limited was incorporated in 2003 and is based in West Perth, Australia.
Evolution Mining Limited (ASX:EVN)	Evolution Mining Limited engages in the exploration, mine development, mine operations, and sale of gold and gold/copper concentrates in Australia and Canada. The company also explores for copper and silver deposits. As of June 30, 2021, it operated five gold mines, such as Cowal in New South Wales; Mt Carlton and Mt Rawdon in Queensland; Mungari in Western Australia; and Red Lake in Ontario. The company also holds an economic interest in the Ernest Henry copper-gold operation in Queensland; and a 100% interest in the Crush Creek project located southeast of the Mt Carlton Operation in Queensland. In addition, it holds a 100% interest in the Kundana Operations; a 51% interest in the East Kundana Joint Venture; a 100% interest in the certain tenements comprising the Carbine project; and a 75% interest in the West Kundana Joint Venture. Evolution Mining Limited was incorporated in 1998 and is based in Sydney, Australia.

Company	Business Description
29Metals Limited (ASX:29M)	29Metals Limited explores, develops, and produces copper focused base and precious metals. The company explores for copper, zinc, gold, and silver deposits. It holds interest in the Golden Grove property located in Western Australia; the Capricorn Copper property situated in Queensland; and the Redhill project located in southern Chile. The company was incorporated in 2021 and is headquartered in Melbourne, Australia.
Aurelia Metals Limited (ASX:AMI)	Aurelia Metals Limited explores for and develops mineral properties in Australia. The company primarily explores for gold, silver, lead, zinc, and copper deposits. It owns 100% interests in the Hera mine located to the south-east of Cobar, New South Wales; and the Peak mine situated in the northern part of the Cobar Basin, New South Wales, as well as the Dargues mine located in southeastern New South Wales. The company was formerly known as YTC Resources Limited and changed its name to Aurelia Metals Limited in June 2014. Aurelia Metals Limited was incorporated in 2004 and is headquartered in Brisbane, Australia.
Aeris Resources Limited (ASX:AIS)	Aeris Resources Limited, together with its subsidiaries, produces and sells copper, gold, and silver products. The company also explores for copper and gold ores. Its flagship asset is the Cracow Gold Operations located to the north-west of Brisbane, Queensland. The company was formerly known as Straits Resources Limited and changed its name to Aeris Resources Limited in December 2015. Aeris Resources Limited was incorporated in 2010 and is headquartered in Brisbane, Australia.
Alkane Resources Limited (ASX:ALK)	Alkane Resources Limited operates as a multi-commodity exploration and development company in Australia. It explores for gold, copper, zinc, titanium, nickel, cobalt, and rare earth elements. The company owns an interests in the Tomingley Gold project that consists of four gold deposits; and the Northern Molong Porphyry Project, which covers an area of 115 square kilometres located in the Central West of New South Wales. Its exploration projects comprise Boda and Kaiser, Cudal, Peak Hill, Wellington, Elsiehora, Rockley, and other projects. The company also invests in junior gold mining companies and projects. Alkane Resources Limited was incorporated in 1969 and is headquartered in West Perth, Australia.
Chalice Mining Limited (ASX:CHN)	Chalice Mining Limited operates as a mineral exploration company. The company explores for gold, copper, cobalt, palladium, and nickel deposits. Its flagship properties include the Julimar Nickel-Copper-Platinum group element project that covers an area of approximately 2,000 square kilometres located in Avon Region, Western Australia; and the Pyramid Hill gold project, which covers an area of approximately 5,700 square kilometres located in Bendigo Region, Victoria. The company was formerly known as Chalice Gold Mines Limited and changed its name to Chalice Mining Limited in December 2020. The company was incorporated in 2005 and is based in West Perth, Australia.
Calidus Resources Limited (ASX:CAI)	Calidus Resources Limited engages in the exploration and exploitation of gold minerals in Australia. The company holds interests in the Warrawoona Gold project covering an area of approximately 780 square kilometres located in the East Pilbara district of the Pilbara Goldfield in Western Australia; and the Blue Spec project located in the Pilbara Goldfield in Western Australia. It also holds a 70% interest in the Otways gold-copper project located in Western Australia. The company was incorporated in 1986 and is based in West Perth, Australia.
Develop Global Limited (ASX:DVP)	Develop Global Limited, together with its subsidiaries, engages in the exploration and development of mineral resource properties in Australia. It primarily explores for copper, zinc, lead, silver, and gold deposits. The company's flagship project is the Sulphur Springs project that includes Sulphur Springs and Kangaroo Caves deposits and tenements located to the south east of Port Hedland. The company was formerly known as Venturix Resources Limited and changed its name to Develop Global Limited in October 2021. Develop Global Limited was incorporated in 2006 and is based in West Perth, Australia.

Company	Business Description
Panoramic Resources Limited (ASX: PAN)	Panoramic Resources Limited engages in the exploration, evaluation, and development of mineral properties. The company's flagship project is the Savannah nickel-copper-cobalt project in Western Australia. The company also engages in greenfield exploration activities. The company was founded in 2001 and is based in Perth, Australia.
Aeon Metals Limited (ASX: AML)	Aeon Metals Limited engages in the exploration and development of mineral properties in Australia. The company explores for copper, cobalt, gold, lead, zinc, molybdenum, silver, and base metal deposits. Its flagship property is the Walford Creek project comprising 3 exploration permits covering an area of 173 square kilometres located in northwest Queensland. Aeon Metals Limited was incorporated in 2006 and is headquartered in Sydney, Australia.
Mincor Resources NL (ASX: MCR)	Mincor Resources NL engages in the exploration, development, and mining of mineral resources in Australia. It explores for gold, nickel, and copper deposits. The company holds interests in the Durkin North, Miitel/Burnett, and Cassini nickel projects, as well as the Widgiemooltha gold project located in Kambalda, Western Australia. It also holds interests in the Tottenham copper-gold project located in the Lachlan Fold Belt of New South Wales. The company has progressed its development in its nickel assets and has commenced production in the Widgiemooltha gold project. Mincor Resources NL is headquartered in West Perth, Australia.
Talisman Mining Limited (ASX: TLM)	Talisman Mining Limited engages in the exploration and development of mineral properties in Western Australia. The company explores for base metals and other minerals, including copper, gold, and nickel. It holds interests in the Lachlan copper-gold project covering an area of approximately 4,000 square kilometers; and Lucknow Gold project in New South Wales. The company was incorporated in 1997 and is based in West Perth, Australia.
AIC Mines Limited (ASX: A1M)	AIC Mines Limited explores for and develops gold and copper deposits in Australia. It holds a 100% interest in the Marymia project comprising an area of approximately 3,600 square kilometres located in the Eastern Gascoyne region of Western Australia; the Eloise copper mine located in North Queensland; and 65% interest in the Lamil project that covers an area of 1,200 square kilometres located in the Paterson Province of Western Australia. The company has also applied for two large exploration licenses located in the Delamerian Orogen in western New South Wales. AIC Mines Limited was incorporated in 1993 and is based in Subiaco, Australia.
DGO Gold Limited (ASX: DGO)	DGO Gold Limited engages in the evaluation and exploration of mineral deposits in sediment hosted gold deposits in Australia. It explores for gold, silver, copper, and cobalt metals. It holds interests in various projects located in Pilbara, Murchison, and Eastern Goldfields in Western Australia, as well as in the Stuart Shelf area of South Australia. DGO Gold Limited was incorporated in 2007 and is based in Melbourne, Australia.

Source: Capital IQ



APPENDIX 4 - INDEPENDENT TECHNICAL SPECIALIST'S REPORT

AMC Consultants Pty Ltd

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Report

Kalkaroo ITSR Havilah Resources Limited

AMC Project 822008
15 July 2022

15 July 2022

The Directors
BDO Corporate Finance (SA) Pty Ltd
BDO Centre
Level 7, 420 King Street
ADELAIDE SA 5000

Dear Sirs

**Havilah Resources Limited
Independent Technical Specialist's Report**

The Directors of Havilah Resources Ltd (Havilah) appointed BDO Corporate Finance (SA) Pty Ltd (BDO) to prepare an Independent Expert's Report (IER) in relation to the grant of an option to OZ Exploration Pty Ltd (OZ Exploration) to purchase the Kalkaroo Copper Gold Project (Kalkaroo) owned by Havilah Resources Limited (Havilah).

AMC Consultants Pty Ltd (AMC) was commissioned by Havilah as a Specialist as defined in the VALMIN Code¹ to prepare this Independent Technical Specialist's Report (ITSR) on Kalkaroo.

AMC has prepared this ITSR under instruction from BDO based on information provided by Havilah. AMC has taken instruction from and provides this ITSR to BDO for use by BDO in preparing its IER.

BDO advised AMC that the ITSR will be included in full as an appendix to BDO's IER that will form part of a notice of meeting to be sent by Havilah to its shareholders in relation to the proposed transaction.

AMC's scope of work for the ITSR, per BDO's instruction, was to:

- Review the technical project assumptions and provide an opinion as to the reasonableness of each of the technical assumptions used in the Kalkaroo cash flow model (Model) provided by Havilah including:
 - The Mineral Resource and Ore Reserve.
 - Mining physicals.
 - Processing physicals.
 - Production and operating costs.
 - Capital expenditure.
- Assist BDO with an assessment of the reasonableness of the assumptions for a scenario in which OZ Exploration or a related entity delineates and reports a 30% or more increase, based on in situ copper tonnes, in Measured and Indicated Mineral Resources in respect of Kalkaroo when compared with the Measured and Indicated Mineral Resources in respect of Kalkaroo as stated in the Havilah's announcement dated 30 January 2018, having taken into account any depletion of Measured and Indicated Mineral Resources due to mining activities.
- Provide AMC's opinion as to the value of the Kalkaroo current Mineral Resource not included in the Model.

This ITSR and the conclusions in it are effective at 30 June 2022.

¹ The Australasian Code for the Technical Assessment and Valuation of Mineral Assets. The VALMIN Code 2015 Edition. The VALMIN Code has been prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association.

Kalkaroo – technical assumptions used in the Model

Kalkaroo is a metalliferous mining project located in the north-east of South Australia, approximately 90 km west of Broken Hill and 400 km north-east of Adelaide. Kalkaroo is scheduled for two years of construction and pre-stripping followed by an open pit mining operation and extracting 100 Mt of ore and 350 Mt waste over a fourteen-year period. Ore will be processed through an on-site plant with separate 4 Mtpa oxide and 7 Mtpa sulphide circuits to produce gold, coarse native copper, and copper-gold concentrate products.

The Mineral Resource and Ore Reserve for Kalkaroo were reported in accordance with the guidelines of the JORC Code². Dr Chris Giles of Havilah has most recently accepted responsibility as the Competent Person, as defined by the JORC Code, for both the Kalkaroo Mineral Resource and the Ore Reserve.

In providing its opinion on Kalkaroo, AMC used information provided by Havilah, including the December 2017 pre-feasibility study (PFS) prepared by independent consultants on behalf of Wanbao Mining Limited, under an agreement with Havilah. AMC has reviewed the data provided by Havilah for reasonableness and adjusted the information provided to BDO where AMC considers adjustment is appropriate.

Mineral Resource and Ore Reserve

The Kalkaroo Mineral Resource contains 224 Mt of copper-gold (Table I). The Inferred Mineral Resource for the cobalt sulphide has been estimated separately within the copper-gold Mineral Resource and has not been added to the total tonnage. The Mineral Resource is inclusive of the Kalkaroo Ore Reserve of 100 Mt (Table II).

Table I Kalkaroo Mineral Resource

Category	Quantity (Mt)	Cobalt Grade (ppm)	Copper Grade (%)	Gold Grade (g/t)	Cobalt content (kt)	Copper Equivalent Grade (%)	Copper content (kt)	Gold content (koz)
Cobalt								
Inferred	193.3	120	-	-	23.2		-	-
Copper-gold								
Measured	85.6	-	0.57	0.42	-	0.91	487.9	1,160
Indicated	27.9	-	0.49	0.36	-	0.78	136.7	324
Inferred	110.3	-	0.43	0.32	-	0.70	474.3	1,139
Total	223.8	-	0.49	0.36	-	0.79	1,098.9	2,623

Notes: Source document for the Mineral Resource is the Havilah Australian Securities Exchange (ASX) announcement of March 2018 and the RPM report of December 2017. The copper-gold resource was initially released in Havilah's ASX announcement of January 2018.

The cobalt Mineral Resource falls within the copper-gold Mineral Resource outline. These tonnes are not additional. The Competent Person is Dr Chris Giles, a fulltime employee of Havilah.

² JORC Code. Australasian Joint Ore Reserves Committee (JORC), Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), 2012 edn, effective December 2012, 44 pp., available <http://www.jorc.org/docs/JORC_code_2012.pdf>, viewed 22 May 2019.

Table II Kalkaroo Ore Reserve

Category	Quantity (Mt)	Cobalt grade (ppm)	Copper grade (%)	Gold Grade (g/t)	Cobalt content (kt)	Copper content (kt)	Gold content (koz)
Proved	90.2	N/A	0.48	0.44	N/A	430	1,282
Probable	9.9	N/A	0.45	0.39	N/A	44	125
Total	100.1	N/A	0.47	0.44	N/A	474	1,407

Notes: Source document for the Ore Reserve is the Havilah ASX announcement of June 2018. Cobalt recovery is not included in the Ore Reserve.

The Competent Person is Igor Bojanic, a full-time employee of RPM Advisory Services Pty Ltd.

Geology

The Kalkaroo deposit is hosted by Proterozoic age rock of the Willyama Supergroup in the Olary Domain of the Curnamona Province. The primary mineralization consists predominantly of chalcopyrite, pyrite, molybdenite, cobalt, and gold, in both replacement and vein styles. The mineralization has been weathered to approximately 150 m below surface.

Mineral Resource estimation

The mineralization has been defined by drilling methods that are standard across the mining industry. Recognised mining industry software has been used to validate geological data for issues such as consistency and overlaps.

Assay quality assurance and quality control (QA/QC) protocols were in place that included certified reference material, blanks and duplicate assays. QA/QC submission rates are considered by AMC to be reasonable, although not always to accepted industry practice. Results of the available QA/QC data suggests anomalies within the data were either not present, have been addressed, or were not considered material to the Mineral Resource estimation.

In AMC's opinion, the geological interpretation and overprinted domaining is appropriate for the estimation. Grade estimation uses internationally recognized processes. Validation included visual checks and swath plots, and estimation by two methods.

Classification of the Mineral Resource is based on drilling density and classifications within a re-blocked resource model to provide continuous envelopes with similar confidence levels.

AMC considers that the Mineral Resource estimate classification, given the geometry of the geology and the drillhole data densities, is reasonable. The estimates were appropriately classified as Measured, Indicated and Inferred Resources in accordance with the JORC Code. AMC broadly concurs with the Mineral Resource classification.

Geotechnical and hydrogeological assessment

The deeply weathered rock has significant implications for open pit slope design. Experience with mining at Havilah's Portia Mine has informed the slope design criteria that has been determined for the Namba Formation and the saprolite.

The groundwater is at approximately 50 m below surface with total dissolved solids of 22,000 ppm. Groundwater studies predict that dewatering will produce 9.7 to 15.5 Megalitre/day, of which processing will consume 80%. The remaining 20% will be used for dust suppression and lost to evaporation. Dewatering is considered critical for pit wall stability.

Mine plan

The proposed mine is a conventional truck and excavator bulk mining operation, utilising 5 m benches for ore and 10 m benches for waste. The Namba Formation and saprolite are expected to be free dig. Drill-and-blast will be used in transition and fresh rock.

The open pit is designed in six stages with the initial stage starting at Kalkaroo West. The ultimate pit is planned to be 3.5 km long by 0.9 km wide with a depth of 280 m.

The Kalkaroo open pit plan is to mine approximately 452 Mt over a fourteen-year period. Following the initial pre-strip in Year-1, the mine plan establishes a relatively constant mining rate of 42 Mtpa until Year-9, after which the planned mining rate decreases as Stage 6 is the only pit being mined.

During the initial four years of production the processing plant is designed to treat 4 Mt of oxide ore per year to recover concentrates containing approximately 60 koz per year of gold and 11 kt of copper per year. A sulphide processing plant added in year five is designed to increase processing throughput to 11 Mtpa. The combined production of the two plants results in a planned production of 80 koz of gold per year and 40 kt of copper per year.

Processing

Kalkaroo is proposed to include two processing circuits for treating mined ore:

- A 4 Mtpa oxide processing circuit to treat blends of Saprolite, Native copper and Chalcocite ores. This processing circuit will commence production in Year-2. The Chalcocite ore will only have a maximum throughput of 2 Mtpa in this plant.
- A 7 Mtpa sulphide processing circuit to treat blends of Chalcocite and Chalcopyrite ores. This processing circuit will commence production in Year 5 of operations.

The oxide processing circuit is designed to produce a native copper product and a separate gold concentrate using gravity circuits. A gold-rich copper concentrate will also be produced using a flotation circuit. The sulphide processing plant will produce a gravity gold concentrate and a gold-rich copper flotation concentrate.

The concentrate will be transported in containers from the Mutooroo siding to Port Pirie, from where it will be shipped to China for smelting and refining.

Infrastructure

The proposed infrastructure additional to the processing plant and administration facilities includes:

- A diversion channel to divert water flowing north in an ephemeral creek around the open pit site.
- A 200-person camp to accommodate fly-in-fly-out employees from Adelaide and drive-in-drive-out employees from Broken Hill.
- The use of the Honeymoon Mine airstrip.
- A power supply, as either on-site diesel or renewable generation, or connection to the national electricity grid at Silverton.
- A tailings storage facility.

Ore Reserve

AMC considers the PFS report provided to AMC on Kalkaroo, which underpins the modifying factors used in the Ore Reserve estimate, is reasonable and complies with the definition of a pre-feasibility study as defined in the JORC Code. AMC also considers that the Ore Reserve estimation methodology is reasonable, and the Ore Reserve was classified and reported during the PFS in accordance with the JORC Code.

AMC considers the production schedule to be reasonable. AMC escalated the operating expenditure and capital expenditure from the December 2017 cost basis of the PFS to a June 2022 cost basis for AMC's recommendation to BDO for adjustments to the Model using a rise and fall formula and typical mining industry cost indices.

Costs

The estimated Kalkaroo capital costs in the PFS are based on work carried out at a prefeasibility study level, and AMC considers them to be based on reasonable grounds. AMC has escalated capital costs from the PFS using a rise and fall formula consisting of changes in the movement of indices between December 2017 (PFS cost basis) and June 2022, relating to:

- Labour costs (Australian Bureau of Statistics wage price index) – 20% weighting.
- Diesel prices (<https://fleetautonews.com.au/historical-pump-prices-in-australia/>) – 5% weighting.
- Materials costs (Australian Bureau of Statistics consumer price index) – 75% weighting.
- Exchange rate movements (Reserve Bank of Australia exchange rates) – 7.4% impact on material costs.

This resulted in an estimated 23% increase in capital costs from December 2017 to June 2022, with AMC's revised estimate for Kalkaroo capital costs in the first five years of A\$644 million, the remaining life-of-mine of A\$148 million and mine closure over four years of A\$51 million.

AMC has escalated operating costs using a similar rise and fall formula, with different weightings, consisting of changes in the movement of indices between December 2017 (PFS cost basis) and June 2022, relating to:

- Labour costs (Australian Bureau of Statistics wage price index) – 30% weighting.
- Parts prices (Australian Bureau of Statistics producer price index) – weighting 35%.
- Diesel prices (<https://fleetautonews.com.au/historical-pump-prices-in-australia/>) – 10% weighting.
- Materials costs (Australian Bureau of Statistics consumer price index) – 10% weighting.
- Percentage of work not subject to rise and fall – 15%.

This resulted in an estimated 21% increase in operating costs from December 2017 to June 2022, with AMC's revised estimate for Kalkaroo operating costs over the life-of-mine of A\$35.76/t of ore processed.

AMC's adjusted estimates of unit operating costs (inclusive of contingency) over the life of the mine are:

- Mining, A\$2.30/t of ore and waste.
- Processing, A\$13.47/t of ore processed.
- General and administration (G&A), A\$3.96/t of ore processed (after adjustment).
- Concentrate selling cost, transport, smelting and royalty, A\$7.97/t of ore processed.
- Total operating cost of A\$35.76/t of ore processed.

Mining unit operating costs were at the lower end of expectations when benchmarked against comparable open pit operations, primarily due to the large proportion of free dig material. G&A operating costs were also at the lower end of expectations when benchmarked against comparable open pit operations, and in AMC's opinion, would not account for the full cost of operating a remote site. The inputs provided by AMC to BDO include AMC's adjusted G&A cost estimate.

Project economic assumptions

The PFS's project economics are based on:

- The Ore Reserve only.
- An Australian dollar (A\$) to United States dollar (US\$) exchange rate of 0.75.
- A copper price of US\$2.90/lb, (A\$8,510/t).
- A gold price of US\$1,200/oz, (A\$1,600/oz).
- A copper payability factor of 96% and a gold payability factor of 93%.

AMC considers that forecast metal prices used for the IER are likely to be significantly higher than used in the PFS. AMC estimated the copper-only (without contribution of gold revenue) break-even marginal cut-off grade (considers only the cost of processing) using parameters from the PFS and using recent spot metal prices and the escalated operating costs as discussed above. Break-even marginal cut-off grades were approximately 0.12% Cu for the PFS assumptions, and 0.11% Cu using recent spot metal prices and escalated operating costs. Given the small difference between the calculated cut-off grades, AMC considers that no adjustments need to be made based on cut-off grade.

AMC considers that the Model provided by Havilah to AMC is generally reasonable and indicates that Kalkaroo, under PFS assumptions, is economic.

The timing for commencing development of Kalkaroo will depend on the ability of the project owner to obtain finance to advance development. Some government approvals, such as a programme for environment protection and rehabilitation are also required. Once approved, tendering for construction is expected to take three months and development of Kalkaroo (engineering design and construction period) is planned to take a further 18 months.

AMC notes an underestimate in the Model of approximately 29 koz compared with the gold production in the processing schedule. AMC has included this additional contained metal in the adjustments to Model recommended by AMC to BDO.

AMC's recommended adjustments to the Model

AMC's recommendations to BDO for adjustments to the Model are:

- Increase in recoverable gold by 29 koz to align with the Havilah processing schedule
- Increased allowance for G&A to reflect the cost of operating a remote site
- Escalation of operating and capital costs from a December 2017 basis to a June 2022 basis

The physical, operating cost, and capital cost inputs for the life-of-mine, after having applied AMC's recommendations for adjustments to the Model are shown in Table III.

Table III AMC's recommended life-of-mine inputs to the Model

Description	Units	Value
Mining		
Ore	Mt	100
Au grade	g/t	0.44
Cu grade	%	0.47
Waste	Mt	351.5
Stripping ratio (W:O)	t:t	3.5
Au metal	koz	1,408
Cu metal	kt	474.4
Processing		
Oxide circuit	Mt	40
Sulphide circuit	Mt	60
Total ore processed	Mt	100
Au grade	g/t	0.44
Cu grade	%	0.47
Au Recovery	%	66.4
Au metal in concentrate	koz	935.1
Cu Recovery	%	82.5
Cu metal in concentrate	kt	391.5
Payability		
Au Payable	%	93
Cu Payable	%	96
Au payable	koz	869.0
Cu Payable	kt	375.8
Operating costs		
Mining	A\$m	1,038
Processing	A\$m	1,350
G&A	A\$m	397.0
Selling costs	A\$m	799.4
Total	A\$m	3,585
Capital costs		
Mining	A\$m	226.4
Processing	A\$m	309.5
Infrastructure	A\$m	176.9
Contingency + Indirects	A\$m	130.8
Total capital	A\$m	843.7

The physical, operating cost, and capital cost inputs by year, after having applied AMC's recommendations for adjustments to the Model, are provided in Appendix A.

Assessment of the reasonableness of the technical assumptions for a scenario with 30% or more increase in Kalkaroo's Measured and Indicated Mineral Resources

AMC expects that a 30% or more increase, based on in situ copper tonnes, in Measured and Indicated Mineral Resources in respect of Kalkaroo when compared with the Measured and Indicated Mineral Resources in respect of Kalkaroo as stated in the Havilah's announcement dated 30 January 2018, having taken into account any depletion of Measured and Indicated Mineral Resources due to mining activities as referred to above could potentially be achieved as a result of:

- Conversion of current Inferred Mineral Resource to Measured and Indicated Mineral Resources.

- New resource extensions, subject to those extension achieving Measured and Indicated Mineral Resources classification.
- Improvements in technology.

The value attributable to such an increase would be dependent on the quality (grade and metallurgical characteristics) and location of the additional Measured and Indicated Mineral Resources.

An increase in Measured and Indicated Mineral Resources from conversion of Inferred Mineral Resources is unlikely to generate material value as the majority of Inferred Mineral Resources are at the margins of the deposit and at depth. AMC, therefore, considers that an increase in Measured and Indicated Mineral Resources from conversion of Inferred Mineral Resources would have no impact on the mine life.

An increase in Measured and Indicated Mineral Resources that might result from identification of extensions to known areas of mineralization or from discovery of a new area of mineralization on the Kalkaroo tenements might add to mine life. However, any increment in project value is highly dependent on the quality of such increase in Measured and Indicated Mineral Resources and the associated cost of extraction.

Due to the nature and economics of mining, not all of a Mineral Resource can usually be economically mined and can therefore be converted to an Ore Reserve. The PFS resulted in estimation of an Ore Reserve of 100 Mt from a Measured and Indicated Mineral Resource of 114 Mt, a conversion rate of 88%. AMC, therefore, considers that a reasonably likely best-case scenario is that a proportion of the additional Measured and Indicated Mineral Resource might be converted to additional economic inventory in the mine plan, and therefore, a mine life extension.

However, prior to undertaking further work such as drilling, it is not possible to estimate an addition, if any, to the Measured and Indicated Resource that might result from that further work. Consequently, AMC considers that there is not a reasonable basis to assess the technical assumptions that would apply to a scenario with a 30% increase in Measured and Indicated Resources, as referred to above, that might result from further work.

Valuation of the Kalkaroo Mineral Resource not included in the Model

AMC considers that the Mineral Resource at Kalkaroo that is not included in the Model to be an exploration asset. Estimates of that Mineral Resource were prepared using recognized processes with drillhole data supported by a QA/QC protocol commensurate with their level of Mineral Resource classification. The Mineral Resource estimates were appropriately classified as Measured, Indicated, and Inferred in accordance with the JORC Code. AMC broadly concurs with the Mineral Resource classifications.

The methods considered by AMC in this ITSR for valuation of the Mineral Resource not included in the Model include:

- The Yardstick Value method.
- Actual Transaction method.
- Comparable Transaction method.

The valuation methods used by AMC, based on the available information, are appropriate for the nature of the Kalkaroo deposit and the amount of exploration carried out on Kalkaroo. The part of the Kalkaroo Mineral Resource reported as at July 2018 that has not been included in the Model amounts to approximately 55% of the total Mineral Resource on a tonnage basis.

AMC's valuation of the Kalkaroo Mineral Resource that has not been included in the Model determined by the Yardstick Value method is between A\$9.0 million and A\$29.3 million with a preferred value of A\$19.0 million. The range of values is due to the range of values per unit of

metal from the comparable transactions applied to the large tonnage of Inferred Mineral Resource. However, AMC considers the range of values to be reasonable. The preferred value determined from the Yardstick Value method is supported by the check valuation from the Past Expenditure method.

Qualifications

AMC has completed its engagement as a Specialist in accordance with the VALMIN Code to the extent that the code is relevant to AMC's engagement.

AMC's use, in this report, of the terms Mineral Resources and Ore Reserves is in accordance with the JORC Code.

Principal sources of information considered by AMC in the preparation of this report are listed in Section 10.

AMC did not undertake a site visit. Data provided by Havilah was comprehensive and detailed, including photographs of sites and drill core. Other than drilling, there has been no intrusive activity on the relevant tenements. AMC deemed that with the available data, there was no additional benefit to be had from a site visit.

AMC has not audited the information provided to it but has aimed to satisfy itself that all of the information has been prepared in accordance with proper industry standards and is based on data that AMC considers to be of acceptable quality and reliability. Where AMC has not been so satisfied, AMC has included comment in this report and made appropriate modifications in the estimates and forecasts provided by AMC to BDO.

Yours faithfully

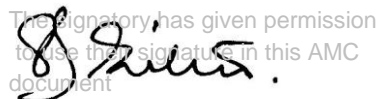
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Appendices

Appendix A Physicals and Costs Schedules

Distribution list

- 1 e-copy to Mr David Fechner, BDO
- 1 e-copy to AMC Adelaide office

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1 Introduction

1.1 Purpose of this report

The Directors of Havilah Resources Ltd (Havilah) have appointed BDO Corporate Finance (SA) Pty Ltd (BDO) to prepare an Independent Expert Report as defined by the VALMIN Code³ in relation to the grant of an option to OZ Exploration Pty Ltd (OZ Exploration) to purchase Havilah's Kalkaroo Copper Gold Project (Kalkaroo).

AMC Consultants Pty Ltd (AMC), as a Specialist as defined in the VALMIN Code has prepared this independent technical Specialist's report (ITSR) with information provided by Havilah. AMC was engaged by and is being paid by Havilah. AMC has taken instruction from and provides this ITSR to BDO for use by BDO in preparing its IER. AMC is advised that the ITSR will be included in full as an appendix to BDO's IER that will form part of a notice of meeting to be sent by Havilah to its shareholders in relation to the proposed transaction.

1.2 Scope of work

AMC's scope of work for the ITSR, per BDO's instructions is to:

- Review the technical project assumptions of Kalkaroo and provide an opinion as to the reasonableness (within a range if necessary) of each of the assumptions used in the cash flow model (Model) including:
 - Resources and reserves.
 - Mining physicals.
 - Processing physicals.
 - Production and operating costs.
 - Capital expenditure.
- Assist BDO with an assessment of the reasonableness of the assumptions for a scenario in which OZ Exploration or a related entity delineates and reports a 30% or more increase, based on in situ copper tonnes, in Measured and Indicated Mineral Resources in respect of Kalkaroo when compared with the Measured and Indicated Mineral Resources in respect of Kalkaroo as stated in the Havilah's announcement dated 30 January 2018, having taken into account any depletion of Measured and Indicated Mineral Resources due to mining activities.
- Provide an opinion as to the value of the Kalkaroo current Mineral Resource not in Model.

The ITSR must be prepared in compliance with:

- Appropriate industry codes - the VALMIN Code, the JORC Code⁴.
- Australian Securities and Investment Commission (ASIC) Regulatory Guide 111 (RG 111) on content of expert reports.
- ASIC RG 112 on independence of experts.

The ITSR was a desktop study based on a review of documents provided by Havilah, discussion with Havilah personnel, and publicly available information.

In providing its opinion on Kalkaroo, AMC has used information provided by Havilah, including information from the 2018 pre-feasibility study (PFS) and Havilah Australian Securities Exchange

³ The Australasian Code for the Technical Assessment and Valuation of Mineral Assets. The VALMIN Code 2015 Edition. The VALMIN Code has been prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association.

⁴ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition. Effective 20 December 2012 and mandatory from 1 December 2013. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC).

(ASX) releases dated 7 March 2018 ('NEW COBALT RESOURCE AT KALKAROO') and 18 June 2018 ('KALKAROO MAIDEN ORE RESERVE CONFIRMS LARGE COPPER PROJECT').

The 18 June 2018 ASX release stated that the PFS was prepared by independent consultants RPMGlobal Asia Ltd (RPM) in December 2017 on behalf of Wanbao Mining Limited, under an agreement with Havilah. Dr Chris Giles of Havilah accepted responsibility as the Competent Person, as defined by the JORC Code, for Kalkaroo Mineral Resources stated in the 7 March 2018 ASX release. Mr Igor Bojanic of RPM Advisory Services Pty Ltd is stated to be the Competent Person, as defined by the JORC Code, for the Kalkaroo Ore Reserves in the 18 June 2018 ASX release.

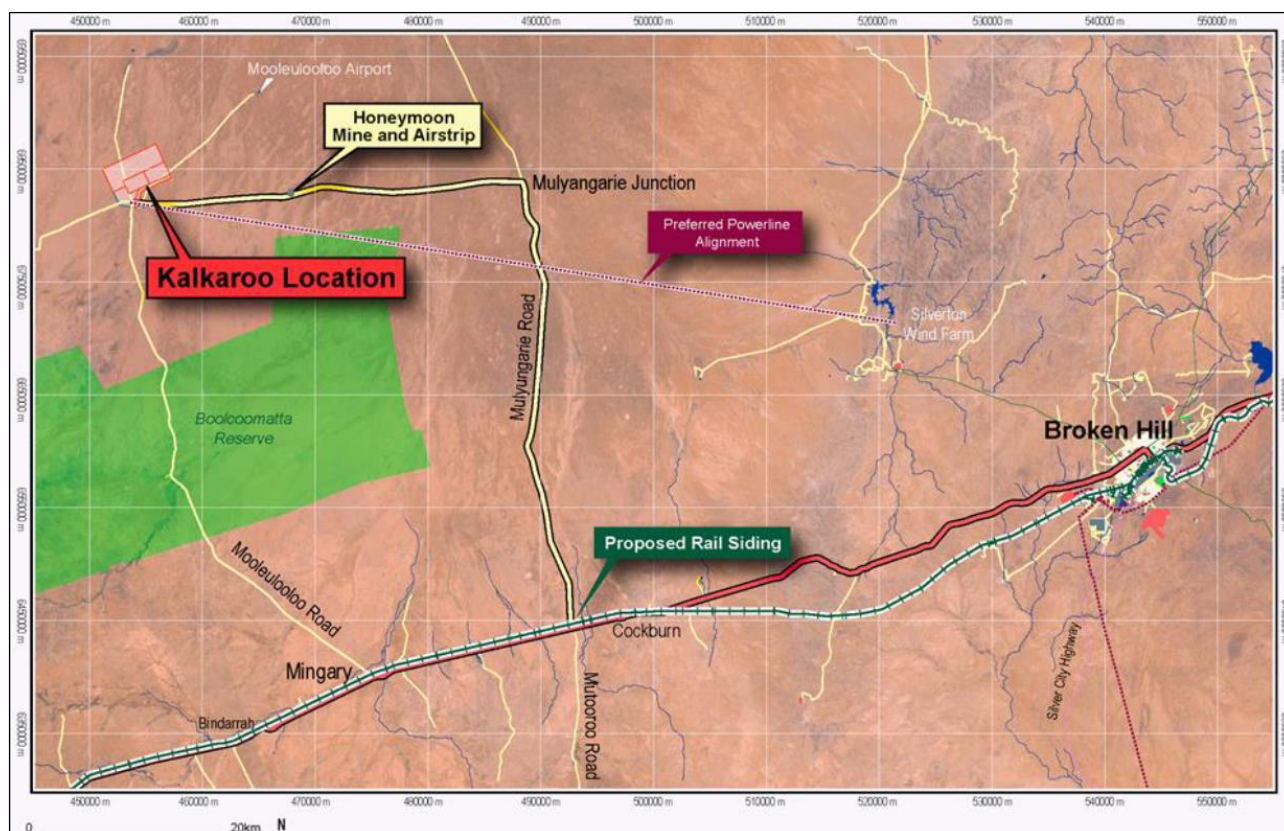
AMC did not undertake a site visit. Data provided by Havilah was comprehensive and detailed, including photographs of sites and drill core. Other than drilling, there has been no intrusive activity on the relevant tenements. AMC deemed that with the available data, there was no additional benefit to be had from a site visit.

1.3 Project location and description

Kalkaroo is a metalliferous open pit mining project scheduled to extract 100 Mt of ore and 350 Mt waste over a fourteen-year period. Construction and pre-stripping is scheduled for two years. Ore will be processed on site through a plant with separate 4 Mtpa oxide and 7 Mtpa sulphide circuits to produce gold, coarse native copper, and copper-gold concentrate products.

Kalkaroo is located in north-east South Australia approximately 90 km west of Broken Hill and 400 km north-east of Adelaide (see Figure 1.1). The project is accessed via the Barrier Highway and the Kalkaroo Access Road north from Mingary.

Figure 1.1 Location of Kalkaroo



Source: Havilah Australian Securities Exchange (ASX) Announcement June 2018

1.4 Mineral tenements

Kalkaroo is situated on three mining leases (MLs) within exploration licence (EL) 6659. The tenements relevant to the Kalkaroo deposit are ML6498, ML6499 and ML6500, and Miscellaneous purposes licences MPL158 and MPL159 as shown in Figure 1.2.

To verify the standing of the tenements, as required by the VALMIN Code, AMC independently accessed the South Australian Resources Information Gateway (SARIG). SARIG is an on-line digital platform providing global access to South Australia's key geoscience information, mining and exploration project information that is provided by the Government of South Australia's Department of Energy and Mining (DEM). The details of the search show the MLs and MPLs to be current as shown in Table 1.1.

Table 1.1 Tenement details

Description	ML6498	ML6499	ML6500	MPL158	MPL159	MC3828
Tenement Holder	Kalkaroo Copper Pty Ltd	Kalkaroo Copper Pty Ltd	Kalkaroo Copper Pty Ltd	Kalkaroo Copper Pty Ltd	Kalkaroo Copper Pty Ltd	Kalkaroo Copper Pty Ltd
Area (Ha)	497.5	974.9	138	248.8	51.68	90
Grant date	22/05/2019	22/05/2019	22/05/2019	22/05/2019	22/05/2019	21/08/2007
Expiry date	21/05/2040	21/05/2040	21/05/2040	21/05/2040	21/05/2040	20/08/2008
Renewal date	22/05/2023	22/05/2023	22/05/2023	22/05/2023	22/05/2023	-
Expenditure commitments (\$pa)	-	-	-	-	-	-
Rents/rate (2022) (\$)	35,073.75	68,730.45	9,729.00	17,540.40	3,643.44	-
Administration fee (\$)	178	178	\$178	\$178	178	-
Regulation fee (\$)	352	352	352	352	352	-
Bonds (\$)	-	-	-	-	-	-
Liabilities (\$)	-	-	-	-	-	-
Tenement status	Active	Active	Active	Active	Active	Under application
Purpose	Mining	Mining	Mining	Mining infrastructure	Accommodation infrastructure	Construction materials

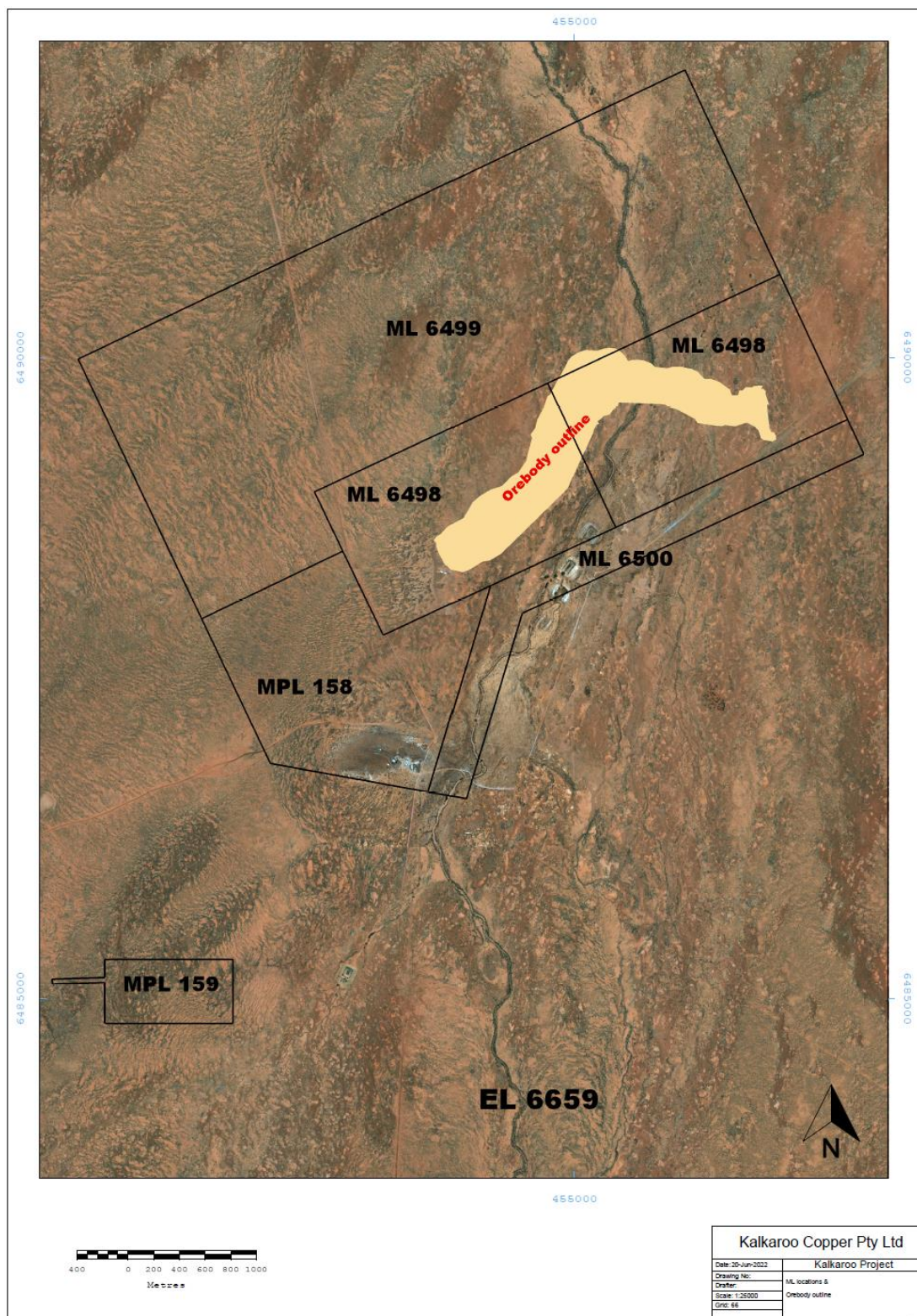
No annual expenditure is required on the MLs or MPLs. Havilah provided AMC with receipts for the annual rates and fees that confirm the SARIG data. The final date for submission of the PEPR agreed with the DEM 31 August 2022.

Havilah also advised AMC that there are no bonds or liabilities on the tenements. However, Havilah has a commitment to repay Glencore Australia Ltd A\$7 million from production. This is not indexed, and this is not part of the proposed transaction with OZ Exploration.

Mineral Claim (MC) 3828 is also a consideration for the proposed transaction as a Mineral Claim. Expenditure commitments fall under the exploration licence (EL) that hosts the MC. This MC is currently under application by Havilah.

Kalkaroo is situated on three mining leases (MLs) within exploration licence (EL) 6659. The MLs relevant to the Kalkaroo deposit are ML6498, ML6499, ML6500, as shown in Figure 1.2.

Figure 1.2 Location of Kalkaroo mining tenements



1.5 Project history

The Kalkaroo deposit was discovered in 1992 by Placer Dome Inc (Placer) while drilling a magnetic anomaly. Further work was undertaken by Newcrest Mining Limited (Newcrest) and Mount Isa Mines Limited (MIM).

Havilah acquired the exploration licence from the Placer MIM joint venture in 2004, compiled the previous data and drilled out a 70 Mt copper-gold resource. In 2007 to 2010 an open pit feasibility study was funded by Glencore Limited (Glencore) who elected not to proceed with development. From 2010 to 2022, Havilah continued with further drilling and resource evaluation work on Kalkaroo.

In 2017, the Mineral Resource was re-estimated to include new drilling data and Havilah signed a memorandum of understanding (MOU) with Wanbao Mining Limited to fund the PFS. This PFS resulted in a maiden Ore Reserve being released on 18 June 2018, coincident with the expiry of the MOU.

In 2019, Havilah released the findings of the PFS. The PFS was originally completed for Wanbao Mining Limited. The Kalkaroo Program for Environment Protection and Rehabilitation was lodged with the South Australian Government in March 2021 for assessment and approval.

Havilah advises that further rounds of drilling and metallurgical test work were undertaken since the PFS, some of which were reported to the ASX, but have not been included in technical work for an updated PFS or mine plan or provided to AMC.

1.6 Conventions

All monetary figures in this ITSR are expressed in 2022 Australian dollars (A\$) or United States dollars (US\$) unless otherwise noted. Costs are presented on a cash cost basis unless otherwise specified.

1.7 Report qualifications

AMC has undertaken its commission to prepare this ITSR as a Specialist in accordance with the VALMIN Code.

AMC's use, in this ITSR, of the terms Mineral Resources and Ore Reserves is in accordance with the 2012 JORC Code. The totals of Mineral Resource and Ore Reserve estimates presented in this ITSR have been rounded.

For the purposes of preparing this ITSR, AMC reviewed material technical reports and management information, and communicated with management from Havilah's Adelaide office.

In undertaking its commission in accordance with the VALMIN Code, AMC requested Havilah to provide it with all relevant technical, financial, and other information relating to Kalkaroo required to prepare the ITSR. Further, AMC is entitled to rely upon and assume the accuracy and completeness of all material information that has been furnished to it by Havilah.

AMC has not audited the information provided to it by Havilah but has aimed to satisfy itself that all of the information has been prepared in accordance with proper industry standards and is based on data that AMC considers to be of acceptable quality and reliability. Where AMC has not been so satisfied, AMC has included comment in this ITSR and recommended to BDO that reasonable adjustments be made to the Model.

2 Geology and Mineral Resources

2.1 Geology

2.1.1 Project morphology

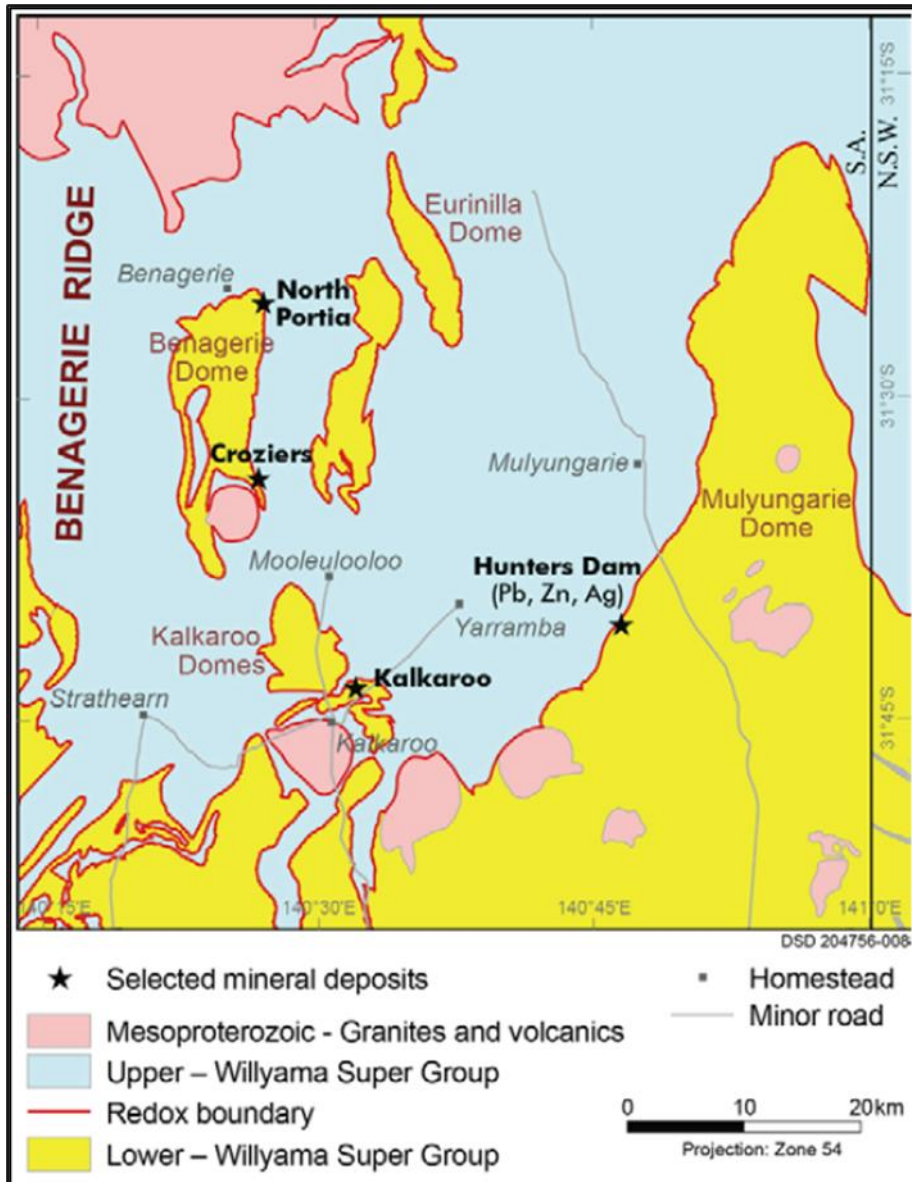
Kalkaroo is within the Barrier Range outwash zone, north of the Olary Ranges. Climate is semi-arid. Topography across the site is generally flat with a surface between 118 m RL and 121 m RL, and a with a gradient of 1:1000 north towards Lake Frome. The site is intersected by an ephemeral creek running north towards Lake Frome within the Lake Eyre catchment.

2.1.2 Project geology

Kalkaroo is hosted in Proterozoic age rocks of the Willyama Supergroup within the in the Olary Domain of Curnamona Province. The Proterozoic rocks are overlain by Tertiary sediments of the Namba Formation.

The deposit occurs as an arcuate structure at the northern end of the Kalkaroo Dome Magnetic Complex, on Benagerie Ridge (Figure 2.1).

Figure 2.1 Regional geology



Source: Australian Ore Deposits, AusIMM

Mineralization is stratabound, up to approximately 200 m in thickness, and between 50 m and 500 m deep. Copper and gold are hosted in a replacement style mineralization in a favourable stratigraphic horizon with later faulting and vein emplacement causing enriched in places.

Mineralization occurs adjacent the contact between the Curnamona Group oxidised rocks and the reduced Strathearn Group rocks. Mineralization is crosscut by the Kalkaroo West vein and the Central vein systems.

The primary mineralization consists predominantly of chalcopyrite, pyrite, molybdenite and gold, in both replacement and vein styles, and cobalt. The mineralization has been weathered to approximately 150 m below surface.

The key copper-gold mineralized horizons are:

- Leached zone.
- Gold supergene enrichment.
- Native copper zone.
- Chalcocite zone.
- Chalcopyrite zone.

2.2 Mineral Resources

The Kalkaroo Mineral Resource estimate as reported by Havilah is summarized in Table 2.1. The Mineral Resource is inclusive of the Ore Reserve.

Table 2.1 Kalkaroo Mineral Resource

Category	Quantity (Mt)	Cobalt Grade (ppm)	Copper Grade (%)	Gold Grade (g/t)	Cobalt Content (kt)	Copper Content (kt)	Gold Content (koz)
Cobalt							
Inferred	193.3	120	-	-	23.2	-	-
Oxide Gold Cap (0.2% Cu)							
Measured	12.0	-	-	0.82	-	-	316.3
Indicated	6.97	-	-	0.62	-	-	138.9
Inferred	2.71	-	-	0.68	-	-	59.2
Total	21.68	-	-	0.74	-	-	514.5
Sulphide Copper-Gold (0.4% Cu)							
Measured	85.6	-	0.57	0.42	-	487.9	1,160
Indicated	27.9	-	0.49	0.36	-	136.7	324
Inferred	110.3	-	0.43	0.32	-	474.3	1,139
Total	223.8	-	0.49	0.36	-	1098.9	2623

Notes: Source document is Havilah Annual Report 2021, The copper-gold resource was initially release in Havilah's Australian Securities Exchange (ASX) announcement January 2018. Cobalt tonnes are included within the copper-gold mineral resource.

The Competent Person is Dr Chris Giles, a full-time employee of Havilah. Ounces were not reported in the 2021 Annual Report and were calculated by AMC for the purpose of the valuation.

Dr Christopher Giles (MAIG⁵), a full-time employee of Havilah, is the Competent Person for the public reporting of the Mineral Resource estimate in accordance with the JORC Code.

The Inferred Mineral Resource for the cobalt sulphide has been estimated separately within the copper-gold Mineral Resource and has not been added to the total tonnage.

⁵ Member of the Australasian Institute of Geoscientists.

The Mineral Resource estimate for Kalkaroo is current as at 31 July 2021. It was reported publicly by Havilah in its July 2021 Annual Report and a January 2018 ASX announcement. The 2021 Mineral Resource is the same as the 2012 Mineral Resource, with the addition of the oxide gold cap. Otherwise, there have been no material changes including no additional drilling. The copper-gold Mineral Resource for Kalkaroo was estimated, with reference to the JORC Code, in the PFS.

The Mineral Resource for Kalkaroo is reported by application of a cut-off of 0.4% copper equivalent (Cueq) in the sulphides and 0.2 g/t Au in the oxide.

2.3 Data collection

2.3.1 Drilling

As at June 2022, a total of 1,204 holes, for 151,969 m total length are in the database as having been drilled in the vicinity of the project area, with new holes drilled since July 2018 not included in an updated resource model. Of these 485 reverse circulation (RC) drillholes and 100 diamond drillholes (DD) were reported in the December 2017 PFS as used to create the geological model as part of the update to the resource estimate. In 2018, 493 drillholes for 82,434 m, drilled by Havilah, and 65 earlier holes for 15,047 m, a total of 558 drillholes were attributed to Kalkaroo deposit Mineral Resource.

All holes are drilled from surface, included in the database, and are DD, RC, air core (AC), or rotary-mud (RM) drillholes. Core diameter includes PQ, HQ and NQ. RC drilling used face sample bits. Drilling was performed by Havilah's drill rig or Titeline Drilling Pty Ltd. Drill core was orientated where possible.

Drilling at Kalkaroo is predominantly angled between 60° and vertical, with many on the holes drill between 70° and 75°. Holes are spaced horizontally on 50 m sections at Kalkaroo West to 100 m sections at Kalkaroo Main Dome.

AMC considers the drill-hole-to-target orientation and density of drilling are reasonable for the style of mineralization and mining method.

2.3.2 Logging and sampling

Geological data such as lithology, alteration, mineralization, veining and structure were collected. This data, from both core and RC chips was logged onto Field Marshall software using palmtop logging units, or directly into a digital logging system using Excel and saved to a database. Data is then uploaded to the master drilling database. Core and RC chips are photographed.

Diamond drill core is cut in half for sampling. One half of all core is retained for geological record. Sampling is on one metre intervals, or to geological boundaries. Drill core was reassembled to confirm core recovery. Over 93% core recovery was achieved.

RC and AC samples were collected on one metre or two metre intervals and riffle split to a weight of two to three kilograms. RC samples were reported as generally sufficiently dry to riffle split.

2.3.3 Assay

ALS laboratories (ALS) was used for routine assay. Samples are crushed to 6 mm, with a 3 kg riffle split sample taken off, which is pulverized to 85% passing 75 microns.

Samples are analysed using a four-acid digest followed by inductively coupled plasma (ICP)-atomic emission spectrometry and ICP mass spectrometry (ME-OG61 method). Samples over limit are re-assayed using ALS's ME-OG62 method.

Gold is assayed using fire assay on a 50 g charge with an atomic absorption spectrometry finish.

AMC considers that the preparation and analytical methods use were recognized methods for a broad spectrum of analytes with acceptable detection limits at a commercial laboratory. Analysis is performed on samples for suites of up to 33 different elements.

2.3.4 Drillhole collars and survey

The coordinate system used the ADG 66 datum. Collar positions were surveyed using a Differential Global Positioning System with accuracy to 0.2 m horizontally and 0.4 m vertically.

Downhole surveys were performed at 30 m intervals with an Eastman single-shot or multi-shot camera, digital Cameq or Flexit survey camera. Early RC drillholes were not surveyed. However, later RC drilling programmes indicated deviations of less than one degree.

AMC considers for the depths of the drillholes and the accuracy of down hole measurement that minor errors in RC drill collar locations will not be material for the Mineral Resource estimate.

2.3.5 Bulk density

Bulk density determinations were carried out on 11,774 diamond drill core samples. The method used is the water immersion method (air-dried core sample weighed on a tray in air and in water). Bulk density is determined from the weight in air divided by the difference between weights in air and water.

Bulk density is assumed to have very little variability within each material type and a single value is applied to each material type.

AMC considers that the bulk density determination process is of a good standard. The assumed limit of variability is reasonable but should be confirmed.

2.3.6 Data management

Logged data was captured electronically. Data was imported into Vulcan software to generate a drillhole database. Vulcan was used to validate data.

Validation checks carried out on the data included:

- Checks that the data is from the correct database, the correct holes are present.
- Checks in Vulcan that the relevant variables are present.
- Erroneous entries including overlaps, repeated data and absent data.
- Visual and automated checks of raw data and when loaded to the database.
- Surveyed collars are entered into the database.
- The dip and azimuth of all drilled holes are compatible.
- Issues in relation to hole or sampling numbers.
- Correct loading of assay results with visual validation in mining software of hole traces and assay.
- Visual validation between assay and lithology.

2.3.7 Summary of data management processing and checks

Havilah has:

- Automated processes for inputting data from sampling and logging into the database.
- Drilling methods that are standard across the mining industry.
- A long-term relationship with one main laboratory, some inter-laboratory checks and an understanding of the historical data.
- Validation checks as data is entered into the database.
- Vulcan's validation processes in place for checking data consistency, overlaps etc.

2.4 Data quality assurance and quality control (QA/QC)

Monitoring of assay quality control has been in place since Placer. Havilah has maintained QA/QC practices since acquiring the asset.

2.4.1 QA/QC frequency

AMC considers the frequency of QA/QC submissions for standards are generally acceptable or just less than this. AMC recommends submission rates should typically be 5%, or 1 in 20, for each QA/QC protocol.

In 2007 to 2008, standards were generally inserted in pairs, and occasionally as singles or in batches of three to four. The submission rate of blanks and standards was approximately one in ten. Blanks were inserted one per hole and one per batch. Duplicates were collected from every riffle split RC sample. QA/QC data were with a testing frequency at an acceptable level.

In 2004 to 2006, samples comprising standards, blanks, and duplicates were alternated at a rate of one in 50.

Placer, Newcrest, and MIM are all reported by Havilah to have undertaken QA/QC.

Results of QA/QC for 2018 is not documented. Insertion frequency is understood to be at a rate of one sample in 25 in total, or one sample in 75 for each QA/QC protocol.

2.4.2 Results to 2008

For diamond drillholes, to 2008, a sequence of 25 standards was run with each batch of samples. The standards, sourced from a number of companies including Gannet Pty Ltd, Geostats Pty Ltd, and Ore Research and Exploration Pty Ltd, were certified. Havilah continued to use standards obtained from Pasminco in 2003 and had them re-certified.

Review of copper and gold standards, and blanks, showed 98% of results fall within acceptable limits, with results outside these ranges being poor assay explained as mixed up samples or poor assays.

Minor contamination of copper and molybdenum results and lesser gold was explained by Havilah as occurring in the pulverising stage of sample preparation. The degree of contamination is reported by Havilah as very low, with each being an order of magnitude lower than ore grade, and therefore not material to the Mineral Resource estimate.

2.4.3 Twin hole analysis

Havilah compares relative intersection widths for data from ten pairs of RC and DD holes. Havilah reports there is no significant difference between the total intercepts, although local wide variations do occur. Sample size and type do not affect the metal content, and no material bias is present.

2.4.4 QA/QC summary

Assay QA/QC protocols were in place that included certified reference material, blanks and duplicate assays. QA/QC submission rates were reasonable, although not always to accepted industry practice. Results of the available QA/QC data suggests anomalies within the data were either not present, have been addressed, or were not considered material by Havilah to the Mineral Resource estimation.

Certified reference materials were used to monitor the performance of copper, gold and molybdenum analysis. AMC considers that, overall, the results reviewed were good with no biases or spreads in data.

Samples were generally processed and analysed at ALS Laboratories' facilities.

2.5 Mineral Resource grade estimation review

2.5.1 Interpretation

Geological interpretations were developed into three-dimensional wireframes for the Mineral Resource estimation, based on sections spaced between 25 m and 100 m apart. Multiple types of domains have been modelled using geology.

These are:

- Namba Formation.
- Eyre Formation.
- Saprolite.
- Kalkaroo Main Dome with five subdivisions: k2.2, k2.5, k2.8, k3.2, k3.5.
- Kalkaroo West with four subdivisions.
- Kalkaroo West Vein with two subdivisions.

Oxidation within the lithologies has allowed the mineralization to be divided into discrete oxidation domains that overprinted the lithology domains:

- Saprolite.
- Native copper.
- Chalcocite.
- Chalcopyrite.

Havilah statistically validated the domains to identify any extreme outliers that needed addressing.

2.5.2 Compositing

Kalkaroo downhole composite length was one metres with length weighting for shorter intervals at domain boundaries. One meter was chosen as it aligned with most sample lengths in both the DD and RC drilling.

2.5.3 Variography

The variography for the interpreted domains was investigated to assess continuity orientations. Copper and gold were analysed separately in each mineralized domain. Domains in the Kalkaroo Main domain, Namba and Saprolite were unfolded prior to the variogram generation. Spatial variograms were generated in individual directions and along fans.

Unfolded domains were given a search orientation that is perpendicular to the control surface used to unfolds the domain.

No top capping was applied to the data.

2.5.4 Grade interpolation

Grade in the block model was interpolated using the ordinary kriging (OK) and inverse distance interpolation methods. The estimation was run for copper and gold, as well as cobalt, molybdenum and sulfur.

The dimensions of the blocks within the domains are 10 mX × 10 mY × 10 mZ. This is appropriate for the drill spacing in the upper levels and the steep nature of the drilling. The limits of the block model dimension cover the extent of the mineralization.

The estimation was run in three passes with the search for each pass twice the previous pass. Domain perimeters were used as hard boundaries to control the estimation search within the mineralized domains in line with the model for mineralization.

Soft boundaries were used for bulk density due to continuity of rock types beyond the defined mineralized zones.

Octant searches was applied to control data searches in each pass. A specified number of samples was applied to control data searches each pass. Each pass required a minimum of four composite samples and a maximum of thirty-two.

AMC considers that the estimation approach used is reasonable.

2.5.5 Validation

To validate the estimation of the block model Havilah undertook a series of validation checks.

Blocks were visually validated once domains are assigned from the wireframes to confirm the domain variables are correctly assigned.

The block model generated was visually checked to ensure all variables and codes were correct and that the domain overlap prioritization had performed correctly.

Wireframes were checked to be closed and consistent with the block model and sub-blocking.

Statistical comparison of raw data versus declustered data versus the block model was performed.

Havilah has generated a series of swath plots to validate the model grades. These plots compare block model grades and composite grades in slices through each domain for copper and gold.

Visual assessment and validation plots of the block model against the declustered data all indicate generally good conformance. As most of the declustered data is on one metre intervals, smoothing of the block model grades with a larger block size is expected.

To validate if the model has honoured the data appropriately, a block model was generated using a second, different estimation method that was compared with the OK model.

2.5.6 Classification criteria

The Mineral Resources were classified as Measured, Indicated and Inferred in accordance with the JORC Code based on wireframes outlines interpreted from a block model derived from the estimated block model by re-blocking the model to 50 m x 50 m x 20 m blocks. The re-blocked model contained both copper-equivalent grade and resource category fields. Management of the resource category field ensured single-drillhole estimated blocks were flagged as Inferred. Wireframes generated from the re-blocked model based on the resource category and grade, were applied to the Mineral Resource block model to classify the Mineral Resource estimate.

2.5.7 Cut-off grade

The cut-off for the copper-gold Mineral Resource was calculated as a copper equivalent value (Cueq). It was calculated for each block based on copper (US\$5,030/t), gold (US\$1,278/oz) and 1 ppm gold equal to 8,169 ppm copper with a US\$ exchange rate of US\$0.74 per A\$1.00. Prices are derived from World Bank average pricing from 2016.

For the Namba Formation and saprolite oxidised zone, copper was set to zero on the calculation as it is not recoverable.

The Mineral Resource is reported at a cut-off grade of 0.4% Cueq.

The cut-off grade for the cobalt resource was 20 ppm cobalt and confined to blocks already defined by the copper-gold Mineral Resource.

2.5.8 Reporting

It is important that processes used in generating a Mineral Resource estimate are transparent and clearly reported. The estimation processes at Kalkaroo are relatively simple. However, the current Mineral Resource has been built up from work carried out over a number of campaigns. While the rationale for changes made with time to the estimation are understood, the 2018 Mineral Resource estimate is not captured in one document.

2.5.9 Estimation summary

AMC makes the following observations:

- The geological interpretation and domaining is complex but appropriate for the estimation.
- Grade estimation uses internationally recognized processes.
- Validation included visual checks and swath plots, and estimation by two methods.
- Classification of the Mineral Resource was created based on drilling density and classifications within a re-blocked model to provide continuous envelopes with similar confidence levels.
- The documentation should capture detail to provide full transparency in a single document, including supporting documentation, as would be required for a formal external audit carried out for financial purposes.

2.6 Estimation validation

AMC has independently interrogated the block model estimations as a global confirmation of grade for the Kalkaroo using data and parameters supplied by Havilah. This was undertaken in the Datamine software and AMC's processes and outcomes are summarized as follows.

2.6.1 Block model estimation check

Manipulation and interrogation to replicate the Mineral Resource estimates reported was very similar with subtle differences likely to be due to the software used and data management processes.

AMC is comfortable with the modelling approach given the stage of the project. The overarching rationale for the processes is understood.

AMC interrogated the block model. This showed consistent outcomes at the reported cut-off of 0.4% Cueq as shown in Table 2.2.

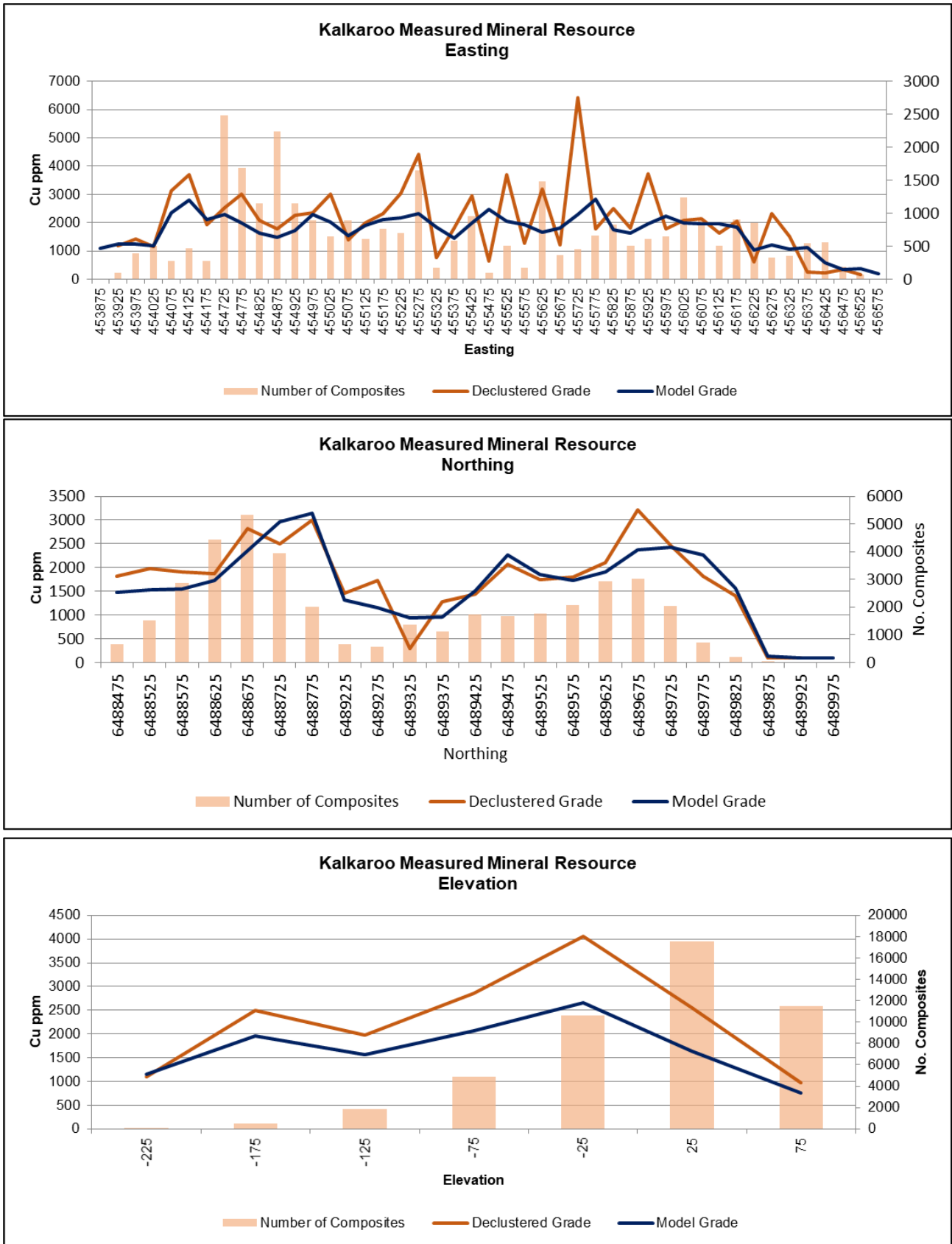
Table 2.2 Global comparison for the Mineral Resource estimation

	Category	Tonnes (M)	Copper (%)	Gold (g/t)
Havilah	Measured	85.6	0.57	0.42
	Indicated	27.9	0.50	0.36
	Inferred	110.3	0.43	0.32
	Total	223.8	0.49	0.36
AMC	Measured	77.1	0.57	0.42
	Indicated	28.9	0.51	0.37
	Inferred	114.4	0.43	0.32
	Total	220.4	0.49	0.36

2.6.2 Swath Plots

AMC generated swath plots to assess the distribution of block grade versus drilling composite grades. The swath plots in Figure 2.2 are examples showing the good global correlation in the Measured Resource between the copper grades in all domains. However, it is also evident the model grade smoothed the drillhole data. By level the block model appears to under-estimate the composite grades with a difference of up to 0.15% copper grade around -25 mRL. The number of composites support a reasonable density of data for the estimation due to internal smoothing of the grade from surrounding composite data in the levels above and below, and the broad aerial extent of the slices.

Figure 2.2 Swath plot of Domain 412 block model v drilling composites for copper and gold



Statistical checks were run. Results show the model has smoothed the grades and reduced variance within the populations while not significantly affecting mean grade. As an example, the statistics for the classifications within the mineral resource envelope are provided in Table 2.3.

The mean of higher reported grade in domains are very similar. Greater variability in the mean grade is seen for lower grades due to greater sensitivity to changes at these low levels.

Table 2.3 Statistics for the Mineral Resource

Class	Source	Variable	Number	Minimum	Maximum	Mean	Variance	Std Dev
Measured	Composite	Cu%	47,035	0.0001	21.0	0.26	0.378	0.614
		Au ppm	4,6866	0.001	260.0	0.29	2.387	1.545
	Model	Cu%	141,943	0.0001	8.02	0.19	0.0975	0.312
		Au ppm	141,943	0.000078	148.2	0.18	0.324	0.569
Indicated	Composite	Cu%	49,198	0.0005	20.2	0.16	0.421	0.649
		Au ppm	49,029	0.001	6.79	0.15	0.163	0.403
	Model	Cu%	121,694	0.0001	6.22	0.10	0.0371	0.192
		Au ppm	121,694	0.000186	11.2	0.09	0.0385	0.206
Inferred	Composite	Cu%	54,399	0.0001	11.0	0.07	0.0477	0.218
		Au ppm	53,939	0.001	3.42	0.05	0.0239	0.154
	Model	Cu%	454,304	0.0001	5.79	0.09	0.019	0.147
		Au ppm	454,304	0.000004	5.65	0.07	0.0191	0.138

The Havilah report supporting the Mineral Resource estimate is documented in the June 2018 Kalkaroo Maiden Ore Reserve ASX announcement, and in internal reports. It is important that the estimation processes, and their association with each other, are sufficiently detailed, preferably in one document, to be transparent for future users and readers.

2.6.3 Conclusions

AMC's conclusions for the validation are:

- AMC considers that the Mineral Resource estimate classification, given the complexity of the geology and the drillhole data densities, is based on reasonable grounds.
- The estimates were appropriately classified as Measured, Indicated and Inferred Resources in accordance with the JORC Code. AMC broadly concurs with the Mineral Resource classification.

3 Mining and Ore Reserves

3.1 Ore Reserves

The Ore Reserve for Kalkaroo was estimated during the PFS and reported to the ASX ('KALKAROO MAIDEN ORE RESERVE CONFIRMS LARGE COPPER PROJECT') on 18 June 2018 and is stated to be reported in accordance with the guidelines of the JORC Code (see Table 3.1).

Table 3.1 Kalkaroo Ore Reserve

Category	Quantity (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper Content (kt)	Gold Content (koz)
Proved	90.2	0.48	0.44	430	1,282
Probable	9.9	0.45	0.39	44	125
Total	100.1	0.47	0.44	474	1,407

Notes: Source document is Havilah ASX announcement June 2018.

The Competent Person is Igor Bojanic, a full-time employee of RPM Advisory Services Pty Ltd.

The Ore Reserve was stated to be prepared by RPMGlobal Asia Ltd, with the Competent Person stated to be Mr Igor Bojanic, a full-time employee of RPM Advisory Services Pty Ltd. AMC notes that the Competent Person for the most recent restatement (unchanged from the PFS) of the Ore Reserve estimate in the Havilah 2021 Annual Report and on Havilah's website is stated to be Dr Christopher Giles, a Director of the Company, a full-time employee, and a substantial shareholder.

AMC considers that the Ore Reserve estimation methodology is reasonable, and the Ore Reserve has been classified and reported in accordance with the JORC Code.

3.1.1 Geotechnical

The deeply weathered rock has significant implications for open pit slope design. Experience with mining at Havilah's Portia Gold Mine has informed the slope design criteria in the Namba Formation and the saprolite. Overall slopes of 25 degrees are designed in the Namba Formation. Overall slopes in the saprolite are 43 degrees, and in the fresh rock are up to 55 degrees.

The geotechnical performance of the Namba Formation and the underlying saprolite is a key area of uncertainty. Weathering is to a significant and variable depth across the deposit. The geotechnical properties of the Namba Formation, combined with a depth of up to 80 m, require shallow overall slopes compared to most conventional open pit mines, and this contributes to a significant increase in waste mining.

3.1.2 Hydrology and hydrogeology

The groundwater is at approximately 70 m elevation (approximately 50 m below surface) with total dissolved solids of 22,000 ppm. Groundwater studies predicted an initial pumping rate of 45 to 50 L/s increasing to 85 L/s in year three and 108 L/s in year five. This will produce 9.7 to 15.5 megalitre/day.

Processing will consume 8.5 megalitre/day which is 80% of the water produced from dewatering. The remaining 20% of water will be used on dust suppression (1 megalitre/day) and lost to evaporation (1.2 megalitre/day).

Dewatering is considered critical for pit wall stability.

3.2 Mine plan

3.2.1 Summary

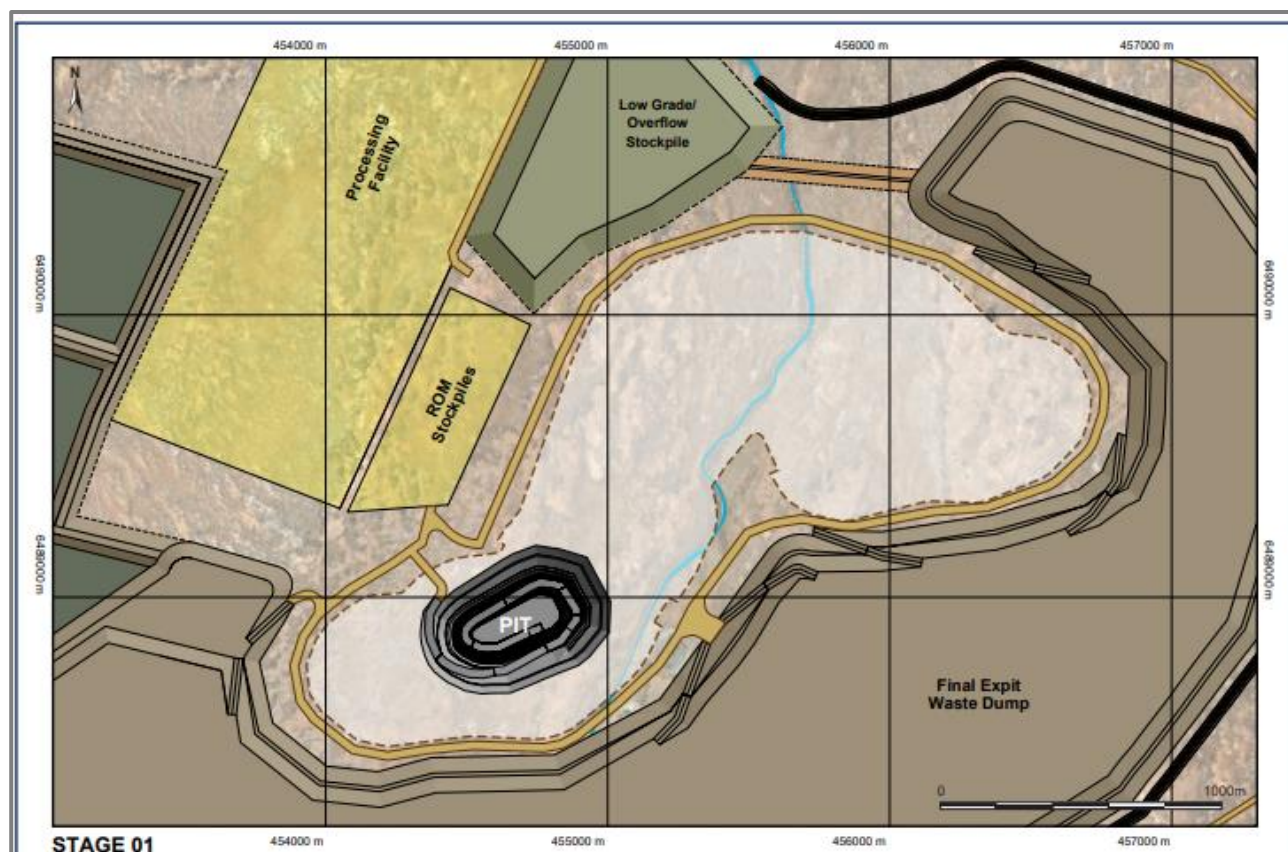
The proposed mine is a conventional truck and excavator bulk mining operation, utilising 5 m benches for ore and 10 m benches for waste. The Namba Formation and saprolite are expected to be free dig with drill-and-blast required in the transition zone and in fresh rock.

Whittle Four-X (W4X) optimization software was used to identify ore and the optimum pit depth and shape. The optimization price inputs were:

- Copper price US\$2.74/lb, A\$3.65/lb.
- Gold price US\$1,200/oz, A\$1,600/oz.

The optimization output was used to select and design the open pit which is designed in six stages with the initial stage starting at Kalkaroo West (see Figure 3.1).

Figure 3.1 Stage 1 pit design



The second stage pit is a separate pit located at Kalkaroo North. The Stage 3 pit combines Kalkaroo West and Kalkaroo North pits, with pit stages 4, 5 and 6 representing cut-backs on the combined pit.

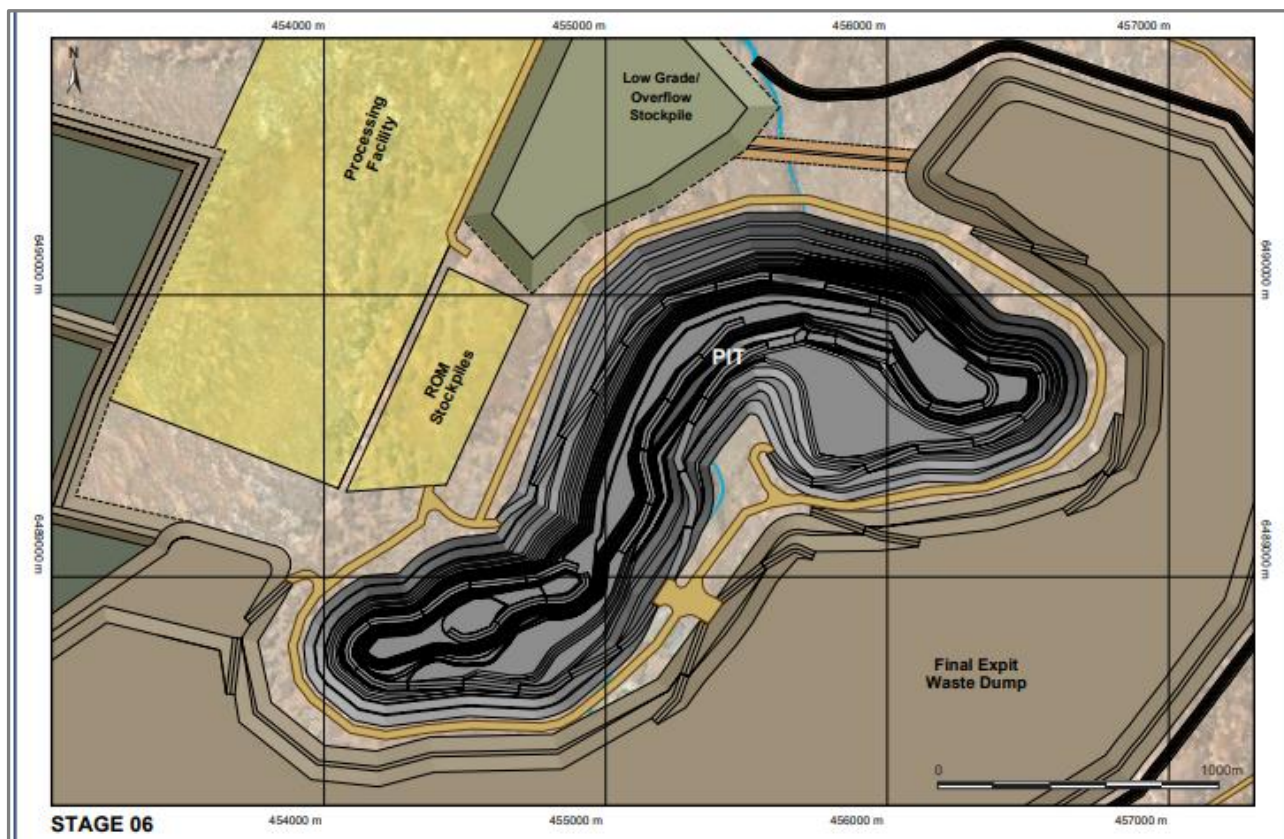
The ultimate pit design is based on the revenue factor 90% pit shell and is planned to be 3.5 km long by 0.9 km wide with a depth of 280 m.

The pit design includes a number of haul roads which will be used to provide flexibility and access to the run-of-mine ore pad, low grade stockpile and the waste dump. These haul roads will also provide some redundancy in the event of slope failure.

The run-of-mine ore (ROM) pad, low grade stockpile/overflow stockpile and processing plant is planned to the east of the pit with waste planned to be stockpiled in a single facility located to the east and south.

The site layout showing the ultimate pit design, ROM pad, low grade stockpile, waste dump, and processing facility is shown in Figure 3.2.

Figure 3.2 Ultimate pit design



The PFS mining operating cost estimates assume owner mining, however, it also recommends that a detailed study of owner mining versus contract mining is undertaken prior to development. Contract mining is considered by AMC to be a lower risk than owner mining.

3.2.2 Sensitivity to cut-off grade

AMC notes that both forecast metal prices and estimates of operating costs that would be used in W4X have changed since the assumptions used in the PFS. To account for increases in operating costs, AMC escalated the operating expenditure and capital expenditure from the December 2017 cost basis of the PFS to a June 2022 cost basis for AMC's recommendations to BDO for adjustments to the Model using a rise and fall formula and typical mining industry cost indices.

AMC also considers that forecast metal prices used for the IER are likely to be significantly higher than used in the PFS, with the current spot price of copper (as an example) at 26 June 2022 being US\$3.74/lb and gold US\$1,830/oz.

AMC estimated the copper-only (without contribution of gold revenue) break-even marginal cut-off grade (considers only the cost of processing) using parameters from the PFS and using recent spot metal prices and the escalated operating costs as discussed above.

Break-even marginal cut-off grades were approximately 0.12% Cu for the PFS assumptions, and 0.11% Cu using recent spot metal prices and escalated operating costs. As a result, AMC considers that no additional adjustments need to be made to account for cut-off grade changes.

3.2.3 Sensitivity to Inferred Resource

The optimization process investigated the sensitivity of the project to Inferred Resources with the following findings:

- Including Inferred Resource increases the size of the pit by approximately 10 Mt.
- Most of the Inferred Resource mineralization is of lower grade and located in the edges and deeper area of the pit and is therefore only mined in the final pit stages.
- The Inferred Resource makes no significant difference to the project economics.

3.2.4 Mine production schedule

The Kalkaroo open pit is planned to mine approximately 452 Mt over a fourteen-year period. Following the initial pre-strip year, the operation mine plan establishes a relatively constant mining rate of 42 Mtpa until Year-9. In the final four years, the planned mining rate decreases as Stage 6 is the only pit being mined.

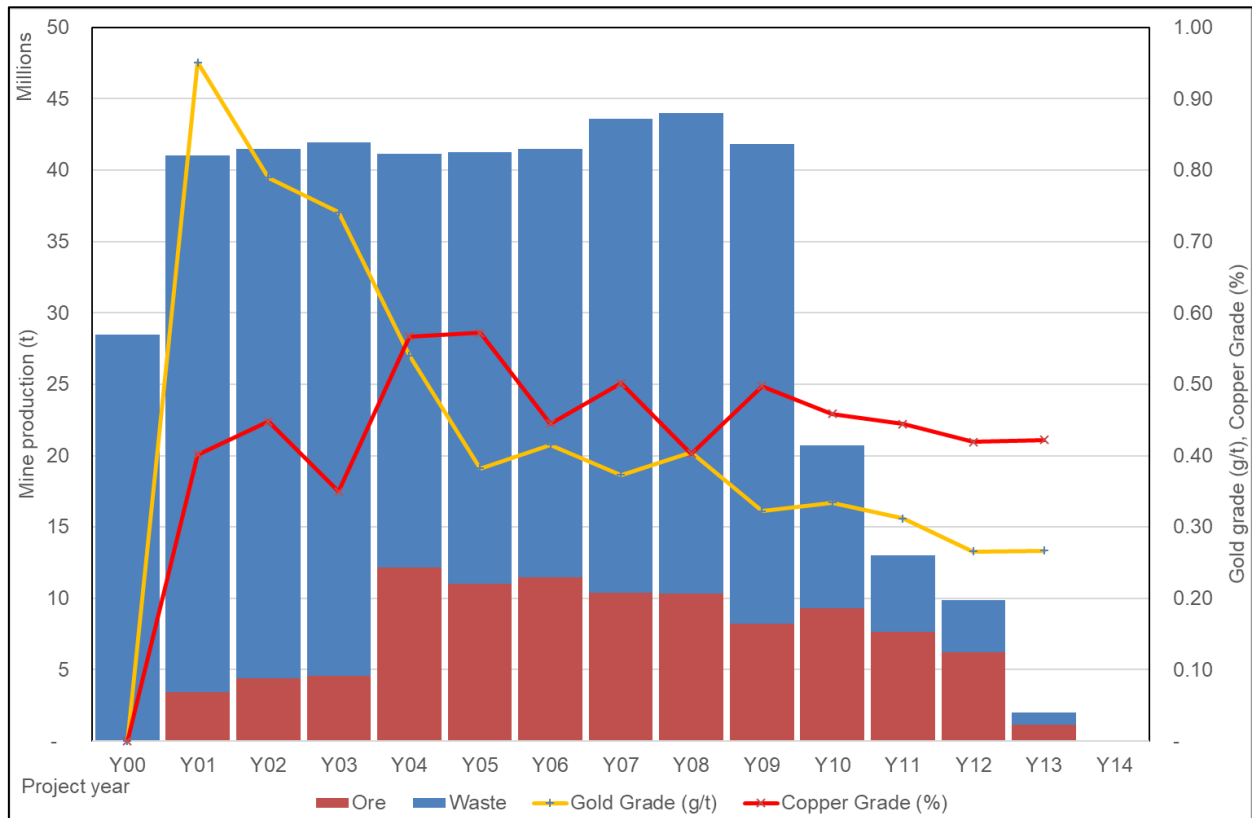
The mine production plan matches the Ore Reserves. In AMC opinion the mine production schedule is based on reasonable grounds and is achievable.

The total mining quantities are shown in Table 3.2. The schedule is shown graphically in Figure 3.3 and as a table in Appendix A.

Table 3.2 Mine production summary

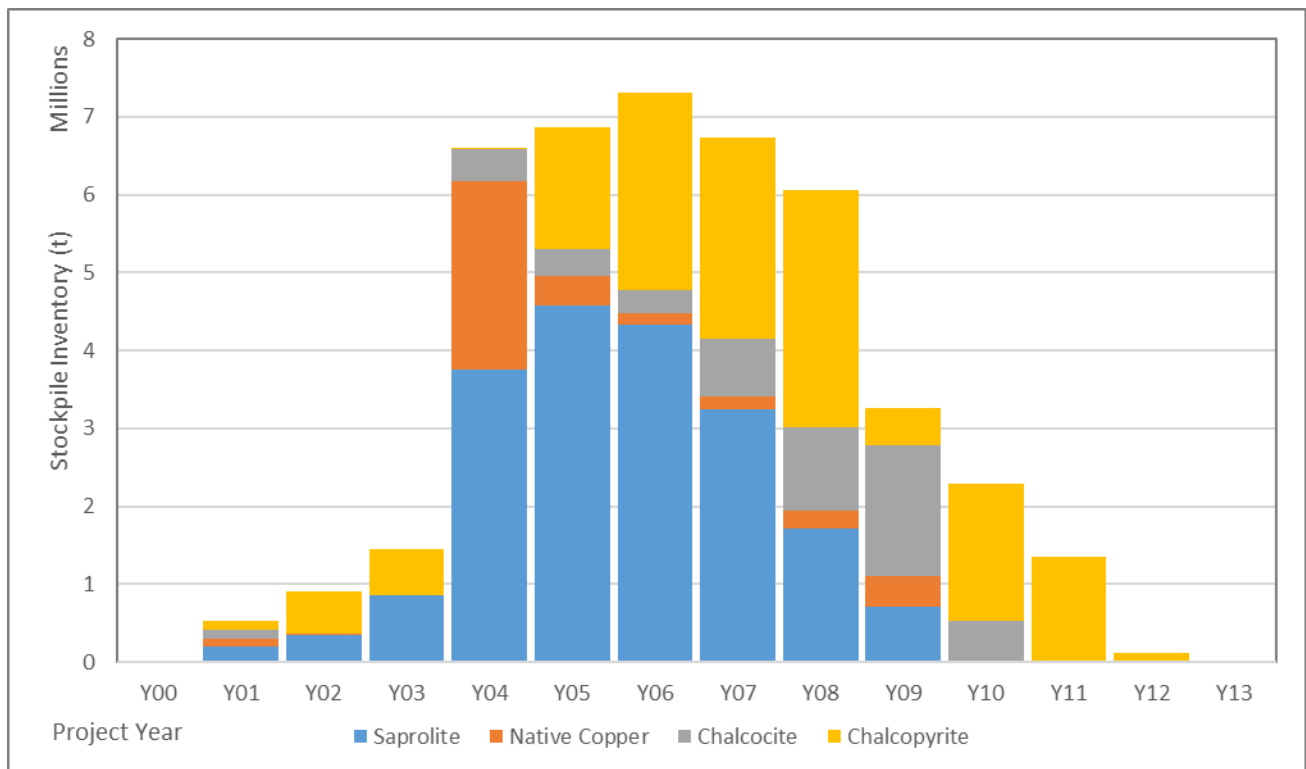
Mining Parameter	Quantity
Ore (Mt)	100
Au grade (g/t)	0.44
Cu grade (%)	0.47
Waste (Mt)	352
Stripping ratio (W:O)	3.5
Au contained metal (koz)	1,408
Cu contained metal (kt)	474

Figure 3.3 Mine production schedule



Stockpiling is used to align mine production with processing capacity (see Figure 3.4).

Figure 3.4 Stockpile inventory



4 Metallurgy and Processing

AMC has reviewed the metallurgical testwork, process design and plant cost estimate sections of the PFS.

4.1 Metallurgical testwork

4.1.1 Metallurgical testwork programmes

Several metallurgical testwork programmes have been conducted over the history of Kalkaroo. These programmes were completed on the four Kalkaroo ore types:

- Saprolite ore.
- Native copper ore.
- Chalcocite ore.
- Chalcopyrite ore.

A summary of these programmes is shown in Table 4.1.

Table 4.1 Summary of testwork programmes completed on Kalkaroo ores

Testwork Program	Laboratory	Date	Program	Ore Type
P0214	Optimet (ALS)	March-August, 2008	Comminution, separation	Saprolite, Native Copper, Chalcocite, Chalcopyrite, Mixed Chalcocite-Chalcopyrite
A11233	Ammtec (ALS)/JKTech	April, 2008	Comminution	Native Copper, Chalcocite, Chalcopyrite
P0236	Optimet (ALS)	2012	Separation	Continuation of P0214
P0461	ALS	March, 2013	Separation & pyrite leaching	Chalcocite, Chalcopyrite,
P0463	ALS	March, 2013	Leaching	Saprolite
P0502	ALS	August, 2013	Leaching	Namba
P0672	ALS	April, 2012; October & December, 2014; January & March, 2015	Separation	Chalcocite, Chalcopyrite
MIN2068	ALS	November, 2014	Mineralogy	Chalcocite Flotation Products
P0936	ALS	July-November, 2017	Mineralogy, comminution, separation and dewatering	Saprolite, Native Copper, Chalcocite and Chalcopyrite

Sourced from documents provided to AMC by Havilah

These programmes were completed by ALS, Ammtec Limited, and JKTech Limited. AMC considers all these laboratories to be appropriately qualified for these types of tests.

The testwork programme which supported the PFS included the following testwork types:

- Comminution testwork.
- Gravity separation testwork to recovery a native copper product.
- Gravity gold separation testwork.
- Desliming testwork.
- Flotation testwork to produce a gold-rich copper concentrate.
- Flotation testwork to produce a gold-rich pyrite concentrate.
- Cyanide leaching of the pyrite concentrate.

- Mineralogical testwork.
- Dewatering testwork.

AMC considers that, in general, this testwork programme was adequate.

4.1.2 Sample representivity

The samples used for metallurgical testwork were made up from drill core samples. These samples were separated into the four ore types. AMC has reviewed the metallurgical testwork samples and considers that they were representative of the Kalkaroo deposit and covered the variability of the deposit in terms of spatial representivity, depth, copper head grade and geological domains.

4.1.3 Comminution testwork

Comminution testwork was conducted on samples of all ore types. The purpose of the comminution testwork is to select equipment and circuits for crushing and grinding that would suit all ore types. This testwork demonstrated that the Saprolite and Native Copper ores can be considered soft; the Chalcocite ore can be considered medium-to-hard and the Chalcopyrite ore can be considered very hard.

4.1.4 Cyanide leach recovery testwork on Saprolite ores

Additional testwork was performed after the PFS was completed, including cyanide leaching of the Saprolite ore. In the Model, the total gold recovery for the Saprolite ore is 49% (which is a combination of gold recoveries from the flotation and gravity separation circuits). Cyanide leaching tests were conducted on Saprolite ores to try to improve gold recovery. These tests showed that gold recoveries of 90% were achievable.

Previous cyanide leaching testwork on Saprolite ores showed that copper in the ore was also leaching into solution. Copper in solution can cause significant processing issues in downstream gold processing circuits including carbon loading circuits. Havilah successfully tested a process which treated loaded carbon with a sodium cyanide (NaCN)/caustic soda (NaOH) combination that removed 97% of the copper that was loaded on the carbon, whilst only removing 0.45% of the loaded gold.

4.1.5 Locked-cycle tests on chalcopyrite ores

In the post-PFS testwork programme, bench locked-cycle flotation tests were conducted on blended composites of both the Chalcocite and Chalcopyrite ores. The objective of these tests was to achieve higher flotation gold recoveries than the historical testwork. These composites were made of different samples that covered different areas of the Kalkaroo deposit. The sample make-up of these composites is shown in Table 4.2. It also shows the drillholes and intervals used for making up the individual samples.

Table 4.2 Chalcopyrite and Chalcocite composite blends

Sample	Copper Head Grade (%)	Proportion in Blend (%)	Drill Holes	Intervals (m)
Chalcocite Ore Composite				
Chalcocite 1	0.62%	25.0%	KKDD0486	123 - 141
Chalcocite 2	0.91%	25.0%	KKDD0487	124 - 129
			KKDD0488	128 - 151
Chalcocite 3	0.62%	25.0%	KKDD0486	129 - 143
			KKDD0487	126 - 127
			KKDD0488	126 - 150
Chalcocite 6A	1.55%	12.5%	KKDD0146	113 - 119
			KKDD0150	125 - 126
			KKDD155A	155 - 176
			KKDD0171	131 - 146
Chalcocite 6B	0.57%	12.5%	KKDD0175	124 - 128
			KKDD0147	121 - 132
Composite	0.80%	100.0%	KKDD0307	178 - 237
Chalcopyrite Ore Composite				
Chalcopyrite 1	0.43%	16.7%	KKDD0486	143 - 160
Chalcopyrite 2	0.54%	16.7%	KKDD0488	168 - 188
Chalcopyrite 3	0.41%	16.7%	KKDD0486	145 - 147
			KKDD0488	155 - 176
Chalcopyrite 4	0.66%	50.0%	KKDD0150	169 - 215
			KKDD0154	168 - 247
			KKDD0155A	211 - 244
			KKDD0171	203 - 210
			KKDD0174	145 - 236
			KKDD0175	181 - 213
			KKDD0147	141 - 161
Composite	0.56%	100.0%	KKDD0152	190 - 197

Sourced from documents provided to AMC by Havilah

AMC notes that these composites were made up from samples that cover different parts of the deposit in terms of spatial representivity and depth, and therefore will not be processed at the same time. Subsequently, AMC recommends that future locked-cycle flotation tests are conducted on each of the individual samples that are used to make up the composites. This approach will give a better understanding of the achievable recoveries for a particular ore type and production year.

4.2 Metallurgical inputs

The Kalkaroo processing model has process plant recoveries (copper and gold) for each ore type.

For the Sapolite ore, where the testwork results did not show a definitive relationship between head grade and recovery, the metal recoveries in the model are fixed at:

- Gravity processes: Copper: 26.7%; Gold: 36.1%.
- Flotation processes: Copper: 20.3%, Gold: 12.9%.
- Total: Copper 47%; Gold: 49%.

For the Native Copper, Chalcocite and Chalcopyrite ores, the testwork results identified that there were some relationships between head grade and metal recoveries (for both copper and gold). Head-grade metal-recovery relationships for these ores have been used to forecasts metals recoveries over the life-of-mine. AMC agrees with this methodology.

A 2% recovery reduction has been discounted from the recoveries achieved in the bench-scale flotation testwork and applied to the metal recoveries. AMC agrees with this methodology, as process plant recoveries are typically lower than bench-scale recoveries. This is typically because a bench-scale test is conducted at optimum conditions; whereas the processing plant will experience variability in terms of ore type, mineralogy and grade that will cause fluctuations in plant recoveries.

4.3 Process plant design

Kalkaroo is proposed to have two processing plants for treating mined ore:

- A 4 Mtpa oxide processing plant to treat blends of Sapolite, Native copper, and Chalcocite ores. This processing plant will commence production in Year-2. The Chalcocite ore will only have a maximum throughput of 2 Mtpa in this plant.
- A 7 Mtpa sulphide processing plant to treat blends of Chalcocite and Chalcopyrite ores. This processing plant will commence production in Year 5 of mine operation.

The oxide processing plant is designed to have the flexibility to process different ore types and with specific equipment that will only be applicable for certain ore types. The oxide plant proposed flowsheet is shown in Figure 4.1.

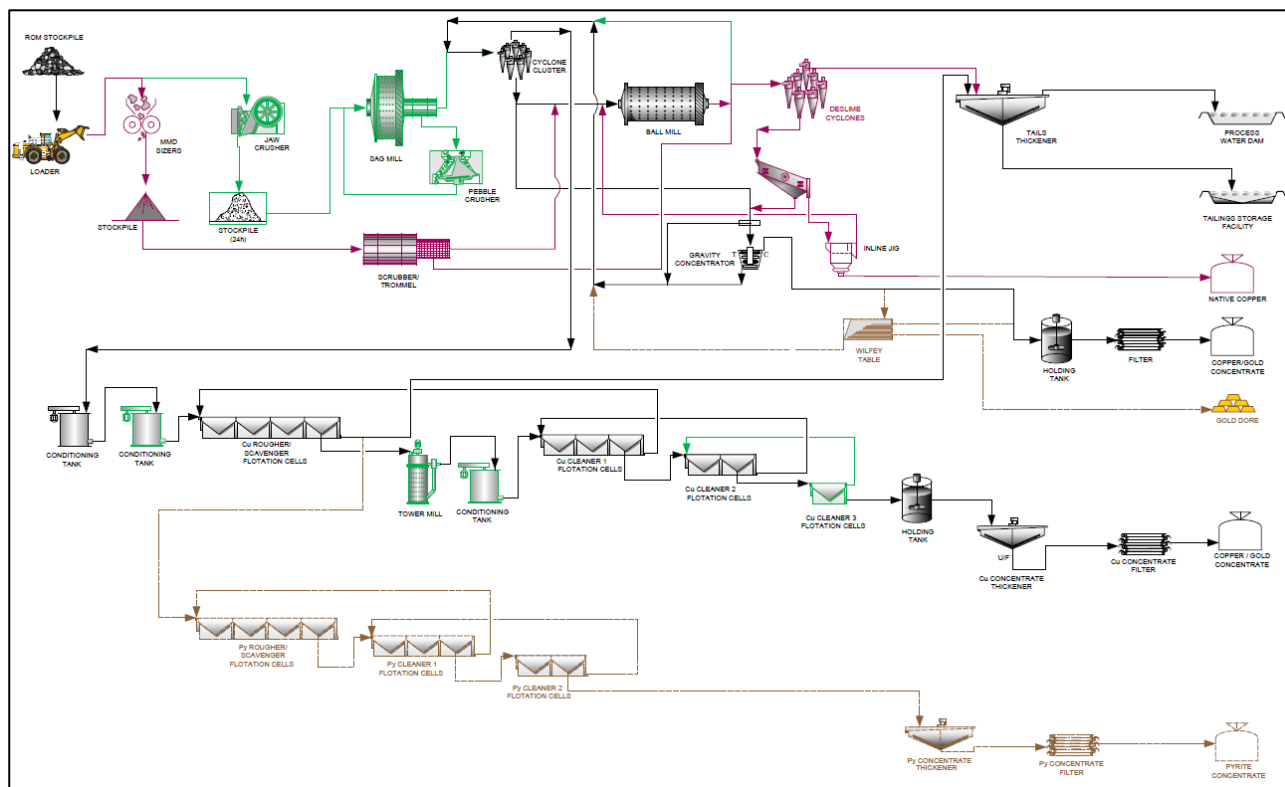
When processing Sapolite or Native Copper ores, the oxide plant design consists of:

- An MMD sizer for size reduction.
- A scrubbing circuit (trommel).
- A ball mill circuit.
- A desliming cyclone circuit where the cyclone overflow (slimes fraction) reports to final tailings.
- An inline jig for recovering a saleable high-grade native copper product.
- A gravity gold circuit for recovering a saleable copper gold concentrate.
- A flotation circuit consisting of roughing/scavenging and two stages of cleaning for recovering a saleable copper concentrate.
- An optional pyrite flotation circuit consisting of roughing/scavenging and two stages of cleaning for recovering a saleable pyrite concentrate.
- An optional Wilfley Table circuit which would treat the gravity gold concentrate to upgrade it to gold doré.

When processing Chalcocite ore, the oxide plant design consists of:

- A primary jaw crusher.
- A SAG mill, ball mill, pebble crusher circuit.
- A gravity gold circuit for recovering a saleable copper gold concentrate.
- A flotation circuit consisting of roughing/scavenging, regrind (tower mill) and three stages of cleaning for recovering a saleable copper concentrate.
- An optional pyrite flotation circuit consisting of roughing/scavenging, and two stages of cleaning for recovering a saleable pyrite concentrate.
- An optional Wilfley Table which would treat the gravity gold concentrate to upgrade it to gold doré.

Figure 4.1 Kalkaroo oxide processing plant flowsheet



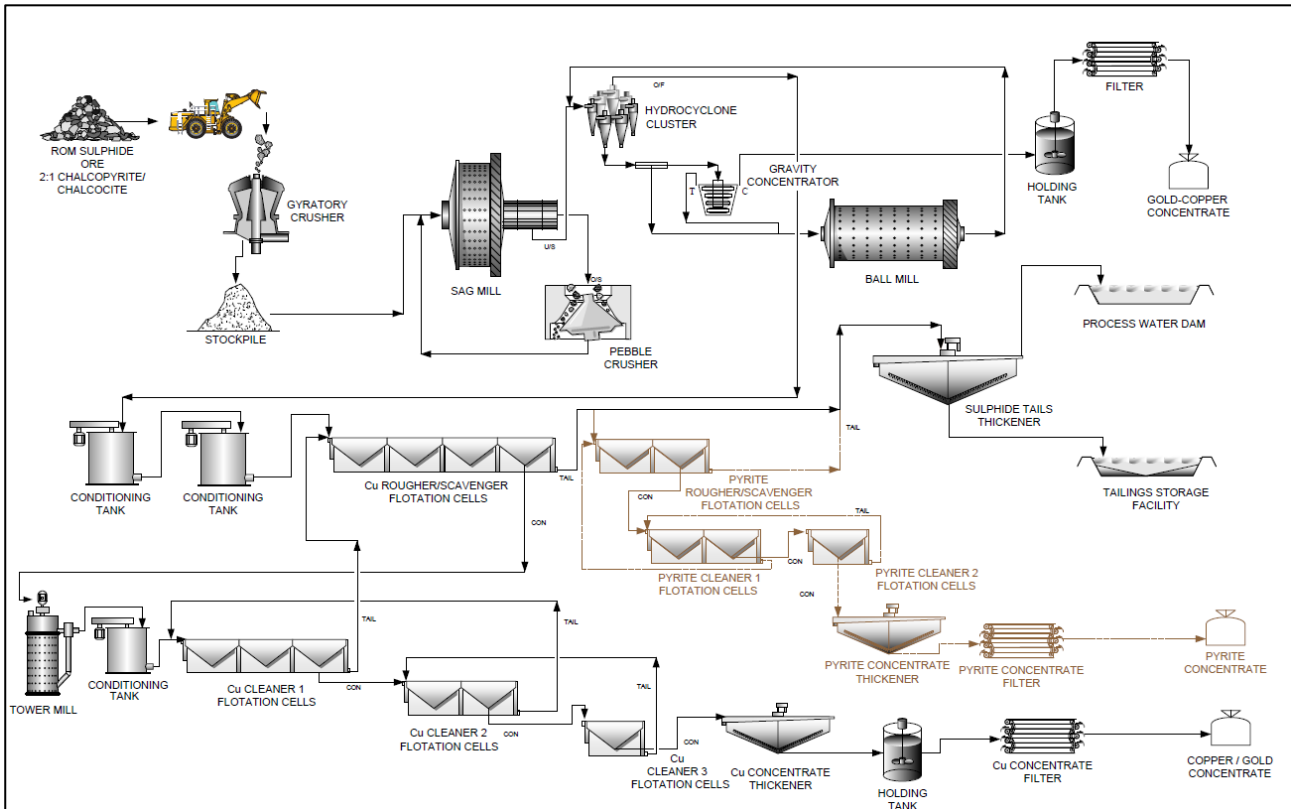
Sourced from PFS document provided to AMC by Havilah

The sulphide processing plant proposed flowsheet is shown in Figure 4.2.

The sulphide processing plant is designed to have the flexibility to process blends of Chalcopyrite and Chalcocite ores. The sulphide plant design consists of:

- A primary gyratory crusher.
- A SAG mill, ball mill, pebble crusher circuit (SABC circuit).
- A gravity gold circuit for recovering a saleable copper gold concentrate.
- A flotation circuit consisting of roughing/scavenging, regrind (tower mill) and three stages of cleaning for recovering a saleable copper concentrate.
- An optional pyrite flotation circuit consisting of roughing/scavenging and two stages of cleaning for recovering a saleable pyrite concentrate.

Figure 4.2 Kalkaroo sulphide processing plant flowsheet



Sourced from PFS document provided to AMC by Havilah

4.3.1 Comminution circuit

AMC notes the selection of an MMD sizer for treating the oxide ores (Saprolite and Native Copper) and a SABC grinding circuit for treating the Chalcopyrite and Chalcocite ores. AMC agrees with these circuit selections given the differences in hardness amongst the different ore types demonstrated in the comminution testwork.

4.4 Concentrate products

The oxide processing plant is designed to produce a native copper product, and a separate gold concentrate using gravity circuits. A gold-rich copper flotation concentrate will also be produced using a flotation circuit. The sulphide processing plant will produce a gravity gold concentrate and a gold-rich copper flotation concentrate.

The concentrate is planned to be transported in containers from the Mutooroo siding to Port Pirie, from where it will be shipped to China for smelting and refining.

4.4.1 Plant production ramp-up

Both the oxide and sulphide plants are proposed to take nine months to ramp-up to full production. AMC considers these time frames to be reasonable.

4.5 Processing plan

The processing parameters are tabulated in Table 4.3. Life-of-mine processing quantities are shown in Table 4.4.

The processing schedule is shown graphically in Figure 4.3 and as a table in Appendix A.

The processing schedule matches the mining schedule. In AMC's opinion the processing schedule is based on reasonable grounds.

Figure 4.3 Processing throughput

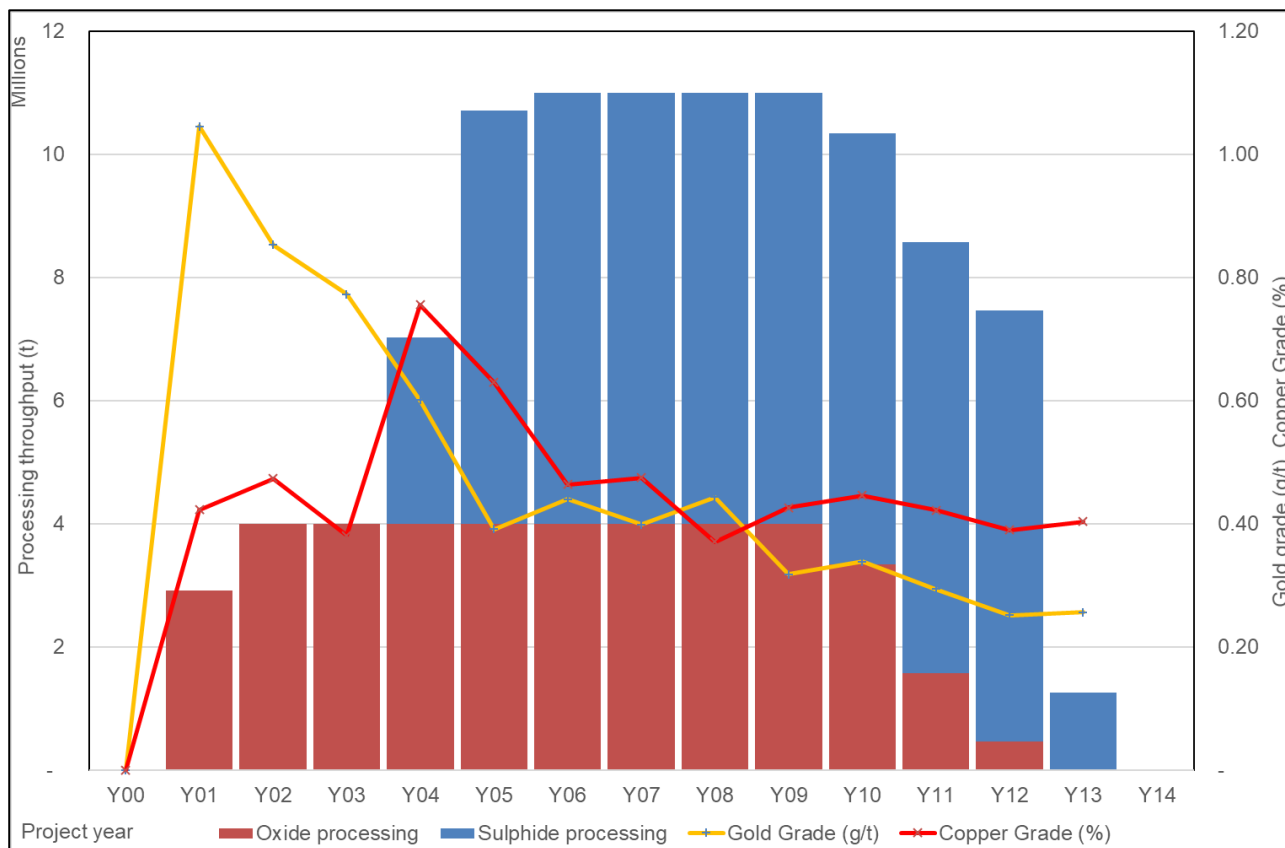


Table 4.3 Metallurgical recovery and concentrate payability

Metallurgical Recovery	Copper Recovery (%)	Gold Recovery (%)
Saprolite	50	48
Native copper	84	87
Chalcocite	79	69
Chalcopyrite	94.5	90
All ore	82.5	66.4
Concentrate Grades	Copper Grade (%)	Gold Grade (g/t)
Gravity concentrate	5.4 to 31.5	90
Flotation concentrate	23.5 to 27.5	13 to 36
Smelter Payability	Copper Payability	Gold Payability
Payability	0.96	0.93

Table 4.4 Processing production – life-of-mine

Processing Parameter	Quantity
Oxide circuit (Mt)	40
Sulphide circuit (Mt)	60
Total ore processed (Mt)	100
Au grade (g/t)	0.44
Cu grade (%)	0.47
Au Recovery (%)	66
Au metal recovered (koz)	935
Cu Recovery (%)	82
Cu metal recovered (kt)	392
Au Payable ratio	0.93
Cu Payable ratio	0.96

The mineralization includes molybdenum and cobalt. While these elements may have value once recovered, the current processing circuit does not include the recovery of these in a saleable form, and smelter terms do not include payment for them.

4.5.1 Flotation recoveries on Saprolite and Native Copper ores

AMC considers the flotation copper recoveries that are used in the Model for both the Saprolite and Native Copper ores to be reasonable (in the processing plan, the Saprolite ore has a fixed flotation copper recovery of 20.3% and the Native Copper has a fixed flotation copper recovery of 3.9%).

The flotation testwork on these ores used flotation reagents that are more suited to copper sulphide minerals. For example, sodium isobutyl xanthate which was used in the testwork, is primarily used for floating sulphide minerals.

AMC recommends completing additional flotation testwork on these ores utilising speciality flotation reagents and flotation conditions suited to these ore types with an objective of achieving higher copper recoveries.

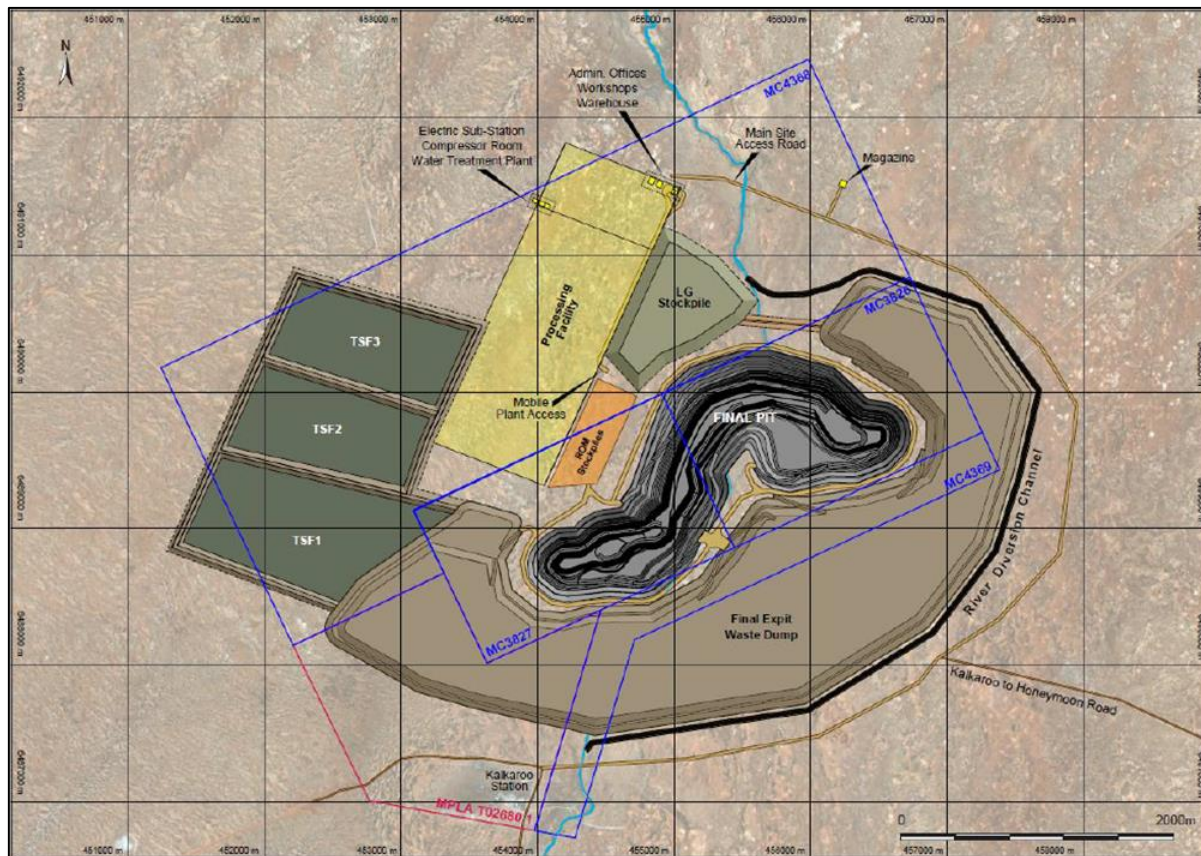
4.5.2 Flotation circuit flowsheet

AMC notes that in both plant flowsheets, the tailings from the 1st cleaner flotation reports back to the feed of the rougher circuit. Whilst this flowsheet reduces the risk of recovery losses in the 1st cleaner circuit (as any valuable minerals that short-circuit the 1st cleaner will have another opportunity for recovery in the Rougher circuit); the additional feed to the rougher circuit from the 1st cleaner tailings will reduce rougher residence time. The reduced rougher residence time will subsequently reduce rougher copper recovery.

5 Infrastructure

The main site infrastructure is to be located to the north west of the open pit, Figure 5.1.

Figure 5.1 On-site infrastructure



Sourced from PFS document provided to AMC by Havilah

An ephemeral creek flows north through the open pit site. A diversion channel will divert water flows around the site to re-join the drainage line downstream.

The operation will be fly-in-fly-out from Adelaide and drive-in-drive-out from Broken Hill. A 200-person camp will be located approximately 5 km south of the mine.

The PFS assumes use of airstrip and temporary accommodation facilities located 13 km east at Honeymoon Mine. However, no discussions or agreements have been made with Boss Resources Limited (Boss), the owners of Honeymoon Mine.

Site power requirement is 40 MW of which 35 MW is processing. Supply options are to be investigated in a future feasibility study but are:

- Onsite renewable or diesel generation, or a combination of diesel and renewable.
- Grid connection to Silverton at 75 km.

Grid power is available at Honeymoon; however, this is a low-capacity line and unsuitable for upgrading to supply Kalkaroo.

The tailings storage facility (TSF) is located to the west of the processing facility. The TSF is a conventional facility consisting of three paddock type cells subdivided into eight sectors. Tailings will be thickened to approximately 60% by weight and deposited via perimeter spigots. A central decant will collect tailings water and rainwater for return to the process water dam.

The TSF will be periodically raised using upstream lifts during the life-of-mine to a final height of 22 m. The area of the TSF is 350 Ha with a final volume of 66 Mm³.

The TSF is considered in the information provide to AMC by Havilah as very low risk given the flat topography, low rainfall and absence of population. AMC agrees with this assessment.

6 Project operating and capital costs

6.1 Escalation

The project operating and capital costs contained in the PFS are provided as real costs at the time of estimation, which was December 2017. To account for price escalation between December 2017 and June 2022, AMC applied a rise and fall calculation, typical of what is used in the mining contracting industry.

The form of the rise and fall calculation is:

$$\text{Rise and fall} = \sum \text{Weighting} \times \text{June 2022 Value} / \text{December 2017 Value}$$

Where:

Weighting is the weighting of the individual component (sum of weightings is 100%).

The individual cost elements used by AMC and the source of the information for the index values used are:

- Labour – Australian Bureau of Statistics (ABS) Catalogue 6345 Wage Price Index - Table 5b. Total Hourly Rates of Pay Excluding Bonuses: Sector by Industry, Original (Quarterly Index Numbers), Private, Mining, Series ID A2602939F at the end of the evaluation month.
- Parts - ABS Catalogue 6427.0 Producer Price Indexes - Table 11 Input to the Coal mining industry, index numbers and percentage changes, Coal Mining, Series ID A83737106J at the end of the evaluation month.
- Fuel - the cost of diesel fuel, delivered to site, excluding GST and after removal of the Fuel Tax Credit during the evaluation month, sourced from the website <https://fleetautonews.com.au/historical-pump-prices-in-australia/> and accessed on 20/06/2022.
- Materials - ABS Catalogue 6401 Consumer Price Index - Tables 1 and 2. CPI, All Groups, Index Numbers and Percentage Changes, All groups CPI, Perth, Series ID A2325826V at the end of the evaluation month.
- Exchange rates – Reserve Bank of Australia historical data, daily exchange rates, sourced from the website <https://www.rba.gov.au/statistics/historical-data.html#exchange-rates/> and accessed on 23/06/2022 and applied to 75% of materials only.

The rise and fall weightings and index values used by AMC for the escalation are summarized in Table 6.1.

Table 6.1 Rise and fall factors and index values

Cost Element	Operating Cost Weighting (%)	Capital Cost Weighting (%)	December 2017 Value	June 2022 Value
Labour	30	20	128.5	138.6
Parts	35	-	103.3	117.4
Fuel	10	5	\$0.802	\$1.794
Materials	10	75	109.9	123.3
- Exchange rate	-	75	0.75	0.698
Not subject to rise and fall	15	-	-	-
Total	100	100	-	-

The rise and fall calculations resulted in the following escalation factors used by AMC to adjust the PFS operating and capital costs from a December 2017 basis to a June 2022 basis:

- Operating cost rise and fall = 121%.
- Capital cost rise and fall = 123%.

Total and unit life-of-mine operating costs, escalated as described above are shown in Table 6.2, including and excluding the 10% contingency allowance.

Table 6.2 Operating costs

Parameter	Value (excluding contingency)	Value (including contingency)
Operating cost		
Mining (A\$m)	944	1,038
Processing (A\$m)	1,227	1,350
General and administration (A\$m)	361	397
Contingency (A\$m)	253	-
Total site operating cost (A\$m)	2,785	2,785
Selling costs		
Transport, smelting and refining (A\$m)	530	583
Royalty (A\$m)	196	215
Contingency (A\$m)	73	-
Total selling costs (A\$m)	799	799
Total site operating and selling costs (A\$m)	3,585	3,585
Unit costs, onsite		
Mining (A\$/t mined)	2.09	2.30
Mining (A\$/t ore mined)	9.42	10.36
Processing (A\$/t ore processed)	12.24	13.47
General and administration (A\$/t ore processed)	3.60	3.96
Total site (A\$/t ore processed)	25.26	27.79
Selling cost (A\$/t ore processed)	7.25	7.97
Contingency (A\$/t ore processed)	3.25	-
Total site and selling cost (A\$/t ore processed)	35.76	35.76

Note: Operating costs were sourced from the PFS economic model dated December 2017, updated based on subsequent updated model dated 30 May 2019, and escalated as described above.

AMC have separated the costs into onsite operating cost such as mining, processing and general and administration (G&A), and off-site cost associated with the concentrate product such as concentrate transport, smelting, refining and royalty. This allows comparison of the unit costs with other similar mining operations.

6.2 Mining cost

The unit mining cost (including contingency) of A\$2.30/t ore and waste mine is at the lower limit of AMC expectations. The low mining cost can be attributed to the assumption of owner mining and the large amount of free dig material. The mining costs were developed as part of a prefeasibility study and in AMC's opinion are based on reasonable grounds.

6.3 Processing costs

The process plants operating costs are estimated in the PFS by applying different costs for the various ore types through the two processing plants.

The average unit processing cost (including contingency) for the life-of-mine is A\$13.47/t of ore processed. AMC has compared these costs against similar processing plants and considers these costs are within the normal ranges of similar processing plants. In AMC's opinion, the processing costs are based on reasonable grounds.

6.4 General and Administration costs

The G&A unit cost included in the Havilah Model was considered by AMC to be low compared with comparable remote mining operations with camp accommodation and a commute workforce. An average G&A cost for comparable remote mines is in a range of A\$3.50 to A\$4.00/t of ore processed. AMC have adjusted the G&A costs in Table 6.2 and the operating cost schedule in Appendix A into this range (A\$3.96/t of ore processed including contingency) by doubling the G&A cost provided in the PFS.

6.5 Selling cost and royalty

The selling costs (A\$7.25/t of ore processed including contingency) comprise costs associated with the transport, treatment, and refining of concentrate and other products. Some of the cost to produce refined metal is also accounted for in the payable terms provided by the concentrate purchaser. Payable terms are defined in marketing contracts once a concentrate product is available and marketed.

The South Australian Government normal royalty is 5% of the value of contained metal for concentrate products however a discount to 2% of the value of contained metal can be applied for and granted for the first five years of a new mining project.

AMC considers the selling costs and the payable terms to be reasonable at a prefeasibility level of study.

6.6 Project capital costs

Kalkaroo capital costs from the PFS and escalated as discussed above are provided as an initial capital cost over the first five years of operation, an all-in sustaining capital cost over the remaining life of the operations (six years), and mine closure activities after cessation of operations (four years) in Table 6.3.

Table 6.3 Capital costs

Capital Area	First Five Years	Remaining Operations	Mine Closure
Mining (A\$m)	110	73	-
Processing (A\$m)	280	-	-
G&A (A\$m)	144	25	-
Mine closure (A\$m)	-	-	45
Sustaining (A\$m)	5	31	-
Indirects (A\$m)	24	-	-
Contingency (A\$m)	81	19	7
Total Capital *A\$m)	644	148	51

Note: Capital costs were sourced from PFS working data.

6.6.1 Mining capital

The mining capital cost represent the initial purchase of two 330 t excavators, one 245 t excavator, eight 136 t dump trucks, and a number of drill rig, dozers and auxiliary support equipment. The sustaining capital is estimated in the PFS from a mobile fleet replacement schedule and represents replacement of all items of mining equipment at the end of operating life.

AMC considers the type and number of equipment, replacement schedule, and purchase cost are consistent with a prefeasibility level study and that the mining capital cost estimate is based on reasonable grounds.

6.6.2 Processing capital

For both the sulphide and oxide processing plants, the plant capital cost estimates from the PFS were based on quotations for key equipment, in-house data and standard estimation practices.

AMC considers the methodology used to estimate the processing capital is consistent with a prefeasibility level study and based on reasonable grounds.

6.6.3 Infrastructure capital

The infrastructure capital estimate in the PFS was sourced from detailed work undertaken in 2010 with a 16% inflation factor applied consistent with CPI data over the period. The infrastructure includes roads, buildings, site services, and tailing storage facility.

The infrastructure capital costs estimate includes approximately 14% indirect cost or owners cost.

AMC considers the infrastructure capital cost estimate to be based on reasonable grounds.

6.6.4 Sustaining capital

Sustaining capital was identified separately in the financial model for processing and G&A. This allows initial capital for the sulphide processing plant in Year-3 and Year-4 to be separated from oxide processing plant sustaining capital expended in the same year.

Sustaining capital for mining consists of all capital spend after the initial purchase of the mining fleet up to the end of Year-2. This capital spend is generated from a fleet replacement schedule and deferred waste mining cost for pit cut-backs.

Sustaining capital for processing is approximately 1.5% per annum of installed processing plant capital and for infrastructure, approximately 0.6% per annum of installed infrastructure capital, which is within industry norms.

AMC considers the method of estimation and the allowance for sustaining capital is reasonable.

6.6.5 Contingency

AMC allowed an average contingency of 15% across all capital cost items.

6.7 Salvage value

The PFS economic model reviewed does not contain a salvage value.

Salvage value is only applicable if a sale is likely at the end of the operation. The capital assets of the project that might have some value the end of life-of-mine are:

- Mobile equipment such as the mining fleet:
 - A fleet replacement schedule used to estimate the sustaining capital indicates most items of mobile plant are near the end of their working life at the end of the life-of-mine. Extension to the life-of-mine will require capital expenditure to replace excavators, trucks, and some auxiliary equipment. The salvage value of the mining fleet is minimal.
- Fixed infrastructure such as the processing plant, camp and administration facilities.
 - The fixed infrastructure and the processing facility have some residual value if additional resources remain in the project or district that are able to be mined and processed at the Kalkaroo processing facility. This salvage value would be recovered by selling the processing operation. It is only possible to realise this salvage value however if the surrounding resources are owned by third party as a potential purchaser. Any value obtained by dismantling and selling the plant components is minimal within the context of closure and rehabilitation costs.

- Additional resources either as resource extension to Kalkaroo or in close proximity.
 - The value of additional resources is considered in the exploration assets section of this document. Once a processing plant is constructed, its presence will encourage further exploration expenditure in the area and contribute some value to these additional resources. This value but can only be realised with Mineral Resource and Ore Reserve definition.

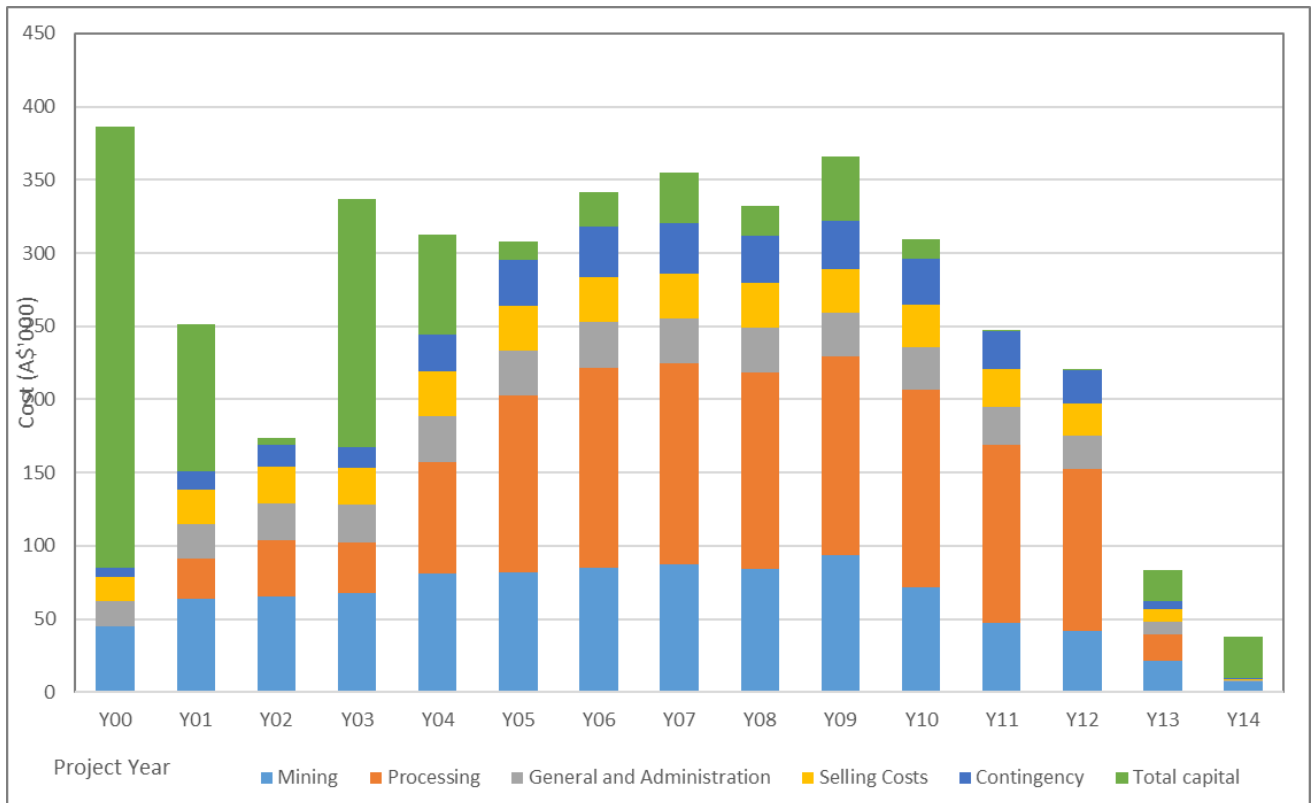
AMC considers salvage value is very dependent on the development, operation and exploration of the project as well as changes to the technical, economic and political environment over a 15-year period. AMC considers a salvage value is not material within the accuracy of the capital estimates.

6.8 Schedule of project costs

The estimated life-of-mine project costs are shown graphically in Figure 6.1 and provided in a table in Appendix A.

The following sections summarize the key values.

Figure 6.1 Life-of-mine costs



Based on model provided to AMC by Havilah, dated 30 May 2019 and escalated by AMC.

6.9 Revenue inputs

The project revenue inputs parameters used in the PFS are tabulated in both US\$ and A\$ in Table 6.4. The copper payability factor used in the PFS was 0.93. This was changed to 0.96 in May 2019 following updated advice on smelter terms.

Table 6.4 Project revenue inputs

Parameter	Value
Exchange rate A\$/US\$	0.75
Copper price (US\$/lb)	2.90
Copper price (US\$/t)	6,380
Copper price (A\$/lb)	3.86
Copper price (A\$/t)	8,510
Gold price (US\$/oz)	1,200
Gold price (A\$/oz)	1,600
Gold price (A\$/g)	51.4
Copper payability (%)	96
Gold payability (%)	93
Royalty (%)	2% for first five years then 5%

Based on information provided to AMC by Havilah.

6.10 AMC's recommended adjustments to the Model

AMC's recommendations to BDO for adjustments to the Model are:

- Increase in recoverable gold by 29 koz to align with the Havilah processing schedule.
- Increased allowance for G&A to reflect the cost of operating a remote site.
- Escalation of operating and capital costs from a December 2017 basis to a June 2022 basis.

The physical, operating cost, and capital cost inputs for the life-of-mine, after having applied AMC's recommendations for adjustments to the Model are shown in Table 6.5.

Table 6.5 AMC's recommended life-of-mine inputs to the Model

Description	Units	Value
Mining		
Ore	Mt	100
Au grade	g/t	0.44
Cu grade	%	0.47
Waste	Mt	351.5
Stripping ratio (W:O)	t:t	3.5
Au metal	koz	1,408
Cu metal	kt	474.4
Processing		
Oxide circuit	Mt	40
Sulphide circuit	Mt	60
Total ore processed	Mt	100
Au grade	g/t	0.44
Cu grade	%	0.47
Au Recovery	%	66.4
Au metal in concentrate	koz	935.1
Cu Recovery	%	82.5
Cu metal in concentrate	kt	391.5
Payability		
Au Payable	%	93
Cu Payable	%	96
Au payable	koz	869.0
Cu Payable	kt	375.8
Operating costs		
Mining	A\$m	1,038
Processing	A\$m	1,350
G&A	A\$m	397.0
Selling costs	A\$m	799.4
Total	A\$m	3,585
Capital costs		
Mining	A\$m	226.4
Processing	A\$m	309.5
Infrastructure	A\$m	176.9
Contingency + Indirects	A\$m	130.8
Total capital	A\$m	843.7

The physical, operating cost, and capital cost inputs by year, after having applied AMC's recommendations for adjustments to the Model, are provided in Appendix A.

7 Risks and opportunities

The following risks and opportunities have been identified in relation to Kalkaroo.

7.1 Geology and Mineral Resources.

The Kalkaroo Mineral Resource is an undeveloped resource in an area with no previous mining of comparable resources. There is a greater level of uncertainty with the geology and mineral resource at Kalkaroo compared to Mineral Resource in regions with existing mining operations in similar types of deposits.

This greater uncertainty is both a risk and an opportunity in that the geology and Mineral Resource may be both better or worse than anticipated in the evaluation work done to date.

The geology may be more complex than identified in drilling and this may result in lower mining recovery and greater dilution. The mineralization may be less continuous than indicated by the resource drilling and modelling resulting in a reduction in the Mineral Resource.

Further studies will result in an increased understanding of the Kalkaroo geology and this may lead to the targeting and identification of extensions to the Mineral Resource, and the targeting of similar mineralization in the region.

7.2 Mining

The mining plan assumes an owner mining model. The PFS also recommend that a contract mining model is evaluated. A contract mining model will reduce the initial capital cost and reduce the technical and economic risk with establishing the management, maintenance and labour expertise required to operate an open pit mining fleet.

The Namba Formation, deep saprolite and presence of groundwater results in geotechnically difficult open pit mining conditions and shallow pit slope designs. The PFS design has been informed by experience in mining in similar conditions at Portia. The conditions at Kalkaroo, while similar, are different and the slopes may behave differently. The planned mining of Kalkaroo is in a series of pit stages with cutbacks. This provides the opportunity to better understand the geotechnical conditions and the slope design criteria prior to designing and mining the final pit slopes.

A significant amount of material is classified as free dig and does not require drilling and blasting. There is a risk that free digging of this material may result in reduced mining productivity and higher mining costs.

Mining costs and productivities are estimated in the PFS based on experience with other comparable operations. These are influenced by the specific rock materials in each operation. However, with no existing mining at Kalkaroo there is a possibility of unforeseen conditions increasing costs or reducing productivities.

7.3 Processing

Testing and studies on metallurgical recovery are ongoing. Processing recoveries are lower than comparable operations. Further test work and studies may increase the amount of recovered metal.

With no existing processing experience on the Kalkaroo mineralization there is a higher possibility of unforeseen conditions increasing costs or reducing processing throughput or metallurgical recoveries.

7.4 Marketing

Kalkaroo is planned to produce several different concentrate products. These concentrates will be similar but not identical to existing concentrate products produced by other existing operations. The revenue received will depend on how the concentrate is marketed and how well the processing plant can match the quality of concentrate required by the potential buyers. The presence of deleterious penalty elements in copper and gold concentrate can significantly reduce the price of the product.

Metal prices used for the PFS and the Model are moderate compared with current spot metal prices and while cut-off grades were not highly sensitive to metal prices, there is the opportunity to increase margins if metal prices continue to be elevated.

8 Valuation methods – Mineral Resource not included in the Model

Where projections of production physicals and related costs can be reasonably determined for an operation or development project, it is accepted industry practice to prepare discounted cash flow (DCF) models from which net present value (NPV) estimates can be determined for the operation or project.

The Mineral Resource, which was part of the Mineral Resources reported for Kalkaroo, as at July 2018, that has not been included in the Model has been valued using an exploration valuation approach. The methods considered for valuation of that Mineral Resource are described below.

Where possible, AMC will use more than one method for determining the valuation appropriate to that project. Values are rounded, and outliers in contributing estimates are sometimes excluded. The methods selected by AMC are based on methods that are applicable for the circumstances, such as the presence, or not, of a Mineral Resource.

The preferred value for the valuation ranges presented in this ITSR is the midpoint of the range.

The methods considered in this ITSR for valuation of the Mineral Resources reported as at July 2018 that have not been included in the Model are as follows.

8.1 The Yardstick Value method

Yardstick values can be used for properties where a Mineral Resource has been quantified. A value per unit of metal contained in the Mineral Resource is calculated from transactions and applied to the contained metal in the Mineral Resource that is the subject of the valuation. A high, mid, and low valuation are generally derived.

Transactions used to determine yardstick values reflect a range of mineral deposit types, geographical locations and operating conditions. The transactions may include operating projects with a processing plant, projects about to start or restart or companies with one significant mining asset. The transactions are likely to include tenements with significant rehabilitation liabilities or other obligations, but AMC does not have details of those liabilities and obligations.

AMC has identified a number of transactions for copper, gold and iron oxide deposits that indicate yardstick values. All of these deposits are in Australia. Western Australian transactions have generally been excluded as the scale and strategic nature of mineral assets in Western Australia tend to indicate different values. Some of the mineral deposits that are the subject of the transactions include subordinate metals that may add value. AMC has assumed that most of the value in the transaction is indicated by the primary metal contained in the Mineral Resource in determining the yardstick values, and in applying them to the Mineral Resource.

Transactions considered include tenements with reported Measured, Indicated and Inferred Mineral Resources but without Ore Reserves.

8.2 Actual Transaction method

A value is determined by reference to actual transactions for the property in question. Actual transactions for exploration tenements made by Havilah have been considered in this instance. However, the value of the transaction may not reflect the strategic value, adjacent mineral assets or subsequent development of associated projects. Therefore, the listed value of the transaction is not always relevant.

8.3 Comparable Transaction method

A value is determined by reference to recent transactions for projects considered to be similar to those under review. Comparable transactions are converted to a value per unit area. A high, mid, and low valuation are generally derived.

8.4 The Past Expenditure Method

A value is determined based on expenditure associated with annual exploration activities. ASC considers that more historic activities are less relevant, as these activities would have led to development of the project were they successful. AMC typically considers the last five years of exploration expenditure. Office and administration costs are not included. A Prospectivity Enhancement Multiplier ("PEM") generally between 0.5 and 3.0 is applied to past expenditure which we judge to be effective in regard to future prospectivity.

9 Valuation of the Mineral Resource not included in the Model

AMC used the Yardstick Value method and the Past Expenditure method to determine its valuation of the Mineral Resource not included in the Model. There were no Actual transactions of a project within a recent timeframe that could be applied to this valuation. As Kalkaroo contains a Mineral Resource, the Yardstick method was suitable as it determines a value per unit of metal from comparable transactions. The Comparable Transaction method was not applied, as it uses the value per unit area of a tenement where there is no Mineral Resource.

The second method applied is the Past Expenditure method. This method is typically applied to project where there has been exploration activity, and while there may be potential identified, and a PEM is applied, there is not a Mineral Resource. As such, AMC applied this method as a means of validating or otherwise the preferred Yardstick Value method, as follows.

9.1 Yardstick Value method

AMC undertook a search of a subscription database to identify transactions from which it determined yardstick values relevant to the Kalkaroo Mineral resource not included in the Model.

The yardstick values for Kalkaroo are based on the transactions listed in Table 9.1 for valuation of the Mineral Resource not included in the Model. The transactions are of copper and copper-based polymetallic projects, also containing gold or cobalt, since 2017. Projects for which gold resource ounces were also reported have been converted by AMC to copper equivalent tonnes using commodity prices of US\$9,500/t copper, and US\$1,900/oz gold as advised by BDO. The cobalt Mineral Resource at Kalkaroo is Inferred and within the copper Mineral Resource. This has not been valued separately. AMC considers that any value contributed by the cobalt resource is accounted for within the implied values of polymetallic transactions in Table 9.1

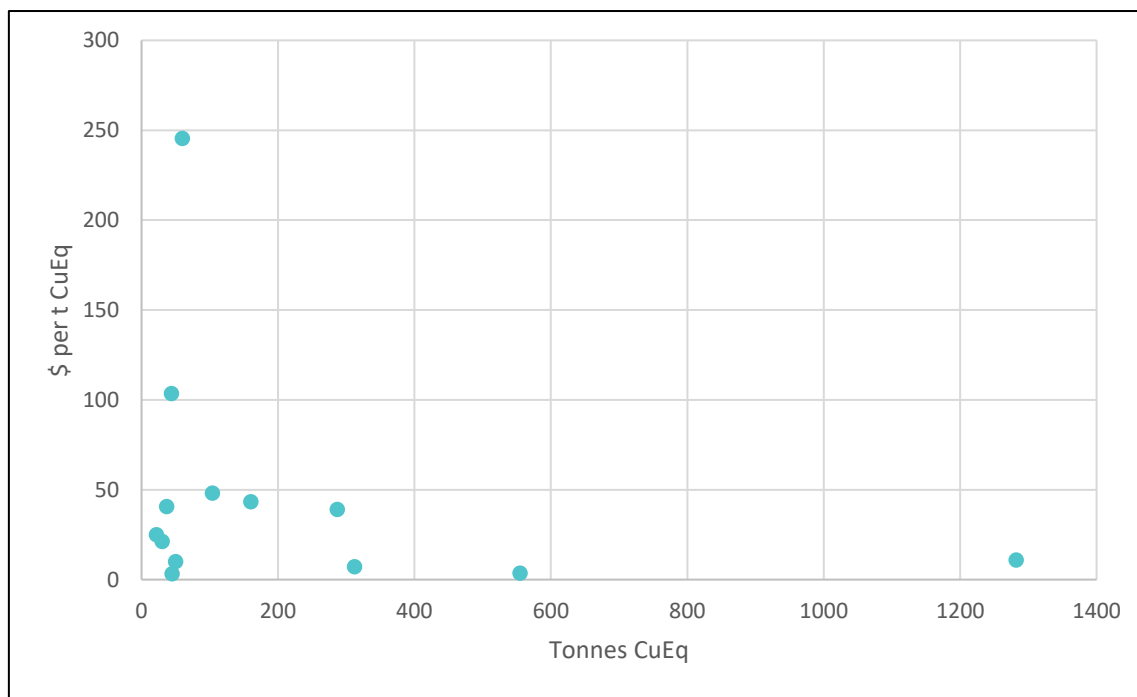
Table 9.1 Transactions for projects with Mineral Resources

Date	Project	Buyer	Resource (kt Cueq)	Value (A\$m)	Implied Value (A\$/ Cueq t)
17/03/2017	Mount Gunson	Gindalbie Metals	555	2.00	3.6
16/10/2017	Leigh Creek	Strategic Minerals	37	1.50	41
24/04/2017	Barbara Copper	Washington H. Pattinson	44	4.60	104
14/06/2017	Stockman	Washington H. Pattinson	287	11.20	39
21/07/2020	Whim Creek	Anax Metals Limited	39	0.5	13
12/10/2020	Halls Creek	Cazaly Resources	19	0.5	26
9/02/2022	Torrens Mining Limited	Coda Minerals	158	23.2	147
10/02/2021	Paterson Copper Pty Ltd	Cyprium Metals	1,143	66.5	58
3/03/2022	Neutral Junction	Eastern Metals	45	0.15	3.3
1/07/2021	Tottenham	Locksley Resources	104	5	48
27/10/2021	Cu Mines of Tas Pty Ltd	New Century	1,282	14	11
27/07/2020	Mallee Bull	Peel Mining	60	17	245
30/10/2020	Red Bore	Sandfire Resources	0.17	1.25	7,184
24/08/2020	Galwadgere	Sky Metals	30	0.63	21
21/07/2020	Mother Lode Pty Ltd	Tartana Resources	50	0.5	10
18/04/2018	Tartana	Tartana Resources	22	0.55	25
1/06/2020	ProspectOre Pty Ltd	Xtract Resources	312	2.2	7.2

Notes: Transaction values exclude options and conditional payments.
 Excludes transactions on operating mines.
 Excludes company takeovers unless single project.
 Implied value rounded to nearest A\$1 or two significant figures.

The implied values per tonne are compared with the size of the deposits in Figure 9.1. Transactions fall within the range of A\$3 per tonne to A\$250 per tonne of contained metal. The implied value does not appear to be influenced by deposit size, unless the tonnage is very low or very high. This is seen at Red Bore and Copper Mines of Tasmania respectively.

Figure 9.1 Comparison of yardstick value and deposit size



The Mineral Resources that are subject to the transactions vary in size, mining status and relative proportion of Measured, Indicated and Inferred Resource. The Mineral Resource estimates to which the yardstick values will be applied are Indicated and Inferred as most of the Mineral Resource included in the Model is Measured Resource.

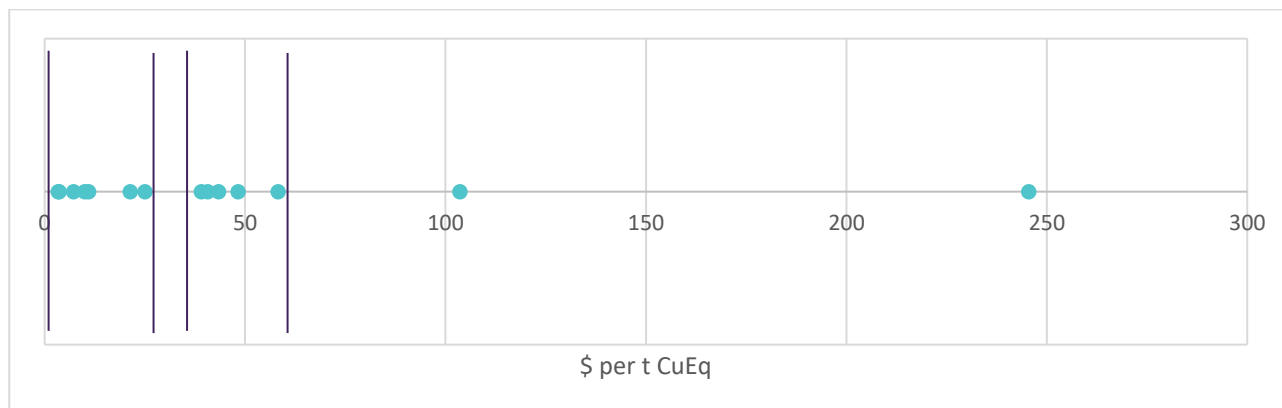
A range of implied values has been used, excluding the outliers, indicated by the transactions to assign ranges of values to be applied to Indicated and Inferred Resources. Figure 9.2 shows the basis of the ranges of values for Measured, Indicated, and Inferred Resources.

The comparable transactions back to 2017 are used. AMC considers approximately five years to be a reasonable period. For the Kalkaroo valuation, the transactions considered were copper projects or copper projects with associated gold and or cobalt and possibly other ancillary elements.

Of the transactions reviewed, Red Bore was not included in the valuation determination as the value per tonne was considered anomalous due to the small tonnage of resource for the transaction. The Copper Mines of Tasmania transaction was for the Mt Lyell mine site. AMC considers the value per tonne of the transaction was low for the resource. The transaction cost is likely to reflect other factors, such as mining issues and risks, given the history of the site. As such, the large copper tonnage results in a low cost per tonne for that Mineral Resource.

The transactions for Neutral Junction, Mother Lode and Tartana are all based on the resources being inferred resources or interpreted exploration targets. Therefore, these were included in the valuation determination to reflect the lower end of the resource value ranges. The Mallee Bull transaction, while not excluded from the assessment, is considered by AMC to be an outlier as the cost per tonne is at the top end of the value ranges and more than twice the next transaction.

Figure 9.2 Ranges of values assigned to Indicated and Inferred Resources (A\$/t)



The ranges of yardstick values applied to each Mineral Resource category are:

Indicated Resource: A\$35/t to A\$60/t.

Inferred Resource: A\$3/t to A\$25/t.

For the valuation of Mineral Resources not in the Model, the tonnes of material reported as Ore Reserve were subtracted from the Mineral Resource inventory. These tonnes are considered by AMC as equivalent to mining of the oxide gold cap and copper Measured Mineral Resource.

For the valuation, the tonnes of contained copper equivalent were determined for the remaining Mineral Resource as shown in Table 9.2. Reported gold resource ounces were converted to copper equivalent tonnes using commodity prices of US\$9,500/t copper, and US\$1,900/oz gold. As such, the Mineral Resource to which the implied value was applied is as shown in Table 9.2.

Table 9.2 Valuation using Yardstick Values - Mineral Resource not included in the Model

Asset	Measured Resource (Cueq kt)	Indicated Resource (Cueq kt)	Inferred Resource (Cueq kt)	Low (A\$m)	Preferred (A\$m)	High (A\$m)
Kalkaroo	-	199	694	9.0	19.0	29.3

The total value for the Kalkaroo Mineral Resource not included in the Model by this method is between A\$9.0 million and A\$29.3 million, with a preferred value of A\$19.0 million.

9.2 Past Expenditure method

AMC was provided past exploration expenditure information by Havilah. AMC reviewed this data as a possible second method of evaluation. The data provided dates from 2008 up to the Mineral Resource in 2017. In addition to exploration expenditure, the data includes infill drilling costs and expenditure for hydrogeological, metallurgical, scoping and pre-feasibility studies during the period. As the data is not purely exploration data, and adjustments were made, AMC considers the outcome of this method as a guide only.

Exploration expenditure data for the last five years typically reflects the level of exploration success being achieved. In this case approximately half the exploration expenditure was in 2008, with ongoing exploration work since that date implying positive sentiment in the early years of a successful discovery. As such, all of the expenditure is considered relevant to the successful discovery.

AMC considers a significant proportion of the total expenditure in the years leading up to 2018 was for proving up the Ore Reserves and other studies. Within the MLs hosting the Mineral Resource, the expenditure will also reflect size of the Mineral Resource, the density of drilling, and the area of investigation.

The total past expenditure attributed by Havilah directly to the Kalkaroo deposit is approximately A\$19 million. The MLs hosting the Mineral Resource with past expenditure has had a prospectivity enhancement multiple (PEM) applied. The PEMs range from 1.0 to 2.0 reflecting to proactive activities. The assessment of the expenditure and the PEM was adjusted to account for Mineral Resources within Ore Reserves, and expenditure associated with dense drilling and pre-feasibility and other studies for the period. The valuation applies to that part of the Mineral Resources reported as at July 2018 that have not been included in the Model. At Kalkaroo, this is approximately 55% of the total Mineral Resources. Therefore, AMC considered half the total past expenditure to be for exploration. As such, the implied value, as a guide, for the Kalkaroo Mineral Resource not included in the Model by this method is between A\$9.5 million and A\$19 million, with a preferred value at the upper end of this range, reflecting the success of the exploration.

9.3 Valuation summary

AMC's valuation of the Kalkaroo Mineral Resource that has not been included in the Model determined by the Yardstick Value method is between A\$9.0 million and A\$29.3 million with a preferred value of A\$19.0 million. AMC considers the valuation using the Yardstick Values is more reliable than the valuation using Past Expenditures. The range of values for the Yardstick Valuation is due to the range of values per unit of metal from the comparable transactions that is applied to the large tonnage of Inferred Mineral Resource. The range for the Inferred Resources is A\$3/t to A\$25/t, and the calculation is sensitive to this range. However, AMC considers the range to be appropriate based on the transactions assessed.

The valuation using the Past Expenditure method required AMC to make some assumptions about the data, and this method was therefore used only as a check of the Yardstick Value method. However, the preferred value determined from the Yardstick Value method is supported by the outcomes of the Past Expenditure method.

The valuation of Kalkaroo Mineral Resource not included in the Model is summarized in Table 9.3.

Table 9.3 Valuation summary - Mineral Resource not included in the Model

Asset	Measured Resource (kt)	Indicated Resource (kt)	Inferred Resource (kt)	Low (A\$m)	Preferred (A\$m)	High (A\$m)
Kalkaroo	-	199	694	9.0	19.0	29.3

10 References

Australian Securities Exchange website and announcements.

Havilah's website, reports, and announcements.

Kalkaroo block model and data files provided by Havilah.

Kalkaroo 2017 resource and reserve announcements and Table 1.

Kalkaroo 2017 resource reports provided by Havilah.

RPMGlobal PFS reported data.

Kalkaroo QA/QC data provided by Havilah.

Exploration expenditure data provided by Havilah.

11 Glossary of terms and abbreviations

Abbreviations and units used in this ITSR are shown in Table 11.1.

Table 11.1 Abbreviations

Unit	Description	Unit	Description
A\$	Australian dollar	MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
A\$m	million Australian dollars	ML	megalitre
ABS	Australian Bureau of Statistics	MOU	memorandum of understanding
AC	air core	Model	Kalkaroo cash flow model
ALS	ALS Laboratories	Newcrest	Newcrest Mining Ltd
AMC	AMC Consultants Pty Ltd	NPV	net present value
ASX	Australian Securities Exchange	NQ	47.6 mm core
Au	gold	OK	ordinary kriging
BDO	BDO Corporate Finance (SA) Pty Ltd	oz	troy ounce
BFA	bench face angle	OZ Exploration	OZ Exploration Pty Ltd
Competent Person	person defined in the JORC Code who has the required experience in preparing documentation on Exploration Results, or estimating or supervising the estimation of Mineral Resources or Ore Reserves	PEM	prospect enhancement multiplier
CP	Chartered Professional of the Australasian Institute of Mining and Metallurgy	PFS	Pre-feasibility study
CRMs	Certified reference materials	pH	potential of Hydrogen (measure of acidity or alkalinity)
Cu	copper	Placer	Placer Dome Inc
Cueq	copper equivalent or value of equivalent copper	ppm	parts per million
DCF	discounted cash flow	PQ	85 mm core
EL	exploration lease	QA/QC	Quality assurance and quality control
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy	RC	Reverse circulation
g	gram	RF	revenue factor
G&A	general and administration	RM	rotary mud drillholes
Glencore	Glencore Ltd	RL	elevation (reduced level) above a datum
Havilah	Havilah Resources Ltd	ROM	run-of-mine
HQ	63.5 mm core	RPM	RPMGlobal Asia Ltd
IER	Independent Expert's Report	SABC	SAG mill, ball mill and pebble crusher
ICP	inductively coupled plasma	SAG	semi-autogenous grinding
ITSR	Independent Technical Specialist's Report	TSF	Tailings storage facility
JORC Code	Australasian Joint Ore Reserves Committee (JORC), Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code), 2012 edition, effective December 2012	US\$	United States dollar
Kalkaroo	Kalkaroo Copper Gold Project		

Unit	Description	Unit	Description
koz	thousands of troy ounces	VALMIN Code	The Australasian Code for the Technical Assessment and Valuation of Mineral Assets. The VALMIN Code 2015 Edition. The VALMIN Code has been prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy the Australian Institute of Geoscientists and the Mineral Industry Consultants Association.
kt	thousands of metric tonnes		
L	litre		
lb	pound	W4X	Whittle Four-X pit optimization software
MAIG	Member of the Australian Institute of Geoscientists	Whittle	Whittle Programming Pty Ltd

12 Qualifications

12.1 AMC's qualifications

AMC is a firm of independent geological, geotechnical, mining engineering, and business analyst consultants offering expertise and professional advice to exploration, mining, and mining finance industries from our offices in Australia, Canada, Singapore, and the UK. A copy of an AMC profile detailing AMC's capability and available consulting services is available from our website (www.amcconsultants.com).

AMC's activities include the preparation of independent technical specialist reports, and reviews of, mining and exploration projects related to equity and debt funding. In these assignments, AMC and its subconsultants act as an independent party.

The contributors to this ITSR meet the requirements of a Specialist as defined by the VALMIN Code and are competent in and have at least ten years of relevant recent experience in the technical assessment of mineral assets in the area in which they have contributed, are Members or Fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), are familiar with the requirements of the VALMIN Code, and are independent of Havilah.

Contributors, their membership status of the AusIMM, their position at AMC, and their role in preparing the ITSR are shown in Table 12.1.

Table 12.1 ITSR contributors

Name	Position	Role
Andrew Proudman (FAusIMM (CP))	Principal Consultant – An employee of AMC.	Geology and Mineral Resources, valuation of Mineral Resources not included in the Model.
Glen Williamson (FAusIMM (CP))	Manager Corporate Consulting Perth, Principal Mining Engineer - An employee of AMC.	Project Manager, Ore Reserves, Kalkaroo mining, infrastructure, economics.
Rob Cheshier (MAusIMM)	Principal Metallurgist - An employee of AMC.	Metallurgy and processing.
Lawrie Gillett (FAusIMM)	Principal Mining Engineer, Practice leader Corporate Consultancy	Peer review.

12.2 Independence

AMC has considered its independence with respect to ASIC Regulatory Guide 112: Independence of Experts and is, in its opinion, independent of Havilah. AMC notes that:

- In the interests of full disclosure, AMC advises that it prepared a draft independent technical specialist's report in 2019 on the mineral assets of Havilah, one of which was Kalkaroo.
- AMC is of the view that it is independent of Havilah and has no ongoing business relationship with any party in connection with Kalkaroo, or other mineral assets of Havilah.
- While some employees of AMC and its subconsultants may have small direct or beneficial shareholdings in Havilah, neither AMC nor the contributors to this ITSR nor members of their immediate families have any interests in Havilah that could be reasonably construed to affect their independence. AMC has no pecuniary interest, association, or employment relationship with BDO or Havilah and has no interest in the outcome of the proposed transaction.
- Havilah will pay AMC a fee according to AMC's normal per diem rates for professional services, for the preparation of this ITSR, plus reimbursement of out-of-pocket expenses. The fee estimated at approximately A\$35,000 is not contingent upon the outcome of the proposed transaction. AMC will receive no other benefit for the preparation of this ITSR.

12.3 Matters relating to AMC's engagement as a Specialist

In letters relating to our engagement, Havilah agreed to comply with those obligations of the Commissioning Entity under the VALMIN Code including that to the best of its knowledge and understanding, complete, accurate and true disclosure of all relevant material information will be made.

AMC has relied on the information provided by Havilah and has no reason to believe that the information is materially misleading or incomplete or contains any material errors. AMC has not audited the information provided by Havilah but has reviewed the information to the extent necessary to satisfy itself that the adjustments to the Model recommended to BDO in this ITSR are based on reasonable grounds and that the information AMC has used in relation to the valuation of the Mineral Resource not included in the Model, is sufficient.

Havilah has been provided with a draft of this ITSR to enable correction of any factual errors and notation of any material omissions.

Havilah has provided AMC with indemnities in relation to damages, losses and liabilities related to or arising out of its engagement other than those arising from illegal acts, bad faith or gross negligence on its part, and has also provided indemnities in relation to damages, losses and liabilities related to AMC's reliance on any information provided by Havilah that is false, misleading, or incomplete.

This ITSR and the conclusions in it are effective at 30 June 2022. Those conclusions may change in the future with changes in relevant metal prices, exploration, and other technical developments regarding Kalkaroo and the market for mineral assets.

This ITSR has been provided to BDO for the purposes of forming its opinion in relation to the proposed transaction. AMC has given its consent for this ITSR to be appended to BDO's IER and for it to be provided to shareholders and has not withdrawn that consent before lodgement of this ITSR with the Australian Securities & Investments Commission. Neither this ITSR nor any part of it may be used for any other purpose without AMC's written consent.

The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Mr Glen Williamson, who is a Fellow of the AusIMM. Mr Williamson is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity he is undertaking to qualify as a Practitioner as defined in the VALMIN Code. Mr Williamson consents to the inclusion in this ITSR of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Technical Assessment and Valuation of Mineral Assets has been peer reviewed by Mr Lawrie Gillett, who is a Fellow of the AusIMM. Mr Gillett is a full-time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity he is undertaking to qualify as a Practitioner as defined in the VALMIN Code. Mr Gillett consents to the inclusion in this ITSR of the matters based on his information in the form and context in which it appears.

The signatories to this ITSR are corporate members of the AusIMM and are bound by its Code of Ethics.

Yours faithfully

The signatory has given permission to use their signature in this AMC document

Glen Williamson
FAusIMM

**Operations and Corporate
Consulting Manager Perth**

The signatory has given permission to use their signature in this AMC document

Lawrie Gillett
FAusIMM

**Practice Leader – Corporate
Consulting – Australia**

Appendix A

Physicals and Costs Schedules

Table A.1 Mining schedule

	Total	Y00	Y01	Y02	Y03	Y04	Y05	Y06	Y07	Y08	Y09	Y10	Y11	Y12	Y13	Y14
Ore (Mt)	100	0.0	3.5	4.4	4.5	12.2	11.0	11.4	10.4	10.3	8.2	9.3	7.6	6.2	1.1	-
Au grade (g/t)	0.44	0.00	0.95	0.79	0.74	0.54	0.38	0.41	0.37	0.40	0.32	0.33	0.31	0.27	0.27	-
Cu grade (%)	0.47%	0.00%	0.40%	0.45%	0.35%	0.57%	0.57%	0.44%	0.50%	0.40%	0.50%	0.46%	0.44%	0.42%	0.42%	-
Waste (Mt)	351.5	28.5	37.6	37.1	37.4	29.0	30.2	30.0	33.2	33.7	33.6	11.4	5.4	3.7	0.8	-
Stripping ratio (W:O)	3.5	0.0	10.9	8.5	8.2	2.4	2.7	2.6	3.2	3.3	4.1	1.2	0.7	0.6	0.7	-
Au metal (koz)	1,408	0.0	105.5	111.3	108.2	211.2	135.2	152.7	124.8	134.4	84.9	100.1	76.6	53.2	9.8	-
Cu metal (kt)	474.4	0.00	13.84	19.63	15.89	68.94	62.90	50.93	52.22	41.60	40.80	42.76	33.97	26.11	4.81	-

Table A.2 Processing schedule

	Total	Y00	Y01	Y02	Y03	Y04	Y05	Y06	Y07	Y08	Y09	Y10	Y11	Y12	Y13	Y14
Oxide circuit (Mt)	40	0.0	2.9	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.3	1.6	0.5	0.0	-
Sulphide circuit (Mt)	60	0.0	0.0	0.0	0.0	3.0	6.7	7.0	7.0	7.0	7.0	7.0	7.0	7.0	1.2	-
Total ore processed (Mt)	100	0.0	2.9	4.0	4.0	7.0	10.7	11.0	11.0	11.0	11.0	10.3	8.6	7.5	1.2	-
Au grade (g/t)	0.44	0.00	1.05	0.85	0.77	0.60	0.39	0.44	0.40	0.44	0.32	0.34	0.29	0.25	0.26	-
Cu grade (%)	0.47%	0.00%	0.42%	0.47%	0.38%	0.76%	0.63%	0.46%	0.48%	0.37%	0.43%	0.45%	0.42%	0.39%	0.40%	-
Au Recovery (%)	66.4%	0.0%	67.7%	57.9%	52.5%	59.4%	57.8%	68.8%	68.1%	67.2%	68.7%	73.0%	79.3%	87.2%	89.4%	-
Au metal in concentrate (koz)	935.1	0.0	66.4	63.5	52.2	80.7	77.9	107.1	96.0	105.4	77.4	82.2	64.3	52.7	9.3	-
Cu Recovery (%)	82.5%	0.0%	73.7%	75.5%	71.0%	81.1%	81.0%	83.2%	82.2%	85.0%	81.3%	84.0%	87.3%	90.4%	92.3%	-
Cu metal in concentrate (kt)	391.5	0.0	9.1	14.3	10.8	43.1	54.7	42.4	43.0	34.7	38.1	38.8	31.6	26.3	4.7	-
Payability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Au Payable (%)	93%	0.0%	96.4%	95.4%	95.4%	92.7%	90.6%	92.9%	92.3%	93.5%	92.4%	92.0%	91.6%	91.2%	91.0%	-
Cu Payable (%)	96%	0.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	95.9%	-
Au payable (koz)	869.0	0	64.0	60.6	49.8	74.8	70.6	99.4	88.6	98.5	71.5	75.6	58.9	48.0	8.5	-
Cu Payable (kt)	375.8	0.0	8.7	13.7	10.4	41.4	52.5	40.8	41.2	33.3	36.6	37.2	30.3	25.2	4.5	-

Note: Based on model dated 30 May 2019. Gold metal in concentrate has been adjusted from the model provided by Havilah

Table A.3 Cost schedule

	Total	Y00	Y01	Y02	Y03	Y04	Y05	Y06	Y07	Y08	Y09	Y10	Y11	Y12	Y13	Y14
Operating costs																
Mining (A\$m)	1,038	49.4	70.2	72.3	74.8	88.9	90.0	93.7	95.6	92.7	102.7	78.8	52.2	46.1	23.4	7.8
Processing (A\$m)	1,350	0.4	30.5	41.8	37.9	84.4	132.5	150.1	151.4	147.4	149.9	148.4	133.5	121.7	20.2	0.0
G&A (A\$m)	397.0	18.3	25.7	27.5	27.9	33.8	33.9	34.2	33.9	33.8	32.5	31.9	28.6	24.6	9.4	1.0
Selling costs (A\$m)	799.4	0.0	16.4	24.7	18.9	70.3	91.0	94.7	94.6	80.6	82.9	85.7	69.9	59.0	10.6	0.0
Total (A\$m)	3,585	68.1	142.7	166.3	159.5	277.3	347.4	372.7	375.6	354.5	368.0	344.8	284.2	251.4	63.6	8.8
Capital costs																
Mining (A\$m)	226.4	61.4	32.2	3.0	2.7	10.8	3.9	0.1	22.4	11.0	30.8	4.9	0.0	0.0	18.5	24.6
Processing (A\$m)	309.5	76.5	25.5	0.0	134.8	47.1	4.2	4.3	4.3	4.3	4.3	4.1	0.0	0.0	0.0	0.0
Infrastructure (A\$m)	176.9	108.0	25.1	1.1	9.5	1.8	2.6	16.1	3.5	2.5	2.5	2.5	0.8	0.8	0.0	0.0
Contingency + Indirects (A\$m)	130.8	56.0	17.2	0.6	22.0	9.0	1.6	3.1	4.5	2.7	5.6	1.7	0.1	0.1	2.8	3.7
Total capital (A\$m)	843.7	301.9	100.0	4.7	169.0	68.6	12.4	23.7	34.9	20.5	43.3	13.2	1.0	1.0	21.2	28.3

Notes: Based on model provided by Havilah dated 30 May 2019. Values are real as estimated at December 2017 and escalated. G&A adjustment is added and reflects a doubling of the G&A cost compared to the model provided by Havilah.

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Need assistance?**Phone:**1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)**Online:**www.investorcentre.com/contact**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **11:00 am (ACST) Monday 29 August 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 181203**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Havilah Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Havilah Resources Limited to be held at Fullarton Room, Arkaba Hotel, 150 Glen Osmond Road, Fullarton SA 5063 and as a virtual meeting on Wednesday, 31 August 2022 at 11:00am (ACST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval of the Proposed Transaction and disposal of interest in the Kalkaroo Project in accordance with the Kalkaroo Transaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically