



Prospectus

For an offer of up to 25,000,000 Shares at an issue price of \$0.30 per Share to raise up to \$7,500,000 (before costs) (**Offer**).

The Offer comprises:

- a priority offer to Eligible Shareholders of the Company as at the Record Date (**Priority Offer**); and
- an offer to the general public (**Public Offer**).

The Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 4.8. No Securities will be issued pursuant to this Prospectus until those Conditions are met.

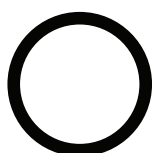
This Prospectus is a re-compliance prospectus for the purpose of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

Lead Manager to the Offer: Peloton Capital Pty Ltd (AFSL: 406 040)

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.



Kaiser Reef Limited

ACN 635 910 271

STEINPREIS PAGANIN
Lawyers & Consultants 

IMPORTANT NOTICE

This Prospectus is dated 4 December 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

No offering where offering would be illegal

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

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia or New Zealand. This Prospectus has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States of America.

Information for New Zealand Residents

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and

New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

US securities law matters

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

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the

Offer to any person in the US; and

- (d) it will not offer or sell the Securities in the US or in any other jurisdiction outside Australia or New Zealand except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.kaiserreef.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 8 9481 0389 during office hours or by emailing the Company at admin@kaiserreef.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section D of the Investment Overview as well as Section 6 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

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

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or

achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise 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, except where required by law.

These 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. These risk factors are set out in Section 6.

Competent Persons statement

The information in the Investment Overview Section of the Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and Independent Technical Report (Victorian Projects) included at Annexure B of the Prospectus, which relate to exploration targets, exploration results and mineral resources of the New Project is based on information compiled by Mr Stuart Hutchin. Mr Hutchin has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Mr Hutchin is a full time employee of Mining One Consultants. Mr Hutchin consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

The information included at Section 5, and Independent Technical Report (Victorian Projects) included at Annexure B of the Prospectus, which relate to the scoping study incorporated by reference into this Prospectus (refer to Section 5.5.4) is based on an assessment completed by Mr Simon Curd, an employee of Mining One Consultants. Mr Curd is a Member of the Australasian Institute of Mining and Metallurgy

and is deemed a Competent Person. Mr Curd has sufficient experience with the type and style of mineralisation of the projects under consideration, the activities being undertaken and is deemed a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Curd consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

The information in the Investment Overview Section of the Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Geologist's Report (NSW Projects), included at Annexure D of the Prospectus, which relate to exploration results of the NSW Projects is based on information compiled by Mr Jeremy Peters. Mr Peters has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Mr Peters is a full-time employee of Burnt Shirt Pty Ltd. Mr Peters consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an

announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

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

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for

your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Change in nature and scale of activities and re-compliance with Chapters 1 & 2 of the ASX Listing Rules

At the Annual General Meeting of the Company to be held on 21 December 2020, Shareholder approval will be sought to change the nature and scale of the Company's activities.

ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules in connection with the Acquisition. This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the requirements for re-admission of the Company to the Official List following a change in the nature and scale of the Company's activities.

Trading in the Company's Securities is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules following completion of the Acquisition.

The Acquisition is conditional on satisfaction of the Conditions. In the event the Conditions are not satisfied the Company will not proceed with the Offer and will repay all application monies received.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus

have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 11.

All references to time in this Prospectus are references to

Australian Western Standard Time.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other

professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on + 61 8 9481 0389.

CORPORATE DIRECTORY

Directors

Adrian Byass
Non-Executive Chairman

Jonathan Downes
Managing Director

David Palumbo
Non-Executive Director

Company Secretary

David Palumbo

ASX Code

KAU

Registered Office

Level 11, 216 St Georges Terrace
PERTH WA 6000

Telephone: + 61 8 9481 0389
Facsimile: +61 8 9463 6103

Email: admin@kaiserreef.com.au
Website: <http://www.kaiserreef.com.au>

Share Registry*

Automatic Registry Services
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Telephone: 02 9698 5414

Auditor*

PKF Perth
Level 4, 35 Havelock Street
WEST PERTH WA 6005

Lead Manager

Peloton Capital Pty Ltd
Level 8, 2 Bligh Street
SYDNEY NSW 2000
AFSL: 406 040

Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO WA 6009

Independent Technical Expert – Victorian Projects

Mining One Consultants
Level 9, 50 Market Street
MELBOURNE VIC 3000

Independent Geologist – NSW Projects

Burnt Shirt Pty Ltd
PO Box 314
NORTHBRIDGE WA 6895

Reports on Title

Victorian Projects
All Mining Legal Pty Ltd

Suite 2, 257 York Street
SUBIACO EAST WA 6008

NSW Projects

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Legal advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

*These entities are included for information purposes only. It has not been involved in the preparation of this Prospectus.

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1. CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of Kaiser Reef Limited (**Kaiser** or **Company**), it gives me great pleasure to invite you to become a shareholder of the Company or to further invest if you are an existing Shareholder.

As announced on 1 October 2020, Kaiser has agreed to a transaction which, following Settlement, will provide the Company with the opportunity to become a high-grade gold producer through the acquisition of an operating gold mine and processing plant owned by Centennial Mining Limited (subject to Deed of Company Arrangement). The Board believes that this will, in turn, allow the Company to capitalise on the strong gold price with the goal being to deliver future returns for Shareholders.

In addition to the opportunity to become a gold producer, the Company remains focussed on continued exploration activities at its current NSW Projects and will embark on exploration programs at the tenements located in Victoria that are proposed to be acquired as part of the Golden River acquisition.

Settlement of the transaction will also result in the Company acquiring ownership of the following gold projects, located within granted mining leases, in the coveted Victorian Goldfields:

- (a) The A1 gold mine which has been in production for the majority of time since its discovery in 1861.
- (b) The Maldon Project which currently has established infrastructure in place and also provides opportunity for further exploration success.

The Board considers that these projects, together with access to existing infrastructure and mining personnel, provide immediate utility and exposure to a development and production company profile.

I am genuinely excited by the operating platform, exploration opportunities and strategic benefits these assets (the subject of the Acquisition) represent.

This Prospectus is seeking to raise up to \$7,500,000 via the issue of Shares at an issue price of \$0.30 per Share under the Offer. The purpose of the Offer is to provide funds to implement the Company's business strategies (set out in Section 5).

The Board has significant expertise and experience in mineral exploration and project development and will aim to ensure that funds raised through the Offer are applied in a cost and value-effective manner to advance the Company's interests.

This Prospectus is issued for the purpose of supporting an application to re-list the Company on ASX. This Prospectus contains detailed information about the Company, its objectives and the Offer, as well as the risks of investing in the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

I look forward to you joining as a Shareholder and your continued support for our Company endeavours.

These are exciting times, and we look forward to sharing in the Company's future success.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Adrian Byass', written in a cursive style.

Adrian Byass
Non-Executive Chairman

2. KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

Lodgement of Prospectus with the ASIC	4 December 2020
Opening Date	4 December 2020
Closing Date of Offers ²	16 December 2020
General Meeting to approve Acquisition Resolutions	21 December 2020
Issue of Securities under the Offers	8 January 2021
Despatch of holding statements	11 January 2021
Expected date for re-quotation on ASX	14 January 2021

- The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants.*
- If the Offers are cancelled or withdrawn before completion of the Offers, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.*

KEY STATISTICS OF THE OFFER

	Full Subscription (\$7,500,000)¹
Offer Price per Share	\$0.30
Shares currently on issue	33,450,001
Shares to be issued under the Offer	25,000,000
Gross Proceeds of the Offer	\$7,500,000
Shares to be issued for the Acquisition ²	53,333,353
Shares to be issued to Peloton Capital ²	2,700,000
Shares to be issued to Empire Capital ³	415,523
Options currently on issue	10,750,000
Advisor Options to be issued to Empire Capital ³	1,344,800
Shares on issue Post-Listing (undiluted)⁴	114,898,877
Market Capitalisation Post-Listing (undiluted)⁵	\$34,469,663
Shares on issue Post-Listing (fully diluted)⁴	126,993,677
Market Capitalisation Post-Listing (fully diluted)⁵	\$38,098,103

Notes:

- Assuming the Full Subscription of \$7,500,000 is achieved under the Offer.
- Refer to Section 8.2 for the material terms of the Acquisition Agreement.
- Refer to Section 9.3 for the terms of the Advisor Options and Section 8.3 for a summary of Corporate Advisor Mandate with Empire Capital.
- Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 5.14 for further details on the likely escrow position.

5. Assuming a Share price of \$0.30, however the Company notes that the Shares may trade above or below this price.

3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Kaiser Reef Limited (ACN 635 910 271) (Company or KAU).	Section 5.1
Who is the Company?	The Company is an Australian public company which was incorporated on 2 September 2019 and admitted to the Official List of the Australian Securities Exchange on 26 February 2020. Since admission to the Official List, the Company's activities have been consisted of exploration, focussed on the Company's Stuart Town Project located in the Lachlan Fold Belt in New South Wales and the Macquarie North Project located in the Lachlan Fold Belt in New South Wales.	Section 5.1
What are the Company's existing projects?	The Company currently holds the interests in the following projects: (a) Stuart Town Project located in the Lachlan Fold Belt in New South Wales, Australia (Stuart Town Project); and (b) Macquarie North Project which is also located in the Lachlan Fold Belt in New South Wales, Australia (Macquarie North Project), (together, the Existing Projects).	Section 5.7 and Annexure D and Annexure E
What is the Acquisition?	On 1 October 2020 the Company announced that it had entered into a binding, conditional option agreement (Acquisition Agreement) with the Founding Shareholders of Golden River Resources pursuant to which the Company was granted an exclusive option (Option) to acquire that proportion of the issued capital of GRR held at Settlement by the Founding Shareholders. GRR will, subject to effectuation of the DOCA described below, hold 100% of the issued capital of Centennial Mining Limited (ACN 149 308 921) (subject to Deed of Company Arrangement) (Centennial Mining or CTL), which is the owner of the Victorian Projects, located in Victoria.	Section 5.2
What is the consideration	The consideration payable by the Company for the Acquisition is 53,333,353 Shares to the shareholders of Golden River Resources.	Section 8.2

Item	Summary	Further information
payable for the Acquisition?	Refer to Section 8.2 for the material terms of the Acquisition Agreement.	
What is the Victorian Projects?	<p>The Victorian Projects consists of:</p> <ul style="list-style-type: none"> (a) the A1 gold mine which is in currently in production and project located within mining licence MIN 5294 in Eastern Victoria, 23 kilometres south-southeast of Jamieson; (b) a 150,000+tpa CIP processing plant, which is fully permitted and operational. The plant is adjoined by tailings storage facilities and is located proximal to the town of Maldon in Central Victoria. Ore from the A1 Project is treated here; and (c) exploration assets forming the Maldon Project. The Maldon Project contains mines including the Union Hill mine (on care and maintenance). The license(s) encompass the majority of producing reefs in the Maldon Project which, between 1856 and 1926, produced over 1,700,000oz Au at an average grade of 28 g/t. This package is adjoined by an Exploration Licence Application EL3422). <p>All of the tenements which form part of the Victorian Projects are owned by Centennial Mining either beneficially or directly.</p>	Section 5.5, Annexure B and Annexure C
Where can I find further information regarding the Victorian Projects?	Detailed information regarding the Victorian Projects can be found in the Independent Technical Report (Annexure B) and Solicitor's Report on Title (Annexure C).	Annexure B and Annexure C
Why is the Board pursuing the Acquisition?	<p>The Board believes that the Acquisition is a compelling and value accretive purchase for Shareholders. The addition of two high-grade and significant projects, also located on the Lachlan Fold Belt, adds substantial exploration opportunity and de-risks the current exploration being conducted at the Stuart Town Project in New South Wales. In addition, the currently operating A1 Project has potential to be expanded with further drilling and geological modelling.</p> <p>The fully permitted and operating processing plant which forms part of the Victorian Projects is also considered a valuable and strategic asset for ongoing production and providing</p>	Section 5.6

Item	Summary	Further information
	<p>the opportunity for any future discoveries made in the region.</p> <p>Upon Settlement, the Acquisition will propel the Company into the highly sought after Victorian high-grade gold district and provide the Company with immediate gold production at the A1 Project and exposure to an operating gold treatment plant utilising crush, grind and CIL processing to produce gold dore on site at the Porcupine Flat gold processing plant.</p> <p>The Board believes that the assets which form the Victorian Projects provide an exceptional opportunity for the Company to capitalise on the gold price and supports the Company's vision to become a gold producer generating return for Shareholders.</p>	
How will the Acquisition be implemented?	At the Company's upcoming Annual General Meeting, the Company will seek Shareholder approval for the change in the nature and scale of the Company's activities, as well as approval for the Acquisition Resolutions.	
Who is Golden River Resources?	<p>Golden River Resources is an Australian proprietary company limited by shares which was incorporated as a special purpose vehicle to acquire and hold 100% of the issued capital of Centennial Mining, which owns the Victorian Projects.</p> <p>Golden River Resources will acquire all of the issued share capital of Centennial Mining subject to effectuation of the Deed of Company Arrangement entered into in October 2020 (DOCA).</p>	Section 5.3
Who is Centennial Mining?	<p>Centennial Mining is an unlisted public company (delisted from ASX on 28 August 2019) which is an unrelated party of the Company. Centennial Mining is the owner of the Victorian Projects the subject of the Acquisition.</p> <p>Subject to effectuation of the DOCA, the sole shareholder of Centennial Mining will be Golden River Resources.</p>	Section 5.4
What are the key investment highlights?	<p>The Board is of the view that an investment in the Company provides the following non-exhaustive list of key highlights:</p> <ul style="list-style-type: none"> (a) the Company will acquire 100% of the Victorian Projects pursuant to the Acquisition; (b) the potential re-rating and increase in market capitalisation of the Company following completion of the 	Section 5

Item	Summary	Further information
	<p>Acquisition may lead to improved access to equity and debt funding opportunities; and</p> <p>(c) the Company will re-comply with the ASX Listing Rules, ensuring its reinstatement to quotation and continued liquidity of its Securities (however, the Company notes that the ASX reserves the right to re-admit the Company and there is no guarantee that the Company will successfully re-comply with Chapters 1 and 2 of the ASX Listing Rules.</p>	
B. Business Model		
<p>What is the strategy of the Company post-Settlement of the Acquisition and re-listing?</p>	<p>The primary objectives of the Company following Settlement and re-listing on ASX is:</p> <p>(a) in relation to the Victorian Projects:</p> <p>(i) initially focus on a targeted drill program at depth to increase confidence in and extend gold mineralisation; and</p> <p>(ii) conduct a full review of the Centennial Mining assets including equipment and future mine plans;</p> <p>(b) in relation to the NSW Projects:</p> <p>(i) continue exploration at the Stuart Town Project including follow-up drill testing on encouraging results; and</p> <p>(ii) examine and identify other prospect areas that warrant drill testing.</p>	<p>Section 5.9</p>
<p>What are the key dependencies of the Company's strategy?</p>	<p>The key dependencies of the Company's business model include:</p> <p>(a) the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable re-admission to quotation of the Company's Shares;</p> <p>(b) Settlement of the Acquisition;</p> <p>(c) exploration success resulting in increased confidence in, and extent of known, gold mineralisation;</p> <p>(d) reviewing LOM planning and recovery modelling;</p> <p>(e) tailings disposal options; and</p>	<p>Section 5.10</p>

Item	Summary	Further information
	(f) possible expansions to existing production capacity at the Victorian Projects.	
C. Key Advantages		
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <p>(a) subject to raising the Full Subscription, the Company will have sufficient funds to implement the key strategies described above; and</p> <p>(b) a highly credible and experienced team to progress exploration and accelerate development of the Projects.</p>	Section 5
D. Key Risks		
Settlement and DOCA risk	<p>Pursuant to the Acquisition Agreement, the Company has been granted an option to acquire 100% of the issued capital of GRR, the exercise and completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the Acquisition cannot be fulfilled and, in turn, that completion of the Acquisition will not occur. If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.</p> <p>In addition, Centennial Mining is currently subject to the DOCA, which requires, among other things, that certain DOCA conditions be satisfied in order for the DOCA to be wholly effectuated. Effectuation of the DOCA, in turn, is a condition subsequent to Settlement. There is a risk that if the DOCA conditions are not satisfied, the Acquisition will not proceed.</p>	Section 6.2
Re-quotation of Securities on ASX	<p>The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List.</p> <p>Trading in the Company's Securities is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Proposed Acquisition. The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition and</p>	Section 6.2

Item	Summary	Further information
	<p>satisfying all other requirements of ASX for the reinstatement to Official Quotation of the Company's Securities on the ASX (among other things).</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Securities on the ASX. Should this occur, the Securities will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares and Options until such time as it does re-comply with the ASX Listing Rules.</p>	
Dilution risk	<p>The Company currently has 33,450,001 Shares and 10,750,000 Options on issue. Under this Prospectus, the Company proposes to issue:</p> <ul style="list-style-type: none"> (a) 53,333,353 Consideration Shares to the GRR Shareholders; (b) 25,000,000 Shares under the Offer; and (c) 2,700,000 Shares to the Lead Manager, <p>which means that, subject to the satisfaction of the Conditions:</p> <ul style="list-style-type: none"> (d) the existing Shareholders as at the date of this Prospectus will retain approximately 29.11% of the Company's issued Share capital; (e) the GRR Shareholders will hold approximately 46.42% of the Company's issued Share capital following completion of the Acquisition; and (f) the investors under the Offer will hold approximately 21.76% of the Company's issued Share capital at Full Subscription. 	Section 6.2
Exploration risk	<p>Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Victorian Projects or NSW Projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal</p>	Section 6.3

Item	Summary	Further information
	weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.	
Mining risk	When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. Each ore body is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire ore body.	Section 6.3
Mine development risk	Ongoing development of mining operations at the Victorian Projects is dependent on a number of factors including, but not limited to, the delineation of economically recoverable mineralisation, favourable geological conditions, receiving and maintaining the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.	Section 6.3
Operating and project risks	The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward. The Company's mining, exploration and development activities will be subject to numerous operational risks, many of which are beyond the Company's control.	Section 7.3
Other risks	For additional Company specific risks please refer to Section 6.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the	Sections 6.2, 6.3 and 6.4

Item	Summary	Further information												
	Company and its Directors, please refer to Sections 6.3 and 6.4 .													
E. Directors and Key Management Personnel														
Who are the Directors?	<p>The Board consists of:</p> <p>(a) Adrian Byass – Non-Executive Chairman;</p> <p>(b) Jonathan Downes – Executive Director; and</p> <p>(c) David Palumbo – Non-Executive Director.</p> <p>The profiles of each of the Directors are set out in Section 7.1.</p>	Section 7.1												
Will there be any Board changes as a result of the Acquisition?	No, there is no present intention to change the composition of the Board on completion of the Acquisition.	Section 7.1												
What are the significant interests of Directors in the Company?	<p>As at the date of this Prospectus, the Directors have relevant interests in Securities as follows:</p> <table border="1" data-bbox="613 926 1196 1121"> <thead> <tr> <th data-bbox="613 926 886 978">Director</th> <th data-bbox="891 926 1029 978">Shares¹</th> <th data-bbox="1034 926 1196 978">Options</th> </tr> </thead> <tbody> <tr> <td data-bbox="613 978 886 1024">Jonathan Downes²</td> <td data-bbox="891 978 1029 1024">3,185,000</td> <td data-bbox="1034 978 1196 1024">4,000,000⁴</td> </tr> <tr> <td data-bbox="613 1024 886 1071">Adrian Byass³</td> <td data-bbox="891 1024 1029 1071">3,000,000</td> <td data-bbox="1034 1024 1196 1071">4,000,000⁴</td> </tr> <tr> <td data-bbox="613 1071 886 1121">David Palumbo</td> <td data-bbox="891 1071 1029 1121">100,000</td> <td data-bbox="1034 1071 1196 1121">200,000⁵</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> <li data-bbox="613 1163 1196 1220">Fully paid ordinary shares in the capital of the Company. <li data-bbox="613 1226 1196 1310">Held beneficially through Kiandra Nominees Pty Ltd <JK Downes Family Trust>, a company associated with Mr Downes. <li data-bbox="613 1316 1196 1400">Held beneficially through Valiant Equity Management Pty Ltd <Byass Family Trust>, a company associated with Mr Byass. <li data-bbox="613 1407 1196 1520">Comprising 2,000,000 Options exercisable at \$0.30 on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 each on or before 31 January 2024. <li data-bbox="613 1526 1196 1640">Comprising 100,000 Options exercisable at \$0.30 on or before 31 January 2023 and 100,000 Options exercisable at \$0.40 each on or before 31 January 2024. <p>The Directors will not participate in the Offers.</p>	Director	Shares ¹	Options	Jonathan Downes ²	3,185,000	4,000,000 ⁴	Adrian Byass ³	3,000,000	4,000,000 ⁴	David Palumbo	100,000	200,000 ⁵	Section 7.2
Director	Shares ¹	Options												
Jonathan Downes ²	3,185,000	4,000,000 ⁴												
Adrian Byass ³	3,000,000	4,000,000 ⁴												
David Palumbo	100,000	200,000 ⁵												
What remuneration is paid to the Directors by the Company?	The details of the remuneration paid to the Directors by the Company are set out in Section 7.2.	Section 7.2												
What are the significant interests of	The Lead Manager of the Offer, Peloton Capital and its associates, currently hold 1,015,000 Shares and 1,750,000 Options in the	Section 4.4												

Item	Summary	Further information
advisors to the Company?	<p>Company and a \$460,000 convertible note in Golder River Resources.</p> <p>In addition, pursuant to the Acquisition Agreement, Peloton Capital is to receive an equity fee of \$810,000 in respect of its role in arranging the GRR Convertible Note issue (being 6% of the total amount raised). Subject to receipt of Shareholder approval, which is being sought at the Annual General Meeting, the Company will issue Peloton Capital (or its nominees) 2,700,000 Shares at a deemed issue price of \$0.30 per Share for services provided in arranging the convertible note issue undertaken by Golden River Resources, further details on which are set out in Section 5.4.</p>	
What other allocations will be made under the Offer?	<p>In relation to the Public Offer, 5,166,667 Shares will be made available to the general public and 11,500,000 Shares may be subscribed for by current creditors of Centennial Mining.</p> <p>Creditors of Centennial Mining who validly apply under the Public Offer will be given preference in respect of the allocation of up to 11,500,000 Shares under the Public Offer. To the extent that these Shares are not taken up by the relevant creditors of Centennial Mining, they will form part of the Public Offer available to the general public (or additional applications received under the Priority Offer).</p>	Sections 4.2 and 4.10
Does the Company have in place an employee incentive scheme?	<p>The Company has adopted an employee incentive scheme titled "Performance Rights and Option Plan", the key terms of which are set out in Section 9.1.</p>	Section 9.1
What related party agreements are the Company party to?	<p>Agreements between the Company and its Directors are set out in Section 8.4.</p>	Section 8.4
F. Financial Information		
How has the Company been performing?	<p>The audited historical financial information of the Company (including its subsidiaries) as at 30 June 2020 is set out in Annexure A.</p>	Annexure A
Is financial information of Golden River Resources and Centennial	<p>The audited historical financial information of Golden River Resources (for the period since incorporation to 31 October 2020) is set out in Annexure A and the audited historical financial information for Centennial Mining for</p>	Annexure A

Item	Summary	Further information
Mining available?	the financial years ended 30 June 2018, 2019 and 2020 is set out in Annexure A.	
What is the financial outlook for the Company?	The Directors do not consider it possible to reliably prepare a best estimate forecast or projection of future earnings.	Annexure A
G. Offers		
What is the Offer?	<p>The Offer is an offer of up to 25,000,000 Shares at an issue price of \$0.30 per Share to raise up to \$7,500,000 (before costs).</p> <p>The Offer comprises:</p> <ul style="list-style-type: none"> (a) a Priority Offer to Eligible Shareholders of the Company as at the Record Date; and (b) the Public Offer. 	Section 4.1
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is the Full Subscription amount of \$7,500,000.	Section 4.2
What are the purposes of the Offer?	<p>The primary purpose of the Offers are to:</p> <ul style="list-style-type: none"> (a) assist the Company to meet the re-admission; (b) provide the Company with additional funding to progress exploration at the Projects; (c) remove the need for an additional disclosure document to be issued upon the sale of any Securities that are to be issued under the Offers, including any Shares issued upon exercise of any Options; and (d) provide the Company with sufficient working capital. <p>The Company intends to apply the funds raised under the Offer along with its current cash reserves in the manner detailed in Section 5.11.</p>	Section 4, Section 5.11
Is the Offer underwritten?	The Offer is not underwritten.	
Who is the lead manager to the Offer?	<p>The Company has appointed Peloton Capital as Lead Manager to the Offer.</p> <p>The Lead Manager will receive the following fees:</p> <ul style="list-style-type: none"> (a) a capital raising fee of 6% of an agreed amount raised under the Offer (currently estimated at approximately \$3,800,000). This fee 	Sections 4.4 and 8.1

Item	Summary	Further information
	<p>excludes funds raised via the Chairman's list where a 1% co-ordination fee will be payable to the Lead Manager; and</p> <p>(b) a monthly advisory fee of \$8,000 (exclusive of GST) for the provision of corporate advisory services in relation to the Offer, payable monthly from 13 October 2020 for a period of 12 months.</p> <p>The material terms and conditions of the Lead Manager Mandate are set out in Section 8.1.</p>	
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.13
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.9
What is the allocation policy?	The allocation policy under the Offer is set out in Section 4.10. There is no assurance that any applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 4.11
What will the Company's capital structure look like on completion of the Offer and Acquisition?	The Company's capital structure on a post-Offer basis is set out in Section 5.12.	Section 5.12
What are the terms of the Shares offered under the Offer?	A summary of the rights attaching to the Shares offered under the Offers are set out in Section 9.2.	Section 9.2
Will any Shares be subject to escrow?	<p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that 2,700,000 Shares which will be issued to Peloton</p>	Section 5.9

Item	Summary	Further information
	<p>Capital (or its nominees) 415,523 Shares and 1,344,800 Shares to be issued to Empire Capital (or its nominees) and 8,333,334 Shares to be issued between the Founding Shareholders of GRR as consideration for the Acquisition will be subject to escrow for a period of 24 months from the date of re-admission of the Company's Shares to ASX.</p> <p>The Company also presently has 6,650,000 Shares and 10,500,000 Options which are subject to ASX imposed escrow requirements.</p> <p>During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of re-admission to the Official List) will be approximately 84.39% comprising all Shares issued following completion of the Acquisition, other than Shares subject to ASX imposed escrow or held by Directors or promoters.</p>	
<p>What other Offers are being made under this Prospectus?</p>	<p>This Prospectus includes an offer of 2,700,000 Shares to be issued to Peloton Capital (or its nominees) in respect of its role in arranging the GRR Convertible Note issue. Only Peloton Capital (or its nominees) may accept the Broker Offer.</p> <p>This Prospectus includes an offer of 53,333,353 Shares to be issued to the GRR Shareholders (or their nominees) in consideration for the Acquisition. Only the GRR Shareholders may accept the Consideration Offer.</p> <p>This Prospectus includes an offer of 415,523 Shares and 1,344,800 Advisor Options to be issued to Empire Capital (or its nominees) in consideration for corporate advisory services provided in respect of the Acquisition. Only Empire Capital (or its nominees) may accept the Advisor Offer.</p>	<p>Sections 4.5, 4.6 and 4.7</p>
<p>Will the Shares be quoted on ASX?</p>	<p>Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.</p>	<p>Section 4.11</p>

Item	Summary	Further information
	The Options issued under the Advisor Offer will be unquoted.	
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (6,667 Shares) and thereafter, in multiples of \$500 worth of Shares (1,667 Shares).	Section 4.9
Are there any conditions to the Offer?	<p>The Offers are conditional on:</p> <ul style="list-style-type: none"> (a) Shareholders approving the Acquisition Resolutions at the Annual General Meeting; (b) the Full Subscription to the Offer being reached; (c) ASX granting conditional approval for the Company's Securities to be re-admitted to the Official List; and (d) the Acquisition Agreement becoming unconditional, <p>(together, the Conditions).</p> <p>The Offer will only proceed if all Conditions are satisfied.</p>	Section 4.8
H. Use of funds		
How will the proceeds of the Offer be used?	<p>The Offer proceeds and the Company's existing cash reserves will be used for:</p> <ul style="list-style-type: none"> (a) implementing the Company's business objectives and strategies as set out in Part B of Investment Overview; (b) infrastructure costs and expenditure at the Victorian Projects and NSW Projects; (c) expenses of the Acquisition and Offer; and (d) administration and working capital costs, <p>further details of which are set out in Section 5.11.</p>	Section 5.11
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 5.11

Item	Summary	Further information
I. Additional information		
Is there any brokerage, commission or duty payable by applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.</p> <p>However, the Company will pay to the Lead Manager 6% (ex GST) of the total amount raised under the Prospectus as a capital raising fee.</p>	Section 8.1
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants.</p> <p>If the Offer does not proceed, application monies will be refunded (without interest).</p>	Section 4.17
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 4.16
What is the Company's Dividend Policy?	<p>The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 5.11
What are the corporate governance principles and	To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i>	Section 7.4

Item	Summary	Further information
policies of the Company?	<p>as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 7.4.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website (https://www.kaiserreef.com.au/).</p>	
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Company Secretary, on + 61 8 9481 0389; or</p> <p>(c) By contacting the Share Registry on (02) 9698 5414.</p>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4. DETAILS OF THE OFFERS

4.1 The Offer

The Offer is an offer of up to 25,000,000 Shares at an issue price of \$0.30 per Share to raise up to \$7,500,000 (**Full Subscription**).

The Offer comprises:

- (a) **Priority Offer** – a priority offer to Eligible Shareholders up to the amount of up to \$2,500,000; and
- (b) **Public Offer** – an offer to the general public and creditors of Centennial Mining of up to \$5,000,000.

The Shares issued under the Offers will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the rights attaching to the Shares is set out in Section 9.2.

In relation to the Public Offer, \$1,550,000 worth of Shares will be made available to the general public and \$3,450,000 worth of Shares may be subscribed for by current creditors of Centennial Mining. Please refer to Section 4.10 for the Company's allocation policy in relation to the Public Offer.

4.2 Minimum subscription

The minimum subscription for the Offer is the Full Subscription amount of \$7,500,000 (25,000,000 Shares).

If the Full Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.3 Oversubscriptions

No oversubscriptions above the Full Subscription will be accepted by the Company under the Offer.

4.4 Lead Manager

The Company has appointed Peloton Capital Pty Ltd (ACN 149 540 018) (AFSL 406 040) (**Lead Manager**) as lead manager to the Offer. The Lead Manager will receive:

- (a) a capital raising fee of 6% of an agreed amount raised under the Offer (currently estimated at approximately \$3,800,000). This fee excludes funds raised via the Chairman's list where a 1% co-ordination fee will be payable to the Lead Manager; and
- (b) a monthly advisory fee of \$8,000 (exclusive of GST) for the provision of corporate advisory services in relation to the Offer, payable monthly from the 13 October 2020 for a period of 12 months.

For further information in relation to the appointment of the Lead Manager, please refer to Section 8.1.

In addition, pursuant to the Acquisition Agreement, Peloton Capital is to receive an equity fee of \$810,000 in respect of its role in arranging the GRR Convertible Note issue. Subject to receipt of Shareholder approval, which is being sought at the Annual General Meeting, the Company will issue Peloton Capital (or its nominees) 2,700,000 Shares at a deemed issue price of \$0.30 per Share for services provided in arranging the convertible note issue undertaken by Golden River Resources, further details on which are set out in Section 5.4.

Peloton Capital and its associates currently hold 1,015,000 Shares and 1,750,000 Options in the Company and a \$460,000 convertible note in Golden River Resources.

4.5 Broker Offer

This Prospectus includes an offer of 2,700,000 Shares (**Broker Shares**) to be issued to Peloton Capital (or its nominees) in respect of its role in arranging the GRR Convertible Note issue (**Broker Offer**).

The material terms and conditions of the Acquisition Agreement are summarised in Section 8.2.

Only Peloton Capital (or its nominees) may accept the Broker Offer. A personalised Application Form in relation to the Broker Offer will be issued to these parties together with a copy of this Prospectus.

4.6 Consideration Offer

This Prospectus includes an offer of 53,333,353 Shares (**Consideration Shares**) to be issued to the GRR Shareholders (or their nominees) in consideration for the Acquisition (**Consideration Offer**).

The material terms and conditions of the Acquisition Agreement are summarised in Section 8.2.

Only the GRR Shareholders may accept the Consideration Offer. A personalised Application Form in relation to the Consideration Offer will be issued to these parties together with a copy of this Prospectus.

4.7 Advisor Offer

This Prospectus includes an offer of 415,523 Shares and 1,344,800 Advisor Options to be issued to Empire Capital (or its nominees) in consideration for corporate advisory services provided in respect of the Acquisition (**Advisor Offer**).

The material terms and conditions of the Corporate Advisor Mandate are summarised in Section 8.3.

Only Empire Capital (or its nominees) may accept the Advisor Offer. A personalised Application Form in relation to the Advisor Offer will be issued to these parties together with a copy of this Prospectus.

4.8 Conditions of the Offers

The Offers are conditional upon the following events occurring:

- (a) Shareholders approving the Acquisition Resolutions at the Annual General Meeting;

- (b) the Full Subscription to the Offer being reached;
- (c) ASX granting conditional approval for the Company to be re-admitted to the Official List; and
- (d) the Acquisition Agreement becoming unconditional (which includes effectuation of the DOCA),

(together the **Conditions**).

If these Conditions are not satisfied then the Offers, and the Acquisition, will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest. The Company will continue to progress its NSW Projects and look for potential business acquisitions to continue take the Company forward.

4.9 Purpose of the Offers

The primary purposes of the Offers are to:

- (a) assist the Company to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules; and
- (b) provide the Company with additional funding to progress exploration and development of the Victorian Projects.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.11.

4.10 Applications

Applications for Securities under the Offers must be made by investors at the direction of the Company and must be made using the relevant Application Form attached to or accompanying this Prospectus in accordance with the instructions set out on the Application Form as follows:

- (a) using an online Application form at <https://investor.automic.com.au/#/w/kaiserreef> or <https://investor.automic.com.au/#/w/kaiserreefpriority> and pay the application monies electronically; or
- (b) Completing a paper-based application using the relevant Application Form attached to or accompanying this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

Applicants should note that there are two separate Application Forms:

- (a) a Priority Offer Application Form for Eligible Shareholders; and
- (b) a Public Offer Application Form for all other Applicants.

By completing an Application Form, you will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (6,667) Shares and thereafter in multiples of 1,667 Shares and payment for the Shares must be made in full at the issue price of \$0.30 per Share.

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Application in full, you are deemed to have applied for such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offers early.

Priority Offer Applications

Eligible Shareholders can apply under the Priority Offer. Eligible Shareholders are Shareholders of the Company with a registered address in Australia or New Zealand on the Record Date.

Under the Priority Offer, up to 8,333,334 Shares (representing \$2,500,000) have been set aside for Eligible Shareholders. Eligible Shareholders will be allocated Shares under the Priority Offer at the discretion of the Company. If the Company receives Applications from Eligible Shareholders for more than 8,333,334 Shares, the Company intends to treat such additional Applications under the Priority Offer as being made under the Public Offer, subject to such additional Applications satisfying the minimum application size of 6,667 Shares as required under the Public Offer. Applications under the Priority Offer must be made using the personalised Priority Offer Application Form accompanying this Prospectus, which contains the details of the Eligible Shareholder.

Applications under the Priority Offer can only be made in the registered name of the Eligible Shareholder set out on the personalised Priority Offer Application Form accompanying this Prospectus. If you wish to apply for Shares under the Offer in a name other than the Eligible Shareholder, you must apply using a Public Offer Application Form.

Public Offer Applications

Application for Shares under the Public Offer must be made using the Public Offer Application Form.

The Closing Date for the Offer is 5:00pm (WST) on 16 December 2020, or such earlier or later date as the Directors, in their absolute discretion, may determine. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

Broker Offer Applications

Applications for Broker Shares under the Broker Offer will be issued to Peloton Capital (or its nominees) personally.

Consideration Offer Applications

Applications for Consideration Shares under the Consideration Offer will be issued to the GRR Shareholders personally.

Advisor Offer Applications

Applications for Shares and Advisor Options under the Advisor Offer will be issued to Empire Capital (or its nominees) personally.

How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may download a copy of the Prospectus from the Company's website www.kaiserreef.com.au. You may also obtain a copy of this Prospectus from the Company. Please call the Company Secretary, David Palumbo, on + 61 8 9481 0389 to obtain a copy.

4.11 Allocation policy under the Priority Offer and Public Offer

Eligible Shareholders who validly apply under the Priority Offer will be given preference in respect of the allocation of up to 8,333,334 Shares. The allocation of Shares under the Priority Offer will be at the discretion of the Company.

If the Company receives Applications from Eligible Shareholders for more than 8,333,334 Shares, the Company intends to treat such additional Applications under the Priority Offer as being made under the Public Offer, subject to such additional Applications satisfying the minimum application size of 6,667 Shares as required under the Public Offer.

The Company retains an absolute discretion to allocate Shares under the Priority Offer and reserves the right, in its absolute discretion, to issue to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application Form. If the number of Shares issued is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

In relation to the Public Offer, 16,666,667 Shares will be made available to the general public and creditors of Centennial Mining. Creditors of Centennial Mining who validly apply under the Public Offer will be given preference in respect of the allocation of up to 11,500,000 Shares under the Public Offer. To the extent that these Shares are not taken up by the relevant creditors of Centennial Mining, they will form part of the Public Offer available to the general public (or additional applications received under the Priority Offer).

Other than creditors of Centennial Mining who apply for their allocated quantum of Shares under the Public Offer, no Applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by the Board will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company's decision on the number of Shares to be allocated to an Applicant will be final. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.12 ASX Listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three (3) months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The Company will not apply for Official Quotation of the Options issued pursuant to this Prospectus.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.13 Issue

Subject to the satisfaction of all of the Conditions (see Section 4.8), the issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in conjunction with the Lead Manager) will determine the recipients of the Shares under the Priority Offer and the Public Offer in their sole discretion in accordance with the allocation policy detailed in Section 4.11. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less

than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

4.14 Applicants outside Australia and New Zealand

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these 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 otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia or New Zealand. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia or New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.15 New Zealand

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014. Refer to the Important Notices Section.

4.16 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.17 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company 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, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.18 Withdrawal of Offers

The Offers may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

5. COMPANY AND PROJECTS OVERVIEW

5.1 Background

Kaiser Reef Limited (ACN 635 910 271) (ASX: KAU) is an Australian public company which has been listed on the Official List since 26 February 2020. The Company's primary activities have focused on mineral exploration, focussed on the Company's NSW Projects, namely:

- (a) the Stuart Town Project located in the Lachlan Fold Belt in New South Wales; and
- (b) the recently acquired Macquarie North Project which is also located in the Lachlan Fold Belt in New South Wales,

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

5.2 Acquisition

On 1 October 2020, the Company announced that it had entered into a binding, conditional option agreement (**Acquisition Agreement**) with the Founding Shareholders of Golden River Resources pursuant to which the Company was granted an exclusive option (**Option**) to acquire that proportion of the issued capital of GRR held at Settlement by the Founding Shareholders. GRR will, subject to effectuation of the DOCA described below, hold 100% of the issued capital of Centennial Mining Pty Ltd (ACN 149 308 921) (subject to Deed of Company Arrangement) (**Centennial Mining** or **CTL**). CTL is the owner of the Victorian Projects.

The Victorian Projects consists of:

- (a) the A1 Project located within mining licence MIN 5294 in Eastern Victoria, 23 kilometres south-southeast of Jamieson. The tenement is 100% owned by Centennial Mining. To date, in excess of 495,000oz of gold has been produced from the A1 gold mine;
- (b) a 150,000+tpa CIP processing plant. The plant is permitted and operational. This plant is adjoined by tailings storage facilities and is located proximal to the town of Maldon in Central Victoria. Ore from the A1 Gold Mine is treated at this facility; and
- (c) exploration assets comprising the Maldon Project. The Maldon Project contains projects including the Union Hill project (on care and maintenance). The license(s) encompass the majority of producing reefs in the Maldon Project which, between 1856 and 1926, produced over 1,700,000oz of gold at an average grade of 28 g/t. All tenements are held 100% by Maldon Resources Pty Ltd, a wholly owned subsidiary of Centennial Mining.

The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals required to effect the Acquisition and the Company satisfying all other requirements of ASX for reinstatement to official quotation of the Company's Shares on the ASX (among other conditions).

Subject to Settlement occurring, the consideration under the Acquisition Agreement consists of the issue of 53,333,353 Shares, which will be issued pro rata to all of the GRR Shareholders based on their interest in Golden River Resources.

Further details regarding the Acquisition Agreement are set out in Section 8.2.

Following Settlement, the corporate structure of the Company is anticipated to be as follows:



Note:

1. The Company currently has one wholly-owned subsidiary, Chase Metals Pty Ltd, the holder of NSW Projects.

5.3 Golden River Resources

Golden River Resources is an Australian proprietary company limited by shares which was incorporated as a special purpose vehicle to acquire 100% of the issued capital of Centennial Mining, which owns the Victorian Projects.

Golden River Resources will acquire all of the issued share capital of Centennial Mining subject to effectuation of the Deed of Company Arrangement entered into in October 2020 (**DOCA**).

There are currently 2,500,000 shares on issue in GRR, held by its Founding Shareholders and 13,500,000 convertible notes, each with a face value of \$1.00. The purpose of the issue of the convertible notes by GRR is set out in Section 5.4. It is a condition precedent to Settlement that the Company makes separate offers, under a more short form agreement, to each Golden River convertible note holder, and each of those convertible note holders agree to sell their respective GRR Shares on conversion of their convertible notes, to the Company pursuant to the separate offer.

The GRR Shareholders are unrelated parties of the Company and will be issued a total of 53,333,353 Shares as consideration for the Acquisition.

5.4 Centennial Mining

Centennial Mining is an unlisted public company (delisted from ASX on 28 August 2019) which is an unrelated party of the Company. Centennial Mining is the owner of the Victorian Projects.

Centennial Mining appointed Korda Mentha as voluntary administrators on 21 March 2019. A deed of company arrangement was subsequently approved by creditors and Korda Mentha have been acting Deed Administrators since

7 June 2019. Golden River Resources submitted a DOCA proposal to the Deed Administrators on 17 September 2020. Centennial Mining's creditors approved the DOCA pursuant to section 445A of the Corporations Act at a creditors' meeting on 13 October 2020.

Under the DOCA, Golden River Resources, as the proponent, must pay to the Deed Administrators, upon the conditions precedent to the DOCA being satisfied, an amount of \$13,500,000 (the **Proponent Sum**) (less any amounts that GRR has already paid). In September 2020, Golden River Resources issued 13,500,000 convertible notes with a face value of \$1.00 per convertible notes by way of an offer to professional and sophisticated investors to raise the Proponent Sum.

Subject to effectuation of the DOCA, the sole shareholder of Centennial Mining will be Golden River Resources. The conditions precedent to effectuation of the DOCA include the satisfaction of all the conditions precedent to the "Listco Transaction" other than completion.

5.5 Victorian Projects

5.5.1 History of operations

The A1 Project was discovered in 1861 at an outcrop known as Castle Reef.

Underground mining accessed by two shafts with mining to a depth of approximately 700 metres below surface continued until 1992. Historical records show total production of over 495,000 oz gold from underground and an additional 180,000 oz (approximately) in alluvial production from the local area bringing total production to 620,000 oz gold by 1992.

A summary of the history of the operations of Centennial Mining history is set out below.

In 2008, Gaffney's Creek Gold Mine Pty Ltd acquired mining leases over the A1 Project. These leases have since been consolidated into the current mining lease which is held by Centennial Mining (MIN 5294). In 2009, decline development was commenced by Heron Resources Limited under an option to purchase agreement in existence at the time.

In 2011, A1 Consolidated Gold Limited (**A1 Consolidated**) (in agreement with Heron Resources Limited) acquired the A1 Project and accompanying mining lease.

In mid-2015, A1 Consolidated completed the purchase of the Maldon gold operations from Octagonal Resources Limited. These assets included the Porcupine Flat processing plant as well as mining leases over the Maldon Project.

During early 2016, Pybar commenced as the underground mining contractor to advance the decline. Mechanised mining and development was then suspended in June 2016 while diamond drilling was undertaken to delineate the 8352 ore block before mechanised mining recommenced in August 2016. Throughout this period, A1 Consolidated successfully increased hand-held mining above the 1410 level which was followed by mechanised mining of the 8352 ore block between 1410 and 1365 RL until late 2017. A1 Consolidated changed its name to Centennial Mining in late 2016.

During August 2017, Union Hill mine was reopened and work commenced on advancing the decline from 1080 to 1060 RL. A cross cut was developed on the 1060 RL and this facilitated the extraction of approximately 45,000 tonnes of ore

through 2018. Grades were lower than estimated although as orebody knowledge increased the head grade improved. Union Hill ore was mined using mechanised methods and supplemented the A1 Project ore feed to the process plant, while in operation.

Due to capital constraints, a modest gold price and inadequate processing capacity caused by operating dual mines concurrently, and gold grades from mining being below expectations, Union Hill was placed into care and maintenance in November 2018. The final ore extracted from Union Hill was reported as 5g/t gold. In March 2019, Centennial Mining entered into voluntary administration and has continued "limited mining" operations to present. The "limited mining" plan was aimed at sustaining the business while also providing some off-set to holding costs. The initial "limited mining" plan was anticipated to produce around 20% of the nameplate operational capacity and has continued through the administration process to date. Production through administration has reported approximately 37,000 tonnes at 11g/t.

5.5.2 Mining operations

During the administration period, the A1 Project has focussed on Airleg mining methods, following existing mineralisation trends with little exploration drilling. It has operated within limited working capital constraints whilst demonstrating reasonably continuous production and quality. Mine to Mill reconciliation results over the past 17 months provides significant support as to the success of the current short-term forecasts and mining methods. During this period, a significant proportion of these zones were mined without any formal Resource Classification (i.e. unclassified resources) whereby much of the mining forecasts were informed by level drive chip samples and historic mining trends.

Refer to section 2.7 of the Independent Technical Report (Victorian Projects) included at Annexure B for further details.

5.5.3 Tenements

The tenements comprising the Victorian Projects are set out in the table below.

Holder	Number	Area (Ha)	Grant Date	Environmental Bond	Status	Project
Centennial Mining Limited	MIN 5294	107.77	22/08/1990	\$109,000	Current	A1
Maldon Resources Pty Ltd	MIN 5146	706.10	17/12/1996	\$714,000	Current	Maldon
Maldon Resources Pty Ltd	MIN 5528	4.5	22/07/10	\$10,000	Current	Maldon
Maldon Resources Pty Ltd	MIN 5529	4.95	17/02/2013	\$0	Current	Maldon
Centennial Mining Limited	EL007029 (Application)	148 Graticular Sections	N/A	N/A	Application	A1

Refer to the Report on Title (Victorian Projects) included at Annexure C for further details.

5.5.4 Scoping Study on A1 Mine

In November 2020, Mining One Consultants was commissioned by the Company to prepare a scoping study for the A1 Project, which comprises MIN 5294

(A1 Mine Scoping Study). The Company lodged a copy of the A1 Mine Scoping Study with ASIC on 4 December 2020. The lodged A1 Mine Scoping Study is incorporated by reference into this Prospectus by operation of section 712 of the Corporations Act. The Company will give a copy of the A1 Mine Scoping Study to any person who requests a copy during the Offer period, free of charge.

The A1 Mine Scoping Study, referred to in this Prospectus, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this A1 Mine Scoping Study will be realised.

The A1 Mine Scoping Study was prepared based partly on the Resources presented in the Independent Technical Report and on mineralisation trends that were in the proximity of statistically correlated chip samples.

The A1 Mine Scoping Study explored a range of potential scenarios that were based on a combination of Longhole Stopping and Airleg mining methods. Of these scenarios, an “Expected Case” was identified, consisting of differing proportions of Indicated Resources (29%), Inferred resources (58%) and an Exploration Target (13%).

The A1 Mine Scoping Study’s scheduled gold production consists of 76.5% from Longhole Stopping, 11.6% from Airleg Stopping and 11.9% from above Cut-Off development. Whilst the Company’s immediate intention is to continue to operate, it will seek to conduct further exploration with the objective being to increase the current Mineral Resource at the A1 Project. With this aim, the A1 Mine Scoping Study incorporated an exploration and capital budget estimate into a high level cash flow model that Mining One believes is commensurate with the “Expected Case” scenario proposed.

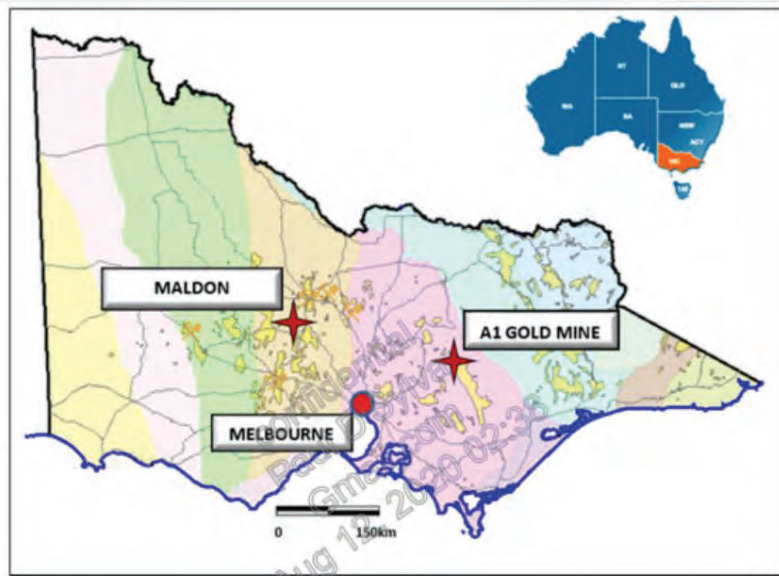
5.5.5 Location and Accessibility

The A1 Project is located 8km northwest of Woods Point and 120km west of Melbourne in the State of Victoria, Australia in the prolific Gaffney’s Creek Goldfield. The mine lies within the Woods Point-Walhalla domain of the Melbourne Zone of the Lachlan Fold Belt which contains a tightly folded sequence of early Devonian turbidites and late Devonian felsic to ultramafic intrusives of the Woods Point Dyke Swarm. Gold mineralisation at A1 Project is hosted by a diorite dyke in structurally controlled quartz vein-shear zones systems.

The project is well serviced by infrastructure with water, grid electricity and partially sealed well maintained roads to site. On-site infrastructure includes ablutions, industrial laundry, mess, office and workshop facilities as well as consumable storage containers, water and fuel storage and other operational requirement facilities general infrastructure.

The Maldon Project comprises of the historic Maldon goldfield, which is located within MIN 5146, MIN 5528 and MIN 5529. The Union Hill underground mine is part of the Maldon goldfield and is currently on care and maintenance. The project is well serviced due to its proximity to Maldon with township infrastructure, power and water. The township of Maldon is located within the project tenure.

The Porcupine Flat processing facility is located approximately 2km north east from the town of Maldon and the goldfield. It is well serviced with infrastructure including power, water and is adjacent to a sealed road which is well established for ore delivery through a weighbridge system.



5.5.6 Porcupine Flat Processing Facility

The Porcupine Flat Gold Processing Facility is located on the eastern arm of 100% Maldon Resources Pty Ltd's owned MIN 5146 adjacent to the Maldon town site, 140 kilometres northwest of Melbourne in central Victoria. The 150 ktpa CIP plant was originally constructed and commissioned in 1989 by Triad Minerals to treat oxide material from the nearby Union Hill open cut, with subsequent milling campaigns including underground sulphide ore from the Eaglehawk and Linscott's reefs in 1996-97 (Alliance Resources Limited) and from the Alliance South Shoot in 2014 (Octagonal Resources Pty Ltd). In 2015 the Company purchased the Porcupine Flat Gold Processing Facility from Octagonal, to process ore primarily from the A1 Project.

Refer to section 3 of the Independent Technical Report (Victorian Projects) included at Annexure B for further details on plant performance, operating costs and tailings and dam capacity options.

5.5.7 Plant, Equipment and Infrastructure

The A1 Project utilises some mining and mobile plant equipment owned by Centennial Mining, which is complimented by hire equipment to conduct mining operations.

Equipment at the A1 Project owned by Centennial Mining includes:

- (a) transportable office and workshop buildings with equipment, excavators, grader, underground loaders, underground drill rig, underground dump trucks, several light vehicles and fire tender; and
- (b) the fixed plant at the Maldon Project (Porcupine Flat) comprising of a primary crushing and screening unit (jaw crusher) and a SAG mill which grinds to p80 at 125um.

Following grinding at the SAG mill, ore slurry is then pumped through leaching and absorption tanks before elution and extraction. This leaching and absorption component is industry standard CIP technology. Gold dore is produced on site and tailings disposed of within adjacent tailings storage facility.

The Union Hill mine at the Maldon Project is on care and maintenance with dewatering continuing. Water is utilised at the Porcupine Flat processing plant.

5.5.8 Regional Geology

The A1 Project is located in the Woods Point-Walhalla goldfield of Central Victoria within the Woods Point-Walhalla synclinorium (**WPWS**). The WPWS is a north-west trending belt of tightly folded Early Devonian sedimentary rocks. At the mine scale at A1 Project these sedimentary rocks have been intruded by a swarm of diorite dykes.

Mineralisation at the A1 Project is hosted within, or immediately adjacent to diorite dykes. This is repeated along strike from the A1 Project. There is a steeply dipping diorite bulge, and the host dykes are cut by reverse faults at the A1 **project**.

The Maldon Project is located in the Central portion of the Bendigo-Ballarat zone of the Lachlan Fold Belt. The host rocks are turbiditic sediments which have undergone several phases of metamorphism and deformation. Dominant, regionally extensive, upright north-south striking folding controls mineralisation. Gold is associated with sulphide assemblages and minor base metals. This mineral association is typically found in quartz veins which are controlled by the regional structures with localised, short-scale offsets.

5.5.9 Mineral Resources

Mineral Resources have been estimated for the A1 Project (MIN 5294) and the Nuggetty Reef project (MIN 5528). These Resources are summarised in Appendix A and Appendix B of the Executive Summary contained in the Independent Technical Report (Victorian Projects) included at Annexure B.

The exploration potential of the A1 mining licence area is considered by Mining One to be very good as increased drilling density into existing drill-defined exploration target areas can be in-fill drilled to define mineralisation to a higher level of confidence. Mineralisation is known to extend at least 200 metres below current working levels and the currently reported Mineral Resource.

5.6 Strategic rationale for Acquisition

The Board believe that the acquisition of Centennial Mining is a compelling and value accretive purchase for Shareholders. The addition of two high-grade and significant projects, also located on the Lachlan Fold Belt, adds substantial exploration opportunity and de-risks the current exploration being conducted at the Stuart Town Project in New South Wales. In addition, the currently operating A1 Project has potential to be expanded with further drilling and geological modelling.

The fully permitted and operating processing plant which forms part of the Victorian Projects is also considered a valuable and strategic asset for ongoing production and supports the rapid and providing the opportunity for any future discoveries made in the region.

The Board believes that the assets which form the Victorian Projects provide an exceptional opportunity for the Company to capitalise on the strong gold price and supports the Company's vision to become a gold producer generating return for Shareholders.

5.7 New South Wales Projects

5.7.1 Overview

(a) **Stuart Town**

The Stuart Town Project is located around 300 km northwest of Sydney. Access from Sydney is via the Great Western Highway to Orange, a distance of 262 km, and a further 62 km to the north on a sealed road. Access within the Project is via station tracks and minor shire roads.

Stuart Town may also be reached by sealed road from Wellington via sealed roads 35 km south of Wellington to the township, via Burrendong Way. It is serviced by the main western railway, which provides regular service to/from Sydney. The closest regular air service is to and from Orange. There is a well-maintained network of shire and farm roads throughout most of the project area.

The area consists of an undulating plateau incised by tributaries of the Macquarie River. The native vegetation is ironbark scrub, partially cleared for farmland. The terrain within the Project area is undulating, with no seasonal restriction of access to the project.

The land has a maximum relief of approximately 270 m and the physiography becomes progressively more rugged to the east of the Project area. Rock outcrop is good outside the reworked alluvial areas.

(b) **Macquarie North Project**

The Macquarie North project is located approximately 150 km East-Northeast of Cobar and approximately 175km North-West of Dubbo and can be accessed by the Mitchell Highway to the west and the Kamilaroi Highway to the north and thence the Carinda and Booka Roads and station tracks.

The Macquarie North Project tenements are located on the GSNSW Walgett 1:250,000 map sheet, Code AH55-15.

The area consists of consist largely of flat to gently sloping alluvial plains of the Darling Riverine Basin.

Refer to section 3 of the Independent Geologist's Report (NSW Projects) at Annexure D for further details on the Stuart Town and Macquarie North projects.

5.7.2 **Stuart Town Project**

(a) **Geology and Mineralisation**

The Stuart Town Project is located in central NSW and is comprised of two granted exploration licences.

Gold mineralisation occurs intermittently along approximately 6 km of the Western Shear and 2 km of the Eastern Shear, in relatively narrow quartz veins. The Kaiser Wilhelm Mine was the largest recorded producer from which 112 kg of Au was mined at an average reported sorted grade of 24 g/t Au.

The Stuart Town Project overlies an interpreted intrusive unit that has been modelled previously by Kratos Uranium (Kratos) whilst in joint venture with Freeport (1984). Carpentaria Exploration Company Pty Ltd (owned by

MIM Limited) described the deep-seated intrusion related gold hypothesis in 1985. This theory postulates a felsic intrusive body at depth being the source of gold mineralisation at Stuart Town. This is based on ground magnetic and gravity surveys, airborne magnetic and radiometric data in conjunction with gold-arsenic-base metal assays from soil sampling and geological mapping.

Only limited drilling has been conducted to date and observation of this drilling indicates that it was ineffective.

An underlying intrusive has been interpreted from geophysics with estimated dimensions of 1,200 m across, an estimated vertical extent of 1,700 m and is interpreted to come within 200 m of the surface. Altered, brecciated and mineralised rhyolites have been observed to occur to the northeast of the interpreted intrusion at Quartz Hill and Specimen Hill.

Refer to section 4 of the Independent Geologist's Report (NSW Projects) at Annexure D for further details on the geology and mineralisation at the Stuart Town Project.

(b) **Exploration to date**

The Company's focus during the September 2020 reporting period has been the Stuart Town project. The Company concluded permitting to provide access to the initial drilling sites during the period and commenced drilling shortly after. Using the recent high-resolution geophysical surveys, drilling commenced targeting the extensive historic gold workings. The Company's appointed team of locally experienced geologists have identified broad zones of intrusive rocks that have been subjected to extensive alteration in the drilling.

The initial drilling programme is tested several targets, including the Rockdale mine and the Specimen Hill mine and started with Reverse Circulation (**RC**) drilling followed up by diamond drilling later in the programme targeting the Quartz Hill region, which is currently being prepared for logging and assaying at the time of writing. Results from the RC drilling component of this recent programme are considered encouraging and are detailed in the Independent Geologist's Report included in this Prospectus in Annexure D.

5.7.3 Macquarie North Project

(a) **Geology and Mineralisation**

The Macquarie North applications straddle Palaeozoic basement rocks of the Mt Foster-Tumut Zone of the Macquarie Arc of the Lachlan Fold belt. These rocks do not outcrop on the Application areas and have been inferred from geophysical interpretation.

Local surface geology represents Quaternary alluvial evolution grading from a coarse bed-load system through to a fine suspended-load system and rare dunes. The sediments are considered to be up to 100 metres deep.

The Mount Foster-Tumut Structural Zone is a zone of regional gravity lows with subdued magnetic highs. It is bounded on the west by the Parkes Structural Zone and on the east by the Quambone-Young Structural Zone. The zone is up to 45 km wide and strikes north-north-easterly, parallel to the strike of the Parkes Structural Zone. The zone broadly correlates with a zone of Devonian granitoids, inferred to be the northern extension of a major trend of gravity lows and magnetic highs extending through the Forbes, Narromine, Nyngan and Walgett 1:250000 map sheet areas.

The zone contains the Obley and Eugowra Granites of Devonian age and is thought to be the northern extension of the Silurian Tumut Trough. The interpretation of the areas of subdued magnetic highs as granite within the Nyngan and Walgett map sheet areas is supported by boreholes which record probably I-type granite as bedrock.

Refer to section 4 of the Independent Geologist's Report (NSW Projects) at Annexure D for further details on the geology and mineralisation at the Macquarie North Project.

(b) **Activities to date**

The Company has not undertaken any exploration activities on the Macquarie North project since its acquisition in April 2020.

5.8 Proposed Exploration Program and Mine Development Plan

5.8.1 Victorian Projects

(a) **Overview**

A summary of the exploration and infrastructure capital estimates for the Victorian Projects is detailed in Table E of the Executive Summary of the Independent Technical Report (Victorian Projects) attached at Annexure B.

In relation to exploration, the Company will initially focus on detailed mapping and geology, UG drilling at the A1 Project, UG and surface drilling at Maldon, heritage and tenement administration, geological services and field labour, and administration costs.

In relation to infrastructure upgrades, the Company proposes to allocate funds to capital costs, the Company will initially allocate \$1,663,000 to decline development, ventilation and tailings facility expansion.

(b) **Disclaimer**

Mining One Consultants were engaged by the Company to prepare an Independent Technical Report on the A1 Project and the Maldon Project.

As part of their engagement, Mining One Consultants have conducted a review of, amongst other things, the Centennial life of mine (**LOM**) plan for the A1 Project and the capacity of the Porcupine Flat processing plant located at Maldon.

The conclusion reached and key assumptions relied upon by Mining One are set out in the Executive Summary of their Report. A copy of the Independent Technical Report can be found at Annexure B.

The A1 Project is currently in operation and has been operating at reduced capacity during the period of Centennial's administration. Although a Mineral Resource for the A1 Project has been estimated, there is no Mineral Reserve. Mining One Consultants have noted there is good exploration potential at the A1 Project as well as a number of potential targets within the Maldon Project area.

Whilst the Company's immediate intention is to continue to operate within the current LOM plan, they will seek to conduct further exploration with the objective being to increase the current Mineral Resource at A1 and possibly release an initial Mineral Reserve estimate. There is no guarantee that either of these objectives will be satisfied in the near term, or at all.

Mining One Consultants have also noted that ventilation capacity is not well understood, recovery modelling is somewhat complicated by historic production rates and grind size and future operating cost models are likely to be impacted by restocking of plant consumables.

In addition to current tailings disposal, Mining One Consultants have also recommended a further four (4) tailings disposal options be considered so that a future and sustainable disposal plan can be created.

The Company intends to consider these matters and the Mining One Consultants recommendations as part of its continuous review and assessment of LOM planning.

Investors should appreciate that many factors affecting future operations and performance are outside the control of the Company and may not be capable of being foreseen or otherwise accurately predicted by Mining One Consultants.

Accordingly, actual results and performance may vary materially from the mining scenarios referred to in the Independent Technical Report.

Please also refer to the risk factors which are summarised in Section 6.

(c) **NSW Projects**

A summary of the exploration strategy for the NSW Projects is detailed in section 1.4 of the Independent Geologist's Report (NSW Projects) attached at Annexure D.

The Company will focus on further geophysics, RC drilling, diamond drilling, geological field work including mapping and access and administration at the Stuart Town Project and geophysics, geological field work including mapping and access and administration at Macquarie North Project.

5.9 Strategy post-Settlement of the Acquisition and re-listing

The primary objectives of the Company following Settlement and re-listing on ASX is to:

- (a) In relation to the Victorian Projects, while the Company's immediate intention is to continue to operate the A1 Project, the Company will seek to initially focus on a targeted drill program at depth to increase confidence in and extend gold mineralisation. The aim of this program is

to calculate a new Mineral Resource estimate (and, possibly, an initial Mineral Reserve estimate) of sufficient confidence to support detailed mine planning and allow production to continue consistent with the revised mine and operational plan.

The budget for exploration costs to be allocated to the New Project over the next two years will be approximately \$4,820,500 (consisting of \$2,550,000 in year 1 and \$2,270,500 in year 2).

The Company believes the A1 Project is capable of producing significantly higher rates of production than currently being achieved. This would require the utilisation of mechanised mining equipment. The operation of the A1 Project in the short term will continue as it has done since Centennial Mining entered voluntary administration but will be subject to future movements in the gold price. The funds to be raised under the Capital Raising are considered adequate for future working capital purposes.

Post Settlement, the Company intends to conduct a full review of the Centennial Mining assets including equipment and future mine plans. The budget for infrastructure capital costs over the next two years will be approximately \$2,266,500 (consisting of \$1,663,000 in year 1 and \$603,500 in year 2).

Refer to the Use of Funds table in Section 5.11 and the Independent Technical Report (Victorian Projects) included at Annexure B for further details on the New Project and the Company's proposed budget

- (b) In relation to the Company's NSW Assets, the Company intends to:
 - (i) complete further drill testing; and
 - (ii) examine and identify other prospect areas that warrant drill testing.

The Company's exploration budget over next two years on its NSW Projects is approximately \$667,000 (consisting of \$419,000 in year 1 and \$248,000 in year 2). However, work is currently limited by access which is currently the subject of ongoing negotiations.

Please refer to the Use of Funds table in Section 5.11 and the Independent Geologist's Report (NSW Projects) included at Annexure D for further details on the Company's proposed exploration budget for the NSW Projects. It is the Company's intention to otherwise continue to progress with the activities and expenditure consistent with disclosures made in the Prospectus.

In addition to the above activities, the Company intends to continue pursuing other potential acquisitions that have a strategic fit for the Company with the intention of providing maximum value to Shareholders for their investment.

5.10 Key dependencies of the Company's strategy

The key dependencies influencing the viability of the Company's strategy are:

- (a) the Company's capacity to re-comply with Chapter 1 and 2 of the Listing Rules to enable re-admission to quotation of the Company's Shares;

- (b) Settlement of the Acquisition;
- (c) exploration success resulting in increased confidence in, and extent of known, gold mineralisation;
- (d) reviewing LOM planning and recovery modelling; and
- (e) possible expansions to production capacity at the Victorian Project and available; tailings disposal options.

5.11 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List as follows:

Funds available	Full Subscription (\$ (\$7,500,000))	Percentage of Funds (%)
Existing cash reserves ¹	3,334,947	30.78
Funds raised from the Offer	7,500,000	69.22
Total	10,834,947	100
Allocation of funds		
Expenditure on Victorian Projects ²	4,820,500	44.49
Infrastructure costs ³	2,266,500	20.92
Expenditure on NSW Projects ⁴	667,000	6.16
Cash expenses of the Acquisition ⁵ and Offer ⁶	1,350,000	12.45
Administration and working capital costs ⁷	1,730,947	15.98
Total	10,834,947	100

Notes:

1. Refer to the Financial Information set out in Annexure A for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 30 June 2020, the Company has expended approximately \$153,285 in progressing the Acquisition and preparing the Prospectus.
2. Refer to Section 5.8 and the Independent Technical Report in Annexure B for further details with respect to the Company's proposed application of funds at the Victorian Projects.
3. Refer to the Independent Technical Report in Annexure B for further details.
4. For further details with respect to the Company's proposed use of funds at the NSW Projects, refer to Section 5.8 and the Independent Geologist's Report in Annexure D.
5. Expenses of the Acquisition include estimated stamp duty of \$740,000.
6. Refer to Section 9.9 for further details on the cash expenses of the Offers.
7. Administration costs include, without limitation, general corporate costs such as the provision of contract services to the Company, ASX listing fees, Board and executive remuneration, office rent, and ongoing audit and accounting costs. Working capital provides for assumed liabilities and provision for consolidation overrun.

It is anticipated that the funds raised under the Offer will enable 2 years of full operations. It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's Projects. The use of debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Company's Projects or to capitalise on acquisition opportunities in the resources sector.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offers, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 6.

5.12 Capital structure

The capital structure of the Company following completion of the Offers (assuming Full Subscription under the Offer) is summarised below:

Shares¹

	Full Subscription
Shares currently on issue	33,450,001
Shares to be issued pursuant to the Offer ²	25,000,000
Consideration Shares to be issued to GRR Shareholders ³	53,333,353
Shares to be issued to Empire Capital ⁴	415,523
Shares to be issued to Peloton Capital ⁵	2,700,000
Total Shares on completion of the Offer	114,898,877

Notes:

1. The rights attaching to the Shares are summarised in Section 9.2.
2. 25,000,000 Shares to be issued at an issue price of 0.30 per Share to raise \$7,500,000.
3. The Acquisition Agreement is summarised in Section 8.2.
4. The Corporate Adviser Mandate is summarised in Section 8.3.
5. The Acquisition Agreement is summarised in Section 8.2.

Options

	Full Subscription
Options currently on issue ¹	10,750,000
Advisor Options to be issued to Empire Capital ²	1,344,800
Total Options on completion of the Offer	12,094,800

Notes:

1. Comprising 4,250,000 Options exercisable at \$0.30 each on or before 31 January 2023, 4,500,000 Options exercisable at \$0.40 each on or before 31 January 2024, 1,750,000 Options exercisable at \$0.30 each on or before 21 February 2023 and 250,000 Options exercisable at \$0.40 each on or before 10 August 2022.
2. Options exercisable at \$0.50 each on or before the date which is three (3) years from the date of issue. Full terms and conditions of the Advisor Options are set out in Section 9.3 and the Corporate Adviser Mandate is summarised in Section 8.3.

5.13 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offers are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Jonathan Downes ¹	3,185,000	9.52	7.21
Adrian Byass ²	3,000,000	8.97	6.79

Notes:

1. Held beneficially through Kiandra Nominees Pty Ltd <JK Downes Family A/C>.
2. Held beneficially through Valiant Equity Management Pty Ltd <Byass Family A/C>.

On completion of the issue of Securities under the Offers (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Shareholder ¹	Shares	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Regal Funds Management Pty Ltd as trustee for certain funds	9,536,667	8.30	7.51
Bath Resources Pty Ltd	6,666,667	5.80	5.25

Notes:

1. Each of these entities will receive Consideration Shares as part of the Acquisition.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offers prior to the Shares commencing trading on ASX.

5.14 Restricted Securities

Subject to the Company's Securities being re-admitted to the Official List and completing the Offers, some Securities will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

While the ASX has not yet confirmed the final escrow position applicable to the Company's Shareholders, the Company anticipates that:

- (a) all Consideration Shares issued to the Founding Shareholders will be escrowed for a period of 24 months from the date of recommencement of trading of the Company's Securities on the Official List; and
- (b) all Shares issued to Peloton Capital (or its nominees) under the Broker Offer and all Shares and Advisor Options issued to Empire Capital (or its nominees) under the Advisor Offer will be escrowed for a period of 24 months from the date of recommencement of trading of the Company's Securities on the Official List.

No Shares issued pursuant to the Offer will be subject to any escrow requirements by the ASX.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval).

The number of Shares that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Shares that are expected to be subject to ASX imposed escrow.

5.15 Additional Information

Prospective investors are referred to and encouraged to read in their entirety the:

- (a) The Independent Technical Expert's Report in Annexure B for further details about the Victorian Projects;
- (b) the Solicitor's Report on Tenements in Annexure C for further details about the Company's interest in the Tenements comprising the Victorian Projects;
- (c) the Independent Geologist's Report in Annexure D for further details about the geology, location and mineral potential of the Company's NSW Projects; and
- (d) the Solicitor's Report on Tenements in Annexure E for further details in respect to the Company's interests in the Tenements comprising the NSW Projects.

5.16 Dividend policy

The Company anticipates that significant expenditure will be incurred in the continued exploration, evaluation and development of the Company's Projects (including the Victorian Projects). A continuation and consolidation of these activities are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and prospects considered relevant by the Directors. No

assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by the Company.

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 6, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 6 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 6, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 6 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 Acquisition Risks

Risk Category	Risk
Settlement and DOCA risk	<p>Pursuant to the Acquisition Agreement, the Company has been granted an option to acquire 100% of the issued capital of GRR, the exercise and completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the Acquisition cannot be fulfilled and, in turn, that completion of the Acquisition will not occur.</p> <p>If the Acquisition is not completed, the Company will have incurred significant costs without any material benefit to Shareholders.</p> <p>In addition, Centennial Mining is currently subject to the DOCA, which requires, among other things, that certain DOCA conditions be satisfied in order for the DOCA to be wholly effectuated. Effectuation of the DOCA is a condition subsequent to Settlement. There is a risk that if the DOCA conditions are not satisfied, the Acquisition will not proceed.</p>

Risk Category	Risk
Re-quotations of Shares on ASX	<p>The Acquisition constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List.</p> <p>Trading in the Company's Securities is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Proposed Acquisition. The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition and satisfying all other requirements of ASX for the reinstatement to Official Quotation of the Company's Securities on the ASX (among other things).</p> <p>There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its Securities on the ASX. Should this occur, the Securities will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares until such time as it does re-comply with the ASX Listing Rules.</p>
Dilution risk	<p>The Company currently has 33,450,001 Shares and 10,750,000 Options on issue. Pursuant to the Acquisition Agreement and the Corporate Advisor Mandate, the Company proposes to issue:</p> <ul style="list-style-type: none"> (a) 53,333,353 Consideration Shares under the Consideration Offer; (b) 25,000,000 Shares under the Offer; (c) 2,700,000 Shares to Peloton Capital; and (d) 415,523 Shares and 1,344,800 Advisor Options to Empire Capital, <p>which means that, subject to the satisfaction of the Conditions:</p> <ul style="list-style-type: none"> (e) the existing Shareholders as at the date of this Prospectus will retain approximately 29.11% of the Company's issued Share capital; (f) the GRR Shareholders will hold approximately 46.42% of the Company's issued Share capital following completion of the Acquisition; and (g) the investors under the Offer will hold approximately 21.76% of the Company's issued Share capital at Full Subscription.

6.3 Company specific risks

Risk Category	Risk
Exploration	<p>Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Victorian Projects and NSW Projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an</p>

Risk Category	Risk
	<p>apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of the projects.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
<p>Mining risk</p>	<p>When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. Each ore body is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire ore body.</p> <p>Projected rates of gold production are, in part dependent upon progression of mining in accordance with plans and mining equipment productivity. Should mining productivity rates be less than estimated by the Company, there is a risk that the rate of gold production over a given time period will be lower than projected by the Company. This would have the impact of extending the remaining life of mine time period and would likely cause an increase in projected expenditure. While the Company may be able to mitigate some or all of the effects or lower than projected rates of mining productivity through the mobilisation of additional mining equipment, there remains a risk that it is unable to do so or that the additional</p>

Risk Category	Risk
	cost incurred to mobilise additional mining equipment adversely impacts the profitability of the Company.
Mine development	<p>Ongoing development of mining operations at the Victorian Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>The Company intends to continue operational activities at the Victorian Projects. Operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.</p> <p>In particular, work to progress tailings dam studies is required as a priority to ensure a suitable tailings facility is available over the life of the mine. Based on a throughput of 150 ktpa, there is a timing risk that suitable tailings capacity may not be available when required which may have an impact on the Company's proposed operations.</p>
Process Plant Performance	Rates of gold production are impacted by a number of factors including the grade of ore delivered to the process plant and the percentage of gold recovered from ore processed in the plant. Failure to achieve estimated rates of gold recovery in the process plant could result in lower returns from the Company's operations than expected or could result in the Company's operations not being economically viable. This could impact the Company's financial performance and position.
Operating and project risks	<p>The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward. The Company's mining, exploration and development activities will be subject to numerous operational risks, many of which are beyond the Company's control.</p> <p>Even if commercial quantities of ore are discovered, unforeseen risks can arise in the development and production phase including mining or processing issues,</p>

Risk Category	Risk
	<p>environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour forced disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formation, pit failures, changes in the regulatory environment, land claims, legal challenges associated with native title claimants, and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.</p> <p>The Company will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Company's performance and the value of its assets.</p>
Resource estimates	<p>Mineral Resources have been estimated for the Victorian Projects. 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 the Company's operations.</p>
Tenure, access and grant of applications	<p>Applications</p> <p>The Tenements are at various stages of application and grant, specifically the tenements for the NSW Projects are still under application, including some with competing applications from third parties. There can be no assurance that the tenement applications that are currently pending will be granted. There can be no assurance that when the tenement is granted, it will be granted in its entirety. Additionally, some of the tenement areas applied for may be excluded. The Company is unaware of any circumstances that would prevent the tenement application from being granted, other than the competing applications, however the consequence of being denied the applications for reasons beyond the control of the Company could be significant, specifically for the NSW Projects.</p> <p>Refer to the Solicitor's Report on Title in Annexure E for further information on the Company's tenement applications.</p>

Risk Category	Risk
	<p>Renewal</p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in New South Wales and Victoria and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.</p> <p>Access</p> <p>Some of the Tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities including areas on which native title is yet to be determined .</p> <p>Please refer to the Report on Title (Victorian Projects) in Annexure C and the Report on Title (NSW Projects) in Annexure E for further details.</p>
<p>Climate risk</p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may</p>

Risk Category	Risk
	significantly change the industry in which the Company operates.
COVID-19 risk	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

6.4 Industry specific risks

Risk Category	Risk
Commodity price volatility and exchange rate risks	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
Native title and Aboriginal Heritage	<p>In relation to Tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>There is currently a settlement agreement Indigenous Land Use Agreement (ILUA) (Settlement Agreement) between the State of Victoria and the Dja Dja Native Title Gorup in place in relation to MIN 5528 and MIN 5529. The</p>

Risk Category	Risk
	<p>Settlement Agreement operates to provide the parties' consent to Future Acts within the ILUA area on or after 24 October 2013 and the surrender of native title for the purposes of extinguishment over land where a Future Act is done. The effect of the Settlement Agreement is that the parties agree that the Right to Negotiate provisions of the Native Title Act do not apply as alternative consultation provisions are to be followed instead.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.</p> <p>Please refer to the Solicitor's Reports on Title in Annexure C (Victorian Projects) and Annexure E (NSW Projects) of this Prospectus for further details.</p>
Exploration costs	<p>The exploration costs of the Company as summarised in Section 5.11 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
Resource and reserves and exploration targets	<p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
Grant of future authorisations to explore and mine	<p>If the Company discovers an economically viable mineral deposit that is then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial</p>

Risk Category	Risk
	performance may be materially adversely affected.
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>

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

6.5 General risks

Risk Category	Risk
Additional requirements for capital	<p>The funds to be raised under the Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.</p> <p>Following completion of the Offer, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the</p>

Risk Category	Risk
	<p>Company's activities may result in delay and indefinite postponement of their activities and the proposed commercialisation, marketing and international expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Shareholders.</p>
<p>Reliance on key personnel</p>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
<p>Economic and financial market risks</p>	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of the Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (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. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company or the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
<p>Government policy changes</p>	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in</p>

Risk Category	Risk
	Victoria and New South Wales may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	<p>The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>
Litigation Risks	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

6.6 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

7. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

7.1 Directors and key personnel

The Board of the Company consists of:

(a) **Jonathan Downes (BSc Geol, MAIG)** – *Executive Director*

Mr Downes has more than 25 years' experience in the mining industry and has worked in various geological and corporate capacities. Mr Downes has experience with nickel, gold and base metals and has also been intimately involved with numerous private and public capital raisings. Mr Downes was a founding director of Hibernia Gold (later Moly Mines Ltd), Siberia Mining Corporation Ltd, Ironbark Zinc Limited, Wolf Minerals Limited and is currently a founding director of Galena Mining Limited and director of Kingwest Resources Limited and Corazon Mining Limited.

The Board considers that Mr Downes is not an independent Director.

(b) **Adrian Byass (BSc Geol (Hons), B Econ, MAIG, FSEG)** – *Non-Executive Chairman*

Mr Byass has more than 20 years' experience in the mining industry with extensive experience as a Board member of ASX, TSXV and AIM listed companies. This experience has principally been gained both listed and unlisted entities around the world through the evaluation and development of mining products for a range of base, precious and specialty metals and bulk commodities. Mr Byass is currently on Boards of ASX listed Infinity Lithium Corporation Limited, Galena Mining Limited, Kingwest Resources Limited and TSXV listed Sarama Resources Ltd.

The Board considers that Mr Byass is not an independent Director.

(c) **David Palumbo (BCom, CA, GAICD)** – *Non-Executive Director and Company Secretary*

Mr Palumbo is a Chartered Accountant and graduate of the Australian Institute of Company Directors with over fourteen years' experience across company secretarial, corporate advisory and financial management and reporting of ASX listed companies. Mr Palumbo is an employee of Mining Corporate Pty Ltd, where he has been actively involved in numerous corporate transactions. He currently serves on the Board of Krakatoa Resources Limited (ASX: KTA).

The Board considers that Mr Palumbo is an independent Director.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's Assets requires an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's business.

7.2 Disclosure of interests

Remuneration

Details of the Directors' remuneration since the Company was incorporated on 2 September 2019 is set out in the table below.

Director	Remuneration for the year ended 30 June 2020 ^{1,2}	Proposed Remuneration for the year ending 30 June 2021 ²
Jonathan Downes ³	\$51,250	\$219,000
Adrian Byass ³	\$22,278	\$89,000
David Palumbo ⁴	\$16,709 ⁵	\$55,000

Notes:

1. The Company was incorporated on 2 September 2019 and admitted to the Official List on 26 February 2020.
2. Excludes statutory superannuation.
3. Appointed 2 September 2019.
4. Appointed 15 September 2019.
5. Mining Corporate Pty Ltd, a related party of Mr Palumbo, received \$63,240 for transaction facilitation services, company secretarial, accounting and bookkeeping services during the financial year ended 30 June 2020.

Interests in Securities

As at the date of this Prospectus

As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares ¹	Options	Performance Rights	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Jonathan Downes ²	3,185,000	4,000,000 ⁴	Nil	9.23	17.00
Adrian Byass ³	3,000,000	4,000,000 ⁴	Nil	8.97	16.57
David Palumbo	100,000	200,000 ⁵	Nil	0.29	0.66

Post-completion of the Offer – Full Subscription

Following completion of the Offers, the Directors will have the following relevant interests in securities:

Director	Shares ¹	Options	Performance Rights	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
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Jonathan Downes ²	3,185,000	4,000,000 ⁴	Nil	2.77	5.65
Adrian Byass ³	3,000,000	4,000,000 ⁴	Nil	2.61	5.51
David Palumbo	100,000	200,000 ⁵	Nil	0.087	0.24

Notes:

1. Fully paid ordinary shares in the capital of the Company.
2. Held beneficially through Kiandra Nominees Pty Ltd <JK Downes Family Trust>, a company associated with Mr Downes.
3. Held beneficially through Valiant Equity Management Pty Ltd <Byass Family Trust>, a company associated with Mr Byass.
4. Comprising 2,000,000 Options exercisable at \$0.30 on or before 31 January 2023 and 2,000,000 Options exercisable at \$0.40 each on or before 31 January 2024.
5. Comprising 100,000 Options exercisable at \$0.30 on or before 31 January 2023 and 100,000 Options exercisable at \$0.40 each on or before 31 January 2024.

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

7.3 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 8.4.

7.4 Corporate governance

(a) **ASX Corporate Governance Council Principles and Recommendations**

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

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

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

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

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;

- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three Directors (one executive director and two non-executive Directors) of whom non-executive Director David Palumbo is the only Director considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) **Identification and management of risk**

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

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

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

(g) **Remuneration arrangements**

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

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

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

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

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

(j) **Audit committee**

The Company does not have a separate audit committee and does not intend to establish a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board carries out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company is required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to re-admission to the Official List of the ASX.

8. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

8.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Peloton Capital Pty Ltd (**Lead Manager**) to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Term	The Lead Manager Mandate commenced on 13 October 2020 and will continue for a rolling period until completion of the Offer, unless terminated earlier (Term).
Fees	The Company will pay the Lead Manager the following fees: (a) a capital raising fee of 6% of an agreed amount raised under the Offer (currently estimated at approximately \$3,800,000). This fee excludes funds raised via the Chairman's list where a 1% co-ordination fee will be payable to the Lead Manager; (b) A monthly advisory fee of \$8,000 (excluding GST) for the provision of corporate advisory services in relation to the Offer, payable monthly in advance from the date of the Lead Manager Mandate for twelve (12) months.
Expenses	The Lead Manager is entitled to be reimbursed for out of pocket expenses reasonably incurred by the Lead Manager and reasonable travel in undertaking its role (subject to such expenses greater than \$2,000 being pre-approved by the Company).
Termination Events	The Lead Manager Mandate may be terminated by either party: (a) without cause by giving 30 days written notice to the other party; and (b) in the event of a material default under the Lead Manager Mandate, by the non-defaulting party providing written notice to the defaulting party effective immediately where: (i) the non-defaulting party has previously given the defaulting party notice in writing setting out the reasons why the defaulting party has materially defaulted under the Lead Manager Mandate; and (ii) the defaulting party has not remedied the breach within 10 Business Days of the date of the written notice. If the Company terminates the Lead Manager Mandate, at any time prior to the expiration of twelve (12) months following the date of termination, the Company enters into an

	agreement or takes any action that subsequently results in a transaction that is substantially similar to the Offer and the Acquisition, then the Company must pay the Lead Manager the Fees described above in cash within 7 days of that transaction completing.
Right of First Refusal	During the Term and for a period of twelve (12) months thereafter, the Lead Manager shall have a right of first refusal to act as the Company's lead manager or broker to any future acquisition or disposition transaction, public or private equity offering or similar capital raising.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.2 Acquisition Agreement

The Company has entered into a binding, conditional option agreement with the Founding Shareholders of Golden River (**Acquisition Agreement**) pursuant to which the Company has been granted an exclusive option to acquire that proportion of the issued capital of Golden River Resources held at Settlement by the Founding Shareholders (**Founding GRR Shares**), which in turn will, subject to effectuation of the Centennial DOCA, hold 100% of the issued capital of Mining, which is the owner of the Victorian Projects.

The material terms and conditions of the Acquisition Agreement are summarised below:

Acquisition	The Founding Shareholders have granted the Company an exclusive option (Option) to purchase the Founding GRR Shares.
Consideration	Subject to exercise of the Option and satisfaction of the Conditions (as set out below), the Company will issue 53,333,353 Shares (Consideration Shares) in Kaiser (at a deemed issue price of \$0.30 per Share) for a total deemed consideration of \$16,000,000, which will be issued pro rata to all of the GRR Shareholders based on their interest in Golden River.
Conditions Precedent	Settlement under the Acquisition Agreement is subject to and conditional upon the satisfaction (or waiver by the Company) of the following conditions precedent by 1 February 2021: <ul style="list-style-type: none"> (a) the Company making separate offers, under a more short form agreement, to each GRR vendor (other than the Founding Shareholders) and each of those GRR vendors agreeing sell their respective GRR Shares to the Company pursuant to the separate offer; and (b) the Company obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules and Corporations Act at the Annual General Meeting; (c) the Company receiving valid binding and irrevocable applications for not less than \$5,000,000 pursuant to a capital raising for the issue of 16,666,667 fully paid ordinary shares at an issue price of \$0.30 per Share, or such other terms as agreed between the Company and Golden River;

	<p>(d) the Company obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to lawfully complete the matters set out in this Agreement, including receipt of ASX conditional approval to reinstate the securities of Kaiser to official quotation on ASX, subject to the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules, on terms and conditional reasonably acceptable to Kaiser; and</p> <p>(e) there being no material adverse change in the circumstances of Golden River Resources and Centennial Mining and none of the warranties given by Golden River Resources and the Founding Shareholders becoming untrue, incorrect or misleading each prior to the date of satisfaction (or waiver) of all other Conditions.</p>
Condition Subsequent	Effectuation having occurred under the DOCA such that Golden River Resources has acquired the entire issued capital of Centennial Mining on terms acceptable to the Company no later than two business days after Settlement.
Liabilities	The Acquisition Agreement includes a warranty from the Founding Shareholders that at Settlement GRR, Centennial Mining and Maldon Resources Pty Ltd will not have liabilities exceeding \$1,000,000 in aggregate. These liabilities will primarily relate to employee entitlements for those employees of Centennial Mining and Maldon continuing post-Settlement, environmental liabilities associated with the Centennial Mining and Maldon assets (which are covered by cash backed environmental bonds remaining post effectuation of the DOCA) and other working capital debts of GRR.

The Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.3 Corporate Advisor Mandate

The Company has engaged Empire Capital as a corporate advisor to the Acquisition pursuant to a corporate advisor mandate (**Corporate Advisor Mandate**), the material terms and conditions of which are summarised below:

Term	The Corporate Advisory Mandate commenced on 26 August 2020 and shall terminate on the earlier of 26 August 2021 and completion of the Acquisition (Term).
Services	<p>Prior to the Company entering into the Acquisition Agreement, Empire Capital provided the following services pursuant to the Corporate Advisor Mandate:</p> <p>(a) identifying, qualifying and securing tenure over the assets of Centennial Mining or an entity that holds the interests or assets of Centennial Mining;</p> <p>(b) preparing the information package and information memorandum relating to the GRR Convertible Note issue;</p>

	<p>(c) advising the Company in relation to strategy regarding the Proposed Acquisition and advising on the timetable and procedures to be followed to implement the Proposed Acquisition;</p> <p>(d) introducing and participating in transaction discussions with potential counterparties introduced by Empire Capital;</p> <p>(i) assisting and participating in due diligence undertaken by the Company prior to execution of the Acquisition Agreement; and</p> <p>(ii) advising the Company as to the structure and form of the Proposed Acquisition; and</p> <p>(iii) assisting in the preparation of contracts, documents, approvals and related matters in relation to the Acquisition Agreement.</p>
Fees	The Company will issue Empire Capital (or its nominees) with the a success fee comprising 415,523 Shares and 1,344,800 Advisor Options following the Company receiving conditional approval from ASX for its securities to be readmitted to the Official List of ASX on terms acceptable to the Company (acting reasonably).
Expenses	Empire Capital is entitled to be reimbursed for out of pocket expenses reasonably incurred by it in undertaking its role.
Termination Events	<p>The Company may terminate the Corporate Advisor Mandate at any time, with or without cause, on written notice to Empire Capital. Empire Capital may terminate the Corporate Advisor Mandate at any time if the Company is in material breach of the Corporate Advisory Mandate.</p> <p>In the event of termination (other than by the Company for material breach by Empire Capital), Empire Capital shall be entitled to the Fees in the event the Company enters into an agreement prior to the date that is twelve (12) months from the expiration of the Term and provided that such agreement subsequently results in the completion of a transaction similar to the Acquisition.</p>

8.4 Agreements with Directors

8.4.1 Executive Services Agreement – Jonathan Downes

The Company has entered into an Executive Services Agreement (**ESA**) with Mr Downes on the following terms and conditions:

Position	Mr Downes is appointed as Executive Director of the Company.
Remuneration	The Company pays Mr Downes a base salary of \$150,000 per annum (plus statutory superannuation) monthly in arrears (Salary). The Salary became payable on and from the Company's admission to the Official List on 26 February 2020.
Term	Mr Downes' appointment commenced on 2 September 2019 and will continue until the ESA is validly terminated in accordance with its terms.

Termination and Notice	The Company must give 1 months' notice to terminate the ESA other than for cause. Mr Downes must give 6 months' notice to terminate the ESA.
Expenses	On provision of all documentary evidence reasonably required by the Company, the Company will reimburse Mr Downes for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by Mr Downes in the performance of all duties in connection with the business of the Company.

The ESA otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.4.2 Non-executive Director appointments

The Company has entered into non-executive director appointment letters with Messrs Byass and Palumbo pursuant to which Messrs and Byass have been appointed as Non-Executive Directors of the Company on the following terms:

- (a) **Term:** The engagement commenced effective from the date the Company was admitted to the Official List of the ASX, being 26 February 2020 and will continue until the appointment letters are validly terminated in accordance with their terms.
- (b) **Fees:** Messrs Byass and Palumbo will be paid an annual directors fees of \$60,000 and \$45,000 per annum plus statutory superannuation, respectively; and
- (c) **Reimbursements:** Messrs Byass and Palumbo are entitled to be reimbursed for reasonable expenses incurred in performing their duties, including the costs of attending Board meetings, travel, accommodation and entertainment expenses where agreed by the Board.

Both of the appointment letters otherwise contains terms and conditions that are considered standard for agreements of this nature.

The amounts paid to Messrs Byass and Palumbo to date under the appointment letters is set out in set out in Section 7.2.

8.4.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

8.5 Mining Corporate Pty Ltd Services Agreement

The Company has entered into an agreement with Mining Corporate Pty Ltd (**Mining Corporate**) for Mining Corporate to act as corporate and statutory compliance and financial advisor to, and provide company secretarial, accounting and bookkeeping services for, the Company (**Services Agreement**).

The Services Agreement is for a minimum term of 12 months. Upon expiry of the initial 12 months, the appointment of Mining Corporate will automatically renew

on a month to month basis unless the Services Agreement is terminated or as otherwise agreed between the parties. Mining Corporate shall be paid:

- (a) for the provision of company secretarial, bookkeeping and accounting services, a fee calculated on an hourly basis as follows:
 - (i) \$265 (excluding GST) an hour for company secretary services; and
 - (ii) \$100 (excluding GST) an hour for accounting and bookkeeping services; and
- (b) a monthly fee of \$8,000 (excluding GST), which has become payable since the admission of the Company to the Official List on 26 February 2020.

The Services Agreement otherwise contains termination and indemnity provisions considered customary for an agreement of this nature.

It is noted that Director and Company Secretary, David Palumbo, is an employee and minority shareholder of Mining Corporate.

The amounts paid under the Services Agreement to date are set out in Section 7.2.

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the Corporations Act. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement on such terms and conditions as the Directors think fit, a dividend reinvestment plan which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

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

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being

wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

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

9.3 Terms and Conditions of Advisor Options

The following is a summary of the key terms and conditions of the Advisor Options that are proposed to be issued to Empire Capital:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option is \$0.50 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time following the date of issue and will expire on the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

(g) **Consideration**

The Options will be issued for nil cash consideration.

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

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

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

(i) **Shares issued on exercise**

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

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

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

9.4 Performance Rights and Option Plan

The Company has adopted a Performance Rights and Option Plan (**Plan**). The key terms of the Plan are as follows:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Awards under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Awards are quoted on the ASX, Awards issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person,
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Offer made to and accepted by the Participant;
 - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant;
 - (E) a change of control occurring; or
 - (F) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

- (g) **Lapse of an Award:** An Award will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing, or hedging of, the Award occurring;
 - (ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Award;
 - (iii) in respect of unvested Awards only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Awards only, a relevant person ceases to be an Eligible Participant and the Award granted in respect of that person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award; and

- (vii) the expiry date of the Award.
- (h) **Shares:** Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.
- (i) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (j) **No Participation Rights:** There are no participating rights or entitlements inherent in the Awards and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards.
- (k) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Awards and subject to compliance with the ASX Listing Rules, an Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.
- (l) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (m) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

9.5 ASX waivers and confirmations

(a) Escrow relief

ASX has granted the Company a waiver from Listing Rule 9.1(b) to the extent necessary to permit the Company to apply the restrictions in paragraphs 1 and 2 of Appendix 9B (as applicable) to the Shares to be issued to the shareholders of GRR, as follows:

- (i) The Shares issued to shareholders of GRR on conversion of their GRR Convertible Notes, who paid cash for the GRR Convertible Notes, be treated as being held by a related party, promoter or unrelated party seed capitalists of the Company, as appropriate to each holder.
- (ii) The Shares issued to the shareholders of GRR who subscribed with cash for their GRR Shares are treated as being held by a related

party, promoter or unrelated party seed capitalists of the Company or GRR, as appropriate to each holder.

- (iii) Cash formula relief is applicable to those Shares that are issued to persons who paid cash for their GRR Shares, provided ASX is satisfied with the evidence submitted to substantiate the cash amounts paid to GRR.
- (iv) For the purposes of determining the length of the escrow period for Shares issued to unrelated seed capitalists, which are subject to 12-month escrow, the 12-month escrow period will be deemed to begin on the date on which the cash was paid for the GRR Convertible Notes.
- (v) For the purposes of determining the length of the escrow period for shares issued to related party or promoter seed capitalists, which are subject to 24 months escrow, the 24 months escrow period will begin on the date of the reinstatement of trading in the Company's securities.

(b) **Listing Rule 11.1.2**

ASX has confirmed to the Company that the Acquisition will amount to a change in the nature and scale of the Company's activities in terms of Listing Rule 11.1.2.

9.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion;
 - (ii) 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 a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

9.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) 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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) 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 these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Peloton Capital will receive those fees set out in Section 4.4 following the successful completion of the Offer for its services as Lead Manager to the Offer. Peloton Capital will be responsible for paying all capital raising fees that Peloton Capital and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Peloton Capital are summarised in Section 8.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Peloton Capital has received \$292,545 in fees from the Company for its services.

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of \$14,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Corporate Finance (WA) Pty Ltd has not received fees from the Company for services.

BDO Audit (WA) Pty Ltd has acted as auditor of Centennial Mining. The Company estimates it will pay BDO Audit (WA) Pty Ltd a total of \$1,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Audit (WA) Pty Ltd has not received fees from the Company for services. Mining One Consultants has prepared the Independent Technical Report in respect of the Victorian Projects which is included at Annexure B. The Company estimates it will pay Mining One Consultants \$89,040 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mining One Consultants has not received any fees from the Company for any other services.

All Mining Legal Pty Ltd has prepared the Solicitor's Tenement Report in respect of the Victorian Projects which is included at Annexure C. The Company estimates it will pay All Mining Legal Pty Ltd \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, All Mining Legal has not received any fees from the Company for any other services.

Burnt Shirt Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report in respect of the NSW Projects which is included in Annexure D. The Company estimates it will pay Burnt Shirt Pty Ltd a total of \$5,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Burnt Shirt Pty Ltd has not received any fees for services from the Company.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offers, the Acquisition and has prepared the Solicitor's Report on Title in respect of the NSW Projects which is set out in Annexure E. The Company estimates it will pay Steinepreis Paganin approximately \$140,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$100,062 in fees from the Company.

9.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take 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; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peloton Capital has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure A in the form and context in which it is included.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor of Centennial Mining in this Prospectus and to the inclusion of the information contained in the Independent Limited Assurance Report in Annexure A in the form and context in which it is included.

Mining One Consultants has given its written consent to being named as the Independent Technical Expert in this Prospectus and to the inclusion of the Independent Technical Report in Annexure B in the form and context in which it is included.

All Mining Legal Pty Ltd has given its written consent to being named as the legal advisers to the Company in respect of the preparation of the Solicitor's Report on Title and the inclusion of the Solicitor's Report of Title in Annexure C in the form and context in which it is included.

Burnt Shirt Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report in Annexure D in the form and context in which it is included.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offers in this Prospectus and for the inclusion of the Solicitor's Report on Title in in Annexure E in the form and context in which it is included.

PKF Perth has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Independent Limited Assurance Report included in Annexure A to this Prospectus in the form and context in which it is included.

Automatic Registry Services has given its written consent to being named as the share registry to the Company in this Prospectus.

9.9 Cash Expenses of the Offer

The total cash expenses of the Offer (excluding GST) are estimated to be approximately \$610,000 based on Full Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription (\$)
ASIC fees	3,206
ASX fees	103,706
Lead Manager Fees	228,000
Legal Fees	150,000
Independent Technical Expert's Fees	89,040
Independent Geologist's Fees	5,500
Investigating Accountant's Fees	14,000
Auditor's Fees	10,000
Miscellaneous	6,548
TOTAL	610,000

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Adrian Byass
Non-Executive Chairman
For and on behalf of
KAISER REEF LIMITED

11. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

A1 Project or A1 Mine means the project consisting of MIN 5294.

Acquisition Resolutions means resolutions 6 to 10 (inclusive) of the Company's notice of Annual General Meeting, which must be approved by Shareholders at the Annual General Meeting in order for the Offers and Acquisition Agreement to proceed as contemplated.

Advisor Offer means the offer of Shares and Options to Empire Capital (or its nominees) made pursuant to this Prospectus as set out in Section 4.7.

Advisor Option means an Option to be issued to Empire Capital (or its nominees) with the terms and conditions set out in Section 9.3.

Annual General Meeting means the annual general meeting of the Shareholders to be held on 21 December 2020 to consider and approve, among other resolutions, resolutions necessary to implement the Acquisition.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Broker Offer means the offer of Shares to Peloton Capital (or its nominees) made pursuant to this Prospectus as set out in Section 4.5.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Centennial Mining or **CTL** means Centennial Mining Limited (ACN 149 308 921) (subject to Deed of Company Arrangement).

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

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **KAU** means Kaiser Reef Limited (ACN 635 910 271).

Conditions has the meaning set out in Section 4.7.

Consideration Offer means the offer of Shares to the GRR Shareholders (or their nominees) made pursuant to this Prospectus as set out in Section 4.6.

Constitution means the constitution of the Company.

Corporate Advisor Mandate has the meaning given in Section 8.3.

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

Directors means the directors of the Company at the date of this Prospectus.

DOCA means Deed of Company Arrangement.

Empire Capital means Empire Capital Partners Pty Ltd (ACN 159 992 328).

Founding Shareholders means Bath Resources Pty Ltd (ACN 643 937 713) and TYF Holdings Pty Ltd (ACN 606 569 144).

Full Subscription means the amount to be raised under the Offer, being \$7,500,000.

Golden River Resources or **GRR** means Golden River Resources Pty Ltd (ACN 643 877 767).

GRR Shareholders means the shareholders of Golden River Resources at Settlement.

Independent Geologist Report means the report titled "Independent Geologist Report" prepared in respect of the NSW Projects, as set out at Annexure D.

Independent Technical Report means the report titled "Independent Technical Report" prepared in respect of the Victorian Projects, as set out at Annexure B.

JORC Code has the meaning given in the Important Notice Section.

Lead Manager means Peloton Capital Pty Ltd (ACN 149 540 018) (AFSL No. 406 040).

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 8.1.

LOM means life of mine.

Maldon Project means the project consisting of MIN 5146, MIN 5528, MIN 5529 and ELA 7029.

MIN means Mining Licence.

NSW Projects means the Stuart Town Project and Macquarie North Project.

Offer means the Priority Offer and Public Offer pursuant to this Prospectus as set out in Section 4.1.

Offers means the Offer (including the Priority Offer and Public Offer), the Broker Offer, Consideration Offer and the Advisor Offer each made pursuant to this Prospectus.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a performance right convertible into a Share.

Performance Rights and Option Plan has the meaning set out in Section 9.3.

Projects means the NSW Projects and the Victorian Projects.

Prospectus means this prospectus.

Recommendations has the meaning set out in Section 7.4.

Record Date means 4 December 2020.

Section means a Section of this Prospectus.

Securities means Shares and Options.

Settlement means settlement of the Acquisition.

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

Shareholder means a holder of Shares.

Solicitor's Tenement Report (NSW Projects) means the report titled "Solicitor's Tenement Report" in respect of the NSW Projects, a copy of which is set out at Annexure E.

Solicitor's Tenement Report (Victorian Projects) means the report titled "Solicitor's Tenement Report" in respect of the Victorian Projects, a copy of which is set out at Annexure C.

Tenements means the mining tenements (including applications) in which the Company has, or will following Settlement, have, an interest as set out in Section 5 and further described:

- (a) in respect of the Victorian Projects, in the Independent Technical Report at Annexure B and the Solicitor's Tenement Report (Victorian Projects) at Annexure C; and
- (b) in respect of the NSW Projects, in the Independent Geologist's Report at Annexure D and the Solicitor's Tenement Report (NSW Projects) at Annexure E,

or any one of them as the context requires.

Victorian Projects means the A1 Project and the Maldon Project as described in the Independent Technical Report at Annexure B.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – INDEPENDENT LIMITED ASSURANCE REPORT



KAISER REEF LIMITED
Independent Limited Assurance Report

4 December 2020

4 December 2020

The Directors
Kaiser Reef Limited
Level 11
216 St Georges Terrace
PERTH WA 6000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Kaiser Reef ('Kaiser' or 'the Company') to prepare this Independent Limited Assurance Report ('Report') in relation to certain financial information of the Company and entities it is to acquire, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 25 million Shares at an issue price of \$0.30 each to raise up to \$7.5 million before costs ('the Offer'). The Offer is subject to a minimum subscription level of 25 million shares.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide ('FSG') has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus 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.

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') of Kaiser included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and cash flows for the period from incorporation (2 September 2019) to 30 June 2020; and
- the audited historical Statement of Financial Position as at 30 June 2020.

The Historical 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 Historical Financial Information has been extracted from the financial report of Kaiser for the period ended 30 June 2020, which was audited by PKF Perth in accordance with the Australian Auditing Standards. PKF Perth issued an unmodified audit opinion on the financial report.

You have requested BDO to review the following historical financial information of Golden River Resources Pty Ltd ('GRR') included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and cash flows for the period from incorporation (1 July 2020) to 31 October 2020; and
- the audited historical Statement of Financial Position as at 31 October 2020.

The Historical 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 Historical Financial Information has been extracted from the financial report of GRR for the period ended 30 June 2020, which was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified audit opinion on the financial report but noted an emphasis of matter in relation to going concern. .

You have requested BDO to review the following historical financial information of Centennial Mining Limited ('Centennial') included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and cash flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020; and
- the audited historical Statement of Financial Position as at 30 June 2020.

The Historical 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 Historical Financial Information has been extracted from the financial reports of Centennial for the periods ended 30 June 2018, 30 June 2019 and 30 June 2020 which was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards.

BDO Audit (WA) Pty Ltd issued the following opinions

In respect of 30 June 2018 and 30 June 2019

BDO Audit (WA) Pty Ltd were appointed as auditors of the Company on 27 November 2020. On 21 March 2019, Centennial Mining Limited was placed into Administration (subject to a Deed of Company Arrangement). The Deed Administrators were unable to access financial records to enable the finalisation of the financial report for the year ended 30 June 2018 and 2019. This prevented them from being able to state that the financial report has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. Consequently, they were

unable to state that the financial report gives a true and fair view of the Group's financial position as at 30 June 2018 and 2019 and of the financial performance for the year ended on that date.

As a consequence BDO Audit (WA) Pty Ltd were unable to provide an opinion on the financial report for those years.

In respect of 2020 BDO Audit (WA) Pty Ltd issued a modified audit opinion with respect to the comparative figures due to the disclaimer of audit opinion on the 2019 year and in respect to Inventory as the auditors did not observe the physical counting of inventory at 30 June 2020 as they were not appointed until 27 November 2017. BDO Audit (WA) Pty Ltd also noted an emphasis of matter in relation to going concern.

We note that the Inventory balance which was the subject of the qualification does not form part of the assets that are acquired upon effectuation of the Deed of Company Arrangement.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') of Kaiser included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2020.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Kaiser, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those event(s) or transaction(s) had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Kaiser to illustrate the impact of the event(s) or transaction(s) described in Section 6 and Section 7 of the Report on Kaisers' financial position as at 30 June 2020. As part of this process, information about Kaisers' financial position has been extracted by Kaiser from Kaiser's financial statements for the year ended 30 June 2020. Financial information about the financial position of Centennial has been extracted from the financial statements for the year ended 30 June 2020. Financial information about GRR has been extracted from the financial statements for the period ended 31 October 2020.

3. Directors' responsibility

The directors of Kaiser are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. 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 limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- Kaiser's audited historical Statement of Profit or Loss and Other Comprehensive Income and cash flows for the period from incorporation (2 September 2019) to 30 June 2020; and
- Kaiser's audited historical Statement of Financial Position as at 30 June 2020.
- GRR's audited historical Statement of Profit or Loss and Other Comprehensive Income and cash flows for the period from incorporation (28 August 2020) to 31 October 2020; and
- GRR's audited historical Statement of Financial Position as at 31 October 2020.
- Centennial's audited historical Statement of Profit or Loss and Other Comprehensive Income and cash flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020; and
- Centennial's audited historical Statement of Financial Position as at 30 June 2020.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report, other than the qualifications noted in the audit reports in respect of Centennial.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Kaiser as at 30 June 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 June 2020:

- The acquisition of GRR by Kaiser, for accounting purposes GRR is considered to be the accounting acquirer. The excess of the consideration over the net assets acquired is considered to be a cost of listing; and
- Prior to the acquisition \$13.5 million of convertible notes issued by GRR were converted to shares in GRR.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Kaiser not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 June 2020, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 25 million Shares at an offer price of \$0.30 each to raise \$7.5 million before costs pursuant to the Prospectus, based on the minimum subscription;
- Costs of the Offer are estimated to be \$610,000 of which \$311,117 are to be offset against the contributed equity with the remainder expensed
- Estimated stamp duty in respect of the acquisition of Centennial of \$740,000;
- The acquisition of Centennial by GRR under the terms of a DOCA whereby the GRR provides funds of \$13.5 million to the creditors trust to acquire the issued capital of Centennial which retains assets not subject to the creditors trust and that at Settlement GRR, Centennial Mining and Maldon Resources Pty Ltd will not have liabilities exceeding \$1,000,000 in aggregate.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Offer other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO is the auditor of GRR and Centennial and from time to time, BDO also provides Kaiser and Centennial with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers
Director

APPENDIX 1
KAISER REEF LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the period ended 30-Jun-20 \$
Revenue	
Other income	-
Expenses	
Accounting and audit fees	(86,640)
Corporate advisory and consulting fees	(20,375)
Director & employee benefits expense	(95,105)
Legal expenses	(15,193)
Marketing expenses	(13,200)
Finance costs	(832)
Travel expenses	(3,384)
Depreciation	(8,136)
Tenement expenses	(1,900)
Occupancy expenses	(6,509)
Administration and other expenses	(67,725)
Loss before income tax expense	(318,999)
Income tax benefit/(expense)	-
Net Loss for the period	(318,999)
Other comprehensive income net of income tax	-
Total comprehensive loss for the period	(318,999)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 2
KAISER REEF LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Kaiser			
		Audited as at	Subsequent	Pro-forma	Pro-forma
		30-Jun-20	events	adjustments	after issue
	Notes	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	2	4,027,770	867	6,150,000	10,178,637
Other financial assets	3	32,865	6,500,000	(6,500,000)	32,865
Other current assets	4	7,434	7,000,148	(6,897,063)	110,519
TOTAL CURRENT ASSETS		4,068,069	13,501,015	(7,247,063)	10,322,021
NON CURRENT ASSETS					
Exploration and evaluation assets	5	1,388,987	-	250,000	1,638,987
Deferred development expenditure	6	-	-	11,635,211	11,635,211
Plant and equipment	7	3,997	-	1,654,852	1,658,849
Right of use asset		29,342	-	-	29,342
Other receivables - Deposits/bonds	8	-	-	857,000	857,000
Goodwill	9	-	-	2,013,012	2,013,012
TOTAL NON CURRENT ASSETS		1,422,326	-	16,410,075	17,832,401
TOTAL ASSETS		5,490,395	13,501,015	9,163,012	28,154,422
CURRENT LIABILITIES					
Trade and other payables		93,578	-	-	93,578
Lease liabilities		12,023	-	-	12,023
Provisions		3,796	-	-	3,796
TOTAL CURRENT LIABILITIES		109,397	-	-	109,397
NON CURRENT LIABILITIES					
Lease liabilities		17,791	-	-	17,791
Financial liabilities	10	-	-	-	-
Provisions	11	-	-	1,000,000	1,000,000
Deferred tax liability	12	-	-	2,013,012	2,013,012
TOTAL NON CURRENT LIABILITIES		17,791	-	3,013,012	3,030,803
TOTAL LIABILITIES		127,188	-	3,013,012	3,140,200
NET ASSETS/(LIABILITIES)		5,363,207	13,501,015	6,150,000	25,014,222
EQUITY					
Issued capital	13	5,494,956	18,042,544	7,106,441	30,643,941
Share based payment reserve	14	187,250	(187,250)	241,099	241,099
Accumulated losses	15	(318,999)	(4,354,279)	(1,197,540)	(5,870,818)
TOTAL EQUITY		5,363,207	13,501,015	6,150,000	25,014,222

The pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the prior year financial information set out in Appendix 4.

APPENDIX 3

KAISER REEF LIMITED

NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of International Financial Reporting Standards ('IFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

In the period ended 30 June 2020, the Group has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 2 September 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under MSB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted upon the Group entering into a leasing arrangement during the period, as a result there was no impact on the opening retained earnings.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the

Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of financial assets and financial liabilities.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

a) Operating Segments

Operating segments are presented using the 'management approach' where the information presented is on the same basis as the internal reports provided to the Board of Directors and Managing Director. The Managing Director is responsible for the allocation of resources to operating segments and assessing their performance.

b) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

c) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Kaiser Reef Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 21.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and

are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non- controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

d) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date .

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date . The measurement period ends on either the earlier of

- (i) 12 months from the date of the acquisition or
- (ii) when the acquirer receives all the information possible to determine fair value.

e) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

f) Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from

being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in 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.

g) 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:

Plant and equipment 2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. 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.

h) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

i) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

j) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other

cases, the loss allowance is recognised in profit or loss. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

k) Impairment of Non-Financial Assets

At the end of each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within a 12-month period have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

m) Share-based Payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge

to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods .

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

n) Fair Value Measurement

When an asset or liability, financial or non-financial is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either; in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

o) 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.

p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Kaiser Reef Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares, outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

q) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

r) Cash and Cash Equivalents

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

s) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

t) Trade and other payables

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

u) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

v) Revenue

The Company recognises revenue as follows:

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.

w) Finance Costs

All finance costs are recognised as expense in the period in which they are incurred.

x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

y) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued are determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in the notes to the financial statements. The assumptions detailed in the note is also judgemental.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black-Scholes option pricing model.

For instruments issued with market-based conditions, alternative valuation methodologies would be adopted.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group 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.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

z) New accounting standards for application in future periods

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, is set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with

under the Australian Accounting Standards , the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

	Audited 30-Jun-20	Pro-forma after Offer
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	4,027,770	10,178,637
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		4,027,770
<i>Subsequent events:</i>		
Acquisition of GRR		867
		<u>867</u>
<i>Pro-forma adjustments:</i>		
Estimated Stamp Duty pursuant to the acquisition of Centennial		(740,000)
Proceeds from shares issued under this Prospectus		7,500,000
Capital raising costs		(610,000)
		<u>6,150,000</u>
Pro-forma Balance		<u><u>10,178,637</u></u>

	Audited 30-Jun-20	Pro-forma after Offer
NOTE 3. OTHER FINANCIAL ASSETS	\$	\$
Other financial assets	32,865	32,865
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		32,865
<i>Subsequent events:</i>		
Acquisition of GRR		6,500,000
		<u>6,500,000</u>
<i>Pro-forma adjustments:</i>		
Settlement of debts pursuant to the DOCA via conversion or forgiveness		(6,500,000)
		<u>(6,500,000)</u>
Pro-forma Balance		<u><u>32,865</u></u>

NOTE 4. OTHER CURRENT ASSETS	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Other current assets	7,434	110,519
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		7,434
<i>Subsequent events:</i>		
Acquisition of GRR		7,000,148
		<u>7,000,148</u>
<i>Pro-forma adjustments:</i>		
Payment pursuant to the acquisition of Centennial		(7,000,000)
Prepayments acquired via acquisition of Centennial under DOCA		102,937
		<u>(6,897,063)</u>
Pro-forma Balance		<u>110,519</u>

NOTE 5. EXPLORATION AND EVALAUATION ASSETS	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Exploration and evaluation assets	1,388,987	1,638,987
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		1,388,987
		-
<i>Pro-forma adjustments:</i>		
Acquisition of Centennial Pursuant to the DOCA		250,000
		<u>250,000</u>
Pro-forma Balance		<u>1,638,987</u>

NOTE 6. DEFERRED DEVELOPMENT EXPENDITURE	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Deferred development expenditure	-	11,635,211
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Acquisition of Centennial Pursuant to the DOCA		4,925,172
Uplift in value upon acquisition, refer Note 16		6,710,039
		<u>11,635,211</u>

Pro-forma Balance	11,635,211
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NOTE 7. PLANT AND EQUIPMENT	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Plant and equipment	3,997	1,658,849
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		3,997
<i>Pro-forma adjustments:</i>		
Acquisition of Centennial Pursuant to the DOCA		1,654,852
		1,654,852
Pro-forma Balance		1,658,849

NOTE 8. OTHER RECEIVABLES - DEPOSITS/BONDS	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Other receivables - Deposits/bonds	-	857,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Acquisition of Centennial Pursuant to the DOCA		857,000
		857,000
Pro-forma Balance		857,000

NOTE 9. GOODWILL	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Goodwill	-	2,013,012
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Acquisition of Centennial Pursuant to the DOCA, refer Note 16		2,013,012
Capital raising costs		2,013,012

Pro-forma Balance	2,013,012
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NOTE 10. FINANCIAL LIABILITIES	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Financial liabilities	-	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		-
<i>Subsequent events:</i>		
Acquisition of GRR		13,500,000
		<u>13,500,000</u>
<i>Pro-forma adjustments:</i>		
Conversion of convertible notes to shares in GRR		(13,500,000)
		<u>(13,500,000)</u>
Pro-forma Balance		<u>-</u>

NOTE 11. PROVISIONS	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Provisions	-	1,000,000
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Acquisition of Centennial Pursuant to the DOCA		1,000,000
		<u>1,000,000</u>
Pro-forma Balance		<u>1,000,000</u>

NOTE 12. DEFERRED TAX LIABILITY	Audited 30-Jun-20	Pro-forma after Offer
	\$	\$
Deferred tax liability	-	2,013,012
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Acquisition of Centennial Pursuant to the DOCA, refer Note 16		2,013,012

	2,013,012
Pro-forma Balance	2,013,012

	Audited 30-Jun-20 \$	Pro-forma after Offer \$
NOTE 13. CONTRIBUTED EQUITY		
Contributed equity	5,494,956	30,643,941
	Number of shares	\$
Audited balance of Kaiser at 30 June 2020	33,450,001	5,494,956
Subsequent events:		
GRR Contributed equity balance	-	2,500
Conversion of convertible notes into GRR shares		13,500,000
Elimination of Kaiser pre acquisition balance	-	(5,494,956)
	-	8,007,544
<i>Adjustments to arise at the pro-forma balance:</i>		
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under this Prospectus	25,000,000	7,500,000
Issue of shares to acquire GRR	53,333,353	10,035,000
Shares to be issued to Peloton Capital	2,700,000	-
Shares to be issued to Empire Capital	415,523	124,657
Capital raising costs - advisor options		(207,099)
Capital raising costs	-	(311,117)
	81,448,876	17,141,441
Pro-forma Balance	114,898,877	30,643,941

	Audited 30-Jun-20 \$	Pro-forma after Offer \$
NOTE 14. SHARE BASED PAYMENT RESERVE		
Share based payment reserve	187,250	241,099
<i>Adjustments to arise at the pro-forma balance:</i>		

Audited balance of Kaiser at 30 June 2020	187,250
<i>Subsequent events:</i>	
Elimination of pre acquisition reserves	(187,250)
	<u>(187,250)</u>
<i>Pro-forma adjustments:</i>	
<i>Issue of options to technical consultant</i>	34,000
Advisor options	207,099
	<u>241,099</u>
Pro-forma Balance	<u><u>241,099</u></u>

The share based payments have been valued have been valued using the Black Scholes Model and the following key inputs

Volatility 100%

Underlying Share price 30 cents

Exercise price 40 cents for the technical consultant options and 50 cents for the Advisor options

Life of the options 2 years for the technical consultant options and 3 years for the Advisory options.

	Audited 30-Jun-20	Pro-forma after Offer
NOTE 15. ACCUMULATED LOSSES	\$	\$
Accumulated losses	(318,999)	(5,870,818)
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Kaiser at 30 June 2020		(318,999)
<i>Subsequent events:</i>		
<i>Acquisition of GRR</i>		(1,485)
<i>Recognition of listing expense upon acquisition of GRR</i>		(4,671,793)
Elimination of pre acquisition reserves		318,999
		<u>(4,354,279)</u>
<i>Pro-forma adjustments:</i>		
Listing expenses		(298,883)
<i>Estimated Stamp Duty pursuant to the acquisition of Centennial</i>		(740,000)
<i>Issue of options to technical consultant</i>		(34,000)
Issue of shares to Empire Capital		(124,657)
		<u>(1,197,540)</u>
Pro-forma Balance		<u><u>(5,870,818)</u></u>

NOTE 16 BUSINESS COMBINATIONS

A summary of the acquisition details with respect to the proposed acquisition of GRR as included in our report is set out below. These details have been determined for the purposes of the pro-forma adjustments as at 30 June 2020, however will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

Details of the net assets acquired, purchase consideration and goodwill are as follows:

Under AASB 3 Business Combinations GRR is considered to be the accounting parent with the transaction being treated as an asset acquisition, with GRR being deemed to acquire Kaiser due to the level of shareholding acquired under the SPA. The purchase consideration is determined by reference to the number of shares that GRR would have to issue to Kaiser for GRR to hold 61.46% of the group. This was calculated to be \$10,035,000 based on an underlying Kaiser share price of \$0.30. The transaction has been provisionally accounted for and will require reassessment as at acquisition date.

The net assets of Kaiser at 30 June were \$5,363,207 resulting in a listing expense of \$4,671,793 being recognised. The pre-acquisition equity, reserve and accumulated losses of Kaiser are eliminated on consolidation.

Centennial Acquisition

A summary of the acquisition details with respect to the proposed acquisition of Centennial as included in our report is set out below. These details have been determined for the purposes of the pro-forma adjustments as at 30 June 2020 and are provisionally accounted for and as such will require re-determination as at the successful acquisition date which may result in changes to the values set out below.

Details of the net assets acquired, purchase consideration and notional fair value attributable to exploration assets are as follows:

NOTE 16. BUSINESS COMBINATION	Fair value \$
Prepayments	102,937
Other receivables (Bonds)	857,000
Property plant and equipment	1,654,852
Capitalised exploration expenditure	250,000
Deferred development expenditure	4,925,172
Assumed liabilities	(1,000,000)
Net identifiable assets	6,789,961
Purchase consideration comprises:	
Cash component	13,500,000
	13,500,000
Fair value attributable to exploration assets of acquired entity	6,710,039
Deferred tax liability (DTL) uplift recognised at 30% of the value increase of exploration assets	2,013,012
Pro-forma adjustment to exploration assets	6,710,039

NOTE 17: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 18: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

APPENDIX 4

HISTORICAL FINANCIAL INFORMATION

KAISER REEF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2020

	2020
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(289,083)
Interest received	
Net cash used in operating activities	(289,083)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payment for exploration expenditure	(128,068)
Cash payment for acquisition of subsidiary	(24,529)
Payment for property, plant and equipment	(4,411)
Net cash used in investing activities	(157,008)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares	4,930,066
Share issue costs	(448,122)
Lease liabilities payment	(7,251)
Interest paid	(832)
Net cash provided by financing activities	4,473,861
Net increase in cash and cash equivalents	4,027,770
Cash and cash equivalents at beginning of the period	—
Cash and cash equivalents at end of the period	4,027,770

This above sets out the historical cash flows of the Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the opinions in Section 2 of this report. Past performance is not a guide to future performance.

Golden River Resources Pty Ltd
Statement of profit or loss and other comprehensive income
For the period ending 31 October 2020

	Note	28 August 2020 – 31 October 2020 \$
Revenue		-
Expenses		
Other expenses		(1,485)
Loss before income tax expense		(1,485)
Income tax expense		-
Loss after income tax expense for the period attributable to the owners of Golden River Resources Pty Ltd		(1,485)
Other comprehensive income for the period, net of tax		-
Total comprehensive Loss for the Period attributable to the owners of Golden River Resources Pty Ltd		<u>(1,485)</u>

This above sets out the historical performance of GRR and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the opinions in Section 2 of this report. Past performance is not a guide to future performance.

Golden River Resources Pty Ltd
Statement of financial position
As at 31 October 2020

	2020 \$
Assets	
Current assets	
Cash equivalents	867
Loan receivable	6,500,000
Other receivables	7,000,148
Total current assets	<u>13,501,015</u>
Non-current assets	
Total non-current assets	-
Total assets	<u>13,501,015</u>
Liabilities	
Current liabilities	
Convertible notes	13,500,000
Total current liabilities	<u>13,500,000</u>
Net assets	<u>1,015</u>
Equity	
Issued capital	2,500
Accumulated losses	(1,485)
Total equity	<u>1,015</u>

This above sets out the historical financial position of GRR and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the opinions in Section 2 of this report.

Golden River Resources Pty Ltd
Statement of cash flows
For the period ending 31 October 2020

	28 August 2020 – 31 October 2020 \$
Cash flows from operating activities	
Payments to suppliers and employees (inclusive of GST)	<u>(1,633)</u>
Net cash used in operating activities	<u>(1,633)</u>
Cash flows from investing activities	
Payment to acquire loan receivable	(6,500,000)
Restricted cash held in trust	<u>(7,000,000)</u>
Net cash used in investing activities	<u>(13,500,000)</u>
Cash flows from financing activities	
Proceeds from issue of shares	2,500
Proceeds from issue of convertible notes	<u>13,500,000</u>
Net cash provided by financing activities	<u>13,502,500</u>
Net increase in cash and cash equivalents	867
Cash and cash equivalents at the beginning of the financial period	<u>-</u>
Cash and cash equivalents at the end of the financial period	<u><u>867</u></u>

This above sets out the historical cash flows of GRR and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the opinions in Section 2 of this report. Past performance is not a guide to future performance.

**CENTNNIAL STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Consolidated 2020 \$
Assets	
Current Assets	
Cash and cash equivalents	1,935,776
Trade and other receivables	11,687
Inventories	784,279
Other current assets	107,893
Total Current Assets	2,839,635
Non-Current Assets	
Property, plant and equipment	1,654,851
Exploration and evaluation assets	250,000
Development assets	4,925,172
Other non-current assets	857,000
Total Non-Current Assets	7,687,023
Total Assets	10,526,658
Liabilities	
Current Liabilities	
Trade and other payables	13,173,811
Borrowings	10,213,654
Provisions	369,515
Total Current Liabilities	23,756,980
Non-Current Liabilities	
Provisions	1,128,178
Total Non-Current Liabilities	1,128,178
Total Liabilities	24,885,158
Net Liabilities	(14,358,500)
Equity	
Issued capital	51,991,717
Reserves	-
Accumulated losses	(66,350,217)
Total Equity	(14,358,500)

This above sets out the historical position of Centennial and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the opinions in Section 2 of this report. Under the terms of the DOCA the majority of Current Assets are applied to the creditors trust to settle the liabilities of the Company. Refer to Note 13 for details of the acquisition.

CENTENNIAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Consolidated		
	2020	2019	2018
	\$	\$	\$
Revenue	18,337,728	22,238,045	24,739,944
Other income	62,640	262,835	364,682
Mine operating expenses	(18,681,593)	(27,232,766)	(28,739,128)
Impairment of development assets, property, plant and equipment, exploration and evaluation assets	-	(23,919,915)	(1,881,165)
Professional fees	(5,900,433)	(1,355,111)	(480,230)
Personnel costs	-	(1,100,275)	(81,095)
Finance costs	(2,246,357)	(677,280)	(769,080)
General and administrative costs	(294,075)	(919,083)	(752,936)
Other gains	178,144	244,780	(1,945,405)
Share based payment expense	-	(901,963)	(46,058)
Loss before income tax expense	(8,543,946)	(33,360,733)	(9,590,471)
Income tax benefit	-	-	1,271,691
Net loss for the year	(8,543,946)	(33,360,733)	(8,318,780)
Other comprehensive income for the year net of tax	-	-	-
Total comprehensive loss for the year	(8,543,946)	(33,360,733)	(8,318,780)

This above sets out the historical performance of Centennial and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the opinions in Section 2 of this report, in particular the disclaimers in respect of 2018 and 2019. Past performance is not a guide to future performance.

**CENTENNIAL STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	Consolidated	
		2019	2018
	\$	\$	\$
	Inflows/(Outflows)		
Cash flows from operating activities			
Receipts from customers	18,337,728	22,238,045	24,742,713
Payments to suppliers and employees	(18,421,673)	(23,596,401)	(24,211,472)
Interest received	14,726	16,781	3,744
Government grants received	43,734	-	(786,616)
Finance costs	(35,250)	(83,747)	(251,632)
Net cash used in operating activities	(60,735)	(1,425,322)	
Cash flows from investing activities			(1,190,838)
Purchase of property, plant and equipment	(705,555)	(108,412)	-
Proceeds from non-current assets	-	283,374	(64,202)
Proceeds from disposal of subsidiary	498,144	-	(2,324,584)
Net cash (used in) / provided by investing activities	(207,411)	174,962	(3,579,624)
Cash flows from financing activities			
Proceeds from issue of shares	-	-	3,640,920
Proceeds from borrowings	700,000	3,433,900	62,862
Repayment of borrowings	(242,504)	(837,303)	-
Net cash provided by financing activities	457,496	2,596,597	3,703,782
Net increase in cash and cash equivalents	189,350	1,346,237	(127,474)
Cash and cash equivalents at beginning of year	1,746,426	400,189	527,663
Cash and cash equivalents at end of year	1,935,776	1,746,426	400,189

This above sets out the historical cash flows of Centennial and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 3 and the opinions in Section 2 of this report, in particular the disclaimers in respect of 2018 and 2019. Past performance is not a guide to future performance.

APPENDIX 5
FINANCIAL SERVICES GUIDE

4 December 2020

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Kaiser Reef Limited ('the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report/s') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

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

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

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$14,000 (exclusive of GST).

BDO Audit (WA) Pty Ltd has a fee payable of approximately \$10,000 in respect of the audit of GRR and fees of approximately \$120,000 for the audits of Centennial which are payable by the Administrator.

BDO Corporate Tax (WA) Pty Ltd has provided compliance services to the Administrators of Centennial with approximately \$48,000 payable.

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

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Kaiser Reef for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

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

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.

**ANNEXURE B – INDEPENDENT TECHNICAL REPORT (VICTORIAN
PROJECTS)**



A1 AND MALDON PROJECTS

INDEPENDENT TECHNICAL REPORT

For

KAISER REEF LIMITED

Job No.
Doc No.
Date:
Prepared
by:

2821_M
6614v5.6_v6_ITR_Final
November 2020
Mining One

Mining One Pty Ltd
Level 9, 50 Market Street
Melbourne VIC 3000
Ph: 03 9600 3588
Fax: 03 9600 3944



Quality
ISO 9001
SAI GLOBAL

FINAL REPORT

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APPENDICES

- A. A1 Mine – JORC, 2012 Edition Table 1
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EXECUTIVE SUMMARY

Mining One Consultants (Mining One) was commissioned by Kaiser Reef Limited (Kaiser Reef) to prepare an Independent Technical Report (ITR) on a suite of mining and exploration assets, listed below currently belonging to Centennial Mining Limited (In Administration) [Centennial Mining], which the company has agreed to acquire. Mining One understands that the ITR is to be included in a re-compliance prospectus to be issued by Kaiser Reef for an offer of 25,000,000 shares at an issue price of \$0.30 to raise \$7.5 million to facilitate Kaiser Reef’s application to re-list on the ASX.

The properties under review in the ITR consist of the mining licences listed in **Table A**. The licences are in two geographical areas: the A1 Mine to the north east of Melbourne and the Maldon Project, north west of Melbourne, see **Figure A**. The A1 mine is currently in production with ore being trucked to the Maldon Gold Project processing plant at Maldon which is located on MIN5146 the Union Hill Mineral Licence.

Table A Tenement List

Area	Licence	Asset Name
Wood’s Point	MIN 5294	A1 Mine
Maldon Project	MIN 5146	Porcupine Flat / Union Mine
	MIN 5528	Nuggetty Mine
	MIN 5529	North of England
	ELA 7029 (Application)	Maldon Gold Project

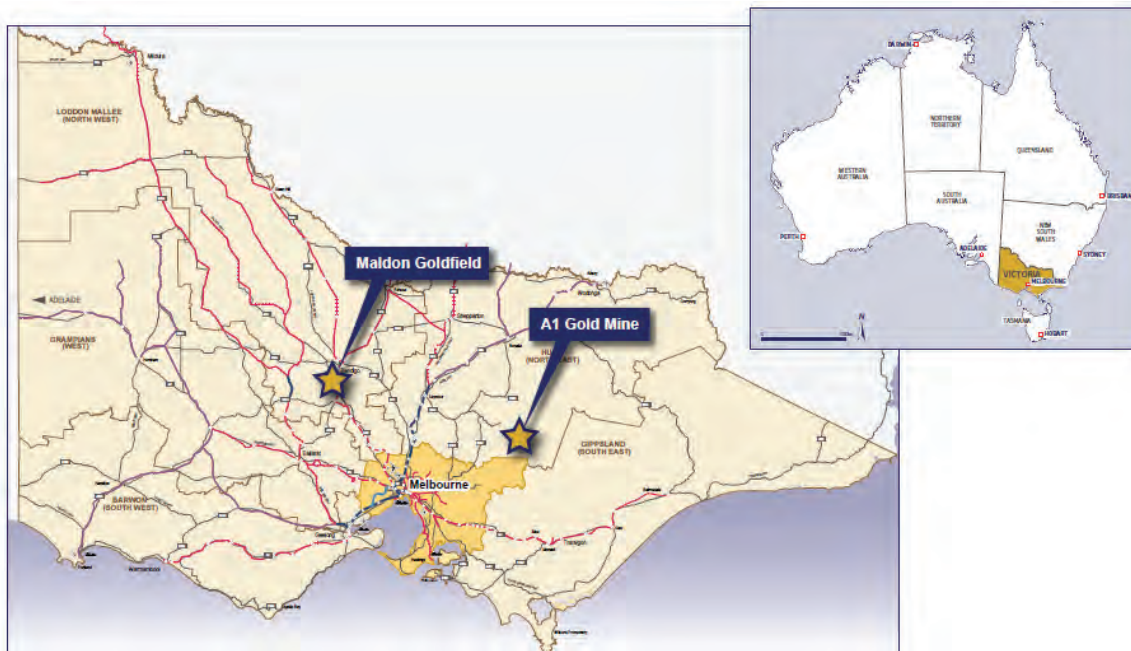


Figure A Location Plan

A1 Mine and Porcupine Flat Process Plant

The A1 Mine located 8km northwest of Woods Point and 120km west of Melbourne in the State of Victoria, Australia in the prolific Gaffney's Creek Goldfield. The mine lies within the Woods Point-Walhalla domain of the Melbourne Zone of the Lachlan Fold Belt which contains a tightly folded sequence of early Devonian turbidites and late Devonian felsic to ultramafic intrusives of the Woods Point Dyke Swarm. Gold mineralisation at A1 is hosted by a diorite dyke in structurally controlled quartz vein-shear zones systems.

JORC Mineral Resources

Mineral Resources have been estimated for the A1 Mine project and the Nuggetty Reef project. These Resources are summarised in **Table B** and **Table C**:

Table B A1 Mine Mineral Resource Summary

Project	Resource Class	Au Cut-Off	Tonnes	Au g/t	Au Oz
A1 Mine	Indicated	>2.5 g/t Au	156,025	5.14	25,760
	Inferred		321,285	4.55	46,953
	Total Resources	>2.5 g/t Au	477,310	4.74	72,713

Table C Nuggetty Mineral Resource Summary

Project	Resource Class	Au Cut-Off	Tonnes	Au g/t	Au Oz
Nuggetty	Indicated	>2.4 g/t Au	2,218	6.14	438
	Inferred		4,536	5.32	776
	Total Resources	>2.4 g/t Au	6,754	5.59	1,214

The exploration potential of the A1 mining licence area is considered by Mining One to be very good as increased drilling density into existing drill-defined exploration target areas can be in-fill drilled to define mineralisation to a higher level of confidence. Mineralisation is known to extend at least 200 m below current working levels and the currently reported Mineral Resource.

Mining

The A1 mine is currently in operation and has been operating at reduced capacity during the period of Centennial's administration. Although a Mineral Resource for the A1 project has been estimated, there is no Mineral Reserve and the configuration of Resources / Exploration Targets are not conducive to formulating a Production Target. There is good exploration potential at the A1 mine as well as a number of potential targets within the Maldon project area.

During this administration period, the A1 mine has focussed on Airleg mining methods, following existing mineralisation trends with little to no exploration drilling. It has operated within limited working capital constraints whilst demonstrating reasonably continuous production and quality. Mine to Mill reconciliation results (Table D) over the past 17 months provides significant support as to the success of the current short-term forecasts and mining methods. During this period, a significant proportion of these zones were mined without any formal Resource Model whereby much of the mining forecasts were informed by level drive chip samples and historic mining trends.

Table D April 2019 to September 2020 Mine to Mill Reconciliation

Source	Tonnes	Grade	Ounces
Mining Forecast	34,190	8.00	9,744
Mining Actual	34,892	10.59	11,882
Mill Production		11.37	12,752

The Scoping Study, referred to in this report, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this Scoping Study will be realised.

In November 2020, a Scoping Study (Study) was prepared based partly on the Resources presented here and on mineralisation trends that were in the proximity of statistically correlated chip samples (Exploration Target). The Company lodged a copy of the Scoping Study with ASIC on 4 December 2020. The lodged Scoping Study is incorporated by reference into Kaiser Reef’s prospectus by operation of section 712 of the Corporations Act 2001 (Cth).

The Study explored a range of potential scenarios that were based on a combination of Longhole Stopping and Airleg mining methods. Of these scenarios, an “Expected Case” was identified, consisting of differing proportions of Indicated Resources (29%), Inferred resources (58%) and an Exploration Target (13%).

The Airleg Stopping, essentially Exploration Target based, adopted a 50% conversion of the estimated stope shape, as is projected to be on the southern extents of existing operations. It does not form part of the Resources declared here. These tonnes were considered for inclusion in the Study results, based on support of the aforementioned recent reconciliation data covering April 2019 to September 2020 (Table D) primarily sourced from Airleg Stopping.

The Study’s scheduled gold production consists of 76.5% from Longhole Stopping, 11.6% from Airleg Stopping and 11.9% from above Cut-Off development.

Whilst Kaiser Reef’s immediate intention is to continue to operate, they will seek to conduct further exploration with the objective being to increase the current Mineral Resource at A1 and possibly release an initial Mineral Reserve estimate. With this aim, the Scoping Study incorporated an Exploration and Capital Budget Estimate into a high level cash flow model that Mining One believe

is commensurate with the “Expected Case” scenario proposed. Table E provides a summary estimate of the Exploration and Infrastructure Capital proposed in the Scoping Study.

Table E Exploration and Infrastructure Capital Estimate

EXPLORATION COSTS	Year 1	Year 2	Total
Detailed Mapping and geology	67,000	20,000	87,000
UG Drilling A1	1,090,000	610,000	1,700,000
UG and surface drilling Maldon	1,130,000	1,395,000	2,525,000
Heritage and tenement administration	15,000	10,000	25,000
Geological services and field labour	98,000	55,500	153,500
Administration	150,000	180,000	330,000
Total Exploration Costs VIC	2,550,000	2,270,500	4,820,500
INFRASTRUCTURE CAPITAL COSTS	Year 1	Year 2	Total
Capital development decline	986,000	285,000	1,271,000
Capital development ventilation	142,000	68,500	210,500
Capital tailings facility	90,000	90,000	180,000
Capital fixed plant	155,000	75,000	230,000
Capital mobile plant	230,000	45,000	275,000
Capital mixed	60,000	40,000	100,000
Total Capital Costs	1,663,000	603,500	2,266,500

The Study has developed operating costs from both existing and forecast costs. Breakeven Cut-offs estimated for the A1 mine are Longhole Stopping – 3.1 g/t Au and Airleg Stopping – 4.0 g/t Au, inclusive of mining development and sustaining capital. The key economic assumptions used were as follows:

- Gold Price - US\$1,900/oz
- Foreign Exchange rate (AUD:USD) – 0.72

Longhole stopping and Airleg stopping are the two stopping methods adopted in the mine to extract the material above Cut-Off with the selection of each method dependant on geological complexity, stope geometry and access development:

- Longhole Stopping was adopted for the larger bulked out zones where single veins or a series of veinlets exist where selective mining using Airleg is not practical.
- Airleg Stopping was adopted for mining the very narrow vein structures where selective mining is practical, steep dipping structures are encountered a gallery or sub level stope is designed and slot stopping for the flatter dipping structures.

The Study development and stope design is shown in **Figure B**. The green stope blocks are the Longhole Stopes, the dark blue stope blocks are the Airleg Stopes outside the Resource Model and the light blue stope blocks are the Airleg Stopes contained within the Resource Model.

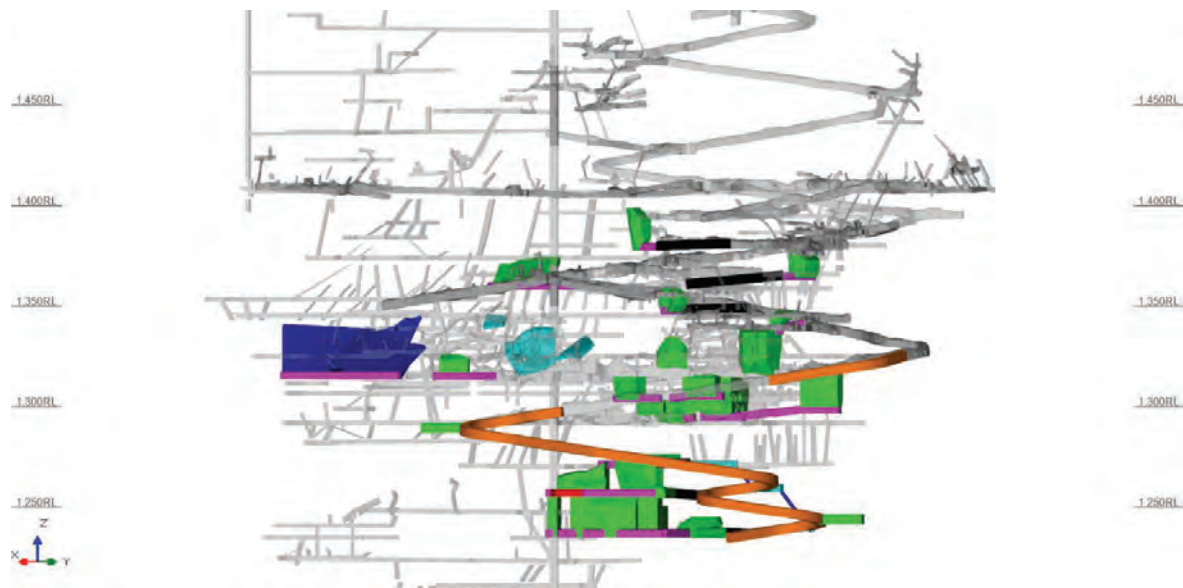


Figure B Scoping Study Development and Stope Design

The Study estimated Airleg Stopes based on an average mining width of 1.6 metres (based on historic mining and localised chip sampling grades).

To support the immediate stoping and development opportunities outlined in the Study, it is expected that A1 Mine would require development and haulage activities to operate concurrently, subsequently requiring additional primary ventilation capacity. However, the in-situ primary ventilation capacity and efficiency is not well understood, requiring ventilation surveys and modelling to adequately clarify current capacity and future requirements.

After mining at A1, the ore is stockpiled near the mine gate before transportation by road-train B doubles approximately 320 km to the company owned process plant at Porcupine Flat, Maldon.

The Study developed a model (cash flow) to verify the potential likelihood of a positive economic outcome.

The Scoping Study, referred to in this report, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this Scoping Study will be realised.

Porcupine Flat Processing Facility

A review of the processing operation was conducted which investigated process recovery, throughput, operating costs and tailings disposal.

Data published in quarterly reports from Centennial Mining was analysed, as well as data from the metallurgical balance, monthly reconciled metallurgical balance, Centennial Mining Mine Plan and independent and internal reports.

The plant is clearly capable of nameplate production of 150 ktpa. When the front end is optimised and operated efficiently, with an availability of at least 90%, it is viewed as capable of 180 ktpa in its current arrangement. Further upside to 180 ktpa appears possible.

The plant recovery was found to fit a fixed tail model and a recovery relationship. A recovery improvement may be realised by optimising the grind size, which is currently quite coarse.

Operating costs were reviewed in the Centennial Mining Mine Plan and independent reports and the following relationship found for processing costs:

Annual process cost (A\$M) = A\$3.2M + 0.027 x (annual ore processed (kt))

There is currently a plan for 300 kt of additional tailings in TSF5, with approval of approximately 110 kt of capacity (TSF5c) imminent. A further 200 kt requires further approvals (TSF5d). There is a permitted option for an additional 240-300 kt of capacity at TSF4 (yet to be constructed), which has some approval and timeline challenges. A contingency plan to manage tailings disposal should be initiated, along with progressing studies and work for tailings options beyond TSF5.

Maldon Project

The Maldon Project is located at the town of Maldon 120km NW of Melbourne. The Maldon Project covers a portion of the Bendigo Zone of the Lachlan Fold Belt, predominantly tightly folded Ordovician metasediments of the Castlemaine Group, the early Devonian Harcourt granodiorite, and its contact metamorphic aureole. The Maldon Goldfield contains Orogenic (Mesozonal) gold mineralisation occurring in several different brittle-ductile structural settings.

Exploration Potential

The exploration potential of the Maldon Project area is considered by Mining One to be very good. The Nuggetty Reef produced some of the highest-grade gold production over 187 g/t. Over 4.5km of the reef structure appears on the Maldon Mining Licences with 7 exploration targets already defined but untested and accessible from existing underground workings.

ELA7029 covers some 15km of poorly exposed and explored contact aureole between the Harcourt Granite and the Castlemaine Group and is prospective for Nuggetty Reef or intrusive style gold mineralisation.

A handwritten signature in black ink that reads "Simon Curd".

Simon Curd
Principal Mining Engineer

A handwritten signature in black ink that reads "Stuart Hutchin".

Stuart Hutchin
Geology Manager

1 INTRODUCTION

1.1 Terms of Reference

Mining One Pty Ltd (**Mining One**) was engaged by Kaiser Reef Ltd (**Kaiser Reef**) to complete an Independent Technical Report (**ITR**) which covers the Geological, Mining, and Metallurgical matters of the A1 Mine and Maldon projects currently belonging to Centennial Mining Limited (In Administration) [Centennial Mining], which the company has agreed to acquire.

Mining One understands that the ITR is to be included in a re-compliance prospectus to be issued by Kaiser Reef for an offer of 25,000,000 shares at an issue price of \$0.30 to raise \$7.5 million to facilitate Kaiser Reef's application to re-list on the ASX.

The ITR has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports - the (VALMIN Code (2015)) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code (2012)). The ITR has also been prepared in accordance with the requirements of the ASIC Regulatory Guides 111 (Content and Expert Reports) and 112 (Independence of Experts).

The effective date of this report is deemed to be the 16th November 2020. The ITR has been compiled based on information available up to including the date of this report.

Exploration results referred to in this report were, unless specifically noted to the contrary, prepared under previous versions of the JORC Code (2012). Historical exploration results were reported in accordance with the standards of the mining industry at their original time of reporting.

The historical information available has been incorporated and compiled into JORC Table 1 format and as such that historical exploration results referred to in this ITR are in accordance with JORC Code (2012) guidelines.

This ITR is not a "Valuation Report" as defined in the VALMIN Code (2015) and does not express an opinion with respect to the value of the mineral assets or make any comment on the fairness or reasonableness of any transactions contemplated.

This ITR contains statements attributable to third parties. These statements are made or based upon statements made here and in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not provided consents to their statements use in this ITR, and these statements are included in accordance with ASIC Corporations (Consent and Statements) Instrument 2016/72.

1.2 Relevant Assets and Location

The Relevant Assets ("the Assets") for the purposes of this report are:

Table 1-1 Tenement List

Tenement	Asset
MIN 5294	A1 Mine (Gaffney's Creek)
MIN 5146	Union Hill Mine and Porcupine Flat Mill
Tenement	Asset
MIN 5529	North of England
MIN 5528	Nuggetty Mine
ELA 7029 (Application)	Maldon Gold Project

1.3 Site Inspections

In compiling this report, the author has relied on past site visits undertaken by Mining One personnel to the project areas and adjacent areas, availability of extensive databases and technical reports on the projects. The Author considers that sufficient current material is available to allow an informed appraisal without the need to re-visit the project areas.

1.4 Capability and Independence

Mining One Pty Ltd is an independent private consulting company which has been providing consulting services to the international and local mining industry since 2005. Mining One and the authors of this ITR are independent of Kaiser Reef, its directors, senior management, and advisers and have no economic or beneficial interest (either present or contingent – other than being an unsecured creditor in the previous ownership entity) in any of the mineral assets described in this ITR. Similarly, Mining One, nor the contributing authors of this ITR have any material present or contingent interest in the outcome of this ITR, or the related transaction to which it applies nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of Mining One.

Mining One fees for completing this ITR are based on commercial consulting rates. The payment of fees is not contingent upon the outcome of the ITR or the outcome of the IPO.

This report is provided for the use of Kaiser Reef, and should only be reproduced, pending relevant consent by Mining One Pty Ltd, in whole and not in part.

1.5 Principal Information Sources

The principal sources of information used to compile this ITR include technical reports and data compiled by Kaiser Reef, Centennial Mining (Ltd) (in Administration), and the administrator KordaMentha, and publicly available information such as ASX announcements and government reports. A listing of the principal sources of information is found in the References section.

Mining One has endeavoured, by making reasonable enquires, to confirm the authenticity, accuracy, and completeness of the technical data it has relied upon. A final draft of this report was also provided to Kaiser Reef, prior to finalisation by Mining One, requesting that Kaiser Reef identify any material errors or omissions prior to its final submission.

1.6 Document Information (aka disclaimers)

This report has been prepared for inclusion in a re-compliance prospectus to be issued by Kaiser Reef for an offer of 25,000,000 shares at an issue price of \$0.30 to raise \$7.5 million to facilitate Kaiser Reef's application to re-list on the ASX.

Whilst the content of this report has been prepared with all reasonable care from sources which we believe are reliable, no responsibility or liability is accepted by Mining One for any errors or omissions or misstatements however caused. Any opinions, forecasts or recommendations reflect our judgement and assumptions at the date of publication and may change without notice.

1.7 Forward Looking Statements

The A1 project is currently in operation and has been operating at reduced capacity during the period of Centennial's administration. Although a Mineral Resource for the A1 project has been estimated, there is no Mineral Reserve. There is good exploration potential at the A1 project as well as a number of potential targets within the Maldon project area.

Whilst Kaiser Reef's immediate intention is to continue to operate within the current Mine Plan (Scenario 2), they will seek to conduct further exploration with the objective being to increase the current Mineral Resource at A1 and possibly release an initial Mineral Reserve estimate. There is no guarantee that either of these objectives will be satisfied in the near term, or at all.

The Scoping Study, referred to in this report, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this Scoping Study will be realised.

While the production rates and cash costs, which are based on reasonable assumptions of Mining One, are considered appropriate, you should appreciate that many factors affecting future operations and performance are outside the control of the Kaiser Reef and may not be capable of being foreseen or otherwise accurately predicted by Mining One. Accordingly, actual results and performance may vary materially from the mining scenarios presented here. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.

Any forward-looking statements speak only at the date of issue. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, Kaiser Reef or Mining One do not undertake any obligation to publicly update or revise any of the forward-looking statements, changes in events, conditions or circumstances on which any statement is based.

1.8 Competent Person's Statement

Resources

The information in this Independent Technical Report that relates to Mineral Resource Estimates undertaken and compiled by Mr Stuart Hutchin, an employee of Mining One. Mr Hutchin is a Member of the Australian Institute of Geoscientists and has sufficient experience to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Hutchin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Independent Technical Report

The information in this Independent Technical Report is an assessment completed by Mr Simon Curd, an employee of Mining One. Mr Curd is a Member of the Australasian Institute of Mining and Metallurgy and is deemed a Competent Person.

Mr Curd has sufficient experience with the type and style of mineralisation of the projects under consideration, the activities being undertaken and is deemed a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Mr Curd consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.9 Study Team

Stuart Hutchin – Principal Geologist

Dean Basile – Principal Mining Engineer

Mr Michael Conan-Davies – Senior Project Geologist

Simon Curd – Principal Mining Engineer

Tyler Sibley – Senior Mining Engineer

Dr Kevin Rees – Principal Processing / Metallurgical Engineer

Craig Stewart – Principal Mining Consultant

1.10 Prior Association and Independence

Mining One is remunerated for this ITR by way of professional fees in accordance with a standard schedule of commercial rates, calculated based on fees for time and in not any way contingent on the outcome of this report.

2 A1 MINE AREA

2.1 Location and Access

The A1 Mine is located on a single Mining Licence MIN5294 located in the Mansfield Shire 8km northwest of Woods Point and 120km west of Melbourne.

The Wood's Point area has reliable infrastructure, including well maintained roads, power, mobile communication coverage and access to water. The closest major city is Melbourne. Major regional centres in the Latrobe valley are 60-80km south of the project area. The Latrobe valley is well serviced by industry that support the local brown coal mines and dairy industries in the region. The smaller villages and hamlets such as Walhalla and Woods Point have limited services.

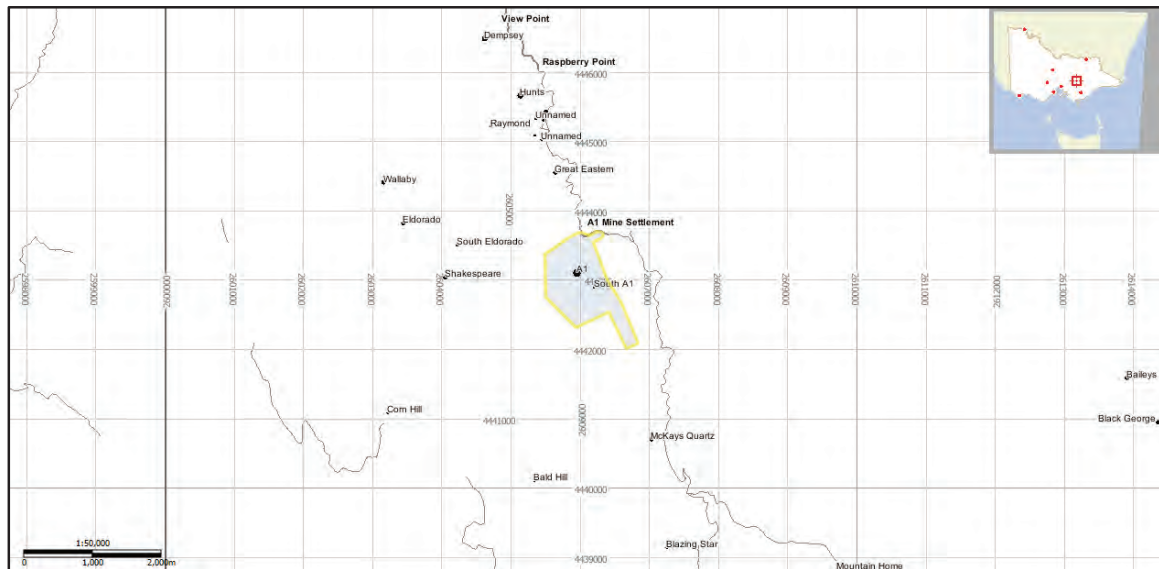


Figure 2-1 Location Plan MIN 5294 A1 Mine

2.2 Tenure and Ownership

The A1 Mine area consists of a single Mining Licence MIN 5294. Centennial Mining has 100% equity interest in the tenement. Mining One has not reviewed the good standing of the tenements.

Particulars of the tenement are tabled below:

Table 2-1 Tenement Details MIN5294 A1 Mine

Tenement	Owner	Type	Status	Expiry	Bond	Area
MIN 5294	Centennial Mining	Mining Licence	Current	17/08/25	\$109 k	107 Ha

2.2.1 Agreements and Royalties

MIN 5294 is subject to a number of third-party agreements including secured loan agreements which Mining One has not considered in this report.

2.3 Geology

The geology discussion below has been summarised from the company reports prepared by Centennial Mining and its predecessor companies, and government sources (VandenBerg 2006).

2.3.1 Regional Geology

The A1 Gold Mine area lies within the Woods Point – Walhalla Synclinorium structural domain of the Melbourne Zone, a northwest trending belt of tightly folded Early Devonian Walhalla Group sandy turbidites. The domain is bounded by the Enoch's Point and Howe's Creek Faults (Figure 2-2), both possible detachment-related splay structures that may have controlled the intrusion of the Woods Point Dyke Swarm and provided the conduits for gold bearing hydrothermal fluids. The local structural zone is referred to as the Ross Creek Fault Zone.

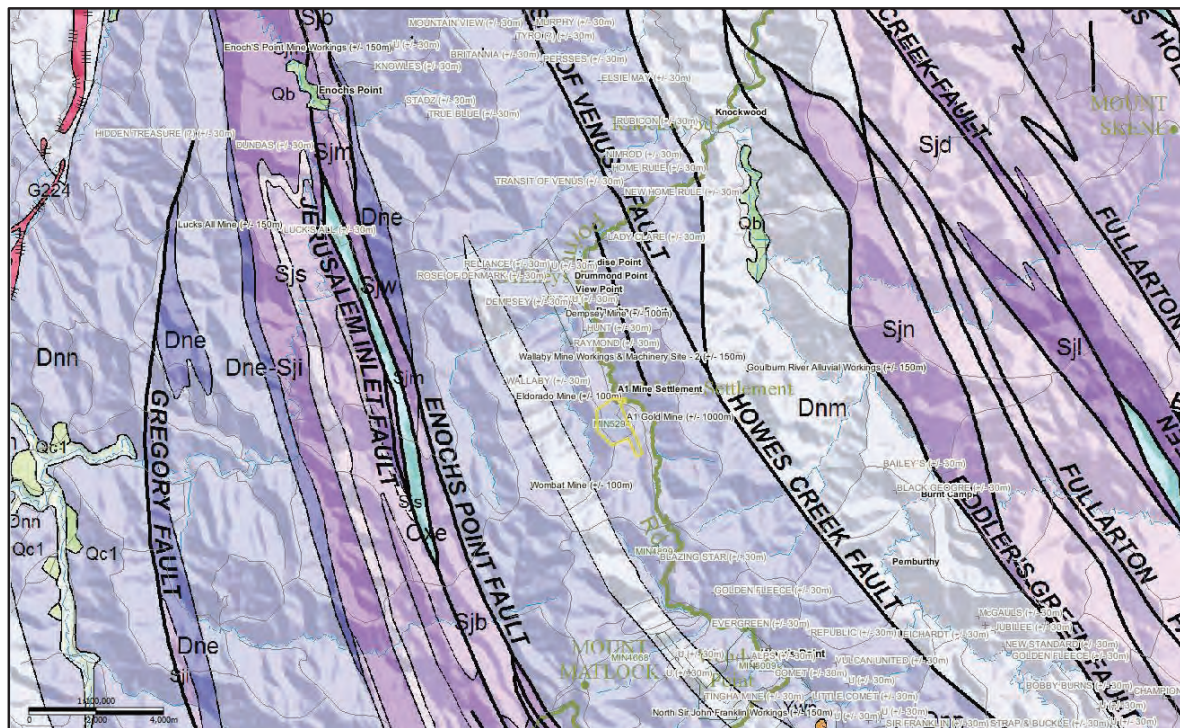


Figure 2-2 Geological Plan of the A1 Mine Area

2.3.2 Local Geology

Most gold mineralisation in the Woods Point to Gaffney's Creek corridor occurs as structurally controlled quartz vein-shear zone systems hosted by dioritic dyke bulges bounded to the West by the Enoch's Point Fault and to the East by the Howe's Creek Fault. The A1 Gold Mine is central to this corridor.

2.3.3 A1 Deposit Geology and Mineralisation

Gold mineralisation at the A1 Gold Mine is hosted in a steeply dipping diorite intrusive that is part of the Woods Point Diorite Swarm. Three mineralisation styles have been recorded as follows:

- Reef Mineralisation: Typically, east and west dipping brecciated quartz rich shear zones, and laminated quartz infills in shears. Reefs are 10 cm to several metres in width, 30-150 m in strike length and 30-70 m in dip extent.

- Brecciated Diorite: Consisting of quartz rich brecciated diorite with branching and anastomosing quartz veins with carbonate-sulphide-sericite alteration selvage. Shallowly dipping quartz ‘stringer’ veins, which branch off dilatational breccias, typically 0.01 to 0.3 m thick;
- Wide zones of strongly hydrothermally altered dyke consisting of carbonate/sericite altered diorite with minor quartz in steeply plunging zones of 30 m thick extending 100 m along strike and over 170 m vertically.
- Wide zones of strongly hydrothermal carbonate altered (bleached) and sericitized hornblende dyke with disseminated pyrite-arsenopyrite.

Coarse gold occurs either within quartz-filled dilation breccias and branching quartz veins or in laminated quartz infill of NE-SW striking shear zones. Fine grained disseminated gold occurs within pyrite or associated with arsenopyrite and bournonite. The broad mineralisation zones are the result of a culmination of intersecting structures beneath interpreted shallow dipping shear zone ‘fault valves’.

Within mineralised zones, gold grades vary significantly and are influenced by changes in lithology, structural fabric and orientation.

2.4 Exploration and Mining History

Located in the Gaffney’s Creek gold field the A1 Mine has a long history of production commencing in 1862 and producing intermittently until the present. According to government sources, the A1 Gold Mine produced 385,000 oz from 1864 to 1991 (VandenBerg 2006) and since 1992 over 53,000 ounces of gold have been recovered from the mine (Centennial Mining, 2018) for a total of approximately 495,000 oz.

More recently, production has reconciled positively with forecast production (April 2019 to September 2020). Mill produced gold grades / poured ounces have exceeded the forecast by an average of 37% and 26% respectively.

Table 2-2 April 2019 to September 2020 Mine to Mill Reconciliation

Source	Tonnes	Grade	Ounces
Mining Forecast	34,190	8.00	9,744
Mining Actual	34,892	10.59	11,882
Mill Production		11.37	12,752

2.5 Assessment of Mineral Resources

An updated Mineral Resource Estimate is reported as at the 20th October 2020 to cover the deposit within and adjacent to the “mining area” that is located between the 1260mRL and the 1400mRL. The resource model was updated within this area with additional diamond drilling completed to support the ongoing mining activities to test for near mine extensions to the mineralised zones. The area of the A1 deposit covered by the October 2020 Mineral Resource estimate is shown in Figure 2-4 and Figure 2-5.

2.5.1 October 2020 Mineral Resource Estimate Methodology

The Mineral Resource is based on a total of 436 diamond drillholes (NQ) for 23,898.24m of drilling. Diamond drilling used was completed via the following drilling companies:

- Star West Drilling contractors using an LM75 drill rig. The core diameter drilled was HQ (63.5mm), with the core was orientated using a Reflex ACT II orientation tool.
- Deepcore Drilling contractors using an LM90 rig with NQ2 (50.6mm) core diameter drilled. The core was orientated using a Reflex ACT II orientation tool.
- HMR with an LM30 Bobcat rig, drilling with NQ2 (50.6mm) conventional. Core was orientated with a Reflex ACT II orientation tool.

Gold grades were estimated within different mineralised domains within the dyke lithology, using different methodologies:

- Inner core of dyke, where $Au > 1$ g/t (DYKE=2); Multiple Indicator Kriging (MIK) estimation was used (no change of support was applied).
- Outer core of dyke, where $Au < 1$ g/t (DYKE=1); Ordinary Kriging estimation.

The software package used for statistics and grade estimation was Isatis (Geovariances), v2018. Sub-celled volume models were built in Datamine Studio RM version 1.2. The coding of the deposit domains is shown Figure 2-3. Simplistically the deposit is domained based on “unmineralized dyke” and mineralized dyke that consists of pervasive alteration and gold mineralization both as disseminated within the altered dyke and also as high-grade quartz veins.

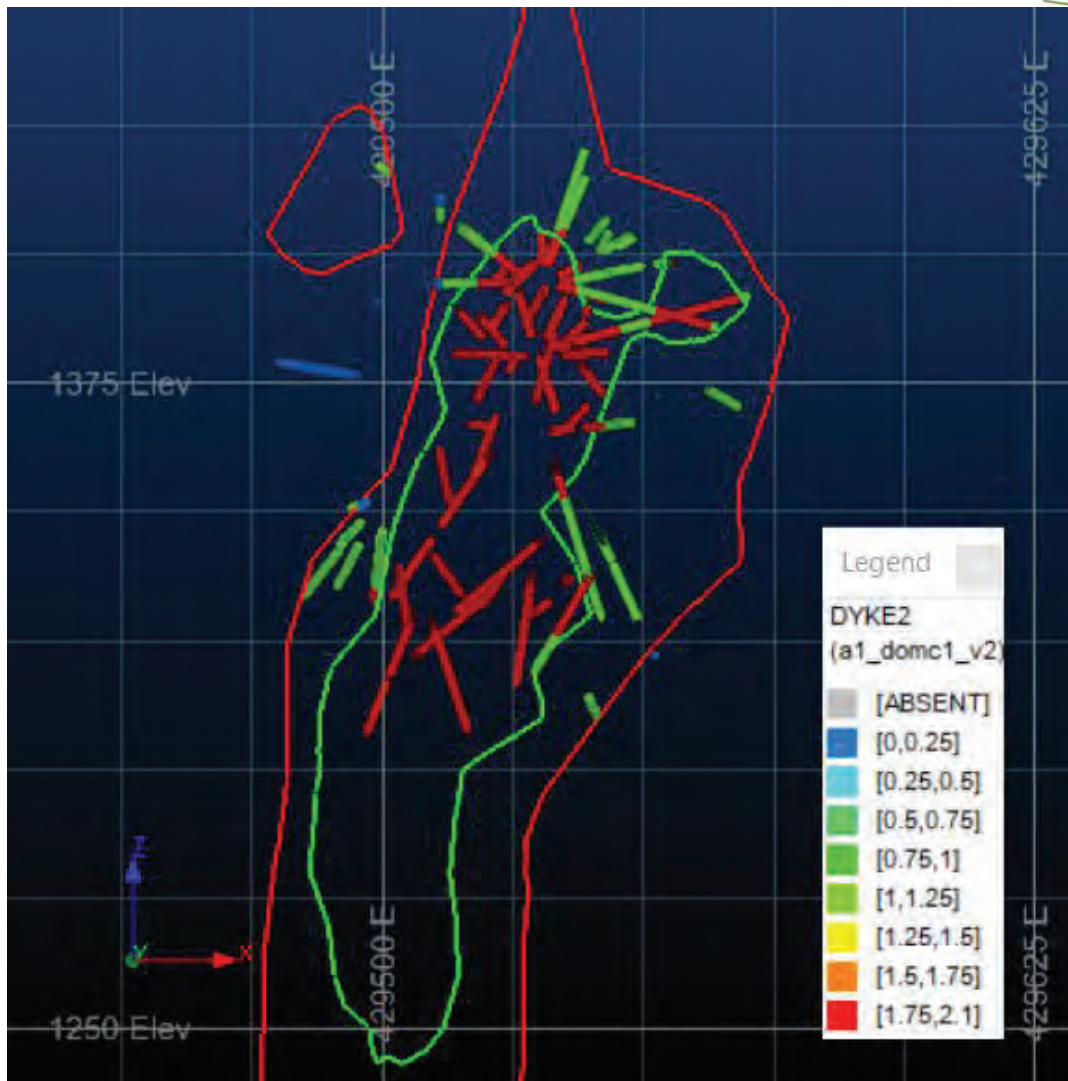


Figure 2-3 A1 Mineral Resource Model Coding Areas

Grades for the domain were estimated using composited diamond drill hole samples. For the outer domain (DYKE=1), outlying sample grades greater than 50 g/t Au were cut to 50 g/t Au based on breaks in the Au grade sample distribution. For the inner domain (DYKE=2), as an MIK estimation was used, which limits the range of higher-grade intervals within determined thresholds, an overall top cut of 300 g/t Au was used. Search radii and size were based on the respective variograms. Kriging Neighborhood Analysis was performed to ensure the optimum number of samples were chosen. Search directions were based on the geological understanding of the domain orientation:

- For the OK estimation within DYKE=1, the search was orientated based on the trend of the dyke (Azimuth 333, dip 85 to west);
- For DYKE=2, the MIK estimation within was based on 12 threshold cut-offs (indicators), to represent sample and metal distribution within the drill data. The first 5 indicators < 1.88 g/t Au, the search was orientated (Azimuth 333, dip 85 to west), the upper 7 indicators >1.88 g/t Au were orientated in the direction of the main known; and
- Historic high-grade reefs (Azimuth 333, dip 40 to west)

No grades were estimated for deleterious elements or other non-grade variables of economic significance.

For DYKE=1, the block model was created with a parent block size of 5m N X 5m E X 2.5m vertically. For DYKE=2, the block model was created with a parent block size of 2.5m N X 2.5m E X 1.25m vertically. Sub-celling for both models was set to 0.25m N X 0.25m E by 0.25m vertically to achieve reasonable volumetric representation. Au grade estimates were made at the parent block size. The parent block size along the strike direction was a little less than half the drill section spacing.

The estimation domains were constrained by wireframes representing the high-grade quartz vein style mineralisation, highly altered breccia zones (DYKE=2), within the dyke and weakly altered dyke domains (DYKE=1). Grades were estimated in two passes: the first pass used a search ellipsoid with dimensions approximately 80% of the variogram range; the second pass used a search ellipsoid with the same directions as the first pass but with a search dimensions 2x the variogram range. A minimum of 5 and maximum of 15 samples were used with a restriction of 3 samples per drill hole.

The blocks representing the parts of the domain mined out via historical stoping were flagged and omitted from the Mineral Resource estimate.

Validations of Au grade estimates were made by:

- Visual checks of estimated block grades against grades in nearby drill hole samples;
- Global statistical comparison of the estimated block model grades against the declustered composite statistics; and
- Swath plots within the mineralised domains by slices in northing and RL, comparing estimated blocks against composite and declustered drilling data, to verify local estimates.

2.5.2 October 2020 A1 Mineral Resource Results

The Resources are reported between the 1400mRL and 1200mRL (approx. down to 700m depth) using a 2.5 g/t Au lower cut-off. The A1 void model was used to deplete the model for mined material. For the purpose of assessing and reporting compliance with the JORC (2012) code, Table 1 of the code has been compiled and provided in Appendix A.

Table 2-3 October A1 Deposit Mineral Resources (20/10/2020)

Resource Class	Au Cut-Off	Tonnes	Au g/t	Au Oz
Indicated	>2.5 g/t Au	156,025	5.14	25,760
Inferred		321,285	4.55	46.953
Total Resources	>2.5 g/t Au	477,310	4.74	72,713

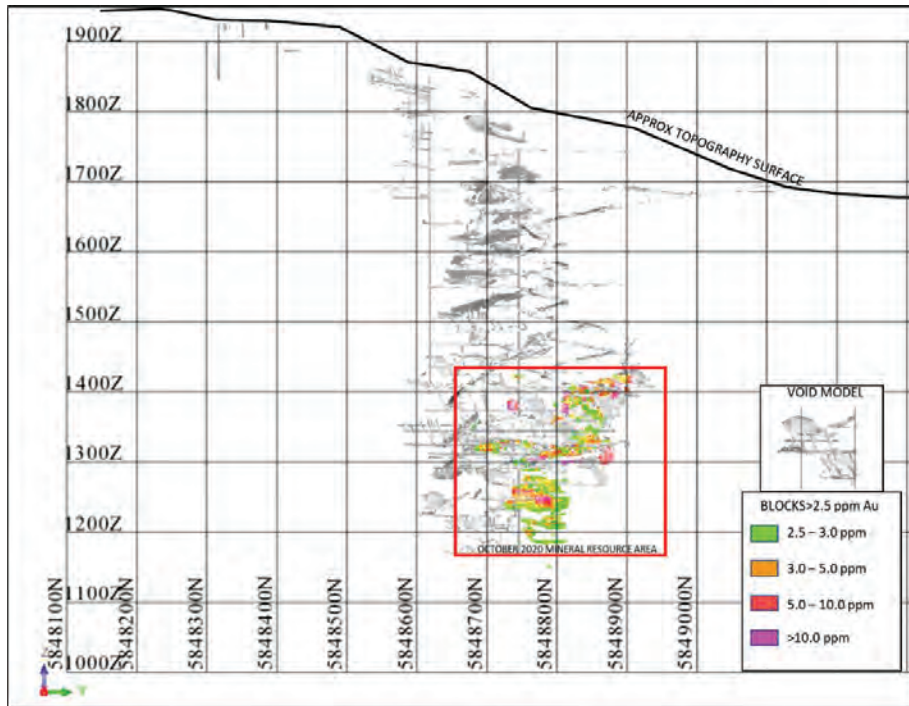


Figure 2-4 A1 Mine Showing October 2020 Resource Area

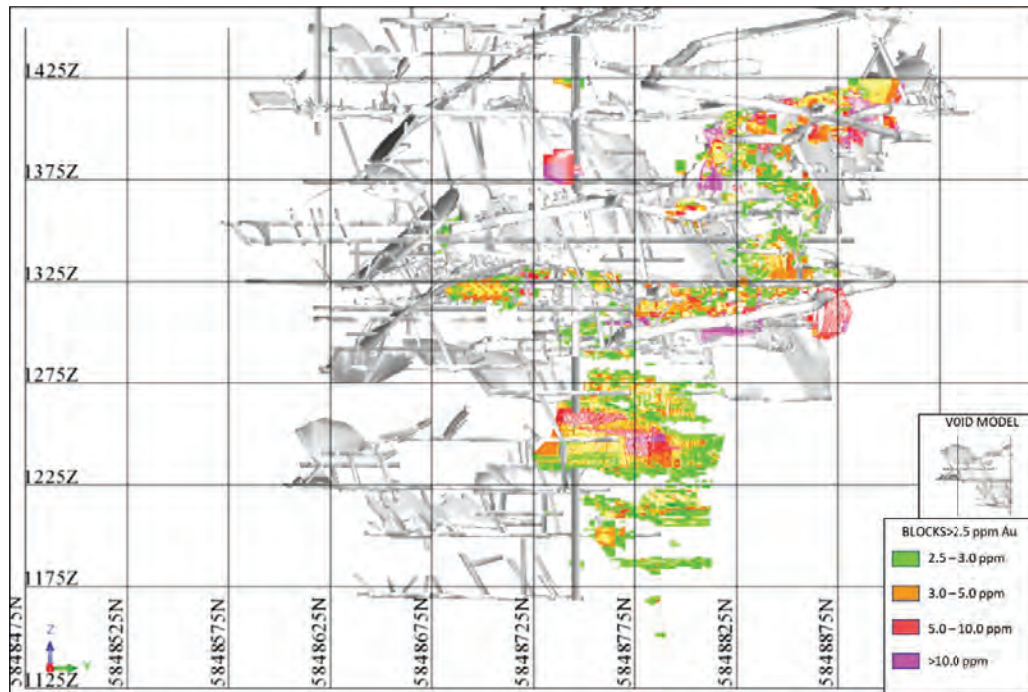


Figure 2-5 A1 Mineral Resource Blocks (>2.5 g/t Au) – Looking West

2.6 A1 Mine Exploration Targets

The exploration potential of the A1 licence (MIN 5294) is limited by the size of the licence area to down-plunge and along-strike opportunities within reach of existing workings or through re-evaluation of historic mine areas.

The Conceptual Exploration targets are based on the historical drilling, 3D modelling and mining records. The Conceptual Exploration targets are based on diamond and sludge hole drilling data, underground sampling data and historical 3D block models created for the mine area above the 1400m RL and below the 1200m RL.

Additional drilling and sampling is required to provide sufficient data to update resources in these areas. Conceptual targets include:

- A1 Upper Mine Area (>1400mRL) 300 – 400 kt @ 4 - 7 g/t Au; and
- Deep Mine Area (<1200mRL) 500 – 700 kt @ 4 - 7 g/t Au.

The potential quality and grade of these Exploration Targets is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource to the same level of confidence as the October 2020 Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

2.7 Assessment of Mining

2.7.1 Current and Proposed Mining Activities

During the administration period, the A1 mine has focussed on Airleg mining methods, following existing mineralisation trends with little to no exploration drilling. It has operated within limited working capital constraints whilst demonstrating reasonably continuous production and quality. Mine to Mill reconciliation results (Table 2-4) over the past 17 months provides significant support as to the success of the current short-term forecasts and mining methods. During this period, a significant proportion of these zones were mined without any formal Resource Model whereby much of the mining forecasts were informed by level drive chip samples and historic mining trends.

Table 2-4 April 2019 to September 2020 Mine to Mill Reconciliation

Source	Tonnes	Grade	Ounces
Mining Forecast	34,190	8.00	9,744
Mining Actual	34,892	10.59	11,882
Mill Production		11.37	12,752

The Scoping Study, referred to in this report, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this Scoping Study will be realised.

In November 2020, a Scoping Study (Study) was prepared based partly on the Resources presented here and on mineralisation trends that were in the proximity of statistically correlated chip samples (Exploration Target).

The Study explored a range of potential scenarios that were based on a combination of Longhole Stopping and Airleg mining methods. Of these scenarios, an “Expected Case” was identified,

consisting of differing proportions of Indicated Resources (29%), Inferred resources (58%) and an Exploration Target (13%).

The Study used the OK and MIK Resource Model generated by Mining One (Section 2.5) was limited to between 1200mRL and 1400mRL due to the low geological confidence outside of this zone. Airleg stopes outside of this zone on the southern extents were considered as a low confidence estimate (LCE), described as:

- Stopes allocated a nominal grade relative to the average grade from nearby chip sampling. All tonnes and grades for these stopes were reclassified as Resource Category (ResCat) 4;
- Stopes limited in strike such that they lie within approximately 15m of a chip sample with no geological relevance i.e. not necessarily aligned with a reef wireframe, just spatially within 15m;
- Stopes extrapolated to a width of 1.6 metres, reflective of indicative historical mining widths; and
- Stopes limited to between 1315mRL and 1345mRL (no samples above or below these RL's within the vicinity).

The Study considered five (5) different mining Scenarios were scheduled on a monthly basis commencing in April 2021, and assigned a risk ranking, a summary Scenario description is represented in Table 2-5.

Due to the nature of the schedule and shapes, backfill tonnes on a monthly basis were not reflective of the backfill sequence. In most cases the backfill tonnes are likely to be deposited into stopes in campaigns after a Cavity Monitoring Survey (CMS) at completion of mining the stope.

Tipping waste rockfill into voids (both historical and new) exceed waste generation, as such the tkm's associated with waste rockfill were minimal and were allocated a nominal distance to reflect short tramming distances to backfill locations.

Table 2-5 Scoping Study Schedule of Mining Scenarios

Schedule Range	Description
Scenario 1 High Range	Contains all longhole and airleg stoping opportunities, including low confidence estimates (LCE) for the southern airleg extents; <ul style="list-style-type: none"> ➤ Airleg (LCE) mining recovery of 100%.
Scenario 2 Medium Range (Expected Case)	Contains all longhole and airleg stoping opportunities, including low confidence estimates (LCE) for the southern airleg extents; <ul style="list-style-type: none"> ➤ Airleg (LCE) mining recovery of 50%.
Scenario 3 Low Range	Contains only longhole and airleg stoping opportunities generated by the block model.
Scenario 4 Medium Range	Contains a truncated (by grade) version of the longhole and airleg stoping opportunities including low confidence estimates (LCE) for the southern airleg extents. <ul style="list-style-type: none"> ➤ Airleg (LCE) mining recovery of 50%.

Scenario 5 Low Range	Contains a truncated (by grade) version of the longhole and airleg stoping opportunities generated by the block model, excluding all Low confidence estimates (LCE).
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Schedule Range	Description
Notes on LCE	Low Confidence Estimates (LCE) <ul style="list-style-type: none"> ➤ Given a nominal grade, as the average grade from nearby chip sampling. All tonnes and grades for these stopes were reclassified as ResCat 4, ➤ Limited in strike length such that they are within approximately 15m of a chip sample (no geological relevance i.e. not necessarily aligned with a reef wireframe, just spatially within 15m), ➤ Extrapolated to a width of 1.6m, as per the indicated historical mining widths; and ➤ Limited to between 1315mRL and 1345mRL (no samples above or below these RL's within the vicinity).

2.7.2 Scoping Study Expected Case

This Scoping Study, referred to in this report, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this Scoping Study will be realised.

The Airleg Stopping, essentially Exploration Target based, adopted a 50% conversion of the estimated stope shape, as is projected to be on the southern extents of existing operations. It does not form part of the Resources declared here. These tonnes were considered for inclusion in the Study results, based on support of the aforementioned recent reconciliation data covering April 2019 to September 2020 (Table 2-4) primarily sourced from Airleg Stopping.

The Study's scheduled gold production consists of 76.5% from Longhole Stopping, 11.6% from Airleg Stopping and 11.9% from above Cut-Off development.

The Scoping Study nominated an "Expected Case" for the A1 Mine for the following reasons;

- Longhole Stopping has reasonable confidence contained within the Resource Model with some drilling to indicate the deposit geometry and grade confidence.
- Airleg Stopping has reasonable confidence if contained within the Resource Model with some drilling to indicate the deposit geometry and grade confidence.
- Airleg Stopping considered a low confidence estimate (LCE) with only 50% of the stope shape scheduled. These stopping blocks are on the southern extents and are an estimate outside the Resource Model generated by Mining One. These tonnes are considered in this expected case with further support from recent reconciliation data April 2019 to September 2020. The Mill reconciled a grade of ~10 g/t Au, from a forecast mined grade of 8.0 g/t Au, which was sourced solely from Airleg Stopping.

2.7.3 Mine Design

The A1 Mine historically was accessed via a vertical shaft (which is currently used for primary ventilation purposes), however the shaft was decommissioned for haulage and personnel access due to blockages in the mid-levels. Current access to the A1 Mine is via a 5.0 mW x 5.0 mH Decline from a surface portal located at 1693mRL. The decline traverses the old mine workings from the Portal to a depth of 1295mRL, existing development below this level cannot be accessed from the current decline.

All new levels and stockpiles (excluding old historical levels) are accessed from decline with a 5.0mW x 5.0mH profile. All new level waste and ore drives are accessed from the main level access with a 4.0mW x 4.0mH profile. All new level development is interconnected with 1.5m x 1.5 m airleg rise escape ladderways. Level spacing has been determined by the continuity of the above Cut-Off material and have been designed on a 20 m sublevel interval in virgin areas, and as per the existing level spacing in existing areas (10-20 m).

Longhole stoping and Airleg stoping are the two stoping methods have been adopted in the mine to extract the material that is above cut-off with the selection of each method dependant on geological complexity, stope geometry and access development. Longhole stoping was adopted in the Study for the larger bulked out zones where single veins or a series of veinlets exist where selective mining using Airleg is not practical. Airleg stoping was adopted for mining the very narrow vein structures where selective mining is practical, steep dipping structures are encountered a gallery or sub level stope is designed and slot stoping for the flatter dipping structures.

Where stopes appear to be continuous over more than 20 m vertically the Study has proposed a bottom up mining sequence be used where open stopes can be filled with mine waste or cemented rockfill, thus creating a platform for mining the stope above. Where stopes are offset between levels a top down sequence can be used.

Due to the inherently disjointed nature of the remaining deposit in historical mining areas, the Study generated a combination of grade shells at cut-off grades of 3.1 g/t Au and 4.0 g/t Au to assess Longhole Stopping and Airleg Stopping opportunities respectively. Stope shapes were subsequently hand-digitised in 5m intervals and interrogated against the block model to test their validity.

Development designs and stope designs used in the Study "Expected Case" is shown in Figure 2-6. The green stope blocks in Figure 2-6 are the longhole stopes, the dark blue stope blocks are the airleg stopes outside the MIK Model and the light blue stope blocks are the airleg stopes inside the MIK Model that have been scheduled as per Section 2.7.2.

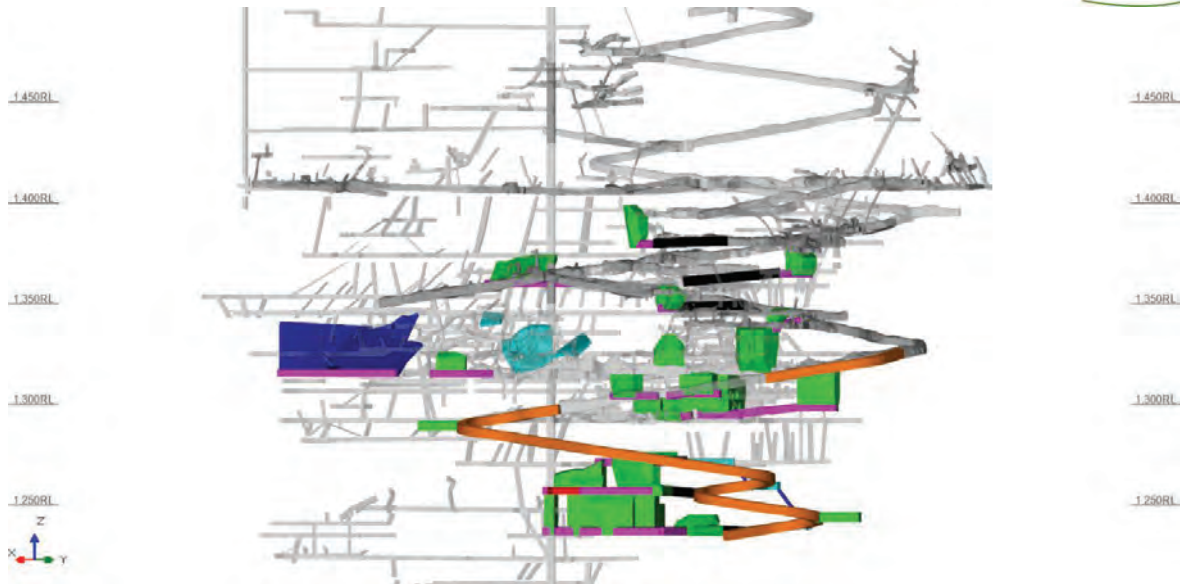


Figure 2-6 Mine Design and Stope Design as Scheduled

2.7.4 Exploration and Infrastructure Capital Estimate

Whilst Kaiser Reef’s immediate intention is to continue to operate, they will seek to conduct further exploration with the objective being to increase the current Mineral Resource at A1 and possibly release an initial Mineral Reserve estimate. With this aim, the Scoping Study incorporated an Exploration and Capital Budget Estimate into a high level cash flow model that Mining One believe is commensurate with the “Expected Case” scenario proposed. Table 2-6 provides a summary estimate of the proposed Exploration and Infrastructure Capital.

Table 2-6 Exploration and Infrastructure Capital Estimate

EXPLORATION COSTS	Year 1	Year 2	Total
Detailed Mapping and geology	67,000	20,000	87,000
UG Drilling A1	1,090,000	610,000	1,700,000
UG and surface drilling Maldon	1,130,000	1,395,000	2,525,000
Heritage and tenement administration	15,000	10,000	25,000
Geological services and field labour	98,000	55,500	153,500
Administration	150,000	180,000	330,000
Total Exploration Costs VIC	2,550,000	2,270,500	4,820,500
INFRASTRUCTURE CAPITAL COSTS	Year 1	Year 2	Total
Capital development decline	986,000	285,000	1,271,000
Capital development ventilation	142,000	68,500	210,500
Capital tailings facility	90,000	90,000	180,000
Capital fixed plant	155,000	75,000	230,000
Capital mobile plant	230,000	45,000	275,000
Capital mixed	60,000	40,000	100,000
Total Capital Costs	1,663,000	603,500	2,266,500

The Scoping Study, referred to in this report, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this Scoping Study will be realised.

2.7.5 Cut-off Grades

Key to determining an ore reserve is an estimate of the cut-off grade. The calculation of the optimal cut-off grade for any mine is usually an iterative and ongoing process.

To find the optimal cut-off grade the initial break-even cut-off grade is used to design stope shapes, tunnel development requirements and capital infrastructure, and from which an updated mining cost estimation can be derived. However, the change in mining cost has implication for the cut-off grade.

Alternatively, mine plans can be developed at various cut-off grades (usually around the initial break-even cut-off grade). The results are typically non-linear and when modelled indicate a cut-off grade that will maximise the value of the resource given the assumptions of the analysis.

The above approach can be simulated by generating a range of stoping inventories at various cut-off grades using grade shells generated from the resource model. The result is a range of stope designs with associated inventories at each cut-off grade. Simple estimations of capital development and infrastructure can also be used. Another key determinant, however, is the chosen mining method. The mining methods chosen for current analysis were based on previous work and what is believed to be technically viable.

Generally, this process is common for new deposits where actual cost data are unknown and initial costs data is generated from a bottom up cost approach. However, the A1 mine is a working mine with actual cost data with varying mining methods that can be used to determine the breakeven cut-off grade (BCOG).

The Scoping Study has calculated a separate breakeven cut-off grade for both Longhole Stopping and Airleg Stopping from cost data supplied by A1. Mining One have included an allocation for capital access development, sustaining capital but excluded any major infrastructure capital in the model to estimate the fully costed breakeven cut-off grade (BCOG). The Study has developed operating costs from both existing and forecast costs. Breakeven Cut-offs estimated for the A1 mine are Longhole Stopping – 3.1 g/t Au and Airleg Stopping – 4.0 g/t Au, inclusive of mining development and sustaining capital. The key economic assumptions used were as follows:

- Gold Price - US\$1,900/oz
- Foreign Exchange rate (AUD:USD) – 0.72

To maximise the value of the resource a marginal cut-off grade may also be determined. This is the grade above which mining will be profitable with all infrastructure including drives. Calculation of a marginal cut-off grade has not been undertaken in this analysis.

This Scoping Study, referred to in this report, is based on low-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of this Scoping Study will be realised.

2.7.6 Mine Recovery and Dilution

The stopes designed in the Study for the longhole stoping and airleg stoping contained within the Resource model have been interrogated against the block model and a constrained resource contained within the stope shape has been reported. The Airleg stopes outside of the Resource on the southern extent of the Model were allocated an average grade and mining width of 1.6 metres (based on historic mining and localised chip sampling grades) as described in Section 2.7.3.

The Scoping Study has outlined mining factors applied to the Resource to estimate the amount of material expected above the calculated cut-off grade(s). The mining factors used for Development, Longhole and Airleg stopes is represented in Table 2-7.

Table 2-7 Mining Factors

Area	Dilution	Recovery	Dilution Grade
Waste development	3%	100%	0.0 g/t Au
Above Cut-Off development	0%	100%	Not allocated
Longhole stopes	10%	95%	1.0 g/t Au
Airleg stopes*	0%	100%	0.0 g/t Au

*Assumption of 50% of Wireframe Volume

- 3% Dilution was allocated to waste development.
- Above Cut-Off development was allocated a 0% dilution with 100% recovery as drives are developed completely within the stope profile.
- Longhole stopes were allocated dilution of 10% at 1.0 g/t Au and an average stope recovery of 95% which allows for some pillars and potential historical voids that exists in some areas.
- Airleg stopes was allocated dilution of 0% as it is assumed the miner mines to the Cut-Off boundary and the walls / backs are supported with rock bolts or broken material above Cut-Off remains as mining progresses to support the walls.

2.7.7 Mine Ventilation

The in-situ primary ventilation circuit at A1 consists of a series of parallel 55 kW fans on the 7 L and 14 L, using a combination of historical voids and the main shaft (where available and intact) to exhaust to the surface.

The Scoping Study schedules proposed exceed the recorded production of the A1 Mine during its administration period (currently operate day shift only). As previously identified the ventilation capacity of the mine during the administration period was restrictive. It is currently not necessary to segregate development and haulage activities; however it may need to be addressed as the mine deepens.

To support the immediate stoping and development opportunities outlined in the Scoping Study, it is expected that A1 Mine would require development and haulage activities to operate concurrently, subsequently requiring additional primary ventilation capacity. However, the in-situ primary ventilation capacity and efficiency is not well understood, requiring ventilation surveys and modelling to adequately clarify current capacity and future requirements.

Mining One notes the Scoping Study inclusion of funds for remedial works and infrastructure upgrades provided is indicative and relatively conservative for sustaining operations over an

eighteen (18-24) month period. However, while the aforementioned works do not represent significant risk with regards to direct costs, they are inherently critical to production capacity and subsequently represent material risk if the works exceed their expected timeframes.

2.7.8 Geotechnical

For the purposes of this report no further geotechnical investigations were undertaken. The geotechnical inputs to the Scoping Study stoping parameters and designs were taken from Mining One (2014).

2.7.9 Dewatering

For the purposes of this report no further analysis was undertaken regarding the mine dewatering have been considered and assumes the A1 Mine will continue as it has previously.

2.7.10 Mining Fleet

For the purposes of this report no further analysis was considered on the mining fleet and assumes the A1 Mine will continue to use the existing fleet. Mining One understands the mine is currently operating with a combination of owned and leased equipment and that Kaiser Reef intends to improve and enhance this fleet through either upgrade or replacing leased equipment with owned equipment. Mining One understands that it will remain suitable for the operation.

2.7.11 Processed Material Transport & Logistics

After mining at A1, the material above cut-off is stockpiled near the mine gate before transportation by road-train B doubles approximately 320km the company owned process plant at Porcupine Flat (See Section 3 for more details).

3 PORCUPINE FLAT PROCESS PLANT

3.1 Location and Access

The Porcupine Flat process plant is located on the eastern limb of the Maldon tenement Mining Licence MIN 5294. (Figure 3-1).

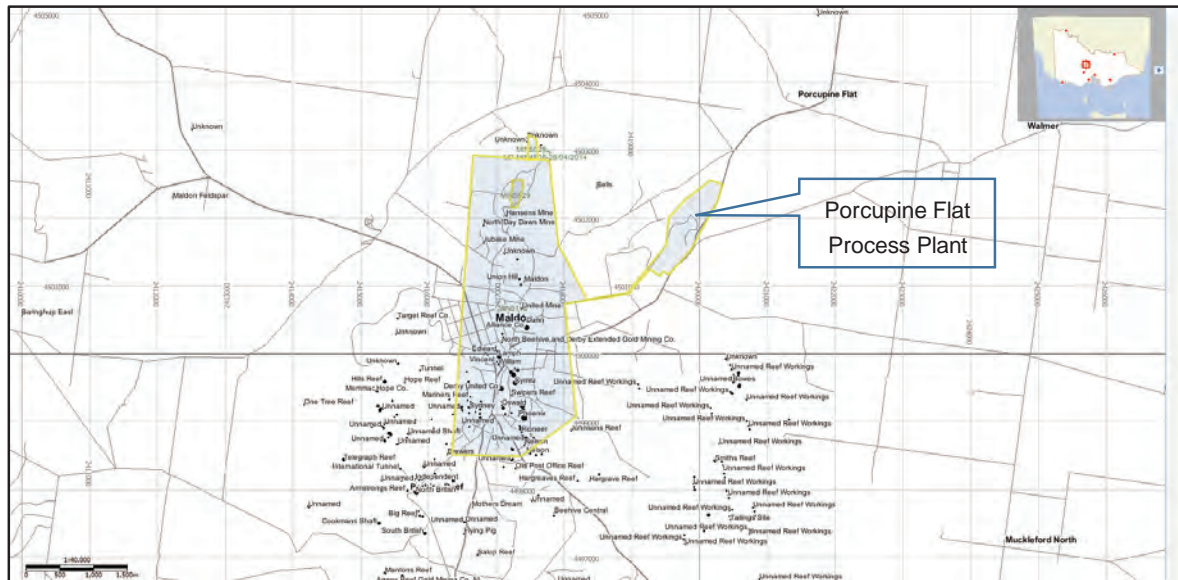


Figure 3-1 Maldon Tenement and Historic Workings Location Plan



Figure 3-2 Aerial Photograph of Porcupine Flat Process Plant (GSV taken 02 2017)

3.2 Tenure & Ownership

The Porcupine Flat Gold Processing Facility is located on the eastern arm of 100% Maldon Resources owned Mining Licence MIN5146 adjacent to the Maldon town site, 140 kilometres northwest of Melbourne in central Victoria.

Tenement	Owner	Type	Status	Expiry	Bond	Area
MIN 5146	Maldon Resources	Mining Licence	Current	17/12/36	A\$714 k	706 Ha

The 150 ktpa CIP plant was originally constructed and commissioned in 1989 by Triad Minerals to treat oxide material from the nearby Union Hill open cut, with subsequent milling campaigns including underground sulphide ore from the Eaglehawk and Linscott's reefs in 1996-97 (Alliance Resources Limited) and from the Alliance South Shoot in 2014 (Octagonal Resources Pty Ltd). In 2015 the Company purchased the Porcupine Flat Gold Processing Facility from Octagonal, to process ore primarily from the A1 Gold Mine.

3.3 Flow-Sheet Overview

The Porcupine Flat Process Plant has a conventional gold milling flowsheet with single stage jaw crusher to a crushed ore stockpile. A mobile secondary crusher was added to the circuit in Q1 2018 to reduce crush size and improve throughput, with the highest quarterly throughput achieved of 40 kt in Q2 2018. A program of milling optimisation was completed in Q2 2018, after which secondary crushing was not required to meet throughput.

Milling is conducted in a SAG mill to P_{80} 125 μ m. Gold is leached with cyanide in a pre-leach tank, followed by 5 CIP tanks with the tails report to Tailings Dam 5. Gold is recovered by the Anglo process from the loaded carbon. The flowsheet is given in Figure 3-3.

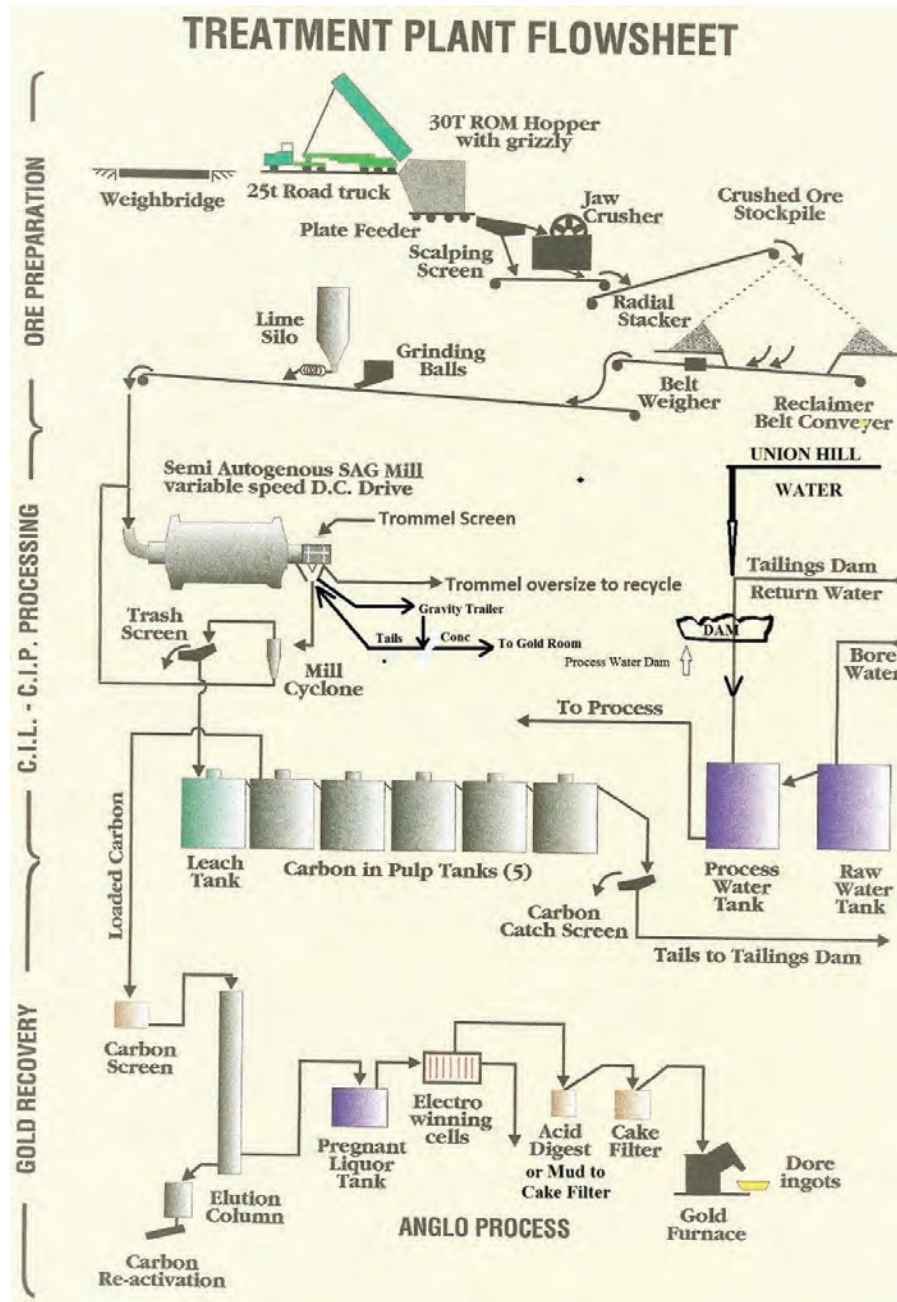


Figure 3-3 Porcupine Flat Processing Facility

3.4 Plant Performance

3.4.1 Recovery

Fixed process recoveries were used in the Centennial Mining Mine forecast document provided¹. This used a recovery of 91.5% for ore grade less than 7 g/t Au and 95% for ore grade great than or equal to 7 g/t Au. These values are reasonable based on past production data, but the model

¹ CTL LOM Forecast V1.0 - 11'20 to 6'27 Ramp Up Final 7'20_cost.xlsx

is overly coarse. In addition, at gold grades lower than 4 g/t Au this recovery model progressively overpredicts the recovery as feed grade is reduced.

For mine planning a recovery model that predicts recovery at low feed grades is required to give a more accurate estimate of Mineral Resources and Ore Reserves (MROR). Otherwise, the risk is that low-grade material may be included for which the recovery is not achievable, and the material would not be economic as a result.

Recovery modelling was somewhat complicated by mill production rates, with quarterly commercial operation data available from start Q3 2017 to end Q3 2018 with throughput rates of around 10 kt/month. Additional data from July 2019 to September 2020 was also used while the operation was in administration, with throughput rates of 1 – 3 kt/month.

The production data consisted of a mixture of Union Hill and A1 ore, while operation during administration mainly consisted of A1 ore.

Tailings solution grades were typically 0.02 g/t Au, which are low and indicative of good recovery of leached gold and a consistent and well-run operation. The majority of gold losses were to the solid tail, which were normally distributed (Figure 3-4) around a median tail grade of 0.38 g/t Au from the monthly reconciled data. This is a high gold grade and consideration should be given to the trade-off between a finer grind size and recovery. A more typical grind size of say P₈₀ 75 µm may be justified, though would require the addition of more grinding capacity.

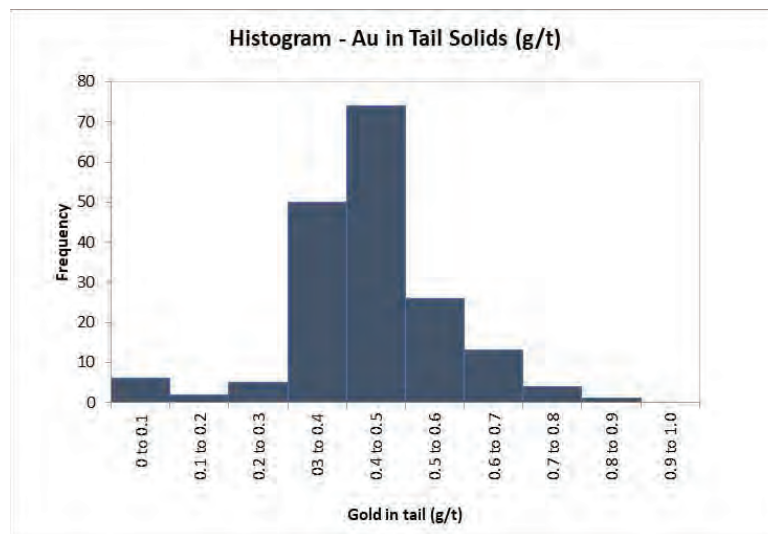


Figure 3-4 Gold Tail Grade in Solids

As a result of the consistent tail, a fixed tail model was found to be appropriate for the process plant. The model fitted was:

$$Recovery = \frac{Head\ grade\ (\frac{g}{t}) - Fixed\ tail\ (\frac{g}{t})}{Head\ grade\ (\frac{g}{t})}$$

This model was fitted to the reconciled production data and the root mean square error and average L1 error between the model and production data minimised. It was found that a fixed tail of 0.39 was appropriate to describe the data. This tail grade aligned well with the median tail grade of 0.38 and the mean tail grade of 0.40.

The recommended recovery relationship is given in Table 3-1 and shown graphically in Figure 3-5. The maximum recovery was limited to 97%, which is greater than the recovery used in previous Centennial Mining mine planning, but reflective of operational results.

Table 3-1 Recovery Model

Ore Type	Recovery
A1 and Union Hill	$\text{Min}[(\text{head (g/t Au)} - 0.39) / \text{head (g/t Au)}, 0.97]$

The fit of the model to the reconciled data is given in Figure 3-5. The blue points are the data obtained from operation during administration, with low throughputs and high grades from airleg mining. The grey points were obtained during commercial operation, with a mixture of A1 and Union Hill ore at higher throughputs and lower grade.

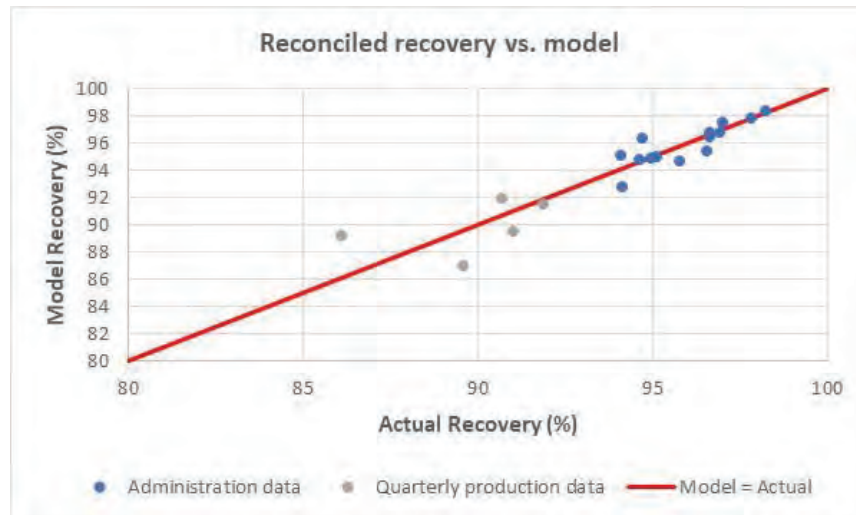


Figure 3-5 Reconciled Recovery vs. Model

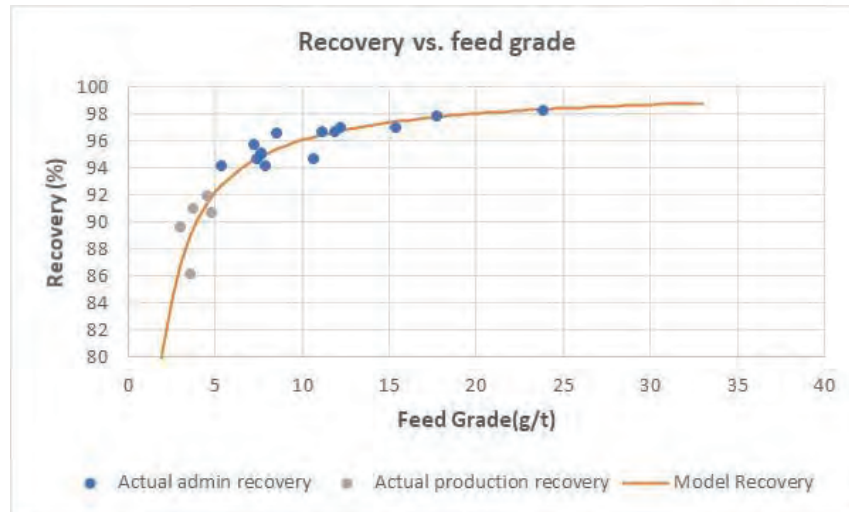


Figure 3-6 Gold Recovery as a Function of Feed Grade

3.4.2 Throughput

The plant has been variously rated from 120 to 180 ktpa, with a design capacity of 150 ktpa. Quarterly production data is given in Figure 3-7. This indicates nameplate production was comfortably met with the use of the secondary crusher in Q2 2018.

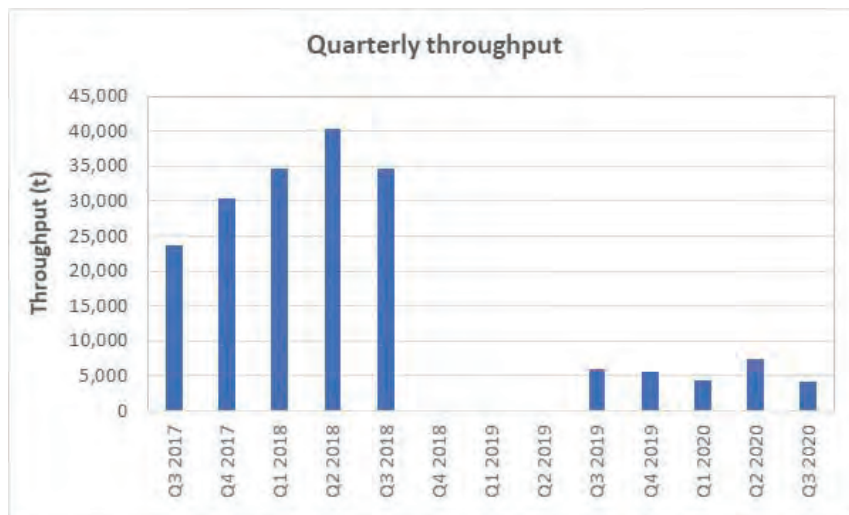


Figure 3-7 Plant Performance Data - Quarterly Throughput

Further analysis from the operation while in administration shows that throughput rates of greater than 20 tpoH are regularly achieved (Figure 3-8). This is despite operational inefficiencies arising from Monday – Friday dayshift only operation.

The data in Figure 3-8 indicates a throughput of 180 ktpa would be achievable with an availability of approximately 90%, which should be achievable with a well-maintained and run operation and ore of similar hardness. Further upside is believed to be possible.

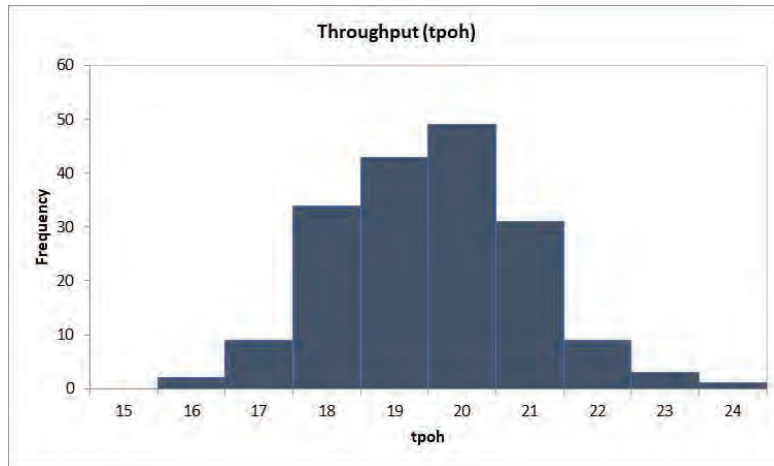


Figure 3-8 Histogram of tpoh while in Administration

3.4.3 Operating Costs

Actual operating costs were analysed from the Centennial Mining. The following relationship was found:

$$\text{Annual process cost (A\$M)} = \text{A\$3.2M} + 0.027 \times (\text{annual ore processed kt})$$

This equates to A\$48/t at 150 ktpa. In this relationship the fixed cost of A\$3.2M was mainly costs associated with labour. The variable cost of A\$27/t was broken down according to Table 3-2.

Table 3-2 Processing Facility Variable Costs

Variable cost	\$/t
Assay	0.7
Cyanide	1.9
Other reagents	0.9
Grinding balls	3.1
Maint Consumables	4.7
Power	9.2
Tailings disposal	3.4
Other	3.1
Total	27.0

It is noted that tailings disposal is included in the above cost, which is often treated separately to processing costs.

3.4.4 Tailings Dam Capacity and Options

The Porcupine Flat processing facility has 6 tailings dams (Figure 3-9). TSF1, 2 and 3 have been filled and rehabilitated. TSF6 was last filled in 2018 and has 600 mm of freeboard remaining. It is considered full and has not yet been rehabilitated.

Tailings dam 5 is the current active dam. It has progressed from the original 5a to 5b, with subsequent lifts over the entire dam to create 5c and 5d.



Figure 3-9 Tailings Dam Layout

The 5c lift is close to approval and expected to be implemented at the start of 2021 to give 110 kt of capacity, with a further lift (5d) to follow to give another 200 kt additional capacity in TSF5.

Following the 5d lift, there are four current options for further tailings disposal:

1. Join TSF5 and 6 and raise the combined level by another 5 m. This would give a capacity of around 1.2 Mt. This is complicated by seasonal waterflow between TSF5 and 6. The water would need to be diverted to the north and would run into, or close to, properties owned by neighbours. Appropriate studies and permissions would be required for this option.

A combined TSF5 and 6 is also complicated by a potential cyanide contamination issue identified in a water bore downstream of TSF5. A monitoring borehole (GW3) has shown localised cyanide contamination (no free cyanide has been detected) for 10 years or more. Two inspection bores were recently drilled downstream of GW3, the closest borehole (within 20 m) showed minor levels of total cyanide (no free cyanide) and the second (within 40 m of GW3) did not detect any cyanide contamination. However, there is the risk that the cyanide contamination may limit further modifications to TSF5, or a high cost of rectification may be required to meet regulators requirements.

2. Build TSF4, which was permitted in 1996 and would have a capacity of 240 – 300 kt. A vegetation offset is required to offset the trees on the site, which includes a number of large trees. Furthermore, the TSF4 site is on Crown land and approvals from Parks Victoria and the Department of Environment, Land, Water and Planning.
3. Find an additional location for TSF7. In the event that TSF5 and 6 could not be combined, this option would be required to sustain operation once TSF4 was filled. No site has been identified to date and the purchase of adjacent property or properties may be required.
4. Pumping tailings to Union Hill. This has been investigated in the past, but no notes have been sourced for this option. The direct distance is approximately 3 km, so permitting and approvals would be expected to be a lengthy process, were this option feasible.

It is recommended that all four options be investigated with appropriate studies to develop the risks, timelines and costs of each option so that an appropriate tailings disposal plan can be created. The ability to dispose of future tailings appears to be the most significant risk in the processing area.

3.5 Opportunities and Risks

The following opportunities and risks were identified in the processing area:

- The grind size vs. recovery relationship should be investigated to allow determination of a cost-benefit analysis of a finer grind size target to increase gold production. The current tail grade is similar to the feed grade of some operating mines and it is considered likely a finer grind size would improve the financial return of the operation.
- Depending on the mine constraints, it appears there is further capacity in the mill beyond 180 ktpa. This capacity could be realised through optimisation of the current crushing and milling operations and possibly the inclusion of secondary crushing. The throughput that maximises the return of the mine should be carefully considered and improvements in maintenance of operational practices made to realise the required throughput.
- Work to progress tailings dam studies is required as a priority to ensure a suitable tailings facility is available over the life of the mine. Based on a throughput of 150 ktpa, there is a timing risk that suitable tailings capacity may not be available when required.

4 MALDON DISTRICT EXPLORATION

4.1 Location, Access and Tenure

Maldon Resources Pty Ltd (Maldon Resources) holds 100% of mining licences MIN5146, MIN 5528, MIN5129. Centennial Mining holds Exploration Licence application EL007029 which collectively covers the historic Maldon Goldfield in Central Victoria (Figure 4-1). Maldon is located 120km NW of Melbourne with easy road access via the Calder freeway and the Bendigo Maldon Road.

The Maldon Project is located in a region of moderately dissected landform, forming part of the Ordovician sedimentary terrain (Cherry and Wilkinson 1994). The Nuggetty Ranges to the north of the Maldon Project are part of the inner contact metamorphic aureole associated with the Harcourt Batholith. The dominant vegetation consists of Grey Box and Yellow Gum.

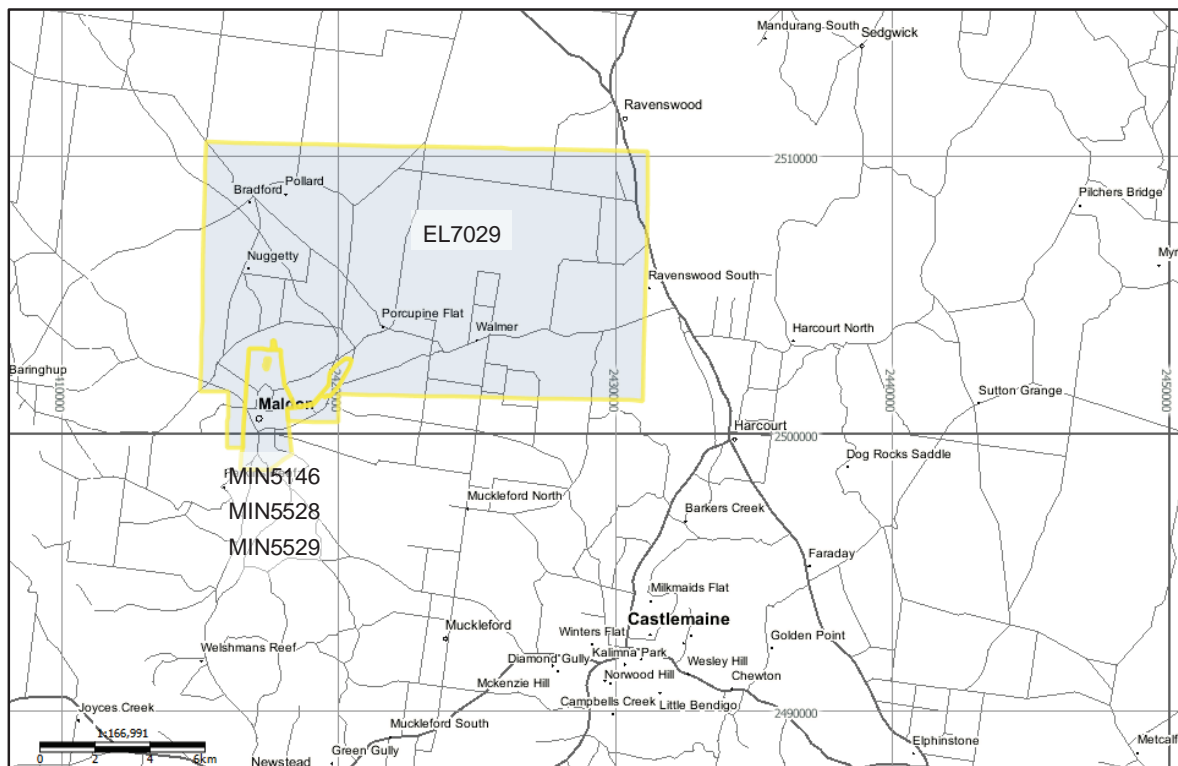


Figure 4-1 Maldon Resources and Centennial Mining Tenements in the Maldon District

Table 4-1 Maldon District Tenement Schedule

Tenement	Owner	Prospect	Type	Status	Expiry	Bond	Area
MIN 5146	Maldon Resources	Union Hill & Porcupine Mill	Mining Licence	Current	17/12/36	A\$714 k	706 Ha
MIN5529	Maldon Resources	North of England	Mining Licence	Current	17/12/21	\$A10 k	4.5 Ha

Tenement	Owner	Prospect	Type	Status	Expiry	Bond	Area
MIN5528	Maldon Resources	Nuggetty Mine	Mining Licence	Current	06/02/23	A\$0 k	4.95 Ha
EL7029	Centennial Mining	Porcupine Flat	Exploration Licence	Application			

4.2 Mining & Exploration History

The history and geology of the Maldon Goldfields is largely taken from (Ebsworth & Krokowski de Vikerod, 2002). Six major reef lines of the Maldon Gold Project each produced in excess of 100,000 ounces Au each, these were the Nuggetty Reef (301 000 oz), Eaglehawk Reef (494 000 oz), Beehive Reef (250 000 oz), German Reef (277 000 oz), Victoria Reef (150 000 oz) and North British Reef (242 000 oz).

Gold was first discovered in Maldon in 1853 and soon after over 10,000 diggers were working shallow lead deposits in the district. Reef mining commenced on Wilsons reef in 1854 and by 1864 around 53 reefs had been identified in the Maldon goldfield (Geovic, 2020). Historic production from reef mining is estimated at about 1.75 million ounces at an average grade of 28 g/t Au. The goldfield remained largely dormant until its modern revival commencing in the 1980's

From 1988 to 1994 Triad mined ~ 55 koz from the Union open-cut, followed by Alliance Mining cutting a portal from the open-cut in 1997 with the aim of mining at Eaglehawk and Linscott's reef but using the development only for exploration drilling. This resulted in the discovery of the Alliance South deposit.

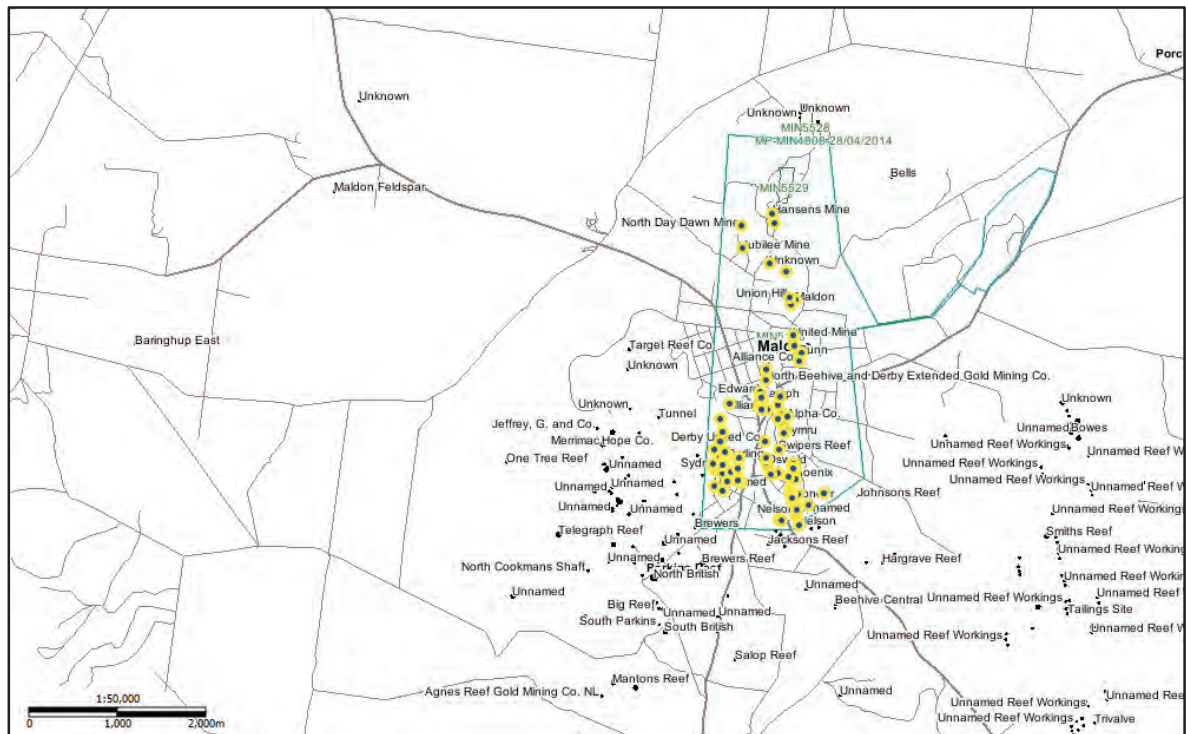


Figure 4-2 Historic Workings on MIN5146

4.3 Geology

4.3.1 Regional Geology

The description of the geology of the Maldon goldfield is largely taken from company technical reports (Highlake Resources, 2017) and government mapping reports (Ebsworth & Krokowski de Vikerod, 2002) and the on-line resources of GeoVic.

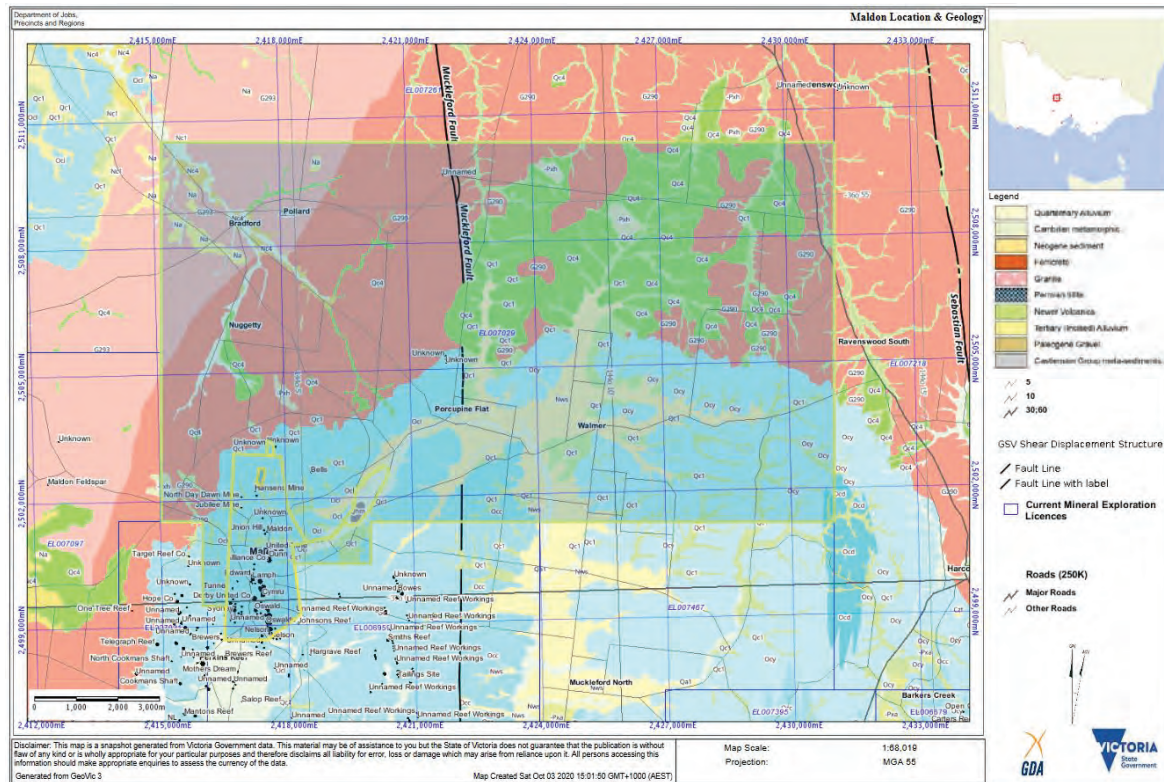


Figure 4-3 Geology Plan Maldon Area

The Maldon tenements are in the central part of the Bendigo Zone of the Lachlan Fold Belt. Referring to Figure 4-3, the host rocks are Ordovician turbiditic sandstone, siltstone and shales of the Castlemaine Group (labelled Ocl) which have been metamorphosed to lower greenschist facies and folded into a north-south trending series of chevron folds reflecting a regional thin-skinned style tectonic setting. During folding a complex history of faulting occurs starting with early faults controlled by the steep geometry of bedding and fold hinges. Later reverse faulting occurred due to changes in the orientation of the regional stress field.

In the late Devonian, the Harcourt Batholith (labelled G290), a granodiorite and associated dykes intruded into the metasedimentary sequence, superimposing a 3 to 4 km wide contact metamorphic aureole over the Maldon area (Occ). This was important in localising granite-related mineralising fluids, during reactivation of reef-related faults.

Quartz porphyry, diorite and basaltic lamprophyre dykes also intrude the Ordovician sequence. A quartz porphyry dyke appears to have intruded at least one of the major reef systems at Maldon. Evidence of post-granitic deformation includes reverse and strike-slip faulting, some of which is associated with the intrusion of an ultramafic dyke.

The tenement package is covered with Pleistocene to Holocene, sands, gravels and silt colluvium shed from the underlying granite and metasediments.

4.3.2 Local Geology & Mineralisation

The Maldon Goldfield deposits are described by the Geological Survey of Victoria (GSV) as predominantly Mesozonal Orogenic Gold deposits typical of the Bendigo zone in which they are located. However, with proximity to the Harcourt granodiorite some of the mine localities show characteristics of Epizonal Orogenic deposit types.

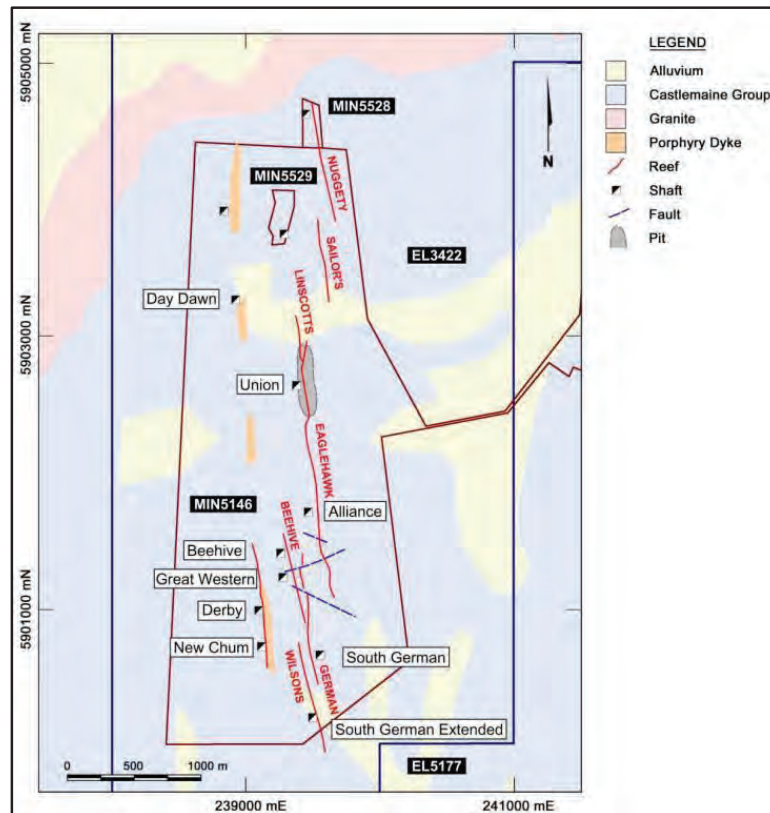


Figure 4-4 The Geology and Location of Major Gold Producing Reefs of the Maldon Goldfield

A detailed description of the geology of the Central Maldon Sheer zone is described in (Ebsworth & Krokowski de Vikerod, 2002). Figure 4-4 is a simplified map shows the location of the main reefs discussed below. Three quartz vein – fold geometries have been identified in the Maldon Field: A) where the reef structures cross anticlinal hinges (e.g. Eaglehawk Linscott’s reef); B) where the reef structures breach synclinal hinges (e.g. Nuggetty reef); C) jogs between beds in the west limbs of anticlines (e.g. German reef).

The Eaglehawk-Linscott’s Reef structure comprises a series of quartz reefs which outcrop discontinuously between the Maldon Railway Station in the south and Union Hill in the north. Linscott’s reef is linked to Eaglehawk reef by a duplex-like structure at the northern end of the Union Hill open pit. The Linscott’s fault-reef zone is typically 2-10 m wide. The arrays comprise discontinuous lenses of massive quartz, laminated quartz, and quartz-metasediment breccia. Locally, zones of quartz-filled tension gashes (spur veins) up to 50 m wide are associated with the west-dipping segment. The latter are common in the Union Hill open-cut mine.

Wall rocks within and close to the reef structures show evidence of hydrothermal alteration. Biotite alteration is the most abundant and distinctive alteration phase. Carbonate alteration is also present. The biotite alteration overprints an earlier Muscovite alteration, which is associated with abundant, arsenopyrite. Reef structures at Maldon typically exhibit strong sulphide alteration as disseminations and veinlets in halos up to 2m around reefs. Sulphides commonly encountered include; pyrite, arsenopyrite, chalcopyrite, galena, sphalerite. This highlights opportunities to apply ground geochemical and ground geophysical exploration methods.

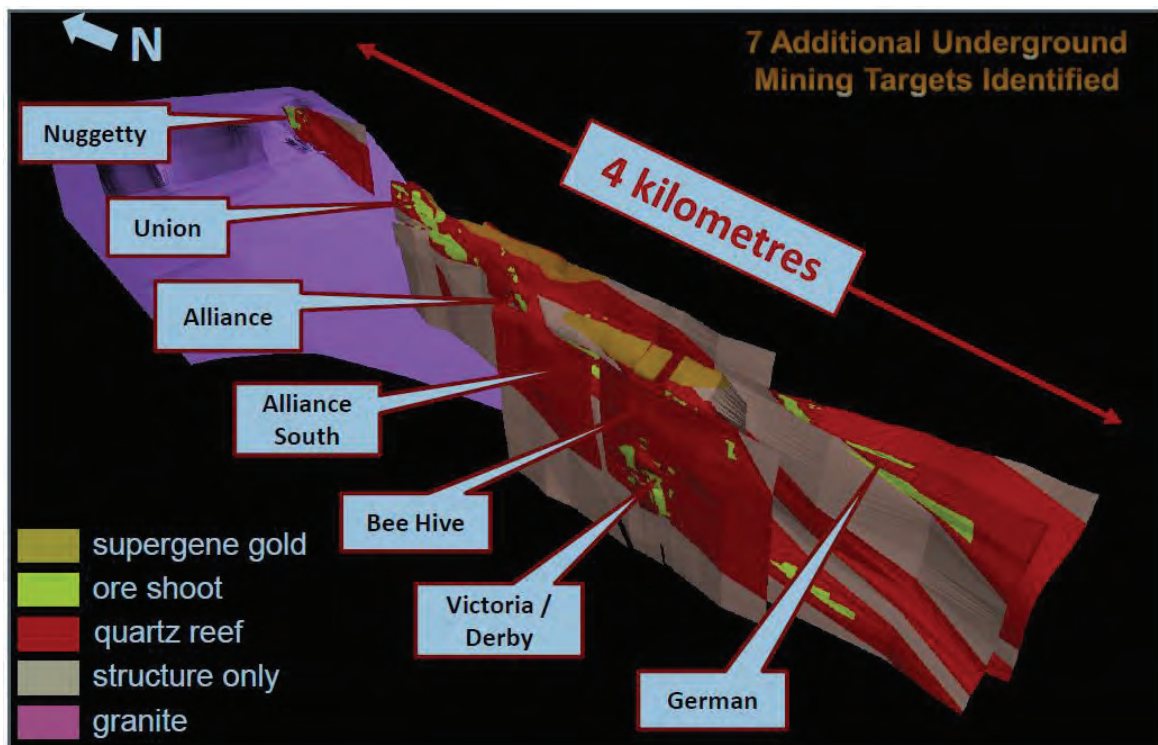


Figure 4-5 3D view of the Maldon Shear Zone

4.4 Union Hill Mine

The Union Hill Mine is part of the Eaglehawk-Linscott's reef system, Figure 4-4. The reef extends north-south over a 2.5km strike length and is steeply dipping. The reef can be divided into eastern and western reefs that are interpreted to be separated by a fault. The reefs have different characteristics. The eastern reef is laminar and predictable but low grade. In contrast the western reef is irregularly mineralised in en-echelon quartz veins.

The Eaglehawk reef is not uniformly mineralised. Within the reef, mineralised zones are known as shoots. The most recently mined shoot is known as the Alliance South. This shoot dips vertically, is 90m below surface and has been defined over a strike length of approximately 330m, has a down dip extension of 280m and a horizontal width of up to 10 meters.

4.4.1 Mineral Resource Estimate

No Mineral Resource estimate has been prepared to JORC (2012) standard for the Union Hill mine or surrounding reef structures.

4.4.2 Exploration Potential Union Reef

Figure 4-6 shows a long section of the mine including the existing decline and existing strike drives at the 1100 and 1080 levels. Highlighted in yellow are the interpreted extension of the ore shoots that represent exploration upside at Union Reef. In 2017 pre-development work commenced at Union Hill to deepen the existing main decline to access extensions to the Alliance South Shoot and to follow up on other development opportunities around Linscott's, Eaglehawk and Ladies reefs.

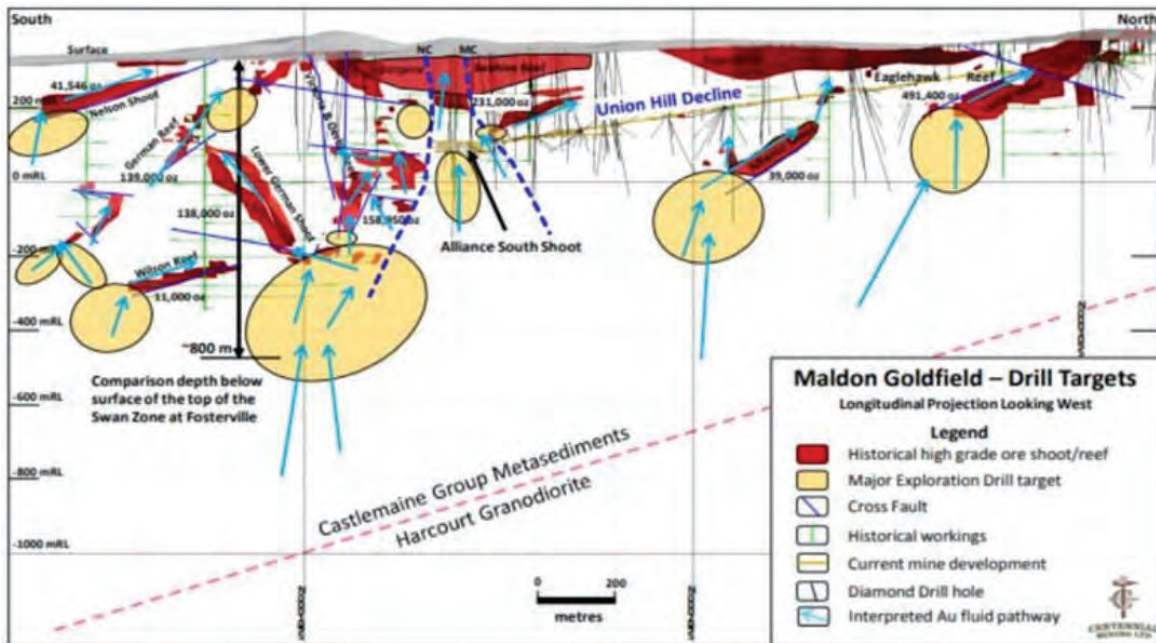


Figure 4-6 Long Section Looking West of Exploration Targets at Maldon

4.5 Nuggetty Reef

Nuggetty Reef is located on MIN 5528, a mining licence on the northern boundary of the main Maldon licence MIN5146. Nuggetty Reef was discovered in 1856 and was initially worked along a 200 m reef line and mined from surface to a depth of 120 m. Historical production was approximately 301,000 oz from an estimated 50,000 t of ore (187 g/t Au).

The Nuggetty Reef is associated with the Nuggetty syncline and is a fault-related vein array formed in a breached synclinal hinge. The syncline hinge dips very steeply east and it has been transposed by the reef structure. The reef has a prominent, steeply east-dipping fault, which is sub-parallel to the east limb of the Nuggetty syncline and bounds the reef to its east. The bulk of the historically mined reef is associated with the hinge and west limb of the Nuggetty syncline. Quartz veining within and close to the east wall is mainly shear and bedding parallel. To the west, the quartz vein array comprises dilatational massive, laminated, breccia and spurry quartz. Quartz veining is bedding parallel and massive seamy dilatational breccia and spurry quartz veining. Ore shoots are associated with subtle dextral flexures in reef.

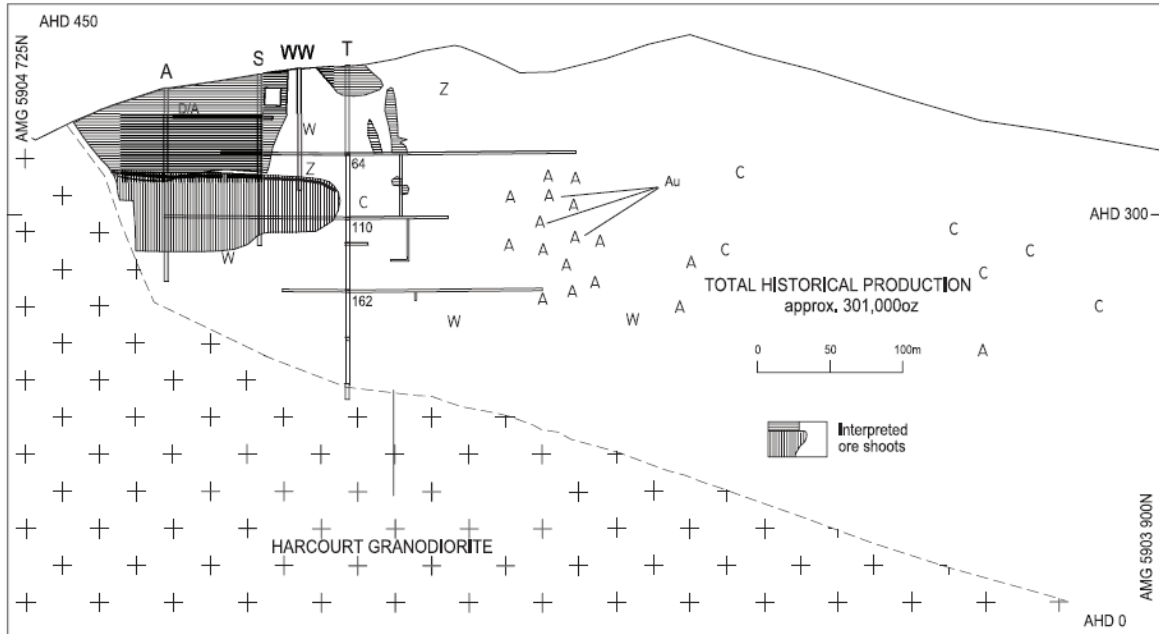


Figure 4-7 Long Section Looking East of Historical Workings at Nuggetty Reef (in (Ebsworth & Krokowski de Vikerod, 2002)

Exploration work undertaken on MIN5528 has consisted of multiple diamond drill holes drilled by Maldon Resources Pty Ltd and previous exploration companies, with a highly detailed channel sampling program undertaken within the Nuggetty Adit during 2012 with further sampling during 2017.

4.5.1 Mineral Resource Estimate

A review by Mining One (2017) of the sampling, mapping and structural interpretations of the Nuggetty Adit identified a 35 metre long zone of continuous mineralisation of sufficient width and grade, and prepared a JORC (2012) compliant Indicated Mineral Resource as shown in Table 4-2. For the purpose of assessing and reporting compliance with the JORC (2012) code, Table 1 of the code has been compiled and provided in Appendix B.

Table 4-2 Mineral Resource - Nuggetty Adit

Resource Category	Domain	Cut-Off	Tonnage	Au (g/t)	Au (z)
<i>Indicated</i>	<i>Nuggetty Adit</i>	<i>>2.4 g/t</i>	2,218	6.14	438
<i>Inferred</i>			4,536	5.32	776

4.5.2 Assessment of Exploration Upside

The upside of the Nuggetty resource is primarily down dip ad along strike of the currently defined resource. Two diamond holes intersect the projected down dip extension of the Nuggetty mineralization between 50 m and 100 m below the current adit level. Drilling intercepts include 2.9 m @ 6.27 g/t Au (including 0.44m @ 205 g/t Au) and 1.4 m @ 5.78 g/t Au. On the basis of

these intersections an exploration target in the range of 15,000 t and 20,000 t at 4 to 7 g/t Au containing between 1,900 oz and 4,500 oz of gold was estimated.

“Of note, the potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources.”

4.6 Other Maldon Prospects

4.6.1 North of England

The North of England project area is located on Mining Licence 5529 which is located wholly within Mining Licence 5146 (Union Hill) shown in Figure 3-1 and included in the discussion of Union Hill.

4.6.2 Day Dawn – North Day Dawn

Located in the northern portion of MIN 5146 Day Dawn underground mines produced an unknown amount of gold, with minor bismuth and molybdenum. The deposit is intrusive related.

4.7 Other Exploration Targets

The ~4.5km strike length of the Maldon shear presents many exploration targets with immediate opportunity to access advantageous drilling positions from pre-existing underground workings, mainly the Union decline and Nuggetty mine. Previous owners Centennial Mining identified a total of seven exploration targets for potential underground development. The current decline is within 500m of the key targets, with potential for modern exploration tools and diamond drilling to locate nearby ore shoots that were missed by historical mining.

Modern exploration concepts which have resulted in significant discoveries of high grade/tonnage gold in the Victorian Goldfields such as Fosterville have not yet been applied to the Maldon Goldfield. Concepts described by (Leader, Robinson, & Wilson, 2010) on the importance of changing stress regimes and recognising the resultant structural expression in localising high grade gold could be applied to the existing reef line at Maldon.

Additionally, work by (Groves, Groves, Goldfarb, & Gebre-Mariam, 1998) describes the distinction between narrow high grade Mesozonal gold mineralisation and the wider consistent Epizonal Orogenic Gold deposits.

Important insights from (Groves, Santosh, & Zhang, 2020) into the importance of deep crustal faulting and source rocks and their geophysical signatures also provide the potential for novel exploration strategies at Maldon, particularly on EL 7029 where relatively little modern exploration has taken place.

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Appendix A

A1 Mine – JORC, 2012 Edition Table 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld 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 mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> All sampling results reported are from diamond drilling. Drilling results used in the resource calculations are from the programs undertaken by Centennial Mining Limited ("Centennial" or "CTL" or "Company"). Several holes drilled in 2009 by Heron resources (L7) were also incorporated. Sample lengths varied from 0.3m to a maximum 1.2m. All core was halved using an Almonte diamond saw core cutter with guides to ensure an exact split. With coarse gold common within the deposit, the top half of the core is sampled to reduce inherent sampling problems. The samples were dried, crushed and pulverised, then fire assayed (50g) for Au at the NATA accredited Gekko Laboratory at Ballarat. All CTL samples were dried, crushed and pulverised, then fire assayed (50g) for Au at the NATA accredited Gekko Laboratory. HRR drill core was halved with analysis done by 50g Fire Assay by On Site Laboratory Services (OSLS) in Bendigo. Centennial have QAQC protocols in place, including the insertion of blanks and standards inserted at random and at more selective intervals such as immediately after samples of visible gold intersections, and insertion of higher grade standards within samples from high grade zones. Both series of holes had QAQC protocols in place, including the insertion of blanks and standards inserted in random and more select intervals such as blank samples after visible gold intersections and higher grade standards within a high grade zone.
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> All of the holes being reported are diamond drill holes. Diamond drilling was completed by 3 separate drilling contractors: <ul style="list-style-type: none"> Star West Drilling contractors using an LM75 drill rig. The core diameter drilled was HQ (63.5mm), with the core was orientated using a Reflex ACT II orientation tool. Deepcore Drilling contractors using an LM90 rig with NQ2 (50.6mm) core

Criteria	JORC Code Explanation	Commentary
		<p>diameter drilled. The core was orientated using a Reflex ACT II orientation tool.</p> <ul style="list-style-type: none"> o HMR with an LM30 Bobcat rig, drilling with NQ2 (50.6mm) conventional. Core was orientated with a Reflex ACT II orientation tool.
Drill sample recovery	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • RQD and recovery data are recorded in the geology logs for all drilling being reported. • Core loss is recorded by drillers on run sheets and core blocks placed in core trays. • Where the ground is broken, shorter runs are used to maximize core recoveries. Areas of potentially poor ground are communicated to the drillers and recorded in drilling plots. • Mineralisation at the A1 Gold Mine is predominately hosted in competent quartz and dyke structures, therefore sample recoveries are generally high. No significant sample loss has been correlated with a corresponding increase in Au grade.
Logging	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All holes reported have been logged in full, including lithology, mineralisation, veining, structure, alteration and sampling data. • All core has been photographed before sampling.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All core was half cored using an Almonte diamond core saw. • Core samples from CTL were assayed at the independent Gekko laboratory located in Ballarat. After drying, samples were crushed, and pulverised to 95% passing 75µm. • Internal QAQC insertion of blanks and standards is routinely carried out. Random and select insertion is applied, i.e. blanks are inserted directly after samples containing visible gold. The Gekko laboratory has its own QAQC program which is reported with results and a monthly QAQC review. • 147 pulp sample rejects from the Heron L7 drilling programme (2010-2011) were collected by Snowdens in May 2012 and submitted to the Gekko Laboratory in Wendouree, Ballarat. The pulps were in 100-200g lots and were screen fired in their entirety. Statistical analysis showed that 55% of the samples pairs lie within the +/-10% HARD. In a perfect scenario, 90% of the assays should be within the 10% HARD. This is typically rarely achieved in coarse gold dominated systems such as the A1 Mine where pulps are split prior to assay. These results confirm the presence of coarse visible gold at A1 (already well known) and indicate inherent variability will be present in assay data sets large assay charge size sizes have been applied (e.g. assay via Leachwell) • The QQ plot indicated that the duplicate data is biased around +10% to +25% above the original data. This may be a factor of original pulp splitting and coarse gold segregated into the reject split. (This was done by independent consultants

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> Coarse gold dictates a larger sample size and the sample sizes are considered appropriate for this style of deposit; there is a history of re-assay of A1 drill core splits and pulp splits to show that this is the case.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The sample preparation and assay method of 50g Fire Assay is acceptable for this style of deposit and can be considered a total assay. Industry standards are followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate is approximately 1 every 10 to 15 samples both randomly and select positions, such as blanks inserted after samples containing visible gold. QAQC results (Both CTL and internal laboratory QAQC) are reviewed by CTL geological staff upon receipt of the assay results. No issues were raised with the data being reported. L7- Industry standards were also followed for all sample batches, including the insertion of commercially available CRM's and blanks. The insertion rate is approximately 1 every 10 to 15 samples both randomly and select positions.
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The assay results for L7-0010A intervals from 285 to 300m were checked by ¼ core sampling and assay by independent laboratory Bureau Veritas (Canning Vale) and returned a weighted mean assay value of 9.16 g/t over the 15 m interval compared with 7.09 g/t mean from the origin Gekko assays. All field data is entered directly into an excel spreadsheet with front end validation built in to prevent spurious data entry. Data is stored on a server at the A1 Mine with daily backups. Backed up data is also stored offsite. Significant intersections are reviewed by geological staff upon receipt, to ensure the intersections match the logging data, with the checks including verification of QAQC results.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (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. 	<ul style="list-style-type: none"> All holes are labelled during the drilling process, and all holes have been picked up by licensed surveyors, Adrian Cummins and Associates. Holes are labelled by drillers upon completion of the hole. Down hole surveys were taken at 15m, and every 30m after this with a reflex single shot camera. Grid used is MGA_GDA94. The topography control is of a high standard and consists of a DTM surface
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drill hole spacings are generally in the order of a 20m x 20m up to 50m x 50m for the inferred areas of the resource and down to less than 10m x 10m for the indicated resources. There is good correlation between sections on the larger structures, with some of the narrow reefs not as continuous across some sections. Given the density of drilling, good continuity of structures and high grades between sections in the area being drilled, the drilling spacing is sufficient to be

Criteria	JORC Code Explanation	Commentary
		<p>used for Mineral Resource calculations.</p> <ul style="list-style-type: none"> • Sample compositing has not been applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Drilling programs have been mainly focused on the larger target envelope within the A1 Deposit. Drill position from underground has meant that a perpendicular drill intercept angle is difficult to achieve in most holes. The low to medium grade mineralization halo is therefore drilled partly down dip however the high grade dipping zones within this envelope are intersected at angles closer to perpendicular. Due to the relatively perpendicular intersection angle on a high percentage of the larger mineralised structures, the majority of the drill angles are not expected to produce any sampling bias. Given there are a number of narrow reefs intersected at various angles, there is a chance of some bias, which have been identified and modelled accordingly. • L7 drilling: L7 holes being reported have been drilled sub vertical down steep structures, giving a potential bias. The assay results from these holes correspond with those of the shallower angle holes, so any potential bias is not expected to have an effect on the model grades
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples were transported from the A1 Gold Mine to the laboratory or the Maldon Processing Plant either by CTL staff, or contractors. Calico bags containing the sample were placed inside larger green bags, with this green bag sealed with a steel tie. Samples that were taken to Maldon were placed in a locked security box and collected by Gekko laboratory staff. • Core sample numbers and dispatch references are sequential and have no reference to hole number. • Visible gold locations are not permanently marked on the core, instead pink flagging tape is placed on the intersection until sampling when it is then removed. • Core trays containing visible gold are stored inside the locked core shed until logged. • Sample security for Heron Resources involved the bagging up of individual sample intervals and securing several at a time into larger sealed bags and the use of a dedicated courier to deliver the samples directly to OSLS at Bendigo.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • The recent drilling has not been independently reviewed except by Mining One who are responsible for the resource estimation process.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The A1 Gold Mine is located wholly within MIN5294. This license is 100% owned by Centennial Mining Limited ("Centennial" or "CTL" or "Company") and is in good standing. • The A1 Mine is located approximately 75km southeast of Mansfield in northeast Victoria (approximately 15km northwest of Woods Point). • In 2012 A1 Consolidated Gold Limited (AYC) acquired the rights to the asset from Heron Resources Ltd (HRR). • In 2017 AYC was renamed Centennial Mining Limited.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • The A1 Gold Mine has been an active mine since 1861 with an extensive list of previous owners and tenement consolidations. Most recently before A1 Consolidated, the tenement was held by Gaffney's Creek Gold Mine Pty Ltd which consolidated the 3 mining leases MIN5375, MIN5326, and MIN5294. • Heron Resources who conducted the 2009-2011 L7 drilling program and commenced decline development.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The project area lies within the Woods Point – Walhalla Synclinorium structural domain of the Melbourne Zone, a northwest trending belt of tightly folded Early Devonian Walhalla Group sandy turbidites. The domain is bounded by the Enoch's Point and Howe's Creek Faults, both possible detachment-related splay structures that may have controlled the intrusion of the Woods Point Dyke Swarm and provided the conduits for gold bearing hydrothermal fluids. The local structural zone is referred to as the Ross Creek Fault Zone. • Most gold mineralisation in the Woods Point to Gaffney's Creek corridor occurs as structurally controlled quartz vein-shear zone systems hosted by dioritic dyke bulges. The A1 Mine is central to this corridor. • Recent level development and drilling has identified a series of east and west dipping dilationally brecciated quartz rich shear zones, referred to locally as reefs, with varying widths from 10 cm to several metres. Coarse gold occurs either within quartz-filled dilation breccias and branching quartz veins or in laminated quartz infill of NE-SW striking shear zones. High grade gold mineralisation within the reefs occurs as coarse and disseminated gold, predominately associated with stylolites of arsenopyrite and euhedral pyrite and soft sulphide assemblages. This style of mineralisation is also evident within narrow reefs, with generally a higher proportion of stylolites containing high percentages of predominately bournonite with minor arsenopyrite. The broad mineralisation zones are the result of a culmination of intersecting structures beneath the 1410 level, truncated above the level by shallow east dipping structures. • Fine disseminated arsenopyrite mineralisation extends into the host dyke

Criteria	JORC Code Explanation	Commentary
		<p>surrounding the larger dilationally brecciated shear zones with these haloes generally assaying between 0.5 g/t to 3 g/t with minimal veining.</p> <ul style="list-style-type: none"> Shallow dipping fracture veining branching from larger dilationally brecciated shear zones often carry high grade gold within close proximity, with the grade dissipating over short distances.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole 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. 	<ul style="list-style-type: none"> All drill data used in the generation of the Resource numbers have been previously released to the ASX by either CTL, its former entity AYC, or by HHR.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. 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. 	<ul style="list-style-type: none"> Reported results have been weight averaged, and are reported uncut. Multiple intersections within close proximity have been incorporated and reported together only where the structures are of a similar orientation. Metal equivalents have not been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole 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 (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All results reported are down hole length and have not been corrected for true width. A large portion of the larger structures are steep dipping, and with flat holes, the intersection angle is generally close to 90°. Combination of diamond drilling from the east and west used to reduce potential bias of drill angles. Flat series of fracture veins potentially under drilled due to the shallow drill angle intersections with this data set.
Diagrams	<ul style="list-style-type: none"> 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 drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> n/a

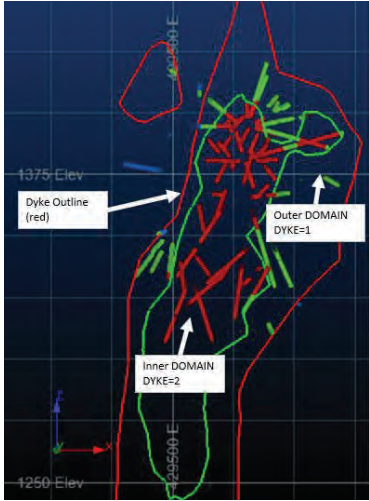
Criteria	JORC Code Explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All final results received have been reported. The drilling programs are ongoing within the A1 Mine.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Surveyed hole pickups are cross checked with hole design positions and modelled development.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. 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. 	<ul style="list-style-type: none"> Remodeling the area between 1260mRL and 1400mRL of the A1 Deposit by Mining One has provided an enhanced understanding of the distribution and continuity of gold mineralisation within the deposit. Future work will include extending the updated model at depth and above the 1400mRL. Additional drilling should also be completed below the 1260mRL to define the continuation of the mineralised system at depth.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Database integrity	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Surveys of drill holes, core recoveries and geological logging are entered directly into Excel spread sheets by the mine geologist. The data are directly entered into an Excel spread sheet with front-end validation including picklists. This data is imported directly into a Datamine database from the Excel spread sheets. The importation that also has validation processes. Drill hole survey pickups issued as Excel files that are directly imported into appropriate files. All drill hole collars are labelled by drillers upon completion of the hole. High grade assay results are crossed checked with corresponding logged intervals. <ul style="list-style-type: none"> Upon receipt of and during the work for this resource estimate, Mining One made checks on the database, including checking that:

Criteria	JORC Code Explanation	Commentary
		<ul style="list-style-type: none"> o drill holes plotted within the geographical limits of the A1 Mine; o down-hole surveys were within the expected range; o down-hole azimuths were in the correct range; o there were no overlapping assay intervals; o there were no overlapping lithology intervals; o assays used for grade estimation fell within appropriate mineralisation interpretations; o Au assays fell within the generally expected limits for this style of deposit.
Site visits	<ul style="list-style-type: none"> • <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> • <i>If no site visits have been undertaken indicate why this is the case.</i> 	<ul style="list-style-type: none"> • Stuart Hutchin has visited the A1 Mine site on multiple occasions over the last 3 years to inspect the underground operation and diamond drilling activities.
Geological interpretation	<ul style="list-style-type: none"> • <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> • <i>Nature of the data used and of any assumptions made.</i> • <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> • <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> • <i>The factors affecting continuity both of grade and geology.</i> 	<ul style="list-style-type: none"> • There is a moderate to high degree of confidence in the geological model within the areas of the deposit that have been recently mined. The Mining One model is based on 3D geological domains that represent the dyke and dyke alteration halo mineralised breccia zones contained within the overall modelled A1 Dyke intrusion. The confidence comes from the geological knowledge of the mineralisation in dyke and high grade zones seen within the underground development between the 1400mRL and 1260mRL levels of the mine. • The data used for the geological interpretation came from the underground exposures and the results of all previous available drilling data from both CTL and earlier HHR diamond drilling programs. • Given the current geological understanding and the ongoing mining experience within this style of mineralisation alternative interpretations of the mineralisation are unlikely to result in material differences to the global Mineral Resource estimate. • The Mineral Resource estimate was made within the boundaries of the geological interpretation wireframes that were used as hard boundaries • The geological continuity of the mineralisation is controlled by the extent of the host dioritic dyke, the location, thickness and extent of the host reef breccias, and the intensity of gold bearing mineralisation within the reef structures (see <i>Geology</i> in Section 2 of this table). Grade continuity is high within the reefs.
Dimensions	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The A1 Deposit modelled and reported within the Mining One resource estimates is currently defined as being 600m in strike length, averaging 60m wide and has a depth extent of 800m (Including Conceptual Upside). • The mine is accessed by way of a decline with the entrance portal at ~1690m RL.

Criteria	JORC Code Explanation	Commentary
<p>Estimation and modelling techniques</p>	<ul style="list-style-type: none"> • 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 (e.g. 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 drill hole data, and use of reconciliation data if available. 	<ul style="list-style-type: none"> • Gold grades were estimated within different mineralised domains within the dyke lithology, using different methodologies. <ul style="list-style-type: none"> • Inner core of dyke, where Au > 1g/t (DYKE=2); Multiple Indicator Kriging (MIK) estimation was used (no change of support was applied). • Outer core of dyke, where Au < 1g/t (DYKE=1); Ordinary Kriging estimation.  <ul style="list-style-type: none"> • The software package used for statistics and grade estimation was Isatis (Geovariances), v2018. Sub-celled volume models were built Datamine Studio RM version 1.2. • Grades for the domain were estimated using composited diamond drill hole samples. For the outer domain (DYKE=1), outlying sample grades greater than 50 g/t Au were cut to 50 g/t Au based on breaks in the Au grade sample distribution. For the inner domain (DYKE=2), as an MIK estimation was used, which limits the range of higher-grade intervals, within determined thresholds, an overall top cut of 300 g/t Au was used. • Search radii and size were based on the respective variograms. Kriging Neighborhood Analysis was performed to ensure the optimum number of samples were chosen. Search directions were based on the geological

		<p>understanding of the domain orientation</p> <ul style="list-style-type: none"> • for the OK estimation within DYKE=1, the search was orientated based on the trend of the dyke (Azimuth 333, dip 85 to west). • For the MIK estimation within DYKE=2, was based on 12 threshold cutoffs (indicators), to represent sample and metal distribution within the drill data. The first 5 indicators < 1.88 g/t Au, the search was orientated (Azimuth 333, dip 85 to west), the upper 7 indicators >1.88 g/t Au were orientated in the direction of the main known historic high grade reefs (Azimuth 333, dip 40 to west) • No grades were estimated for deleterious elements or other non-grade variables of economic significance. • For DYKE=1, the block model was created with a parent block size of 5m N X 5m E X 2.5m vertically. For DYKE=2, the block model was created with a parent block size of 2.5m N X 2.5m E X 1.25m vertically. Sub-celling for both models was set to 0.25m N X 0.25m E by 0.25m vertically to achieve reasonable volumetric representation. Au grade estimates were made at the parent block size. The parent block size along the strike direction was a little less than half the drill section spacing. • The estimation domains were constrained by wireframes representing the high-grade quartz vein style mineralisation, highly altered breccia zones (DYKE=2), within the dyke and weakly altered dyke domains (DYKE=1). Grades were estimated in two passes: the first pass used a search ellipsoid with dimensions approximately 80% of the variogram range; the second pass used a search ellipsoid with the same directions as the first pass but with a search dimensions 2x the variogram range. A minimum of 5 and maximum of 15 samples were used with a restriction of 3 samples per drill hole. • No assumptions were made regarding selective mining units. • No assumptions were made about correlation between variables. • The blocks representing the parts of the domain mined out via historical stoping were flagged and omitted from the Mineral Resource estimate. • Validations of Au grade estimates were made by. <ul style="list-style-type: none"> • visual checks of estimated block grades against grades in nearby drill hole samples. • Global statistical comparison of the estimated block model grades against the declustered composite statistics. • Swath plots within the mineralised domains by slices in northing and RL. Comparing estimated block again composite and declustered drilling data, to verify local estimates.
Moisture	<ul style="list-style-type: none"> • <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	<ul style="list-style-type: none"> • Tonnages were estimated on a dry basis.

Criteria	JORC Code Explanation	Commentary
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> This Mineral Resource estimate is relatively insensitive to cut-off grade over the likely range of cut-off grades that might sensibly be applied, that is, over a range of cut-off grades from 0 to 5 g/t Au. The Mineral Resource has been quoted at a 2.5 g/t Au cut-off between 1260mRL and 1400mRL, this represents the potential economic cut-off for this style of mineralisation within the A1 Deposit.
Mining factors or assumptions	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Beyond the general assumption that mining would take place underground using decline access and trackless haulage the only particular mining assumption that was made was a 1.5m minimum mining width. The minimum mining width was assumed based on the size of the mining equipment currently in use at the mine.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Based on mining and treatment of ore from by the Company from other parts of the A1 Mine, no particular metallurgical assumptions were made beyond the general assumption that gold could be recovered in the Company's gold processing plant at Maldon, which includes a coarse gold gravity circuit and a conventional CIP circuit for the gravity tail. Given the nature and tenor of the gold mineralisation, this is a reasonable assumption
Environmental factors or assumptions	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The A1 Mine is an operating mine that operates under and in compliance with a number of relevant operating permits which include environmental permits.

<p>Bulk density</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Density determinations were made for the previous Mineral Resource estimate in 2013 when specific gravities of 17 samples of diamond drill core were determined during metallurgical test work in 2012. Dry specific gravities ranged from 2.70 tonnes/m³ to 2.79 tonnes/m³. • The bulk density used for the Mining One block model estimate was the same as that used previously, that is, 2.7 tonnes/m³ which is a reasonable estimate given the host rock petrology and mineralisation style.
<p>Classification</p>	<p>The basis for the classification of the Mineral Resources into varying confidence categories.</p> <ul style="list-style-type: none"> • Whether appropriate account has been taken of all relevant factors (i.e. 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. 	<p>The Mineral Resource has been classified as indicated and inferred categories. The indicated classification is based on the confidence level gained through mining of the resource and the close spaced infill drilling that has been completed between the 1400mRL and 1260mRL of the deposit.</p> <ul style="list-style-type: none"> • The domain has been mined in part historically that provides some evidence of the orientation of high grade zones within the overall domain. Further drilling will provide additional confirmation of these structures. • The Mineral Resource classification appropriately reflects the view of the Competent Person.
<p>Audits or reviews</p>	<ul style="list-style-type: none"> • The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> • No review or audit has yet been completed for the Mining One block model used between the 1260mRL and the 1400mRL.
<p>Discussion of relative accuracy/confidence</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the JORC Code (2012 Edition). The block models and resource estimates are suitable for planning and scheduling of short to long-term production over periods such as monthly or quarterly. • This statement relates to local estimates of tonnes and grade.



Appendix B

Nuggetty – JORC, 2012 Edition Table 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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 mineralisation 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 mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Total database consists of 132 individual assay sample points. Samples were collected via channel samples. Chip channel samples based upon geological determination. Chips sent to On Site laboratory (Bendigo), for 25g charge fire assay analysis Results of laboratory assay duplicate and repeats reviewed for bias. Repeats and duplicate assays account for 9.2% of total data set
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> All samples derived from manually chip channel samples over either defined geological domains or maximum defined widths.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Channel sample locations were determined using tape and compass traverses from known previously surveyed locations.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Channel sampling determined by prior geological mapping. All samples were coded for lithology and other geological aspects.

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No sub-sampling work was undertake however spot grab samples were done on specific targets. These spot samples have not been used in the grade determination process.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No external standards were utilised. • Internal laboratory repeat assays and duplicate assays undertaken on 9.2% of total sample population. • Grade / grade plots of both repeats and duplicates indicate acceptable levels of repeatability.
Verification of sampling and assaying	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • No verification or repeat sampling was undertaken on the two samples grading > 20.0 g/t Au. • All data taken from csv files and uploaded into Vulcan ISIS database for visualization and analysis. • Statistical analysis and compositing undertaken using Microsoft Excel spreadsheets.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (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. 	<ul style="list-style-type: none"> • Sample point determined from tape and compass survey from known locations. • All coordinates expressed in GDA-94

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples were collected as a continuous line channel perpendicular to predominant strike of main mine structure Each channel line was located approximately 5 metres along strike from each other. Overall grade of sample line was determined as a weighted average based on individual sample lengths and assays.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Sampling undertaken perpendicular to main strike
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sample were collected and stored in secure facility until delivery to laboratory.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No external audit of sample or methodology was undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Project is located on MIN5528 an active mining license owned by Maldon Resources Pty Ltd.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous work by the current license holder and previous explorers has taken the form of surface based Reverse Circulation and Diamond drilling. Approved Work Plan exists for current operator to undertake costeaning along Nuggetty Reef
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mineralisation is associated with quartz shear infilling within Ordovician age sediments and Devonian granodiorites. Mineralisation is sub vertical and structure is present over 400 metres of known strike length. Metasediments have been metamorphosed to greenschist facies at a regional scale.

Criteria	JORC Code Explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole 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. 	<ul style="list-style-type: none"> • No drill hole data was utilized however a total of 15 continuous channel sample lines were taken
Data aggregation methods	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Data was combined into individual sample lines based on approximate 5 metre spacing. • AI samples from back sampling only were utilised in resource calculations. • Wall samples and spot samples were not utilised. • Controlling polygon shape developed based upon assay grades and geological domains. • Only 2 samples reported grades >20 g/t and no samples were >50 g/t as such no upper cutting was applied
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole 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'). 	<ul style="list-style-type: none"> • As sampling was undertaken perpendicular to mineralisation aggregated combined widths are considered to be extremely close to true widths.
Diagrams	<ul style="list-style-type: none"> • 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 drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • See body of report
Balanced reporting	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All data used in the report is shown in Appendix 1.

Criteria	JORC Code Explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No known deleterious material has been detected. Specific gravity of adjacent mine site has been used based on geological extrapolation and presence of identical host lithologies.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Trial bulk sample from immediate area of higher grade assays results will be attempted to confirm accuracy of grade interpretation. Exploratory work in the form of surface costeaming has been approved

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Database integrity	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Database in in the form of a Microsoft Excel spreadsheet.
Site visits	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No site visit has been undertaken by the Competent Person, however abundant data in the form of photographic images, computer generated DTM and mapping plans were available for review. Several personnel who have been to the site were interrogated and supplied relevant information when requested.
Geological interpretation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Entire sampling horizon has been structurally and geologically mapped. Grade variability appears to be limited within the mineralized zone. Minor cross-cutting low angle faulting has been recorded but not modelled as displacements are minimal.
Dimensions	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The indicated resource is restricted to a 2 metre vertical projection above existing data points

Criteria	JORC Code Explanation	Commentary
Estimation and modelling techniques	<ul style="list-style-type: none"> 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 drill hole data, and use of reconciliation data if available. 	<ul style="list-style-type: none"> Model is based on 19 cross-sections channel sample traverses. Spacing between traverses is nominally 5 metres but varies between sectional lines. Grades for each traverse were reviewed and a minimum minable width of 1.0 metres applied where samples were not sufficiently wide, a weighted average grade was then calculated over total length of the combined samples. A 3D wireframe was constructed based on the sectional interpretation strings. An inverse distance block model was created using parent and sub cells to define the domain mineralization. Density of 2.7g/cm³ used to determine tonnes conversion. Total tonnage based on assumption of continuous extraction of all polygons with no ground support pillar.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> Tonnage estimated based on in situ dry tonnes.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> A top cut of 30 ppm Au was applied to the estimate. This was based on geostatistical analysis of the assay dataset.
Mining factors or assumptions	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The assumed method of mining will be by conventional hand-held air-leg stoping method. As such a minimum mining width of 1.0m has been considered as practical due to the steep natures of the resource.

Criteria	JORC Code Explanation	Commentary
Metallurgical factors or assumptions	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No metallurgical consideration has been applied as per anticipated recovery except that historical production indicated no refractory mineralisation
Environmental factors or assumptions	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Any mining material produced can be contained either on site or in the case of ore grade material transported to the company's Porcupine Flat process plant. It is not envisaged that much waste material would be generated as all primary development has already been completed.
Bulk density	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> An assumed bulk density (SG.) of 2.70g/cm³ has been used. The SG has been taken from identical lithological units located within the adjacent Union Hill open cut and measurements from samples within the Nuggetty Adit.
Classification	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The resources have been classified as indicated within 5m of the adit level where extensive channel sampling is available and inferred for the remainder of blocks within the modelled domain.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> No external audits undertaken

Criteria	JORC Code Explanation	Commentary
<p>Discussion of relative accuracy/confidence</p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> • The indicated Resource confidence level is reflected in Modifying factors to do with the likelihood that the material can be extracted at some point in the future for a profit. • All major capital development is in place. • An appropriately gazetted and operating process plant is located within 3 kilometres of the Nuggetty Adit. • The company has experience in the style of mining proposed for the site and as such has a high degree of confidence in the economic parameters used. • The Indicated resource is restricted to 5 metres above the current backs in areas where sampling has determined adequate sample density and grade are present to enable mining to occur. • The nature of the resource is local in its estimate.



Appendix C

JORC 2012 Consent Forms

Mr Stuart Hutchin

Mr Simon Curd

JORC 2012 CONSENT FORM

Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rules 5.6, 5.22 and 5.24 and
Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

A1 and Maldon Projects Independent Technical Report

(Insert name or heading of Report to be publicly released) ('Report')

Kaiser Reef Limited

(Insert name of company releasing the Report)

A1 Mine and Nuggetty Reef Mine

(Insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

18/11/2020

(Date of Report)

Statement

I/We,

Stuart Hutchin

(Insert full name(s))

confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of

(Insert company name)

Or

I/We am a consultant working for

Mining One Consultants Pty Ltd

(Insert company name)

and have been engaged by

Kaiser Reef Limited

(Insert company name)

to prepare the documentation for

A1 Mine and Nuggetty Reef Mine

(Insert deposit name)

on which the Report is based, for the period ended

October 2020

(Insert date of Resource/Reserve statement)

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets, Exploration Results and Mineral Resources.

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

Kaiser Reef Limited

(Insert reporting company name)



Signature of Competent Person:

18 November 2020

Date:

Australian Institute of Geoscientists

Professional
(insert organisation name)

Membership:

5285

Membership Number:



Signature of Witness:

Level 9, 50 Market St, Melbourne

Print Witness Name and Residence:
(eg town/suburb)

Additional deposits covered by the Report for which the Competent Person signing this form is accepting responsibility:

The report covers JORC 2012 Mineral Resources for both the A1 Mine located near Gaffney's Creek and the Nuggetty Mine located near Maldon.

Additional Reports related to the deposit for which the Competent Person signing this form is accepting responsibility:

None



Signature of Competent Person:

18 November 2020

Date:

Australian Institute of Geoscientists

Professional
(insert organisation name)

Membership:

5285

Membership Number:



Signature of Witness:

Level 9, 50 Market St, Melbourne

Print Witness Name and Residence:
(eg town/suburb)

JORC 2012 CONSENT FORM

Competent Person's Consent Form

Pursuant to the requirements of ASX Listing Rules 5.6, 5.22 and 5.24 and
Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

A1 and Maldon Projects Independent Technical Report

(Insert name or heading of Report to be publicly released) ('Report')

Kaiser Reef Limited

(Insert name of company releasing the Report)

A1 Mine

(Insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

18/11/2020

(Date of Report)

Statement

I/We,

Simon Curd

(Insert full name(s))

confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition).
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am a Member or Fellow of *The Australasian Institute of Mining and Metallurgy* or the *Australian Institute of Geoscientists* or a 'Recognised Professional Organisation' (RPO) included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I am a full time employee of

(Insert company name)

Or

I/We am a consultant working for

Mining One Consultants Pty Ltd

(Insert company name)

and have been engaged by

Kaiser Reef Limited

(Insert company name)

to prepare the documentation for

A1 Mine

(Insert deposit name)

on which the Report is based, for the period ended

October 2020

(Insert date of Resource/Reserve statement)

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to Exploration Targets, Exploration Results and Mineral Resources.

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

Kaiser Reef Limited

(Insert reporting company name)

A handwritten signature in black ink that reads "Simon Aird".

Signature of Competent Person:

18 November 2020

Date:

Australasian Institute of Mining and Metallurgy

Professional
(insert organisation name)

Membership:

112432

Membership Number:

A handwritten signature in black ink that reads "Darvontu".

Signature of Witness:

Level 9, 50 Market St, Melbourne


Print Witness Name and Residence:
(eg town/suburb)

Additional deposits covered by the Report for which the Competent Person signing this form is accepting responsibility:

The report covers the Mine Plan (Scenario 2 "Expected Case") for the A1 Mine located near Gaffney's Creek.

Additional Reports related to the deposit for which the Competent Person signing this form is accepting responsibility:

None



Signature of Competent Person:

18 November 2020

Date:

Australasian Institute of Mining and Metallurgy

Professional
(insert organisation name)

Membership:

112432

Membership Number:



Signature of Witness:

Level 9, 50 Market St, Melbourne

Print Witness Name and Residence:
(eg town/suburb)


DOCUMENT INFORMATION

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Version	Description of changes/amendments	Author (s)	Date
1-3	Draft to Client	Simon Curd, Stuart Hutchin	16/11/2020
4	Final Report	Simon Curd, Stuart Hutchin	18/11/2020
6	Amendments to Notice of Meeting Statements	Simon Curd	03/12/2020

DOCUMENT REVIEW AND SIGN OFF

Version	Reviewer	Position	Signature	Date
1-6	Dean Basile	Director		03/12/2020

**ANNEXURE C – SOLICITOR’S TENEMENT REPORT (VICTORIAN
PROJECTS)**

3 December 2020

Mr Jonathan Downes
Managing Director
Kaiser Reef Limited
Unit 3 Churchill Court
335 Hay Street
SUBIACO WA 6008

Dear Sirs

SOLICITOR'S REPORT ON LICENCES

This Solicitor's Report (**Report**) is prepared for the inclusion in a prospectus to be issued in the following seven days by Kaiser Reef Limited (ACN 635 910 271) (**Company**).

Scope

1. We have been requested to report on certain mining and exploration licences in which the Company intends to acquire an interest (**Licences**).
2. The Licences are located in Victoria and are listed in the Licence Schedule (**Schedule**) at the end of this Report.
3. This Report is limited to the Searches detailed at clause 4 of this Report.

Searches

4. For the purpose of this Report, we have conducted searches and made enquiries in respect of the Licences as follows (**Searches**):
 - (a) we obtained searches of the Licences from the Earth Resources GeoVic online system managed by the Victorian Department of Jobs, Precincts and Regions pursuant to the *Mineral Resources (Sustainable Development) Act 1990 (Vic)* (**Mineral Resources Act**) on 3 December 2020;
 - (b) we obtained extracts of registered native title applications and determinations, Settlement Agreement and ILUA's that apply to the Licences, as determined by the National Native Title Tribunal (**NNTT**). This material was obtained on 3 December 2020. Details of native title determination applications, Settlement Agreement ILUA and ILUA's and are set out in Part II of the Schedule; and
 - (c) we obtained an Aboriginal Place Listing extract report from the Victorian Aboriginal Heritage Register which includes currently registered Aboriginal places from Aboriginal Victoria on 27 November 2020.

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Subiaco WA 6008 | Subiaco East WA 6008

ABN 93 607 910 038

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under the Professional Standards legislation

COVID-19 restrictions affecting Searches

5. We note that due to the office of the Victorian Department of Jobs, Precincts and Regions (**Department**) being closed due to COVID-19 restrictions, the Department has been unable to provide us with copies of agreements with respect to encumbrances on the Licences, and limited information with respect to Aboriginal heritage places and areas of cultural heritage sensitivity or any other conditions that Aboriginal Victoria has placed against the Licences as this information is held on hard copy files at the Department.
6. When the Department offices open, we recommend that the further searches are undertaken in order to provide a more fulsome assessment of the current status of the Licences.

Opinions

7. As a result of the searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:
 - (a) (**Company's Interest**): the Company's interest in the Licences;
 - (b) (**Good Standing**): the validity and good standing of the Licences; and
 - (c) (**Third party interests**): third party interests, including encumbrances, in relation to the Licences.

Description of the Licences

8. The Licences comprise four mining licences granted under the Mineral Resources Act and one application for an exploration licence applied for under the Mineral Resources Act. Part I of the Schedule provides a list of the Licences. The following provides a description of the nature and key terms of these types of mining licences as set out in the Mineral Resources Act and potential successor licences.

Exploration Licence

9. **Application:** In accordance with the Mineral Resources Act, an application for an exploration licence must be made to the Minister in the approved form. An application must include:
 - (a) identification of the mineral or minerals to which the licence will related (except for coal seam gas);
 - (b) a description of the blocks comprising the proposed area of the exploration licence;
 - (c) the estimated annual expenditure for each year of the exploration licence to undertake the proposed program of work and rehabilitation
 - (d) evidence of the financial capacity to fund the estimated expenditure and that the applicant is a fit and proper person to hold the licence;
 - (e) evidence of the expertise of technical advisors that will assist in the program of work;
 - (f) the applicant's experience in exploration and mining activities and associated rehabilitation; and
 - (g) the work program details for each year of the exploration licence.
10. An application for an exploration licence is not transferrable.

11. **Rights:** Subject to receiving an approved work plan and any other required consent, entering into a rehabilitation bond and obtaining public liability insurance, the holder of an exploration licence has the right to explore for specified minerals on the land covered by the exploration licence.
12. The following activities may be conducted by the holder of an exploration licence:
 - (a) conducting geological, geophysical and geochemical surveys;
 - (b) drilling;
 - (c) taking samples for the purposes of chemical or other analysis;
 - (d) extracting minerals from land, other than for the purpose of producing them commercially; and
 - (e) anything else (except mining) that is specified in the exploration licence.
13. **Area:** The area of an exploration licence may comprise between one and 500 graticular sections unless the Minister decides otherwise.
14. **Conditions:** The Minister may impose conditions upon an exploration licence as to any of the following:
 - (a) rehabilitation of the land;
 - (b) elimination and minimisation of the risks that the work may pose to the environment, to any member of the public, or to land, property or infrastructure in the vicinity of the work;
 - (c) protection of groundwater;
 - (d) providing and implementing environmental offsets on the land or any other land;
 - (e) work undertaken under a licence;
 - (f) expenditure (generally being the higher of either minimum expenditure conditions or the amounts provided in any proposed program of work);
 - (g) reporting the discovery of minerals;
 - (h) entering into a rehabilitation bond;
 - (i) the payment of rent, fees, an environmental levy or royalties (other than in respect of lignite);
 - (j) access to and use of the land by the holder of another licence that is limited to a particular stratum;
 - (k) the protection of community facilities;
 - (l) the timing and manner of which a report is to be submitted as to the work undertaken on the licence;
 - (m) the compliance with any conditions specified in a land use activity agreement pursuant to the *Traditional Owner Settlement Act 2010 (Vic)*.
15. The Minister can vary the conditions of a licence during the term of that licence, however cannot vary the term of the licence.

16. **Term:** In issuing an exploration licence, the Minister may specify that the licence is to remain current for a period of up to five years from the registration date. Prior to the end of the term of an exploration licence the holder may apply to the Minister for a renewal of the licence. To grant the renewal, the Minister must be satisfied that the applicant has identified minerals in the land and that either additional time is necessary to assess the economic viability of mining those minerals or it is not at present economically viable to mine those minerals but it may become so in the future.
17. The Minister may also refuse to renew the licence if the applicant has not complied with the conditions of grant.
18. The Minister may only renew an exploration licence twice (each for no longer than five years) and only if the Minister considers there are exceptional circumstances to warrant the second renewal and is satisfied that there is a likelihood of the licence identifying minerals in the land covered by the licence during the period for which the licence may be renewed. Any renewal can be subject to further conditions or can cover a smaller area than that covered by the application for renewal.
19. **Priority to apply for a mining licence:** The holder of an exploration licence or retention licence can apply for a mining licence over the land the subject of the exploration licence or retention licence, or a third party can apply for a mining licence over land the subject of the exploration licence or retention licence with the consent of the holder of the exploration licence or the retention licence.
20. **Sunset provisions:** subject to the priority rights a current holder of a licence under the Mineral Resources Act cannot apply for a further licence over the same area of land less than 28 days after the previous licence ceased to apply to that land, unless the applicant holds an exploration licence or retention licence or mining licence covering land that surrounds the area of the application and that that land was previously covered by a mining licence not exceeding five hectares or was land covered by a prospecting licence or an application for a prospecting licence.
21. **Amalgamation:** The Minister may determine that one or two or more licences of the same type held by the same person over adjoining areas applies to the combined areas. The Minister may nominate which licence covers the combined areas and must cancel the other licence or licences.
22. **Transfer:** An exploration licence must not be transferred in its first year. Any subsequent transfer must be approved by the Minister. Any transfer is subject to payment of all fees, bonds, royalties and rents and that any work plan is adequate. In addition, the incoming party must satisfy the Minister that it is fit and proper to hold the licence and that it genuinely intends to undertake work and can finance the work on the exploration licence.
23. **Compulsory surrender:** The area of an exploration licence must be reduced by:
 - (a) 25% of the total number of graticular sections on the second anniversary of the date of grant;
 - (b) a further 35% of the total number of graticular sections on the fourth anniversary of the date of grant;
 - (c) a further 20% of the total number of graticular sections on the seventh anniversary of the date of grant; and
 - (d) a further 10% of the total number of graticular sections on the tenth anniversary of the date of grant.
24. **Cancellation:** The Minister may cancel an exploration licence if satisfied that the holder has not substantially complied with the Mineral Resources Act, or any condition to which the licence is subject or any work plan to which the licence subject.

25. **Compensation:** Prior to submitting an exploration work plan which affects private land holders, the holder of an exploration licence is required to obtain consent from the land holder to access the affected land and to enter into a compensation agreement with the relevant private land holders (section 43(1)(e) Mineral Resources Act). The Mineral Resources Act sets out the categories of loss and damage that compensation is payable in respect of.

Retention Licence

26. **Retention licence:** the holder of a retention licence is entitled to:
- (a) retain rights to a mineral resource in the land covered by the licence that is not economically viable to mine in the future or for the purpose of sustaining the operations of an existing mine; and
 - (b) explore and carry out other work to establish the economic viability of mining a mineral resource in the land covered by the retention licence.
27. The identification of a mineral resource (by way of a mineralisation report by a 'competent person' (as defined by JORC)) is a precondition for the grant of a retention licence.
28. **Application:** the application for a retention licence must:
- (a) describe the mineral resource;
 - (b) satisfy the Minister that there is a reasonable prospect that the mining of the mineral resource described in the application will be economically viable;
 - (c) specify the area of land that the licence will cover;
 - (d) specify the reasons for the coverage of the area of land; and
 - (e) provide evidence that the applicant is a fit and proper person to hold the licence.
29. An application for a retention licence is not transferrable.
30. **Conditions:** The Minister may apply the same conditions to a retention licence as that of an exploration licence. The Minister can vary the conditions of a licence during the term of that licence, however cannot vary the term of the licence.
31. **Priority right to apply for a mining licence:** The holder of a retention licence is entitled to apply for a mining licence in respect of the land covered by a retention licence or give consent to another person to apply for a mining licence in respect of the land covered by the retention licence.
32. **Term:** The term of a retention licence is for a period of time not exceeding ten years from the registration date. Prior to the end of the term of a retention licence the holder may apply to the Minister for a renewal of the licence. The Minister may refuse to grant the renewal if the applicant has not complied with the conditions of grant of the retention licence or if it is not feasible to mine in the area covered by the retention licence and will not be feasible to do so in the foreseeable future.
33. In determining whether to renew the term of retention licence the Minister can request that the applicant provide a report as to the economic viability of the mining of minerals to which the retention licence applies. If the Minister is not satisfied with the review, or the applicant does not comply with the request to provide the review the Minister may not renew the term.
34. The Minister may only renew a retention licence twice and if the Minister is satisfied that the mining of a mineral resources would be economically viable in the further and in respect of the second renewal,

only if the licence has demonstrated to the Minister that there are exceptional circumstances to warrant the second renewal. Any renewal can be subject to further conditions or can cover a smaller area than that covered by the application for renewal. Any renewal cannot be for a period greater than ten years.

35. **Area:** The area of the land the subject of a retention licence is the area the Minister determines as the area that may be required for the purpose of mining a mineral resource in the future.
36. **Transfer:** A retention licence can be transferred to a third party with approval by the Minister.
37. **Surrender:** compulsory surrender provision do not apply to retention licences.
38. **Cancellation:** The Minister may cancel a retention licence for reasons such as the following:
 - (a) if satisfied that the holder has not substantially complied with the Mineral Resources Act, or any condition to which the licence is subject;
 - (b) if the mining of minerals to which the retention licence relates would not be economically viable in the future;
 - (c) if the licensee is unlikely to undertake economically viable mining of a mineral resource to which the retention licence relates in the future.

Mining Licence

39. A person may apply in accordance with the Mineral Resources Act to the Minister for the grant of a mining licence, however a holder of an exploration licence or retention licence over the relevant area has priority.
40. **Application:** An application for a mining licence must:
 - (a) include a program of work;
 - (b) be surveyed (on the ground);
 - (c) describe the mineral resource;
 - (d) satisfy the Minister that there is a reasonable prospect that the mining of the mineral resource described in the application will be economically viable;
 - (e) include a mineralisation report prepared by a 'competent person' (defined by JORC) that sets out the exploration results in relation to the described mineral resources and includes an analysis of whether the exploration results indicated that there is a reasonable prospect that the mining of the described mineral resource will be economically viable. The exploration results must:
 - i. specify the type of mineral or minerals;
 - ii. specify the location, depth, quantity and extent of the mineral or minerals;
 - iii. specify the method by which the extent of the mineral or minerals have been determined; and
 - iv. include the analytical results obtained from the samples of mineral or minerals.
41. An application for a mining licence is not transferrable.

42. **Rights:** A mining licence gives the licensee the exclusive right to conduct mining in the title area and to conduct the following activities:
- (a) explore for minerals (for a two year period only);
 - (b) construct any facilities specified in the mining licence, including drives, roads, water races, tailing dumps, tailings dams, drains, dams, reservoirs and pipelines; and
 - (c) construct anything else that is incidental to that mining.
43. **Term:** The Minister may grant a mining licence for a term not exceeding 20 years from the date of registration. Prior to the end of the term of a mining licence the holder may apply to the Minister for a renewal of the licence.
44. The Minister may refuse the renewal of the mining licence if the applicant has not complied with the conditions of grant or if the area covered by the licence is depleted of minerals to the extent that it is no longer feasible to mine that area.
45. The Minister may renew the mining licence if mining is taking place under the licence at the time of the renewal application and the Minister is satisfied that there is a reasonable prospect that mining will continue after that renewal or mining had taken place under the licence before the date of the renewal application and the Minister is satisfied that there is a reasonable prospect that mining will recommence within two years after renewal of the licence. Any renewal can be subject to further conditions or can cover a smaller area than that covered by the application for renewal. Any renewal cannot be for a period greater than 20 years.
46. **Area:** The area of land of a mining licence must not exceed 260 hectares, unless the Minister decides a greater area may be required to mine a mineral resource.
47. **Conditions:** In addition to the conditions placed upon an exploration licence, conditions as to the following issues can also be placed upon a mining licence:
- (a) compliance with a code of practice;
 - (b) depth restrictions; and
 - (c) consents from third parties.
48. The Minister can vary the conditions of a licence during the term of that licence, however cannot vary the term of the licence.
49. **Transfer:** A mining licence can be transferred to a third party with approval by the Minister. Any transfer is subject to payment of all fees, bonds, royalties and rents and that any work plan is adequate. In addition, the incoming party must satisfy the Minister that it is fit and proper to hold the licence and that it genuinely intends to undertake work and can finance the work on the mining licence. The holder of a mining licence may transfer an area of land covered by the holder's licence to the holder of another mining licence with approval of the Minister. A holder of a mining licence may also apply to the Minister to have land severed from the holder's licence and made the subject of a separate mining licence.
50. **Amalgamation:** The Minister may determine that one or two or more licences of the same type held by the same person over adjoining areas applies to the combined areas. The Minister may nominate which licence covers the combined areas and must cancel the other licence or licences.
51. **Cancellation:** The Minister may cancel a mining licence if satisfied that the holder has not substantially complied with the Mineral Resources Act or any condition to which the licence is subject.

The Minister may also cancel a mining licence if the licensee has not lodged a work plan within 12 months after the licence was granted or has not complied with a mine rehabilitation plan.

52. **Compensation:** The holder of a mining licence that wishes to undertake work on any private land associated with the mining licence must obtain the consent of the owners and occupiers of the land affected or enter into a compensation agreement with those owners and occupiers (section 42(1)(h) Mineral Resources Act). The Mineral Resources Act sets out the categories of loss and damage that compensation is payable in respect of. (Compensation agreements with respect to the Licences is discussed at paragraphs 114 to 120 below.)

Aboriginal Heritage

53. The Company must ensure that it does not breach any applicable legislation relating to Aboriginal heritage (see below).
54. A mining or exploration licence may contain places or objects of Aboriginal cultural heritage significance. In Victoria, these places and objects are recorded in the Victorian Aboriginal Heritage Register (**Register**) maintained by Aboriginal Victoria in accordance with the *Aboriginal Heritage Act 2006 (VIC)* (**AH Act**). The Register is not an exhaustive list and the AH Act protects both places and objects of Aboriginal cultural heritage significance recorded on the Register and places or objects which are not yet recorded. The Register is not publicly available however, a holder of a mining or exploration licence is authorised to access the Register but first need to apply to Aboriginal Victoria.

Commonwealth Legislation

55. The *Aboriginal and Torres Strait Islander Heritage Act 1984 (Cth)* (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginals and objects that may be located on the Licences.
56. Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.
57. It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

Victoria Legislation

58. The AH Act protects places and objects of Aboriginal cultural heritage significance and Aboriginal intangible heritage in Victoria.
59. "Aboriginal cultural heritage" as defined under the AH Act means "Aboriginal places, Aboriginal objects and Aboriginal ancestral remains".
60. Aboriginal Victoria maintains a register of recorded Aboriginal places and objects under the AH Act.
61. When a mining or exploration licence is granted, the licence holder is provided with a list of known Aboriginal heritage places, areas of cultural heritage sensitivity and any conditions required by Aboriginal Victoria. As indicated at paragraph 5, we have been unable to undertake these searches to obtain this information.
62. It is a requirement under the AH Act for a licence holder to prepare a Cultural Heritage Management Plan (**CHMP**) when proposing to carry out certain high impact activities in areas of cultural heritage sensitivity (as defined in the *Aboriginal Heritage Regulations 2018 (Vic)*).
63. In these circumstances, planning permits, licences and work authorities cannot be issued unless a CHMP has been approved for the activity. A licence holder will need to engage a recognised cultural

heritage advisor to carry out heritage assessments to assist the licence holder in the preparation of a CHMP.

64. In certain circumstances, a licence holder may need to engage a cultural heritage advisor (usually an archaeologist) to conduct a survey and prepare a CHMP prior to undertaking certain exploration works.
65. A voluntary CHMP may be undertaken at any time before commencing exploration works.
66. The AH Act recognises Aboriginal people as decision makers when they become a Registered Aboriginal Party (**RAP**). Where a RAP exists, the RAP must approve the CHMP for it to be valid.
67. A licence holder may need to apply for a Cultural Heritage Permit in certain circumstances even if a CHMP is not required. The licence holder must apply to the RAP for the area the application is in. If there is no RAP, the application must be made to the Secretary to the Department of Premier and Cabinet.
68. It is an offence under the AH Act to knowingly, recklessly or negligently undertake an action that harms or is likely to harm an Aboriginal Cultural place without an approved CHMP or Cultural Heritage Permit.
69. Under section 27 of AH Act it is an indictable offence where a person by act or omission harms Aboriginal cultural heritage where at the time of the act or omission the person knew that the act or omission was likely to harm Aboriginal cultural heritage or was reckless as to whether the act or omission was likely to harm Aboriginal cultural heritage or was negligent as to whether the act or omission was likely to harm Aboriginal cultural heritage. Under section 28 of the AH Act it is an offence for a person to do an act that harms or is likely to harm Aboriginal cultural heritage.
70. A person who does an act that harms or is likely to harm Aboriginal cultural heritage does not commit an offence if that person is acting in accordance with an approved CHMP or a Cultural Heritage Permit.

Registered Aboriginal Heritage Places

71. We have received an extract from the Victorian Aboriginal Heritage Register which shows that as at 25 November 2020 the area of EL007029 contains a total of 28 Registered Aboriginal Heritage Places.

Native Title

Introduction

72. On 3 June 1992 the High Court of Australia held in *Mabo v Queensland (No 2)* (1992) 175 CLR 1 (**Mabo No 2**) that the common law of Australia recognises native title. The High Court held that in order to maintain a native title claim the persons making such claim must show that they enjoyed certain customary rights and privileges in respect of a particular area of land and that they have maintained their traditional connection with that land.
73. Such a claim will not be recognised if the native title has been extinguished, either by voluntary surrender to the Crown, death of the last survivor of a community entitled to native title, abandonment of the land in question by that community or the granting of an "inconsistent interest" in the land by the Crown. An example of inconsistent interest would be the granting of a freehold or some types of leasehold interest in the land. The granting of a lesser form of interest will not extinguish native title unless it is wholly inconsistent with native title.
74. In order for native title to be recognised the following conditions must be met:

- (a) the rights and interests are possessed under the traditional laws that are currently acknowledged and the traditional customs are currently observed by the relevant Indigenous people;
 - (b) those Indigenous people have a 'connection' with the area in question by those traditional laws and customs; and
 - (c) the rights and interests are recognised by the common law of Australia.
75. The *Racial Discrimination Act 1975* (Cth) (**RDA**), which was enacted by the Federal Parliament, is binding on the State of Western Australia and makes racial discrimination unlawful. Some legal commentators have raised the question of whether, in the case of the grant of a post 1975 mining licence, if such grant is found to be discriminatory and therefore unlawful under the RDA, the result may be either that the grant of the mining licence is invalid, or that such grant would give rise to a claim for compensation by the affected Aboriginal group against the Commonwealth.
76. The Commonwealth Parliament responded to the Mabo decision by passing the *Commonwealth Native Title Act 1993* (**NTA**).

The Native Title Act 1993

77. The NTA provides for:
- (a) the establishment of the NNTT where Indigenous people may lodge claims for native title rights over land and have those claims registered;
 - (b) the Courts to assess native title claims and determine if native title rights exist and where a Court completes the assessment of a native title claim, to issue a native title determination that specifies whether or not native title rights exist; and
 - (c) that an act (such as the grant or renewal of a mining licence) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

The Future Act Provisions

78. The Future Act Provisions vary depending on the Future Act to be carried out. We note that the grant of a licence does not need to comply with Future Act Provisions if in fact native title has never existed over the land covered by the licence, or has been validly extinguished prior to the grant of the licence.
79. Unless it is clear that native title does not exist (for example in relation to freehold land), the usual practice of the State or Territory is to comply with the Future Act Provisions when granting a licence. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the licence, and as such, the Future Act Provisions apply.
80. The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining licence, typically there are three alternatives:
- (a) the Right to Negotiate;
 - (b) an Indigenous Land Use Agreement (**ILUA**); and
 - (c) the Expedited Procedure.

These are summarised below.

Right to Negotiate

81. The Right to Negotiate (**RTN**) involves a formal negotiation between the State, the applicant for the licence and any registered native title claimants and holders of native title rights. The RTN objective is for the parties to negotiate in good faith and agree the terms on which the licence can be granted. The applicant for the licence is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the licence, for example, in relation to heritage surveys.
82. If an agreement is not reached, or not likely to be reached, after 6 months of the notification of the application to the native title party, the matter may be referred to the NNTT for determination on whether the licence can be granted and if so, on what conditions. The NNTT has six months from the date of the application for determination to make a decision.

ILUA

83. An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the mineral licence are usually the other parties to the ILUA.
84. An ILUA must set out the terms on which a mineral licence can be granted. An ILUA will also specify conditions on which activities may be carried out within the licence. The applicant for a licence is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the licence being approved. These obligations pass to a transferee of the mining licence.
85. Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.
86. On 24 October 2013 the Dja Dja Wurrung Settlement Agreement ILUA (**Settlement Agreement**) between the State of Victoria and the Dja Dja Native Title Group was reached.
87. The purpose of the ILUA is to provide the parties' consent to the extinguishment of native title over the land and waters contained within the area of the Settlement Agreement.
88. The Settlement Agreement operates to provide the parties' consent to Future Acts within the ILUA area on or after 24 October 2013 and the surrender of native title for the purposes of extinguishment over land where a Future Act is done.
89. The effect of the Settlement Agreement is that the parties agree that the Right to Negotiate provisions of the NTA do not apply as alternative consultation provisions are to be followed instead.
90. On 7 January 2013 the Dja Dja Wurrung People and Maldon Resources ILUA was registered with the NNTT in respect of ML5529. We do not have copies of the ILUA

Expedited Procedure

91. The NTA establishes a simplified, fast-track process for the carrying out of a Future Act that is likely to have minimal impact on native title rights (**Expedited Procedure**). The grant of a licence can occur under the Expedited Procedure if:
 - (a) the grant will not interfere directly with the carrying on of the community of social activities of the persons who are the holders of native title in relation to the land;
 - (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and

- (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbances to any land.
92. If the State/Territory considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the licence in accordance with the NTA. Persons have until three months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the licence.
93. If there is no objection lodged by a registered native title claimant or native title holder within four months of the notification date, the State/Territory may grant the licence.
94. If one or more registered native title claimants or native title holders object within the four months of the notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State/Territory may grant the licence. Otherwise, the Further Act Provisions, such as the RTN or ILUA, must be followed before the licences can be granted.

Registered Native Title Claims and Determinations

95. Our Searches indicate that MIN5528, MIN5529 and EL007029 fall within Dja Dja Wurrung People Native Title claims area which are subject of the Settlement Agreement. As such, the Dja Dja Wurrung People Native Title claims were discontinued on 17 December 2013.
96. The status of the native title claims is summarised in Part II of the Schedule.

Validity of Licences under the NTA

97. The sections below examine the validity of the Licences under the NTA.

Licences granted before 23 December 1996

98. Our Searches indicate that none of the Licences were granted before 23 December 1996.

Licences granted after 23 December 1996

99. Our Searches indicate that all of the Licences were granted after 23 December 1996. Refer to Part I of the Schedule for the Licences.
100. We have assumed that these Licences were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Licences renewed after 23 December 1996

101. Renewals of mining licences made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.
102. An exception is where the renewal is the first renewal of a mining licence that was validly granted before 23 December 1996 and the following criteria are satisfied:
- (a) the area to which the mining licence applies is not extended;
 - (b) the term of the renewed mining licence is no longer than the term of the old mining licence; and
 - (c) the rights to be created are not greater than the rights conferred by the old mining licence.

103. Any future renewals of the Licences will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in this Report will need to be involved as appropriate under the Future Acts Provisions.

Access Issues

104. We have been unable to determine whether there are any access issues due to unavailability of records. However, given that the licences are long standing, the operating A1 mine is located on MIN5294 and the operating mill is located on MIN5146, we do not expect significant issues. We recommend however that the Company continue its attempts to locate any such relevant agreements so as they can be reviewed and any issues identified.

Rehabilitation bonds

105. Licence holders are required under the Mineral Resources Act to progressively undertake rehabilitation of licences.
106. However, the Department requires that rehabilitation bonds be provided by way bank guarantees against licences to provide for any outstanding rehabilitation work to be undertaken in the event that the holder abandons its rehabilitation obligations.
107. The Department regularly reviews the amount of rehabilitation bonds against the work that is being undertaken on a licence, or the amount of rehabilitation that has been undertaken on a licence. Licence holders are also required to submit self-assessments each year of the amount of disturbance and current rehabilitation liability.
108. Relevantly, the bond amounts are reviewed when a licence is transferred. We recommend that these self-assessments undertaken by the Company are reviewed in order to determine whether the amount of disturbance has increased in recent years to determine whether the amount of the bonds will be increased.
109. At 3 December 2020 the following Licences were subject to rehabilitation bonds as follows:
- (a) MIN5146 - \$714,000;
 - (b) MIN5528 - \$10,000; and
 - (c) MIN5294 - \$109,000.
110. We have reviewed ANZ bank guarantees provided with respect to the bonds against MIN5294 (bank guarantee number 139392) and MIN5146 (bank guarantee number 222846). We have also reviewed ANZ bank guarantee number 222844 in the amount of \$10,000 with respect to exploration licence 3422. As exploration licence is no longer in existence and is now part of the ground of MIN5528, we expect that the Company intends that this bank guarantee is for the purpose of MIN5528 however we recommend that this is amended for accuracy.
111. We note that the terms of each of the ANZ bank guarantees provide that each guarantee is personal to the (Victorian) Minister for Energy and Resources (**Minister**). ANZ will not recognise any assignment, transfer, charge or dealing with respect to the bank guarantee. This means that each time the Minister approves a transfer of a Licence, that the Minister must notify ANZ that the bank guarantee is no longer required and that a new bank guarantee is issued to recognise the dealing. Given that the bank guarantees are not transferrable, the parties will need to address the most appropriate way to manage the bank guarantees prior to completion of any transaction, particularly if the parties have nominally included the amount of the bank guarantees as a component of the purchase price.

112. We note also that the bank guarantees are an unconditional undertaking to pay the monies the subject of the bank guarantee upon demand without reference to the Company and without regard to the performance or non-performance of the Company or the Minister. ANZ has no responsibility or obligation to investigate the authenticity or correctness of the matters stated in any demand for payment of the monies the subject of the bank guarantee.
113. In addition, ANZ has the right to terminate the bank guarantees at any time.

Material Agreements

114. We consider that the compensation agreement with Tim Oostenbrink and Sue Veal registered against MIN5146 on 21 January 2003 and the compensation agreement with Tim Oostenbrink registered against MIN5146 on 7 January 1998 (**Compensation Agreements**) are, at a minimum, relevant agreements that require review.
115. We requested copies of the Compensation Agreements from the Department however due to COVID19 restrictions being experienced in Victoria at this time, they were unable to provide copies. We also understand that the administrators have been unable to locate copies of the Compensation Agreements in the Company's records.
116. Under Part 8 Division 1 of the Mineral Resources Act, compensation is payable by a licence holder to an owner or occupier of private land that is land affected for any loss or damage that has been or will be sustained as a direct, natural and reasonable consequence of the activities being undertaken on the licence.
117. Compensation is payable for the following instances (section 85(1) Mineral Resources Act):
- a. deprivation of possession of the whole or any part of the surface of the land;
 - b. damage to the surface of the land;
 - c. damage to any improvements on the land;
 - d. severance of the land from other land belonging to the landholder;
 - e. loss of amenity including recreation and conservation values;
 - f. loss of opportunity to make any planned improvement on the land;
 - g. any decrease in the market value of the owner or occupier's interest in the land;
 - h. reasonable incidental expenses in obtaining and moving to replacement land, if required; and
 - i. intangible and non-pecuniary disadvantages not otherwise compensable (additional 10%).
118. Any amount of compensation paid, agreed to be paid or determined under Part 8 Division 1 of the Mineral Resources Act is not affected by any subsequent change in the ownership or occupancy of the land (section 85(4)). In addition, a licensee is not liable to pay any greater total amount of compensation because of a change in the ownership or occupancy of the land (section 85(5) Mineral Resources Act). In other words, the compensation agreement remains with the land not the landholder.
119. Under section 42(1)(h) of the Mineral Resources Act, permission to start work on a mining licence will only be granted once the licensee has obtained the written consent of the landholder or made and registered a compensation agreement with them. The consent provided by the landholder is binding on all subsequent landholders and cannot be withdrawn (section 85(4) of the Mineral Resources Act).

120. Given that compensation agreements remain with the land and that compensation agreements must be lodged with the mining registrar for registration (section 87(2) Mineral Resources Act), we recommend that the Company obtain copies from the Department immediately upon opening for the completeness of Company records.
121. We have not reviewed copies of the secured loan agreements, the general security deeds, loan facility agreements, general security deed and mining mortgage, the deed of release of general security and mining mortgage and subrogated mining mortgage with respect to the Licences as detailed at Part 1 of the Licence Schedule as we have been informed either that such agreements are being reviewed by others for the purpose of the prospectus or that the encumbrances will be released upon completion of the proposed transaction in any event.

Qualifications and Assumptions

122. This Report is subject to the following qualifications and assumptions:
- (a) This Report is accurate as at the date(s) the Searches were performed.
 - (b) We have assumed the accuracy and completeness of all Licence searches, register extracts and other information or responses which were obtained from the relevant department or authority.
 - (c) We assume that the registered holder of a Licence has a valid legal title to the Licence.
 - (d) This Report does not cover any third party interests, including encumbrances, in relation to the Licences that are not apparent from the Searches and the information provided to us.
 - (e) With respect to the granting of the Licences, we have assumed that the Department and the applicant for the Licences complied with the applicable Future Act Provisions.
 - (f) We have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives.
 - (g) Unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Licence in good standing.
 - (h) Reference in the Schedule to any area of land is taken from details shown on Searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey.
 - (i) The information in the Schedule is accurate as at the date of the relevant Searches.

Yours faithfully


All Mining Legal Pty Ltd

PART I – LICENCE SCHEDULE

	Licence	Registered Holder	Application Date	Grant Date	Expiry Date	Current Area	Minimum Annual Expenditure	Bond	Other Interests/ Encumbrances
1.	MIN5146	Maldon Resources Pty Ltd	05.09.96	17.12.96	17.12.36	706.10 Ha	Expenditure End Date 17.12.20 \$608,685.00	Rehabilitation Bond ¹ \$714,000.00	<u>Secured Loan Agreements²:</u> 1. Other Party - Bendan Australia Pty Ltd 2. Other Party - Lansung (as Trustee for the Lansung Super Fund) 3. Other Party - Montlodge Pty Ltd (ATF Stanley Family Trust) 4. Other Party - Bendan Superannuation Pty Ltd (ATF the Trustee for the Crooks Superannuation Fund) (registered 15.02.19) <u>Compensation Agreements³:</u> 5. Parties to the Agreement - Tim Oostenbrink and Sue Veal (registered 21.01.03) 6. Party to the Agreement – Tim Oostenbrink

¹ Supported by ANZ bank guarantee number 222846 in the amount of \$714,000.

² See paragraph 121 – we have not reviewed the secured loan agreements as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

³ See paragraph 5 and 115 – we have been unable to obtain copies of the Compensation Agreements as COVID-19 restrictions in Victoria have resulted in Department of Jobs, Precincts and Regions personnel being unable to access hard copies files containing this information.

	Licence	Registered Holder	Application Date	Grant Date	Expiry Date	Current Area	Minimum Annual Expenditure	Bond	Other Interests/ Encumbrances
									(registered 07.01.98) <u>General Security Deed</u> ⁴ 7. Other Party - V C Oldfield Investments Pty Ltd (registered 13.02.20) <u>General Security Deed and Mining Mortgage</u> ⁵ 8. Other Parties - AI Consolidated Gold Limited, Highlake Resources Pty Ltd and Squadron Resources Pty Ltd
2.	MIN5528	Maldon Resources Pty Ltd	01.03.10	22.07.10	18.12.21	4.50 Ha	Expenditure Expiry Date 30.06.21 \$15,000.00	Rehabilitation Bond ⁶ \$10,000.00	<u>Secured Loan Agreements</u> ⁷ : 1. Other Party - Bendan Australia Pty Ltd 2. Other Party - Langsung (as Trustee for the Lansung Super Fund) 3. Other Party - Montlodge Pty Ltd (ATF Stanley Family

⁴ See paragraph 121 – we have not reviewed the general security deed as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

⁵ See paragraph 121 – we have not reviewed the general security deed and mining mortgage as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

⁶ Expired exploration licence 3422 which is now part of MIN5528 is supported by ANZ bank guarantee number 222844 in the amount of \$10,000. We recommend that the Company request that the bank guarantee is amended to reflect MIN5528.

⁷ See paragraph 121 – we have not reviewed the secured loan agreements as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

Licence	Registered Holder	Application Date	Grant Date	Expiry Date	Current Area	Minimum Annual Expenditure	Bond	Other Interests/ Encumbrances
								Trust) 4. Other Party - Bendan Superannuation Pty Ltd (ATF the Trustee for the Crooks Superannuation Fund) (registered 15.02.19) <u>General Security Deed⁸</u> 5. Other Party - V C Oldfield Investments Pty Ltd (registered 13.02.20) <u>General Security Deed and Mining Mortgage⁹</u> Other Parties - AI Consolidated Gold Limited, Highlake Resources Pty Ltd and Squadron Resources Pty Ltd <u>Regional Indigenous Land User Agreement</u> 6. Other Party – Dja Dja Wurrung Peoples VIC6001/2000 (submitted)

⁸ See paragraph 121 – we have not reviewed the general security deed as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

⁹ See paragraph 121 – we have not reviewed the general security deed and mining mortgage as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

	Licence	Registered Holder	Application Date	Grant Date	Expiry Date	Current Area	Minimum Annual Expenditure	Bond	Other Interests/ Encumbrances
3.	MIN5529	Maldon Resources Pty Ltd	09.03.10	07.02.13	06.02.23	4.95 Ha	Expenditure Expiry Date 30.06.21 \$14,000.00		<u>General Security Deed¹⁰</u> 1. Other Party - V C Oldfield Investments Pty Ltd (registered 13.02.20) <u>Regional Indigenous Land User Agreement</u> 2. Other Party – Dja Dja Wurrung Peoples VIC6001/2000 (ILUA reached)
4.	MIN5294	Centennial Mining Limited	19.10.89	22.08.90	17.08.25	107.77 ha	Expenditure Expiry Date 30.06.21 \$91,600.00	Rehabilitation Bond ¹¹ \$109,000.00	<u>General Security Deed¹²</u> 1. Other Parties - V C Oldfield Investments Pty Ltd, Richard Scott Tucker, John Allan Bumbak, Leanne Kyle Chesser and Vivian Clarence Oldfield. (registered 13.02.20) <u>Loan Facility Agreement¹³</u> 2. Other Parties - V C Oldfield

¹⁰ See paragraph 121 – we have not reviewed the general security deed as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

¹¹ Supported by ANZ bank guarantee number 139392 in the amount of \$109,000.

¹² See paragraph 121 – we have not reviewed the general security deed as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

¹³ See paragraph 121 – we have not reviewed the loan facility agreement as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

	Licence	Registered Holder	Application Date	Grant Date	Expiry Date	Current Area	Minimum Annual Expenditure	Bond	Other Interests/ Encumbrances
									Investments Pty Ltd, Richard Scott Tucker, John Allan Bumbak, Leanne Kyle Chesser and Vivian Clarence Oldfield. (registered 13.02.20) <u>Secured Loan Agreements:</u> ¹⁴ 3. Other Party - Bendan Australia Pty Ltd 4. Other Party - Langsung (as Trustee for the Langsung Super Fund) 5. Other Party - Montlodge Pty Ltd (ATF Stanley Family Trust) 6. Other Party - Bendan Superannuation Pty Ltd (ATF the Trustee for the Crooks Superannuation Fund) (registered 15.02.19) <u>General Security Deed and Mining Mortgage</u> ¹⁵ 7. Other Party – Squadron Resources (registered

¹⁴ See paragraph 121 – we have not reviewed the secured loan agreements as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

¹⁵ See paragraph 121 – we have not reviewed the general security deed and mining mortgage as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

Licence	Registered Holder	Application Date	Grant Date	Expiry Date	Current Area	Minimum Annual Expenditure	Bond	Other Interests/ Encumbrances
								30.06.15) <u>Deed of Release of General Security and Mining Mortgage</u> ¹⁶ 8. Other Party – Squadron Resources (registered 25.10.18) <u>Subrogated Mining Mortgage</u> ¹⁷ pursuant to orders of the Federal Court dated 5 June 2020 9. Other Party - Gandel Metals Pty Ltd
EL007029 (Application)	Centennial Mining Limited (Registered Applicant)	n/a	n/a	n/a	148.00 Graticular Sections	n/a	n/a	n/a

¹⁶ See paragraph 121 – we have not reviewed the deed of release of security and mining mortgage as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

¹⁷ See paragraph 121 – we have not reviewed the subrogated mining mortgage as we have been informed that such agreements are being reviewed by others for the purpose of the prospectus or that such encumbrances will be released upon completion of the proposed transaction.

PART II – NATIVE TITLE CLAIMS AND ABORIGINAL HERITAGE

Native Title Claims

Licence Number	Federal Court Number	Claimant Group Name	Status	ILUA
MIN5146	N/A	N/A	The Licence was not subject to a Native Title Claim at the date of grant	N/A
MIN5528	VID6001/2000 (discontinued 17 December 2013)	Dja Dja Wurrung People	Settlement Agreement providing extinguishment over land and waters	Regional ILUA submitted
MIN5294	N/A	N/A	Not subject to Native Title Claim – granted before 1 January 1994	N/A
MIN5529	VID6001/2000 (discontinued 17 December 2013)	Dja Dja Wurrung People and Dja Dja Wrung/Whurung People	Settlement Agreement providing extinguishment over land and waters	VI2012/004 Dja Dja Wurrung Peoples and Maldon Resources ILUA
EL007029 (Application)	N/A	N/A	Settlement Agreement providing extinguishment over land and waters	N/A

Aboriginal Heritage Information

Licence	Registered Aboriginal Party	Area of Cultural Sensitivity	Registered Aboriginal Heritage Places
MIN5146	Dja Dja Wurrung Clans Aboriginal Corporation	Contains areas of Aboriginal Cultural Sensitivity	There are no Registered Aboriginal Heritage Places
MIN5528	Dja Dja Wurrung Clans Aboriginal Corporation	Contains an area of Aboriginal Cultural Sensitivity	There are no Registered Aboriginal Heritage Places

MIN5529	Dja Dja Warrung Clans Aboriginal Corporation	There are no identified areas of Aboriginal Cultural Sensitivity	There are no Registered Aboriginal Heritage Places
MIN5294	Taugurung Land and Waters Council Aboriginal Corporation	There are no identified areas of Aboriginal Cultural Sensitivity	There are no Registered Aboriginal Heritage Places
EL007029 (Application)	Dja Dja Warrung Clans Aboriginal Corporation	Contains areas of Aboriginal Cultural Sensitivity	There are 28 Registered Aboriginal Heritage Places within the application area

**ANNEXURE D – INDEPENDENT GEOLOGIST’S REPORT (NSW
PROJECTS)**



Kaiser Reef Limited

Independent Geologist's Report

**STUART TOWN AND MACQUARIE NORTH
EXPLORATION PROJECTS**

4 DECEMBER 2020

REPORT PREPARED FOR KAISER REEF LIMITED

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**Burnt
Shirt**



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1 EXECUTIVE SUMMARY

Burnt Shirt Pty Ltd was requested by Kaiser Reef Limited ("KAU") to prepare an Independent Geologist's Report ("IGR") for its Stuart Town Exploration Project ("Stuart Town Project"), located near Orange and its Macquarie North Exploration Project ("Macquarie North Project") located near Carinda in New South Wales (NSW) (Figure 1.1).

Burnt Shirt considers that the Stuart Town Project is prospective for large scale intrusion related gold systems and is encouraged by the following points:

- Significant historical production exceeding 170,000 ounces of gold sourced from many relatively small lode and alluvial gold sources. No major source or pathway has yet been identified for the gold mineralisation.
- Large interpreted thrust fault zones provide favourable structural setting for an interpreted auriferous intrusive felsic body.
- Examination of publicly available geophysical data indicates that coincident magnetic and gravity anomalies support the interpretation of a large, relatively shallow felsic intrusive, supported by a coincident potassic radiometric signature.
- Mineralised brecciated rhyolites at Quartz Hill with accompanying high levels of arsenic reported from historic soil sampling and drilling may represent minor subvolcanic intrusives related to of an underlying mineralised intrusive.
- Government mapping indicates that Stuart Town lies within a west-northwest transverse fault zone.
- There has been no effective testing of the deep-seated intrusive model.

Burnt Shirt considers that Macquarie North is unexplored but is prospective for similar mineralisation beneath Quaternary cover. These tenements remain Applications and have not yet been granted but have been included in the exploration programme over the next two years.

Burnt Shirt understands that this IGR is to be included in a re-compliance prospectus to be issued by KAU for an offer of 25,000,000 shares at an issue price of \$0.30 to raise \$7.5 million to facilitate KAU's application to re-list on the Australian Securities Exchange ("ASX").

KAU holds 100% of the issued capital of Chase Metals Pty Ltd (Chase). Chase currently has the rights to Exploration Licence (EL) 8491 and EL8952 through trust deeds with Jonathan Downes and Adrian Byass respectively, as Directors of KAU.

This report has an Effective Date of 4 December 2020, this being the most recent date on which KAU made material in its possession available to Burnt Shirt; and Burnt Shirt is unaware of any material change since this date.

The KAU Mineral Assets being described are located within NSW (Figure 1.1) and comprise two EL's and six Exploration Licence Applications (ELA's) (

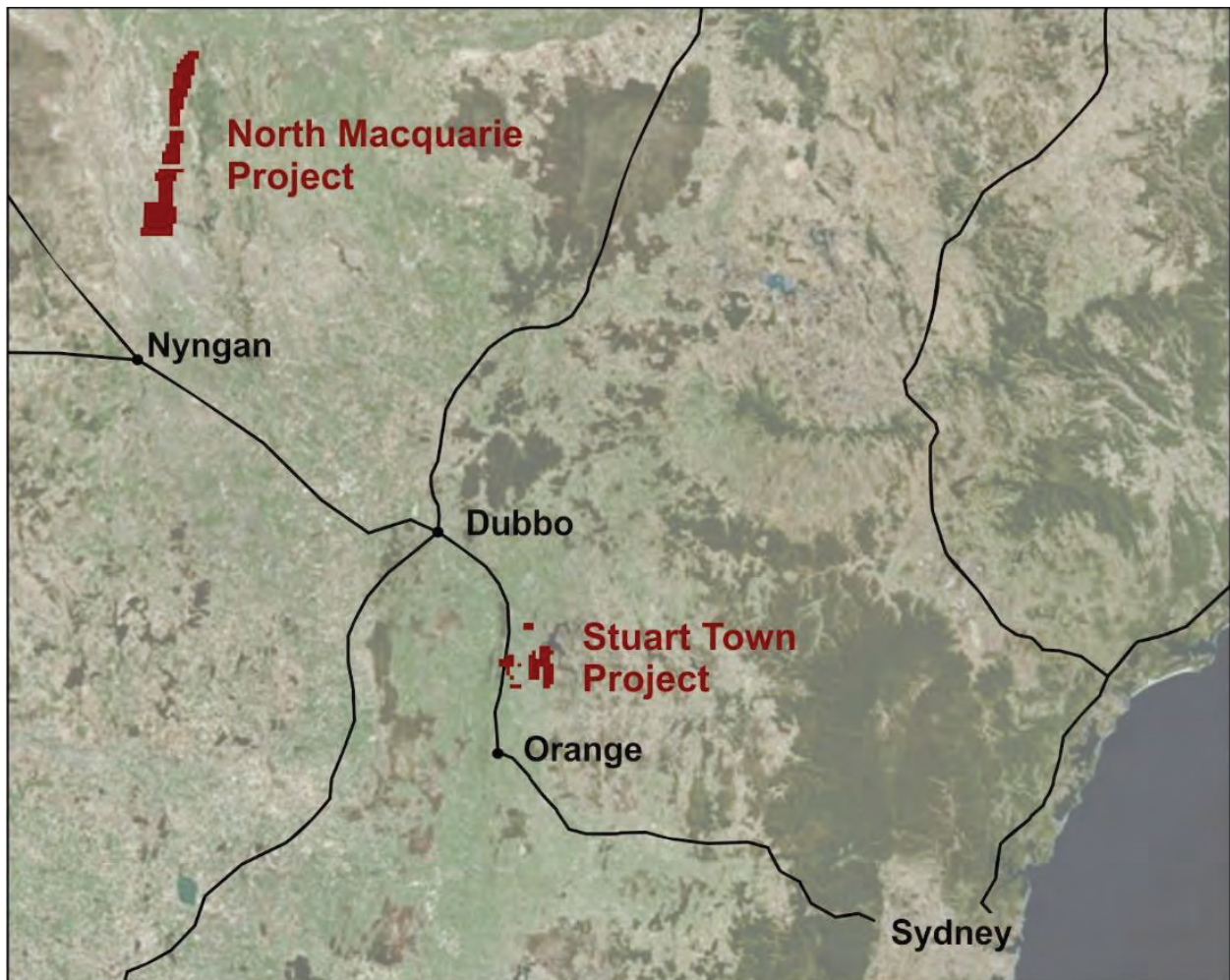
Table 1.1) under NSW mining legislation (refer Section 2.2 below).

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

Table 1.1 KAU Mineral Assets

Project	Tenement ID	Status	Operator	Holder	Expiry	Area (units)	Area (sq km)
Stuart Town	EL 8491	Live	KAU	Jonathan Charles Downes	21-Dec-20	12	34.5
	EL 8952	Live	KAU	Adrian Paul Byass	4-Mar-22	15	43.3
	ELA 5921	Pending	KAU	Jonathan Charles Downes		22	63.5
	ELA 5937	Pending	KAU	KAU		5	14.4
	ELA 5942	Pending	KAU	KAU		14	40.4
Macquarie North	ELA 5948	Pending	KAU	KAU		144	424.3
	ELA 5949	Pending	KAU	KAU		76	224.9

Figure 1.1 KAU exploration projects schematic location.



Source: KAU

1.1 Summary of Mineral Resources and Ore Reserves

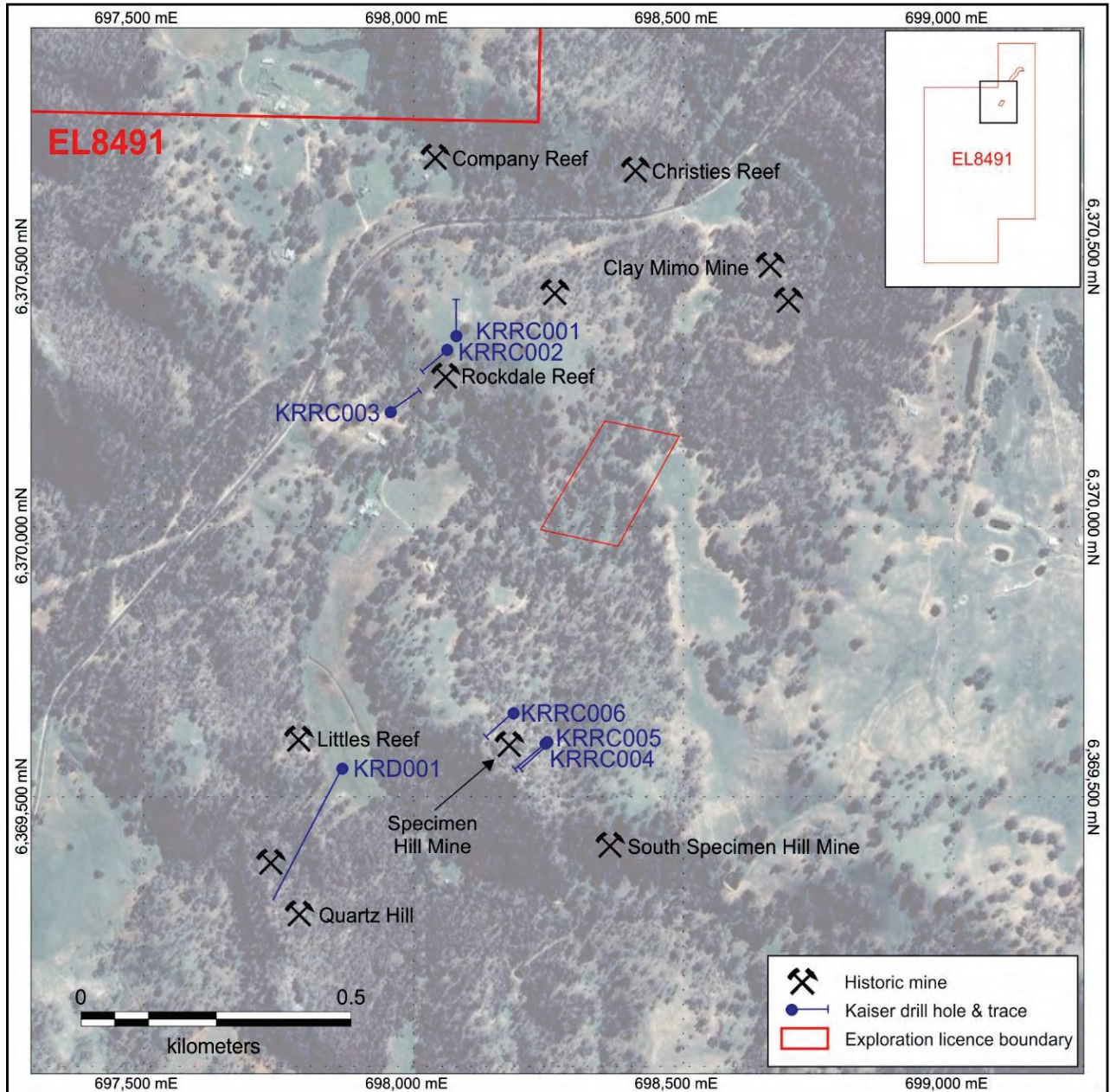
There are no identified Mineral Resource or Ore Reserve estimates in either Project.

1.2 Summary of Exploration Results

KAU listed on the ASX in February 2020 and has since commenced a small reconnaissance drilling programme on some targets at Stuart Town (Figure 1.2. This programme is ongoing at the time of writing. Significant results from the first Reverse Circulation (RC) drilling include;

- KRRC004: 2m @ 0.99 g/t gold from 53m
- KRRC005: 2m @ 0.80 g/t gold from 59m
- KRRC006: 13m @ 1.1 g/t gold from 25m

Figure 1.2 Drill hole location plan at Stuart Town



Source: KAU

Burnt Shirt references recent Exploration Results¹ publicly released by KAU in accordance with the JORC Code. Appropriate reference is made to these statements within this IGR.

Burnt Shirt references the results of exploration historically performed by parties other than KAU and has referenced the publicly available descriptions of exploration undertaken by previous explorers and the results of that exploration.

These results are historical in nature and were reported in accordance with the guidelines of the JORC Code for which a Table 1 was completed by the Competent Person and included as Appendix A to the IGR prepared for the purpose of KAU's initial public offer². The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the geology.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A, along with a summary of relevant drill hole locations and results in Appendix B, of the independent geologist's report prepared for the purpose of KAU's initial public offer². KAU is not in possession of any new information or data relating the historic exploration results that materially impacts the reliability of the information above.

1.3 Summary of geology and mineralisation

1.3.1 Stuart Town

Stuart Town is located in central NSW and is comprised of two granted Exploration Licences (

¹ As defined by Clause 18 of the JORC Code

² Refer to Supplementary Prospectus released on KAU's to ASX announcements page on 26 February 2020

Table 1.1 and Figure 1.3).

More than 80 lode-gold (quartz vein) and alluvial gold occurrences have been identified and documented at the Stuart Town goldfield. Gold mining first commenced in the 1850s and more than 5 tonnes (170,000 ounces) of gold was produced between 1875, when mine records were first kept in NSW and the early part of the 20th century³. No records have been kept on the production sourced from the fields during the rush between the 1850s and 1875, but it is considered to be significant.

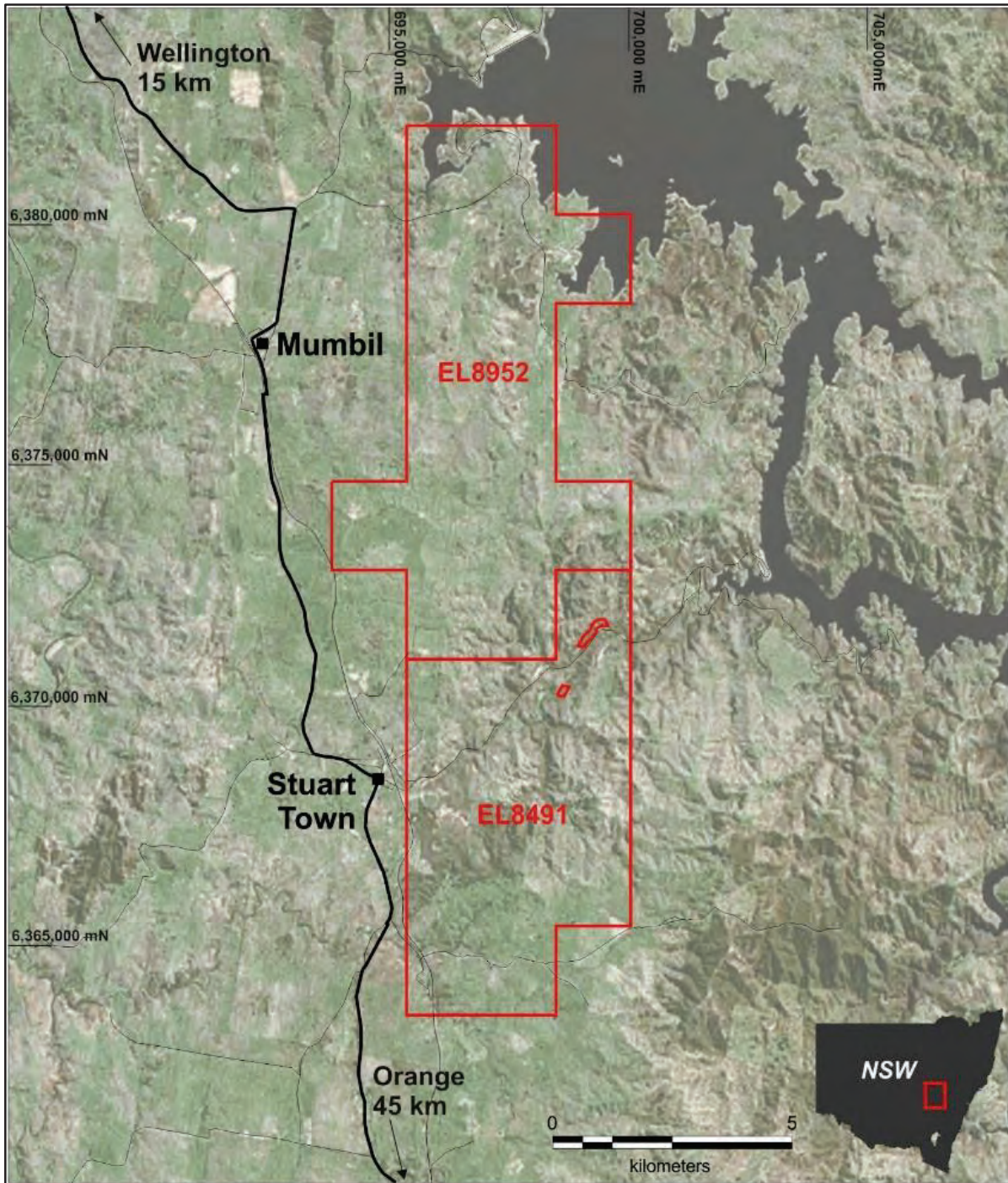
The Stuart Town Project area covers a series of Silurian and Devonian sediments (Cunningham Formation), which were deposited in an extensional environment (Hill End Trough) prior to being compressed in a later orogenic event which is represented by upright folding and reverse faulting. These reverse faults have been shown in regional exploration to be conduits for gold mineralisation, which occurred after major deformation. The historically mined area is shear-bounded by a western and eastern structure.

Gold mined to date was structurally controlled as lode-style veins or as alluvial concentrations. Lode gold was often associated with laminated quartz veins and has also been documented in quartz vein stockworks. Gold was associated with pyrite and arsenopyrite, galena, chalcopyrite and sphalerite. Documented veins range in width from 0.1 m to 1.2 m, with the strike of some individual veins exceeding several hundred metres. Historical production often documented head grades of sorted ore at two to three ounces of gold per ton. Underground mining has not been documented below 65 m depth.

Gold mineralisation occurs intermittently along approximately 6 km of the Western Shear and 2 km of the Eastern Shear, in relatively narrow quartz veins. The Kaiser Wilhelm Mine was the largest recorded producer from which 112 kg of Au was mined at an average reported sorted grade of 24 g/t Au.

³ NSW DPI Primefacts, Primefact 562, February 2007, Stuart Town Gold Field

Figure 1.3 Granted Exploration Licences at Stuart Town



Source: KAU

The Stuart Town Project overlies an interpreted intrusive unit that has been modelled previously by Kratos Uranium (Kratos) whilst in joint venture with Freeport (1984). Carpentaria Exploration Company Pty Ltd (owned by MIM Limited) described the deep-seated intrusion related gold hypothesis in 1985. This theory postulates a felsic intrusive body at depth being the source of gold mineralisation at Stuart Town. This is based on ground magnetic and gravity surveys, airborne magnetic and radiometric data in conjunction with gold-arsenic-base metal assays from soil sampling and geological mapping.

Only limited drilling has been conducted to date and observation of this drilling indicates that it was ineffective. Anecdotal evidence indicates that drilling by several parties was hastily conceived and directed toward meeting tenement expenditure commitments, rather than a particular geological strategy⁴.

An underlying intrusive has been interpreted from geophysics with estimated dimensions of 1,200 m across, an estimated vertical extent of 1,700 m and is interpreted to come within 200 m of the surface. Altered, brecciated and mineralised rhyolites have been observed to occur to the northeast of the interpreted intrusion at Quartz Hill and Specimen Hill.

1.3.2 Macquarie North

At Macquarie North, the ELA's cover 80km of interpreted strike of the Macquarie Arc, which is considered to be prospective for copper-gold porphyry mineralisation. The prospective target rocks are intrusive igneous rocks overlain by sediments of variable depth and subject to negligible historic exploration.

1.4 Summary of exploration strategy

Burnt Shirt considers the Stuart Town Project to represent an exploration project that enjoys relative ease of access and the regional presence of significant infrastructure.

KAU has budgeted \$667,000 for exploration at its NSW projects over the next 24 months (Table 1.2).

Table 1.2 Exploration budget

EXPLORATION - STUART TOWN	Year 1 (\$)	Year 2 (\$)	Total (\$)
Geophysics	47,500	-	77,500
RC Drilling	115,000	-	225,000
Diamond drilling	160,000	69,500	229,500
Geological and field work inc mapping and access	36,500	21,500	82,500
Administration	20,000	17,000	52,500
Total Exploration Costs	379,000	108,000	487,000
EXPLORATION - MACQUARIE NORTH	Year 1 (\$)	Year 2 (\$)	Total (\$)
Geophysics	30,000	-	30,000
RC Drilling	-	110,000	110,000
Geological and field work inc mapping and access	5,000	19,500	24,500
Administration	5,000	10,500	15,500
Total Exploration Costs (\$)	40,000	140,000	180,000

Work by historical explorers has identified sufficient indications of mineralisation to warrant further exploration on the premise that the intrusive system is large.

KAU proposes to:

- Rank all structural, geochemical and geophysical targets in order to prioritise drill targets
- Drill the highest priority targets from surface to confirm their location, geology and geometry
- Conduct further geophysical programmes to identify the location of favourable structure and associated indications of mineralisation
- Collect samples for metallurgical testwork.

⁴ Various conversations with locals who were engaged to assist in several drilling campaigns.

Burnt Shirt considers the Macquarie North Project to be at a low level of development and KAU proposes to collate any available data on the nature of the basement rocks before progressing to physical exploration activities.

Burnt Shirt views the exploration budget as being reasonable.

1.5 Conclusions and recommendations

1.5.1 Conclusions

Burnt Shirt concludes that KAU has rights to tenure over a prospective area near Orange and Carinda, NSW that has prospective geology and recommends that it proceed to implement its exploration strategy on listing.

The regional geology hosts Newcrest's Cadia operations and KAU contends that there is likely to be economic mineralisation on its tenements. Burnt Shirt concurs with this contention.

Burnt Shirt considers the Projects to be at an Early Exploration⁵ stage. Previous explorers have returned gold drill intersections as well as attractive geochemical results. Numerous geochemical and geophysical targets have been identified that are yet to be drill tested.

The prospectivity of the Stuart Town project is supported by the regional presence of the Cadia project and recent exploration results at Alkane's Northern Molong project in comparable geology.

The Macquarie North Project is unexplored but Burnt Shirt observes that the basement geology is part of the prospective Macquarie Arc.

KAU will benefit from the work by previous miners and explorers that has resulted in the identification of alluvial and lode gold mineralisation.

1.5.2 Recommendations

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

2 INTRODUCTION

Burnt Shirt was requested by KAU to prepare a IGR for its Stuart Town Project, located near Orange, in the central west of NSW (Figure 1.1).

Stuart Town is located in the vicinity of Newcrest's Cadia project, a large-scale intrusive related gold and copper mine. KAU has identified sufficient geological evidence to indicate potential for intrusive related gold mineralisation. Burnt Shirt advises that this concept is based on the findings of previous exploration and Burnt Shirt has referenced the publicly available sources of this information, as appropriate. Burnt Shirt concurs with this view.

This IGR does not provide a Valuation⁵ of KAU's Projects.

2.1 Competent Person, Effective Date and no material change

DECLARATIONS

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

Mr Jeremy Peters has sufficient relevant experience and to the activity which he is undertaking to qualify as a Competent Person as defined by the JORC Code and a Practitioner as defined by the VALMIN Code. Mr Peters, BSc (ANU), BEng (Min, AWASM) is a Fellow of the Australasian Institute of Mining and Metallurgy (the AusIMM) and Chartered Professional Geologist and Mining Engineer of that organisation.

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

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

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

Mr Peters, the Competent Person, has given his prior written consent as to the form and context in which the exploration results and supporting information are presented in the report.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by KAU or has been gathered from public sources.

CONFIRMATIONS

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

⁵ As defined by the VALMIN Code

EFFECTIVE DATE

The effective date of this report is 4 December 2020, this being the date at which no further information was supplied to the author by KAU, and the author is not aware of any material change in the status of The Project in the period between receipt of data and completion of the report.

2.2 Mineral Assets

The Mineral Assets that are the subject of this IGR are two granted EL's and six ELA's under NSW mining legislation⁶ (

⁶ For a more comprehensive explanation of NSW mining legislation, refer to <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/applications-and-approvals/mining-and-exploration-in-nsw>

Table 1.1 and Figure 1.1). The Division of Resources and Geoscience in NSW requires minimum expenditure and annual reporting of exploration activity as a condition of tenure.

Chase currently has the rights to EL 8491 and EL 8952 through trust deeds with Jonathan Downes and Adrian Paul Byass, respectively, both being Directors of KAU.

Burnt Shirt is not qualified to comment definitively on licensing matters but has made enquiries of publicly available data⁷ to the effect that the tenements are in good standing.

2.3 Mineral Resources and Ore Reserves

The Project does not contain any Ore Reserves or Mineral Resources, as defined by the JORC Code.

2.4 Sources of information and site visit

The geology and exploration history of the Stuart Town area has been extensively and publicly reported. Mr Peters has worked on the rocks of the Lachlan Fold Belt at various points in his career and has traversed the Stuart Town locality in the course of that work. Mr Peters has examined the database of Stuart Town literature to satisfy himself of the veracity of the information.

Mr Peters has physically examined the Stuart Town Project site between 30 August 2019 and 3 September 2019 and accepts representations made by KAU and bases his inferences on his own experience and observations.

Mr Peters has not visited the Macquarie North Project but has lived and worked in the immediate vicinity and is familiar with its geology. Travel restrictions current at the time of reporting have precluded a site visit in this instance. Mr Peters considers that Macquarie North is at a preliminary level of exploration development and that a site visit would not materially add to his opinion.

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$) and units of measurement are metric. Historical units have been converted to metric units. Grid locations are in Geocentric Datum of Australia 1994 (GDA94), unless otherwise indicated.

Extensive reference is made to the results of historical exploration. These results have not previously been reported in accordance with the JORC Code and may not have been reported in accordance with any of its predecessors. Consequently, these results are to be interpreted with an appropriate degree of caution. The Competent Person considers these to be adequately reliable for the purposes of indicating geological prospectivity. Burnt Shirt has referred to the publicly available MinView⁸ database references for these historical exploration results, where they can be read in their original format and context.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document.

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

⁷ NSW Department of Industry Exploration and Mining Titles, accessed 16/10/20

⁸ <https://minview.geoscience.nsw.gov.au/#/?!=-&lat=148.9143431&lon=-32.6560775&z=6&bm=bm1>

2.4.1 Reliance on other experts

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 2.4 above. Mr Peters has critically examined this information, made his own enquiries and applied his general geological competence to conclude that the information presented in this IGR complies with the definitions and guidelines of the JORC Code.

The responsibility of the author is provided in Table 2.1.

Table 2.1 Responsibilities of the author

Author	Responsible for sections
Jeremy Peters, FAusIMM CP (Min, Geo)	1, 2, 3, 4, 5, 6 and 7

The principal sources of information regarding KAU's assets are private and statutory reports that have been prepared by various parties and collated by the Geological Survey of New South Wales ("GSNSW").

2.4.2 Reliance on information

Burnt Shirt believes that its opinion must be considered as a whole and that presentation of selections of its report could create a misleading view of the opinions presented in this IGR. The preparation of a IGR is a complex process and does not lend itself to partial analysis or summary.

2.4.3 Limitations

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

2.4.4 Copyright

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

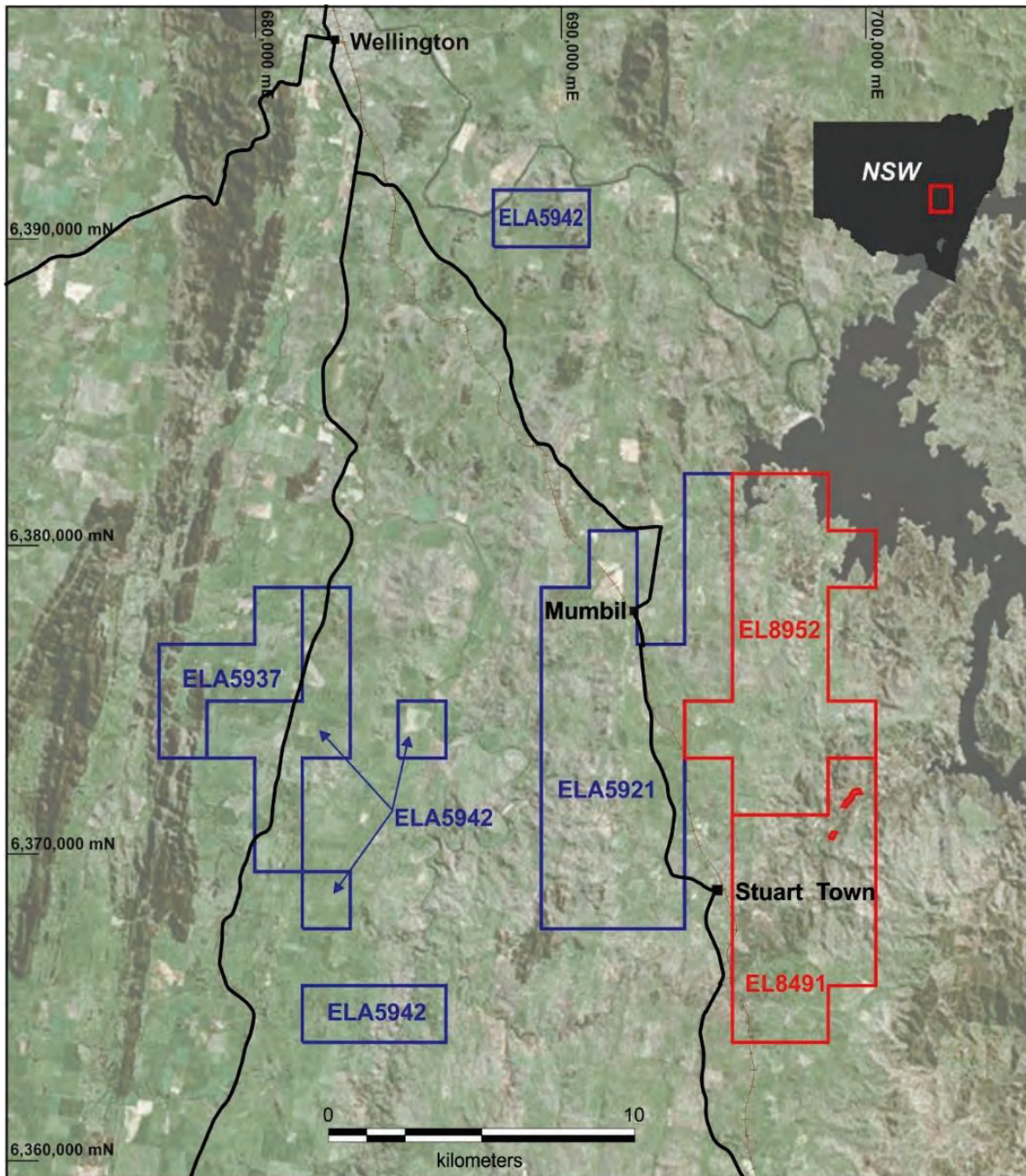
Mr Peters is the Executive Director of Burnt Shirt and is not an employee of Kaiser Reef Limited.

It is an offence to publish this document or any part of the document under a different cover, or to reproduce and/or use, without written consent, any proprietary technical procedure and/or technique contained in this document. The intellectual property reflected in the contents resides with Burnt Shirt and shall not be used for any activity that does not involve Burnt Shirt, without the written consent of Burnt Shirt.

3 PROJECT DESCRIPTION

The Stuart Town licences include the granted EL 8491 and EL 8952 and Applications ELA 5921, ELA 5937, ELA 5942 (Figure 3.1). The Macquarie North licences include Applications ELA 5948 and ELA5949 (Figure 3.2). The total area of the Stuart Town Project is 196.3 square kilometres and the area of the Macquarie North Project is 649.2 square kilometres.

Figure 3.1 Stuart Town Project Tenement Plan



Source: KAU

Figure 3.2 Macquarie North Project Tenement Plan



Source: KAU

KAU has collated a substantial database of historical geological, geochemical, geophysical and drilling data from exploration programs completed since the 1970s and historical reports since the 1870s.

KAU's primary focus will be to explore for economic gold deposits, possibly associated with copper. As a result of the historical exploration programs, numerous attractive drill targets have already been identified at Stuart Town and prioritised.

Burnt Shirt concurs with this view.

3.1 Location and access

3.1.1 Stuart Town

The Stuart Town Project is located around 300 km northwest of Sydney. Access from Sydney is via the Great Western Highway to Orange, a distance of 262 km, and a further 62 km to the north on a sealed road. Access within the Project is via station tracks and minor shire roads.

Stuart Town may also be reached by sealed road from Wellington via sealed roads 35 km south of Wellington to the township, via Burrendong Way. It is serviced by the main western railway, which provides regular service to/from Sydney. The closest regular air service is to and from Orange. There is a well-maintained network of shire and farm roads throughout most of the project area.

The Stuart Town Project tenements are located on the GSNSW Euchareena 1:100,000 map sheet, Code 8732.

The area consists of an undulating plateau incised by tributaries of the Macquarie River. The native vegetation is ironbark scrub, partially cleared for farmland. The terrain within the Project area is undulating, with no seasonal restriction of access to the project.

The land has a maximum relief of approximately 270 m and the physiography becomes progressively more rugged to the east of the Project area. Rock outcrop is good outside the reworked alluvial areas.

3.1.2 Macquarie North

The Macquarie North Project is located approximately 150 km East-Northeast of Cobar and approximately 175km North-West of Dubbo and can be accessed by the Mitchell Highway to the west and the Kamilaroi Highway to the north and thence the Carinda and Booka Roads and station tracks.

The Macquarie North Project tenements are located on the GSNSW Walgett 1:250,000 map sheet, Code AH55-15.

The area consists of consist largely of flat to gently sloping alluvial plains of the Darling Riverine Basin.

3.2 Aboriginal heritage, Native Title and environment

3.2.1 Stuart Town

The Stuart Town Project lies within the Wellington Local Aboriginal Land Council Region. There are currently no Registered Native Title Applications, Determination Outcomes or Indigenous Land Use Agreements in Place over the Project area.

Prior to ground disturbing exploration, a Right to Negotiate process⁹ must be followed by the negotiation parties (Title Holder and Native Title Claimants) to ensure exploration is lawfully completed. Claimants have three months to commence the negotiation process with the Title Holder once the negotiation has been signalled.

Town Common

Significantly, the Stuart Town Project covers land held in Trust as a Common for the inhabitants of Stuart Town. This removes access restrictions associated with freehold land from a large part of the historical gold-producing area. Access to the Town Common is unrestricted for inspection purposes, but more intensive exploration activities will require Native Title and Local Council clearance.

⁹ For details of the Right to Negotiate process, refer to: <http://www.nntt.gov.au/futureacts/Pages/Negotiation.aspx>

The remainder of the tenements are freehold or leasehold farmland. KAU has established communications and rapport with the owners of areas of interest.

3.2.2 Macquarie North

The Macquarie North tenements are early stage Applications and Burnt Shirt has not been made aware of any impediments to grant or obligations under Native Title. Burnt Shirt observes the presence of the Ginghet National Park in the northern part of ELA5949 but is not qualified to comment on the potential restrictions to exploration that this National Park may introduce.

4 GEOLOGY AND MINERALISATION

4.1 Regional geology

4.1.1 Stuart Town

The Stuart Town and Macquarie North Project occurs at the junction of the late-early-Silurian to early Middle Devonian Molong Zone and Hill End Zone of the Palaeozoic Lachlan Fold Belt, of the Lachlan Orogen¹⁰ (Figure 4.1). The Molong Zone comprises a suite of intermediate to basic volcanics, volcanoclastics, co-magmatic intrusions, and limestones, probably part of a subduction-related island arc disrupted by later tectonism.

The Hill End Zone is a rift trough of mainly sediments that developed during the middle Silurian in the north-eastern Lachlan Orogen and continued until the end of the Early Devonian.

Erosion during the Lachlan Orogen into ocean basins covered Cambrian oceanic crustal basalts and from Early to Middle Ordovician turbidites that occupy much of the Lachlan Orogen. Destruction of a Cambrian subduction zone formed the Ordovician Macquarie island arc system of central and southern NSW, above a west-dipping subduction zone. Breaks in volcanism are marked by the formation of tropical limestone reefs.

The intrusion of monzonites before resumption of plate tectonics in the Early Silurian caused the arc to collide with the back-arc basin turbidites, resulting in the major Benambran deformation that caused the folding and faulting of older rocks and generation of new granite magmas. This deformation ended the first stage in the development of the Lachlan Orogen.

The Macquarie arc is a world-class porphyry copper-gold province. Monzonite intrusives in the arc host gold-copper deposits at Cadia, Northparkes, Lake Cowal, Browns Creek and major mineral accumulations at Cargo and Copper Hill.

A new subduction zone was formed several hundred kilometres to the east after the Benambran deformation event, placing the Lachlan Orogen in a back-arc position.

Extension occurred in the Lachlan Orogen from the Middle Silurian to middle Devonian and reworking of the earlier crust formed sedimentary and volcano-sedimentary basins and emplacement granites, some mineralised. The Macquarie arc split into several belts, separated by rift-sag basins which were closed by the mid-Devonian Tabberabberan Deformation, at the end of the second stage of development of the Lachlan Orogen.

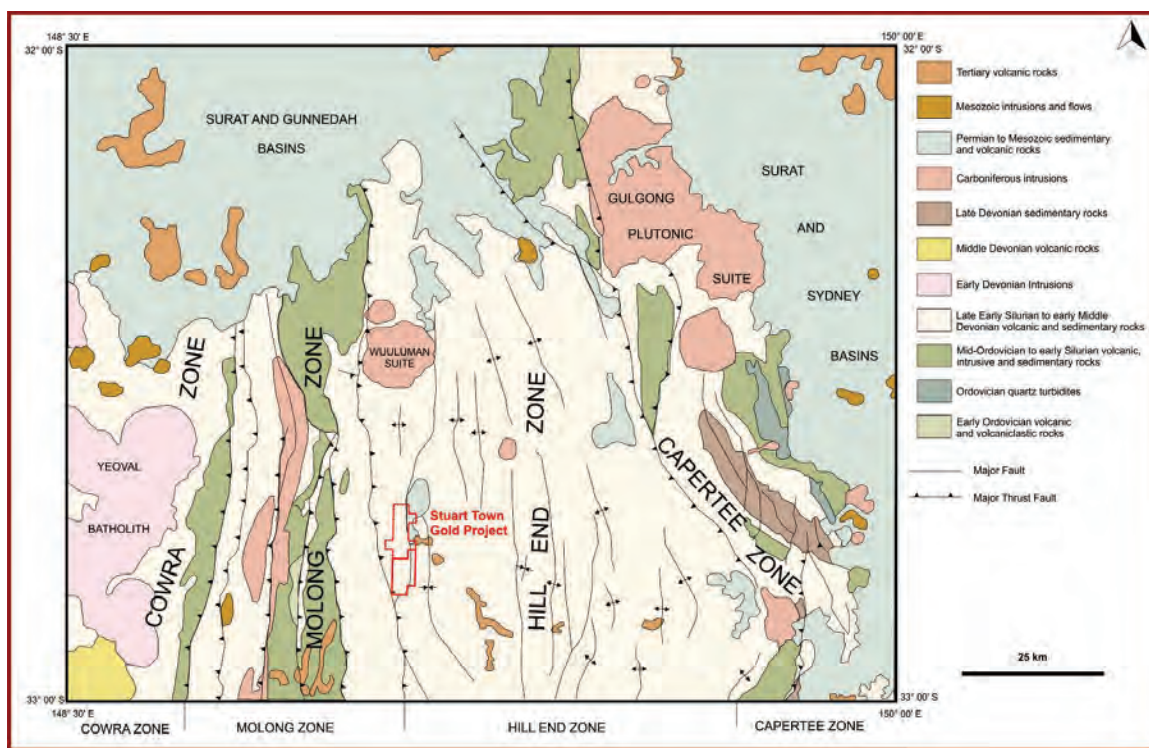
Mid-Silurian to Mid-Devonian extension formed a major volcanic province with numerous volcanic hosted metal sulphide deposits. Later development of volcano-sedimentary rift basins accompanied Devonian fluvial sedimentation. The Carboniferous Kanimblan deformation event followed and was itself followed by emplacement of the post-tectonic Bathurst Batholith.

Subsequent activity includes two major deformations and a number of magmatic events.

Significant mineral deposit types include volcanic-hosted massive sulphide systems, low-sulphide orogenic gold vein deposits, intrusive related skarns, epithermal and porphyry systems of various ages and placer deposits of various styles ranging in age from the Permian to recent.

¹⁰ <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/geoscience-information/nsw-geology-overview/statewide-tectonics>

Figure 4.1 Regional geology of the Stuart Town Project and granted Exploration Licences



Source: GSNSW Dubbo S155-4 1:250,000 geological map sheet

4.1.2 Macquarie North

The Macquarie North Applications are located in the northern part of the Lachlan Fold Belt, in semi-arid north-western New South Wales.

Quaternary alluvium up to 100 m thick covers the area, with the remainder comprising colluvium.

Basement youngs from Cambro-Ordovician in the west to Siluro-Devonian in the east. The overlying Jurassic to Cretaceous sequence of the Great Australian Basin represents a period of terrestrial to marine deposition.

The landscape is dominated by Quaternary river systems which are slightly elevated with respect to modern systems. The Pliocene to Late Pleistocene Trangie Formation represents high energy bed-load systems, with meander wavelengths of two to four times those of modern rivers. The Late Pleistocene Carrabear Formation was deposited from bed-load to mixed-load systems, commonly in elevated, sandy meander plains up to 8 km in width. Rare source-bordering dunes are developed on the east side of the channel remnants.

The Late Pleistocene Bugwah Formation incorporates narrow meander plains which are slightly elevated and often scalded, with short wavelength channels carrying mixed-load deposits. The Holocene Marra Creek Formation embodies modern suspended-load systems and marshes.

Uplift in the Eastern Highlands initiated Quaternary sedimentation in the area. Younging of units was probably controlled by basement faulting. Faulting has also resulted in ponding and marsh development.

4.2 Local geology

4.2.1 Stuart Town

The Stuart Town Project lies in the northern part of the Hill End Trough, within largely Devonian volcano-sedimentary rocks of the Crudine Group and Cunningham Formation.

The Project area straddles a structural boundary divide within the Lachlan Fold Belt between the Molong Zone and the Hill End Zone (Figure 4.1). This boundary approximates the division between the Cunningham Formation to the west, and the Crudine Group to the east. Both the Molong and Hill End structural zones comprise predominantly Silurian-Devonian aged sediments and volcanoclastics within the Project area and surrounds.

GSNSW mapping indicates the central part of the tenement is underlain by undifferentiated elements of the Devonian Crudine Group, which is composed of thin to thick bedded and massive, quartzose, feldspathic and crystal-lithic felsic volcanoclastic sandstones; dacitic to rhyolitic and andesitic lavas and volcanoclastics; slate, tuff, siltstone, conglomerate, phyllite, rare limestone¹¹ (Figure 4.2). This group hosts the greatest intensity of historic gold workings.

Previous explorers mapped interbedded volcanic arenites, tuffs, greywackes, siltstones and slates, which was unofficially described as the Stuart Town Formation. This sequence was differentiated on the basis of the occurrence of volcanic arenites and tuffs.

The eastern and western parts of the tenement are underlain by the ungrouped Devonian Cunningham Formation, comprising phyllite, slate, shale, siltstone, quartz-feldspar-lithic- calcareous sandstone and tuff¹², which overlies the Crudine Group. Mapping of the Cunningham Formation at Stuart Town has identified a sequence of undifferentiated creamy brown to dark grey slates, phyllites, shales, calcareous and lithic greywackes and minor volcanic arenites.

¹¹ <https://asud.ga.gov.au/search-stratigraphic-units/results/4970>

¹² <https://asud.ga.gov.au/search-stratigraphic-units/results/5031>

A conglomerate member of the Cunningham Formation is mapped in the extreme southeast the Project area, comprising a sequence of interbedded volcanic arenites, slates, mudstones and greywackes.

Previous explorers have mapped a brecciated and altered intrusive rhyolite near the historical Quartz Hill mine. KAU considers this to be significant in the context of epithermal or intrusion-related mineralisation, given the association of rhyolite breccias with economic mineralisation in many places. Burnt Shirt concurs with this assessment.

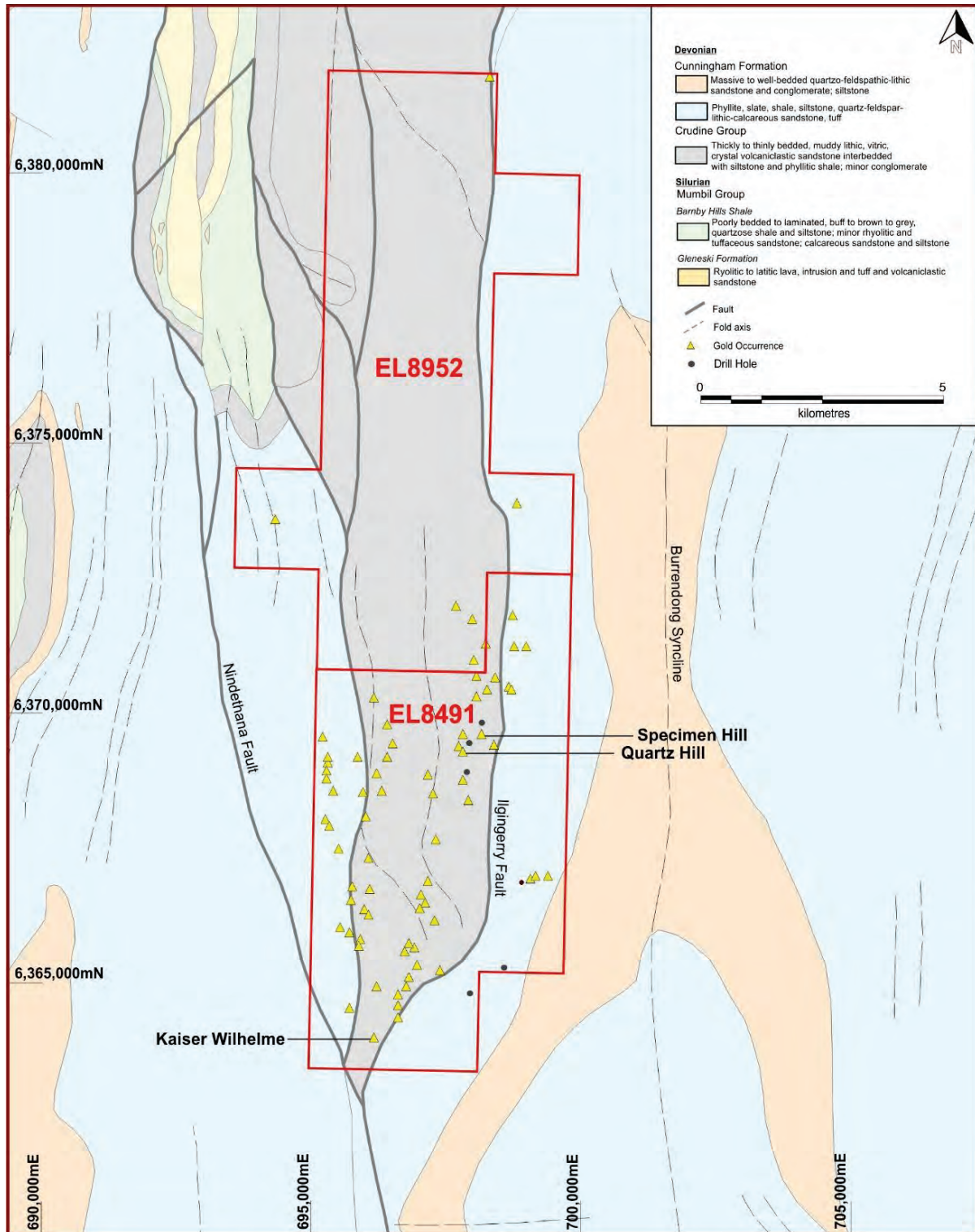
Examination of geophysical data has led previous explorers to conclude the presence of a shallow, blind intrusive beneath the area of historical workings. Burnt Shirt's field examination of the area supports this interpretation, postulating the presence of several such intrusions, based on apparent ring-structures in the topography and magnetic imagery. Burnt Shirt observes that such an intrusive has not been drill tested and recommends that detailed mapping be undertaken, followed by stratigraphic drilling to test this interpretation.

Such an intrusive (a monzonite) is associated with the Cadia mineralisation near Orange, around 40 km to the south of Stuart Town.

Alteration in the Project area includes silicification, chloritisation and rock ground mass replacement by calcite. There is considerable silicification and kaolin clay development around the historical Specimen Hill mine. Extensive hydrothermal alteration, defined by silicification, sulphidation alteration was mapped in this area by Kratos (1981 to 1983).

Burnt Shirt considers this to be consistent with the presence of an underlying intrusive.

Figure 4.2 Stuart Town local geology and granted Exploration Licences



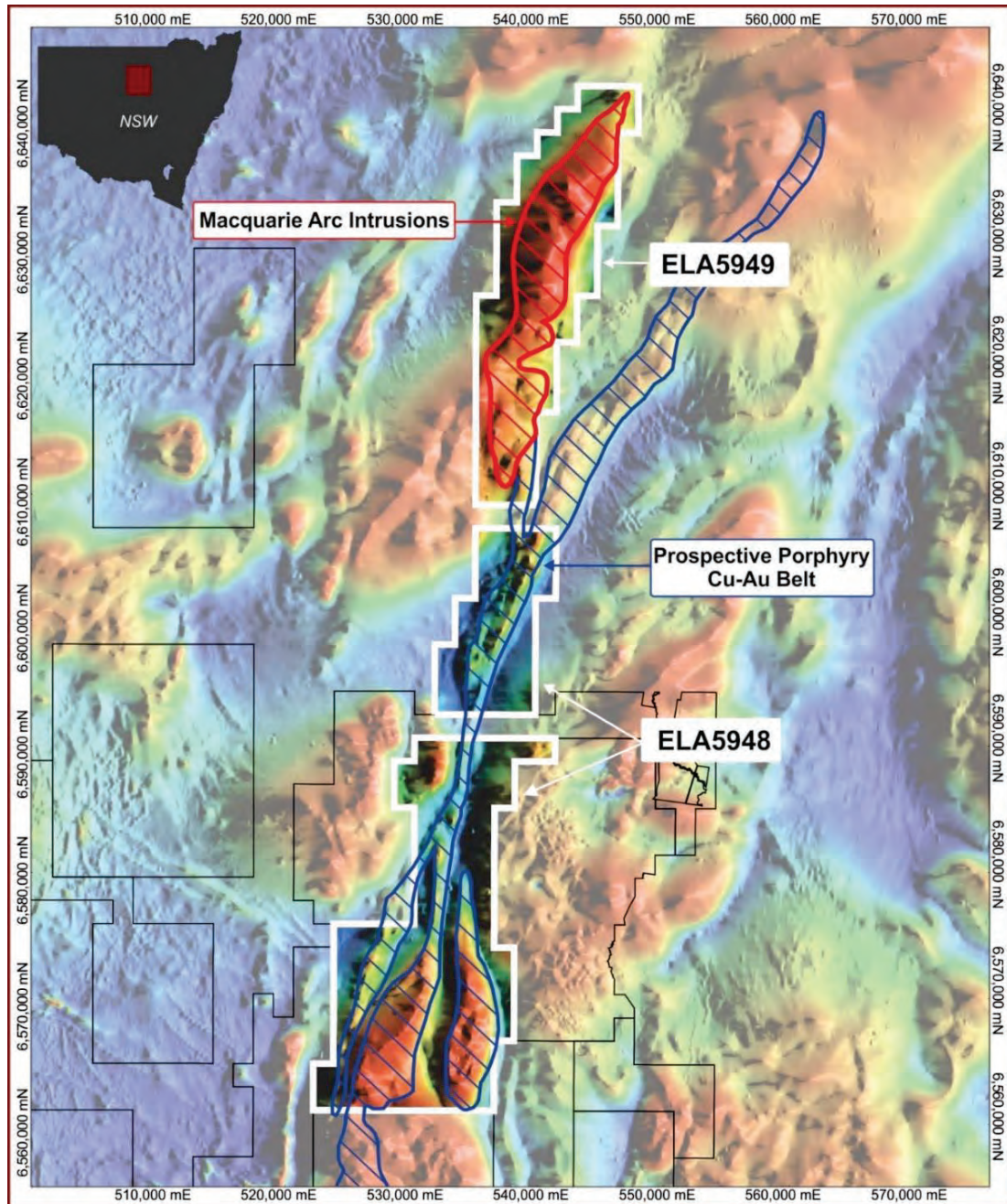
Source: Kau, Dubbo 1:250:000 sheet

4.2.2 Macquarie North

The Macquarie North Applications straddle Palaeozoic basement rocks of the Mt Foster-Tumut Zone of the Macquarie Arc of the Lachlan Fold belt (Figure 4.3). These rocks do not outcrop on the Application areas and have been inferred from geophysical interpretation.

Local surface geology represents Quaternary alluvial evolution grading from a coarse bed-load system through to a fine suspended-load system and rare dunes. The sediments are considered to be up to 100m deep.

Figure 4.3 Macquarie North tenement applications over magnetic imagery



Source: KAU

The Mount Foster-Tumut Structural Zone is a zone of regional gravity lows with subdued magnetic highs. It is bounded on the west by the Parkes Structural Zone and on the east by the Quambone-Young Structural Zone. The zone is up to 45 km wide and strikes north-north-easterly, parallel to the strike of the Parkes Structural Zone. The zone broadly correlates with a zone of Devonian granitoids, inferred to be the northern extension of a major trend of gravity lows and magnetic highs extending through the Forbes, Narromine, Nyngan and Walgett 1:250000 map sheet areas.

The zone contains the Obley and Eugowra Granites of Devonian age and is thought to be the northern extension of the Silurian Tumut Trough. The interpretation of the areas of subdued magnetic highs as granite within the Nyngan and Walgett map sheet areas is supported by boreholes which record probably I-type granite as bedrock.

5 HISTORICAL EXPLORATION

5.1 Stuart Town

The Stuart Town area has a history of artisanal exploration since the 1850s, much of which was uncoordinated and directed toward the identification of placed deposits for dredging.

Modern exploration was initiated by Kamilaroi Ltd and Aquitaine Australia Minerals Pty Ltd, which explored the general Stuart Town region between 1970 and 1975. Most of this work was focused on an area to the southwest of the Project area.

The Project area was held as E1439 by Kratos between 1980 and 1985, being explored in joint venture with Freeport of Australia Inc. during this time. Kratos commissioned Geoscience Field Surveys Ltd to undertake a limited study of the regional geology of the exploration licence area and an evaluation of the gold mines located within it.

Geoscience Field Surveys Ltd concluded that there was low potential for establishing a high tonnage mining operation on an extension of one or more of the historical mines, but that the area had good potential for either:

- High tonnage gold/base metal deposits in acid volcanics analogous to that exploited at Cadia
- Carlin-type fine grained gold mineralisation in carbonates within the sequence at Stuart Town.

Burnt Shirt concurs with the Cadia model but discounts the Carlin-type model as being unsupported by subsequent understanding of the geology.

Kratos conducted detailed geochemical soil surveys over two of the historical mines, Specimen Hill and Quartz Hill, together with underground chip sampling at Specimen Hill. The geochemical survey indicated that, although substantial sulphide mineralisation had been encountered at the mines, the main geochemical anomaly lay to the north.

Work at Specimen Hill indicated that the mineralisation exploited by the underground workings was evident on the surface over a strike length of at least 150 m. Underground sampling indicated erratic gold distribution.

Kratos commissioned a reconnaissance gravity survey to explore for an intrusive source beneath the Stuart Town area. The most prominent feature identified by this survey was a residual gravity low centred in the region of the Quartz Hill and Manna Hill mines. The feature was coincident with the centre of a magnetic identified in government data.

Subsequent major explorers included CRAE (now Rio Tinto Limited) and Carpentaria Exploration Limited (CEC, a subsidiary of Mount Isa Mines Limited). These explorers were seeking a Cadia-style and scale deposit and mostly centred their attention on the Molong Area, to the south and west of Stuart Town.

5.1.1 Stuart Town historic soil sampling

In early 2020, KAU completed reassessment of soil sampling work undertaken by CRA¹³. The results show extensive and high order soil anomalism of gold and other indicator elements over areas of the Stuart Town Project (Figure 5.1).

The soil sampling indicates:

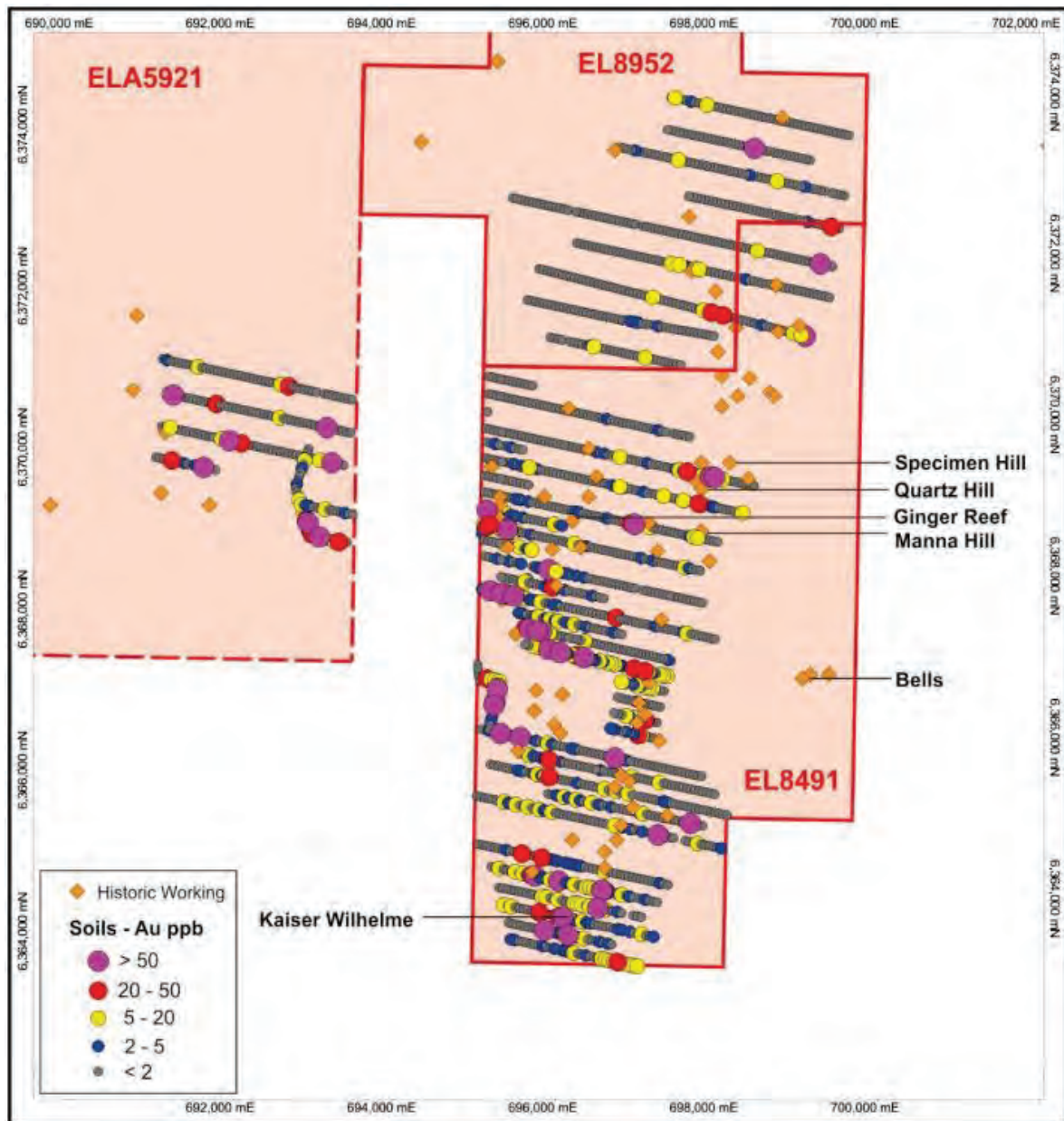
- Extensive gold in soil anomalism, up to (4,000m x 1,000m)

¹³ KAU ASX announcement 24 March 2020 including JORC Code Table 1. KAU is not in possession of any new information or data that materially impacts the reliability of the information above.

- High order of anomalism (soils up to 0.7 g/t gold)
- Coincident with extensive arsenic and antimony anomalism (up to 2146 ppm arsenic & 205 ppm antimony)
- Coincident anomalism over a high priority target area mapped as inner propylitic alteration within sulphidic rhyolite intrusives hosting historic gold workings.

The gold anomalism is coincident with arsenic (As) and antimony (Sb) anomalism. Porphyry mineral systems often display metal zonation, with cores typically having Cu-(Au)-(Mo) enrichment and extremities showing As-Sb anomalism.

Figure 5.1 KAU reassessment of CRA Au soil sampling



Source: KAU

5.2 Macquarie North

Burnt Shirt is unaware of any modern exploration in the Macquarie North Project area.

Newcrest Mining Ltd (1992) explored for large epithermal and lode quartz type gold deposits in the area between Narromine and Carinda. Buried topographic highs were sought, based on the observation that many Palaeozoic gold occurrences are located on hills. One gravity anomaly was detected and drilled to 60 m without intersection of basement. It was concluded that no shallow gold deposits occur in the area, and exploration was discontinued.

In 1985, Samedan Oil Corporation considered the prospectivity of an area located on the boundary between the Parkes Structural Zone and the Mount Foster-Tumut Structural Zone, between the Macquarie Marshes and Marra Creek. The exploration target was gold and base metal mineralisation related to magnetic features. Aeromagnetic data indicated that the depth to basement was too great to warrant further detailed interpretation of geophysical data or drilling.

Exploration in the Mount Foster-Tumut Structural Zone has been restricted to the area around the Mount Foster Monzonite and Mount Harris Granite in the central northern part of the Nyngan map sheet area. In the early 1980s, North Broken Hill Ltd (1982) undertook aeromagnetic and ground magnetic surveying and drilling to follow up the concept that the porphyries may be prospective for tin or porphyry copper mineralisation. No anomalous assay results were recorded.

5.3 Burnt Shirt commentary

Burnt Shirt considers that the intrusive-related gold model has not been adequately tested by previous explorers despite its first being postulated in the 1980s. Exploration has been poorly coordinated over time. The companies involved have not committed sufficient funding to drill the deep stratigraphic holes required to identify the location and nature of the inferred intrusive.

Burnt Shirt considers that KAU's geophysical programme, coupled with compilation of the historical soil sampling results with mapping by the various explorers over time provides sufficient information on which to plan and locate a stratigraphic drilling program.

Burnt Shirt concludes that there is evidence to support the presence of intrusive-related gold mineralisation.

6 STUART TOWN RECENT EXPLORATION

6.1 Geophysics

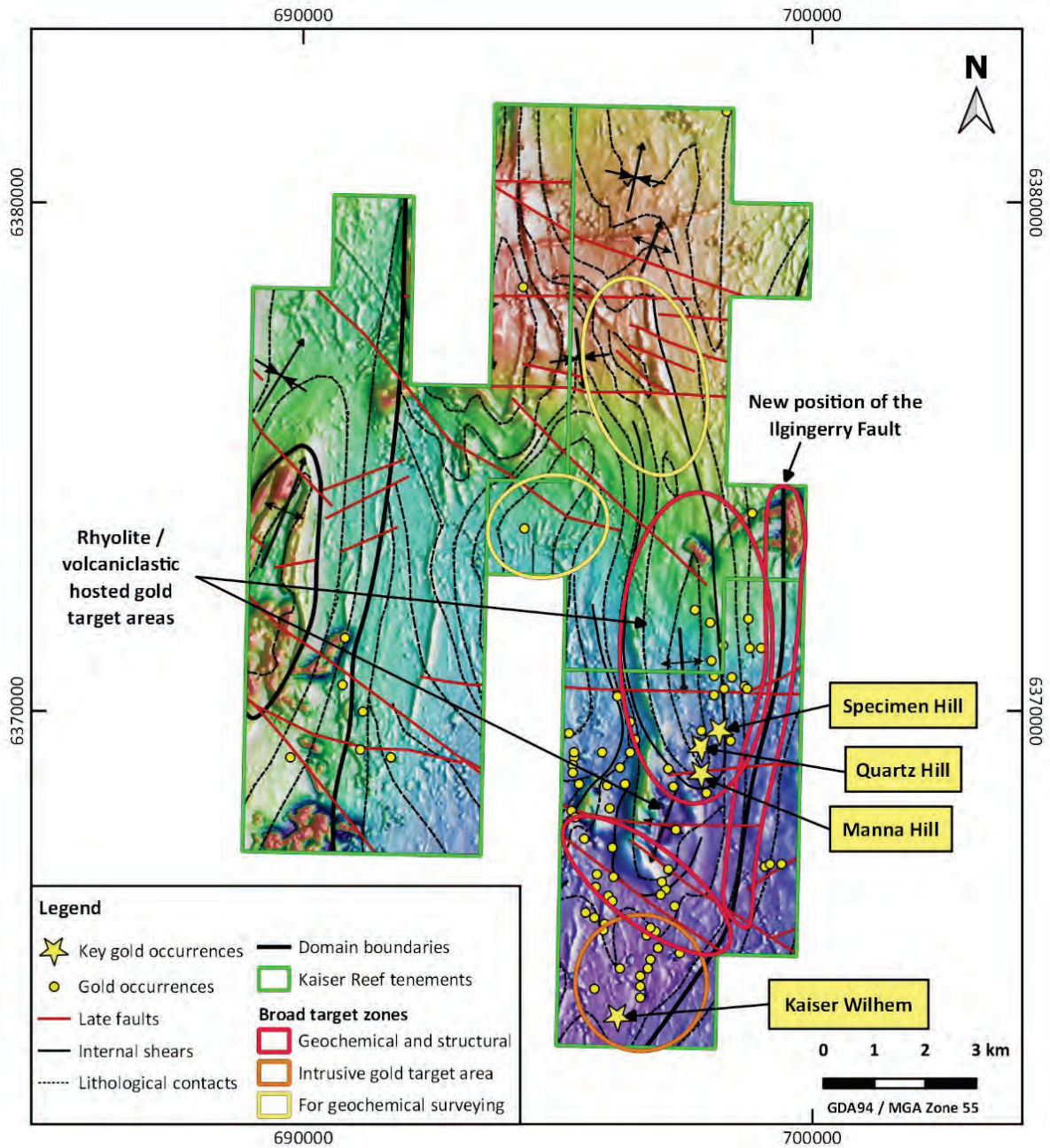
In early 2020, KAU completed a high resolution airborne magnetic and radiometric survey of the Stuart Town Project area¹⁴ (Figure 6.1 and Figure 6.2).

The processing and interpretation of the data assists in defining structural and geological information which can be used to target gold mineralisation. Processing of the radiometric data indicates that there are clear potassium anomalies associated with the modelled shear zones and historic gold mines which represent exploration targets (Figure 6.2).

Processing of the magnetic and gravity data has generated an image showing that the extensive gravity low is coincident with a magnetic inversion anomaly which is interpreted to represent a large intrusion. This intrusion lies directly below the Quartz Hill group of gold workings and may be related to the gold mineralisation (Figure 6.3).

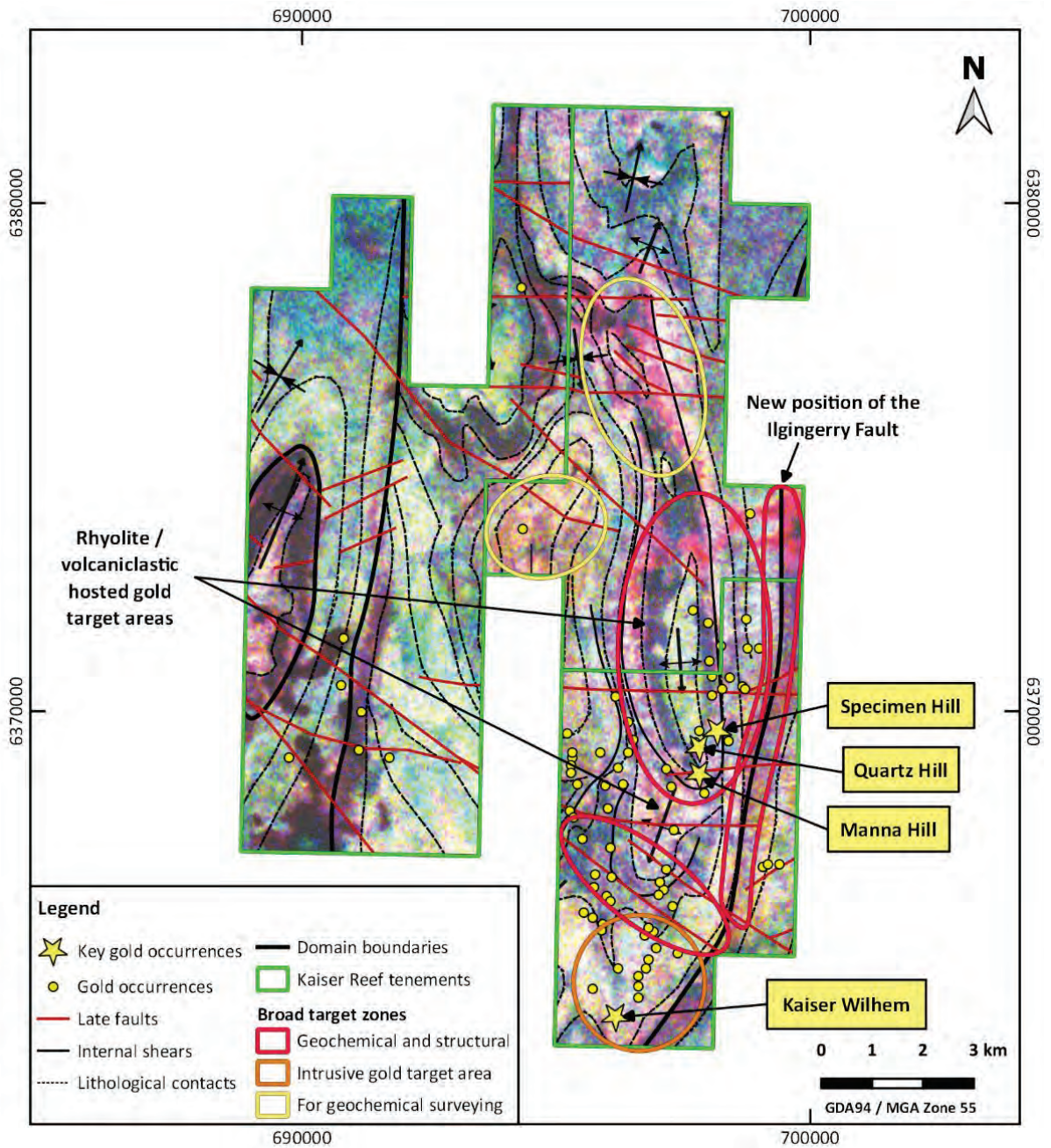
¹⁴ KAU ASX announcement 6 April 2020

Figure 6.1 Total Magnetic Intensity image and prospects at Stuart Town



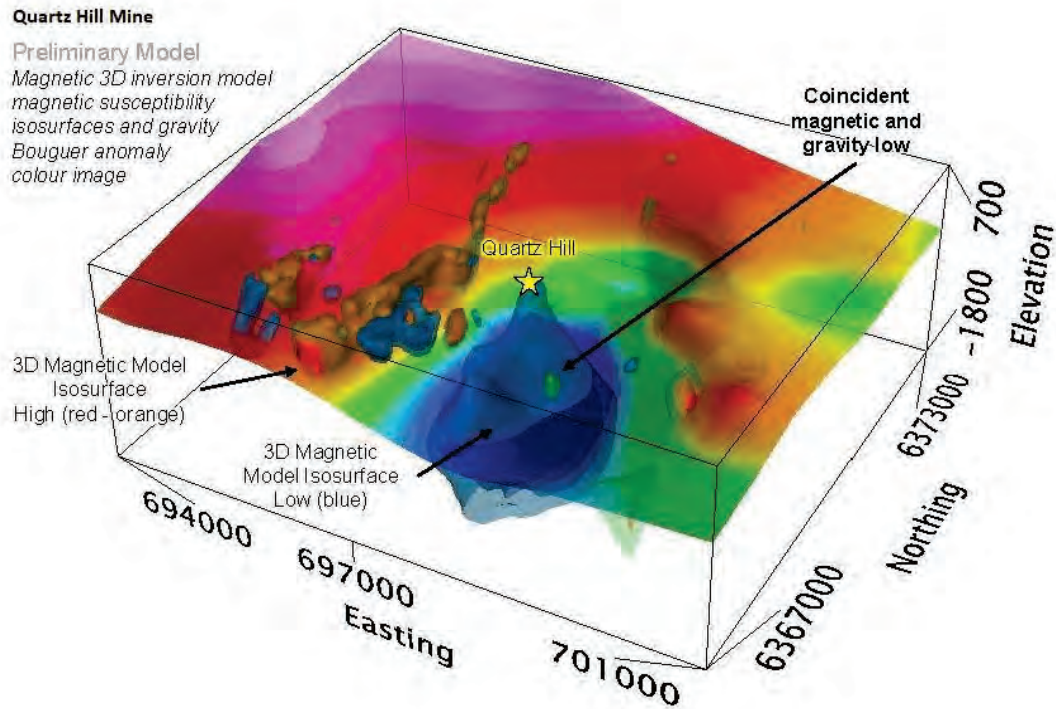
Source: KAU

Figure 6.2 Potassium alteration and prospects at Stuart Town



Source: KAU

Figure 6.3 Preliminary geophysical model of the Quartz Hill Mine



Source: KAU. Gravity survey coloured by intensity over magnetic inversion model survey (blue shape) interpreted to represent an intrusion.

6.2 Preliminary Drill Targets

KAU has selected and prioritised a series of gold targets for its first phase of drilling. Preliminary drilling targets associated with historic gold workings. These workings coincide with the large geophysical target and associated potassium anomalism at Specimen Hill (Figure 6.4), Quartz Hill and Manna Hill (Figure 6.5) historic underground mines.

The drill sites have been permitted and prepared for a RC and diamond drilling campaign. The drilling has commenced, but results are unavailable as at the time of reporting.

Figure 6.4 Historic workings at Manna Hill drill target area



Source: KAU. Left: Manna Hill Rhyolite breccia line of workings. Right; Un-named brecciated rhyolite line of workings

Figure 6.5 Historic workings at Specimen Hill drill target area



Source: KAU. Left: Rhyolite breccia taken from the Specimen Hill Mine; Right: View from inside the Specimen Hill Mine; the walls are sulphide rich brecciated rhyolite and gold bearing quartz veins.

6.3 Drilling results

To the time of reporting, KAU has completed six reverse circulation (RC) drill holes for a total of 776 metres (Figure 1.2 and Table 6.1)¹⁵.

Table 6.1 KAU drill hole collar information

Hole ID	Type	Easting	Northing	RL	Depth (m)	Dip	Azimuth
KRD001	D	697,868	6,369,552	450.00	450+	-50.00	200.00
KRRC001	RC	698,079	6,370,353	458.00	108.00	-60.00	360.00
KRRC002	RC	698,062	6,370,327	458.00	92.00	-60.00	220.00
KRRC003	RC	697,958	6,370,212	443.00	150.00	-60.00	40.00
KRRC004	RC	698,244	6,369,598	467.00	144.00	-50.00	225.00
KRRC005	RC	698,248	6,369,601	467.00	150.00	-65.00	215.00
KRRC006	RC	698,185	6,369,654	465.00	132.00	-60.00	225.00

The information included in this section that relates to Exploration Results & Mineral Resources is based on information compiled by Ms Elizabeth Laursen (B. Esc Hons (Geol), GradDip App. Fin., MSEG, MAIG), a contractor of KAU. Ms Laursen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Ms Laursen consents to the inclusion in this report on the matters based on this information in the forma and contract in which it appears. Ms Laursen currently holds securities in KAU.

The first RC hole, KRRC001, was directed beneath the historic Rockdale mine. The drillhole KRRC001 returned an anomalous gold result of 0.53 g/t gold over a 3-metre interval in a composite sample from 24m downhole. This intercept will be resampled as single metre intervals.

Holes KRRC002 and KRRC003 tested a North-South trending structure identified in the geophysical survey. The structure was intercepted in the drilling and returned an anomalous result of 0.25 g/t gold in KRRC003 over a 3-metre interval in a composite sample from 97m downhole. This intercept will be resampled as single metre intervals.

A further three RC drillholes were directed deep beneath the workings at the Specimen Hill historic gold mine. Encouragingly, each hole returned mineralisation. The assay results are provided in Table 1 below. Further information on the drilling campaign is contained in the accompanying JORC Table 1. The geological host has been mapped as a variably brecciated porphyritic andesite. This lithology is considered a prospective host for large scale gold mineralisation.

Coarse gold was identified in the drill samples and assay was consequently conducted using the screen fire assay technique, returning an assay for the >75µm fraction and the remainder of a pulverised sample. A calculated head grade is presented for the overall sample.

Results include (Table 6.2):

- KRRC004: 2m @ 0.99 g/t gold from 52m
- KRRC005: 2m @ 0.80 g/t gold from 58m
- KRRC006: 13m @ 1.10 g/t gold from 24m

¹⁵ KAU ASX announcement 2 November 2020 and accompanying JORC Code, Table 1.

Table 6.2 KAU recent drilling significant results

Prospect	HoleID	Sample ID	From	To	Interval	Au >75 micron	Au <75 micron	Calculated Au g/t	Description
Rockdale	KRRC001	KR01 027	24	27	3			0.53	
North Shear	KRRC002	KR02 077	76	77	1			0.24	Fire Assay
	KRRC003	KR03 100	97	100	3			0.25	
	KRRC004	KR04 052	51	52		4.02	0.23	1.43	
		KR04 053	52	53		1.57	0.28	0.54	
		KR05 059	58	59		3.04	0.35	1.02	
	KRRC005	KR05 060	59	60		1.11	0.42	0.58	
		KR05 061	60	61		0.41	0.05	0.21	
		KR05 103	102	103		3.37	0.11	0.58	
	Specimen Hill	KR06 006	5	6				0.33	
		KR06 025	24	25		15.4	0.93	2.84	
KR06 026		25	26		0.04	0.04	0.04		
KR06 027		26	27	1	13.4	0.75	3.46	Screen Fire Assay	
KR06 028		27	28		2.48	0.2	0.91		
KR06 029		28	29		0.6	0.1	0.15		
KRRC006		KR06 030	29	30		0.35	0.17	0.19	
		KR06 031	30	31		2.52	0.15	0.33	
		KR06 032	31	32		2.98	0.31	0.75	
		KR06 033	32	33		3.62	0.29	0.68	
	KR06 034	33	34		0.43	0.13	0.17		
KR06 035	34	35		0.18	0.03	0.04			
KR06 036	35	36		5.74	0.44	1.28			
KR06 037	36	37		21.3	0.67	3.44			

7 **BURNT SHIRT OPINION**

Burnt Shirt concludes that the Stuart Town Project is prospective for large scale intrusion-related gold systems and is encouraged by the following points:

- Significant historical production exceeding 170,000 ounces. Au sourced from many relatively small lode and alluvial gold sources. No major source or pathway has yet been identified for the gold mineralisation.
- Large interpreted thrust fault zones provide a favourable structural setting for an interpreted auriferous intrusive felsic body.
- Examination of publicly available geophysics indicates that coincident magnetic and gravity anomalies support the interpretation of a large, relatively shallow intrusive felsic unit, as does a coincident potassic radiometric signature.
- Mineralised brecciated rhyolites with accompanying high levels of arsenic returned by historical soil sampling and drilling observed at Quartz Hill may represent minor high level subvolcanic intrusives related to an underlying mineralised intrusive unit.
- Government mapping indicates that the Project lies within a west-northwest transverse fault zone.
- There has been no effective testing of the deep-seated intrusive model.

Burnt Shirt concludes that the Macquarie North Project is unexplored for economic mineralisation and that it will require geophysical assessment in the first instance, before progressing to drilling beneath cover. The interpreted presence of basement rocks of the Macquarie Arc is encouraging.

8 ABBREVIATIONS AND UNITS

Abbreviation/unit	Definition
%	percent
Ag	silver
Alkane	Alkane Resource Limited (ASX: ALK)
As	arsenic
ASX	Australian Securities Exchange
Au	gold
Bi	bismuth
CEC	Carpentaria Exploration Company Limited (formerly a subsidiary of Mount Isa Mines Limited)
Chase	Chase Metals Pty Ltd
cm	centimetre(s)
IGR	Competent Person's Report
CRAE	CRA Exploration Limited (now Rio Tinto)
Cu	copper
EL	exploration licence
ELA	exploration licence area
GSNSW	Geological Survey of New South Wales
g/t	grams per tonne
IP	Induced Polarity, gravity and magnetics; geophysical exploration techniques; For a brief explanation: www.en.wikipedia.org/wiki/Exploration_geophysics
kg	kilogram(s)
km	kilometre(s)
km ²	square kilometres
Kratos	Kratos Uranium NL
m	metre(s)
mH	metre high
Moz	million ounces
mW	metre wide
Newcrest	Newcrest Mining Limited (ASX: NRL)
Pb	lead
pXRF	Portable X-Ray Fluorescence, a field analytical technique; for a brief explanation: www.thermofisher.com.au
RC	Reverse circulation – a pneumatic percussion drilling technique. For an explanation refer: www.castledrill.com/an-introduction-to-reverse-circulation-drilling/
Sb	antimony
Burnt Shirt	Burnt Shirt Pty Ltd
Zn	zinc

Appendix A JORC Code, 2012 Edition – Table 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (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 mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Industry standard RC drilling and sampling protocols for lode gold deposits have been utilised throughout the campaign.</p> <p>RC holes were riffle split with 3 metre samples submitted for assay.</p> <p>Samples were submitted to SGS Labs in West Wyalong where the sample was dried at 105 degrees and pulverized in a Cr steel LM5 to 75 microns (SGS Prep code PUL48).</p> <p>Results from the lab indicated the presence of coarse gold which had been anticipated from historic mine records. Larger sample weights were used to maximise sample representivity. The average sample weight for the 3m composites was 3.8kg.</p> <p>Samples were assayed by fire assay with AAS finish (SGS code FAA303) or Screen Fire Assay (SGS code FAS30K) as indicated in Table 1 containing the assay results.</p> <p>A screen fire assay is considered the best technique for a sample containing coarse gold. Gold by screened metallics fire assay consists of screening 500g of the sample to 106 microns. The plus fraction is fire assayed for gold and a duplicate assay is performed on the minus fraction. The size fraction weights, coarse and fine fraction gold content and total gold content are reported. This procedure is equivalent to assaying a large sample to extinction and averaging the results.</p>
Drilling techniques	<p><i>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).</i></p>	<p>Drilling has been conducted by Australian Mineral & Waterwell Drilling using a Sandvik DE810 Multipurpose Drilling Rig.</p> <p>RC holes used a 133mm diameter face sampling hammer.</p> <p>RC sample recovery was quantitatively assessed by comparing sample bag volumes for individual meters.</p> <p>The cyclone was regularly cleaned to ensure no build up.</p> <p>All samples were dry.</p> <p>In the CP's opinion the drilling sample recoveries and quality are acceptable and are appropriate for the style of mineralisation.</p> <p>No grade versus sample recovery biases, or biases relating the loss or gain of fines have been identified at the project to the date. All mineralised intervals reported here are from RC drilling.</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>The cyclone was regularly cleaned to ensure no build up.</p> <p>All samples were dry.</p> <p>In the CP's opinion the drilling sample recoveries and quality are acceptable and are appropriate for the style of mineralisation.</p> <p>No grade versus sample recovery biases, or biases relating the loss or gain of fines have been identified at the project to the date. All mineralised intervals reported here are from RC drilling.</p>

Logging	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p> <p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p>	<p>All drill holes were logged in their entirety.</p> <p>Logging was qualitative.</p>
Sub-sampling techniques and sample preparation	<p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Samples were riffled and sampled dry.</p> <p>Large samples (average 3.8kg) were taken to maximise sample representivity due to the anticipated coarse nature of the gold.</p> <p>In the CP's opinion the drilling sample recoveries and quality are acceptable and are appropriate for the style of mineralisation.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>Samples were initially assayed using SGS's FAA303 method, 30g with AAS finish, which is considered a total digestion.</p> <p>Samples identified as containing coarse gold were then resubmitted for screen fire assay with results shown in Table 1.</p> <p>Duplicate samples were submitted 1 every 20 samples submitted and returned results within an acceptable range.</p> <p>Standards were submitted 1 every 20 samples submitted and returned results within an acceptable range.</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Significant intersections were cross checked against drill logs and chip trays after assays were returned by company geologists and independent contract geologists.</p> <p>No holes have been twinned.</p> <p>Data entered directly into a Microsoft Excel spreadsheet then migrated into a Microsoft Access database.</p>
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>There have been no adjustments to the assay data.</p> <p>Collar locations were picked up using a hand-held GPS with an accuracy of approximately 5 metres.</p> <p>All coordinates are reported in MGA94 Z55.</p> <p>Downhole surveys were completed on each drill hole with survey shots taken at approximately 30m intervals downhole by the drilling company using a Boart Longyear TruShot survey tool.</p> <p>Collar RL's were taken from a digital topographic grid created from 5m contours, cross matched with averaged waypoints from a handheld GPS.</p>
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p>	<p>No mineral resource has been estimated.</p>

<i>Orientation of data in relation to geological structure</i>	<p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p> <p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>The drill holes were designed to test underneath historic workings and further drilling is required to understand the structural control on the mineralised intercepts.</p>
<i>Sample security</i>	<p><i>The measures taken to ensure sample security.</i></p>	<p>Samples were stored on site and collected by the laboratory.</p>
<i>Audits or reviews</i>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>Available data has been reviewed by independent and company personnel.</p>

ANNEXURE E – SOLICITOR’S TENEMENT REPORT (NSW PROJECTS)

4 December 2020

Your Ref:
Our Ref: JHM:PMD:5080-03
Contact: Jonathan Murray
jmurray@steinpag.com.au

The Board of Directors
Kaiser Reef Limited
Level 11
216 St Georges Terrace
PERTH WA 6000

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This report is prepared for incorporation by reference in a prospectus to be issued by Kaiser Reef Limited (ACN 635 910 271) (**Company**) on or about 4 December 2020 for the issue of up to 25,000,000 shares in the capital of the Company at an issue price of 30 cents per share to raise up to \$7,500,000 (**Prospectus**).

1. ASSETS

A schedule of the Tenements is attached to and forms part of this report (**Schedule**). Part I of the Schedule contains a list of the exploration licences and exploration licence applications (**Applications**) held by the Company (together, the **Tenements**). Part II of the Schedule contains agreements giving rise to the Company's beneficial ownership of the Tenements. Part III of the Schedule contains a summary of the status of the native title claims existing over the Tenements.

2. SEARCHES

For the purposes of this report, we have conducted searches and made enquiries in respect of all of the Tenements as follows:

- (a) searches of the Tenements in the mining tenement register (**Register**) maintained by the Division of Resources and Geoscience of the NSW Department of Planning and Environment (**DPE**) under the Mining Act 1992 (NSW) (**Mining Act**) and Mining Regulation 2016 (NSW) (**Mining Regulation**). These searches were conducted on 14 October 2020;

- (b) summary searches of the Tenements on the 'MinView' online system maintained by the DPE. These searches were conducted on 20 October 2020;
- (c) we have obtained a register of extracts from the Register of Native Title Claims native title register maintained by the National Native Title Tribunal (**NNTT**) in respect of native title claims identified by the NNTT in searches of the Tenements. These materials were obtained on 15 October 2020;
- (d) searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW). These searches were conducted on 19 October 2020; and
- (e) we have reviewed the material agreements relating to the Tenements (**Agreements**) and summarised the material terms (details of which are set out in Part II of the Schedule).

The Company's rights in respect of the Tenements depend on the enforceability of the Agreements and the parties to the Agreements complying with and fulfilling the terms and conditions of such Agreements.

On the basis of the searches conducted and our review of the Agreements, subject to the enforceability of such Agreements, we consider that this report (and the Schedule) provides an accurate statement as to the status of the Tenements as at the date the relevant searches were obtained.

3. **OPINION**

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are of the view that, as at the date of the relevant searches:

- (a) the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;
- (b) where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule;
- (c) all expenditure requirements under the relevant mining legislation have been met or exemptions obtained, unless otherwise noted in the Schedule; and
- (d) the valid grant of any of the current applications for Tenements which may affect native title will require compliance with the applicable processes of the *Native Title Act 1993* as amended by the *Native Title Amendment Act 1998 (Cth)* (which are together referred to as the **NTA**).

4. **TENEMENTS**

The Tenements comprise exploration licences and exploration licence applications granted under the Mining Act.

The Schedule sets out a description of the Tenements and a summary of any encumbrances that apply to them.

In relation to the area of each Tenement specified in the Schedule, it should be noted that:

- (a) the area is described by units, given by one minute of latitude by one minute of longitude on the earth's surface. In the general location of the Tenements, each unit is approximately 2.9 square kilometres. Therefore, any references to square kilometres in this report are approximate values only. It is not possible to verify those areas without conducting a survey; and
- (b) the area might be reduced by a number of exclusions, including the existence of mining leases, National Parks or reserves situated within the boundaries of the relevant Tenement.

5. EXPLORATION LICENCES AND APPLICATIONS IN NSW

The Tenements are exploration licenses, both granted and applications, and are in respect to Group 1 minerals, which are metallic minerals such as gold, silver, tin and copper as set out in Schedule 2 of the Mining Regulation (**Group 1 Minerals**).

5.1 Rights

The rights of a holder of an exploration licence are subject to the Mining Act and the terms and conditions attaching to a particular licence.

An exploration licence issued under the Mining Act gives the holder exclusive rights to explore for the minerals specified in the area covered by the licence. However, an exploration licence does not permit mining, and the holder of an exploration licence will not necessarily be permitted to mine in the future in the event that a discovery is made. An exploration licence takes effect on the date on which it is granted and ceases to have effect at the expiration of such period (not exceeding 6 years) as the Minister for Energy and Environment (**Minister**) may determine (section 27(b)(ii)).

5.2 Access

It is necessary to enter into an access agreement with all landholders prior to carrying out exploration (section 140). All landholders are entitled to compensation for all compensable loss caused by exploration (section 263) and mining (section 265). In the event that no agreement can be reached with the landholders, the matter can be referred to arbitration, and if not resolved there, the Mining Warden for determination.

5.3 Renewal

Exploration licences are renewed under the provisions of the Mining Act. If a holder intends to carry out further exploration within an exploration licence after the expiry date, the holder must apply for a renewal of the licence. Applications for renewal must be made no earlier than two months and no later than one month before the expiry date (section 113). If a valid application for renewal is not dealt with before the expiry date, the licence remains in force until the application is dealt with (section 117).

An exploration licence may not be renewed for more than half the area of the licence at the time of lodgement of the renewal application (section 114A(1)), unless special circumstances are applicable.

An exploration licence may be renewed for a maximum term of six years and may be renewed for further periods not exceeding six years on any one occasion. However, exploration licences are typically granted and renewed for periods of three years,

though this depends on the proposed work program and other factors. Exploration licences may be transferred upon approval by the Minister. In the event that the Minister approves a transfer, the Minister may impose amended or additional conditions on the holder of the exploration licence.

EL 8491 was first granted on 21 December 2016 and was last renewed on 17 June 2019 and is due to expire on 21 December 2020. The directors of the Company intend to renew this licence prior to its expiry and are not aware of any reason why the renewal application for EL 8491 will not be approved at that time.

EL 8952 was first granted on 4 March 2020 and is due to expire on 4 March 2022.

5.4 Royalties

Tenement holders are required to pay royalties to the NSW government on minerals (including material containing minerals) obtained from a mining tenement. Royalties payments must be made quarterly and be accompanied by a royalty return in the approved form. The holder of a mining tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement.

Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered.

5.5 Rehabilitation Securities

The holders of tenements are required to lodge a security by way of a cash deposit or banker's undertaking with the DPE for the performance of its rehabilitation and other obligations arising under the Tenement. The security for each of the Tenements is \$10,000.

Our searches indicate that the \$10,000 security required for each of EL 8491 and EL 8952 have been lodged. We note that a security deposit of \$10,000 payment for each of the Applications will be required once and if each of the Applications is approved and converted into an exploration licence.

5.6 Generally Applicable Conditions

Mining tenements are granted subject to various conditions prescribed by the Mining Act including compliance with any minimum expenditure, payment of applicable government fees and reporting requirements including, but not limited to, those referred to above.

The Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation. These standard conditions are not detailed in the notes to the Schedule. Standard conditions arising out of these Acts require that a tenement holder obtains the consent of an officer of the DPE before commencing any ground-disturbing work, and impose basic environmental and rehabilitation conditions, such as the removal of all waste and the capping of drill holes.

5.7 Specific Conditions

Specific conditions applicable to the Tenements are detailed in the notes to Part I of the Schedule.

6. ABORIGINAL HERITAGE

6.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)* (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

6.2 New South Wales Legislation

The *National Parks and Wildlife Act 1974 (NSW)* (**NSW Heritage Act**) is aimed at the preservation and protection of any Aboriginal places and objects that may be located on the Tenements.

Under the NSW Heritage Act, the Minister administering the NSW Heritage Act may declare a place to be protected where that place is deemed to have special significance to Aboriginal culture.

It is an offence to destroy, deface, damage or desecrate, or cause or permit the destruction, defacement, damage or desecration of, an Aboriginal object or Aboriginal place without a heritage impact permit issued by the Director-General of the Department of Environmental and Conservation pursuant to section 90 of the NSW Heritage Act. There is a defence to this offence where a party acts with due diligence and reasonable precaution.

6.3 Heritage surveys

In order to satisfy the obligations imposed by the Commonwealth Heritage Act, tenement holders often undertake Aboriginal heritage surveys, which involve the relevant traditional owners and (if necessary), an archaeologist or anthropologist walking the land, identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

6.4 Heritage searches

We have obtained and reviewed searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW) on 19 October 2020. The searches showed that there are a number of known Aboriginal sites in the vicinity of the Tenements. However, the exact location of the Aboriginal sites cannot be ascertained from these searches. The Company will review the location of each site when planning its exploration programs so as to ensure that all activities near Aboriginal sites meet the requirements of the Commonwealth Heritage Act and the NSW Heritage Act.

There are currently no Aboriginal heritage agreements or arrangements in place affecting the Tenements.

7. NATIVE TITLE – LEGISLATION

7.1 General

On 3 June 1992, the High Court of Australia held in *Mabo v. Queensland (no.2) (1992) 175 CLR 1 (Mabo #2)* that the common law of Australia recognises a form of native title which reflects the entitlements of Aboriginal people to their traditional lands in accordance with their traditional laws and customs. In order to succeed in a native title claim, the persons making such claim must show that they enjoy certain customary rights and privileges in respect of a particular area of land and that by these rights and privileges they have a connection with that land.

In *Mabo #2*, the High Court held that native title could be extinguished through loss of traditional connection with the land or by legislative or executive actions which are inconsistent with the continued right to enjoy native title. In particular, native title may be extinguished by the State:

- (a) granting a title or interest in land, such as a freehold or leasehold title; or
- (b) appropriating or reserving and using land for a public purpose such as public works,

which is inconsistent with the continued right to enjoy native title in respect of the same land. Extinguishment may be whole or partial depending upon the nature of the State's action. The principles concerning extinguishment have been developed in subsequent High Court and Federal Court decisions.

The grant of a mining tenement only partially extinguishes native title rights and interests. Under Section 44H of the NTA and at common law, the rights held under mining tenements will prevail over any inconsistent native title rights. In the case of exploration licences, recent court decisions have held that there is considerable scope for the co-existence of native title rights and the exploration licensee's rights.

The Commonwealth Parliament responded to the Mabo decision by passing the *Native Title Act 1993 (Cth)*. This Act enabled a State Parliament to validate any mining tenements granted prior to its commencement which might otherwise have been invalid. The *Native Title Act 1993* was extensively amended by the *Native Title Amendment Act 1998 (Cth)*.

7.2 New South Wales

The New South Wales Parliament has adopted the *Native Title (New South Wales) Act 1994 (NSW)* which adopts the NTA.

Under the NTA, native title is extinguished by grants of private freehold title and exclusive possession tenures such as freehold leases. Validly granted mining tenements that are to be granted solely over such tenures are not subject to native title considerations.

Tenures which may co-exist with native title are generally non-exclusive leases such as pastoral leases, pastoral development holdings, some special leases and term leases for grazing pastoral purposes, occupation licences, permits to occupy, road licences and some others.

We have not researched the underlying land tenure in respect of the Tenements in order to determine the extent of extinguishment for the purposes of this report.

8. NATIVE TITLE – CLAIMS

8.1 Native Title, Claims and Future Acts

Native title or claims for native title exist over parts of New South Wales. For the purposes of the NTA, the grant of a mining tenement subject to a native title or a claim for native title is a 'Future Act' for the purposes of the NTA as it is an activity or development on land or waters that affects native title (section 233 NTA).

A lodged claim for native title does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim indicate that no native title exists in a particular area. Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

The existence of native title is not a high priority issue for the Company as the purchaser/holder of the Tenements. The main issue is the existence of a registered native title claim. A registered native title claim requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Until the native title claim has been determined by the Federal Court the existence of native title will be uncertain. Prudence dictates that native title should be assumed to exist over all claimed land other than freehold, "exclusive possession" leasehold or vested reserve until the claim has been determined.

8.2 Right to Negotiate

The grant of a mining tenement is a 'Future Act' for the purposes of the NTA (section 233 NTA). A Future Act is an activity or development on land or waters that affects native title. If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (**Registration Test**), it will be entered on the Register of Native Title Claims maintained by the National Native Title Tribunal (**NNTT Register**). Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate" (**RTN**).

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be entered on the NNTT Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. If a claim fails to meet the Registration Test, this only means that the native title claimants do not have access to the future act procedures under the NTA. It does not mean that the claim has been dismissed or discontinued. An unregistered claim must still be heard and determined by the Federal Court.

Exploration licences are generally subject to a condition that requires the holder to obtain the Minister's consent before carrying out exploration activity on land where native title has not been extinguished. Ministerial consent will only be granted after the right to negotiate process has been followed, or the land on which native title has not been extinguished has been excised from the exploration licence. The grant of a mining lease over land where native title has not been extinguished is also subject to the RTN process.

The DPE has published guidelines on the evidence required to demonstrate extinguishment of native title. Native title has been wholly extinguished over much of NSW, including through the grant of freehold estates, leases in perpetuity for grazing purposes under the *Western Lands Act 1901*, and the establishment of public works.

8.3 NNTT Register Searches

As set out in Section 2 above, a variety of searches were conducted between 14 October 2020 and 20 October 2020 with respect to the Tenements, with a searches of the NNTT Register occurring on 15 October 2020.

(a) ELA 5948 and ELA 5949

Our searches indicate that ELA 5948 and ELA 5949 are subject to an application for determination lodged on behalf of the Ngemba, Ngiyampaa, Wangaaypuwan and Wayilwan People (NNTT Number: NC2012/001 and Federal Court Number: NSD38/2019), which was registered on the NNTT Register on 12 April 2012.

There is no evidence to suggest that native title has not been extinguished over this area.

As set out at Section 8.2 above, Ministerial consent to carry out exploration activity on native title land has not been extinguished (such as the land subject to ELA 5948 and ELA 5949, once granted into exploration licences) will only be granted after the RTN process has been followed, or the land on which native title has not been extinguished has been excised from the exploration licence.

Consequently, any RTN process commenced in relation to ELA 5948 and ELA 5949 must include negotiations with the Ngemba, Ngiyampaa, Wangaaypuwan and Wayilwan People as registered claimants.

(b) Remaining Tenements

Other than as noted above, our searches do not indicate that any of the other Tenements are subject to any native title claims, whether unregistered or registered.

However, to the extent that the remaining Tenements did not appear to have any native title overlap, we note that the absence of a claim does not necessarily indicate that no native title exists over that area.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that the existing claim may be successful, or the possibility of any further native title claims being made in the future.

8.4 Compensation

The Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement (section 281B Mining Act). If the existence of native title is proven over any of the land subject to the Tenements, and the native title holders make an application to the Federal Court for

compensation, the Tenement holder may be liable to pay any compensation awarded.

9. ENVIRONMENTAL AND PLANNING LEGISLATION

Tenement holders may also be required to obtain approvals under and comply with environmental and planning and other legislation, including:

- (a) Environmental and Planning Assessment Act 1979 (NSW);
- (b) Protection of the Environment Operations Act 1997 (NSW); and
- (c) Water Act 1912 and Water Management Act 2000 (NSW).

10. QUALIFICATIONS

While the status of the Tenements is dealt with in the Schedule, we point out, by way of summary, that:

- (a) we have assumed the accuracy and completeness of all tenement searches and other information or responses which were obtained from the relevant department or authority (including but not limited to, information obtained from the DPE, Digital Imaging of Geological System ('DIGS') and the 'MinView' online system maintained by the DPE). We cannot comment on any obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements;
- (b) as set out in Section 2, the third-party searches which form the basis of this report were performed between 14 October 2020 and 20 October 2020. Accordingly, some of the information contained in these searches may have changed prior to the finalisation of this report;
- (c) with respect to the Tenements, we have assumed the accuracy and completeness of the information which we have received from the various departments;
- (d) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the applicable state mining legislation;
- (e) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (f) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;
- (g) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;

- (h) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (i) where Ministerial consent to any agreement or dealing referred to in Part II of the Schedule is being or will be sought, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we have no reason to believe that any application for consent will be refused; and
- (j) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

11. CONSENT

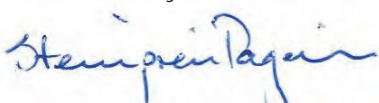
This report is made on 4 December 2020 and relates only to the laws in force on that date. This report has been provided solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Steinepreis Paganin has consented to the inclusion of this report in the Prospectus in the form and context in which it is included and has not withdrawn that consent prior to the lodgement of the Prospectus with ASIC.

12. DISCLOSURE OF INTEREST

Steinepreis Paganin will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully


STEINEPREIS PAGANIN

PART I

TENEMENT SCHEDULE

TENEMENT	HOLDER / APPLICANT	SHARES HELD	GRANT / APPLICATION DATE	EXPIRY DATE	AREA SIZE ⁴	ANNUAL RENT (NEXT RENTAL YEAR) ⁵	PROPOSED EXPENDITURE YEAR ONE ⁷	PROPOSED EXPENDITURE YEAR TWO ⁷	ENCUMBRANCES / DEALINGS	NATIVE TITLE CLAIMS
EL 8491 ⁸	Jonathan Charles Downes ^{A B}	100% owned	21/12/2016 ²	21/12/2020	12 units (approx. 34.8 km ²)	\$820 ⁶	\$45,000	\$155,000 ⁷	Nil	Nil
EL 8952 ^{3, 8}	Adrian Paul Byass ^{A B}	100% owned	04/03/2020	04/03/2022	15 units (approx. 43.5 km ²)	\$1,000	\$25,000	\$125,000 ^{1, 7}	Nil	Nil
ELA 5921 ⁹	Jonathan Charles Downes ⁸	100% owned ¹	13/02/2020	Pending	22 units (approx. 63.8 km ²)	\$1,420	\$30,000 ¹	\$85,000 ¹	Nil	Nil
ELA 5937	Kaiser Reef Limited	100% owned ¹	11/03/2020	Pending	5 units (approx. 14.5 km ²)	\$400	\$20,000 ¹	\$65,000 ¹	Nil	Nil
ELA 5942	Kaiser Reef Limited	100% owned ¹	1/04/2020	Pending	14 units (approx. 40.6 km ²)	\$940	\$25,000 ¹	\$75,000 ¹	Nil	Nil
ELA 5948	Kaiser Reef Limited	100% owned ¹	7/04/2020	Pending	144 units (approx. 417.6 km ²)	\$8,740	\$20,000 ¹	\$70,000 ¹	Nil	Yes
ELA 5949	Kaiser Reef Limited	100% owned ¹	8/04/2020	Pending	76 units (approx. 220.4 km ²)	\$4,660	\$20,000 ¹	\$70,000 ¹	Nil	Yes

Key to Tenement Schedule

EL – Exploration Licence

ELA – Exploration Licence Application

All native title claims listed in the Schedule have been accepted and entered on the Register of Native Title Claims. Please refer to Part III of this Report for the status of the Native Title Claims.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

References to letters in the "Notes" column refers to the agreements summarised in Part II of the Schedule. References to numbers in the "Notes" column refers to the notes following this table.

Notes:

1. Provided that the application is converted into an exploration licence.
2. EL 8491 was renewed on 17 June 2019 and, at this stage, is due to expire 21 December 2020. The Company has advised that it intends to apply to extend the licence and does not foresee any reason why such a renewal would not be granted at that time.
3. EL 8952 was granted from ELA 5854 on 4 March 2020 and is due to expire 4 March 2022.
4. One unit is comprised of one unit of latitude by one unit of longitude. In this particular area of New South Wales, the approximate area of one unit is 2.9km².
5. The rent applicable per tenement is \$60 per unit. The annual administrative levy is 1% of the security deposit of \$10,000 per tenement (\$100).
6. Note that the Company intends to apply to extend EL 8491 will attract a renewal fee in addition to its annual rent payment. Renewal application fees for exploration licences are calculated based on a flat fee of \$2,000 plus \$12.50 per unit per year applied for. Therefore, the renewal application fee for EL 8491 would be calculated as follows:
 - a) one-year extension: $\$2,000 + ((\$12.50 \times 6 \text{ units}) \times 1 \text{ year}) = \$2,075$; and
 - b) two-year extension: $\$2,000 + ((\$12.50 \times 6 \text{ units}) \times 2 \text{ years}) = \$2,150$.
7. Proposed expenditure in the current year of the licence term, which must be met through exploration work programmes which have been approved by the Department of Planning & Environment. Such expenditure may include geological mapping, rock chip sampling, geophysical surveys, soil geochemical surveys, modelling of results, drilling and core logging.
8. The Company holds 100% of EL 8491 and EL 8591 through Chase Metals Pty Ltd (ACN 629 589 448) (**Chase Metals**), a wholly owned subsidiary of the Company. Messrs Downes and Byass have each signed a declaration of trust pursuant to which they hold each of EL 8491 and ELA 5854 (which was subsequently converted into EL 8591) for Valiant Equity Management Pty Ltd (ACN 122 958 614) (**Valiant**) as trustee for the Byass Family Trust and Kiandra Nominees Pty Ltd (ACN 125 369 995) (**Kiandra Nominees**) as trustee for the JK Downes Family Trust. Pursuant to a binding heads of agreement, Kiandra Nominees and Valiant have acknowledged that they each hold EL 8491 and EL 8951 on trust for Chase Metals. Refer to Part II for further details.
9. Mr Downes has signed a declaration of trust pursuant to which he holds each of ELA 5921 on trust for the Company. Refer to Part II for further details.

PART II

MATERIAL CONTRACT SUMMARIES

A. DECLARATIONS OF TRUST

Jonathan Charles Downes has signed a declaration of trust pursuant to which he confirmed that he holds EL 8491 upon trust dual shares for Kiandra Nominees Pty Ltd (ACN 125 369 995) as trustee for the JK Downes Family Trust (**Kiandra Nominees**) and Valiant Equity Management Pty Ltd (ACN 122 958 614) as trustee for the Byass Family Trust (**Valiant Equity**) and their successors in title and agrees to transfer, pay and deal with EL 8491 and the rights arising therefrom in such a manner as the beneficiaries shall from time to time direct.

Adrian Paul Byass has signed a declaration of trust pursuant to which he confirmed that he holds ELA 5854 (now, EL 8952) upon trust dual shares for Valiant Equity and Kiandra Nominees and their successors in title and agrees to transfer, pay and deal with ELA 5854 (now, EL 8952) and the rights arising therefrom in such a manner as the beneficiaries shall from time to time direct.

Jonathan Charles Downes has signed a declaration of trust pursuant to which he confirmed that he holds ELA 5921 upon trust for the Company and its successors in title and agrees to transfer, pay and deal with ELA 5921 and the rights arising therefrom in such a manner as the Company shall from time to time direct.

B. BINDING HEADS OF AGREEMENT

Pursuant to a binding heads of agreement, Kiandra Nominees and Valiant Equity have acknowledged that they each hold ELA 8491 and ELA 5854 (now, EL 8952) on trust for Chase Metals (a wholly owned subsidiary of the Company).

PART III

SEARCH RESULTS OF THE NATIONAL NATIVE TITLE TRIBUNAL REGISTER

TENEMENT NUMBER	FEDERAL COURT NUMBER	NNIT FILE NUMBER	STATUS	RNTC STATUS	IN MEDIATION
EL 8491	Nil	Nil	Nil	Nil	Nil
EL 8952	Nil	Nil	Nil	Nil	Nil
ELA 5921	Nil	Nil	Nil	Nil	Nil
ELA 5937	Nil	Nil	Nil	Nil	Nil
ELA 5942	Nil	Nil	Nil	Nil	Nil
ELA 5948	NSD38/2019	NC2012/001	Not determined	Registered 12 April 2012	Nil
ELA 5949	NSD38/2019	NC2012/001	Not determined	Registered 12 April 2012	Nil

APPLICATION FORM
