REPLACEMENT PROSPECTUS

2014

JACANA MINERALS

Jacana Minerals Limited
A.C.N. 600 490 355

For an offer of up to 50,000,000 new ordinary fully paid shares in Jacana Minerals Limited at a price of $0.20 per share to raise up to $10,000,000

Joint Lead Managers: Bell Potter Securities Limited and Shaw Stockbroking Limited

This is a replacement prospectus which replaces in its entirety the prospectus dated 24 October 2014.
Shares offered pursuant to this Prospectus should be considered speculative.
This is an important document. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker, lawyer, accountant or other professional adviser.

JACANA MINERALS

TABLE OF CONTENTS

Front Cover photo: Picture of heavy minerals concentrated in a gold pan at the Tongani Prospect
Back Cover Photo: Picture of the hills containing the Chiliogali Graphite Prospects

JACANA MINERALS

CORPORATE DIRECTORY

Directors
Tom Eadie (Executive Chairman)
Paul Kehoe (Non Executive Director)
Mark Hanlon (Non Executive Director)

Company Secretary
Melanie Leydin
Telephone: +61 3 9692 7222

Registered Office
Level 9, 356 Collins Street
Melbourne VIC 3000

Contact Details
Jacana Minerals Limited
Level 9, 356 Collins Street
Melbourne VIC 3000
Email: info@jacanaminerals.com.au
Website: www.jacanaminerals.com.au
Telephone: +61 3 9640 0955

Share Registry
Security Transfer Registrars
PO Box 535
Applecross WA 6953
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Fax: +61 8 9315 2233
www.securitytransfer.com.au

Auditor
Grant Thornton Audit Pty Ltd
The Rialto, Level 30
525 Collins Street
Melbourne VIC 3000

Proposed ASX code
"JAC"

Australian Legal Adviser
Baker & McKenzie
Level 19, 181 William Street
Melbourne VIC 3000

Joint Lead Managers
Bell Potter Securities Limited
Level 29, 101 Collins Street
Melbourne VIC 3000

Shaw Stockbroking Limited
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Investigating Accountant
Grant Thornton Corporate Finance Pty Ltd
The Rialto, Level 30
525 Collins St
Melbourne VIC 3000
Australian Financial Services Licence No. 247140

Tanzanian Legal Adviser
Rwebangira Eustace & Co Advocates
WD (Ottu) Building
3rd Floor, Room No 10
Uhuru/Lumumba Streets
Dar Es Salaam, Tanzania

Independent Geologist
Snowden Mining Industry Consultants
181 Adelaide Tce
East Perth WA 6004
Australia

IMPORTANT NOTICES AND STATEMENTS

OFFER

This Prospectus is issued by Jacana Minerals Limited (ACN 600 490 355) (**Jacana Minerals** or the **Company**). The Offer contained in this Prospectus is an invitation by Jacana Minerals to apply for fully paid ordinary shares in the Company.

LODGEMENT AND LISTING

This is a replacement Prospectus dated 6 November 2014. It replaces the Original Prospectus dated 24 October 2014. A copy of this replacement Prospectus was lodged with the Australian Securities and Investment Commission (**ASIC**) on 6 November 2014. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be allotted or issued on the basis of this Prospectus later than the date which is 13 months after the date of the Original Prospectus. Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out herein.

The Company applied to the ASX within seven (7) days of the date of the Original Prospectus for admission to the Official List and for quotation on ASX of the Shares offered under the Original Prospectus. The application was made on 30 October 2014. A copy of this replacement Prospectus will be lodged within seven (7) days of the date of this replacement Prospectus.

OVERVIEW OF THE MATERIAL CHANGES FROM THE ORIGINAL PROSPECTUS

This replacement Prospectus has been issued to provide disclosure in relation to the following matters which are the material changes to the Original Prospectus:

- additional disclosure concerning the potential repercussions relating to the failure of Jacana Tanzania to have lodged its audited accounts for the years 2012 and 2013 (Section 5);
- additional information concerning the basis for the Directors' statement concerning the sufficiency of the working capital should only the minimum amount of $4,000,000 be raised (Section 1.6);
- amending language concerning the Chiliogali Permits clarifying that the project does not yet have demonstrable or proven potential for extraction of high grade graphite (Section 3.3);
- additional disclosure of a consulting agreement between the Company and the Tanzanian country manager Aspon Mwijage who is also a director of Jacana Tanzania (Section 11.2).

NOTE TO APPLICANTS

Before deciding to apply for Shares, potential investors should read the entire Prospectus and in particular, in considering the prospects for Jacana Minerals, investors should consider the risk factors that could affect the financial performance of Jacana Minerals. Jacana Minerals is at the early stages of its maturity and the risks may therefore be significant. The Shares offered pursuant to this Prospectus should be considered speculative. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Offer. No guarantee is given as to the success of Jacana Minerals, the repayment of capital, the payment of dividends, or the price at which the Shares will trade on ASX.

DISCLAIMER

No person named in this Prospectus, nor any other person, guarantees the performance of Jacana Minerals, the repayment of capital by Jacana Minerals or the payment of a return on the Shares.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Jacana Minerals in connection with the Offer.

This Prospectus contains forward looking statements, which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

Other than as set out in this Prospectus, and as otherwise required by law or the Listing Rules, the Company has no intention to update forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Certain risk factors are set out in Section 5. These and other factors could cause actual results to differ materially from those expressed in any forward looking statement made by, or on behalf of, the Company.

Past performance is not a reliable indicator of future results.

OVERSEAS RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares or the Offer, or otherwise permit a public offering of the Shares, in any jurisdiction outside Australia. Any South African persons who receive this document are subject to exchange control regulations and it is their responsibility to take advice and act accordingly.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The New Shares are being offered to Existing Shareholders in New Zealand, with registered addresses in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). No New Shares may be offered or sold to the public within New Zealand, and no member of the public in New Zealand may accept the offer, other than Existing Shareholders in New Zealand. In addition to Existing Shareholders in New Zealand, New Shares may be offered and sold in New Zealand only to:

(a) persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or

(b) persons who are each required to (i) pay a minimum subscription price of at least NZ$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any US Persons. In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act), and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act).

The information in this document has been prepared on the basis that all offers of Shares in the European Union will be made pursuant to an exemption provided under L. 3401/2005, implementing Directive 2003/71/EC ("Prospectus Directive"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of Shares has not been made, and may not be made, in the European Union except to qualified investors, as provided in art. 2 of L. 3401/2005, implementing Prospectus Directive (2003/71/EC), indicatively:

(a) to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;

(b) to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000; and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);

(c) to any person or entity who has requested to be treated as a professional client in accordance with art. 7 of L. 3606/2007, implementing the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or

(d) to any person or entity who is recognised as an eligible counterparty in accordance with art. 30 of L. 3606/2007, implementing the MiFID.

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. If you receive this document in Hong Kong, you are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

OBTAINING A COPY OF THIS PROSPECTUS

Jacana Minerals has issued both a printed and an electronic version of this Prospectus and the electronic version may be accessed on Jacana Minerals' website, **www.jacanaminerals.com.au.**

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus.

Applications for Shares may only be made on the Application Form attached to or accompanying this Prospectus in its hard copy form, or (other than in respect of the Priority Offer) in its soft copy form which must be downloaded in its entirety from **www.jacanaminerals.com.au.** The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus in its hard copy form. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting Jacana Minerals by e-mail at **info@jacanaminerals.com.au.**

EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, the prospectus is subject to an Exposure Period of seven days from the date of lodgement with ASIC. The Exposure Period was extended by ASIC for a further seven days to 7 November 2014. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. Subject to the terms relating to the Priority Offer, no preference will be conferred on Applications received in the Exposure Period and all Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

ASX BOOKBUILD

The Company may at its discretion elect to use ASX BookBuild, the capital raising facility operated by ASX. See Section 1.14 for details about how the Company will announce its intention to use the facility, key parameters and additional information.

PHOTOGRAPHS

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

FINANCIAL AMOUNTS

All financial amounts shown in this Prospectus are expressed in Australian dollars, unless otherwise indicated.

GLOSSARY

Certain capitalised terms and abbreviations used in this Prospectus have defined meanings which are explained in Section 12 of this Prospectus.

PRIVACY

By filling out the Application Form to apply for Shares, you are providing personal information to Jacana Minerals through the Share Registry, which is contracted by Jacana Minerals to manage Applications. Jacana Minerals, and the Share Registry on its behalf, may collect, hold, use and disclose that personal information for the purpose of processing your Application, servicing your needs as a Shareholder, providing facilities and services that you need or request and carrying out appropriate administration.

If you do not provide the information requested in the Application Form, Jacana Minerals and the Share Registry may not be able to process or accept your Application.

Your personal information may also be provided to Jacana Minerals' agents and service providers on the basis that they deal with such information in accordance with Jacana Minerals' privacy policy. The agents and service providers of Jacana Minerals may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- the Joint Lead Managers in order to assess your Application;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mailmarket research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by contacting the Share Registry on +61 8 9315 2333.

Mailing address
Security Transfer Registrars
PO Box 535
Applecross WA 6953

If any of your information is not correct or has changed, contact the Share Registry or the Company to update your information.

In accordance with the requirements of the Corporations Act, information on the Share register will be accessible to members of the public.

CONTACTS

If you require assistance to complete the Application Form, require additional copies of this Prospectus, or have any questions in relation to the Offer, you should contact your broker.

If you are uncertain as to whether obtaining Shares is a suitable investment for you, you should seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

INVESTMENT OVERVIEW

On 15 October 2014, Jacana Minerals demerged from Syrah becoming a separate entity. As at the date of the Prospectus Jacana Minerals has 50,038,524 Shares on issue, and is looking to issue up to a further 50,000,000 shares under this Offer.

The information in this section is a selective overview only. Prospective investors should read the Prospectus in its entirety before making any investment decision.

HIGHLIGHTS

Jacana Minerals is a Tanzania focussed mineral explorer with a diverse portfolio of exploration opportunities and an experienced and successful Board and management team. The assets, including mineral sands, graphite, nickel and coal prospects, were demerged from Syrah in October 2014. This initial public offering is planning to raise up to $10 million for further exploration. An established team is ready to start drilling the following targets immediately.

a) Mineral sands properties with a commanding position in the underexplored northern coastline:
   - Zircon-rich Resources[1] at Fungoni
   - Rutile-rich dune system with huge tonnage potential at Tanga North
   - High grade target zones identified at Tanga South and Bagamoyo

b) Graphite – Thick, high grade, metallurgically exceptional zones outlined by trenching at Chiliogali.
   Best – 31m @ 15.5% Total Graphitic Carbon

c) Nickel – Drill ready high conductivity targets at Mbinga

The Board and management team includes Tom Eadie, Paul Kehoe, Mark Hanlon and Aspon Mwijage (Country Manager – Tanzania), who are well credentialed to bring exploration success to Jacana Minerals.

1 Classified according to the JORC Code - Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the AusIMM, AIG and MCA

DETAILS OF THE OFFER

What is being offered ?	Up to 50,000,000 New Shares
Offer price	**$0.20** per Share.
How can applications be made?	Applications for Shares under the Offer may be made by completing the relevant Application Form in accordance with the instructions.
How can existing shareholders apply under the Priority Offer?	Existing Shareholders may apply under the Priority Offer on the basis of their personalised Priority Application Form sent to them in the post.
Where should I send my application?	Security Transfer Registrars PO Box 535 Applecross WA 6953
When must applications for Priority Offers and General Offers be received?	By **5:00pm** on **Wednesday 3 December 2014.**
When must applications for Broker Firm Offers be received?	By **5:00pm** on **Friday 12 December 2014.**
Who should I contact with any queries?	By speaking to your accountant, stockbroker or other professional advisor. If you require assistance or additional copies of this Prospectus, please contact your broker or the Company Secretary on +61 3 9692 7222

INVESTMENT RISKS

There are a number of risks associated with investing in the share market generally and associated with investing in Jacana Minerals specifically. The business, assets and operations of Jacana Minerals are subject to risk factors that may affect the operating and financial performance of Jacana Minerals in the future.

An investment in Jacana Minerals should be considered speculative in nature. The information in this section is a selective overview only. Prospective investors should read the Prospectus in its entirety before making any investment decision, including investors should consider the risk factors set out in Section 5 which include, but are not limited to those set out on the following page.

Risk	Summary	Reference
Additional Requirements for Capital	Particularly if only the minimum of $4,000,000 is raised under the Offer, Jacana Minerals will likely be required to raise additional funding in due course. Jacana Minerals' Share price and ability to raise future funds is significantly impacted by commodity prices, market conditions and the regulatory environment at the time. See also the requirement to pay for the balance of the Chiliogali Permits as described below.	Section 5
Exploration Resource Definition Stage	Jacana Minerals' mineral tenements as described in this Prospectus are at the exploration and resource definition stage only. Prospective investors should understand that mineral exploration and subsequent development are high-risk undertakings. Despite the efforts of Jacana Minerals, there is no guarantee of exploration success.	Section 5
Limited JORC Compliant Resource	While its Prospecting Licences are considered by the Board to be highly prospective, in addition to the disclosures in this Prospectus, there is no guarantee that a JORC compliant resource in relation to any of them (other than as existing for PL 7499/2011) will be identified in the future.	Section 5
Tenement Title	There are a number of conditions that Jacana Minerals must satisfy with respect to its Prospecting Licences to keep them in good standing, including but not limited to licence fee payments, annual reporting and filing requirements. In relation to the Chiliogali Permits, Jacana Tanzania has exercised a right to purchase 90% of the registered interest in the permits. As consideration, it has paid an initial USD 100,000 and as disclosed in this Prospectus plans to issue 1,000,000 Shares to ASAB. If Jacana Tanzania does not exercise the option to acquire the outstanding 10% and pay USD 4,500,000 (as indexed) by July 2018 Jacana Tanzania's interest in the Chiliogali Permits will be forfeited. See further at Section 11.2.	Section 5
Operating in Tanzania	Jacana Minerals will be exposed to any associated risks of operating in Tanzania, including potential changes in law, the risk of expropriation or government participation, political instability and other risk factors such as adverse climactic, health and operating conditions.	Section 5
Emerging Markets	When conducting operations in emerging markets, companies may face a number of additional risks that entities with operations wholly within Australia may not face. For example, the ability to implement effective internal control and risk management systems and good corporate governance principles having regard to the distance involved in their operations.	Section 5
Key People	The responsibility of overseeing Jacana Minerals' operations and strategic management depends substantially on its Directors and key management personnel.	Section 5
Exchange Rate Risk	Any future revenue generated by Jacana Minerals is expected to be in United States dollars, while its cost base and expenditure is expected to be in United States dollars, Tanzanian shillings and Australian dollars. Jacana Minerals will be exposed to the volatility and fluctuations of these cross-exchange rates.	Section 5
General Risks	There are a number of general risks including economic and share market conditions.	Section 5

JACANA MINERALS

INDICATIVE TIMETABLE FOR THE OFFER

Opening Date	Monday 10 November 2014
Priority Offer and General Offer Closing Date *	Wednesday 3 December 2014
Broker Firm Offer Closing Date *	Friday 12 December 2014
Shares are expected to be allotted	Monday 15 December 2014
Expected Despatch of holding statements	Friday 19 December 2014
Expected date of quotation of Shares on ASX (subject to ASX approval)	Wednesday 31 December 2014

* The above dates are indicative only and may vary. The Company reserves the right to amend the indicative timetable, including by closing the Offer early or extending the Priority Offer Closing Date or Broker Firm Offer/ General Offer Closing Date or accept late Applications without prior notice, subject to the requirements of the Listing Rules and the Corporations Act.

Picture of the hills containing the Chiliogali Graphite Prospects

JACANA MINERALS

CHAIRMAN'S LETTER

24 October 2014

Dear Fellow Investor,

We are pleased to present you this opportunity to become a Shareholder or to increase your holding in Jacana Minerals Limited (**Jacana Minerals**). As set out in this Prospectus you can apply for new Shares in Jacana Minerals at $0.20 per Share.

Jacana Minerals demerged from Syrah Resources Limited (**Syrah**) on 15 October 2014. This process was initiated to enable the two separate companies to focus on specific geographic aspects of the Syrah exploration portfolio, providing for each company to operate with independent boards and management teams.

This demerger has resulted in Jacana Minerals emerging with a number of Tanzanian flagship projects, with a vision of becoming "The Best Tanzanian Explorer". The current Tanzanian projects contain an existing mineral sands resource with the potential for expansion for new mineral sands, nickel and graphite discoveries. Previous exploration has been limited, which provides Jacana Minerals with a tremendous opportunity to add significant value to the Tanzanian projects. We consider the Tanzanian projects to be well positioned for exploration success and subsequent development as a new mining venture.

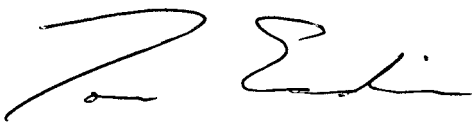
Clearly Jacana Minerals plans to take advantage of the huge exploration prospectivity of Tanzania. Tanzania is one of the largest gold producers in Africa, and has very significant nickel, graphite, rare earth and mineral sands prospects. Starting with the Chiliogali graphite project and the large, mineralised, heavy mineral sands projects in the northern half of coastal Tanzania, Jacana Minerals will immediately aggressively pursue the best that the country has to offer.

Jacana Minerals' strategy is to springboard off its distinct advantages in order to advance the current mineral sands, nickel and graphite potential by following the programs set out in this Prospectus. Jacana Minerals has a commercially and technically experienced Board and a strong technical team to rapidly advance resource evaluation and advanced exploration.

This Prospectus details the issue of up to 50,000,000 new Shares by Jacana Minerals at $0.20 per Share to raise up to $10 million before expenses of the Offer. The minimum subscription to the Offer is 20,000,000 Shares raising $4,000,000 before expenses of the Offer.

In summary, Jacana Minerals has a solid base from which to commence its endeavours, capitalising on its current exciting projects and the significant exploration prospectivity in Tanzania, under the guidance of an experienced, successful, professional team.

Yours sincerely,



Tom Eadie
Chairman

SECTION 1

DETAILS OF THE OFFER

Picture of trenching of the graphite horizon at Chiliogali North Prospect

1.1 SHARES OFFERED

The Offer invites potential investors to apply for new Shares in Jacana Minerals at an issue price of $0.20 per Share. The Offer is intended to raise up to $10,000,000 for Jacana Minerals before expenses of the Offer. All such Shares are fully paid and will rank equally in all respects with the Shares already on issue. Further details of the rights attaching to the Shares are set out in Section 11.1.

Jacana Minerals demerged from Syrah on 15 October 2014 following Syrah shareholder approval obtained on 1 October 2014. As part of the demerger from Syrah, Syrah shareholders were issued shares in Jacana Minerals on a 3 for 10 basis. The Offer includes a Priority Offer to Existing Shareholders to subscribe for New Shares on a one for one basis based on their existing shareholding as shown on their personalised Priority Application Form. The number of Shares subject to the Priority Offer is approximately equal to the total number of Shares being issued under the Offer. Accordingly, new shareholders wishing to apply under the General Offer or Existing Shareholders wishing to apply for additional Shares above their priority entitlement will be satisfied to the extent that Existing Shareholders do not take up all of the Priority Offer.

1.2 WHEN TO APPLY

Application Monies and completed Applications to participate in the Priority Offer must be received by the Share Registry prior to 5.00pm on the Priority Offer Closing Date.

Application Monies and completed Applications to participate in the General Offer must be received by the Share Registry prior to 5.00pm on the General Offer Closing Date.

Application Monies and completed Applications for Broker Firm Offers must be received as described in Section 1.3.

The Priority Offer and General Offer are expected to close at 5.00pm on Wednesday 3 December 2014 and the Broker Firm Offer is expected to close at 5.00pm on Friday 12 December 2014, subject to Jacana Minerals' right to extend the closing date of the Offer without notice. Applicants are encouraged to submit their Application Forms as early as possible.

1.3 HOW TO APPLY

You should carefully read this Prospectus and instructions accompanying it before applying. If you wish to participate in the Offer, you should complete the relevant Application Form.

Priority Offer

Existing Shareholders have the right to subscribe for New Shares on a one for one basis based on their existing shareholding as shown on their personalised Priority Application Form. Existing Shareholders wishing to participate in the Priority Offer should apply on the basis of their personalised Priority Application Form posted to them.

Existing Shareholders may apply for shares using BPAY ®. If you are paying for your New Shares by BPAY ®, please refer to your personalised instructions on your Priority Application Form. Please note that should you choose to pay by BPAY ®, you do not need to complete or return the Priority Application Form but are taken to have made the declarations on that personalised Priority Application Form. If you do not pay for your full entitlement, you are deemed to have taken up your entitlement in respect of such whole number of Shares as is covered in full by your Application Money.

When completing your BPAY ® payment, please make sure to use the specific Biller Code and unique reference number provided on your personalised Priority Application Form. If you receive more than one personalised Priority Application Form (i.e. where you have multiple holdings), please only use the reference number specific to the entitlement on that form. If you inadvertently use the same reference number for more than one of your entitlements, you will be deemed to have applied only for Shares on the entitlement to which the reference number applies.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY ® are received by 5.00pm on the Priority Offer Closing Date.

Alternatively, Existing Shareholders may complete the Priority Application Form and enclose a cheque in Australian dollars payable to "Jacana Minerals Limited" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants. Completed Priority Application Forms and accompanying cheques should be received by the Priority Offer Closing Date at the following address:

Jacana Minerals Limited
C/o Security Transfer Registrars
PO Box 535
Applecross WA 6953

General Offer

An Application for Shares under the General Offer can only be made by completing and lodging the Application Form attached at the back of this Prospectus. Applications under the General Offer will be satisfied to the extent that Existing Shareholders do not take up all of the Priority Offer. Applicants may apply for a minimum parcel of 10,000 Shares representing a minimum investment of $2,000. The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for. In the case of over subscriptions the Company will review applications with a view to ensuring minimum ASX Spread Requirements are met, and otherwise make a decision for allocations in consultation with the Joint Lead Managers. All applications under the General Offer must be completed in accordance with the detailed instructions on how they are to be completed and be accompanied by a cheque in Australian dollars payable to "Jacana Minerals Limited" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants. If you wish to apply for Shares under the General Offer and pay through BPAY ® please follow the instructions set out in Section 1.15. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on or after allotment in respect of the Shares.

Existing Shareholders wishing to apply for additional Shares above their entitlement through the Priority Offer will need to complete the General Offer Application Form attached to the back of this Prospectus for such additional number of New Shares.

Completed Application Forms and accompanying cheques should be received by the General Offer Closing Date at the following address:

Jacana Minerals Limited
C/o Security Transfer Registrars
PO Box 535
Applecross WA 6953

Broker Firm Offer

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker. Applicants under the Broker Firm Offer must not send their Application Forms to the Company or Share Registry. The Broker Firm Offer is expected to close at 5.00pm on Friday 12 December 2014. Please contact your Broker for instructions.

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions from their Broker. The allocation of Shares to Brokers will be determined by the Company. Shares that are allocated to Brokers for allocation to their Australian resident clients will be issued or transferred to the Applicants who have received a valid allocation of Shares from those Brokers. It will be a matter for the Brokers how they allocate Shares among their clients, and they (and not the Company) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Shares.

The Company and Share Registry take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Monies (including, without limitation, failure to submit Application Forms by the close of the Broker Firm Offer).

Please contact your Broker if you have any questions.

1.4 MINIMUM SUBSCRIPTION

The minimum subscription to the Offer is 20,000,000 New Shares raising $4,000,000 before expenses of the Offer.

In accordance with the Corporations Act, no Shares will be allotted by the Company until the minimum subscription has been received. If the minimum subscription has not been raised within three (3) months after the date of this Prospectus, the Company will either repay the Application Monies to Applicants or issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

1.5 PURPOSE OF THE OFFER

The purpose of the Offer is to raise funds:

- to pursue the projects described in this Prospectus, in particular to conduct drilling and other exploration activities at the Tanzanian projects;
- to evaluate the current mineral sands and graphite potential at the Tanzanian projects and determine the potential for extension, development and exploitation of them if feasible; and
- to continue target generation activities in Jacana Minerals' projects described in this Prospectus, including geophysical and geochemical surveys.

1.6 USE OF FUNDS

Following the Offer, it is anticipated that the following funds will be available to Jacana Minerals:

	$10,000,000 Raise ($)	$4,000,000 Raise ($)
Working capital (estimate) as at the date of this Prospectus	450,000	450,000
Funds raised from this Prospectus (assuming full take up)	10,000,000	4,000,000
Less repayment of Loan (see section 11.2)	(500,000)	(500,000)
Less Offer expenses*	(794,000)	(494,000)
Total Funds	**9,156,000**	**3,456,000**

* Expenses paid or payable by the Company in relation to the Offer include the professional expenses set out in Sections 11.2 and 11.5, as well as printing/formatting of approximately $24,000, ASIC fees of some $2,300 and ASX fees of approximately $66,000.

The below use of funds will be subject to modification on an ongoing basis depending on the results obtained from the exploration activities and hence these are estimates only. An ongoing assessment of each of Jacana Minerals' projects may lead to increased or decreased levels of expenditure on them, reflecting changes in emphasis as appropriate. Subject to this, the following expenditure is proposed:

	Minimum Raise of $4,000,000		Maximum Raise of $10,000,000	
Project	**2015 Budget**	**2016 Budget**	**2015 Budget**	**2016 Budget**
Tanga North	$200,000	$200,000	$300,000	$600,000
Tanga South	$200,000	$200,000	$400,000	$600,000
Bagamoyo	$100,000	$100,000	$300,000	$400,000
Fungoni	$200,000	$200,000	$400,000	$400,000
Chiliogali	$500,000	$500,000	$1,100,000	$1,400,000
Mbinga	$300,000	$300,000	$1,000,000	$1,200,000
Shikula	$0	$0	$20,000	$100,000
Admin	$220,000	$220,000	$450,000	$450,000
TOTAL	**$1,720,000**	**$1,720,000**	**$3,970,000**	**$5,150,000**

Admin costs for the period from the date of the Prospectus to the end of calendar year 2014 will be covered in the 2015 Budget. Based on the above, the Directors consider that following completion of the Offer, even at the minimum amount of $4,000,000, there is enough working capital to carry out Jacana Minerals' stated objectives over the relevant periods. This is because Jacana Mineral's mineral sands and graphite targets are shallow and therefore amenable to low cost drilling and other relatively low cost exploration methods. A large amount of effective exploration can be carried out within a two year period with the funds received from the minimum raising of $4,000,000. The 2015 Budget period refers to the calendar year 2015 and the 2016 Budget period refers to the calendar year 2016.

1.7 CAPITAL STRUCTURE

The pro-forma capital structure of Jacana Minerals is summarised below:

Description	$10,000,000 Raise	$4,000,000 Raise
Shares issued to approximately 3,600 Existing Shareholders as a consequence of the Syrah Demerger	49,211,827	49,211,827
Shares to be issued to ASAB on issue of the Shares under this Offer*	1,000,000	1,000,000
Shares held by Syrah**	826,697	826,697
Maximum number of Shares to be issued pursuant to the Offer	50,000,000	20,000,000
Total securities on issue at the listing date	**101,038,524**	**71,038,524**

As at the date of the Prospectus the persons with more than 5% of the issued share capital of Jacana Minerals are:

Holder Name	Shareholding (%)
Paul Kehoe interests	12.08%
Tolga Kumova interests	8.71%
Citicorp Nom PL	7.20%
Copper Strike Ltd	6.59%
HSBC Custody Nom Aust Ltd	6.31%
National Nom Ltd	5.01%

As Mr Kehoe will not be participating in the Priority Offer his shareholding is anticipated to fall below 10% following the Offer. Whether any of the other Shareholders in the above table increase or decrease their holding will depend on their participation in the Offer.

* According to the terms of the ASAB Option and Purchase Agreement, as part consideration for the initial 90% interest in the Chiliogali Permits Jacana Minerals agreed to allocate 1,000,000 Shares to ASAB upon being listed on the ASX. Accordingly, Jacana Minerals will issue to ASAB 1,000,000 Shares which will be listed at the same time as the Shares under the Offer. See section 11.2.

** As explained in the Notice of Meeting sent to Syrah shareholders on 1 September 2014, a total of 50,038,524 shares were on issue at the time of the Syrah Demerger. This number of shares was created to allow for the distribution of Shares on a 3 for 10 basis to all Syrah shareholders on a fully diluted basis (as if all issued options had been exercised). As at the record date for the Syrah Demerger, a number of options in Syrah remained unexercised. In addition, according to the terms of the Syrah Demerger not all foreign shareholders were eligible for the return of capital by way of the distribution of shares in Jacana Minerals. This resulted in 49,211,827 Shares being issued to Syrah shareholders under the Syrah Demerger and as a result, as at the date of this Prospectus Syrah still holds 826,697 Shares (28,290 of which are held by a nominee for sale on behalf of the Syrah Demerger ineligible shareholders). Syrah does not intend to be a long term holder of these Shares and intends to sell down this holding after this Offer.

1.8 ESCROW

None of the Shares issued to Shareholders as a consequence of the Syrah Demerger are subject to escrow, other than the shares issued to the directors of Syrah and Jacana Minerals as set out below (as a consequence of them being shareholders in Syrah) which the ASX has advised will be subject to escrow for 24 months. ASX has also advised that the Shares to be issued to ASAB pursuant to the ASAB Option to Purchase Agreement will be subject to a 12 month escrow as restricted securities under the Listing Rules.

Escrow restrictions applying to Jacana Minerals' securities as advised by ASX are set out in the table below.

Type of security	Shares	Escrow Period
Shares issued to Tom Eadie interests	450,000	24 months
Shares issued to Paul Kehoe interests	6,043,499	24 months
Shares issued to Mark Hanlon interests	651,000	24 months
Shares issued to Tolga Kumova interests	4,356,663	24 months
Shares issued to ASAB	1,000,000	12 months
Total	**12,501,162**	-

1.9 ALLOTMENT AND ALLOCATION OF SHARES

Subject to ASX granting conditional approval for Jacana Minerals to be admitted to the Official List, the allotment of Shares will occur as soon as possible after the Offer is closed, following which statements of shareholdings will be dispatched to relevant Shareholders. It is the responsibility of Applicants to determine their individual allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk. Pending the issue of the Shares, or return of the Application Monies, the Application Monies will be held in trust for the Applicants.

The Offer includes a Priority Offer to Existing Shareholders which is approximately equal to the total number of Shares being issued under the Offer. Accordingly, new shareholders that wish to apply under the General Offer or Existing Shareholders wishing to apply for additional Shares above their pro-rata entitlement under the Priority Offer will be satisfied to the extent that Existing Shareholders do not take up all of the Priority Offer.

The Company reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for. If there are excess applications, the Company in consultation with the Joint Lead Managers reserve the right to scale back any application (other than those in the Priority Offer) in their absolute discretion.

There is no guarantee that Applicants will receive any number of Shares applied for. Where the number of Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded to the Applicant without interest.

1.10 HANDLING FEES

A handling fee of 2.0% of the Application Monies (plus GST) will be paid by the Joint Lead Managers (out of the fees payable to them by the Company) to stockbrokers (being those entities being recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker handling fee on successful Applications for General Offers and Priority Offers.

Broker handling fees will only be paid where a Broker Claim Form and schedule is submitted to the Share Registry no later than 5.00pm on the relevant Closing Date. The Broker Claim Form and schedule is available from Jacana Minerals' Share Registry during the Offer Period.

1.11 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus and the Offer under it does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make the Offer. It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional advisers as to whether any government or other consents are required and/or whether any formalities need to be observed to enable them to apply for and be allotted Shares. No action has been taken to register or qualify the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. The return of a completed Application Form will be taken by Jacana Minerals to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

1.12 ASX LISTING

On 30 October 2014 Jacana Minerals applied to ASX for Jacana Minerals to be admitted to the Official List of ASX and for admission of the Shares offered pursuant to the Original Prospectus to quotation on ASX. A copy of this replacement Prospectus will be lodged within seven (7) days of the date of this replacement Prospectus. Should Jacana Minerals be admitted to the Official List, its ASX code is expected to be "JAC". If Jacana Minerals is not admitted to the Official List of ASX and the Shares are not admitted to quotation within three (3) months after the date of this Prospectus, Jacana Minerals will not allot or issue any Shares, and will repay all Application Monies without interest as soon as practicable or (subject to any necessary ASIC or ASX waivers and/or consents being obtained) issue a supplementary or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies. ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may admit Jacana Minerals to its Official List should not be taken in any way as an indication of the merits of Jacana Minerals or the Offer.

1.13 CHESS

Jacana Minerals will apply to participate in the CHESS system operated by ASX Settlement Pty Ltd (**ASPL**) (a wholly-owned subsidiary of ASX), in accordance with the Listing Rules and ASPL Settlement Rules. On admission to CHESS, Jacana Minerals will operate an electronic issuer-sponsored subregister and an electronic CHESS subregister. The two subregisters together will make up Jacana Minerals' principal register of securities.

Under CHESS, Jacana Minerals will not issue certificates. Instead, Jacana Minerals will provide Shareholders with a holding statement that sets out the number of Shares allotted to that Shareholder under the Offer. If a Shareholder is broker-sponsored, ASPL will send them a CHESS statement. The CHESS statement will set out the number of securities allotted to each Shareholder, give details of the Shareholder's holder identification number and give details of the participant identification number of the sponsor. If you are registered on the issuer sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of securities allotted under the Offer and the Shareholder's security holder reference number. A CHESS statement, or issuer sponsored statement, will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time however a charge may apply for additional statements.

1.14 ASX BOOKBUILD

ASX BookBuild is an automated on-market bookbuild facility operated by ASX and is part of ASX Trade, the public market infrastructure and trading system.

The Company may at its discretion elect to use the ASX BookBuild facility. If this decision is taken, information about the facility (including the ASX BookBuild code, key parameters, the identity of the technical lead manager and other information) will be announced to the market at least 3 days prior to the facility being opened for bids. The announcement will be made via the ASX Market Announcement Platform under the Company's ASX code.

If the company decides to use the ASX BookBuild Facility, eligible retail and wholesale investors will be able to apply for Shares via their Broker. To participate, an Applicant must have a 'once-off' ASX BookBuild Client agreement in place with their broker (please contact your broker for further information). Where an Applicant receives an allocation of Shares as a result of a bid entered on their behalf via ASX BookBuild, the Applicant is obliged to subscribe for the number of securities allocated to them.

Additional information about ASX BookBuild can be found on the ASX website at http://www.asx.com.au/listings/issuer-services/raising-capital.htm.

1.15 GENERAL OFFER PAYMENT THROUGH BPAY ®

You may also apply for Shares under the General Offer and make payment via BPAY® using internet or phone banking by visiting our share registry's website: www.securitytransfer.com.au and completing the online application form.

Step 1: Go to www.securitytransfer.com.au

Step 2: Go to Online IPO Applications and click on Company name

Step 3: Follow the prompts and complete you application

Step 4: A unique BPAY® reference number and Biller Code will be emailed to you upon completion of the application allowing you to make payment via BPAY® using internet or phone banking.

Your BPAY® reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid. You do not need to return any documents if you have made payment via BPAY®.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the Offer. BPAY® applications will only be regarded as accepted if payment is received by the Share Registry from your financial institution on the business day after the Closing Date. It is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date and time.

1.16 NOT UNDERWRITTEN

The Offer is not underwritten.

1.17 JOINT LEAD MANAGERS

Shaw Stockbroking Limited and Bell Potter Securities Limited are the joint lead managers to the Company in relation to the Offer. Please refer to Sections 11.2 of this Prospectus for further details including the fees and terms of engagement of the Joint Lead Managers.

1.18 ENQUIRIES IN RELATION TO THE OFFER

This Prospectus provides information for potential investors in Jacana Minerals, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in Jacana Minerals, please contact your accountant, stockbroker, lawyer or other professional adviser.

1.19 DIVIDENDS

The Directors do not envisage that Jacana Minerals will be in a position to declare dividends for the foreseeable future.

1.20 PRIVACY DISCLOSURE

Jacana Minerals collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in Jacana Minerals.

By submitting an Application Form, each Applicant agrees that Jacana Minerals may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, Jacana Minerals' related bodies corporate, agents, contractors and third party service providers (including mailing houses, ASX, ASIC and other regulatory authorities).

If an Applicant becomes a security holder of Jacana Minerals, the Corporations Act requires Jacana Minerals to include information about the security holder's name, address and details of Shares or securities held in its public register. This information must remain in the register even if that person ceases to be a security holder of Jacana Minerals. Information contained in

Jacana Minerals' registers will also be used to facilitate distribution payments and corporate communications (including Jacana Minerals' financial results, annual reports and other information that Jacana Minerals may wish to communicate to its security holders) and compliance by Jacana Minerals with any legal and regulatory requirements.

If you do not provide the information required on the Application Form, Jacana Minerals may not be able to accept or process your Application.

1.21 COMPETENT PERSON STATEMENT

The information contained in Section 3 of this Prospectus that relates to exploration results of the Tanzanian projects is based on, and fairly represents, information compiled or reviewed by Tom Eadie. Mr Eadie is the Executive Chairman and a shareholder of the Company. For details of Mr Eadie's shareholding, refer to Section 11.3 of this Prospectus. Mr Eadie is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Competent Person as defined in the JORC Code having over 25 years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking. Mr Eadie consents to this statement and to references in this Prospectus to him in the form and context in which they appear. Mr Eadie has not withdrawn his consent before lodgement of this Prospectus with ASIC.

The information contained in Section 3 that relates to JORC Resources estimate for the Fungoni deposit and referred to in the Independent Geologists Report is based on, and fairly represents, information compiled or reviewed by Rod Webster. Mr Webster is a Member of the Australasian Institute of Mining and Metallurgy and is a Competent Person as defined in the JORC Code having sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking. Mr Webster consents to this statement and to references in this Prospectus to him in the form and context in which they appear. Mr Webster has not withdrawn his consent before lodgement of this Prospectus with ASIC.

The information contained in the Independent Geologists Report set out in Section 6 is based on, and fairly represents, information compiled by Mark Burnett, a full time employee of Snowden and reviewed by Terry Parker, a principal consultant at Snowden. Snowden has been engaged by Jacana Minerals for the purpose of preparing the Independent Geologists Report. Terry Parker is a Fellow of the Australasian Institute of Mining and Metallurgy and is a Competent Person as defined in the JORC Code having at least 25 years experience which is relevant to the style of mineralisation and type of deposit described in the report and for which he is accepting responsibility. Terry Parker consents to the release of his report, this consent statement and to references in this Prospectus to his report in the form and context in which they appear. All reporting of exploration results in his report is expressed in terms of the JORC Code. Terry Parker has not withdrawn his consent before lodgement of this Prospectus with ASIC.

SECTION 2

COMPANY AND PROJECT OVERVIEW

Picture of heavy minerals concentrated in a gold pan at the Tajiri South Prospect

2.1 JACANA MINERALS COMPANY HISTORY

Jacana Minerals was incorporated on 2 July 2014.

In September 2014 Jacana Minerals acquired 100% beneficial ownership of Jacana Tanzania, which owns a 100% interest in fifteen (15) Prospecting Licences and a 90% interest in two (2) Prospecting Licences in Tanzania.

On 15 October 2014 Jacana Minerals was demerged from Syrah.

2.2 JACANA MINERALS BOARD

The Company currently has three Directors as described below.

Mr Ernest (Tom) Thomas Eadie – Executive Chairman
B.Sc. (Hons), M.Sc., F.AusIMM, SA Fin

Mr Eadie was the Chairman of Syrah from foundation of the company up to the verge of development at the world class Balama Graphite and Vanadium Project in Mozambique. Mr Eadie is also currently the Chairman of Copper Strike Limited, an ASX listed exploration company. Prior to these roles, Mr Eadie had twenty (20) years experience within the junior resources sector, including one year running Austminex NL, and at technical to senior executive levels with major mining companies including Pasminco, Aberfoyle Resources and Cominco. At Pasminco he was Executive General Manager – Exploration & Technology for 11 years. At Aberfoyle, he began as Chief Geophysicist before being put in charge of all mineral sands and base metal exploration. He is a past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association.

Mr Paul Kehoe – Non Executive Director
B.Bus (Acc.) CA., Grad.Dip.Sci (with First Class Honours), MAusIMM

Mr Kehoe is the former Managing Director of Syrah. He has overseen the early development of Syrah's world class graphite project at Balama, Mozambique and was involved in the acquisition of the Tanzanian projects. Mr Kehoe is both an accountant and a geologist. As a Chartered Accountant with a Bachelor of Business (Accounting Degree) he worked in senior management roles in firms such as PricewaterhouseCoopers and Grant Thornton. His area of expertise was corporate finance and restructuring. He subsequently returned to university to study geosciences and completed his first class honours in geology.

Mr Mark Hanlon – Non Executive Director
B.Bus, M.Bus

Mr Hanlon has over ten (10) years of experience in the resources and resource services sector as well as over ten (10) years experience in commercial and merchant banking. He has a broad background of senior executive experience across a wide range of industries including mining, mining services, electricity distribution, electronics contract manufacturing, paper & packaging and insurance. He has most recently been the Finance Director of mining company ENK Plc and previously held the position or equivalent position of CFO with listed companies such as Century Drilling and International Contract Manufacturing Limited. Mr Hanlon is currently a Director of Copper Strike Limited, Rusina Mining NL and Company Secretary of VU Group Pty Ltd. He holds a Bachelor of Business in Finance and Accounting and a Master of Business in Banking and Finance.

2.3 JACANA MINERALS COMPANY SECRETARY

Ms Melanie Leydin
B.Bus (Acc/Law), CA

Ms Leydin has 22 years' experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the ASX. She is a Chartered Accountant and a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000, has been the principal of the chartered accounting firm, Leydin Freyer, specialising in outsourced company secretarial and financial duties for these resources and biotechnology sectors.

2.4 MANAGEMENT

Mr Aspon Mwijage – Country Manager Tanzania
B.Sc. Geology, B.Sc. (Hons) University of Witwatersrand

Mr Mwijage has been the country manager for Syrah / Jacana Tanzania since 2011. Prior to that he worked for De Beers in diamond exploration for 11 years followed by a further three years with the Tanzanian Royalty Exploration Corp also looking for diamonds. He also has several years of experience working for Savannah Exploration Ltd in a broad ranging search for gold and diamonds in Tanzania. Mr Mwijage's knowledge of the Tanzanian exploration and mining industry and his networks within the government and industry, are key strengths of the Jacana Tanzania team.

Mr Mwijage is supported by a team of local employees and consultants in Tanzania.

2.5 SUMMARY OF PROJECTS

Jacana Minerals (through its wholly owned subsidiary Jacana Tanzania) owns a 100% interest in fifteen (15) Prospecting Licences and a 90% interest in two (2) Prospecting Licences in Tanzania. Further details relating to Jacana Minerals' projects are set out in Section 3. Details of these Prospecting Licences are set out in the table below.

Project Area	Licence No	Target Type	Comments
Tanga South	7666/2012	Mineral Sands	100% Jacana Minerals interest.
	7960/2012		100% Jacana Minerals interest.
	8123/2012		100% Jacana Minerals interest.
	7321/2011		100% Jacana Minerals interest.
Tanga North	8008/2012	Mineral Sands	100% Jacana Minerals interest.
Bagamoyo	7752/2012	Mineral Sands	100% Jacana Minerals interest.
	7753/2012		100% Jacana Minerals interest.
Mbinga	9046/2013	Nickel	100% Jacana Minerals interest.
	9352/2013		100% Jacana Minerals interest.
	9778/2014		100% Jacana Minerals interest.
	9960/2014		100% Jacana Minerals interest.
Fungoni	7754/2012	Mineral Sands	100% Jacana Minerals interest.
	7499/2011		100% Jacana Minerals interest.
	9951/2014		100% Jacana Minerals interest.
Shikula	7806/2012	Coal	100% Jacana Minerals interest.
Chiliogali	7471/2011	Graphite	90% Jacana Minerals interest.*
			10% beneficially owned by ASAB
	7488/2011		90% Jacana Minerals interest.*
			10% beneficially owned by ASAB

* Registration pending. The 90% interest in the Chiliogali Permits will be forfeited if Jacana Tanzania does not exercise its option to purchase the remaining 10% for USD4,500,000 (as indexed) by July 2018. See Section 11.2.

2.6 JACANA MINERALS STRATEGY

The first priority for Jacana Minerals is to assess the highly prospective portfolio of advanced exploration projects. These include the high grade, metallurgically exceptional Chiliogali graphite project and the large, mineralised, heavy mineral sands projects in the northern half of coastal Tanzania.

In addition, Jacana Minerals plans to take advantage of the huge exploration prospectivity of Tanzania. Tanzania is one of the largest gold producers in Africa, and has very significant nickel, graphite, rare earth and mineral sands prospects. Jacana Minerals will immediately aggressively pursue the best that the country has to offer.

The initial exploration program proposed by Jacana Minerals for the Prospecting Licences will include a total of some $3,500,000 budgeted for financial year 2015 (assuming the full $10,000,000 is raised, and will be reduced accordingly if the minimum $4,000,000 is raised as described in Section 1.6). The budget is meant to cover exploration activities and license rental fees.

Project	2015 BUDGET	2016 BUDGET	EXPLORATION PROGRAMME
Tanga North	$300,000	$600,000	Aircore drilling totaling 1000m in Year 1
Tanga South	$400,000	$600,000	Aircore drilling totaling 2500m in Year 1
Bagamoyo	$300,000	$400,000	Aircore drilling totaling 2200m in Year 1
Fungoni	$400,000	$400,000	Aircore drilling totaling 2000m in Year 1
Chiliogali	$1,100,000	$1,400,000	Trenching, ground electromagnetics and diamond drilling totaling 2000m in Year 1
Mbinga	$1,000,000	$1,200,000	Mapping, electromagnetics and drilling totaling up to 2000m in Year 1
Shikula	$20,000	$100,000	Reconnaissance geological mapping and sampling
TOTAL	**$3,520,000**	**$4,700,000**	

SECTION 3

EXPLORATION PROJECT OVERVIEW

Picture of auger drilling at the Tajiri North Prospect

A comprehensive summary of regional and local geology, mining history and exploration history pertaining to the various projects is contained in the Independent Geologists Report in Section 6. A comprehensive summary of the tenement status can be found in the Independent Legal Due Diligence Report in Section 7.

3.1 INTRODUCTION

Jacana Minerals controls seven exploration projects in Tanzania ranging from four in mineral sands and one each of graphite, nickel and coal. Locations of the projects are shown in Figure 1.

Figure 1: Map of Tanzania showing the location of Jacana Minerals' project areas.

3.2 MINERAL SAND PROJECTS

Jacana Minerals, through its subsidiary Jacana Tanzania, controls ten licences in the northern coastal area of Tanzania and these are shown in Figure 2(a). Mineralisation has been identified in each of these licences with an Indicated Resource at Fungoni and advanced prospects at Tongani and Tajiri (Tanga South). As shown in Figure 2(b), Tanzania is unique along the southeastern coast of Africa for not having a world class mineral sands deposit. Jacana Minerals believes that this is at least partially due to the limited amount and lack of follow through of previous exploration for mineral sands in Tanzania. Although mineralised systems are still being formed on the present day beaches, Jacana Minerals is targeting paleo-beaches and dune systems away from the current coastline.

Figure 2(b) above: Mineral sand deposits in southern Africa. World class mineral sand deposits have been developed along the entire southeastern coast of Africa *except in Tanzania.*

Figure 2(a) left: Map of northern Tanzanian coast showing Jacana Minerals' mineral sand properties.

(a) Fungoni Mineral Resource

The Fungoni project is located approximately 25 km south-east of Dar es Salaam on the northern coast of Tanzania. Jacana Minerals, through its subsidiary Jacana Tanzania, holds a 100% interest in Prospecting Licences 7754/2012, 7499/2011 and 9951/2014.

The mineral resource estimate at the Fungoni prospect classified according to the JORC Code using a 1.0% heavy mineral (**HM**) cut-off is shown in the table below. The JORC Code 2012 Edition Table 1 for the Fungoni Mineral Resource as prepared by AMC is set out in Section 13.

Classification	Tonnes (Mt)	HM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	11	3.1	27.5	8.7	0.7	0.1	1.4
Inferred	3	1.7	24.2	8.9	0.4	0.1	0.7
TOTAL	**14**	**2.8**	**26.8**	**8.8**	**0.6**	**0.1**	**1.2**

(i) Geology

The Fungoni project area is approximately 15 km inland on the Sakura Terrace and is composed of Neogene aged grey and grey-brown sands with minor clay content (Rift Valley Gold Ltd, 2007). It is interpreted to be a paleo-promontory strand-line deposit striking north-north east. Figure 3 shows a typical cross-section through the Fungoni project area.

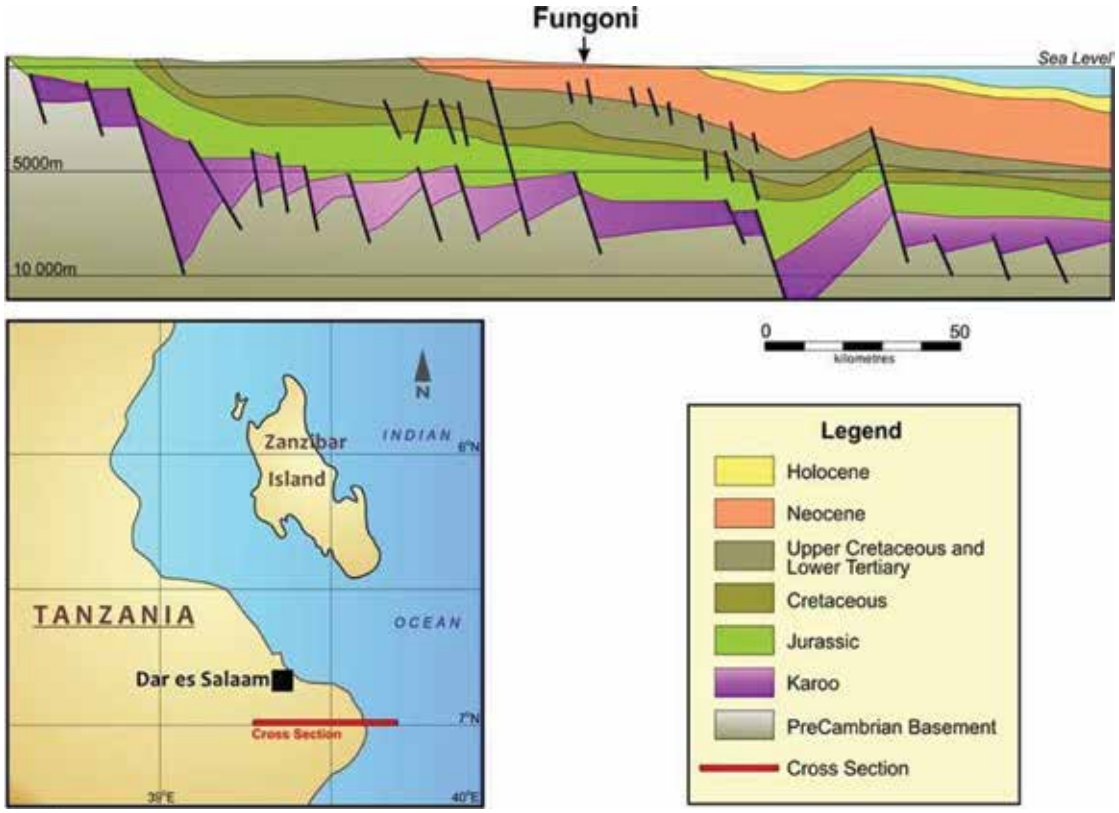


Figure 3: Cross-section through Fungoni geology after Ruden (2007), Coastal Aquifers Vol 11

(ii) Resource Estimation

Some 294 drillholes were drilled between September and November 2012. All holes were drilled using air-core with an outside diameter of 78 mm. Only 67 have analyses for HM %, slimes % and oversize %. Samples were sent to two external laboratories. Samples were collected on 2 m intervals. These holes were used to estimate the Mineral Resource.

The database used for resource estimation contains valuable heavy minerals (**VHM**) assays, including rutile, zircon, leucoxene, monazite and crude ilmenite, as well as total magnetics.

Boundary strings were used to define HM %, slimes % and oversize % domains on a section by section basis, using various cut-off grades, from which wireframe solids were generated. The interpreted domains are generally sub-horizontal. After statistical review and compositing, a variety of top-caps were used for HM %, slimes % and oversize % for different domains. Variograms were generated for HM %, slimes % and oversize % domains. A block model was created inside the wireframe solids with a parent cell size of 50 m by 50 m by 2 m in easting, northing and reduced level respectively. Grades were estimated using ordinary kriging, octant and ellipsoidal search. The long axis of the search ellipsoid was oriented to align with the direction of maximum continuity defined from the semi-variograms. The search ranges were based on the semi-variogram anisotropy and were adjusted to ensure that samples from the next line of drilling were included during estimation. Three search passes were used in three discrete estimation runs, where the second pass is twice the distance of the first pass and the third pass is three times the distance of the first.

No bulk density samples are available. Bulk density test work is proposed. A bulk density of 1.8 t/m3 has been used based on the bulk density of similar deposits. The drillhole spacing of 100 m by 100 m allows geological and grade continuity to be reasonably understood. Figure 4 shows a plan and sections of the classified Mineral Resource Estimation.

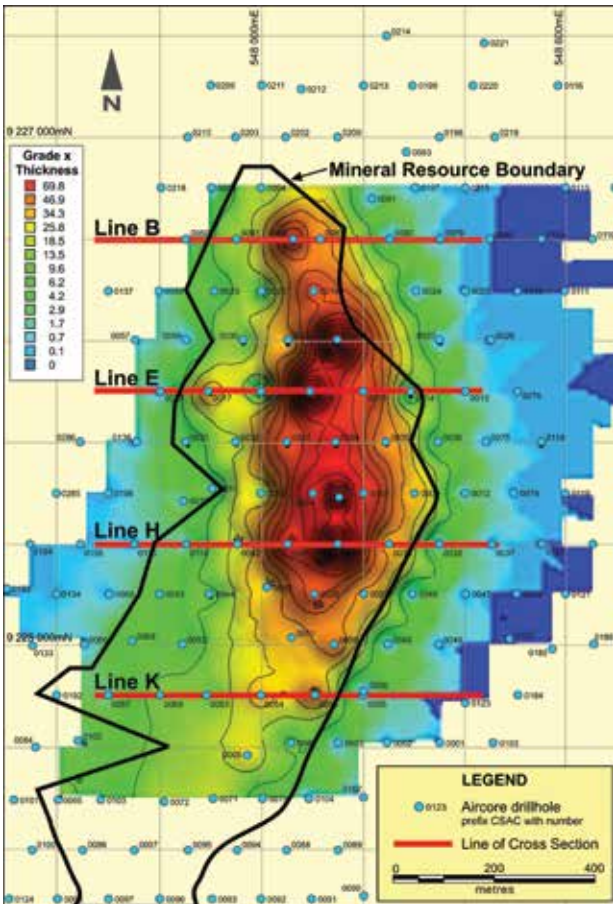


Figure 4(a): Plan map of the Fungoni Mineral Resource with drillholes, grade x thickness contours and the outline of the resource.

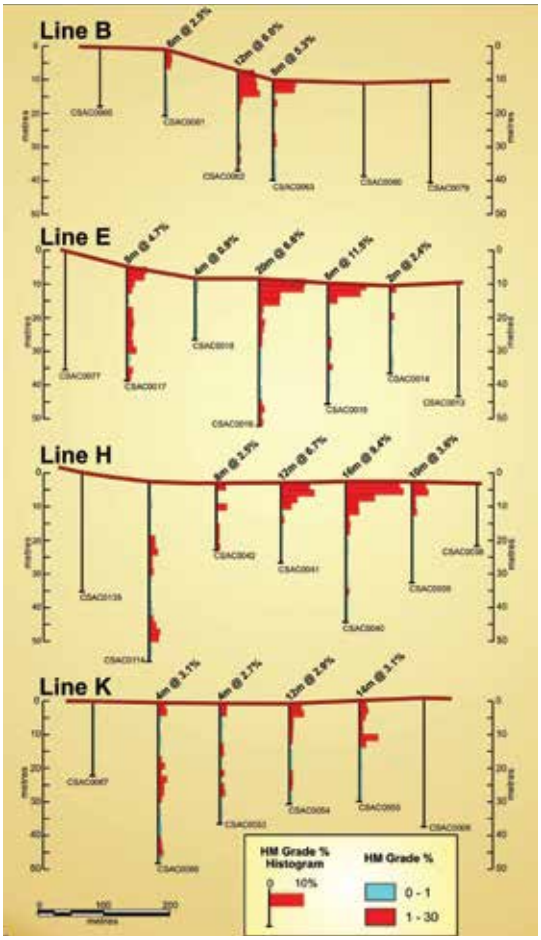


Figure 4(b): Cross sections at a spacing of 300 m across the resource.

(iii) Fungoni Exploration Potential

Jacana Minerals believes that the exploration potential for similar, zircon-rich deposits is excellent outside of the small licence containing the Fungoni resource (see Figure 5(a)). A large zone of 1-3% HM, and even one zone of >3% HM, have been outlined by past explorers using test pits on a nominal 5 km by 0.5 km spacing. There has been no drill follow up of these anomalous zones.

Another highly positive finding from previous water bores and resource drilling, which went as deep as 75 m, is that the targeted Neocene sand thickness is very large, indicating huge volumes of sand in the Fungoni region.

In addition sophisticated microscope testwork carried out for the Company has provided positive results for the zircon. Phase-patched mineral mapping of the non-magnetic concentrate from the Fungoni deposit shows that the zircon grains, (shown as pale green in Figure 5(b) and making up about 50% of the sample), are clean with very little coatings or included thorium or uranium minerals which would decrease their value. Separate monazite grains account for the moderate levels of thorium that has been detected in the sample. Grain size is also good with most zircon grains between 100 and 200 microns.

Figure 5(a): The Fungoni deposit is located immediately south of Dar es Salaam, approximately 20 km from the port. Outside of the small licence containing the Indicated Resource, there has been little follow up drilling of the large zone of anomalous mineralisation identified by previous explorers (anomalies taken from the Omegacorp Limited Prospectus issued to the ASX in June 2004). The licence to the south has recently been acquired by Jacana Tanzania based on the >3% HM potential shown in the figure.

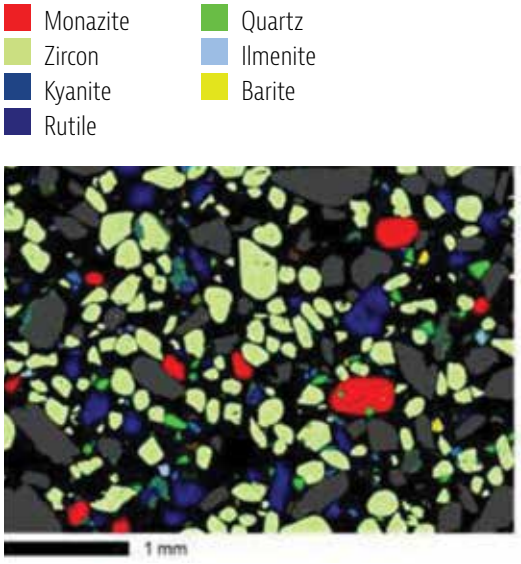


Figure 5(b): Phase-patched mineral map of the non-magnetic concentrate from the Fungoni deposit. The zircon grains, which are pale green in the picture and make up about 50% of the sample, are clean with very little coatings or included radioactive minerals which would decrease their value. Separate monazite grains account for the moderate levels of thorium in the sample. Grain size is also good with most zircon grains between 100 and 200 microns.

(b) Bagamoyo

Bagamoyo, like Fungoni, has a very large zone of underexplored mineralisation. Figure 6(a) shows the area of >2% HM at Bagamoyo as identified by previous explorers. This area has not yet been followed up by Jacana Minerals. One difference is that the mineral assemblage, although still valuable, is not as zircon-rich as Fungoni. At Bagamoyo, the assemblage averages 59% ilmenite, 5.4% rutile and 5.5% zircon. This has been confirmed by sampling and mineral identification.

To date, Jacana Minerals' exploration has been restricted to prospecting for outcropping high grade areas and some mineral identification work. Two zones of high grade have been discovered in the southeastern portion of Bagamoyo. One of these areas was exposed in a sand cliff in a road cut and is shown in Figure 6(b). This horizon, which was greater than 2 m thick, is estimated to run 10-15% HM. Both of the high grade areas await follow up drilling to penetrate the thin layer of soil and vegetation which covers almost all of the prospective area.

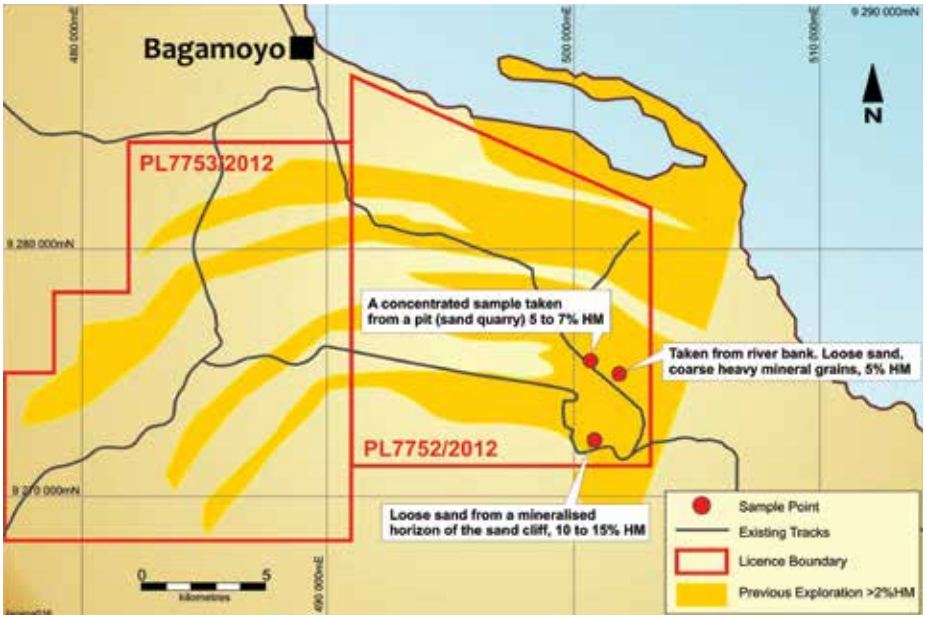


Figure 6(a): Prospect map of Bagamoyo showing areas of >2% HM as identified in the Omegacorp Limited Prospectus (2004).

Figure 6(b): Mineralisation from most southerly sample location showing bedded mineral sands (estimated at 10-15% HM) in a small cliff outcrop.

(c) Tanga South

The Tanga South Project has several different prospects (Figure 7(a)), the best of which are Tongani and Tajiri. These projects tend to have a high value mineral assemblage with about 75% ilmenite, 7 – 10% rutile and 4 – 6% zircon. At Tajiri North shown in Figure 8(b), the mineralisation appears to be about 5 km long and at least 1 km across. The cross section of the hand auger drilling on Line A-B indicates that large zones of high grade mineralisation (up to 13% HM) exist. On Line A-B, mineralisation continues from surface to the end of every hole. The zone is open to the west and at depth beneath the very short hand auger drillholes.

Figure 7(a): Prospect map of the Tanga area showing anomalous HM as identified in the Omegacorp Prospectus and by recent work.

Figure 7(b): At the Tongani Prospect, extensive mineralisation outcrops with a valuable assemblage dominated by ilmenite with 7-10% rutile and 4-6% zircon. The extensive hand auger drill programme that has been conducted over the past year was guided by outcropping mineralisation as well as high resolution aeromagnetics and radiometrics conducted in 2012.

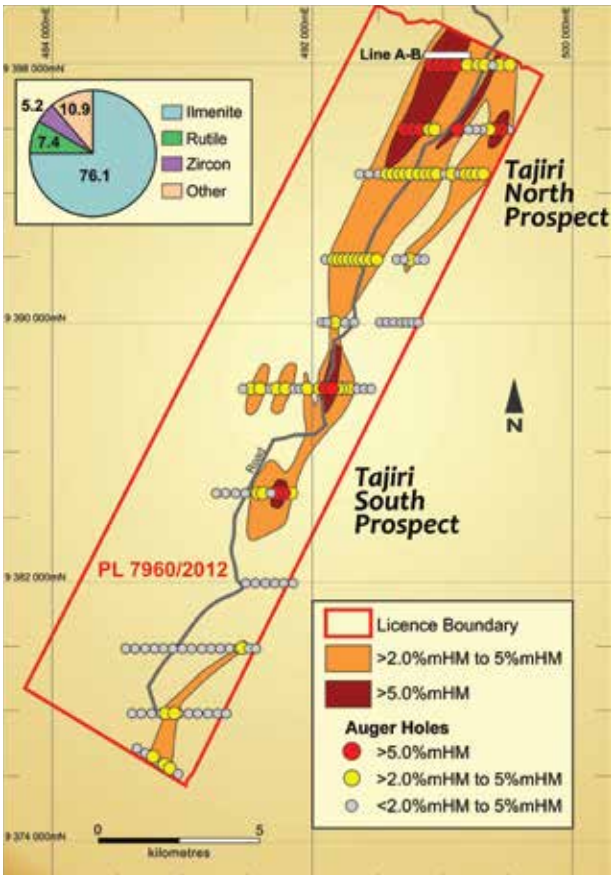


Figure 8(a): Tajiri Prospect with hand auger drill results. The Tajiri North zone is 5 km long and at least 1km across which could represent potential for large tonnages. The mineral assemblage is good and is shown in the pie chart.

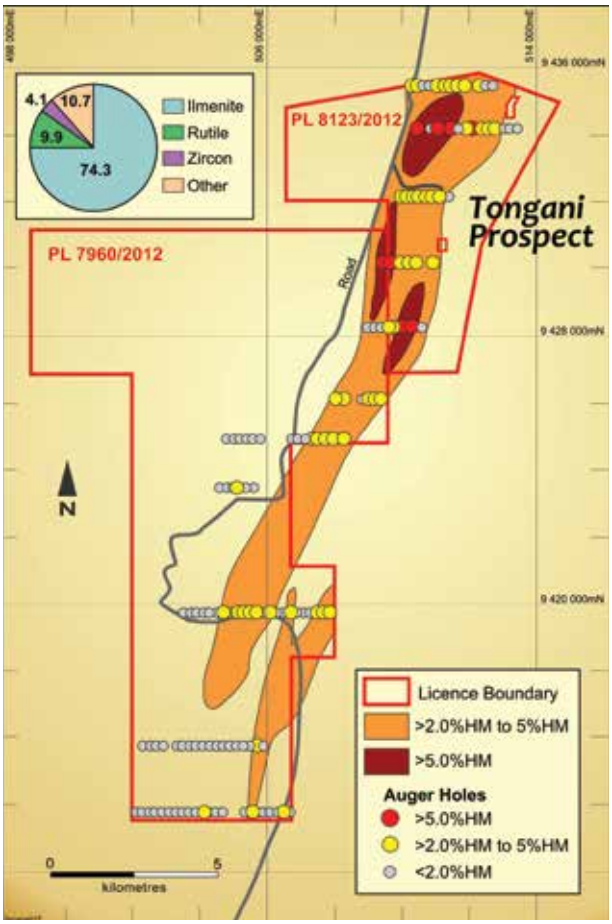


Figure 8(b): Prospect map showing hand auger drill results at the Tongani Prospect. Several anomalous zones have been identified that require follow up drilling.

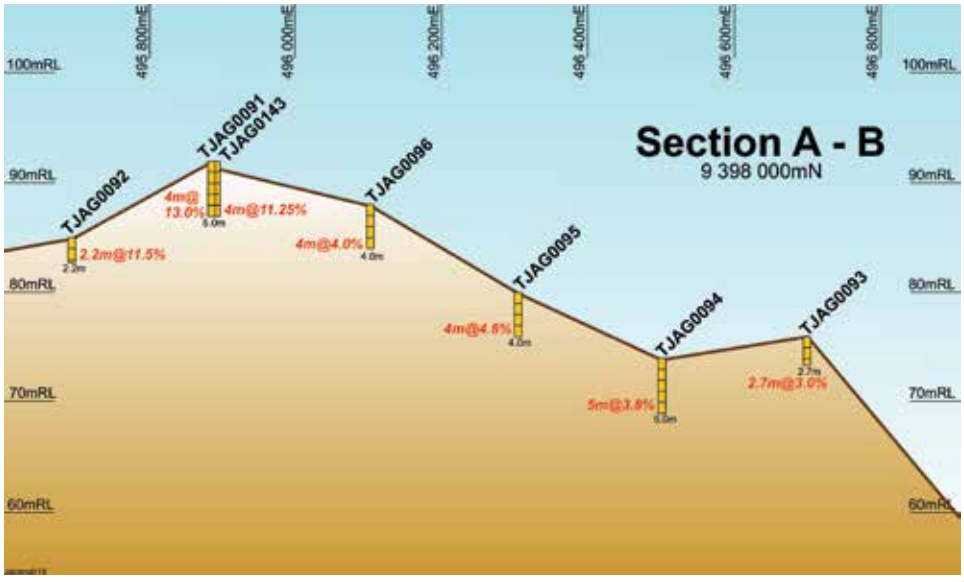


Figure 9: Section showing hand auger drill results at Tajiri North (10 x vertical exaggeration). Section A-B is located at Tajiri North as shown in Figure 8(a).

(d) Tanga North

Tanga North is located just south of the Kenyan border and about 50 km from the Kwale mineral sand mine (Figure 7(a)). The project area has been very difficult to explore with hand auger drilling because of extensive soil cover with a thin layer of hard laterite beneath the soil. None of the previous auger drilling has succeeded in penetrating this cover. Accordingly the auger results shown should be considered to be a geochemical survey rather than a true test of the target horizon.

Nonetheless the prospect area has two attributes that indicates that it is one of Jacana Minerals' better prospects in Tanzania:

(i) the mineral assemblage of the heavy mineral concentrates is excellent with an average of 38.0% ilmenite, 18.7% rutile and 5.9% zircon; and

(ii) the prospect appears to be a very large sand dune with huge volumes of sand. The anomalous area is >14km long, 2-3km across and very thick with the dune rising almost 100 m above sea level. This makes for a very significant exploration target.

Although hand auger drilling could not penetrate the 1-3 m of soil and laterite cover, aircore drilling, which is planned for later this year, will have no trouble testing the target horizons. Currently the heavy mineral grade is the unknown. Jacana Minerals is confident that the volume of sand and heavy mineral composition will be excellent.

The JORC Code 2012 Edition Table 1 for the Tanga exploration is set out in Section 13.

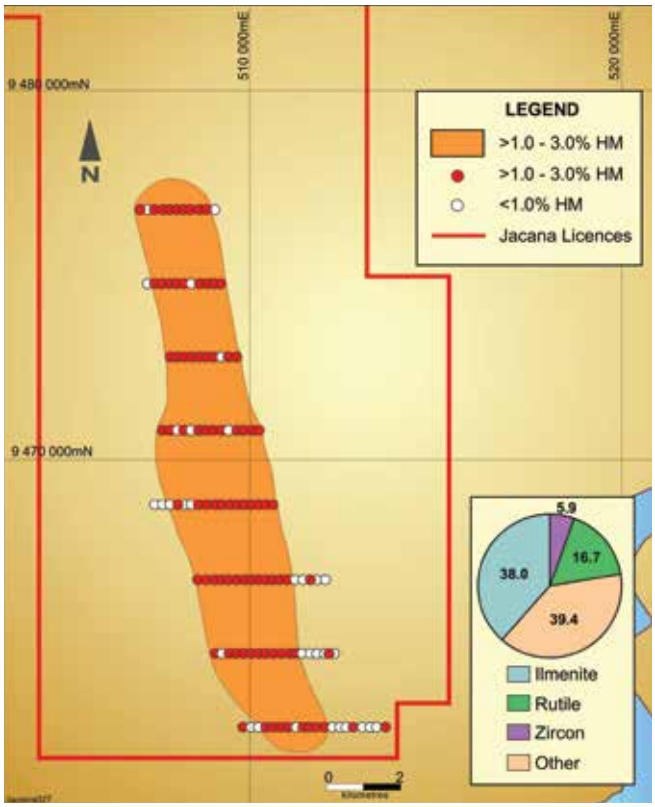


Figure 10(a): Prospect map showing shallow hand auger drill results at the Tanga North Prospect. Tanga North is particularly interesting because of the excellent mineral assemblage averaging 38.0% ilmenite, 18.7% rutile and 5.9% zircon.

Figure 10(b): Hand auger drilling in the Tanga area. Depth reached was generally 1-4 m.

3.3 GRAPHITE

Chiliogali (formerly Nachingwea) Project

The Chiliogali Project is located in southeast Tanzania near the town of Nachingwea as shown in the topographic map in Figure 11. Also shown in the figure is the location of the main prospect area, which forms two hills in the central part of the licence. The whole licence area, as shown in Figure 11, is currently being covered by ground electromagnetics to identify other graphite targets under cover.

To date, trenching and mapping have been the focus of the work at Chiliogali. This has concentrated on the hilly areas (Figure 12(a)) where there is some outcrop. Some highly significant results obtained from the trenching are as follows:

(i) NTR001: 33m at 11.3% Total Graphitic Carbon (TGC) and 11m at 15.8% TGC

(ii) NTR002: 31m at 15.5% TGC

(iii) NTR003: 33m at 13.9% TGC and 6m at 11.6% TGC

(iv) NTR004: 7m at 28.8% TGC and 13m at 5.6% TGC

(v) NTR005: 12m at 11.9% TGC and 29m at 9.7% TGC (including 12m at 14.9% TGC)

(vi) NTR006: 6m at 11.4% TGC

(vii) NTR007: 2.2m at 9.5% TGC and 1.3m at 10.1% TGC

(viii) NTR008: 14m at 10.4% TGC and 3.2m at 25.4% TGC

While all mineralisation observed to date appears to include medium to coarse grained graphitic flake, the graphite in Chiliogali South appears to be particularly coarse flaked (see Figure 12(b)), which increases the potential value of the ultimate product. Historical metallurgical testwork on the graphite at Chiliogali indicates that simple flotation, produces a concentrate grade of 98.3% carbon (Van Eck and Lurie, 1992).

The location of the trenches mentioned above can be seen in Figures 13(a) and (b). All of the trenches except for NTR002 are located in the Chiliogali North prospect. NTR002 is located at Chiliogali South.

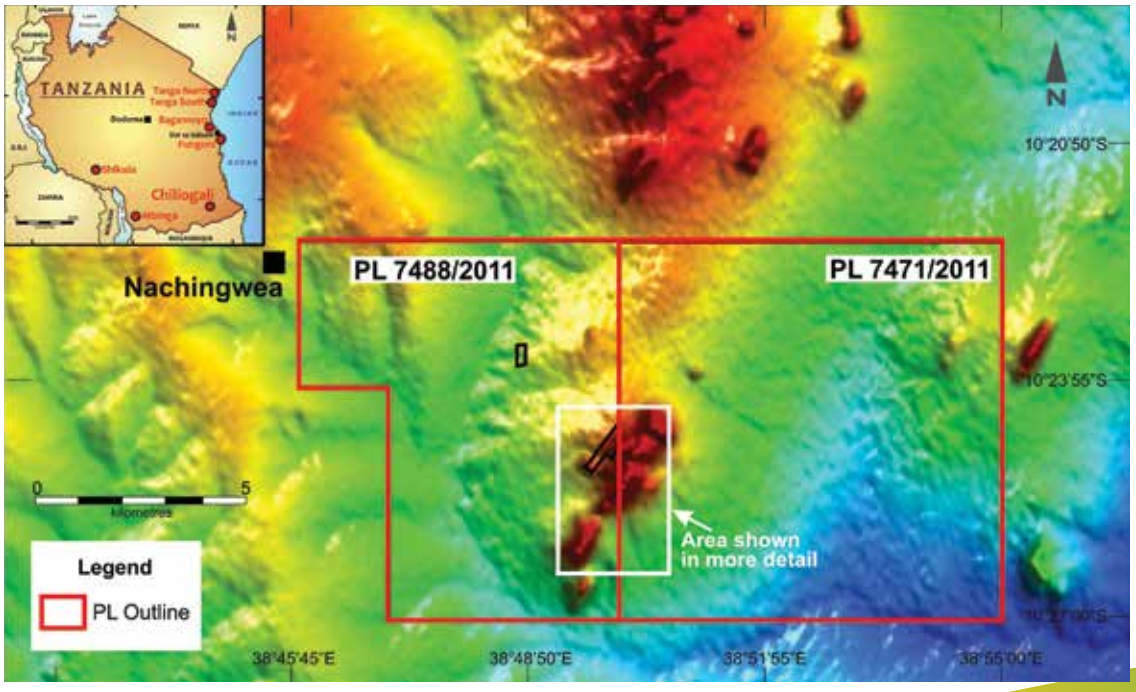


Figure 11: Chiliogali Project in southeastern Tanzania. Area of current prospects with high grade results from trenching is shown. Both of Jacana Minerals' licences are currently being covered by a ground electromagnetic survey to locate more graphite targets undercover.

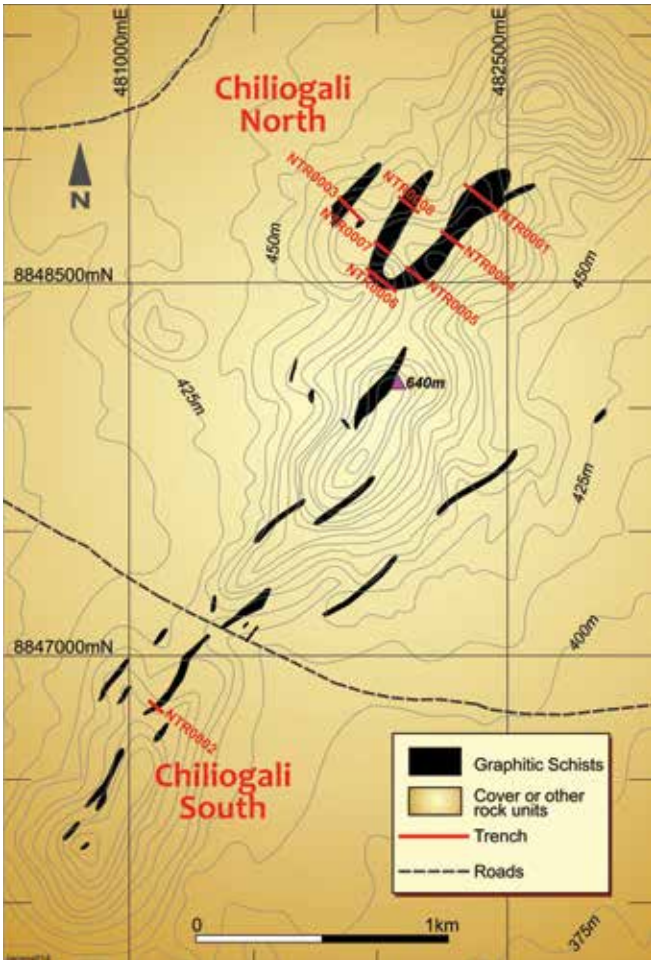


Figure 12(a): Chiliogali Prospect map showing outcropping graphitic horizons and the trenches that have been completed. Outcropping graphitic horizons extend over approximately 3km of strike length. Most of the tenement is located in low lying areas that are covered by shallow soil. These areas are currently being explored by an electromagnetic survey to detect further graphitic horizons.

Figure 12(b): Coarse flake graphite in a sample from NTR002. Historical metallurgical testwork (Van Eck & Lurie – Batepro Labs) shows that simple flotation can produce a concentrate grade of 98.3% carbon.

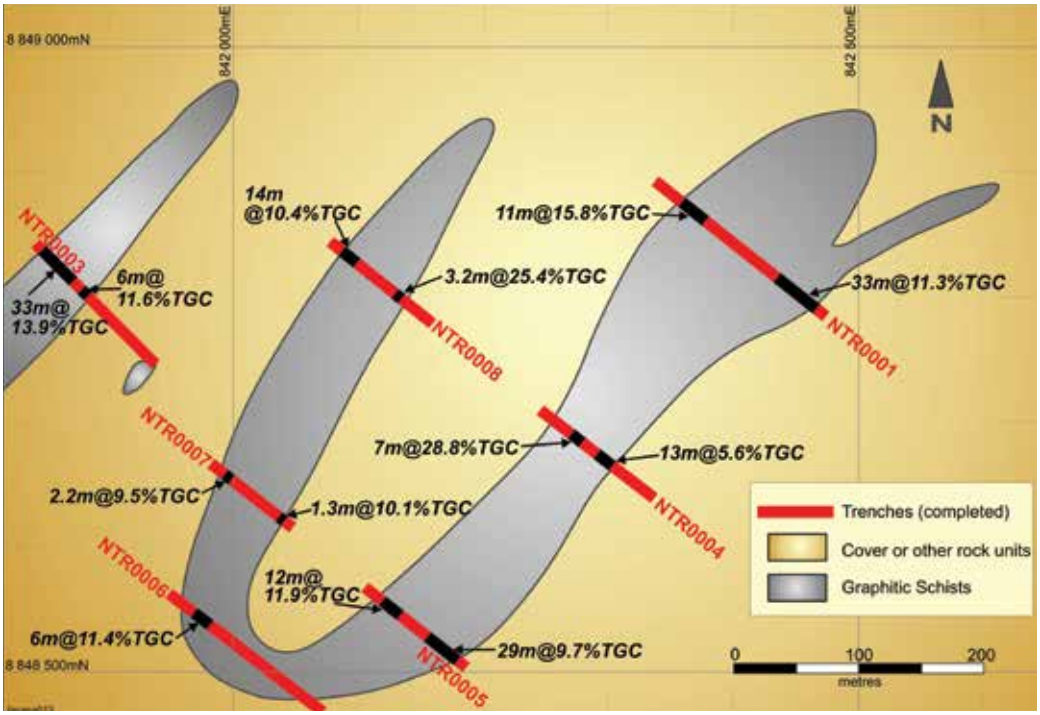


Figure 13(a)

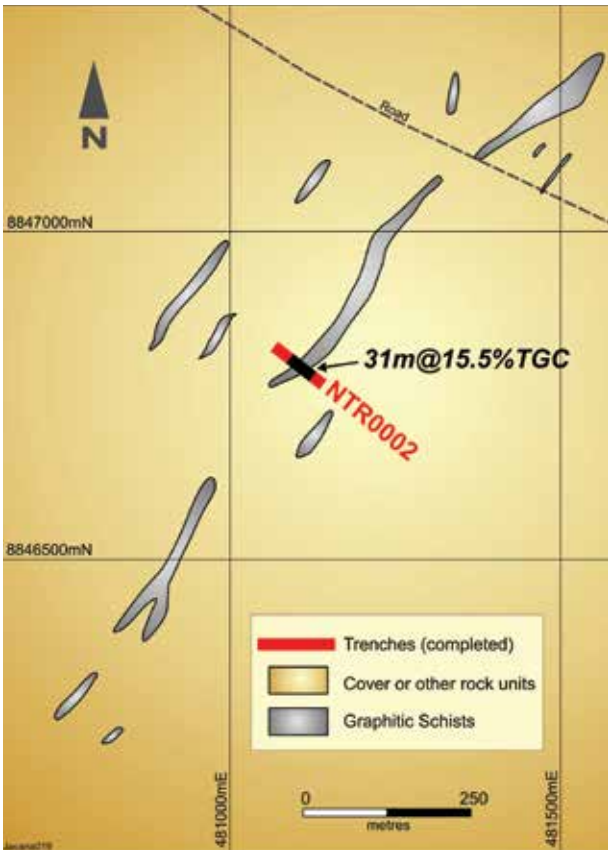


Figure 13(b)

Figure 13: Prospect maps showing results (3% TGC cutoff) of sampling from the trenches at (a) Chiliogali North and (b) Chiliogali South. Mineralisation is wide open at Chiliogali North and South. True thicknesses are less than the horizontal thicknesses measured.

The JORC Code 2012 Edition Table 1 for the Chiliogali exploration is set out in Section 13.

3.4 NICKEL

Mbinga

No work has been completed at Mbinga other than the interpretation of a previous explorer's airborne electromagnetic data. Promising high conductivity targets exist which are scheduled for drilling in the 2015 field season.

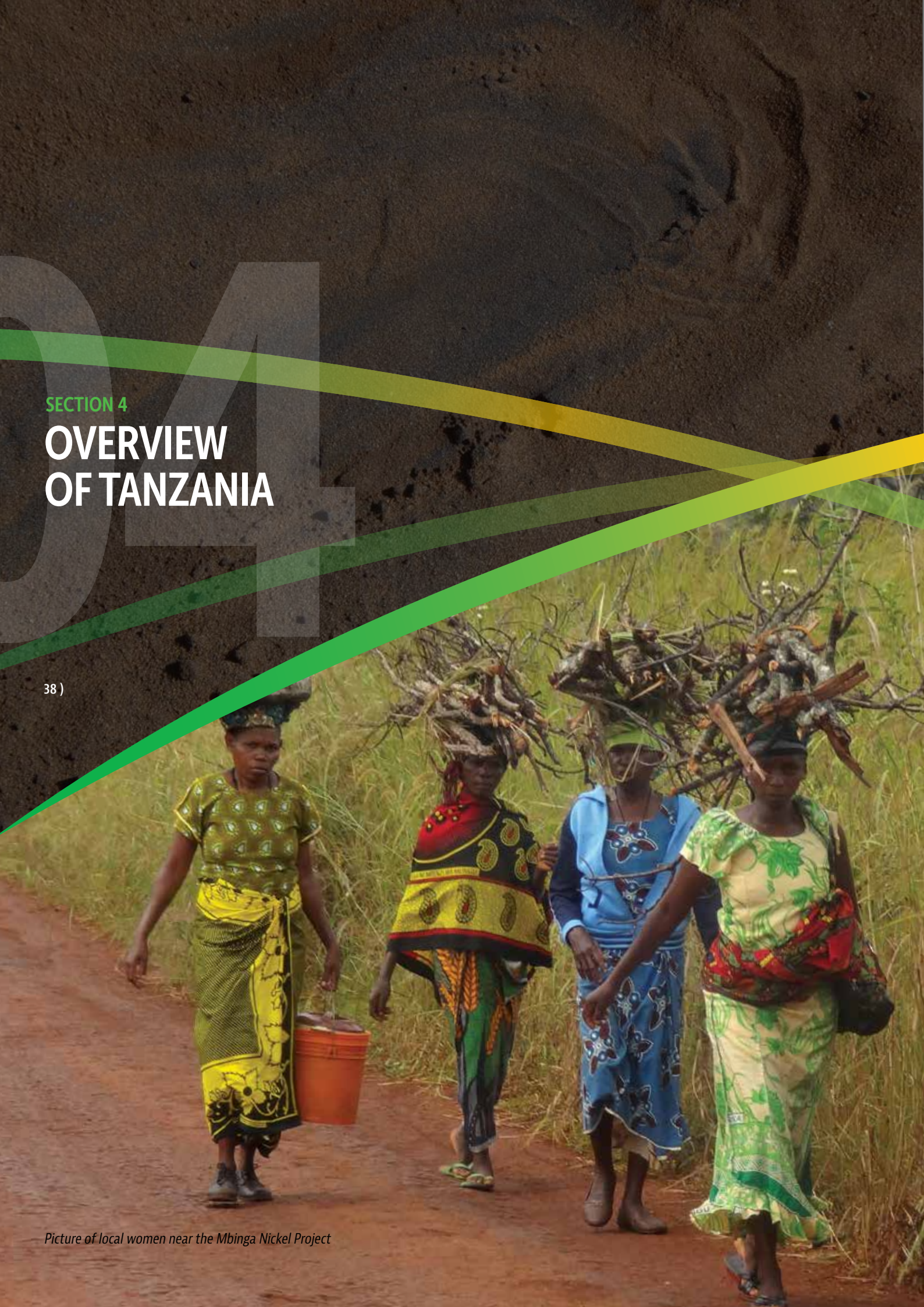
3.5 COAL

Shikula

No work has been completed at Shikula.

SECTION 4

OVERVIEW OF TANZANIA



Picture of local women near the Mbinga Nickel Project

4.1 OVERVIEW OF TANZANIA

Country information

Following independence from Britain in the early 1960s, Tanganyika and Zanzibar merged to form the nation of the United Republic of Tanzania in 1964. It is located in East Africa and is bordered by Kenya, Uganda, Rwanda, Burundi, the Democratic Republic of the Congo, Zambia, Malawi and Mozambique. To the east its boundary is the Indian Ocean. Tanzania has an area of approximately 947,300 sq km and it is the 31st largest country by land mass in the world.

Tanzania has a population of almost 50 million. Its President is Jakaya Kikwete who was first elected in 2005, and re-elected in 2010. Elections are held every five years and the next election is scheduled to be held in 2015.

The legal system is sourced from English common law, statues, case law, shariah law and customary law.

Economy

Tanzania is one of the world's poorest economies in terms of per capita income however it has achieved high growth based on gold production and tourism. The economy depends on agriculture, which accounts for more than one-quarter of GDP, provides 85% of exports and employs about 80% of the work force. The World Bank, the IMF and bilateral donors have provided funds to rehabilitate Tanzania's aging economic infrastructure, including rail and port infrastructure that are important trade links for inland countries. GDP growth from 2009 to 2013 was 6–7% per year mainly due to high gold prices and increased production. In 2013, GDP was at USD79.29 billion. The currency is the Tanzanian shilling.

The first of the large mining projects in Tanzania began producing gold approximately 12 years ago. One of the key drivers behind the expansion of the Tanzanian gold mining sector, is the prospective greenstone belts and in particular, the Lake Victoria Goldfields. This has led to a number of Australian and international corporations being attracted to the region including Peak Resources, African Barrick, AngloGold Ashanti Limited and Resolute Mining Limited.

4.2 SUMMARY OF LAWS RELEVANT TO EXPLORATION

General

The information set out in this Section is only a high level summary of relevant laws. It is not purported to be a comprehensive review of all laws affecting Jacana Mineral's operations in Tanzania.

The rights for prospecting for minerals are licenced under the Mining Act. The Minister has the power to grant, renew, suspend or cancel any licence. The powers of the Minister (or where the law specifies, the Commissioner) are exercisable in accordance with the powers conferred to them under the Mining Act.

A holder of a mineral right is obliged to seek the prior consent of lawful occupiers before the holder can exercise its rights under the Mining Act. All licences issued under the Mining Act are referred to as "mineral rights" herein.

Types of mineral rights

The types of rights which may be granted under the Mining Act include a prospecting licence, retention licence, mining licence, special mining licence, gemstone mining licence and a primary mining licence. Primary mining licences are restricted to Tanzanian citizens or corporate entities whose memberships are composed exclusively of Tanzanian citizens.

Prospecting licences

Under section 32(1) of the Mining Act, the initial period of prospecting licences is four (4) years, followed by a first renewal period of three (3) years and a second renewal period of two (2) years. The maximum life span of a prospecting licence is nine (9) years. Where the holder is not in default and at the end of the second renewal period, a further period is required to complete a feasibility study already commenced, the prospecting licence may be renewed for such further periods but not exceeding two (2) years as required for that purpose.

The holder of a prospecting licence has prima facie an indisputable right of access to the licence area, and does not require any other administrative authorization or prior application to carry out prospecting activities for the minerals to which the licence applies (Section 35 of the Mining Act).

Mining licences

Mining licences or special mining licences may be applied for by a prospecting licence holder who has established the existence of minerals in commercial quantities. Such applicant is referred to in the Mining Act as an Entitled Applicant. Mining licences are normally granted for a period not exceeding 10 years, and in the case of special mining licences for the estimated life of the ore body, as indicated in the feasibility study report or as the applicant may request, whichever is shorter. Mining licences may be renewed for a further period not exceeding 10 years and in the case of special mining licences for another period not exceeding the estimated life of the remaining ore body, unless (i) the applicant is in default, (ii) the development has not proceeded with reasonable speed, (iii) minerals in reasonable quantities do not remain to be produced, (iv) the intended mining operations do not ensure the proper development of the mineral resources or (v) the applicant has not included the relevant environmental certificate under the Environmental Management Act.

An application for a mining licence or a special mining licence must be in the prescribed form and must identify the relevant prospecting licence; describe the area and the mineral deposits therein. A feasibility study must be submitted setting out the proposed program for mining operations, the estimated recovery rate of ore and proposals for its treatment and the applicant's estimated quantity of minerals to be produced for sale annually. Details of employment and training of Tanzanian citizens and a succession plan of expatriates must also be disclosed. Finally, there must be a statement on financial and technical resources and a procurement plan with respect to goods and services available in Tanzania.

Suspension and cancellation of a mineral right

Where the holder of a mineral right, amongst other things, fails in a material respect to comply with any requirement of the Mining Act or the Regulations, the conditions of the licence, with a direction lawfully given under the Mining Act or Regulations then the licensing authority may by notice suspend or cancel the licence, if the holder has failed to remedy the breach within thirty (30) days of receiving notice.

Annual rent, minimum expenditure and royalties

Details of the annual rent, minimum expenditure and royalties payable with respect to mineral rights are set out in the Independent Report on Mining Tenements in Section 7.

Claims of lawful occupiers in respect to mineral rights

According to Section 95(1)(b) of the Mining Act, no holder of a mineral right may exercise any of its rights conferred by the licence over an area of land which is the site of, or which is within 200 meters of any inhabited, occupied or temporarily unoccupied house or building without consultation with the relevant Local Government Authority, including the Village Council and thereafter the written consent of the lawful occupier. Therefore, where a mineral right granted to an applicant is over an area of land inhabited by lawful occupiers then the holder of such a mineral right is required to obtain the lawful occupiers' written consent, following necessary consultations, prior to exercising any of the rights conferred under the mineral right. Failure to obtain the lawful occupiers' prior written consent would not invalidate the licence holder's mineral right but the lawful occupier may make a claim against the licence holder.

The holder of the mineral right has the right of access and construction on the licensed area, but will require the consent of any lawful land occupier, if activities may disturb habitation, cultivations, trees or buildings. The mineral right holder must also consult with local authorities with respect to the activities. The Mining Act provides that the Minister may intervene if consent is unreasonably withheld.

In terms of compensation, if activities result in damage to crops, buildings, works etc., the holder of the mineral right is liable to pay the lawful occupier fair and reasonable compensation in respect of the disturbance or damage. Any compensation, relocation and resettlement of lawful occupiers must be in accordance with the Land Act Cap. 113. If there is a dispute regarding the amount of compensation, either party may refer the dispute to the Commissioner under the Mining Act who, subject to the Mining Act, shall determine and rule on the matter.

SECTION 5

RISK FACTORS

Picture of trenching in progress at the Chiliogali North Prospect

5.1 RISK FACTORS SUMMARY

Jacana Minerals is a mineral exploration company primarily focused on the exploration of prospective minerals sands, nickel and graphite projects in Tanzania with the view to potentially commercially mine those tenements. Due to the nature of Jacana Minerals' business, investment in Jacana Minerals carries with it risks reasonably expected of an investment in a business of this type. Accordingly, whilst the Directors recommend the Offer, Shares offered pursuant to this Prospectus should be considered speculative.

The current and future activities of Jacana Minerals, including exploration, appraisal and production activities, may be affected by a range of factors, including, but not limited to, those discussed in this Prospectus. Mineral exploration is a high risk endeavour and prospective investors should read the whole of this Prospectus and consider the risk factors described within it as well as consult their professional adviser in order to fully appreciate the risks associated with Jacana Minerals before deciding whether to apply for Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with Jacana Minerals' involvement in the mineral exploration industry in Tanzania. These risk factors are largely beyond the control of Jacana Minerals and its Directors because of the nature of Jacana Minerals' business.

The following summary, which is not exhaustive, represents some of the major risk factors of which potential investors need to be aware.

5.2 RISK FACTORS SPECIFIC TO JACANA MINERALS

Additional capital requirements

Exploration costs and pursuit of its business plan will reduce the Company's current cash reserves and the amount raised under the Offer. Therefore Jacana Minerals will require further financing and may seek additional capital whether through equity, debt or joint venture financing, to support long term exploration and evaluation of its projects, particularly if only the minimum of $4,000,000 is raised under the Offer,. The Directors can give no assurances as to the level of future borrowings or further capital raisings that will be required to meet the aims of Jacana Minerals to develop the Prospecting Licences. No assurance can be given that Jacana Minerals will be able to procure sufficient funding at the relevant times on the terms acceptable to it.

See also the requirement to pay for the balance of the Chiliogali Permits as described below.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on Jacana Minerals' operating activities and business strategy. If Jacana Minerals is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or scale back its business plans, as the case may be.

Exploration resource definition stage

Jacana Minerals' mineral tenements as described in this Prospectus are generally at the exploration and resource definition drilling stage only. They are not yet at the stage where a development plan is capable of being determined. Potential investors should understand that mineral exploration and subsequent development are high-risk undertakings. The prospects of Jacana Minerals should be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the African exploration sector.

Jacana Minerals' exploration costs described in this Prospectus are based on certain estimates and assumptions with respect to the method and timing of exploration. While based on industry practice, judgment and experience, these estimates and assumptions are by their nature, subject to significant uncertainties and actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions used in this Prospectus will be realised in practice, which may materially and adversely affect Jacana Minerals' viability.

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

(a) the discovery and/or acquisition of economically recoverable reserves;

(b) access to adequate capital for project development;

(c) design and construction of efficient development and production infrastructure within capital expenditure budgets;

(d) securing and maintaining title to interests;

(e) obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and

(f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

There can be no assurance that exploration of the Prospecting Licences currently held by Jacana Minerals will result in the discovery of an economic mineral deposit. Even if a mineral deposit is identified, there is no certainty that it can be economically exploited. If exploration is successful, there will be additional costs and processes involved in transitioning to the development phase.

Drilling activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

Accidents

The operations of the Company may be affected by unexpected events arising from errors, omission or natural disasters. These risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, and environmental hazards such as accidental spills or leakage of liquids or geological uncertainty.

The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

Limited JORC compliant resources

While the Prospecting Licences are considered by the Board to be highly prospective, the Prospecting Licences (other than PL 7499/2011) are not sufficiently developed to be described as a definitive JORC compliant resource. There is no guarantee that a JORC compliant resource in relation to any of these Prospecting Licences will be identified in the future. Jacana Minerals proposes to utilise funds raised pursuant to the Offer to undertake a drilling program to demonstrate the economic potential of the Prospecting Licences.

Any resource delineated is an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Jacana Minerals' operations.

Risks associated with operating in Tanzania

The Prospecting Licences are for prospects located in Tanzania and Jacana Minerals will be subject to the various political, economic and other risks and uncertainties associated with operating in that country. There are risks attached to exploration and mining operations in a developing country like Tanzania which are not necessarily present in a developed country like Australia. These risks and uncertainties vary from country to country and include, but are not limited to, economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

The likely outcome of the elections scheduled for 2015 is unknown, as is the potential for any new government to review the current legislative regime. Any future material adverse changes in government policies or legislation in Tanzania that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on exploration, development, mining production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, local economic empowerment or

similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

The legal systems operating in Tanzania may be less developed than in more established countries, which may result in risk such as: political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute, a higher degree of discretion on the part of governmental agencies, the lack of political or administrative guidance on implementing applicable rules and regulations including, in particular, as regards local taxation and property rights, inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or relative inexperience of the judiciary and courts in such matters.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.

There can be no guarantee that Jacana Minerals will be able to generate a positive return for its shareholders if an event occurs in Tanzania which materially adversely affects the value of Jacana Minerals, its assets and/or its business.

Tenement title

Rights in relation to mining rights in Tanzania are governed by Tanzanian legislation. They are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Jacana Minerals, through its subsidiary Jacana Tanzania, could lose title to or its interest in tenements if the licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise, in line with the Tanzanian Mining legislation.

The exercise of the contractual rights by Jacana Tanzania to become the registered owner of the 90% interest in the two Chiliogali Permits has still not been officially registered with the Ministry of Mines and may be subject to registration risk and local enforcement risk in Tanzania. According to the terms of the Option and Purchase Agreement, the 90% interest will be forfeited if Jacana Tanzania does not exercise its option to purchase the remaining 10% for USD4,500,000 (as indexed) by July 2018. See Section 11.2.

Tenements granted to the Company are subject to periodic renewal. Renewal is not automatic, and is subject to approval, which approval can be denied for various reasons, including failure to comply with the stated conditions. Renewal may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Jacana Minerals. The Minister is obliged to renew a mining licence unless the holder is in default (which remains unrectified following service of notice), has not developed the mining area with reasonable diligence, minerals in workable quantities do not remain to be produced or the application has failed to conduct mining operations in the area in strict compliance with the application regulations relating to safety and environmental management.

If any of the Prospecting Licences are not renewed, Jacana Minerals may suffer significant damage through loss of the opportunity to develop any mineral resources on that licence.

Occupier's consent

The title to mineral rights held by the Company may also be affected by the provisions of law which provide for the protection of lawful occupiers of the area. According to section 95(1)(b) of the Mining Act, no holder of a mineral right shall exercise any of its rights conferred by its licence over an area of land which is the site of, or which is within 200 metres of any inhabited, occupied or temporarily unoccupied house or building without prior consultation with the relevant local Government authority, including the village council and thereafter the written consent of the lawful occupier.

Therefore, where a mineral right granted to an applicant is over an area of land inhabited by lawful occupiers then the Company as holder of such a mineral right is required to obtain the lawful occupier's written consent, following necessary consultation, prior to exercising any of the

rights conferred under its mineral right. Failure to obtain the lawful occupier's prior written consent would not invalidate the licence holder's mineral right but the lawful occupier may make a claim against the licence holder.

Emerging Markets

All of the Company's exploration portfolio are located in Tanzania. When conducting operations on foreign assets in emerging markets like Tanzania, ASX listed entities may face a number of additional risks that companies with operations wholly within Australia may not face. For example, the ability to implement effective internal control and risk management systems and good corporate governance principles, having regard to the distance involved in their operations, the separation of the board from the location of the projects, the need to rely on consultants and professional in those jurisdictions and limited financial resources.

Reliance on Key Management

Jacana Minerals' prospects and ability to carry on its business will depend substantially on the ability of its executives, senior management and key consultants to operate effectively. To manage its growth, Jacana Minerals must attract and retain additional highly qualified personnel. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors. There can be no assurance that there will be no detrimental impact on Jacana Minerals if one or more key employees cease their employment at some stage.

Trading liquidity

As a small entity there is likely to be only limited trading liquidity in Jacana Minerals' Shares. Jacana Minerals might not be covered by a broad base of research analysts which may make it harder for Shares to be traded.

Local Filings

As identified in the Independent Legal Due Diligence Report, Jacana Tanzania has not lodged in time its audited accounts for the financial years 2012 and 2013. The Tanzania Revenue Authority (TRA) has requested Jacana Tanzania lodge the outstanding audited accounts by 14 November 2014. The Company has been advised by its auditors in Tanzania that they expect to lodge both the 2012 and 2013 audited accounts with the TRA by 13 November 2014. If due to unforseen circumstances the accounts are not lodged by 14 November 2014 TRA may levy a fine against Jacana Tanzania and responsible persons. Section 98(1) of the Income Tax Act 2004 provides that the amount of the fine for Jacana Tanzania and responsible persons is TSH 100,000 (approximately USD60 as at 30 October 2014) per month while in default. Section 132(2) of the Tanzanian Companies Act 2002 provides that the penalty for failure to attach the audited accounts to the annual return of a company is that the company and every officer in default shall be liable to pay a fine (the size of which is to be set by regulation).

5.3 RISK FACTORS SPECIFIC TO MINING EXPLORATION

Operating risks

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

Environmental and other regulatory risks

Environmental laws in Tanzania are strict when it comes for the protection of environment. Every activity from exploration through to development and mining require compliance with the regulations for environmental protections by virtue of Section 81 of the Environmental Management Act, 2004. Under Section 81 an Environmental Impact Assessment Report is a mandatory requirement and the outcome of the assessment may be negative. It is expected that the Company's activities will have an impact on the environment, particularly at the time of advanced exploration and any mine development.

It is in the interest of Jacana Minerals' to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability which includes personal criminal liability under Section 98 of the Environmental Management Act, 2004. In a normal situation it is expected that despite diligently observing in all material respects applicable environmental laws and regulations, there are certain risks

inherent to the Company's activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to environmental liability.

The Company and/or Jacana Resources Tanzania will require other various governmental approvals and permits in Tanzania from time to time in connection with various aspects of its activities. To the extent such approvals or permits are required and not obtained, or are delayed, Jacana Minerals may experience delays affecting its scheduled project development.

Environmental laws are dynamic and can change over time. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future. Additional laws or regulations may materially increase the Company's cost of doing business or affect its operations. The cost and complexity of complying with any additional environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation in Tanzania, if any, will not materially and adversely affect Jacana Minerals' business, prospects, financial condition and results of operations.

Commodity price volatility and exchange rates risks

In the event that Jacana Minerals achieves exploration success, the revenue it will derive through the sale of commodities exposes the potential income of Jacana Minerals to commodity price risk. Commodity prices fluctuate and are affected by many factors beyond the control of Jacana Minerals, including government policy, supply and demand fluctuations for mineral sands, nickel and graphite, technological advancements, forward selling activities and other macro-economic factors.

Any future revenue generated by Jacana Minerals is expected to be in United States dollars, while its cost base and expenditure is expected to be in United States dollars, Tanzanian shillings and Australian dollars. Jacana Minerals will be exposed to the volatility and fluctuations of these cross-exchange rates, which in many cases will be beyond its control.

5.4 GENERAL RISK FACTORS

Market conditions

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither Jacana Minerals nor the Directors warrant the future performance of Jacana Minerals or any return on an investment in Jacana Minerals.

Occupational health and safety

The mining industry has become subject to increasing occupational health and safety responsibility and liability. There is potential for liability under occupational health and safety regulations.

Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Jacana Minerals' exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed. General economic conditions may affect the value of Jacana Minerals' quoted securities regardless of Jacana Minerals' operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) terrorism or other hostilities.

Investment speculative

The list of risk factors set out in this Section ought not to be taken as an exhaustive list of the risks faced by Jacana Minerals or by potential investors in Jacana Minerals.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Jacana Minerals and the value of the Shares offered pursuant to this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that their investment in Jacana Minerals is speculative and should consult their professional adviser before deciding whether to apply for Jacana Minerals Shares.

SECTION 6

INDEPENDENT GEOLOGIST'S REPORT

Picture of graphitic rocks from trenches at the Chiliogali North Prospect

SNOWDEN

www.snowdengroup.com

181 Adelaide Tce
East Perth WA 6004
Australia

T +61 8 9211 8611
F +61 8 9322 2576
M +61 400 140 081

The Directors
Jacana Minerals Limited
Level 9, 356 Collins St
Melbourne, VIC 3000

22 October 2014

Dear Sirs

INDEPENDENT GEOLOGIST'S REPORT

Please find attached the Snowden Independent Geologist's Report on Jacana Minerals Limited's (Jacana) Tanzanian exploration portfolio.

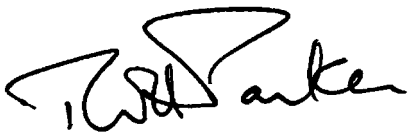
Jacana holds its Tanzanian exploration properties, comprising the heavy mineral sand (HMS) assets (North Tanga, South Tanga, Bagamoyo and Fungoni), the Mbinga nickel project, the Chiliogali graphite prospect and the Shikula coal and uranium prospect, through its subsidiary Jacana Resources (Tanzania) Limited.

The objectives of our report are to:

- Provide an overview of the regional and local geology of the Tanzanian exploration projects.
- Provide an opinion on the exploration potential of the project areas.
- Provide a summary of the current and previous exploration work undertaken at or around the project areas.
- Describe any assay test work undertaken.
- Describe any Mineral Resource Estimation work undertaken.
- Describe any metallurgical test work undertaken.
- Provide an opinion on the exploration strategy and proposed work programmes.

Snowden consents to and understands that this report will form part of an Initial Public Offering (IPO) and prospectus document of Jacana dated on or about 24 October 2014 to be lodged with the Australian Securities and Investment Commission (ASIC) for a proposed listing on the Australian Securities Exchange (ASX). Neither the whole or any part of this report nor any reference thereto may be included in or with or attached to any documents or used for any other purpose, without Snowden's written consent.

Yours faithfully



T Parker,
Principal Consultant,
Snowden Mining Industry Consultants
B.Sc. (Hons) Geology, Diploma Surface Mining (WA), MBA, FAusIMM(CP)

1 EXECUTIVE SUMMARY

1.1 Purpose of report

Jacana Minerals Limited (Jacana) holds its Tanzanian exploration properties, comprising the heavy mineral sand (HMS) assets (North Tanga, South Tanga, Bagamoyo and Fungoni), the Mbinga nickel project, the Chiliogali graphite prospect (previously known as the Nachingwea graphite prospect) and the Shikula coal and uranium prospect, through its subsidiary Jacana Resources (Tanzania) Limited.

Snowden Mining Consultants (Pty) Ltd (Snowden) has provided an Independent Geologist Report (IGR) for Jacana. This report represents a Competent Persons (CP) report and independent assessment of the geology, exploration data and exploration potential of those assets located in the United Republic of Tanzania (Tanzania).

Snowden understands that this report will form part of an Initial Public Offering (IPO) and prospectus document to be lodged with the Australian Securities and Investment Commission (ASIC) for a proposed listing on the Australian Securities Exchange (ASX).

1.2 Exploration strategy and proposed work plan

A total of $3,970,000 has been allocated by Jacana for exploration, administration, salaries and licence renewal fees in the first year of operation. The exploration portion of the budget has been allocated as follows:

- HMS ($1,400,000)
- Mbinga nickel project ($1,000, 000)
- Chiliogali graphite ($1,100,000)
- Shikula coal and uranium prospect ($20,000).

Snowden considers the exploration budget allocations and associated plans, to be reasonable, given the potential for exploration success in each of the project areas.

2 INTRODUCTION

2.1 Terms of reference

Snowden has prepared an IGR describing Jacana's projects located in Tanzania. The projects are exploration targets, at various stages of development. The HMS deposits are the furthest advanced of the properties, with a Mineral Resource estimate having been completed on the Fungoni Heavy Mineral Sands Project by AMC Consultants (Pty) Ltd in April 2014.

2.2 Purpose

This report represents a Competent Person's report and independent assessment of the exploration potential of Jacana's Tanzanian mineral assets.

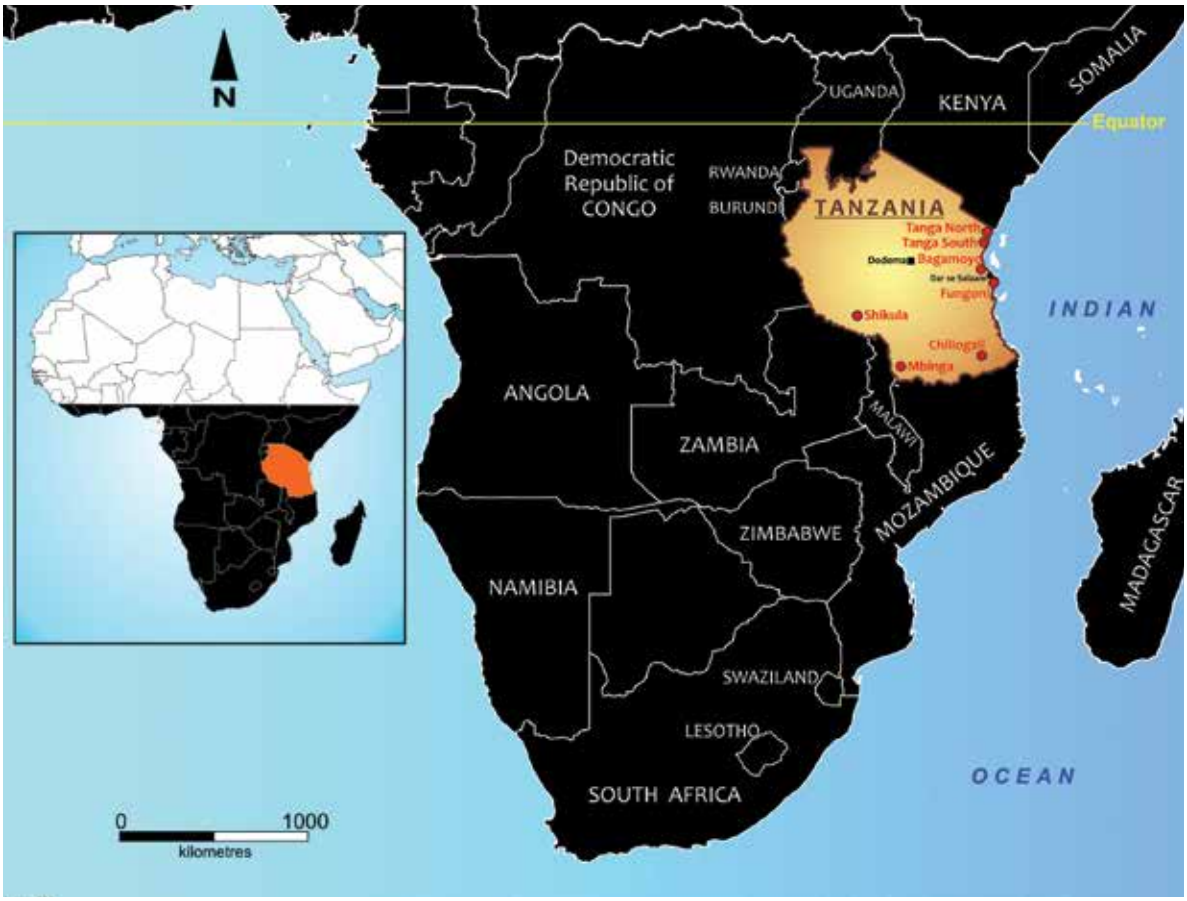
The objectives of this report are to:

- Provide an overview of the regional and local geology of the Tanzanian exploration projects.
- Provide an opinion on the exploration potential of the project areas.
- Provide a summary of the current and previous exploration work undertaken at or around the project areas.
- Describe any assay test work undertaken.
- Describe any Mineral Resource Estimation work undertaken.
- Describe any metallurgical test work undertaken.
- Provide an opinion on the exploration strategy and proposed work programmes.

2.3 Exploration assets

Jacana has exploration and mineral assets located in Tanzania, Figure 2.1 and Figure 2.2.

Figure 2.1: Location of Jacana's exploration assets in Tanzania



Source: Syrah (2014)

Figure 2.2 Location of Jacana's exploration assets in Tanzania

Source: Syrah (2014)

A list of the assets currently held by Jacana is provided in Table 2.1.

Table 2.1 Exploration licences

Licence No.	Granted date	Expiry date	Area (km²)	Owner	Ownership (%)	Commodity	Project area
7471/2011	14-Dec-11	13-Dec-15	81.8	ASAB*	90	Graphite	Chiliogali
7488/2011	27-Dec-11	26-Dec-15	56.26	ASAB*	90	Graphite	Chiliogali
7666/2012	23-Feb-12	22-Feb-16	66.15	JRT	100	HMS	Tanga South
7752/2012	19-Mar-12	18-Mar-16	158.95	JRT	100	HMS	Bagamoyo
7753/2012	4-Apr-12	3-Apr-16	191.93	JRT	100	HMS	Bagamoyo
7754/2012	4-Apr-12	3-Apr-16	202.06	JRT	100	HMS	Fungoni
7960/2012	30-May-12	29-May-16	116.43	JRT	100	HMS	Tanga South
8008/2012	4-Jun-12	3-Jun-16	292.38	JRT	100	HMS	Tanga North
8123/2012	24-Jul-12	23-Jul-16	38.06	JRT	100	HMS	Tanga South
7321/2011	17-Nov-11	16-Nov-15	137.8	JRT	100	HMS	Tanga South
7499/2011	22-Dec-11	21-Dec-15	33.89	JRT	100	HMS	Fungoni
9046/2013	11-Mar-13	10-Mar-17	46.61	JRT	100	Nickel	Mbinga
9352/2013	4-Oct-13	3-Oct-17	28.81	JRT	100	Nickel	Mbinga
9778/2014	5-Jun-14	4-Jun-18	17.67	JRT	100	Nickel	Mbinga
9960/2014	7-Oct-14	7-Sept-18	17.6	JRT	100	Nickel	Mbinga
9951/2014	7-Oct-14	7-Sept-18	101.9	JRT	100	Nickel	Fungoni
7806/2012	4-Apr-12	3-Apr-16	196.57	JRT	100	Uranium/coal	Shikula
		Total	**1784.87**				

Source: Syrah (2014)

Note: The Chiliogali Permits are currently registered in the name ASAB Resources (Tanzania) Limited (ASAB) and are subject to the terms of the Option and Purchase Agreement dated on or about 26 July 2014 between ASAB and Jacana Resources (Tanzania) Limited.

Figure 2.3 HMS prospecting licences

Source: Syrah (2014)

2.3.1 Tanzanian heavy mineral sands

The Heavy Mineral Sands (HMS) project comprises nine prospecting licences (PLs) located on the east coast of Tanzania, from Tanga in the north to Fungoni South, located to the south of Dar es Salam (Figure 2.3).

Jacana's HMS prospecting licences extend over a north south distance of approximately 130 kilometres (km) covering prospective ground from south of the Kwale HMS project owned by Base Resources (ASX: BSE) in Kenya, to the Fungoni South licence, located approximately 30 km to the south of Dar es Salaam.

Previous and current activities include:

- Reconnaissance and desktop studies for all HMS licences.
- A Mineral Resource Estimation for Fungoni.
- Aeromagnetic surveys for Tanga South, Tongani, Pangani and Tajiri.
- Grab sampling and auger drilling in Bagamoyo.

During 2015 the following air core drilling is planned:

- Fungoni (66 holes)
- Bagamoyo (70 holes)
- Tanga South (184 holes)
- Tanga North (19 holes)
- Tongoni (87 holes)
- Tajiri (97 holes)

These licences were previously explored by Tanganyika Gold Ltd from 1998 to 2000 and were acquired by Omega Corp Ltd (Omega) in 2004 (Omega, 2004).

A Mineral Resource Estimate has been completed for the Fungoni PL 7499/2011 by AMC Consultants (Pty) Ltd in April 2014. The Mineral Resource has been classified at the Indicated and Inferred levels of confidence, and reported using a 1 % and 1.5% Total Heavy Mineral (THM) cut-off (Table 2.2 and Table 2.3), following the guidelines of the JORC (2012) reporting code.

Table 2.2 Fungoini Mineral Resource Estimate at a 1% THM cut-off

Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	11.0	3.1	27.5	8.7	0.7	0.1	1.4
Inferred	3.0	1.7	24.2	8.9	0.4	0.1	0.7
Total	**14.0**	**2.8**	**26.8**	**8.8**	**0.6**	**0.1**	**1.2**

Source: AMC Consultants (2014), Mt = Million tonnes

Table 2.3 Fungoini Mineral Resource Estimate at a 1.5% THM cut-off

Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	7.0	4.1	25.2	8.6	0.9	0.2	1.8
Inferred	2.0	1.9	24.1	9.2	0.4	0.1	0.8
Total	**10.0**	**3.6**	**25**	**8.7**	**0.8**	**0.1**	**1.6**

Source: AMC Consultants (2014)

Note: Totals may not sum due to rounding.

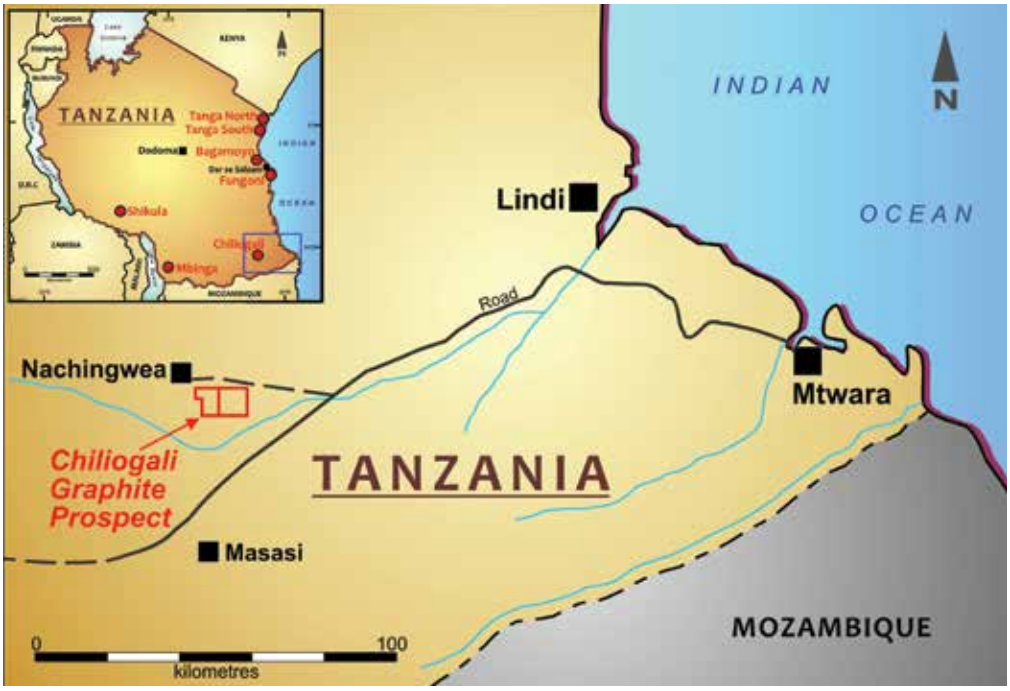
As soon as exploration is complete, a resource drilling program will be implemented (if deemed appropriate) in order to determine Mineral Resources for the PL's

2.3.2 Chiliogali Graphite Project

The Chiliogali Graphite Project comprises of two licences (PL 7471/ 2011 and PL 7488/2011) which collectively cover approximately 140 square kilometres (km²) (Table 2.1) and are located approximately 120 km west of the coastal towns of Lindi and 180 km west of Mtwara (Figure 2.4).

The Project is located approximately 7 km to the South of Nachingwea Township, from whence electricity and potable water can be sourced. This project has been previously referred to as the Nachingwea Graphite Project.

Figure 2.4 Location of the Chiliogali Graphite Project



Source: Syrah (2014)

Exploration at the Chiliogali Project was undertaken by the Geological Survey of Tanganyika between 1956 and 1958. Additional exploration, between 1990 and 1992, was undertaken by the Geological Survey of Tanzania. This comprised mapping, pitting, trenching and sampling.

In 1994, a Tanzanian company Sigo Gems (Sigo) undertook further exploration in the area.

Uranex Limited (ASX: UNX) and Global Metals Exploration (ASX:GXN) are actively exploring for graphite in the vicinity of Syrah's Chiliogali licence area and have reported significant graphite intersections in their exploration drilling.

Mineral Resources have yet to be declared for the Jacana's Chiliogali graphite project but trench sampling has indicated Total Graphitic Carbon Percentages (TGCP) ranging from 3.31% to 28.8% C.

Jacana plans to complete the following exploration activities on the Project during 2015:

- Ongoing trenching and sampling.
- A Ground Electromagnetic (EM) Survey covering approximately 100 line kilometres (km).
- 2,000 metres (m) of diamond core drilling.

Snowden is of the opinion that the Chiliogali project is prospective for graphite. The current exploration work and planning are considered to be in line with industry best practice.

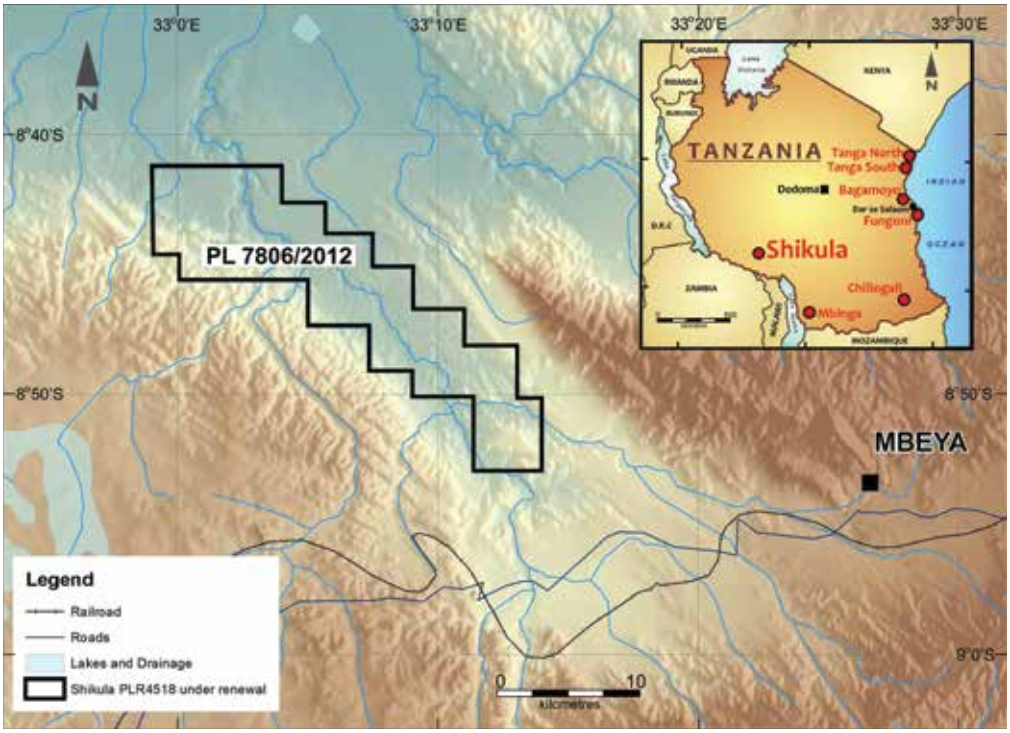
2.3.3 Shikula Coal and Uranium Project

The Shikula coal and uranium project comprises a single Prospecting Licence (PL 7806/2012), located to the northwest of the city of Mbeya in southwest Tanzania (Figure 2.5) covering an area of 196.57 km^2 (Table 2.1).

The project is located along strike from the Galula coal field and to the south of Kibo Mining PLC's (Kibo) Rukwa coal exploration prospects.

The PL was originally acquired as a roll front uranium prospect, however future exploration activities will be focussed on determining if the coal measures present on Kibo's properties extend into PL 7806/2012. Exploration for uranium will also be undertaken but will not be the primary focus of the program.

Figure 2.5 Location of the Shikula Coal and Uranium Project



Source: Syrah (2014)

Jacana plan to undertake the following exploration activities in 2015:

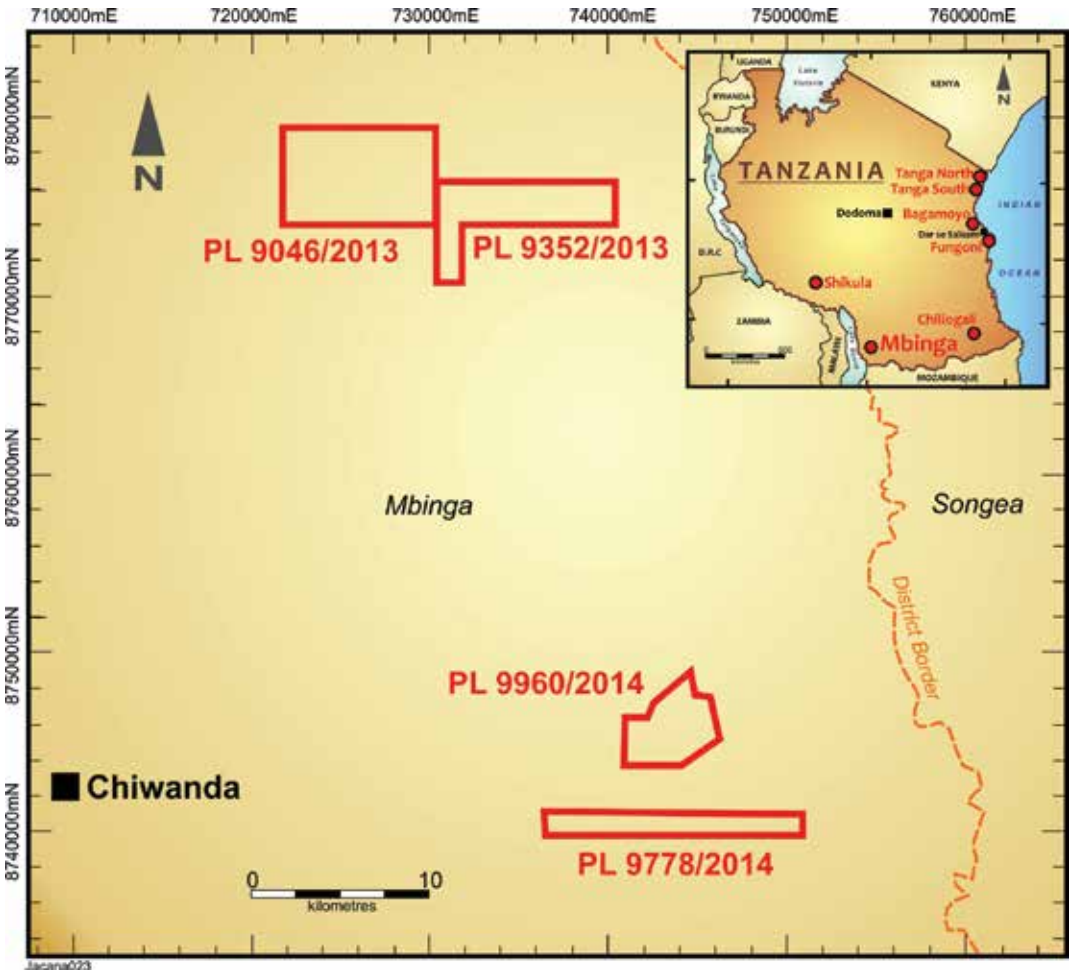
- Reconnaissance field work.
- Geological mapping.
- Grab sample collection for assay.

Mineral Resources have not yet been reported for the Shikula Project. Snowden is of the opinion that the Shikula project has the potential to host coal and possibly uranium. However exploration needs to be undertaken to confirm the presence of these commodities. Snowden is of the opinion that that the current exploration plan is in line with industry best practice.

2.3.4 Mbinga Nickel Project

The Mbinga nickel project, (comprising of the Mbinga and Liparamba PL's), is located southwest of the town of Songea, in the Ruvuma Region, south-eastern Tanzania Figure 2.6 and comprises three granted PL's 9046/2013, 9352/2013 and 9778/2014 and two PL applications 9960/2014 and 9951/2014 (Table 2.1)

Figure 2.6 Location of the Mbinga Nickel Project PL's



Source: Syrah (2014)

This area is considered to be prospective for nickel. Albidon Limited (Albidon), in collaboration with BHP, undertook airborne electromagnetic surveys and regional stream sediment sampling between 2007 and 2010. Ten anomalies were identified that were considered to be drill targets, but exploration was discontinued due to a lack of funds.

Jacana plans to complete the following exploration activities during 2015:

- Reconnaissance geological mapping.
- 40 line km of ground EM.
- Power auger drilling.
- 2,000m of diamond core drilling.

Mineral Resources have not yet been reported for the Mbinga PL's. Snowden is of the opinion that the Mbinga project has the potential to host nickelbut additional exploration work remains to be undertaken in order to confirm its presence. Snowden is of the opinion that the current exploration work and planning are in line with industry best practice.

2.4 Legal tenure

Snowden has compiled this report on the assumption that the licences held by Jacana are in current good standing. Snowden has sighted scanned copies of these documents, but has not independently verified Jacana's legal tenure.

Snowden is not qualified to make any statements in this regard and has relied on information provided by Jacana.

Comment on the legal status of the PL's will be included in a legal opinion in the prospectus, to be provided by Jacana's Tanzanian legal counsel.

2.5 Sources of information

This IGR is based on information provided by Jacana and discussions held on site with Jacana staff during site visits to its Tanzanian projects undertaken by Mr Mark Burnett in May 2013 and July 2014.

Additional relevant, open source, information was acquired independently by Snowden, which was used to supplement information provided by Jacana.

Snowden has made all reasonable enquiries to determine the validity and completeness of the information provided by Jacana. A draft of this report was provided to Jacana for their comment regarding factual accuracy.

2.6 Qualifications and experience

This report has been prepared in accordance with the Code for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (VALMIN Code, 2005). The reporting of exploration results has been undertaken according to the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012).

The principal authors of this report are Mr Mark Burnett and Mr Terry Parker.

Mark is a Principal at Snowden and a geologist with more than 21 year experience in the mining industry. Mark is a registered Professional Natural Scientist (Pri. Sci. Nat; Reg. No. 400361/12). Mark visited Jacana's Tanzanian assets between 19 and 30 May, 2013 and again from 21 July 2014 to 25 July 2014.

Mr Terry Parker, the Competent Person, is a Principal Consultant at Snowden and a geologist with more than 40 years of experience working in Africa, the Middle East and Australia, involved in exploration and mining for gold, copper, nickel, bauxite and industrial minerals.

Terry is a Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM; Reg. No. 107587) and has the appropriate relevant qualifications, experience and independence to be considered a "specialist" and a "Competent Person" as defined in the Valmin and JORC codes respectively.

2.7 Independence

Snowden is an independent consulting company that provides a range of services to the minerals industry, including independent geological services. Snowden also provides mineral resource estimation, corporate advisory, mine design and scheduling, auditing, due diligence and risk assessments.

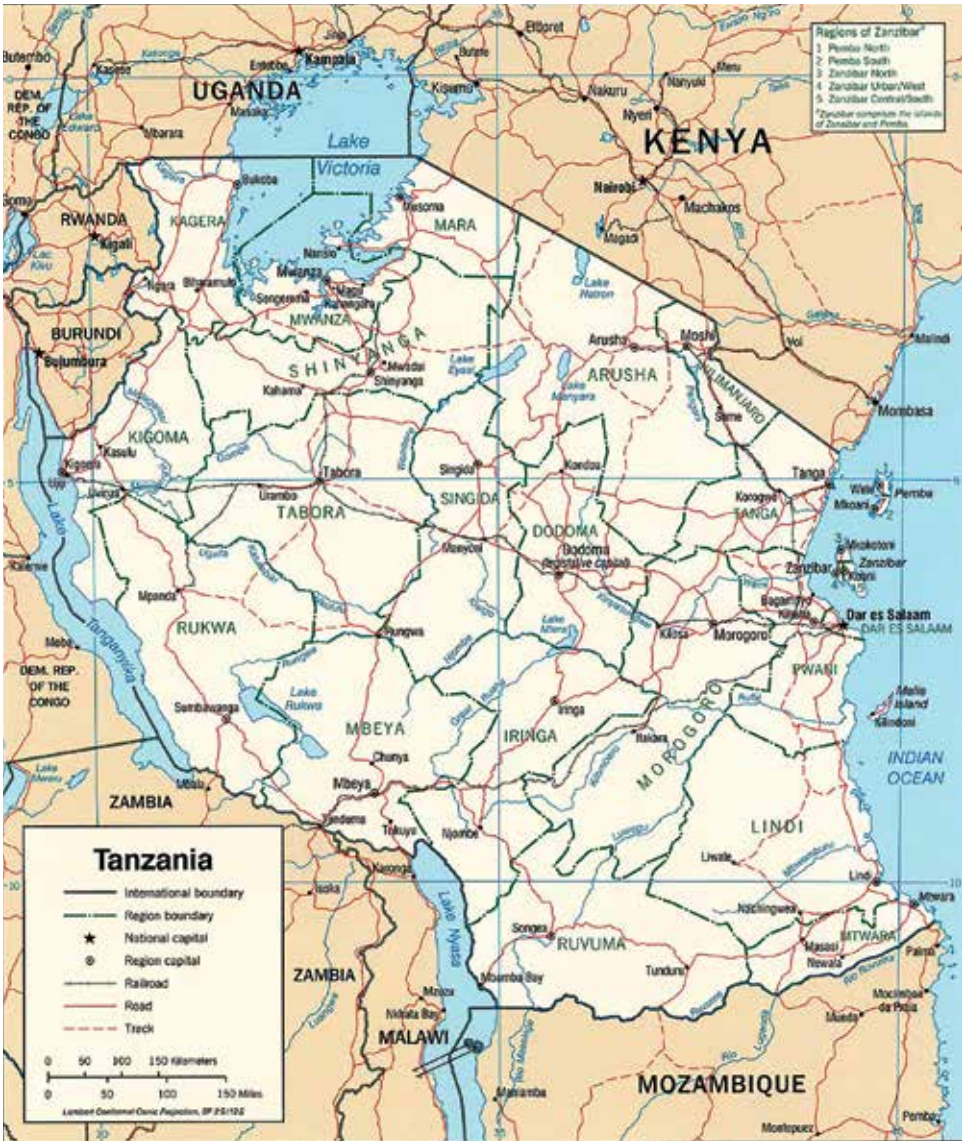
Snowden's principal office is located at 181 Adelaide Terrace, East Perth WA 6004, Australia; however Snowden has local offices located in Johannesburg, South Africa; Vancouver, Canada; Brisbane, Australia; London, United Kingdom and Belo Horizonte, Brazil. Snowden staff work on a variety of commodities worldwide.

The authors do not hold any interest in Jacana or its subsidiaries and/or associated parties or in any of the properties which are the subject of this report. Fees for the preparation of this report are being charged at Snowden's standard schedule of rates, with expenses being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions of this report.

3 THE UNITED REPUBLIC OF TANZANIA

The United Republic of Tanzania (Tanzania) is located in East Africa. It is bordered by the Republics of Kenya and Uganda (to the north; and the Republics of Rwanda and Burundi and the Democratic Republic of the Congo (DRC) to the west. The Republics of Zambia, Malawi, and Mozambique form the southern borders. The country's eastern border is formed by the Indian Ocean (Figure 3.1).

Figure 3.1 Location of the United Republic of Tanzania



Source:http://www.vidiani.com/maps/maps_of_africa/maps_of_tanzania/detailed_political_and_administrative_map_of_tanzania.jpg

Tanzania is divided into 30 administrative regions (mkoa); five are located on the semi-autonomous islands of Zanzibar and 25 on the mainland in the former Tanganyika. Tanzania has a total, land surface area of 885,800 km^2 (http://en.wikipedia.org/wiki/Tanzania; https://www.cia.gov/library/publications/the-world-factbook/geos/tz.html).

3.1 Geography

Central Tanzania is flat, comprising a large plateau. The northeast and western portions of the country are mountainous. To the north and west are Lakes Victoria, Tanganyika and Nyasa (Lake Malawi) (http://en.wikipedia.org/wiki/Tanzania).

3.2 Climate

Tanzania has a tropical climate. In the highlands, temperatures range between 10°C and 20°C during cold and hot seasons respectively. The rest of the country has temperatures rarely falling lower than 20°C. The hottest period occurs from November to February (25°C to 31°C) with the coldest period occurring from May to August (15°C to 20°C).

Two major rainfall patterns are experienced in the country; one from December to April in the southern, south-west, central and western parts of the country and; a second, bi-modal period occurring from October to December and then from March to May.) in the north and northern coastal region.
(Source: http://en.wikipedia.org/wiki/Tanzania).

3.3 Economics

Whilst being richly endowed with minerals, agriculture remains the primary economic driver of Tanzania's economy, accounting for a quarter to half of the country's GDP (75% to 80% of all exports).

Extraction of natural gas began in the 2000's (decade) and is exported to various markets overseas. Tanzania is the third-largest producer of gold in Africa after South Africa and Ghana. Mining accounts for about 3.2% of Tanzania's GDP and 3.6% of its total tax revenues. The mineral sector also contributed 52% of total exports, while gold represents about 90% of mineral export value.
(http://www.revenuewatch.org/news/tanzania-passes-new-mining-law-and-builds-capacity-informed-policy-debate).

3.4 Demographics

The population of Tanzania is dominantly Congoloid, consisting of more than 120 ethnic groups. The Sukuma, Nyamwezi, Chagga, Nyakyusa, Haya, Hehe, Bena, Gogo and the Makonde constitute the largest ethnic groups in the country.

The population also includes people of Arab, Indian, and Pakistani origin as well as small European and Chinese communities. (http://en.wikipedia.org/wiki/Tanzania).

3.5 Language

Swahili and English are the official languages of Tanzania; however Swahili is the national language (http://en.wikipedia.org/wiki/Tanzania).

4 TANZANIAN MINING ACT (2010)

The Tanzanian Mining Act number 14 of 2010 (the Mining Act) is based on a two tier system that distinguishes between the scale of mining, mineral type and the stage of exploration.

The two primary licences that may be granted are:

- Prospecting License (PL)
- Special Mining License (SML).

Two additional licences are stipulated under the Mining Act and are variations on the PL and SML, namely a Retention Licence (RL) and a Mining Licence (ML). These are discussed under the PL and SML sections respectively.

4.1 Prospecting Licence

For minerals other than building material and gemstones (but including diamonds) a PL is granted for an initial four year period and can be renewed twice; once, for a period of three years at which stage fifty percent of the original area is to be relinquished, and a second time for a further two years for an area fifty percent smaller than that applied for in the first renewal period. A further 2 years may be applied for after the second renewal period should additional time be required to complete a feasibility study. During the license period the owner is granted exclusive exploration rights on the property. For building materials and gemstones (other than diamonds), the PL is valid for a period of one year and is not subject to renewal.

The PL may cover a maximum area of 300 km^2 for all minerals aside from building materials or gemstones (but including diamonds), for which the maximum licence area is 5 km^2.

The licence preparation fee for PL's is US$500 and an annual rent is levied at US$100 per km^2. In order to apply for a PL licence, the applicant must submit their financial and technical capabilities, previous PL application details, work programme and budget.

An RL can be applied for if a mineral deposit (not including building materials and gemstones but including diamonds) in a prospecting area has the potential for commercial significance but is not able to be developed immediately. The RL is valid for a period of five years and has a single renewal period of a further five years. An application for a SML can be made while holding an RL for an area.

4.2 Mining Licence

An SML is granted for the life of the deposit as indicated in a feasibility document, or for the duration applied for, whichever is shorter. The SML may cover a maximum of 30 km^2 for all minerals aside from building materials or gemstones (including diamonds), for which the maximum licence area is 70 km^2.

The application fee for an SML is US$5,000; there is an additional licence preparation fee of US$2,000 and an annual rental fee of US$ 5,000 per km^2 for all minerals. A SML can be renewed for all or part of the area covered by the SML.

In order to apply for an SML licence, the applicant must submit a feasibility study document which details:

- Estimated grades and tonnages of the mineral deposit and details of all known minerals and proved, estimated or inferred ore reserves.
- Proposed programme for mining.
- Proposed relocation and resettlement of people (if necessary).
- Environmental certificate and environmental management plan.
- Expected infrastructure requirements.
- Proposed plan for the employment and training of Tanzanian citizens and succession plan for all expatriate employees.

An ML may be applied for should the applicant not meet the requirements for applying for a SML. The same documentation as for the SML is required in the application for the ML, with the addition of a statement providing financial and technical resources available to the applicant. The maximum area an ML may cover is 10 km^2 for metals and 1 km^2 for building materials and gemstones and is granted for a ten year period with the right of renewal.

4.3 Renewal fees

For PLs the renewal fee is US$300 for all minerals with an annual rental fee for a first renewal of US$150 per km^2 and US$200 per km^2 for a second renewal. For SMLs the renewal fee is US$2,000 for all minerals.

4.4 Royalties

Royalties are calculated based on the gross value of the minerals. The following royalty rates apply:

- Gemstones (including diamonds) (5%).
- Metallic minerals (e.g. copper, gold, silver) (4%).
- Other minerals (e.g. industrial minerals and building materials) (3%).
- Uranium (5%)
- Coal (3%).

5 GEOLOGY AND MINERALISATION

5.1 Geology of Tanzania

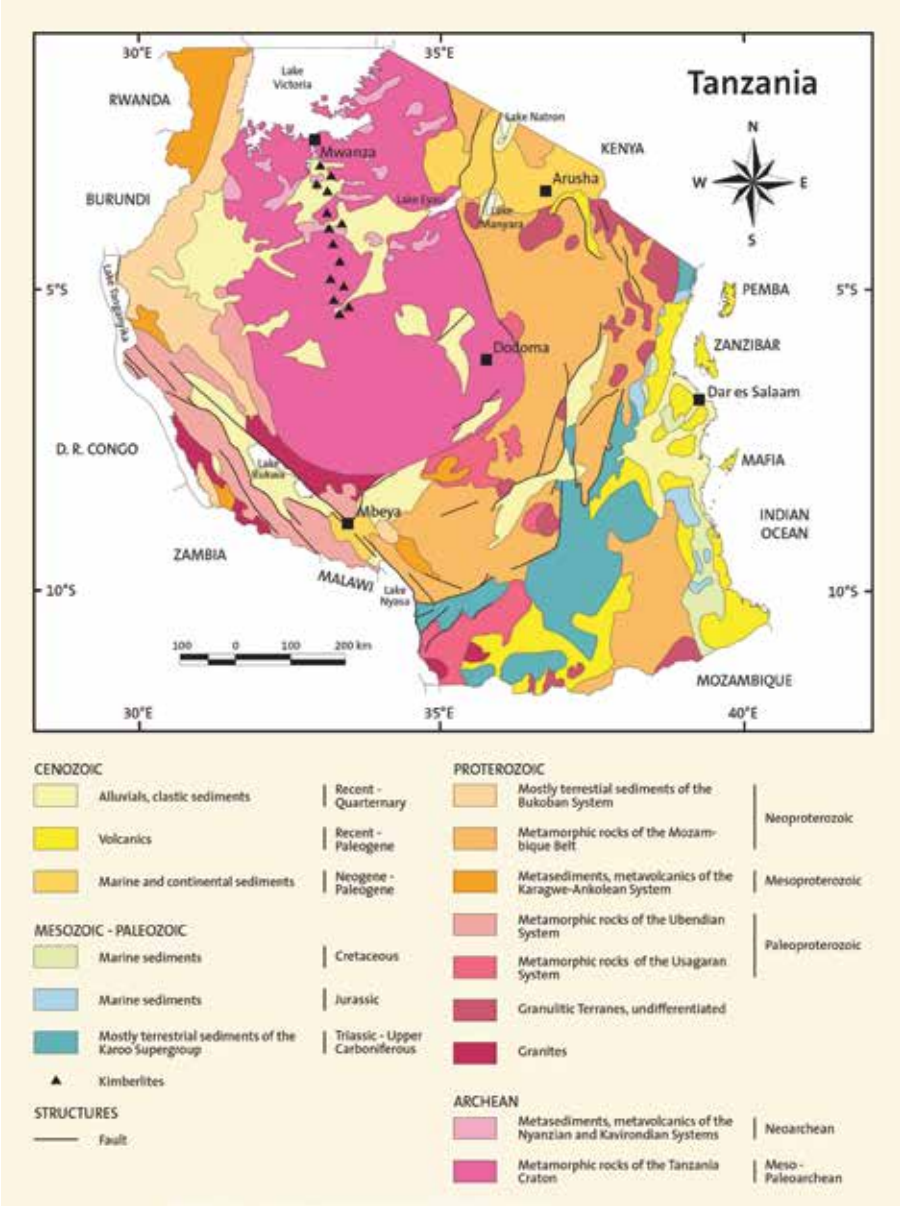
The geology of Tanzania is dominated by Archean age rocks (the Tanzania Craton), composed of granitoids and metasediments (Figure 5.1) but also contains Proterozoic, Mesozoic-Palaeozoic and Cenozoic to Recent rocks. Two Archean age orogenic belts have been identified in the Tanzanian craton:

- Dodoman (Central Tanzania)
- Nyanzian – Kavirodian (Northern Tanzania).

The rocks of the Kavirodian belt are younger than those of the Nyanzian. The Nyanzian and Kavirodian orogenic belts are separated by an unconformity and intense crustal deformation.

The orogenic belts identified in the Tanzania Craton are of various ages and have undergone different amounts of metamorphism. It is generally assumed that the Cenozoic rift faults, related to the East African Rift System, follow zones of weakness related to the belts (Fossum, 2012; Schlüter, 2008).

Figure 5.1 Simplified geology and stratigraphy of Tanzania



Source: Schlüter, 2008

5.1.1 Archean

The Tanzanian craton is comprised of a series of amalgamated terrains, consisting primarily of granitoids. Three orogenic belts have been identified:

Dodoman System

The Dodoman System is the oldest formation, presenting itself as a series of elongated east southeast-west northwest outcrops. The rocks that form this system are primarily metasediments and metavolcanics that have undergone amphibolite facies grade metamorphism.

Nyanzian System

The Nyanzian System is present in the northern part of Tanzania, in the area around Lake Victoria and is associated with gold bearing rocks, including granites, basic and siliceous volcanics and banded ironstones. The rocks that form this system have undergone greenschist facies grade metamorphism.

Kavirondian System

The Kavirondian System occurs in the Musoma district, north of the Mara River. Rocks comprising this system are coarse grained sands and conglomerates, that unconformably overly the Nyanzian rocks. The Kavirondian System has been interpreted as consisting of molasse deposits from the Nyanzian System (Schlüter, 2008).

5.1.2 Proterozoic

The Proterozoic rocks of Tanzania comprise five remnant orogenic belts that surround the Archean Tanzanian craton:

- Ubendian (to the west and southwest of the craton)
- Usagaran (to the southeast of the craton)
- Mozambique belt (to the east of the craton);
- Karagwe Ankolean (to the west of the craton)
- Bukoban (to the northwest of the craton)

Ubendian Belt

The Ubendian Belt, is a linear, northwest- southeast trending orogenic belt that forms the south-westerly margin of the Tanzania Craton. Rocks from this belt are mainly of sedimentary and igneous origins that have been subjected to granulite facies grade metamorphism.

Usagaran Belt

The Usagaran Belt occurs along the south-eastern margin of the Tanzania Craton and is divided into two major lithological units:

- Konse Group (metasedimentary and metavolcanic rocks)
- Isimani Suite (gneissic-amphibolitic)

Mozambique Belt

The Mozambique Belt, trends north – south to the east of the Tanzanian Craton. It extends from Mozambique to the Red Sea, marking the Gondwana age suture. It comprises rocks that have been subject to intense deformation and granulite level metamorphism; believed to be the result of a Pan African orogeny thermal event.

Karagwe-Ankolean Belt

The Karagwe- Ankolean Belt trends north east – south west, occurring to the west of the Tanzanian Craton. It comprises rocks that have been deformed and subjected to metamorphic grades ranging from greenschist to amphibolite facies. These rocks have been intruded by tin bearing S- type granites.

Bukoban Belt

The Bukoban includes sandstone, chert, plateau-type basalts, dolomitic limestones and red beds that have been weakly deformed and are unmetamorphosed. The extent of Bukoban rocks is relatively limited as most have been removed by erosion.

5.1.3 Palaeozoic

No rocks dating from the Precambrian (Proterozoic) to Upper Paleozoic exist in Tanzania, due to an extensive period of erosion following the Mozambican orogeny. Deposition of Karoo Supergroup sediments occurred in northeast- southwest trending half grabens during the Carboniferous (Upper Paleozoic) to Lower Jurassic (Mesozoic).

Karoo Supergroup

Rocks of the Karoo Supergroup, that contain coal measures, were deposited unconformably on the underlying Precambrian. These Karoo sediments can be divided into eight lithological units (K1 to K8). The sediments are mainly of continental origin and were deposited in intercratonic basins and half grabens.

5.1.4 Cenozoic

Palaeogene (lower part of the Cenozoic Period) age rocks are only exposed in the south-eastern part of coastal Tanzania where these are overlain by marine and continental Neogene (Upper Cenozoic) rocks. The deposits are calcareous sandstones, limestones, grey clays, marls, and reef deposits.

Pleistocene to Recent (Quaternary) age rocks and sediments occur along the coast of Tanzania and include dune and mineral sands (placer deposits).

5.2 Economic geology of Tanzania

Deposits of gold, base metals, diamonds, ferrous minerals and gemstones are found in economic concentrations in Tanzania, as are deposits of coal, uranium and industrial minerals. (http://www.tanzania.go.tz/mining.html)

5.2.1 Gold

Economic gold deposits are found in the Archean greenstone belts around Lake Victoria, with exploration emphasis being on gold deposits hosted by BIF or volcano-sedimentary rocks.

Exploration for gold deposits hosted in Proterozoic age, shear zones, is ongoing in the south-western part of the country.

5.2.2 Base Metals

Exploration of the Karagwe-Ankolean System in the north west of the country has indicated the presence of nickel-cobalt-copper mineralization associated with ultramafic rocks.

Nickel laterite occurrences are known to occur in the Kagera region, whilst there are indications that stratiform copper-silver-uranium mineralisation is present in the Shinyanga region.

5.2.3 Ferrous Metals

Titaniferous magnetic bodies associated with anorthositic gabbros have been identified at Liganga, located in the south west of the country. In addition titanium minerals (ilmenite and rutile) and zircon are known from HMS deposits located along the coast.

5.2.4 Gemstones

Various types of coloured gemstones, including tanzanite (a variety of zoisite), occur in rocks of the Usagaran and Ubendian Systems. In addition to tanzanite, other gemstones include: ruby, rhodolite, sapphire, emerald, amethyst, chrysoprase, peridote and tourmaline

5.2.5 Carbonates

Carbonate rocks (carbonatites), associated with Mesozoic-Cainozoic volcanics have been recorded in Tanzania. These may have exploration potential for rare earth elements (REE's), phosphate and niobium.

5.2.6 Coal

Coal measures are present in the Ruhuhu and Songwe-Kiwira basins in south west Tanzania where exploration in these areas is ongoing. Tanzania's only operational coal mine, run by Kiwira Coal and Power Limited, was closed in 2012, as a result of poor management practices.

5.2.7 Industrial Minerals

Graphite

Graphite is found in high-grade gneisses, primarily associated with rocks of the Usagaran system.

Limestone and dolomite

High purity limestone and dolomites are sporadically in Tanzania and range from Archean to recent in age.

Clays

A variety of clays, including bentonite, kaolin and fullers earth are known to occur, however to date, exploitation has been limited.

Evaporites and salt

Evaporites and saline deposits are associated with the rift valley lakes. Soda ash deposits are known to occur at Lake Natron. Salt is produced at a rate of 105,000 tonnes per annum, primarily for domestic consumption.

Phosphate

Phosphate is found and mined in the Arusha Region, with all current production being for direct application fertilizer.

6 MINERALISATION AND EXPLORATION MODELS

6.1 Heavy Mineral Sands

Heavy Mineral (HM) is the term given to a group of minerals commonly found and mined together from water or wind concentrated deposits. The principal valuable heavy minerals include ilmenite (FeTiO3), leucoxene (FeTiO3TiO2), rutile (TiO2), zircon (ZrSiO4) and monazite ((Ce LaThNdY)PO4) (Table 6.1).

Table 6.1 Valuable Heavy Minerals

Mineral	Valuable	Magnetic Susceptibility	Electrical Conductivity	SG	Chemical Formula
Ilmenite	Yes	High	High	4.5-5.0	$FeTiO_3$
Rutile	Yes	Low	High	4.2-4.3	TiO_2
Zircon	Yes	Low	Low	4.7	ZrSiO4
Leucoxene	Yes	Semi	High	3.5-4.1	$FeTiO_3TiO_2$
Monazite	Possibly	Semi	Low	4.9-5.3	$(CeLaThNdY)PO_4$

Source: Elsner (undated)

The minerals that are mined from heavy mineral sand (HMS) deposits all have high density with specific gravities (SG) greater than 2.85 g/cm3, (SG of sand) allowing these to be concentrated by natural processes, such as storm and wave action. The majority of HMS deposits that are currently being exploited are found in unconsolidated, palaeo-shorelines generally inland from present day shorelines.

The mineral assemblages typical of HMS deposits are generally considered to be reflective of the local or regional source rock(s); however variations both at a local and regional scale may occur. The HM's that are commercially extracted are generally found in two types of HMS deposit:

- Beach placers (strand lines) created by water movement
- Dune placers created by wind movement.

The concentration of HM occurs in varying proportions within each HMS deposit. Deposits containing high rutile content are more valuable due to their higher titanium content. Deposits containing high zircon content are also valuable, as zircon is more valuable than ilmenite.

Most HMS deposits currently being mined have an average HM grade of 2 % to 6 % HM, with HM occurring typically in the following proportions:

- ilmenite: 55% to 60%
- rutile: 5% to 10%
- zircon 3% to 5%.
- trash heavy minerals (andalusite, garnet etc.) 25% to 40%

Grain size of the valuable heavy minerals (VHM) excluding the trash minerals is important for process recovery as very fine-grained HMS deposits cannot be easily exploited. (Omega, 2004)

Formation of HMS deposits

HM's are found in igneous rock; rutile and ilmenite are sourced from magnesium and iron rich rocks such as dolerites and gabbros; with zircon being sourced from granitic hosts. These minerals are released from their host rocks during weathering and are transported to the ocean, where they are concentrated on the beach, via reworking and winnowing caused by wave and current action.

Wave energy is a critical factor for the development of economic HMS deposits and is dependent on three principal factors:

- Water depth
- Wind strength
- The distance over which the wind blows (fetch).

The concentration of HMs in HMS deposits is dependent on the density of the minerals as well as on its absolute weight; particle size is thus an important factor in HM concentration processes (Omega, 2004).

6.2 Graphite

Vein graphite is generally found in regionally metamorphosed rocks. The method of formation of these deposits is still uncertain, with four possible models to explain the formation of this type of deposit having been proposed:

- Magmatic (primary) source where magmatic CO and CO_2 in hydrothermal or pneumatolytic solutions are reduced to deposit graphite as fracture fillings.
- Carbonate rocks that have decomposed during metamorphism to release CO and CO2 which deposits graphite as fracture fillings.
- Sedimentary organic (carbonaceous) matter that has become graphitized by high-grade metamorphism.
- A solid-phase transportation of slippery graphite grains along grain boundaries down a pressure gradient.

The geometry of vein graphite deposits is controlled by fracture patterns, tensional jointing, geologic structures, and possibly solution chemistry control where the ore is deposited. Folding may cause the graphite to migrate. Veins often crosscut antiform structures.

Exploration for this type of deposit is usually done via geophysical techniques including induced polarization (IP), resistivity and electromagnetism. Ground proofing is done via mapping, trenching, pitting and diamond ore drilling" (Stuphin, 1991).

6.3 Coal

Exploration for coal deposits is driven by the presence of rocks that are known to contain coal measures, which in the Tanzanian case are sedimentary rocks belonging to the Karoo Supergroup.

Coal exploration techniques are focussed on the identification of suitable coal depositional environments via the integration of regional and local data sets. This is needed to gain an understanding of the paleo-environment of the depositional basin as well as the basin's configuration. This understanding allows the geologist to anticipate the presence (or absence) of coal seams, their possible thickness as well as important qualitative parameters such as ash and sulphur content.

Where possible coal outcrop is mapped and sampled, although generally this is not possible and subsequent exploration is usually undertaken by diamond core drilling. This method allows a complete stratigraphic record of the over- and under-lying sediments to be obtained, as well as coal samples to be obtained for analytical analysis.

The drill holes are normally then geophysically logged and during this exercise parameters such as hole width, density (gamma – gamma), resistivity and natural gamma are recorded. These readings are used in conjunction with the core sample to produce a "seam profile" that is used to assist with the coal sampling process.

In addition, seismic surveys can be used to determine the regional structural and stratigraphic nature of the coal deposit. These surveys, either run as 2D or 3D surveys, can be supplemented by additional air or ground geophysics (such as electromagnetic or resistivity) in order to identify and delineate structural features such as faults and dykes. (http://www.gov.ns.ca/natr/meb/data/pubs/is/is08/is08_Chapter03.pdf)

6.4 Uranium

The exploration targets for uranium in Tanzania are sandstone hosted deposits. Uranium can also occur in granitoid rocks, such as at Rössing Uranium Mine in Namibia, unconformity deposits in Canada and Australia and breccia complex deposits such as Olympic Dam in Australia.

The following except is taken from Finch and Davis (1985).

"Sandstone hosted uranium deposits are defined as epigenetic concentrations of uranium minerals occurring as uneven impregnations and minor massive replacements primarily in fluvial, lacustrine, and deltaic sandstone formations. The two main uranium deposit forms are tabular and roll-front, each related to a distinctive geochemical process of ground-water infiltration type of mineralization.

Exploration for sandstone-type uranium deposits has been extensive in continental sedimentary basins using models developed in the United States. Sandstone-type deposits are restricted to rocks of Silurian and younger ages. The largest resources are in Permian, Jurassic, and Tertiary sandstone formations. Tabular deposits are most common in Cretaceous and older rocks, whereas roll-front deposits occur primarily in Upper Cretaceous and Tertiary rocks.

Sandstone-type uranium deposits have the following diagnostic characteristics:

- Host-rock unit is Silurian or younger in age.
- Host-rock unit was deposited most commonly in fluvial and lacustrine environments in continental settings or in channel, lagoonal, and beach-bar settings on the marginal plains of marine basins.
- Provenance for sedimentation was commonly granitic or acidic (felsic) volcanic terranes, either of which provided a plausible source for uranium.
- Fossil carbonized plant matter or humic material is commonly present.
- Uranium concentrations were controlled by sedimentary features rather than tectonic fracture structures.
- The host-rock units are those with good regional transmissivity, and the deposits are localized where sandstone/mudstone ratios are near 1:1.
- Low-temperature ground waters were the mineralizing solutions rather than high-temperature hypogene fluids.
- The ore minerals are epigenetic even though mineralization was commonly part of diagenesis.
- Mineralization took place in rocks having original low-angle basin-ward dips, and in most cases the deposits were preserved because of only slight increases in regional dip. More severe tectonic events have redistributed ore in some places.

Exploration for sandstone hosted uranium deposits is undertaken using surface and airborne-radiometric prospecting, geologic mapping" (Finch and Davis, 1985)

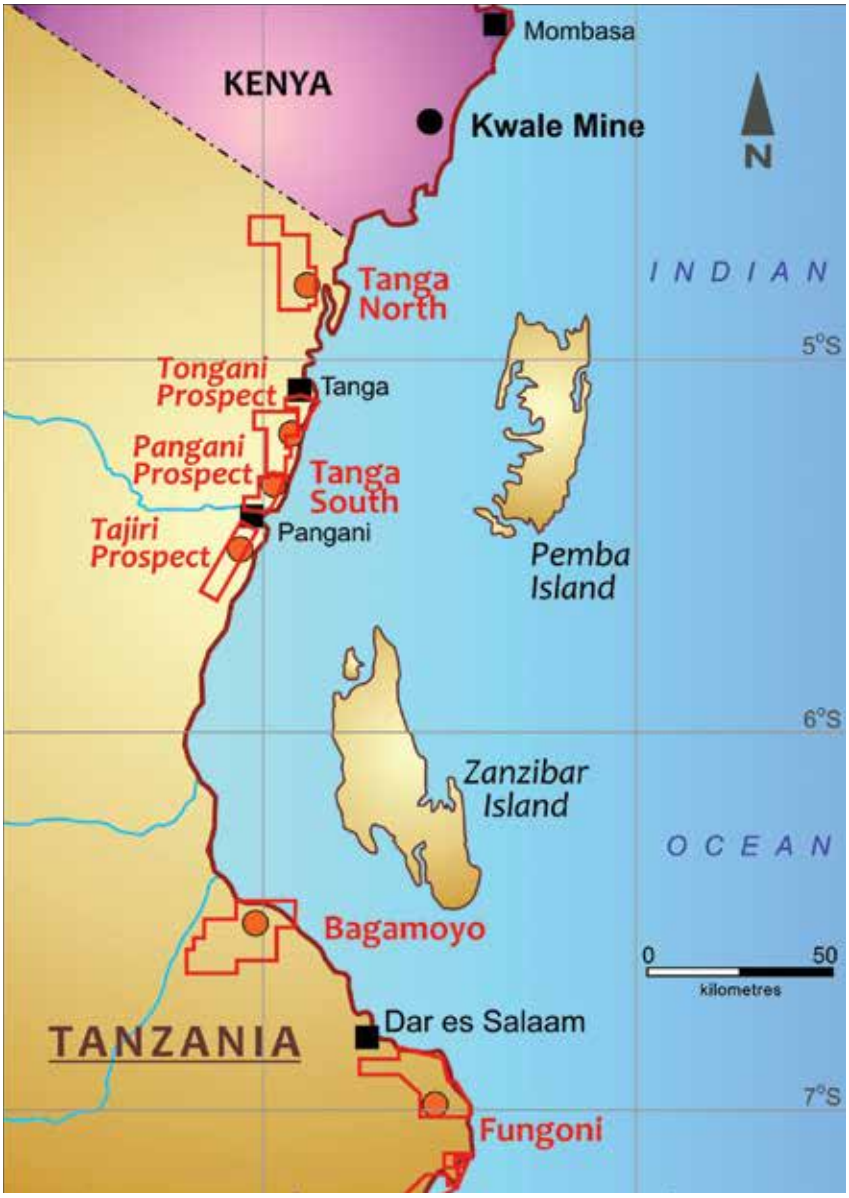
6.5 Nickel sulphides

Nickel sulphide deposits are classified either in terms of their sulphide content (Type 1 – massive or Type 2 – disseminated) or on their parental magma (high or low magnesium). Type 1 deposits may be small targets but are generally good targets for electromagnetic geophysical methods. Type 2 deposits may form larger targets and have a strong geochemical response if exposed at surface. Induced polarisation (IP) is a useful exploration tool for deposits of this type (Hronsky, 2007).

7 TANZANIAN HEAVY MINERAL SANDS

Jacana holds 100% ownership of nine PL's located in the northern and central coastal areas of Tanzania, covering an area of 1,237 km^2 over a north south length of approximately 130 km along the coast (Figure 7.1; Table 2.1).

Figure 7.1 HMS prospecting licences



Source: Syrah, (2014)

Previous exploration has indicated that the most prospective areas are the Tajiri and Fungoni prospects. Limited drilling and test sampling (pitting) have been undertaken on the prospects, with the exception of Fungoni, which has been drilled and a Mineral Resource declared in December 2013.

7.1 Location, tenure and physiography

All Jacana's HMS prospects are located in the northern and central coastal areas of Tanzania. Population density is variable, varying from densely populated in the areas surrounding Dar es Salaam and Bagamoyo, to medium to low in the Tanga area.

Sisal plantations are common in the northern areas, especially in the Tanga region.

7.2 Geological framework

7.2.1 Regional geology

This section has been adapted from Omega (2004).

At least three major Pleistocene palaeo-terraces ("raised beaches") have been identified along the Tanzanian coast line. The terraces represent palaeo-shorelines and are preserved at the following intervals above mean sea level (mRL):

- Mtoni Terrace (+3mRL to 5mRL)
- Tanga Terrace (top of Mtoni Terrace to +20mRL to 40mRL)
- Sakura Terrace (top of Tanga Terrace to +60mRL to 100mRL)

The islands of Zanzibar and Pemba are believed to have assisted in the formation of the HMS deposits, acting as barriers to the wind, reducing fetch and wave energy. Alternatively, the small basin, approximately 750m deep, located between Tanga and Pemba Island (Tanga Trench) is believed to provide higher levels of wave energy and therefore concentration of HM on the coast (Omega, 2004).

General geology of the Northern Tanzania coast

This section has been adapted from Omega (2004).

The northern Tanzanian coastline is considered to stretch from Bagamoyo to the Tanga North PL.

The coastal belt of Pleistocene to Recent marine sediments that hosts the HMS deposits, varies from 5 km to 8 km in width, with the widest portion being 16 km, located immediately to the north of the Ruvu River (adjacent to Bagamoyo), extending for about 40 km into the Sadani Game Reserve (Omega, 2004).

From Bagamoyo to approximately 20 km south of Pangani, most HMS deposits are located 2 km inland from the current shore line. The rest of the coastal plain is covered with terrestrial sedimentary deposits including sands, grits, pebble beds and Mbuga (black to dark grey clays) (Kent et al., 1971).

Mbuga clays occur extensively along the coast, usually as lagoonal sediment behind the sand dunes. This clay is considered to be the result of erosion and outwash of interlayered mudstone and sandstones, sourced from weathering of Karoo Supergroup rocks. Mbuga clays do not usually contain heavy mineral concentrations (Omega, 2004).

Inland from the coastal belt, the rocks are mainly Jurassic and Cretaceous age Karoo Supergroup sediments which overlie amphibolites and gneisses of the Proterozoic, Usagaran basement (Moore, 1963).

General geology of the Southern Tanzania coast

This section has been adapted from Omega (2004).

The southern Tanzanian coastline is the Tanzanian coastline to the South of Dar es Salam, covering the Fungoni and Coastal PL's, including Fungoni South.

Its geology is broadly similar to that found to the north; however the older marine terraces are preserved progressively further from the coast as they are traced southwards (Omega, 2004).

The Coastal area varies from 10 km to 15 km in width with widths of 20 km found locally. Mapping by the Tanganyikan Geological Survey indicated that normal faulting may have been responsible for the distribution of the Sakura Terrace (the oldest and highest of the marine terraces) southeast of Dar es Salaam (Bartholomew, 1963). To the west of the Sakura Terrace, Miocene sandstones occur overlain by red-brown clay enriched sediments of Miocene-Pliocene age.

HMS deposits are present along the length of the coastline, containing differing concentrations of HM. In some places the strandlines from the different terraces merge, possibly due to reworking. In other places the strandlines are absent and appear to have been eroded (Omega, 2004).

7.2.2 Local geology

Variations in local geology are discussed per PL, in Section 7.6.

7.3 Mineralisation and exploration model

Regional exploration for HMS deposits can be undertaken using geochemistry and geophysical techniques.

Geochemical

Geochemical indicators include:

- anomalous concentrations of economic or related elements in sediments or favourable stratigraphy.

Geophysical

Geophysical techniques include:

- magnetic, gravity, and seismic surveys used to assist in mapping paleo-topography and outline paleo-channels.
- Induced polarization (IP) and/or resistivity surveys used to locate conductive disseminated mineralization (e.g. presence of ilmenite).
- electromagnetic surveys that would assist in detecting conductive material.
- ground-penetrating radar to determine the location of hardpan and bedrock.
- radiometric surveys to locate radioactive heavy-mineral concentrations Historic and recent exploration (e.g. presence of monaznite).

7.4 Previous exploration

This section has been adapted from Omega (2004).

The presence of HMS deposits were noted by the Tanganyika Geological Survey in 1963 (Moore, 1963). Landcastle (1963) noted the presence of HMS between Dar es Salaam and Bagamoyo to the north, near the mouth of the Ruvu River. Hester (1995) noted the Bagamoyo mineralisation as significant and potentially economic. He also reported potentially economic mineral sands at Msimbati, close to Mtwara near the border with Mozambique.

From 1974 to 1976, Beach Sands Mining Company (a joint company between State Mining Corporation and Geomin of Romania), undertook exploration for HMS and identified "probable ore reserves of 33.5 million tonnes" in their Msimbati deposit averaging 1.39% ilmenite, 0.22% rutile and 0.18% zircon (Hester, 1995).

Tanganyika Gold Ltd (TGL) commenced exploration work in 1998, using exploration methods and models that had been successfully applied to the identification of HMS deposits in Western Australia. Targets for HMS exploration were generated; reconnaissance surface-sampling and geological mapping programme was carried out on 10 km spaced traverses at one-kilometre intervals along the Tanzanian coastline.

By February 1999, several mineral sand occurrences had been identified and a limited drilling program was planned to drill the best surface sample anomalies and one conceptual geological target. Due to time, budget and logistical constraints the drilling was restricted to the area north of the Rufiji River. During this exploration program, the Tajiri prospect (previously known as traverse 14) was identified.

Detailed surface pit sampling was undertaken to the north and south of the prospect, both as part of an orientation program for future exploration, as well as to define the zone of HM mineralisation. During this program, samples were taken every 200 m along lines 1 km apart, the results of which defined a 20 km long zone containing more than 3% HM.

Surface pit sampling identified the Kimbiji, Fungoni, Bagamoyo and Pangani prospects. Surface samples from each of the five prospects were submitted for grain count analysis of HM and limited microprobe and scanning electron microscope (SEM) of ilmenites.

An aeromagnetic survey was flown over the South Tanga, Tongani, Kimanga and Tajiri prospects by Syrah in late 2012 (Figure 7.2). A total of 4,584 line km, at a height of 30 m and a line spacing of 100 m was flown. Analysis of the data confirmed that HMS deposits can be detected due to their high ilmenite content, which is weakly magnetic, shown as red and orange colours. Syrah identified several new target areas on the prospects that warrant follow up exploration work.

7.5 Planned exploration

Jacana intends to undertake "ground-truthing" of the aeromagnetic results acquired in 2013, by means of a series of exploration programs that will include surface grab sampling, pitting and hand auger drilling to a depth of 1m to 1.5 m into the HM bearing horizon.

7.6 Mineral Sands Prospects

7.6.1 Tanga North Prospect

The Tanga North Prospect (PL 8008/2012) is located north of the city of Tanga and approximately 30 km south of the Kwale mineral sands deposit currently being developed by ASX listed Base Resources Limited in Kenya (Figure 7.3).

Jacana has identified a target area that is approximately 17 km long, varying from 1 km to 3 km wide which is prospective for HMS. The prospect was originally considered as a potential uranium exploration target due to the presence of Karoo Supergroup sediments, however this is no longer being considered and the ongoing focus for exploration will be proving up the HMS potential of the prospect (Venter, 2011).

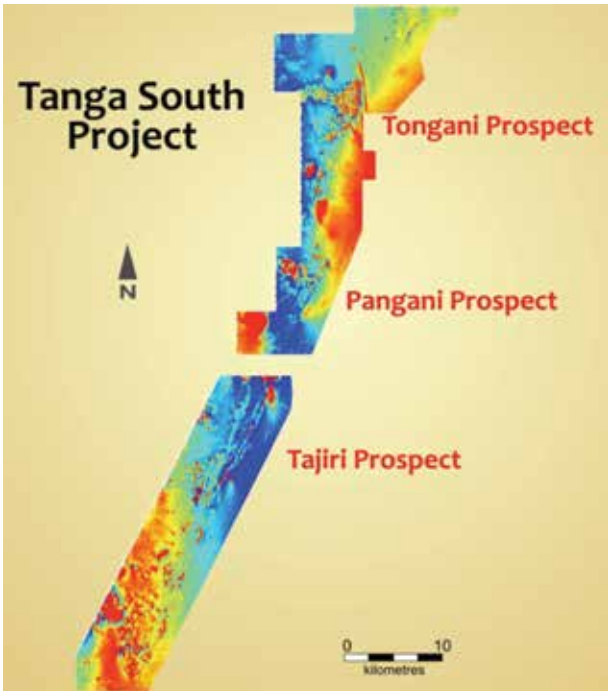
Access to the prospect is via the main Tanga – Mombasa highway and then via dirt roads of varying quality. The area is generally flat with limited subsistence farming. Human settlements are generally concentrated along the dirt road network that covers the area.

Limited exploration for HMS has occurred in the Tanga North Prospect, consisting primarily of reconnaissance panning and auguring for HM by Syrah personnel and historical pitting undertaken by TGL. In most cases the auger holes were stopped when ferricretes were intersected.

In 2015, Jacana plan to drill 570m (19 air core holes) in the PL in areas where good mineralised intersections had been historically encountered, in order to test its mineral potential.

Jacana have budgeted US$1,400,000 for this work. Snowden is of the opinion that this is a reasonable budget for the nature of the exploration work that is being planned.

Figure 7.2 Aeromagnetics covering the South Tanga to Tajiri prospects



Source: Syrah (2014)

Figure 7.3 Location of the Tanga North, Tanga South, Tongani, Pangani and Tajiri HMS PL's

Source: Syrah (2014)

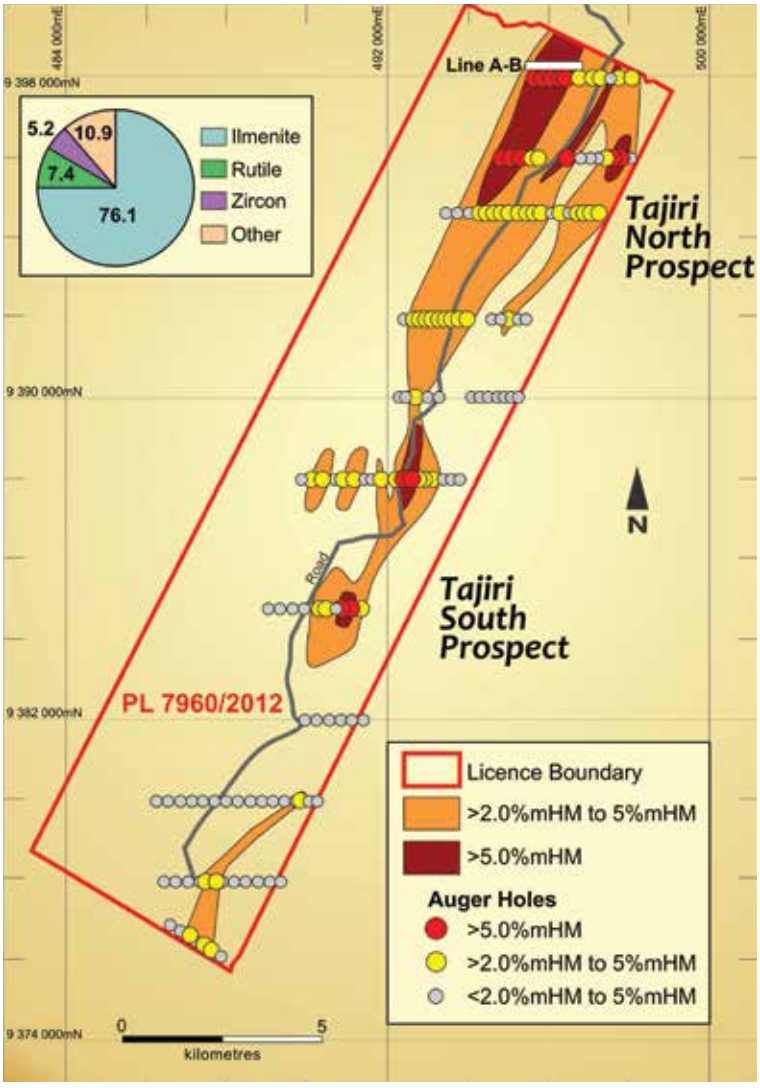
7.6.2 Tongani, Pangani and Tajiri Prospects

The Tongani, Pangani and Tajiri Prospects (collectively referred to as the Tanga South Project), form an almost uninterrupted stretch of HM bearing sands, approximately 60 km in strike length (Figure 7.3). Access to these prospects is via the unsurfaced Tanga- Pangani road.

Several areas, present within these PL's, have been indicated as containing mineralisation of more than 3% HM. However, data are limited and the target identification has been based on airborne geophysics as well as extensive hand auger drilling.

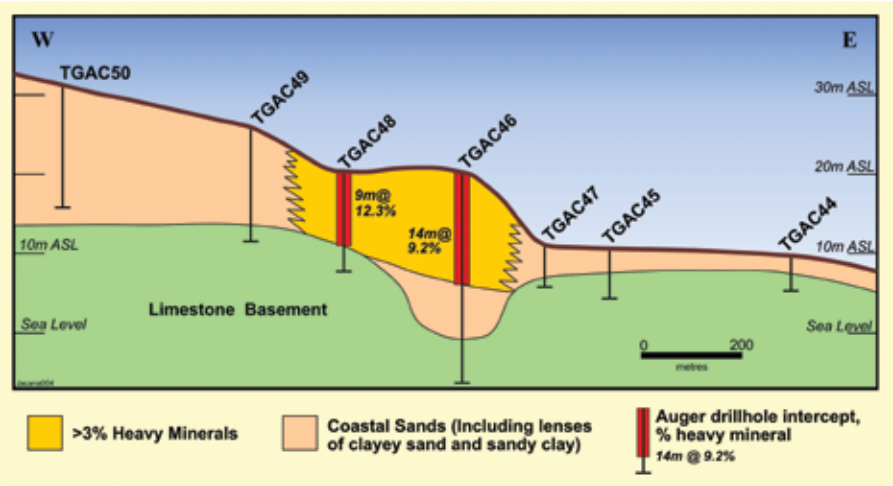
Of the four PL's, only the Tajiri PL (Figure 7.4, Figure 7.5) has been explored, in any detail, using hand auger drilling. Intersections including 14 m at 9.2% HM and 9 m at 12.3% HM were observed. Based on these results, the PL is has been informally split into the Tajiri North and South prospects, respectively.

Figure 7.4 Tajiri North and South PL's showing historic auger hole HMS assay results



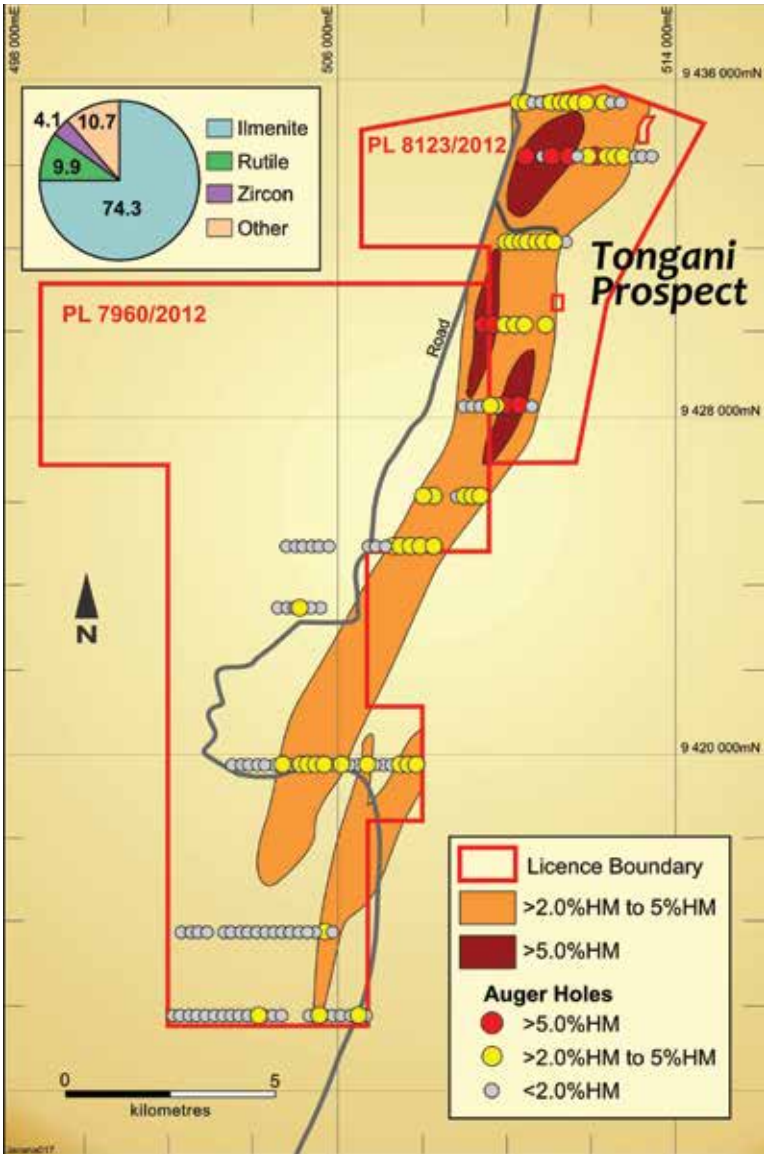
Source: Syrah (2014)

Figure 7.5 West East Cross section through line A – B, Tajiri North



Source: Omega Corp (2004)

Figure 7.6 Tongani Prospect showing historic auger holes and HMS assay results



Source: Syrah (2014)

At Tongani, HMS are present on surface and are readily observed over a length of several hundred metres (Figure 7.6).

From field observations, ilmenite is the dominant mineral, comprising 70% to 80% of the HM content of samples. Rutile is variable, ranging from 5% at Tongani (to over 10% at Tajiri and up to 20% in some of the Pangani samples. Zircon content appears to be under 10% in most areas except for Tajiri where it was just over 10%.

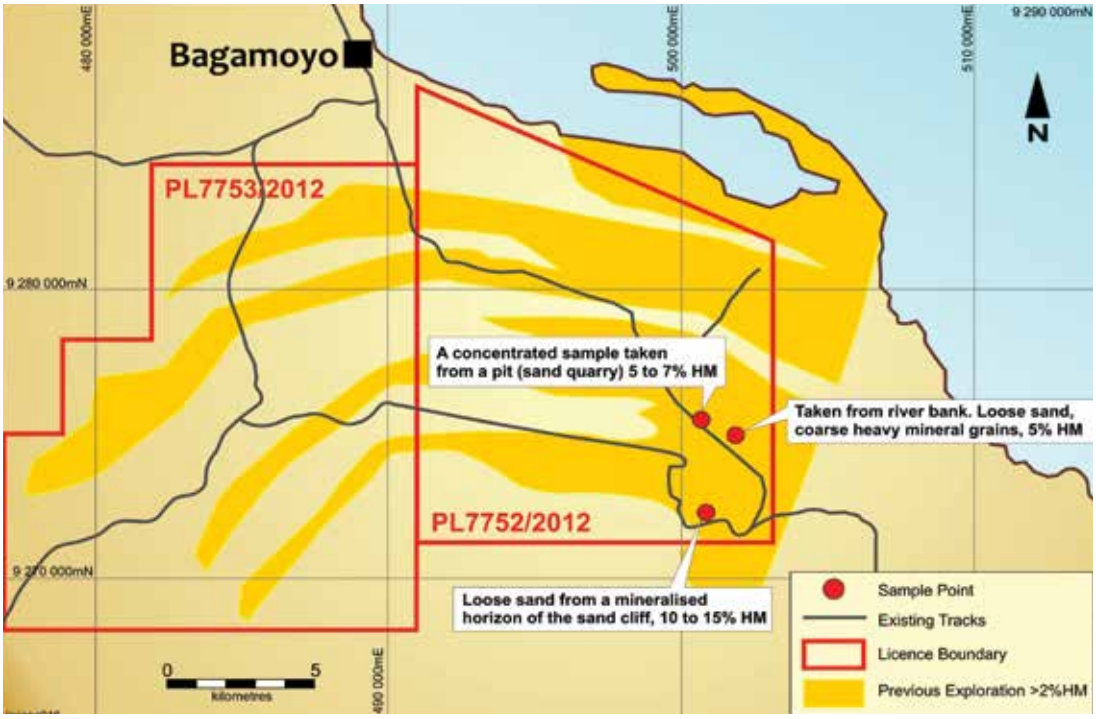
7.6.3 Bagamoyo Prospect

The Bagamoyo PL is located approximately 60 km to the north west of Dar es Salam and is accessed via Bagamoyo Road and via unsurfaced roads of varying quality (Figure 7.7).

Three arcuate zones of anomalous, (>1% HM) mineral sands, 200 m to 400 m wide, run for 5 km to 10 km across the PL. The highest grades found were 8.6% HM in soil sampling and 5.7% HM in pit sampling. Sampling results from 13 HM concentrates from the PL were found to contain an average of 5.5% zircon, 5.5% rutile and 59% ilmenite, with the remainder reported as trash.

The area is sparsely populated, with subsistence farming being the main economic activity.

Figure 7.7 Location of the Bagamoyo HMS anomalies



Source: Syrah (2014)

Jacana plans to drill 2,200 m (70 holes) of air core drilling in 2015. Snowden is of the opinion that this will allow an accurate assessment to be made of this prospect.

7.6.4 Fungoni Prospect

The Fungoni Prospect is located approximately 25 km southeast of Dar es Salaam, and 15 km inland (Figure 7.8) and is the most intensely explored of the HMS prospects held by Jacana. Exploration undertaken by previous explorers was via hand augering, to a depth of approximately 4 m (water table depth). At the northern end of the PL an anomaly was drilled by Jacana on a 300 m by 150 m grid.

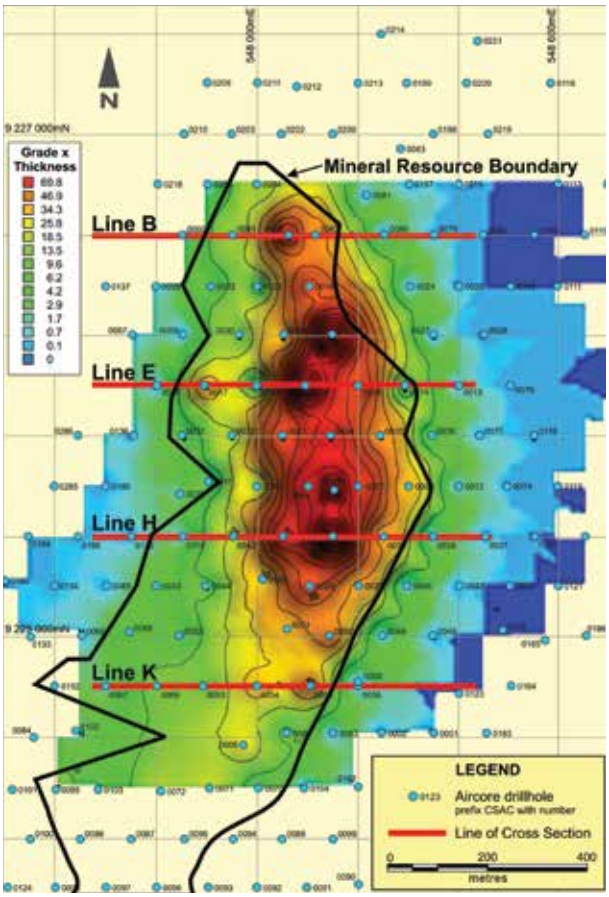
Figure 7.8 Fungoini Prospect location

Source: Syrah (2014)

The main area drilled is shown in Figure 7.9, with the HMS target extending beyond lines B and H over a distance of approximately 1 km. In the zone from Line B to Line K, a drill grid of a nominal 100 m by 100 m was used. The HMS deposit in this area is up to 20 m in thickness (drill hole CSAC0016). All indications are that the Fungoni Prospect warrants further exploration, particularly to the north and east of the current drilled area.

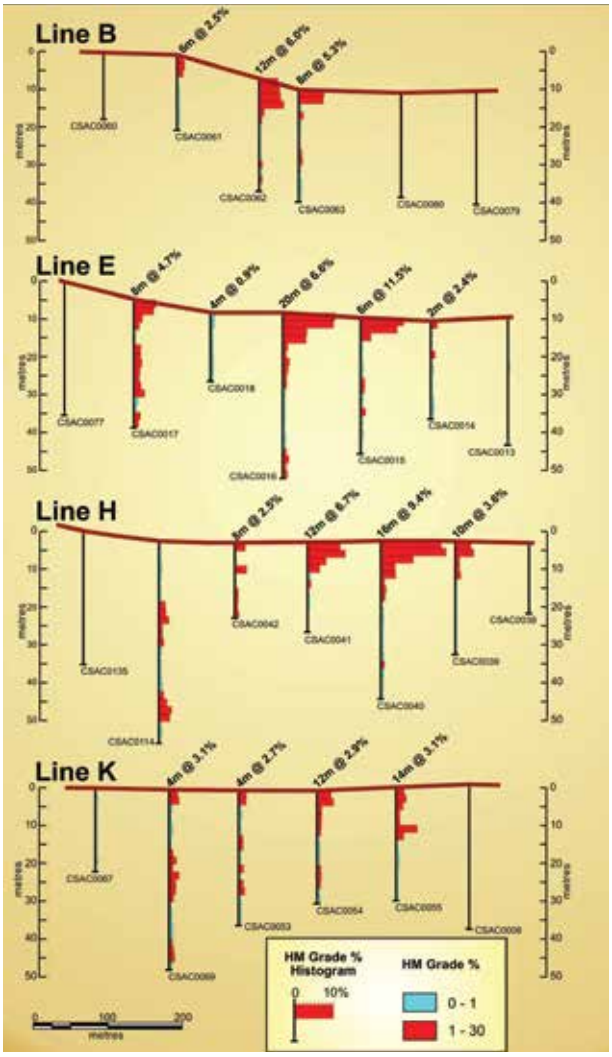
Magnetic separation tests as well as chemical analyses and further physical separation tests have been completed. Preliminary results indicate that the non-magnetic portion (zircon and rutile), averages 39% across the deposit.

Figure 7.9 Fungoni Prospect, average HM grade x thickness contour plan



Source: Syrah (2014)

Figure 7.10 Fungoni Prospect, cross sections through lines B, E, H and K



Source: Syrah (2014)

Cross sections, indicating HM concentration and thickness are shown in Figure 7.10. The four sections, Lines B, E, H and K, at 300 m spacing cover the majority of the HM deposit. A vertical exaggeration of 1:5 has been applied.

A Mineral Resource Estimate has been completed for the Fungoni PL 7754/2012 by AMC Consultants (Pty) Ltd in April 2014 with the Mineral Resource being classified at the Indicated and Inferred level of confidence, and reported using a 1% and 1.5% Total Heavy Mineral (THM) cut-off (Table 7.1 and Table 7.2).

Table 7.1 Fungoni Mineral Resource Estimate at a 1% THM cut-off

Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	11.0	3.1	27.5	8.7	0.7	0.1	1.4
Inferred	3.0	1.7	24.2	8.9	0.4	0.1	0.7
Total	**14.0**	**2.8**	**26.8**	**8.8**	**0.6**	**0.1**	**1.2**

Source: AMC Consultants (2014)

Table 7.2 Fungoni Mineral Resource Estimate at a 1.5% THM cut-off

Classification	Tonnes (Mt)	THM (%)	Slimes (%)	Oversize (%)	Zircon (%)	Rutile (%)	Ilmenite (%)
Indicated	7.0	4.1	25.2	8.6	0.9	0.2	1.8
Inferred	2.0	1.9	24.1	9.2	0.4	0.1	0.8
Total	**10.0**	**3.6**	**25**	**8.7**	**0.8**	**0.1**	**1.6**

Source: AMC Consultants (2014)

Snowden is of the opinion that the Fungoni PL's have the potential to host additional HM Resources and that the current exploration work and planning has been undertaken in accordance with industry best practice.

7.6.5 Kwale HM Mine Kenya

For comparison purposes the Kwale HM Mine in Kenya (Figure 7.11) operated by Base Resources is expected to be one of the top producers of ilmenite and rutile in the world, with production amounting to nearly ten percent and 14% of the global supply of these minerals respectively. The Kwale deposit is larger than the Fungoni prospect, but has similar grades.

Figure 7.11 Location of the Kwale HMS deposit

Source: Syrah (2014)

The deposit is hosted within the Magarini Sands formation, a series of low hills that form a parallel belt to the coast. The area of the deposit contains three mineralised zones, namely the central dune, south dune and the north dune. The central dune measures two kilometres in length, 1,250m in width and is on an average 29m thick in two horizons. The upper horizon typically has more than 5% THM grade, higher than the lower horizon where THM grades average between 1% and 5% THM. Grades in the northern part of the dune exceed 10% HM. The HM content is, on average, 5.7% across the dune.

The south dune is 4.5km long, 600m to 800m wide and has an average thickness of 19m. The heavy mineral content is 3.5%. The north dune extends two kilometres in length and has a width of 500m to 1,000m. The ore envelope within the dune continues to a depth of 66m. Within this area, the heavy mineral content averages 2.1% THM.

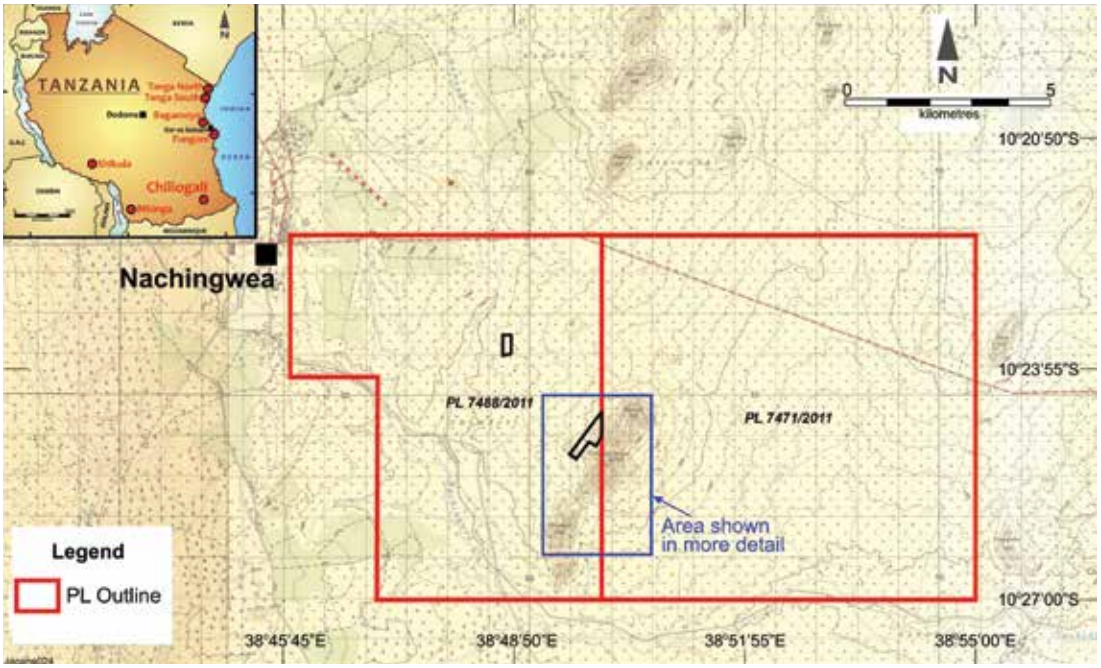
The mining method for the Kwale deposit includes the use of continuous mining techniques, bucket wheel excavators and overland conveyors. Mining for the first four years will be carried out at the rate of 8.8 million tonnes a year (Mtpa) (www.mining-technology.com).

8 CHILIOGALI GRAPHITE PROJECT

8.1 Location, tenure and physiography

The Chiliogali graphite project is located approximately 150 km to the west of Mtwara and 35 km to the north of Masasi in southern Tanzania (Figure 8.1). Access is via a tarred road (A19) from Mtwara towards Masasi. A 36km, good unsealed ("dirt") road from Masasi to Nachingwea provides access to the project.

Figure 8.1 Location of the Chiliogali Graphite Project



Source: Syrah, (2014)

Local topography consists of rolling hills with dense secondary vegetation. Subsistence farming occurs through the area with the most common crops being cashew, mango, rice and banana. Mobile phone reception is generally good but is sporadic in the project area itself.

Power and potable water is sourced from Nachingwea Township, which was verified during Snowden's site visit.

8.2 Geological framework

8.2.1 Regional geology

The Chiliogali graphite project is located in the Neoproterozoic Mozambique Mobile belt, which abuts against and truncates the eastern margin of the Tanzanian craton. The Mozambique Belt is highly complex, both metamorphically and structurally, consisting typically of hornblende, biotite, pyroxene gneisses, charnockites, marbles, graphitic schists and quartzites (Schlüter, 2008).

8.2.2 Local geology

The graphite present at the Chiliogali graphite project is hosted in quartzite/gneiss and schists. It is believed that the host rocks are derived from the same lithological unit, which differs only in metamorphic grade. These consist of quartz grains cemented to varying degrees by silica. All units in the area have been affected by curvilinear northeast trending folding and northwest and east to west trending faults

Graphite has been observed locally in concentrations up to 60%. The majority of the observed graphite was fine to medium flake, with areas of coarse flake graphite also observed.

8.3 Mineralisation and exploration model

Jacana is of the opinion that the Chiliogali deposits originate from sedimentary organic matter that has become graphitized by high-grade metamorphism. A model based on identification of similar rock types will be used to determine the presence and extent of graphite bearing rocks. This exploration model will be assisted by field mapping and trenching and will use the Balama graphite project, in Mozambique, as an analogue.

The Balama graphite deposit occurs in a series of hills consisting of graphitic schist which rise up to 250 m from the surrounding plains. The outcrop extends for more than 7 km and up to 2 km in width. A nearby granite intrusion is believed to have recrystallised and upgraded much of the deposit.

8.4 Historical and recent exploration

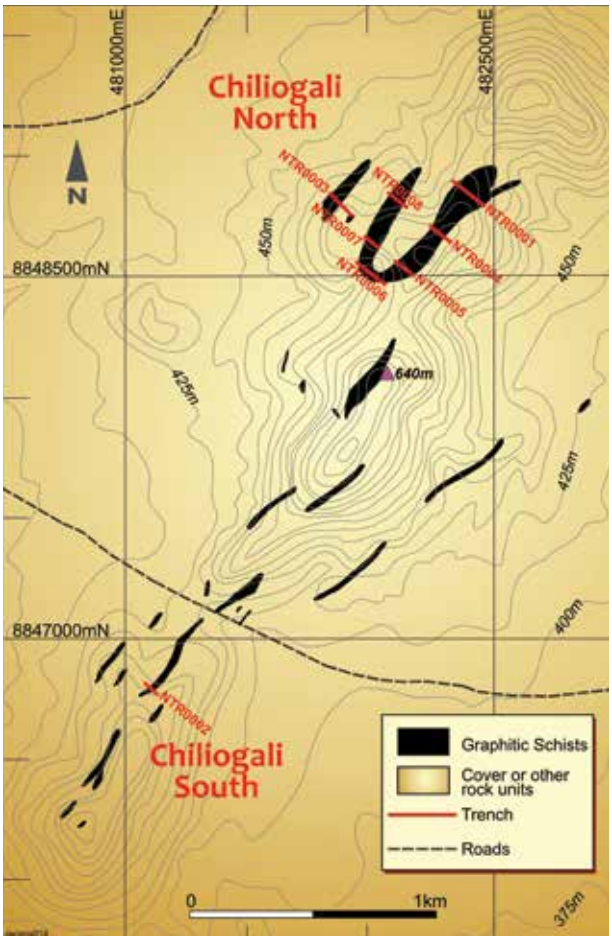
Initial exploration, via trenching and field mapping, was undertaken on the Chiliogali graphite project by the Geological Survey of Tanganyika (1956 to 1958), who explored for colluvial graphite.

Additional work was undertaken by the Geological Survey of Tanzania (GST) from November 1990 to June 1992. Two prospects were identified, one in the saddle of Chiliogali Hill (Prospect 1) and a second on the same hill, located to the west of Prospect 1. Forty eight pits were dug, of which 10 intersected graphite bearing rocks. These were sampled, indicating an average grade of 14% carbon.

The project was re-evaluated in 1993, by Pangea Minerals Limited (Pangea) on behalf of Sigo Gems Limited. A single sample that appears to have been a hand specimen sourced from the Geological Survey in Dodoma was sent to South Africa for processing. The product from the metallurgical test was reported to have assayed slightly in excess of 98% graphitic carbon from a sample that ran 25.1% graphitic carbon (Van Eck and Lurie, 1992). Maximum flake size was noted to be about 500 micron but there was insufficient material coarser than 300 micron to weigh.

Jacana commenced exploration of the project in 2012, via field mapping, pitting and trenching (Figure 8.2).

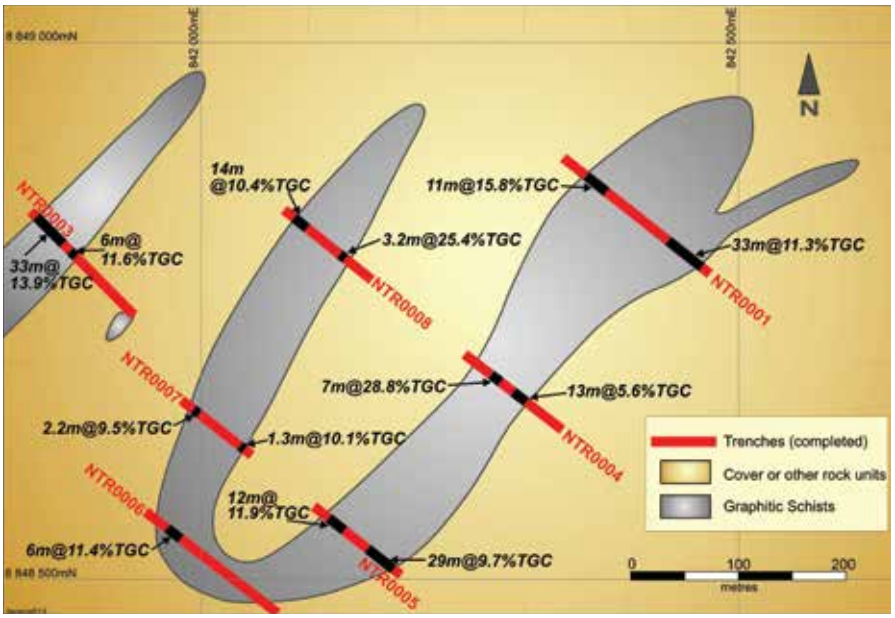
Figure 8.2 Location of the Chiliogali Graphite Project target zones



Source: Syrah, (2014)

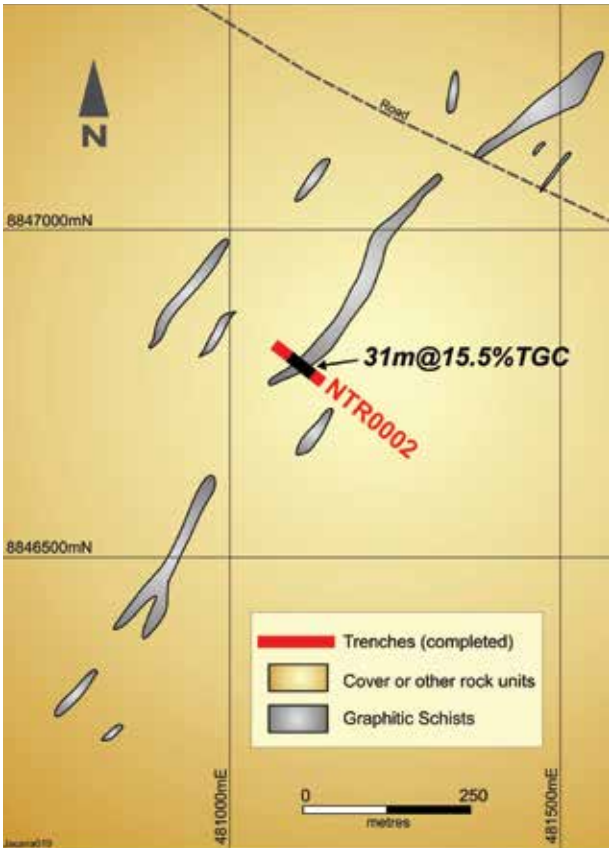
Graphite intersections have been recorded in both Chiliogali North (Figure 8.3) and Chiliogali South (Figure 8.4).

Figure 8.3 Graphite inersections in Chiliogali North. True thicknesses are less than the horizontal thicknesses measured.



Source: Syrah (2014)

Figure 8.4 Graphite intersections in Chiliogali South. True thicknesses are less than the horizontal thicknesses measured.



Source: Syrah (2014)

8.5 Planned exploration

Jacana will continue its field mapping and trenching programme, extending the trenches into the Chiliogali A and B target areas. Follow up diamond core drilling, comprising approximately 2,000m is planned.

In addition, approximately 100 line kilometres (km), of ground Electromagnetic (EM) survey is planned to pick out conductors, in low lying areas where no outcrop occurs, as well as to determine if nickel- copper mineralisation is present in the PL's.

Snowden is of the opinion that the Chiliogali graphite project has the potential to host a graphite deposit and, is of the opinion that the current exploration work and planning are in line with industry best practice.

9 SHIKULA COAL AND URANIUM PROJECT

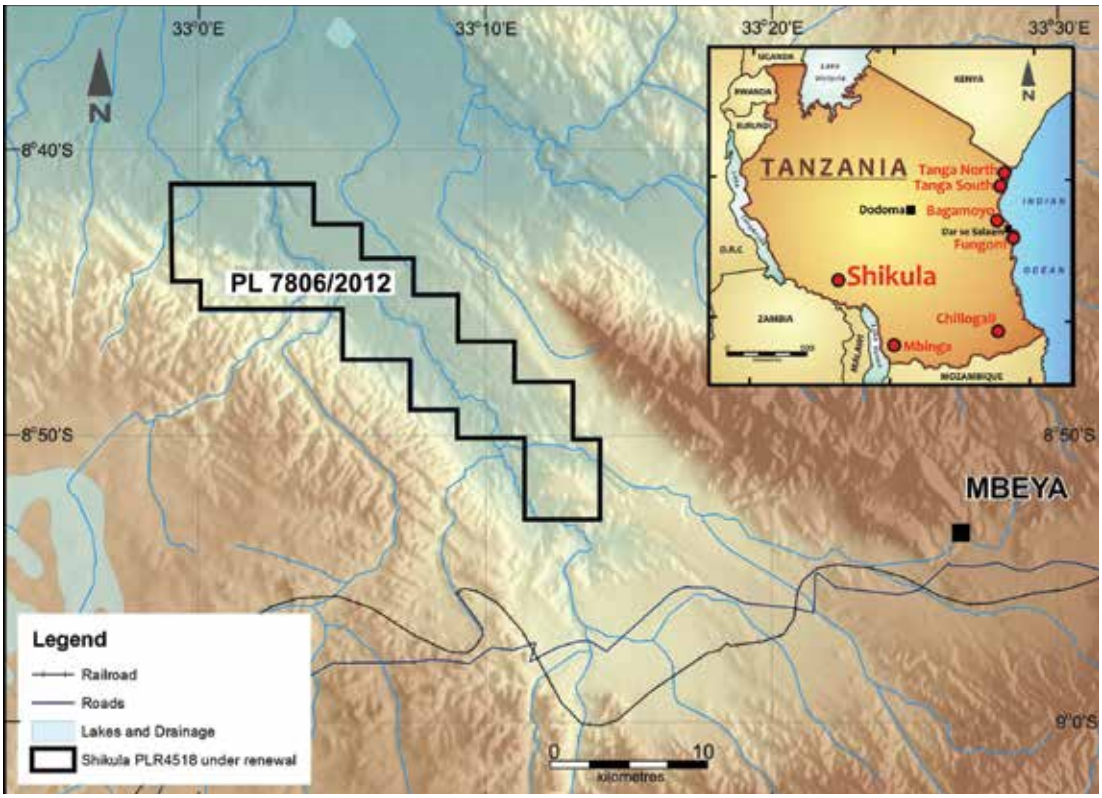
9.1 Location, tenure and physiography

The Shikula Project is considered to be prospective for coal and uranium. It comprises a single Prospecting Licence (PL 7806/2012), located approximately 50 km to the northwest of the city of Mbeya, southwest Tanzania (Figure 9.1) and covers an area of 196.57 km^2 (Table 2.1).

The project is located along strike of the Galula coal field and to the south of Kibo Mining PLC's (Kibo), Rukwa coal exploration prospects (Figure 9.2).

The PL was originally considered and acquired as a roll front uranium prospect, however future exploration activities will be focussed on determining if the coal measures present on Kibo's properties extend into PL 7806/2012.

Figure 9.1 Location of the Shikula Coal and Uranium Project



Source: Syrah(2014)

A regional airport is located at Mbeya, with daily flights to Dar es Salaam. The site is accessed via sealed (tarred) road (A104) from Mbeya via Utengule and then by an unsealed dirt road of varying quality.

The project area is located in the East African Rift and is flat lying with limited topographic relief. The area is extensively farmed, with large areas being deforested to make way for subsistence farmers. The area is semi dry, with maximum day time temperatures ranging from 170C to 340C, with a mean average rainfall of approximately 500 mm (Clay, et al. 2012).

9.2 Geological framework

9.2.1 Regional geology

The Shikula project is located in the Rukwa Rift Basin, of Karoo Supergroup age. The Rukwa Rift Basin is approximately 300 km long and 50 km wide and is the western branch of the East African Rift System (Clay, et al. 2012; Venter, 2011).

The Basin is a half graben, fault bounded system, bound by the Ufipa faults and plateau to the southeast, the Lupa fault to the northeast, the Ubendian plateau to the north and the Mbozi block and Rungwe volcanics to the south (Clay, et al. 2012).

A regional geophysical magnetic survey was undertaken by the Tanzanian government in the late 1980's to assist with regional interpretation. Additional work remains to be done in order to understand the timing and tectonic regime of the Rukwa Rift Basin (Clay, et al. 2012).

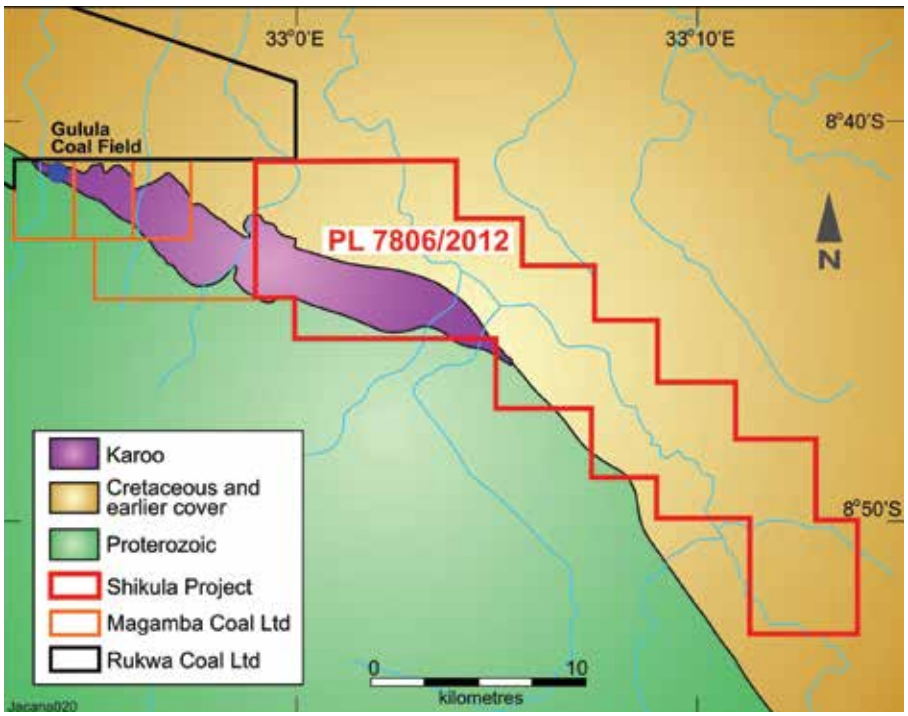
9.2.2 Local geology

The Shikula project is located in the Songwe Basin, a sub basin of the Rukwa Basin. Karoo Supergroup sediments unconformably overly gneisses and metadolerites of the Proterozoic Ubendian sequence. Coal measures and uranium mineralisation are known to exist in sections of the Karroo Super Group (Figure 9.2).

The Karoo Supergroup rocks have been covered by Cretaceous- Eocene age sediments, limiting outcrop of the Karoo rocks. However several deeply incised drainage channels e.g. the Songwe River, do allow some indication as to the thickness of these units (Venter, 2011).

The Rukwa Basin is poorly mapped and understood and stratigraphic correlation with other Karoo Super group basins is tentative. Based on the data available, it would appear that sediments that form the Rukwa Basin range in age from early Permian to Early Triassic. This period is significant, as both sandstone hosted uranium and coal deposits have been documented in rocks from this period.

Figure 9.2 Geology of the Shikula Project



Source: Syrah (2014)

9.3 Mineralisation and exploration model

Uranium

This section has been adapted from Venter (2011).

The sedimentary succession in the Shikula Project area contains numerous unconformities and is considered prospective for unconformity style uranium mineralization as well as sandstone hosted and roll front style mineralization.

Unconformity style mineralization may occur in those areas where a layer of sandstone overlays granitic rocks.

Sandstone hosted uranium mineralisation, occurring in sediments of the Karoo Supergroup, is usually hosted within medium to coarse grained sandstone horizons that have been deposited within a continental fluvial or marine sedimentary environment.

Proximal and confining interbedded permeable shale or mudstone units play an important role in channelising oxidising uranium bearing ground waters that precipitate uranium upon encountering reducing conditions often provided by carbonaceous or organic matter. Later stage faulting may facilitate localised remobilisation and upgrade of uranium tenor.

Sandstone-hosted uranium deposits in the Karoo sediments are generally low grade varying from 150g/t U_3O_8 to 1,000g/t U_3O_8.

Coal

Early Permian exposures of carbonaceous and coal bearing sediments appear to be exposed as small, fault bounded units located in the extreme north western parts of the Rukwa basin. Here two coalfields, namely the Lupa coalfield and Galula coalfield have been identified, with Western Rift Exploration (a subsidiary of Anglo American) estimating the region to contain 140 Mt of thermal quality coal, based on work completed in the 1950's. Edenville Energy is evaluating the Namwele-Mkomolo coal project located within a similar Karoo inlier located 200 km to the northwest (Venter, 2011).

Kibo Mining PLC (Kibo) is exploring two PL's located along strike of the Shikula Project. Exploration activities have included three drilling programs, comprising a total of 90 holes (Clay, et al. 2012). Both raw and washed results are available and a Coal Resource classified at the Indicated and Inferred level has been produced (Clay, et al. 2012).

9.4 Historical and recent exploration

The geology of the Shikula Project area is not well known. Regional geological mapping (1:125,000 scale) and low resolution airborne geophysical data (Geosurvey International (GmbH)) flown in 1977 to 1979 is currently the only geological data available for the PL. The airborne geophysical survey recorded magnetic and radiometric data and was flown at an altitude of 200 m at 1 km line spacing (Venter, 2011; http://www.gst.go.tz/add/mapping_airborne.html).

The regional geophysical data indicated elevated potassium (K), thorium (Th) and uranium (U) anomalies related to mapped Eocene sediments and volcanics as well as subtle anomalies related to Karoo sandstones in the north west of the PL.

In 2011, "reconnaissance ground-truthing" of these anomalies was undertaken by Jacana staff. Elevated U and Th values were recorded from exposed Eocene sediments within the Shikula PL.

The Karoo sandstone exposures to the north west of the PL were not evaluated in terms of coal bearing sediments.

9.5 Planned exploration

Jacana plans to undertake the following exploration activities in 2015:

- Reconnaissance field work.
- Geological mapping.
- Grab sample collection for assay.

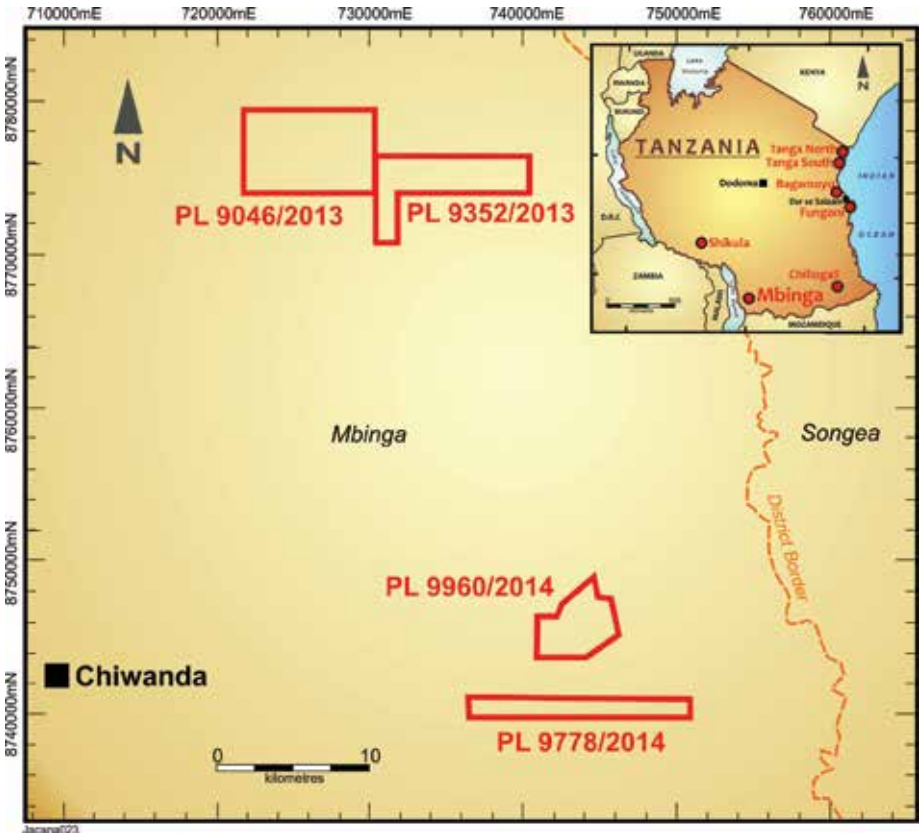
Mineral Resources remain to be reported for the Shikula Project. Snowden is of the opinion that the Shikula project has the potential to host coal and possibly uranium; however exploration needs to be undertaken to confirm the potential of these commodities. Snowden is of the opinion that that the current exploration plan is in line with industry best practice.

10 MBINGA NICKEL PROJECT

10.1 Location, tenure and physiography

The Mbinga nickel (Ni) sulphide project is located approximately 80 km to the south west of Mbinga and approximately 50 km to the south east of Songea, in the Ruvuma Region, south-western Tanzania (Figure 10.1) and comprises four PL's. (Table 2.1).

Figure 10.1 Location of the Mbinga Nickel Project



Source: Syrah (2014)

10.2 Geological framework

10.2.1 Regional geology

The geology of the Ruvuma Region comprises primarily Usugaran metamorphic rocks such as charnockite, granulite and gneiss. Late orogenic granites and granodiorites are also present.

Gemstones including tourmaline, sapphire, topaz, and garnet (rhodolite) are mined from Usagaran pegmatites.

A massif of layered ultramafics of late Proterozoic age, which intruded into Usagaran Metamorphics; consisting of banded pyroxenite, gabbroic pyroxenite, pyroxenitic gabbro, gabbro, and granodiorite occurs to the north of Mbinga and is currently being explored by Shanta Gold Limited (AIM: SHG) for gold mineralisation.

The Usagaran basement rocks in the region are generally overlain by sediments of the Karoo Supergroup, consisting of sandstones, mudstones, conglomerates and minor coal seams (http://www.shantagold.com/projects).

10.2.2 Local geology

The Mbinga nickel sulphide project is located in Proterozoic age rocks of the Usugaran System, with gabbro norites, norite- troctolites and olivine gabbros also being present in the area.

10.3 Mineralisation and exploration model

The exploration and mineralisation model that used by Albidon for the Mbinga area is based on similarities with the Voisey's Bay deposit in eastern Canada owned by Vale NL. It is understood that Jacana will follow a similar exploration model for this project.

Voisey's Bay is a layered mafic intrusive rock containing nickel, copper and cobalt. As at December 2011, the mine was quoted as having Proven and Probable Reserves of 21.8 Mt at 2.5% Ni, 1.39% Cu and 0.12% Co. It is being mined by open pit and exploration is continuing to define an underground resource.

10.4 Historic and recent exploration

Exploration of the area was undertaken by an Albidon-BHP Billiton team, commencing in 2005. Stream sediment sampling identified nickel and copper anomalies, with peak values of up to 582 ppm Ni and up to 176 ppm Cu being recorded.

A VTEM airborne electromagnetic survey was completed by BHP Billiton in late 2007. The survey comprised a total of 3,016 line km covering 414 km^2 over several prospective mafic-ultramafic intrusion complexes.

Several of the Ni anomalies are accompanied by Co, Pt and Pd anomalies, supporting the interpretation that the Ni anomalies reflect nickel sulphide mineralisation as opposed to nickel oxides (in laterites). (http://www.albidon.com/our-projects/tanzania.html)

Two soil sampling exercises were undertaken on the Liparamba and Mbinga PL's, the results of which confirmed the presence of elevated Ni.

10.5 Planned exploration

Jacana plans to complete the following exploration activities during 2015:

- Reconnaissance geological mapping.
- 40 line km of ground EM.
- Power auger drilling.
- 2,000m of diamond core drilling.

No Mineral Resources have been reported for the Mbinga PL's. Snowden is of the opinion that the Mbinga project has the potential to host a nickel deposit, however additional exploration work remains to be undertaken in order to confirm economic potential. Snowden is of the opinion that the current exploration work and planning are in line with industry best practice.

11 REFERENCES

AMC Consultants, 2014. Fungoni Deposit Mineral Resource Estimation prepared by Rod Webster, Tracie Burrows and Kathy Zunica on 29 April, 2014.

Bartholomew, R. W., 1963, Dar es Salaam Geological Map Sheet (QDS 186) and notes. Geological Survey of Tanganyika, Dodoma.

Elsner, H (undated), Heavy minerals of economic importance, Bundesanstalt fur Geowissenschatten und Rohstuffe, Hannover, Germany, 218p.

Finch, W.I and Davis, J. F (1985), Sandstone type uranium deposits – An introduction, in Geological Environments of Sandstone Uranium Deposits, Report of the working group on Uranium geology organised by the International Atomic Energy Agency, Technical Document IAEA- TECDOC 328, pp 11- 19.

Hester, B.W. (Ed.) 1995. Opportunities for Mineral Resource Development, Tanzania; Sec. Edn. Prepared for the Government of the United Republic of Tanzania. Knudsen Printing, Denver, Colorado, USA.

Hronsky, J (2007), Introduction to Nickel Sulphide Exploration, 52 pp. http://www.wesminllc.com/assets/downloads/pdf/wms_nis_presentation.pdf, when accessed.

Kent, P. E., Hunt, J. A., and Johnson, D. W., 1971, The geology and geophysics of coastal Tanzania. Natural Environment Research Council, Institute of Geological Sciences, Geophysical paper No 6, 101p.

Moore, W. R., 1963, Bagamoyo Geological Map Sheet and Notes (QDS 168). Geological Survey of Tanganyika, Dodoma.

OmegaCorp, 2004.

Sutphin, D.M (1991), Descriptive model of graphite veins (model 37f), In Orris, G. J and Bliss, J.D (eds.), Some industrial Mineral Deposit Models :Descriptive Deposit Models, United States department of the Interior, United States Geological Survey, Open File report 91-11A, pp 68-60.

Syrah Resources Limited, 2014. Exploration Updates – Tanzanian Projects. Release to the ASX on 27 August 2014.

Van Eck and Lurie, 1992. Laboratory Report on Graphite Ore Sample from Rhombus Exploration Limited.

SECTION 7

INDEPENDENT LEGAL DUE DILIGENCE REPORT

Picture of folded graphitic rocks from Chilongali South Prospect

RWEBANGIRA EUSTAGCE & CO. ADVOCATES
ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR OATHS

WD (OTTU) BUILDING
3RD FLOOR, ROOM NO. 10
UHURU/LUMUMBA STREETS
P.O. BOX 11819
MOB: +255 713 611 162
+255 788 611 162
Email: rwebangiraadvocates@yahoo.com
DAR ES SALAAM - TANZANIA

RECA/MISC.VOL.3/105

21st October, 2014

The Country Manager,
Jacana Resources (Tanzania) Limited,
P.O. Box 79651,
DAR ES SALAAM.

Dear Sir,

RE: LEGAL DUE DILIGENCE REPORT ON THE LEGAL AFFAIRS OF JACANA RESOURCES (TANZANIA) LIMITED

1. GENERAL BACKGROUND

1.1 Introduction

We are the Legal Firm duly qualified to practice in Tanzania engaged to provide a legal due diligence report on the Legal Affairs of Jacana Resources (Tanzania) Limited (herein after to be referred to as **"JRT"** or **"the Company"**) in respect of the legal risks associated with its investment and operations in Tanzania and a summary of relevant laws in Tanzania which affect the operation thereof.

1.2 Scope Of The Report

This Report has been prepared for purposes of inclusion in the prospectus to be lodged by Jacana Minerals Limited (hereinafter to be referred to as **"JML"**) for the proposed admission of JML to the Official List of the Australian Securities Exchange (hereinafter to be referred to as **"ASX"**). As such we provide this Report on matters relating to Tanzanian laws and regulations only.

2. SEARCH, SOURCE OF INFORMATION, DOCUMENTS AND THE LAWS EXAMINED.

2.1 Searches:-

We have searched the Registry of Companies in respect of JRT to establish its corporate standing, including compliance with statutory requirements in accordance with the Companies Act, 2002. We have also searched the Registry of Minerals Rights in Dar es Salaam and reviewed the records maintained by the Commission for Minerals (**"the Commissioner"**) pursuant to the Mining Act No. 14 of 2010 (**"the Mining Act"**) to establish the status of the Minerals Rights for Seventeen Prospecting Licenses (**"PLs"**) referred to us.

Since the Tenements are located on unplanned and unsurveyed areas, no search is required to conform material competing rights, except those mentioned under paragraphs 4.1 and 5.2 below.

2.2 Source of Information and Documents Examined.

For the purposes of providing this Report, we have reviewed such documents and conducted database research as we have considered necessary.

The documents examined are as follows:-

(a) The Seventeen Prospecting Licences (**"PLs"**);

(b) We also conducted an official search with the Commissioner for Minerals and obtained official search reports dated 18th September, 2014 after payment of the necessary fee;

(c) We conducted an official search with the Registrar of Companies in respect of JRT and Asab Resources (Tanzania) Limited (herein after to be referred to as **"ASAB"**) to which two licenses have been granted, and obtained official searches dated 23rd September, 2014 and 29th September, 2014 respectively;

(d) Lease Agreement dated 12th February 2014 between Ladislaus Kyaruzi and JRT;

(e) Employment Agreements for all employees of JRT on various dates;

(f) Option to Purchase Agreement between ASAB and JRT dated 26th July, 2014; and

(g). Notice to JRT concerning the registered interest of the Option to Purchase Agreement with the Registrar of Documents dated 13th August, 2014.

2.3 Laws Examined

(a) The Companies Act, 2002;

(b) The Mining Act, 2010;

(c) The Mining (Mineral Rights) Regulations, 2010;

(d) The Fair Competition Act, 2003;

(e) The Fair Competition Commission Procedure Rules, 2010;

(f) The Environmental Management Act, 2004;

(g) The Employment and Labour Relations Act, 2004; and

(h) The Labour Institutions Act, 2004.

2.4 Assumption

In preparing this Report we have made the following assumptions:

(a) The accuracy and correctness of the instructions which we have received with respect to all matters of fact;

(b) All facts stated in the documents and certificates upon which we have relied in providing this Report are correct; and

(c) The absence of any actual or pending litigation or agreements in respect of any of the Licence Holders and the Mineral Rights or applications for such rights the subject of this Report that may be prejudicial or have any material bearing or otherwise upon this Report, its recipients or the purpose for which it was prepared.

3. CORPORATE MATTERS

3.1 Incorporation

The Company JRT was incorporated on the 10th day of October, 2011 under Certificate of Incorporation No. 86428.

3.2 The shareholders and Directors are:-

(a) Shareholders:-

(i) Jacana Minerals Limited (99 shares)

ACN 600 490 355 of Level 9,356 Collins Street, Melbourne, Australia.

(ii) Ernest Thomas Eadie (1 share) of Unit 2/8 Wellington Crescent, East Melbourne VIC 3002 Australia.

(b) Directors:-

(i) Ernest Thomas Eadie; and

(ii) Aspon Muchunguzi Mwijage.

3.3 Registered office

3.3.1 The registered office of the Company is Plot No 585, Mbezi Beach, Kinondoni Municipality, Dar es salaam.

3.3.2 Section 111 (1) of the Companies Act, 2002 (**"the Companies Act"**) enjoins every company to specify the situation of its registered office in the form of a statement sent to the Registrar of Companies (**"the Registrar"**). Section 111(2) places a further requirement on the company to notify the Registrar of any changes in the situation of its registered office. Such notification must be done in the prescribed form within fourteen (14) days from the date of such change.

3.3.3 We have reviewed the relevant notification made pursuant to section 111(3) of the Companies Act and confirm that it is legally in order.

3.4 Main Object

In terms of the provisions of Clause 3 of the Memorandum of the Company, the Company's main objects are inter alia to carry on the business of exploration, mining and related objects.

3.5 Share Capital

3.5.1 The initial authorised share capital of the Company at the time of incorporation and as reflected on the Memorandum and Articles of Association was Tanzania Shillings Three Billion (TShs 3,000,000,000/=) divided into three hundred thousand (300,000) ordinary shares of Tanzania shillings ten thousand (Tshs10,000/=)each.

3.5.2 The shareholding of the Company based on the issued and fully paid capital is as follows:

(a) Jacana Minerals Limited (99 shares)

ACN 600 490 355 of Level 9,356 Collins Street, Melbourne, Australia; and

(b) Ernest Thomas Eadie (1 share) of Unit 2/8 Wellington Crescent, East Melbourne VIC 3002 Australia.

3.6 REGISTER OF MEMBERS

3.6.1 Section 115 of the Companies Act requires every company to keep a register of members indicating, inter alia, the names and addresses of the members, and in the case of a company having a share capital, a statement of the shares held by each member, distinguishing each share by its number, and also the amount paid or agreed to be considered as paid on the shares of each member. The register should also indicate the date on which each person was entered in the register as a member, and the date when each person ceased to be a member.

3.6.2 Based on information contained in the Company's Register of Members, there have been a number of changes in the shareholding of the Company.

3.6.3 We confirm based on our review, that the Register of Members kept by JRT shows the proper record tallying with the official search obtained from the Registrar of Companies.

3.7 REGISTER OF DIRECTORS

3.7.1 According to section 210(1) of the Companies Act every company is required to keep at its registered office, a register of directors. The register of directors should contain the first name and surname and where applicable, any former name(s) or surname, usual residential address, nationality (and where such nationality is not the nationality of origin, the nationality of origin), business occupation, if any, particulars of all other directorships and the date of birth of each director. Section 210(3) also requires that the names and usual address of the company secretary must also be provided in the company's register of directors. Where there has been a change in the directorship of a company, section 210(4) requires that the company delivers to the Registrar for registration a return in the prescribed form containing the particulars specified in the said register and a notification in the prescribed form of any change among the directors. Such notification must be made within fourteen (14) days from the date of such change in accordance with section 210(5).

3.7.2 The current list of directors of the Company based on the Register of Directors is as follows:

(a) Ernest Thomas Eadie; and

(b) Aspon Muchunguzi Mwijage

3.7.3 We have reviewed the relevant notifications following the changes in directorship of the Company and confirm that the same are in order.

3.8 REGISTER OF CHARGES

3.8.1 Section 108(1) of the Companies Act enjoins every company to keep a register of charges and enter all charges specifically affecting property of the company, and all floating charges on the undertaking of any property of the company. Such register of charges must contain a short description of the property charged, the amount of the charge, and the names of the persons entitled to the charge. Based on our review of the Company's register of mortgages and debentures, we have not come across any indication that the Company has created any charge(s) over its assets. This has further been confirmed by the Company's management who have advised that the Company has not created any and our investigations have equally not revealed any such charge(s) created by the Company.

3.9 ANNUAL RETURNS

3.9.1 Section 128 of the Companies Act requires every company having a share capital to deliver to the Registrar successive returns made in the prescribed form each of which must be made up to the date not later than the anniversary of the company's incorporation or where the return has been made up to a different date, the anniversary of that date. Such return must be signed by a director or secretary of the company and must state the date to which it is made up and must contain the following information:-

(a) The address of the company's registered office;

(b) The type of company (whether the company is public/private/open-ended investment company);

(c) The name and address of the company secretary;

(d) The name and address of every director of the company. Where such director is an individual, the returns must indicate in respect to each director, the name, nationality, date of birth, business occupation and such particulars of other directorships as are required to be contained in the company's register of directors;

(e) The address where the register of members is kept in the event that it is kept at a place other than the registered office;

(f) The address of the place where the register of charges is kept in the event that the same is not kept at the company's registered office;

(g) The total number of the issued shares of the company at the date to which the return is made up and the aggregate nominal value of those shares;

(h) With respect to each class of shares in the company, the nature of the class and the total number and aggregate nominal value of issued shares of that class at the date to which the return is made up;

(i) A list of names and addresses of every person who is a member of the company on the date to which the return is made up, or the date when such person has ceased to be a member of the company since the date to which the last return was made (or in the case of the first return, since the incorporation of the company);

(j) The number of shares of each class held by each member of the company at the date to which the return is made up; and

(k) The number of shares of each class transferred since the date to which the last return was made up (or in the case of the first return, since incorporation of the company) by each member or person who has ceased to be a member, and the dates of registration of the transfers.

3.9.2 Annual Returns must be delivered to the Registrar within twenty eight (28) days from the date of the company's anniversary of incorporation or where the company's last return was made at a different date, the anniversary of that date. Where a company defaults to file the returns in the manner prescribed above, such company, and every officer of the company who is in default is liable to a fine, and in the case of continued failure to deliver an annual return, to a default fine in terms of section 128(3).

3.9.3 Where a company fails to comply with the above, the company and every officer of the company who is in default is liable to a fine in accordance with section 132(2), and for purposes of the said section, the expression "officer" includes any person in accordance with whose directions or instructions the directors of the company are accustomed to act.

3.9.4 We have reviewed copies of annual returns of the Company filed since the incorporation of the Company.

Other than the above, we note that the copies of the annual returns that have been made available to us for review do not have the requisite copies of the Company's accounts annexed to them for years of 2012 and 2013. In this regard, the Company should ensure that certified copies of the accounts are submitted to the Registrar in accordance with the requirements of section 132(1) as failure to do so, subjects the Company and every officer of the Company who is in default to pay a fine.

But we understand and confirm that the Company received approval from Tanzania Revenue Authority (**"TRA"**) to submit the outstanding audited accounts in the near future.

4. MINERAL RIGHTS TITLE AND STATUS

4.1 General

4.1.1 Rights for prospecting or mining for minerals are licensed under the Mining Act. The Minister has power to grant, renew, suspend or cancel any licence.

However, the Minister is obliged to serve on the licence holder a default notice specifying the grounds on which the licence is liable to be suspended or cancelled indicating a specific period during which the default may be cured. The powers of the Minister, or where the law specifies the Commissioner, are exercisable in accordance with the powers conferred to them under the Mining Act. A Mineral Right is deemed a requisite and sufficient authority over the land in respect of which the right is granted.

However, a separate authority (water grant) is required to divert water. A holder of a Mineral Right is also obliged to seek the prior consent of lawful occupiers before he can exercise his rights under the Mining Act. All licenses issued under the Mining Act are referred to as Mineral Rights.

4.2 Types of Mineral Rights

The types of rights (**"Mineral Report"**) which may be granted under the Mining Act include a prospecting licence, retention licence, special mining licence for large scale mining operations, (whose capital investment is not less than US$100,000,000 or its equivalent in Tanzanian Shillings), mining licence for medium scale mining operations (whose capital investments is between US$ 100,000 and US$100,000,000 or its equivalent in Tanzanian Shillings), gemstone mining licence and a primary mining licence. Primary mining licences are restricted to Tanzanian citizens or corporate entities whose memberships are composed exclusively of Tanzanian citizens, for small scale mining operations whose capital investment is less than US$100,000 or equivalent in Tanzanian Shillings.

4.3 Mining Licences, Special Mining Licences and Prospecting Licences:

4.3.1 Mining licences or special mining licences may be applied for by a Prospecting Licence holder who has established the existence of minerals in commercial quantities. Such applicant is referred to in the Mining Act as an Entitled Applicant. Mining licences are normally granted for a period not exceeding 10 years, and in the case of special mining licences for the estimated life of the ore body, as indicated in the feasibility study report or as the applicant may request, whichever is shorter. Mining licences may be renewed for a further period not exceeding 10 years and in the case of special mining licences for another period not exceeding the estimated life of the remaining ore body, unless the applicant is in default, the development has not proceeded with reasonable speed, minerals in reasonable quantities do not remain to be produced, the intended mining operations do not ensure the proper development of the mineral resources or the applicant has not included the relevant environmental certificate under the Environmental Management Act.

4.3.2 Under the Mining Act, the Government does not per se have a right to buy into or to be given an interest in a mining licence. However, for projects governed by a special mining licence Section 10 of the Mining Act provides that the Government may enter into a development agreement with the holder under which the Government may retain a free carried interest in the project, as negotiated on a case by case basis.

4.3.3 Section 87 of the Mining Act provides for the payment of royalties for minerals extracted, ranging from 1% to 5% depending on the type of mineral.

4.4 PROSPECTING LICENCES ("PLS")

4.4.1 The opinion we provide relating to Mineral Rights held by JRT is based on the official search report from the Registry of Mineral Rights maintained by the Commissioner.

4.4.2 JRT holds fifteen (15) PLs. ASAB holds two (2) PLs. The two (2) PLs No. 7471/2011 and 7488/2011 owned by ASAB have been sold to JRT under the Option to Purchase Agreement (**"the Option to Purchase Agreement"**) between Jacana and ASAB dated 26th July, 2014.

4.4.3 The interest of JRT in the two PLs is protected and secured by the registration of the Option to Purchase Agreement on 1st August, 2014 at the Registrar of Documents under the Registration of Documents Act, Cap 117 RE 2002 pending finalization of the transfer of the two PLs from the name of ASAB to the name of JRT which is under way at the Registry of Mineral Rights.

4.4.4 All requisite approvals for the transfer in respect of the two PLs have been obtained from the Ministry of Mines.

4.4.5 A further breakdown of the PLs is provided in the confirmation clause 5.0 below.

4.4.6 Under section 32(1) of the Mining Act, the initial period of prospecting licences is four (4) years, followed by a first renewal period of three (3) years and a second renewal period of two (2) years. The maximum life span of a prospecting licence is therefore nine (9) years. Where the holder is not in default and at the end of the second renewal period, further period is required to complete a feasibility study already commenced, the prospecting licence may be renewed for such further periods but not exceeding two (2) years required for that purpose.

4.4.7 None of the Prospecting Licences are due for renewal during 2014.

4.4.8 Section 32 (4)(b)of the Mining Act stipulates that, in the case of a first renewal the holder of a prospecting licence shall relinquish fifty (50) percent of the area held during the initial prospecting period and a further fifty (50) percent of the balance in the second renewal period.

4.4.9 Information pertaining to the Mineral Rights held by the Company showing the dates of application and grant are stated in paragraph 4.7 below.

4.4.10 Pursuant to section 32(3) and (4)(a) of the Mining Act, unless the holder is in default and the Minister has issued a default notice and given an opportunity to the licence holder to cure the default, the Commissioner is obliged to renew a prospecting licence upon application:

(a) at the end of the initial prospecting period, or as the case may be, at the end of the first renewal period; and

(b) at the end of the second renewal period for the period required to complete a feasibility study, if applicable.

The Licensing Authority must grant the application for renewal of a prospecting licence not later than six (6) weeks from the date on which the application is made, unless the holder has been issued a notice of default pursuant to Section 33(1) of the Mining Act.

4.5 Annual Rent:

4.5.1 The annual rent on a prospecting licence for its initial prospecting period is calculated by multiplying the area of the licence in square kilometres allocated in the grant by US$100 as per clause 7(a) of the First Schedule of the Mining (Mineral Rights) Regulations, 2010 as amended by the Mining (Mineral Right) (Amendment) Regulations, 2010.

4.5.2 Currently the annual rent for the first renewal of a prospecting licence is US$150 and for the second renewal is US$200 per square kilometre as per the Mining (Mineral Rights) (Amendment) Regulations, 2012 read together with the Mining (Mineral Right) Regulations, 2010.

4.6 Minimum Expenditure:

Regulations 8(1) and (2) of the Mining Act provide for the amount to be expended annually on prospecting licences. Regulation 8(2)(a), (b) and (c) provides that the minimum expenditure required for a prospecting licence for the initial prospecting period is US$500 per square kilometre per annum. The maximum size for a prospecting licence during this period is three hundred (300) square kilometres. The minimum amount to be expended on a prospecting licence for the first renewal period is US$2,000 per square kilometre per annum and in the case of the second renewal period is US$6,000 per square kilometre per annum.

The Ministry monitors the work commitment over a tenement by noting the expenditure in the quarterly reports lodged at the Ministry. Each licence holder has an obligation to lodge quarterly and annual reports.

We confirm that the annual expenditure for the past years has been met for each PL and no default notice has been issued.

4.7 Title Search Finding

4.7.1 Our search at the Registry of Mineral Rights confirmed the status of the Mineral Rights held by the Company and ASAB as follows:-

(a) PL.7752/2012 was granted to JRT on the 19th March, 2012 to prospect for Beach Sands at Zinga area in Bagamoyo District. It covers an area of 158.95 km^2. The licence shall expire on 18th March, 2016. Its status is active and an annual rent has been duly paid.

(b) PL.7753/2012 was granted to JRT on the 4th April, 2012 to prospect for Sand at Yombo area in Bagamoyo District. The licence shall expire on 3rd April, 2016. It covers an area of 191.93 km^2. Its status is active and annual rent has been duly paid.

(c) PL.7754/2012 was granted to JRT on the 4th April, 2012 to prospect for Sand at Gezaulole area in Temeke District. It covers an area of 202.06 km^2. The licence shall expire on 4th March, 2016. Its status is active and annual rent has been duly paid.

(d) PL.7806/2012 was granted to JRT on the 4th April, 2012 to prospect for Uranium at Songwe area in Mbeya and Mbozi Districts. It covers an area of 196.57 km^2. The licence shall expire on 3rd April, 2016. Its status is active and annual rent has been duly paid.

(e) PL.7960/2012 was granted to JRT on the 4th June, 2012 to prospect for Beach Sand at Geza Chini area in Muheza, Pangani and Tanga Districts. It covers an area of 116.43 km^2. The licence shall expire on 3rd June, 2016. Its status is active and annual rent has been duly paid.

(f) PL.7666/2012 was granted to JRT on the 23rd February, 2012 to prospect for Sand at Kimanga area in Pangani District. It covers an area of 66.15 km^2. The licence shall expire on 22nd February, 2016. Its status is active and annual rent has been duly paid.

(g) PL.8008/2012 was granted to JRT, on the 4th June, 2012 to prospect for Goldat Umbaarea in Muheza District. It covers an area of 292.38 km^2. The licence shall expire on 3rd June, 2016. Its status is active and annual rent has been duly paid.

(h) PL.8123/2012 was granted to JRT, on the 19th July, 2012 to prospect for Beach Sands in Tanga, Tanga Districts. It covers an area of 38.06 km^2. The licence shall expire on 18thJuly, 2016. Its status is active and annual rent has been duly paid.

(i) PL.9046/2013 was granted to JRT on the 11th March, 2013 to prospect for Nickel at Ruvuma area in Mbinga District. It covers an area of 46.61 km^2. The licence shall expire on 10th March, 2016. Its status is active and annual rent has been duly paid.

(j) PL.7499/2011 was granted to JRT on the 22nd December, 2011 to prospect for Beach Sand at Mironge River area in Temeke and Mkuranga Districts. It covers an area of 33.89 km^2. The licence shall expire on 21st December, 2015. Its status is active and annual rent has been duly paid.

(k) PL.7471/2011 was granted to ASAB on the 14th December, 2011. Initially ASAB had applied for a Prospecting Licence for Metallic Mineral (Gold). Following the reality in the field ASAB by its letter dated 4th July, 2012, notified the Commissioner for Minerals of the change from prospecting for Metallic Mineral (Gold) to Industrial Minerals (Graphite) in Lindi, Nachingwea and Ruangwa Districts. It covers an area of 81.80 km^2. The licence shall expire on 13th December, 2015. Its status is active and annual rent has been duly paid.

(l) PL.7488/2011 was granted to ASAB on the 27th December, 2011. Initially ASAB had applied for a Prospecting Licence for Metallic Mineral (Copper). Following the reality in the field ASAB by its letter dated 19th July, 2012, notified the Commissioner for Minerals of the change from prospecting for Metallic Minerals (Copper) to Industrial Minerals (Graphite). It covers an area of 56,26 km^2. The licence shall expire on 26th December, 2016. Its status is active and annual rent has been duly paid.

(m) PL.7321/2011 was granted to JRT, on the 17th November, 2011. Initially JRT had applied for a Prospecting Licence for Metallic Mineral (Gold) in Tanga, Pangani District. Following the reality in the field JRT by its letter dated 4th July, 2012, notified the Commissioner for Minerals of the changes from prospecting for Metallic Minerals (Gold) to Mineral Sand. It covers an area of137.80 km^2. The licence shall expire on 16th November, 2015. Its status is active and annual rent has been duly paid.

(n) PL.9352/2013 was granted to JRT on the 4th October, 2013 to prospect for Nickel in Ruvuma, Mbinga District. It covers an area of 28.81 km^2. The licence shall expire on 3rd October, 2017. Its status is active and annual rent has been duly paid.

(o) PL9778/2014 was granted to JRT on the 5th June, 2014 to prospect for Nickel at Nyasa area in Ruvuma. It covers an area of 17.67 km^2. The licence shall expire on 4th June, 2018. Its status is active and annual rent has been duly paid.

(p) PL.9951/2014 was granted to JRT on the 10th July, 2014 to prospect for Sand in Dar es Saalam, Temeke District and Pwani, Mkuranga District. It covers an area of 101.90 km^2. The licence shall expire on 9th July, 2018. Its status is active and annual rent has been duly paid.

(q) PL.9960/2014 was granted to JRT on the 10th July, 2014 to prospect for Nickel in Ruvuma, Nyasa area Gezaulole area. It covers an area of 17.60 km^2. The licence shall expire on 9th July, 2018. Its status is active and annual rent has been duly paid.

Table 1

Appl. No/ License No.	Registered Owner	Status	Application Date	Grant Date	Expiry Date	Area (km^2)	Location
PL 7752/2012	Jacana Resources (Tanzania) Limited	Active	14/11/2011	19/03/2012	18/03/2016	158.95	Pwani, Bagamoyo
PL 7753/2012	Jacana Resources (Tanzania) Limited	Active	14/11/2011	04/04/2012	03/04/2016	191.93	Pwani, Bagamoyo, Kibaha Urban
PL 7754/2012	Jacana Resources (Tanzania) Limited	Active	14/11/2011	04/04/2012	03/04/2016	202.06	Dar es Salaam, Temeke
PL 7806/2012	Jacana Resources (Tanzania) Limited	Active	02/07/2009	04/04/2012	03/04/2016	196.57	Mbeya, Chunya, Mbozi
PL 7960/2012	Jacana Resources (Tanzania) Limited	Active	25/10/2011	04/06/2012	03/06/2016	116.43	Tanga, Muheza, Tanga
PL 7666/2012	Jacana Resources (Tanzania) Limited	Active	26/10/2011	23/02/2012	22/02/2016	66.14	Tanga, Muheza, Pangani
PL 8008/2012	Jacana Resources (Tanzania) Limited	Active	02/04/2007	04/06/2012	03/06/2016	292.38	Tanga, Mkinga
PL 8123/2012	Jacana Resources (Tanzania) Limited	Active	20/04/2012	19/7/2012	18/07/2016	38.06	Tanga, Tanga
PL 9046/2013	Jacana Resources (Tanzania) Limited	Active	30/07/2012	11/03/2013	10/03/2017	46.61	Ruvuma, Mbinga
PL 7499/2011	Jacana Resources (Tanzania) Limited	Active	25/10/2011	22/12/2011	21/12/2015	33.89	Dar es Salaam, Temeke
PL 7471/2011	ASAB Resources (Tanzania) Limited	Active	19/10/2011	14/12/2011	13/12/2015	81.80	Lindi, Nachingwea, Ruangwa
PL 7488/2011	ASAB Resources (Tanzania) Limited	Active	14/12/2010	27/12/2011	26/12/2015	56.26	Lindi, Nachingwea
PL 7321/2011	Jacana Resources (Tanzania) Limited	Active	09/02/2011	17/11/2011	16/11/2015	137.80	Tanga, Pangani
PL 9352/2013	Jacana Resources (Tanzania) Limited	Active	14/05/2012	4/10/2013	3/10/2017	28.81	Ruvuma, Mbinga
PL 9778/2014	Jacana Resources (Tanzania) Limited	Active	14/05/2012	5/6/2014	4/6/2018	17.67	Ruvuma, Nyasa
PL 9951/2014	Jacana Resources (Tanzania) Limited	Active	11/05/2012	10/7/2014	9/7/2018	101.90	Dar es Salaam, Temeke, Pwani Mkuranga
PL 9960/2014	Jacana Resources (Tanzania) Limited	Active	30/07/2012	10/7/2019	9/7/2018	17.60	Ruvuma, Nyasa

5. CONFIRMATION

5.1.1 We confirm that we have reviewed information pertaining to the Seventeen (17) Prospecting Licences.

5.1.2 Fifteen (15) Prospecting Licences are validly held by JRT, and two (2) Prospecting Licences are validly held by ASAB, which under the Option to Purchase Agreement are in the process of being transferred to JRT.

5.1.3 PLs are transferable by virtue of Section 9 of the Mining Act subject to execution of a sale agreement and completion of Form No. MRF 13 as per Section 9(6) of the Mining Act.

PL7471/2011 and PL7488/2011 are in the process of being transferred from ASAB to JRT as JRT has exercised its rights under the Option to Purchase Agreement to acquire 100% and filed a Form No. MRF.13. By registering the Option to Purchase Agreement, the interest of JRT is protected against any third party claim pending finalization of the transfer of the two PLs from ASAB to JRT, transfer of which is underway subject to tax clearance from TRA.

5.1.4 Prospecting Licence holders enjoy exclusive rights to undertake mineral exploration and if viable deposits are found to develop mines at the licensed areas. The Seventeen Prospecting Licences have been validly granted pursuant to the Mining Act and are in good standing and have not been cancelled, suspended or expired as of the date of this Report and all other necessary documents and filings have been made.

5.1.5 All of the Seventeen Prospecting Licences are in good standing and have no current or pending threat of suspension or cancellation under Section 63 of the Mining Act.

5.1.6 By virtue of Section 32 read together with the definition Section 4(1) of the Mining Act, the Commissioner for Minerals has the exclusive authority to grant exploration permits. The holders of all Prospecting Licences have therefore an undisputable right of access to the Licence, as they wish, and do not require any other administrative authorization or prior application to carry on prospecting operations in the prospecting area for minerals to which the licence applied by virtue of Section 35 of the Mining Act.

5.1.7 The Option to Purchase Agreement for PL No. 7471/2011 and 7488/2011 is valid and legally binding under the laws of Tanzania.

5.1.8 To the best of our knowledge there is no actual or pending dispute or default on any of the Seventeen Prospecting Licences, where such default could result in the relinquishment of Prospecting Licence by virtue of Section 32(4)of the Mining Act.

5.1.9 JRT and ASAB have a valid interest in the relevant Mineral Rights free and clear of liens and encumbrances. There is no pending winding up petition or application for the appointment of a receiver or manager of JRT or ASAB.

5.1.10 There are no disputes that we are aware of relating to the Mineral Rights with any governmental or regional authority or any unrelated third party.

5.1.11 There are no provisions under Tanzanian law or regulation in relation to the Mineral Rights which would permit the Prospecting Licences to be forfeited or otherwise with drawn in the event of a change of ownership or control.

5.2 Environmental Factors

5.2.1 One of the main objects of JRT is Mining. Mining activity is one of the listed items that require an Environmental Impact Assessment (**EIA**) by virtue of Section 81(1) read together with the Third Schedule of the Environmental Management Act, 2004.

5.2.2 JRT shall be required to obtain an EIA first before carrying out mining activity, which may be approved or disapproved under Section 92(1).

5.2.3 Disapproval may lead to cancellation of a mining licence by the licensing authority (which in our case is the Ministry responsible for Minerals) where the project or the undertaking is likely to cause a significant adverse impact on the environment which cannot be mitigated or remedied or where there is a failure to abide with the mitigation, or compelling social, economic, religious, health or culture factors likely to lead to an irreversible impact to the society.

5.3 The Security Charges.

5.3.1 There are no registered security charges on the fifteen PLs held by JRT.

5.3.2 For PL7471/2011 and PL7488/2011 there is a registered security charge on the Registrar of Title in respect of the Option to Purchase Agreement created purposely to protect the rights and interest of JRT (who currently cannot be called as a holder of the Prospecting Licence) against third parties because the transfer of PL7471/2011 and PL7488/2011 between ASAB and JRT is still underway as stated above.

6. LITIGATION

We are not aware of any litigation, pending or actual, involving the Company. The information available to us does not suggest the existence of any litigation or dispute involving either of the Company or the Mineral Rights the subject of the Seventeen Prospecting Licences.

7. EMPLOYMENT MATTERS

We have reviewed employment agreements for the employees of JRT and we are satisfied that they are all in order. The employment agreements cover all standards required under Section 13 of the Employment and Relations Act, 2004. They cover all fundamental rights and protection, equal opportunity in employment, policy against discrimination, mmaternity and paternity, workmen compensation and paid leave as required under Part II of Employment and Labour Relations Act, 2004. In such a situation the Company is not at risk of facing legal claims on labour issues. The employees have been interviewed and they have confirmed that there is no dispute between them and the Company and they have no idea of the existence of any employment dispute which the Company is involved in.

8. CONCLUSION

This opinion is given based on examined documents and official searches made to the Commissioner for Minerals and Registrar of Companies.

This opinion is for the benefit of the addressee only and for the purposes requested for only.

The opinion is limited up to the date herein above appearing and no obligation or undertaking is offered in respect of any changes of laws, regulation and rules which may come to our knowledge after the date of this opinion.

Yours Faithfully

Thomas Eustace Rwebangira

RWEBANGIRA EUSTACE & CO. ADVOCATES

SECTION 8

FINANCIAL INFORMATION

8.1 INTRODUCTION

This section sets out the Historical Financial Information and Pro Forma Historical Financial Information. The basis of preparation and presentation is set out below.

The financial information has been prepared by management and adopted by the Directors. The Directors are responsible for inclusion of all financial information in the Prospectus. Grant Thornton has prepared an Independent Limited Assurance Report in respect of the Pro Forma Historical Financial Information. A copy of the report is set out in Section 9.

The Historical and Pro Forma Historical Financial Information has been prepared in accordance with measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies set out in Note 1 to the financial information. The Historical and Pro Forma Historical Financial Information comprises consolidated financial information including Jacana Minerals and the entities it controls.

As detailed in Section 2.1, Jacana Minerals took control of Jacana Tanzania in September 2014. The Statement of Financial Position assumes Jacana Minerals had control of Jacana Tanzania at 30 June 2014. The Statement of Profit & Loss and other Comprehensive Income represents the results of Jacana Tanzania for the year ended 30 June 2014.

The Historical and Pro Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

8.2 HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information for Jacana Minerals set out on in Section 8.4 of the Prospectus comprises the following:

- the Historical Consolidated Statement of Profit and Loss and Other Comprehensive Income for the financial year ended 30 June 2014; and
- the Historical and Pro Forma Consolidated Statement of Financial Position as at 30 June 2014; which assumes completion of the transactions set out in Section 8.4 (Pro forma adjustments) as at that date including the Offer under this Prospectus.

8.3 PRO FORMA HISTORICAL FINANCIAL INFORMATION

The Pro Forma Historical Financial Information as set out in Section 8.4 of the Prospectus comprises the pro forma consolidated statement of financial position as at 30 June 2014 assuming completion of the Offer and includes the Pro Forma adjustments (Pro forma Adjustments) as at that date as disclosed.

8.4 FINANCIAL INFORMATION

Jacana Minerals Limited (Consolidated)

Historical Consolidated Statement of Profit & Loss and Other Comprehensive Income
For the financial year ended 30 June 2014

	Notional Consolidated 30 June 2014 $
Revenue	25
Expenses	
Administration expense	(92,113)
Depreciation and amortisation expense	(23,074)
Legal and consulting expense	(20,681)
Loss before income tax expense	(135,843)
Income tax expense	-
Loss after income tax expense	(135,843)
Other comprehensive income	
Items that may be reclassified subsequently to profit or loss	
Foreign currency translation	(62,407)
Other comprehensive income for the year, net of tax	(62,407)
Total comprehensive income for the year attributable to the owners of Jacana Minerals Limited	**(198,250)**

Jacana Minerals Limited (Consolidated)

Pro-Forma Consolidated Statement of Financial Position
30 June 2014

	Note	Notional Consolidated 30 June 2014 $	Minimum Subscription Pro-Forma Consolidated 30 June 2014 $	Maximum Subscription Pro-Forma Consolidated 30 June 2014 $
Current Assets				
Cash and cash equivalents	2	193,870	3,699,870	9,399,870
Total current assets		**193,870**	**3,699,870**	**9,399,870**
Non current assets				
Property, Plant & Equipment	3	79,930	79,930	79,930
Exploration & Evaluation	4	5,455,856	5,655,856	5,655,856
Total non current assets		**5,535,786**	**5,735,786**	**5,735,786**
Total assets		**5,729,656**	**9,435,656**	**15,135,656**
Current liabilities				
Total current liabilities		**-**	**-**	**-**
Non current liabilities				
Borrowings	5	6,970,174	-	-
Total non current liabilities		**6,970,174**	**-**	**-**
Total liabilities		**6,970,174**	**-**	**-**
Net assets		**(1,240,518)**	**9,435,656**	**15,135,656**
Equity				
Issued capital	6	2	10,265,857	15,965,857
Foreign Exchange Reserve	7	(62,407)	(62,407)	(62,407)
Accumulated losses		(1,178,113)	(767,794)	(767,794)
Total equity		**(1,240,518)**	**9,435,656**	**15,135,656**

NOTES TO AND FORMING PART OF THE FINANCIAL INFORMATION

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial information are set out below.

Basis of preparation

This financial information has been prepared in accordance with the recognition and measurement but not all disclosure requirements under Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Parent entity information

In accordance with the Corporations Act, these financial statements present the results of the consolidated entity only.

Principles of consolidation

The consolidated financial information incorporates the assets and liabilities of all subsidiaries of Jacana Minerals Limited (company or parent entity) as at 30 June 2014 and the results of all subsidiaries for the year then ended. Jacana Minerals Limited and its subsidiaries together are referred to in these financial statements as the "consolidated entity".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Jacana Minerals' functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

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

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

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

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture and Fittings	3-8 years
Office Furniture	3-8 years
Computer Equipment	3-8 years
Motor Vehicles	3-8 years
Laboratory Equipment	3-8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Trade and other payables

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

Issued capital

Ordinary shares are classified as equity.

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Pro forma adjustments

The consolidated pro forma statement of financial position has been prepared to illustrate the effects of the Offer. The pro forma balance sheet of the Group assumes the completion of the Offer and is based on the assumption that the following transactions and events contemplated in the Prospectus, referred to as the pro forma adjustments, which are to take place on or before the completion of the Offer as if they had occurred on or before 30 June 2014:

Minimum subscription

The issue of 20,000,000 ordinary shares pursuant to this Prospectus at $0.20 per share, to raise $4,000,000, less associated capital raising costs estimated to be $494,000. The total estimated capital raising costs have been directly off-set against capital raised.

Minimum subscription

The issue of 50,000,000 ordinary shares pursuant to this Prospectus at $0.20 per share, to raise $10,000,000, less associated capital raising costs estimated to be $794,000. The total estimated capital raising costs have been directly off-set against capital raised.

Other pro forma adjustments

Pursuant to an option to purchase agreement with ASAB Resources (T) Limited on 26 July 2014 which is conditional upon the Company successfully listing on the ASX, the Company will issue 1,000,000 shares in consideration for acquiring a 90% interest in the Chiliogali tenements at a fair value of $200,000, as detailed in Section 1.7 and 11.2 of the Prospectus.

Pursuant to the special resolution passed on 1 October 2014 to demerge Jacana Resources (Tanzania) Limited from Syrah Resources Limited and transfer ownership to Jacana Minerals Limited, the Company will convert the current loan payable to Syrah of $6,559,855 to equity by way of an in specie distribution of 3 shares in the Company issued for every 10 Syrah shares held for a deemed issue price of $0.13 per share. There will be a difference between the loan payable and the carrying value in the Company at 30 June 2014 which relates to foreign exchange differences which will be taken to accumulated losses.

As part of the demerger, Syrah will also provide a $500,000 loan to the Company to fund operations until the capital raising in the Prospectus has settled. This loan will be repaid out of the proceeds of this capital raising. These pro forma adjustments will have a net $nil effect on the pro forma statement of financial position.

2. CASH & CASH EQUIVALENTS

	Notional Consolidated 30 June 2014 $	Minimum Subscription Pro-Forma Consolidated 30 June 2014 $	Maximum Subscription Pro-Forma Consolidated 30 June 2014 $
Cash assets	193,870	193,870	193,870
Issue of fully paid ordinary shares under the Offer	-	4,000,000	10,000,000
Payment of prospectus expenses	-	(494,000)	(794,000)
	193,870	3,699,870	9,399,870

3. PROPERTY, PLANT AND EQUIPMENT

Furniture and fittings	18,919	18,919	18,919
Accumulated depreciation	(3,833)	(3,833)	(3,833)
	15,086	15,086	15,086
Office furniture	6,517	6,517	6,517
Accumulated depreciation	(1,561)	(1,561)	(1,561)
	4,956	4,956	4,956
Office equipment	10,491	10,491	10,491
Accumulated depreciation	(4,023)	(4,023)	(4,023)
	6,468	6,468	6,468
Computer equipment	10,069	10,069	10,069
Accumulated depreciation	(7,237)	(7,237)	(7,237)
	2,832	2,832	2,832
Motor vehicles	76,805	76,805	76,805
Accumulated depreciation	(29,442)	(29,442)	(29,442)
	47,363	47,363	47,363
Laboratory equipment	4,021	4,021	4,021
Accumulated depreciation	(796)	(796)	(796)
	3,225	3,225	3,225
Total property, plant and equipment	**79,930**	**79,930**	**79,930**

4. EXPLORATION AND EVALUATION

Exploration and evaluation	5,455,856	5,455,856	5,455,856
1,000,000 shares to be issued to ASAB as part consideration for the initial 90% interest in the Chiliogali Permits under the terms of the prospectus	-	200,000	200,000
	5,455,856	**5,655,856**	**5,655,856**

5. NON-CURRENT BORROWINGS

Loan from Syrah Resources Limited, prior to debt for equity swap under the terms of the Prospectus	6,970,174	-	-
	6,970,174	-	-

6. ISSUED CAPITAL

	Notional Consolidated	Minimum Subscription Pro-Forma Consolidated	Maximum Subscription Pro-Forma Consolidated
	30 June 2014 $	30 June 2014 $	30 June 2014 $
Ordinary shares - fully paid	2	70,038,522	100,038,522
Issued Capital	2	2	2
Debt for equity swap	-	6,559,855	6,559,855
Minimum and Maximum Raise's under the terms of the Prospectus	-	4,000,000	10,000,000
Costs of capital raising	-	(494,000)	(794,000)
1,000,000 shares to be issued to ASAB as part consideration for the initial 90% interest in the Chiliogali Permit	-	200,000	200,000
	2	**10,265,857**	**15,965,857**

7. FOREIGN EXCHANGE RESERVE

Foreign currency translation	(62,407)	(62,407)	(62,407)
	(62,407)	**(62,407)**	**(62,407)**

8. COMMITMENTS

In order to maintain an interest in the exploration tenements in which Jacana Minerals is involved, Jacana Minerals committed to meet the conditions under which the tenements were granted and the obligations of Jacana Minerals are subject to minimum expenditure commitments required by the Tanzanian mining legislation, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

	Historical Financial Information	Pro Forma Financial Information
	30 June 2014 $	30 June 2014 $
The expenditure commitments of Jacana Minerals' properties are as follows:		
Minimum exploration expenditure 0-1 years	**374,236**	**374,236**
Minimum exploration expenditure 1-5 years	**341,095**	**341,095**
Total	**715,331**	**715,331**

9. SUBSEQUENT EVENTS

Subsequent to 30 June 2014 the following events have occurred:

On 4 July 2014, Jacana Tanzania made a USD100,000 payment to ASAB as part consideration to purchase 90% of the Chiliogali project.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

SECTION 9

INDEPENDENT ACCOUNTANT'S REPORT

Picture of Jacana geologists, Hashimu Millanga and Moses Mwkwizu on the job at Tanga North

Grant Thornton
An instinct for growth™

Board of Directors
Jacana Minerals Limited
Level 9, 356 Collins Street
Melbourne Vic 3000

21 October 2014

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
Correspondence to:
GPO Box 4736
Melbourne Victoria 3001
T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

We have prepared this Independent Limited Assurance Report at the request of the Directors of Jacana Minerals Ltd ("Jacana") for inclusion in a Prospectus ("Prospectus") to be dated on or about 24 October 2014 to be issued by Jacana, in respect of the planned initial public offering on the Australian Securities Exchange.

Expressions defined in the Prospectus have the same meaning in this report.

Scope

Grant Thornton Corporate Finance has been requested to prepare this report on the following financial information:

Historical Financial Information

The Historical Financial Information of Jacana, as set out in **Section 8.4** of the Prospectus comprises the following:

- The Historical Consolidated Statement of Comprehensive Income for the financial year ended 30 June 2014;
- The Historical and Pro Forma Consolidated Statement of Financial Position as at 30 June 2014; which assumes completion of the transactions set out in **Section 8.4** as at that date including the Offer under this prospectus.

(hereafter, the 'Historical Financial Information').

The Historical Financial Information has been extracted from the reviewed financial statements for the year ended 30 June 2014.

Pro forma Financial Information

The Pro forma Financial Information as set out in **Section 8.4** of the Prospectus comprises the pro forma consolidated statement of financial position as at 30 June 2014 assuming completion of the Offer and includes the Pro forma Adjustments ("Pro forma Adjustments") as at that date as disclosed in **Section 8.4**.

(hereafter, the 'Pro forma Financial Information').

(collectively the 'Financial Information').

The Financial Information has been prepared in accordance with the stated basis of preparation being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Financial Information is also presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

This report has been prepared for inclusion in the Prospectus. Grant Thornton Corporate Finance disclaim any assumption of responsibility for any reliance on this report or on the Financial Information to which this report relates for any purpose other than the purposes for which it was prepared. This report should be read in conjunction with the Prospectus.

Directors Responsibility for the Historical and Pro Forma Financial Information

The Directors have prepared and are responsible for the preparation and presentation of the Historical and Pro forma Financial Information. The Directors are also responsible for the determination of the Pro forma Adjustments as set out in Section 8.4 of the Prospectus. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical and Pro forma Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/ or Prospective Financial Information. Our procedures consisted of reading relevant Board minutes, reading relevant contracts and other legal documents, enquiries of management personnel and the Directors, and analytical and other procedures applied to Jacana's accounting records.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Financial Information

Conclusion Statements

Review conclusion on the Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

a The Historical Financial Information does not present fairly the Historical Financial Information in accordance with the measurement and recognition (but not all of the presentation and disclosure requirements) of applicable Accounting Standards in Australia;

b The Pro forma Adjustments do not provide a reasonable basis for the Pro Forma Financial Information;

c The Pro Forma Financial Information has not been prepared on the basis of the assumptions set out in **Section 8.4** of the Prospectus; and

d The Pro forma Financial Information does not present fairly the pro forma consolidated statement of financial position as at 30 June 2014 in accordance with the measurement and recognition (but not all of the presentation and disclosure requirements) of applicable Accounting Standards in Australia as if the Pro forma Adjustments set out in **Section 8.4** of the Prospectus had occurred at 30 June 2014.

Independence and Disclosure of Interest

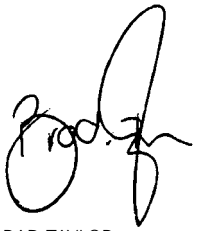
Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this report.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in this report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



BRAD TAYLOR
Partner

PHILLIP RUNDLE
Partner

APPENDIX A (FINANCIAL SERVICES GUIDE)

This Financial Services Guide is dated 21 October 2014.

1. About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987, Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Jacana Minerals Ltd ("Jacana") to provide a report in the form of Independent Limited Assurance Report for inclusion in a Prospectus dated on or about 24 October 2014 ("the Prospectus") relating to the offer of shares in the Company ("the Issue"). You have not engaged us directly but have been provided with a copy of the report as a retail client because of your connection to the matters set out in the report.

2. This Financial Services Guide

This Financial Services Guide ("FSG") is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and to deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

4. General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including this report. These fees are negotiated and agreed with the entity who engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report our fees are charged on a fixed basis. Partners, Directors or employees of Grant Thornton Corporate Finance, Grant Thornton Australia Ltd, or other associated entities, may receive dividends, salary or wages from Grant Thornton Australia Ltd.

6. Associations with issuers of financial products

Grant Thornton Corporate Finance and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

7. Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

8. Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

Head of Corporate Finance
Grant Thornton Corporate Finance Pty Ltd
Level 17, 383 Kent Street
Sydney, NSW, 2000

SECTION 10

CORPORATE GOVERNANCE

Local kids near the Tajiri South Prospect

Jacana Minerals has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with Jacana Minerals' needs. To the extent they are applicable, Jacana Minerals has adopted the Principles of Good Corporate Governance and Recommendations (third edition) as published by ASX Corporate Governance Council on 27 March 2014 (**Guide**). As Jacana Minerals' activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration. The following table summarises Jacana Minerals' position in this regard.

Requirement	Response
1. Lay solid foundations for management and oversight	
1.1. A listed entity should disclose: a. the respective roles and responsibilities of its board and management; and b. those matters expressly reserved to the board and those delegated to management.	The Board recognises the importance of distinguishing between the respective roles and responsibilities of the Board and management. The respective roles and responsibilities of the Board and the Chief Executive Officer are set out in Jacana Minerals' Board Charter. The primary responsibility of the Board is to protect and advance the interest of Shareholders. To fulfil this role, the Board has overall responsibility for developing and approving Jacana Minerals' corporate strategy and monitoring implementation of the strategy, appointing the Chief Executive Officer, monitoring senior executives' performance and approving Jacana Minerals' risk and audit framework. The Board is also responsible for Jacana Minerals' general corporate governance matters, including matters such as disclosures and the appointment and monitoring of any committees set up by the Board. The Chief Executive Officer, if appointed, has primary responsibility to the Board for the affairs of Jacana Minerals. The Chief Executive Officer's responsibilities include implementing and monitoring (together with the Board) the strategic and financial plans for Jacana Minerals, managing the appointment of senior executive positions, being the primary channel of communication and point of contact between the senior executives and the Board, providing strong leadership to, and effective management of, Jacana Minerals and otherwise carrying out the day to day management of Jacana Minerals.
1.2. A listed entity should: a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	This recommendation is satisfied. The following material is intended to be included in the Notice of Meeting calling for a meeting of security holders for the election of directors: · the skills, experience and expertise relevant to the position of Director held by each candidate for election at the date of the Notice of Meeting; · details of any other material directorships currently held by the candidate; · in the case of a candidate standing for election as a director for the first time: - any material adverse information revealed by the checks the entity has performed about the candidate; - details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity and its security holders generally; and - a statement whether the Board considers that the candidate will, if elected, qualify as an independent director; and · in the case of a candidate standing for re-election as a Director: - the term of office currently served by the Director; and - a statement whether the Board considers the Director is an independent director; and · a statement whether the Board supports the election or re-election of the candidate. The following material is intended to be made publicly available on Jacana Minerals' website in a clearly marked corporate governance section: · a description of the procedure for the selection and appointment of new Directors and the re-election of incumbent Directors; and · the Board's policy for the selection and appointment of directors.

Requirement		Response
1.	**Lay solid foundations for management and oversight**	
1.3.	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	This recommendation is satisfied in as much as should a new Director be appointed, Jacana Minerals' Board Charter and other corporate governance documentation together with updated corporate statements will be given to the new Directors together with a formal letter of appointment which will set out details in respect of, amongst other matters: · the term of the Director's appointment; · each Director's rights, duties and responsibilities; · the Director's remuneration, including superannuation entitlements; · the Director's obligation to comply with Jacana Minerals' financial, strategic, operational and risk management policies; · the circumstances in which the Director's office becomes vacant; · indemnity and insurance arrangements; and · the Director's ongoing confidentiality obligations.
1.4.	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	This recommendation is satisfied.
1.5.	A listed entity should: a. have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b. disclose that policy or a summary of it; and c. disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: i. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or ii. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Act.	This recommendation is satisfied. Jacana Minerals has a Diversity Policy which is overseen by the Board. The Diversity Policy aims to align Jacana Minerals' business operations while creating a diverse work environment where staff consider they are treated fairly and with respect while feeling accountable and responsible for the reputation and performance of Jacana Minerals. In summary, Jacana Minerals' policy concerning diversity is as follows: · Jacana Minerals recognises that diversity is an economic driver of competitiveness for companies and it strives to promote an environment and culture conducive to the appointment of well qualified persons so that there is appropriate diversity to maximise the achievement of corporate goals. · Jacana Minerals will disclose its objectives for achieving diversity in its Diversity Policy. In order to promote gender diversity, Jacana Minerals will engage in reviews and reporting to the Board about the proportion of women at Jacana Minerals and strategies to address diversity. Jacana Minerals intends to recruit persons from a diverse pool of qualified candidates.
1.6.	A listed entity should: a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Directors consider that due to the size of Jacana Minerals and its Board, such a formal review procedure is not appropriate at this point in time and has instead adopted a self evaluation process to measure its own performance. This recommendation is satisfied in as much as the details are intended to be included in the Annual Report and the Board Charter.

Requirement	Response
1. Lay solid foundations for management and oversight	
1.7. A listed entity should: a. have and disclose a process for periodically evaluating the performance of its senior executives; and b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Jacana Minerals' goals for the year are set out in this Prospectus and these will be used as the basis for evaluating performance of senior executives. Going forward, they are intended to be set out in the Annual Report. Performance evaluations will be undertaken annually, in June, by the Executive Chairman. The Executive Chairman's performance evaluation will also be undertaken annually, in June, by the Board. It is intended that the Annual Report will disclose whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.
2. Structure the board to add value	
2.1. The board of a listed entity should: a. have a nomination committee which: i. has at least three members, a majority of whom are independent directors; ii. is chaired by an independent director, and disclose iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b. if it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Board has not adopted a charter relevant to the specific functions of a nomination committee. Given the size of Jacana Minerals and the Board, and the start up nature and straight forward structure of Jacana Minerals, the Directors consider that any efficiencies achieved by the establishment of a nomination committee would be minimal, thereby not making its establishment cost effective. Jacana Minerals has Board processes in place which raise issues that would otherwise be considered by a nomination committee.
2.2. A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	This recommendation is satisfied.
2.3. A listed entity should disclose: a. the names of the directors considered by the board to be independent directors; b. if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c. the length of service of each director.	The following material is intended to be included in the Annual Report: · the skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report; · the names of the Directors considered by the Board to constitute independent Directors and Jacana Minerals' materiality thresholds; · the existence of any of the relationships listed in Box 2.3 of the Guide (regarding director independence) and an explanation of why the Board considers a Director to be independent, notwithstanding the existence of those relationships; · a statement as to whether there is a procedure agreed by the Board for Directors to take independent professional advice at the expense of Jacana Minerals; · the period of office held by each Director in office at the date of the Annual Report; · whether a performance evaluation for the Board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed; and · an explanation of any departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.

Requirement		Response
2.	**Structure the board to add value**	
2.4.	A majority of the board of a listed entity should be independent directors.	This recommendation is not satisfied having regard to the size of the board and stage of the Company's operations.
2.5.	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	This recommendation is not satisfied having regard to the size of the board and stage of the Company's operations.
2.6.	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	This recommendation is satisfied insofar as the Company will seek to implement appropriate training based on the relevant Director's experience.
3.	**Act ethically and responsibly**	
3.1.	A listed entity should: a. have a code of conduct for its directors, senior executives and employees; and b. disclose that code or a summary of it.	This recommendation is satisfied. Jacana Minerals' Corporate Code of Conduct and Executive Code of Conduct Policy set out Jacana Minerals' expectations for the conduct of Jacana Minerals' Directors, senior executives and employees in a range of circumstances. The Codes require awareness of, and compliance with laws and regulations relevant to Jacana Minerals' operations, including in relation to business conduct, personal and professional conduct (such as confidentiality, personal behaviour and respect for others), risk management, employment practices and occupational health and safety.
4.	**Safeguard integrity in corporate reporting**	
4.1.	The board of a listed entity should: a. have an audit committee which: i. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and ii. is chaired by an independent director, who is not the chair of the board, and disclose: iii. the charter of the committee; iv. the relevant qualifications and experience of the members of the committee; and v. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Board has not adopted a charter relevant to the specific functions of an audit committee. Given the size of Jacana Minerals and the Board, and the start up nature and straight forward structure of Jacana Minerals, the Directors consider that any efficiencies achieved by the establishment of an audit committee would be minimal, thereby not making its establishment cost effective. Jacana Minerals has Board processes in place which raise issues that would otherwise be considered by an audit committee.

Requirement		Response
4.	**Safeguard integrity in corporate reporting**	
4.2.	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	This recommendation is satisfied insofar as it is intended the financial records will be reviewed accordingly.
4.3.	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders	This recommendation is satisfied insofar as it is intended to invite the auditors to the AGM.
5.	**Make timely and balanced disclosure**	
5.1	A listed entity should: a. have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b. disclose that policy or a summary of it.	This recommendation is satisfied. Jacana Minerals has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance. Jacana Minerals' Continuous Disclose Policy sets out Jacana Minerals' policies and procedures with regard to the reporting of material price sensitive information to the ASX subject to confidentiality carve-out aspects and Jacana Minerals' procedures in this regard. An explanation of any departures from Recommendation 5.1 is intended to be included in the corporate governance statement in the Annual Report. The policies or a summary of those policies designed to guide compliance with Listing Rule disclosure requirements are intended to be made publicly available on Jacana Minerals' website in a clearly marked corporate governance section.
6.	**Respect the rights of security holders**	
6.1.	A listed entity should provide information about itself and its governance to investors via its website.	Jacana Minerals will communicate with Shareholders through releases to the market via the ASX, posting information released to the ASX on Jacana Minerals' website, mailing information to shareholders, and providing information at general meetings of Shareholders. Jacana Minerals is committed to making timely and accurate communications to Shareholders. An explanation of any departure from Recommendations 6.1, 6.2, 6.3 or 6.4 are intended to be included in the corporate governance statement in the Annual Report.
6.2.	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Jacana Minerals places a high priority on communications with its Shareholders. Although Jacana Minerals does not have a standalone communications policy, Jacana Minerals considers that its Continuous Disclosure Policy, together with disclosure through the following means, should be sufficient to promote effective communications with Shareholders: · announcements released through to the ASX company announcements platform; · notices of meetings to Shareholders; and · provision of all relevant documentation released on Jacana Minerals' website.

Requirement	Response
6. Respect the rights of security holders	
6.3. A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	This recommendation is satisfied. Details of Jacana Minerals' key policies and practices and the charters for the Board and each of its committees are available on Jacana Minerals' website in a clearly marked corporate governance section.
6.4. A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	This recommendation is satisfied.
7. Recognise and manage risk	
7.1. The board of a listed entity should: a. have a committee or committees to oversee risk, each of which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Although there is no standalone risk management policy, the Board Charter provides that it is the Board's responsibility to approve Jacana Minerals' risk and audit framework, systems of risk management and internal control, as well approving compliance with any risk and audit policies and protocols in place at the time. An explanation of any departures from Recommendations 7.1, 7.2, 7.3 or 7.4 is intended to be included in the corporate governance statement in the Annual Report.
7.2. The board or a committee of the board should: a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b. disclose, in relation to each reporting period, whether such a review has taken place.	This recommendation is satisfied.
7.3. A listed entity should disclose: a. if it has an internal audit function, how the function is structured and what role it performs; or b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Board Charter provides that it is the Board's responsibility to: · adopt appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards including establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements; and · approve and review Jacana Minerals' internal compliance procedures, including any codes of conduct, and take all reasonable steps to ensure that the business of Jacana Minerals is conducted in an open and ethical manner.
7.4. A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Information about any material exposure to economic, environmental and social sustainability risks faced by Jacana Minerals, as well as how it manages or intends to manage those risks is intended to be included in the Annual Report.

Requirement	Response
8. Remunerate fairly and responsibly	
8.1. The board of a listed entity should: a. have a remuneration committee which: i. has at least three members, a majority of whom are independent directors; and ii. is chaired by an independent director, and disclose: iii. the charter of the committee; iv. the members of the committee; and v. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Given the size of Jacana Minerals and the Board, and the start up nature and straight forward structure of Jacana Minerals, the Directors consider that any efficiencies achieved by the establishment of a remuneration committee would be minimal, not making its establishment cost effective. Jacana Minerals has Board processes in place which raise issues that would otherwise be considered by a remuneration committee.
8.2. A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	This recommendation is satisfied.
8.3. A listed entity which has an equity-based remuneration scheme should: a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b. disclose that policy or a summary of it.	The following material or a clear cross-reference to the location of the material is intended to be included in the corporate governance statement in the Annual Report or elsewhere in the Annual Report (as appropriate): · the existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors; and · an explanation of any departures from Recommendations 8.1, 8.2 or 8.3.

SECTION 11

ADDITIONAL INFORMATION

Picture of geologist Hashimu Millanga and Jacana's Country Manager, Aspon Mwijage, examining heavy minerals at the Tanga South Project

11.1 RIGHTS ATTACHING TO SHARES

A shareholding in Jacana Minerals is held subject to its Constitution. Shares to be issued under this Prospectus will rank equally with the existing ordinary Shares. The Constitution may be inspected at the registered office during ordinary business hours by prior appointment. The following is a summary of the principal rights of Shareholders.

Issue of Shares

The power to issue Shares and other securities in the capital of Jacana Minerals lies with the Board, subject to the restrictions contained otherwise in the Constitution, the Listing Rules and the Corporations Act.

Voting

Every Shareholder present in person or by proxy at a meeting of Shareholders has one vote on a vote taken by a show of hands, and on a poll, every Shareholder who is present in person or by proxy has one vote for every fully paid Share held. A poll may be demanded at a meeting in the manner permitted by the Corporations Act.

Dividends

Dividends are payable upon the determination of the Directors, who may fix the amount, time for payment and method of payment of dividends.

Transfer of Shares

Subject to the Corporations Act, Listing Rules and ASPL Settlement Rules, a Shareholder may transfer Shares by an instrument in writing in a form approved by the Directors. Except as otherwise provided for in the Listing Rules or the ASPL Settlement Rules, the Directors may in certain circumstances refuse to register any transfer of Shares, or request ASPL or the share registry to apply a holding lock to prevent an improper ASPL transfer of Shares.

Meetings and Notice

Each Shareholder is entitled to receive notice of, and to attend, general meetings of Jacana Minerals and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules. A Director may call a meeting of members and members may also requisition or convene general meetings in accordance with the procedures for member-initiated meetings set out in the Corporations Act. Shareholders must be given at least 28 days written notice of any general meeting unless otherwise permitted by the Corporations Act.

Rights on Winding up

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all the liabilities of Jacana Minerals are met, the liquidator may, with the sanction of a special resolution of the members, divide amongst the members all or any of Jacana Minerals' assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

Variation of Rights

If Jacana Minerals' Share capital is divided into different classes of Shares, the rights attached to any class may be varied or cancelled by a special resolution passed at a general meeting of the holders of Shares in that class or with the written consent of three quarters of the holders of Shares in that class.

Unmarketable Parcels

If a Shareholder holds a number of Shares that is less than a marketable parcel (as defined in the Listing Rules), Jacana Minerals has the power to sell or dispose of such Shares unless otherwise instructed by the Shareholder. The net proceeds from the sale will be paid to the Shareholder.

ASX Listing Rules

If Jacana Minerals is admitted to the Official List of ASX, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

11.2 MATERIAL CONTRACTS

Share Purchase Agreement and Loan Assignment

A subsidiary of Syrah, Jacana Resources Limited (ACN 143 661 536) and Jacana Minerals entered into a share purchase agreement dated 21 August 2014 whereby Jacana Resources Limited sold to Jacana Minerals all of the issued share capital of Jacana Tanzania. The consideration was Tanzanian Shillings 999,000 (approximately $660.85 as at 21 October 2014) and the assumption of the debt owed by Jacana Tanzania to Syrah of $6,559,855.01 as of 30 June 2014.

The sale under this agreement has completed and Jacana Tanzania registered with the Tanzanian Business Registrations and Licensing Agency as being held 99 shares by Jacana Minerals and 1 share by Tom Eadie. Tom Eadie has executed a bare trust deed and holds the 1 share on trust for Jacana Minerals.

A loan assignment deed was executed recording the terms of the assignment of the loan of $6,559,855.01 from Jacana Tanzania to Jacana Minerals dated 21 August 2014, and consented to by Syrah. As at the date of this Prospectus, the loan amount is zero, as the whole of the loan was converted by Syrah into equity, and the resulting Shares were issued to Syrah shareholders under the demerger (subject to Syrah retaining Shares as described in Section 1.7).

Intercompany Loan Agreement

Jacana Minerals and Syrah entered into an intercompany loan agreement dated 21 August 2014 whereby Syrah agreed to make available to Jacana Minerals a loan of up to the principal amount of AUD500,000. The key terms of the loan agreement are:

(a) the loan may be drawndown in a number of transactions, in minimum amounts of $100,000;

(b) the Loan is unsecured and is interest free (unless otherwise agreed);

(c) Jacana Minerals must repay the loan upon receiving a demand in writing from Syrah at any time after the date which is 12 months from the Drawdown Date or from the proceeds of the Offer, whichever is earlier.

As at the date of this Prospectus Jacana Minerals has not drawndown any amount from the loan but plans to during November 2014.

Option to Purchase Agreement

Jacana Tanzania and ASAB entered into the ASAB Option to Purchase Agreement. Under the Agreement, ASAB granted an option to Jacana Tanzania to acquire the Chiliogali Permits PL 7471/2011 and PL 7488/2011 in two stages:

(a) Jacana Tanzania has exercised its right to acquire a 90% interest in the ASAB Tenements by:

  (i) paying consideration of USD 100,000 upon execution of the agreement; and

  (ii) agreeing that Jacana Minerals allocates 1,000,000 Shares to ASAB upon being listed on the ASX (or if Jacana Minerals has not listed by 30 March 2015, Jacana Tanzania pays USD200,000 in place of the 1,000,000 Shares).

(b) The agreement provides that Jacana Tanzania must acquire the remaining 10% interest in the Chiliogali Permits within four (4) years of the date of the Option and Purchase Agreement. The consideration for the exercise of this 10% option is:

  (i) USD4,500,000 if exercised before the first anniversary of the date of execution of the agreement; or

  (ii) USD 4,500,000 increased by USD 500,000 on every anniversary of the date of execution of the agreement.

(c) The agreement provides that if Jacana Tanzania does not exercise the 10% option within four (4) years of the date of execution of the agreement, Jacana Tanzania will forfeit all of its rights and interest in the Chiliogali Permits (including the 90% interest already acquired) and must execute all forms to re-transfer them into the name of ASAB.

As at the date of this Prospectus Jacana Tanzania has paid to ASAB USD100,000 and intends to issue 1,000,000 Shares to ASAB as referred to in Section 1.7. The transfer of the Chiliogali Permits into the name of Jacana Tanzania was registered with the Ministry of Mines on 1 August 2014. As at the date of this Prospectus registration has not yet completed. Upon registration of the Chiliogali Permits in the name of Jacana Tanzania, Jacana Tanzania will hold on trust the 10% interest for ASAB until the option to purchase is exercised or Jacana Tanzania forfeits its 90% interest and must return the Chiliogali Permits to ASAB.

Joint Lead Management Engagement

The Company, Syrah and the Joint Lead Managers executed an engagement letter dated on or about 15 October 2014. Under this agreement the Joint Lead Managers agreed to provide certain assistance to the Company in relation to the Offer.

The Joint Lead Managers' role does not extend to underwriting the Offer. The Joint Lead Manager will receive compensation from the proceeds of the Offer (including the Priority Offer, General Offer and Broker Firm Offer) of an aggregate offer management fee equal to 3% of the proceeds and an aggregate selling fee equivalent to 2% of the proceeds. If the Offer does not proceed due to certain events, not including breach by the Joint Lead Managers, then the Joint Lead Managers will receive the equivalent to these agreed fees if the Company proceeds with another offer in the subsequent 12 months.

The Joint Lead Managers can terminate the engagement in the normal circumstances, including if there is a breach of the Corporations Act, or if an event occurs that is reasonably likely to have a material adverse effect on the outcome of the Offer or the subsequent market for the Offer securities or is reasonably likely to have a material adverse effect on the condition, trading or financial position, performance, profits and losses, results, business or operations of the Company.

Consulting Agreement

Jacana Tanzania entered into a consulting agreement with AMM Kimberlite Consulting a registered trade business name in Tanzania on 1 April 2012 for the provision of the technical services of the Tanzania country manager Aspon Mwijage who is also a director of Jacana Tanzania. Fees payable by Jacana Tanzania under the agreement are USD 10,000 per month for 20 working days, plus USD 500 per additional day. The consultant may terminate the contract on 1 month's notice. Jacana Tanzania may terminate the contract on 2 month's notice.

11.3 INTERESTS OF DIRECTORS

Except as disclosed in this Prospectus, no Director holds, or during the last two years has held, any interest in the formation or promotion of Jacana Minerals, the property acquired or proposed to be acquired by Jacana Minerals in connection with its formation or promotion of the Offer, and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him in connection with the formation or promotion of Jacana Minerals or the Offer.

Non-Executive Letter of Engagements – Paul Kehoe and Mark Hanlon

As Non-Executive Directors, Mr Kehoe and Mr Hanlon will each receive remuneration of $45,000 per annum plus superannuation. Mr Kehoe and Mr Hanlon will hold office until the date of the next annual general meeting of Jacana Minerals, whereby they will be eligible for election as a director at that meeting and, if elected, will thereafter be subject to retirement by rotation under the Company's constitution. According to their letters of appointment, each of Mr Kehoe and Mr Hanlon will dedicate the equivalent of at least two days a month of his available time to the Company.

Executive Employment Contract – Tom Eadie

As Executive Chairman, Mr Eadie will receive remuneration of $240,000 per annum plus superannuation. Mr Eadie's contract is terminable by either party on six (6) months' notice, and Mr Eadie will dedicate 100% of his available time to the Company. Subject to the unanimous approval of the Board of Directors and compliance with the Listing Rules and Corporations Act, additional remuneration to Mr Eadie in the form of options may be granted from time to time at the discretion of the Board.

Deeds of Access, Indemnity and Insurance

Each Director has entered into a Deed of Access, Indemnity and Insurance with Jacana Minerals. This entitles each officer of Jacana Minerals to access Board papers, be indemnified from liability, and to have Jacana Minerals take out directors and officers insurance to the extent Jacana Minerals is able to obtain it. Each officer of Jacana Minerals may obtain independent professional advice at Jacana Minerals' expense in accordance with the guidelines adopted by the Board from time to time or if the Board has given its prior approval. Each such deed applies to the extent permitted by law and is on a conventional basis.

Directors' Holdings

The Directors are not required to hold any Shares in Jacana Minerals under the Constitution. At the date of this Prospectus the relevant interest of each of the Directors in the Shares of Jacana Minerals held directly or indirectly is as follows:

Director	Number of Shares Held	Number of Options Held	Priority Offer intended take-up
Tom Eadie	450,000	-	450,000
Paul Kehoe	6,043,499	-	
Mark Hanlon	651,000	-	450,000

Mr Eadie intends to take up his full entitlement under the Priority Offer, and Mr Hanlon intends to take up part of his entitlement as set out above. Mr Kehoe does not intend to take up his entitlement under the Priority Offer. No Director has any plans to apply for additional New Shares.

11.4 COMPANY SECRETARY TERMS OF ENGAGEMENT

The Company has entered into a contract with Leydin Freyer Corp Pty Ltd for the provision of the services of Melanie Leydin as company secretary. The engagement is for an initial term of 12 months and remuneration will be charged at a fixed monthly fee.

11.5 INTEREST OF PERSONS

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, has, or has had within the two years before lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of Jacana Minerals;

(b) any property acquired or proposed to be acquired by Jacana Minerals in connection with its formation or promotion or in connection with the Offer; or

(c) the Offer, and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of Jacana Minerals or the Offer.

In relation to the Offer, the Joint Lead Managers will receive the compensation as described in Section 11.2.

Grant Thornton will receive professional fees of approximately $20,000 for accounting services in connection with this Prospectus including the provision of the Independent Limited Assurance Report. Grant Thornton Audit act as auditors of Jacana Minerals.

Snowden will receive professional fees of approximately $6,000 for the provision of the Independent Geologists Report (in addition to amounts previously paid by Syrah).

Baker & McKenzie will receive professional fees of approximately $100,000 for legal work undertaken by them in connection with this Prospectus.

Rwebangira & Co will receive professional fees of approximately USD 32,600 (equivalent to $37,293 as at 21 October 2014) for the preparation of the Legal Due Diligence Report contained in Section 7 and the Tanzanian legal summaries in Section 4.

Security Transfer Registrars Pty Ltd has been appointed as Jacana Minerals' share registry and will be paid for these services on normal commercial terms.

11.6 CONSENTS

Each of the parties referred to in Section 11.5 does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based other than as specified in that Section, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Snowden has given its written consent to the inclusion in Section 6 of this Prospectus of its Independent Geologists Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with the ASIC, but is not responsible for any other part of this Prospectus and has not authorised or caused the issue of any other part of this Prospectus.

Rwebangira & Co have provided Section 4.2 of this Prospectus and have given its written consent to its inclusion and the inclusion in Section 7 of this Prospectus of their Legal Due Diligence Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with the ASIC, but is not responsible for any other part of this Prospectus and has not authorised or caused the issue of any other part of this Prospectus.

Grant Thornton has given its written consent to the inclusion in Section 9 of this Prospectus of its Independent Limited Assurance Report and to all statements referring to that report in the form and context in which they appear and has not withdrawn such consent before lodgement of this Prospectus with ASIC, but is not responsible for any other part of this Prospectus and has not authorised or caused the issue of any other part of this Prospectus.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

(a) Rod Webster from AMC Consultants Pty Ltd (including consent for the inclusion of the Fungoni Tables in Section 13);

(b) Grant Thornton Audit as auditors to Jacana Minerals;

(c) Security Transfer Registrars Pty Ltd as Jacana Minerals' share registry;

(d) Shaw Stockbroking Limited and Bell Potter Securities Limited as Joint Lead Managers; and

(e) Baker & McKenzie as solicitors to Jacana Minerals,

but, except as expressly noted in this Prospectus, are not responsible for any part of this Prospectus and have not authorised or caused the issue of any other part of this Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

11.7 TAXATION

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

11.8 LITIGATION

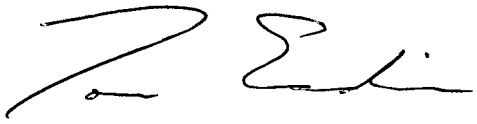
Jacana Minerals is not involved in any litigation or arbitration proceedings, nor, so far as the Directors are aware, are any such proceedings pending or threatened against Jacana Minerals.

11.9 THE DIRECTORS' STATEMENT

The Directors of Jacana Minerals state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by other persons, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus. This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

Dated 6 November 2014



Signed for and on behalf of Jacana Minerals Limited

Tom Eadie

SECTION 12

DEFINITIONS

Picture of local woman at Mbinga

The following definitions apply throughout this document unless the context requires otherwise.

$, AUD or cents	Australian currency excluding GST unless otherwise stated.
Applicant	A person who submits an Application.
Application	A valid application to subscribe for Shares.
Application Form	The application form either attached to or accompanying this Prospectus.
Application Monies	Monies received by Jacana Minerals from Applicants.
ASAB	ASAB Resources (Tanzania) Limited.
ASAB Option Purchase Agreement	The Option and Purchase Agreement dated 26 July 2014 between Jacana Tanzania and ASAB.
ASIC	Australian Securities and Investments Commission.
ASPL	ASX Settlement Pty Ltd.
ASPL Settlement Rules	Settlement Rules of ASPL.
ASX	Australian Stock Exchange Limited.
ASX Spread Requirements	The new listing spread requirements as set out in ASX Listing Rule 1.1, Condition 7.
Board	The board of Directors unless the context indicates otherwise.
Broker	Any ASX participating organisation selected by the Joint Lead Managers in consultation with the Company to act as a broker to the offer.
Broker Firm Offer	The invitation to persons receiving a firm offer form their Broker to apply for New Shares, made pursuant to this Prospectus, as described in section 1.3.
Broker Firm Offer Closing Date	The date on which the Broker Firm Offer closes, being 5:00pm on Friday 12 December 2014, unless amended.
Business Day	A day other than a Saturday or Sunday on which banks are open for business in Melbourne, Victoria.
CHESS	ASX Clear Pty Ltd Electronic Subregistry System.
Chiliogali Permits	Tanzanian prospecting licences issued by the Ministry of Mines PL 7471/2011 and PL 7488/2011.
Closing Date	The Priority Offer Closing Date, General Offer Closing Date and Broker Firm Closing Date as the context requires.
Company Secretary	The duly appointed company secretary of Jacana Minerals as at the date of this Prospectus.
Constitution	Jacana Minerals' constitution.
Corporations Act	The *Corporations Act 2001* (Cth).
Directors	The duly appointed directors of Jacana Minerals as at the date of this Prospectus.
Dollars or $	Australian dollars unless otherwise stated.
Existing Shareholders	Jacana Minerals Shareholders who hold Shares as at 5.00pm on the date of the Original Prospectus other than non-eligible Shareholders, Syrah and the Joint Lead Managers' nominee who holds Shares following the Syrah Demerger. As the distribution of Shares to overseas Shareholders under the Priority Offer will be subject to legal and regulatory requirements in their relevant overseas jurisdictions, Shareholders will be deemed non-eligible if the requirements of any such overseas jurisdiction are held to restrict or prohibit the distribution of securities as proposed or would otherwise impose on the Company an undue burden. Non-eligible Shareholders will not receive a Priority Application Form.
Exposure Period	The period of seven (7) days after the date of lodgement of the Original Prospectus, which period may be extended by the ASIC by not more than seven (7) days pursuant to section 727(3) of the Corporations Act.
General Offer	The invitation to persons to apply for New Shares, made pursuant to this Prospectus, as described in section 1.3.
General Offer Closing Date	The date on which the General Offer closes, being 5:00pm on Wednesday 3 December 2014, unless amended.

Grant Thornton	Grant Thornton Corporate Finance Pty Ltd.
Grant Thornton Audit	Grant Thornton Audit Pty Ltd.
Independent Geologist's Report	The report contained in Section 6 prepared by Snowden.
Independent Accountant's Report	The report contained in Section 9 prepared by Grant Thornton.
Independent Legal Due Diligence Report	The report contained in Section 7 prepared by Rwebangira & Co.
Jacana Minerals	Jacana Minerals Limited ACN 600 490 355.
Jacana Tanzania	Jacana Resources (Tanzania) Limited.
Joint Lead Managers	Bell Potter Securities Limited and Shaw Stockbroking Limited.
JORC	Joint Ore Reserves Committee.
JORC Code	Has the same meaning as in Appendix 5A of the Listing Rules.
Listing Rules	Listing Rules of ASX.
Mineral Sands Projects	Tanga South Project, Tanga North Project, Bagamoyo Project and Fungoni Project.
Mining Act	Mining Act 1998, Tanzania.
Minister	The Minister of Energy and Minerals of Tanzania.
Ministry of Mines	The Ministry of Energy and Minerals of Tanzania.
New Shares	Shares issued under this Prospectus.
Offer	The invitation to apply for new Shares under this Prospectus comprising the Priority Offer, Broker Firm Offer and the General Offer, as described in Section 1.
Offer Period	The period commencing on the Opening Date and ending on (i) the Priority Offer Closing Date with respect to the Priority Offer (ii) the General Offer Closing Date in respect of the General Offer and (iii) the Broker Firm Closing Date in respect of the Broker Firm Offer.
Official List	The Official List of ASX.
Opening Date	The date on which the Offer opens for Applications for Shares, being 10 November 2014.
Original Prospectus	The original prospectus for the Offer lodged with ASIC dated 24 October 2014.
Priority Application Form	The Application Form to be used by Applicants who apply for Shares under the Priority Offer.
Priority Offer	The invitation to Existing Shareholders to apply for New Shares, made pursuant to this Prospectus, as described in section 1.3.
Priority Offer Closing Date	The date on which the Priority Offer closes, being 5:00pm on Wednesday 3 December, unless amended.
Prospecting Licence	Prospecting Licence granted by the Ministry of Energy and Minerals of the United Republic of Tanzania.
Prospectus	This prospectus dated 6 November 2014 and includes the electronic form of this Prospectus.
Rwebangira & Co	Rwebangira Eustace & Co Advocates.
Share	One (1) fully paid ordinary share in the capital of Jacana Minerals.
Share Registry	Security Transfer Registrars Pty Ltd.
Shareholder	A registered holder of Shares.
Snowden	Snowden Mining Industry Consultants.
Syrah	Syrah Resources Limited ABN 77 125 242 284.
Syrah Demerger	The demerger of Jacana Minerals from Syrah effective on 15 October 2014.
USD or US$	The lawful currency of the United States of America.

References to a time in this Prospectus are to Western Standard Time (WST) unless otherwise stated.

SECTION 13

THE JORC CODE 2012 EDITION TABLE 1

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
FUNGONI – SECTION 1: SAMPLING TECHNIQUES AND DATA		
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.	Air core drilling was used to obtain samples taken at 2 m intervals. Samples collected were taken to the external laboratory in South Africa (Stewart Group) A 600 g sample was obtained from a roughly 2 to 2.5 kg sample using a riffle splitter and tested for total heavy mineral content. Samples were separated for THM by using Tetrabromoethane at 2.95 SG.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	All drillholes were air-cored with an outside diameter of 78 mm and an inside diameter of 47.6 mm.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Sample recovery was visually checked. Air core drilling was used to maximise recovery. No relationship exists between recovery and grade.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	The air core samples were geologically Geotechnical logging was not undertaken. All samples were logged.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	Laboratory riffle splitting of dry samples were used for sub-sampling. Total Heavy Mineral samples were run through the Carpco (a High Intensity Magnetic separator) whereby four fractions were determined. The four heavy mineral fractions were Magnetic, Crude Ilmenite, Non-magnetic and Magnetic Others. The determination of mineral composition were tested for only three last fractions by using XRF method.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	The lab performed two assay procedures. The first was to separate the heavy minerals into a number of fractions. The second procedure was determining elemental ratios in the various heavy mineral fractions. Not applicable. No standards were utilised.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	No adjustment to assay data has been made. No twinned holes were used. Data is contained in a Microsoft Access database.
Location of data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	The collar positions were located using differential GPS. The grid is Universal Transverse Mercator on World Geodetic Datum 1984, 37 Southern Hemisphere. The topographic surface was obtained using contours from 1:50,000 map. At this stage of the project, the topographic data is adequate. Accurate topographic data should be acquired prior to any mine planning being undertaken.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	The drillhole spacing is on an approximate 100 mE x 100 mN grid in the Mineral Resource area. The drillhole spacing is adequate to have reasonable confidence in the geological and grade continuity.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The mineralization is generally flat lying enabling vertical drilling to be appropriate. No bias was introduced by the drilling orientation.
Sample security	The measures taken to ensure sample security.	Limited sample security was considered necessary as the samples did not contain precious metals.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits have been completed to date.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
FUNGONI – SECTION 2: REPORTING OF EXPLORATION RESULTS *(Criteria listed in the preceding section also apply to this section)*		
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	This report covers the area of the Fungoni Mineral sands project owned by Syrah Resources Limited. AMC is not aware of any third parties on the mining license AMC is not aware of any known impediments to the tenure being in existence.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	53 Auger holes were carried out by Rift Valley Gold Limited in 2007. The only record received by AMC was in a PDF report of the company's quarterly activities report. The report does not contain information relating to the entire dataset collected and could not be used in the Mineral Resource estimate. Additional information is required to see if the full complement of data can be located.
Geology	Deposit type, geological setting and style of mineralization.	The Fungoni deposit is a flat lying mineral sands deposit. It contains grey to grey-brown sands of Neogene age with minor clay content. It strikes north to north east. The interpreted mineralization is approximately 1.6 km along strike and 500 m wide, extending to a depth of 60 m below surface.
Drillhole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: · easting and northing of the drillhole collar · elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar · dip and azimuth of the hole · down hole length and interception depth · hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	There are 67 drillholes with information for THM %, slimes % and oversize %, for 1107 samples in total. There are 227 drillholes with no THM %, slimes % and oversize % information. These were not used in the Mineral Resource Estimate. Very few analyses of valuable heavy minerals exist for the project. Valuable heavy minerals were not included in the Mineral Resource Estimate. Drilling included in the Mineral Resource estimate extends from 547, 550 m E to 548, 400 m E and 9,225,400 m N to 9,226,900 m N Depth of drilling ranges from 18 m to 75 m with an average of 37 m All drillholes are vertical.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Not applicable as Exploration Results are not being reported. No metal equivalent values were used.
Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	Drillholes intersected the mineralization at approximately 90 degrees. There is no appreciable plunge or dip to the mineralization. Drillholes intersections represent an approximate true thickness. The 2 m samples could accurately define the mineralized zones.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	Not applicable as Exploration Results are not being reported.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Not applicable as Exploration Results are not being reported.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Not applicable as Exploration Results are not being reported.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	AMC is not aware of any further work being planned.
FUNGONI – SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES *(Criteria listed in section 1, and where relevant in section 2, also apply to this section)*		
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used.	The FROM and TO values were checked to ensure no overlaps or missing data. All collar coordinates were checked to ensure they were located within the deposit. The assay results were reviewed for spurious values in excess of logical results.
Site Visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case.	No site visit was undertaken by the competent person. AMC was briefed by Syrah representatives, who have visited the site, about the nature of the deposit. AMC considers the communication sufficient.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology.	The drillhole data confirms the geological interpretation. Three domains were identified for THM %, slimes % and oversize %. An additional internal higher grade domain was identified for THM %. The internal higher THM % domain is significantly higher in grade than the other domains and is close to surface. The domains generally follow the topography. The deepest domains have lower confidence because of lack of drillhole intersections.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The interpreted mineralization is approximately 1.6 km along strike and 500 m wide, extending to a depth of 60 m below surface.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	Wireframes were constructed to domain out the high grade zones. The high grade wireframes were used as hard boundaries for the grade estimation. Grade top-caps were applied to composited samples on a domain basis. Ordinary kriging using octant and ellipsoidal searching was used. Variography and drill spacing were used to determine the size, shape and orientation of the search ellipses. Software: Datamine was used for the estimation, Supervisor for semi-variogram modelling. No assumptions were made regarding the recovery of bi-products. No deleterious elements were considered in the estimate. Parent blocks sizes were 50 m E x 50 m N x 2 m Rl No assumptions were made regarding selective mining units. No significant linear relationships were found between the variables. The model was visually checked against the drillholes and SWATH plots were used to check the average grade and trends in grades between the model and drillhole a data.
Moisture	Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	The assay results were based on dry samples therefore the moisture content was not considered.
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	A 1 % THM cut-off was used to report the Mineral Resources. This is considered appropriate based on preliminary analysis of the mineral content and experience with similar deposits around the world.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	Not applicable.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	Not applicable.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	Not applicable.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	At this stage of the project, no bulk density information is available. Based on experience of similar deposits, a value of 1.8 t/m3 has been used.
Classification	The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit.	The Mineral Resource has been classified as Indicated or Inferred based on the drillhole spacing, depth of drilling and confidence in geological continuity and grade. The drillhole data is considered to be suitable for the resource classifications used. The classification reflects the Competent Persons view of the deposit.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	AMC is not aware of any previous Mineral Resource estimates.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	No statistical or geostatistical review of the accuracy of the resource estimate was undertaken. The resource statement is a global estimate based on addition of local estimates. Not applicable as no production data is available.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
TANGA – SECTION 1: SAMPLING TECHNIQUES AND DATA *(Criteria in this section apply to all succeeding sections)*		
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.	A hole is drilled using a hand auger. Material is pulled out of the hole and set down in 1 metre intervals on plastic laid on the ground. Each sample is panned and a visual estimate of the heavy mineral trace is recorded on a log sheet by a qualified geologist. Each 1 m sample is then subsampled and placed in plastic bags.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	The hole is drilled using a standard hand auger.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	All samples are logged by a qualified geologist and recorded at site on paper. This information is later transferred to an access database. If a hole was not able to be drilled to depth due to a blockage or hard ground, another hole is drilled close by to ensure that a full sample can be collected. No sample bias has occurred.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Samples have been geologically logged with minor geotechnical observations (e.g. hardness of clay etc). However, this work is early stage and does not have the appropriate level of detail required for a mineral resource estimation.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	Laboratory riffle splitting of dry samples were used for sub-sampling. The lab takes 100gm and retains 600gm for external lab (if warranted) and 500gm as a reference sample.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	The laboratory utilised is an in-house laboratory created by Jacana Resources Tanzania. The sole purpose of the lab is to determine the percentage of heavy minerals in a sample and to identify the types of heavy minerals. The procedures used in the laboratory are adequate for exploratory work.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	No umpire analysis has been undertaken.
Location of data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	All hole collar locations were captured with a handheld GPS. The grid system used is UTM Zone 37 S Elevation control was collected from published maps and is deemed adequate at this stage of exploration.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	Auger holes were spaced mostly 200 m apart on generally 2km spaced lines

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The auger drilling was planned to be orthogonal to the direction of the mineral sand systems. No sampling bias has been introduced from the orientation of the drilling traverses and the mineralised dune.
Sample security	The measures taken to ensure sample security.	All samples are tied with plastic ties and then placed in polyweave sacks. These sacks are then transported to Dar es Salaam and secured in a lock up. A selection of samples are then sent off to a mineral laboratory for further testework. These samples are again bagged in polyweave sacks which are securely tied. Reputable couriers are used for the transportation of samples to the lab.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have been undertaken.
TANGA – SECTION 2: REPORTING OF EXPLORATION RESULTS *(Criteria listed in the preceding section also apply to this section)*		
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Tanga Project comprises five licences; PL8008/2012, PL7666/2012, PL7960/2012, PL8123/2012 and PL7321/2011.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	The only work completed by previous explorers consisted of minor pitting by Tanganyika Gold Ltd.
Geology	Deposit type, geological setting and style of mineralization.	The northern Tanzanian coastline is considered to stretch from Bagamoyo to the Tanga North PL. The coastal belt of Pleistocene to Recent marine sediments that hosts heavy mineral sand deposits, varies from 5 km to 8 km in width, with the widest portion being 16 km, located immediately to the north of the Ruvu River (adjacent to Bagamoyo), extending for about 40 km into the Sadani Game Reserve. From Bagamoyo to approximately 20 km south of Pangani, most HMS deposits are located 2 km inland from the current shore line. The rest of the coastal plain is covered with terrestrial sedimentary deposits including sands, grits, pebble beds and mbuga (black to dark grey clays) Mbuga clays occur extensively along the coast, usually as lagoonal sediment behind the sand dunes. This clay is considered to be the result of erosion and outwash of interlayered mudstone and sandstones, sourced from weathering of Karoo Supergroup rocks. Mbuga clays do not usually contain heavy mineral concentrations. Inland of the coastal belt, the rocks are mainly Jurassic and Cretaceous age Karoo Supergroup sediments which overlie amphibolites and gneisses of the Proterozoic, Usagaran basement
Drillhole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: · easting and northing of the drillhole collar · elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar · dip and azimuth of the hole · down hole length and interception depth · hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Locations and results are clearly summarised in the plans and sections available in the report.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Only intersections of greater than 1%THM have been included in the reporting of anomalous areas. High grade zones within an aggregated intercept that are more than three times the weighted average of the aggregated intercept are reported separately. No metal equivalents were reported.
Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	All auger holes were drilled vertically. Mineral sand orebodies are typically flat lying to gently dipping. It is expected that the mineralised intercepts represent a true thickness. However, only augering has been completed thus far and a definitive answer can only be established with more detailed drilling.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	Figures are displayed in the main text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Results are well summarised in the diagrams in the text of the report.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other exploration data is substantive enough to be reported here.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further work will include drilling deeper holes to assess the anomalies located to date.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
CHILIOGALI – SECTION 1: SAMPLING TECHNIQUES AND DATA *(Criteria in this section apply to all succeeding sections)*		
Sampling techniques	Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralization types (eg submarine nodules) may warrant disclosure of detailed information.	Samples were collected across mineralised and non-mineralised zones within trenches that were cut by hand and dug to bedrock where possible. Samples were only collected in areas where bedrock was exposed. Samples were nominally taken on a 2m interval where practical and never crossed lithological boundaries. The average sample interval was 1.7m, ranging from 0.60m to 2.8m.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	No drilling was undertaken
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Not Applicable
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	The logging was carried out by qualified geologists. To assist with accurate logging, a measuring tape is fixed at the start of the trench and pulled tight along the length of the bottom of the trench. Sample positions are then marked along the trench at nominal 2 m intervals, or where a lithological change occurs. The entire length of each trench was logged, even where bedrock was not exposed. Logging took into consideration lithological contacts and composition. Photos were taken of all trenches. Total length of the trenches is 1282m.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	Channel sampling was undertaken whereby the rock is broken with a pick / hammer in a continuous line across the exposure. This material is then bagged. Samples collected did not cross lithological contacts. Duplicate samples were collected methodically.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	The samples were analysed at a graphite accredited analytical laboratory; Inspectorate Metals and Minerals-Rustenburg, a Bureau Veritas Group Company, based in Rustenburg South Africa. Once received at the laboratory the samples are sorted, dried, crushed (where necessary), and pulverized. The samples are analysed for elements. These analysis are total combustion (for determination of TGC, C and S), inductive coupled plasma optical emission spectrometry (ICP_OE, for Al2O3, CaO, Fe2O3, K2O, MgO, MnO, P2O5, SiO2, TiO2, V and Pb) and inductively coupled plasma mass spectrometry (ICP_MS, for Au). The assay database displays industry standard levels of precision and accuracy. The quality of the assay work was assessed by means of inserting 5% Standards, 5% Blanks and 5% field duplicates into the sample stream. The results of the QAQC sample inserts confirm the assay results are representative of true content. The duplicates compared to the originals have shown good correlation, the values of the standards fall within the expected ranges and the blanks have indicated no sign of contamination. The company is confident with the assay results.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	No umpire analysis has been undertaken.
Location of data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	The start and end points of all of the trenches were located using a handheld GPS. Distances along the trench were measured with a metric tape. The slope of the trench was recorded using trigonometric calculations (fall of land versus distance along trench) from the start to end and at inflection points. WGS84 37S datum For the purpose of this reporting, the topographic control is deemed to be appropriate.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	Trenches were dug at intervals of approximately 200m. The spacing is insufficient give a high degree of confidence between trenches for a resource classification at this stage. No compositing has been applied
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Trenches were excavated perpendicular to the geological trend thus affording maximum coverage of the sequence. Dips of rock fabric were recorded where possible. True thicknesses were thus able to be established using a tape measure and simple trigonometric calculations. No drilling was undertaken.
Sample security	The measures taken to ensure sample security.	Once bagged, samples were sealed in plastic bags and inserted into large polyweave bags for transport to the analysing laboratory. The polyweave bags were dispatched to the analysing laboratory by courier.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews have been undertaken.
CHILIOGALI – SECTION 2: REPORTING OF EXPLORATION RESULTS *(Criteria listed in the preceding section also apply to this section)*		
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Chiliogali Project comprises two licences; PL7471/2011 and PL7478/2011. These licences are under a joint venture with ASAB Resources where Syrah (through Jacana Resources) now owns 90% of the project. The licences cover an area of 235km2. Both licences have been granted for 4 years and will expire at the end of 2015.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Syrah Resources received the historical Jacana Resources database of exploration, following the acquisition of that company. Historic data was also acquired from the Geological Surevey of Tanzania.
Geology	Deposit type, geological setting and style of mineralization.	The geology of the project area comprises graphite schists, mica schist, quartz mica schists, quartzite, pegmatite and marbles. From mapping and trenching completed, the area has several graphite schist bands, mica schists and quartz mica schists. The schists have a rough foliation trend from 350 to 400 and dipping to southeast. The graphite schist bands have true thickness ranging from 3m to 33m. Three types of graphite schists have been observed namely, graphite rich schist with green minerals, graphite mica schist and graphite rich schist without green minerals.

CRITERIA	JORC CODE EXPLANATION	COMMENTARY
Drillhole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: · easting and northing of the drillhole collar · elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar · dip and azimuth of the hole · down hole length and interception depth · hole length.	Not applicable.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	Intercept quotation is based on a cut-off grade of 3%TGC. High grade zones within an aggregated intercept that are more than three times the weighted average of the aggregated intercept are reported separately. No metal equivalents were reported.
Relationship between mineralization widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralization with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	The trenching was orientated to intersect the trending geology at 90 degrees. In general the rocks dip in a southeast to east south east direction between 10 to 70 degrees. True thicknesses can be reconstructed using the data given as appendices in this report.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	A detailed trenching plan is provided in the main body of this document.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All significate composited intervals are recorded in the text and in the diagrams.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other substantive exploration data has been released for this project.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Ground EM will be undertaken to assist with tracing the graphitic horizons between trenches and exploring for new graphitic areas.

GENERAL OFFER AND BROKER FIRM OFFER APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
770 Canning Highway, APPLECROSS WA 6153
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

JACANA MINERALS LIMITED

ACN: 600 490 355

BROKER STAMP

Broker Code

Advisor Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

No shares will be issued pursuant to the Prospectus later than 13 months after the date of the Original Prospectus.
Before completing this Application Form you should read the accompanying Prospectus and the instructions overleaf. Please print using BLOCK LETTERS.

I/We apply for:

, , Shares at AUD $0.20 per share

or such lesser number of Shares which may be allocated to me/us by the Directors.

I/We lodge full application of monies of:

A $, , .

BPAY www.securitytransfer.com.au

BPAY® this payment via internet or phone banking. Please visit our share registry's website: www.securitytransfer.com.au and complete the online application form.
If electronic payment cannot be made then cheque(s) or bank draft(s) can be used .
See reverse for further payment instructions.

Full Name of Applicant / Company
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3
Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (e.g.: THE SMITH SUPER FUND A/C)
<

>

Postal Address
Unit / Street Number Street Name or PO BOX

Suburb/Town/City State Postcode

Country Name (if not Australia)

CHESS HIN (where applicable)
X
If an incorrect CHESS HIN has been provided (e.g.: incorrect number, registration details do not match those registered) any securities issued will be held on the Issuer Sponsored

Contact Name

Contact Number
( )

Email Address
@

Tax File Number / Australian Business Number

Tax File Number of Security Holder #2 (Joint Holdings Only)

Declaration and Statements:
(1) I/We declare that all details and statements made by me/us are complete and accurate.
(2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
(3) I/We authorise the Company to complete and execute and documentation necessary to effect the issue of Securities to me/us.
(4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
(5) I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.
(6) I/We acknowledge that returning the Application Form with the application monies or completing the online application form with payment via Bpay will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

REGISTRY DATE STAMP

E & O.E.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON
UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 6 NOVEMBER 2014 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

This Application Form relates to the Offer of Fully Paid Shares in Jacana Minerals Limited pursuant to the Prospectus dated 6 November 2014.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

www.securitytransfer.com.au

BPAY® your payment via internet or phone banking. Please visit our share registry's website: www.securitytransfer.com.au and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer.

BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return any documents if you have made payment via BPAY.
Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

If payment can not be made electronically then a cheque(s) or bank draft(s) payable to ***"Jacana Minerals Limited"*** must be forwarded together with your completed Application form. Your cheque(s) or bank draft(s) must be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cash should not be forwarded. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

LODGING OF APPLICATIONS
Completed Application Forms and cheques must be:

Posted to:
Jacana Minerals Limited
C/- Security Transfer Registrars Pty Ltd
PO Box 535, APPLECROSS WA 6953

OR

Delivered to:
Jacana Minerals Limited
C/- Security Transfer Registrars Pty Ltd
770 Canning Highway, APPLECROSS WA 6153

Applications must be received by no later than 5.00pm WST on the relevant Closing Date, being 3 December 2014 for the General Offer and 12 December 2014 for the Broker Firm Offer, which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHESS HIN/BROKER SPONSORED APPLICANTS
The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS
The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.
If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

CORRECT FORM OF REGISTRABLE TITLE
Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Proteomics International Laboratories Ltd. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT	INCORRECT
Individual Use given names in full, not initials.	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations.	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names.	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use trustee(s) personal name(s), Do not use the name of the trust.	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Estate John Smith A/C>	Estate of Late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners' personal names. Do not use the name of the partnership.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Superannuation Funds Use the name of the trustee(s) of the super fund.	Jane Smith Pty Ltd <JSuper Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

JACANA
MINERALS