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**BLINA MINERALS NL**

**ACN 086 471 007**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11.00AM AWST

**DATE:** 19 March 2021

**PLACE:** 110 Stirling Highway, Nedlands 6009 Western Australia

**Independent Expert's Report:** Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of Shareholder approval required under ASX Listing Rule 10.1 (refer to Resolution 13) and Shareholder approval required under section 611 item 7 of the Corporations Act (refer to Resolution 14). The Independent Expert's Report comments on the fairness and reasonableness of the transactions the subject of these Resolutions to the non-associated Shareholders. The Independent Expert has determined the transactions the subject of Resolutions 13 and 14 are fair and reasonable to the non-associated Shareholders.

Resolutions 7, 8, 9, 10, 13 and 14 are Essential Resolutions to the Recapitalisation Strategy and the Proposed Acquisition (as detailed in the Notice). If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail and completion of the Recapitalisation Strategy and the Proposed Acquisition will not occur.

Shareholders are further advised that it is a condition precedent to the CMPL Agreement (which provides the terms and conditions of the Proposed Acquisition) that all Resolutions set out in this Notice are passed at the Meeting (unless otherwise waived).

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00 pm WST on 17 March 2021.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**A voting prohibition statement applies to this Resolution. Please see below.**

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR - NEVILLE BASSETT

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

*“That, for the purposes of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Neville Bassett, a Director who was appointed as an additional Director on 28 November 2019, retires, and being eligible, is elected as a Director.”*

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR - GINO D'ANNA

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

*“That, for the purposes of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Gino D'Anna, a Director who was appointed as an additional Director on 2 December 2019, retires, and being eligible, is elected as a Director.”*

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#### 5. RESOLUTION 4 – ELECTION OF DIRECTOR - MICHAEL SCIVOLO

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

*“That, for the purposes of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Michael Scivolo, a Director who was appointed casually on 9 June 2020, retires, and being eligible, is elected as a Director.”*

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**6. RESOLUTION 5 – RE-ELECTION OF DIRECTOR - MATTHEW DRISCOLL**

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

*“That, for the purposes of clause 14.2 of the Constitution and for all other purposes, Matthew Driscoll, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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**7. RESOLUTION 6 – APPROVAL OF 7.1A MANDATE**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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**8. RESOLUTION 7 – CONSOLIDATION OF CAPITAL**

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

*“That, subject to and conditional upon all other Essential Resolutions being passed, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

- (a) every 50 Shares be consolidated into 1 Share; and*
- (b) every 50 Options be consolidated into 1 Option,*

*and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be).”*

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**9. RESOLUTION 8 – APPROVAL TO UNDERTAKE CAPITAL RAISING**

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

*“That, subject to and conditional upon all other Essential Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 215,000,000 Shares (on a post-Consolidation basis), together with one (1) free attaching Option for every two (2) Shares subscribed for and issued, on the terms and conditions set out in the Explanatory Statement.”*

**A voting exclusion statement applies to this Resolution. Please see below.**

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**10. RESOLUTION 9 – APPROVAL TO UNDERTAKE OPTIONS PLACEMENT**

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

*"That, subject to and conditional upon all other Essential Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 187,500,000 Options (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."*

**A voting exclusion statement applies to this Resolution. Please see below.**

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**11. RESOLUTION 10 – APPROVAL TO UNDERTAKE SHARE PURCHASE PLAN**

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

*"That, subject to and conditional upon all other Essential Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 25,000,000 Shares (on a post-Consolidation basis), together with one (1) free attaching Option for every two (2) Shares subscribed for and issued, on the terms and conditions set out in the Explanatory Statement."*

**Waiver to facilitate voting on Resolution 10: The Company has been granted a waiver by ASX from Listing Rule 7.3.9 to permit any person who has an interest in this Resolution (including any person who may participate in the SPP or an associate of such a person) and ordinarily excluded from voting in favour of this Resolution to vote, on the condition that the SPP is not underwritten, or if it is underwritten, the Company excludes any votes cast on this Resolution by any proposed underwriter or sub-underwriter of the SPP (which there is none).**

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**12. RESOLUTION 11 – APPROVAL FOR RELATED PARTY TO PARTICIPATE IN CAPITAL RAISING - GINO D'ANNA**

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

*"That, subject to and conditional upon Resolution 8 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares (on a post-Consolidation basis), together with one (1) free attaching Option for every two (2) Shares subscribed for and issued, to Gino D'Anna (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**A voting exclusion statement applies to this Resolution. Please see below.**

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**13. RESOLUTION 12 – APPROVAL FOR RELATED PARTY TO PARTICIPATE IN CAPITAL RAISING - MATTHEW DRISCOLL**

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

*"That, subject to and conditional upon Resolution 8 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares (on a post-Consolidation basis), together with one (1) free attaching Option for every two (2) Shares subscribed for and issued, to Matthew Driscoll (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**A voting exclusion statement applies to this Resolution. Please see below.**

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**14. RESOLUTION 13 – ACQUISITION OF A SUBSTANTIAL ASSET FROM SUBSTANTIAL (10%+) HOLDER – THE VENDOR**

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

*“That, subject to and conditional upon all other Essential Resolutions being passed, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for the Company to proceed with the Proposed Acquisition and acquire the remaining 50% of the issued share capital of Colour Minerals Pty Ltd (ACN 130 340 457) from the Vendor, who is a substantial (10%+) holder in the Company for the purpose of Listing Rule 10.1, on the terms and conditions set out in the Explanatory Statement.”*

**A voting exclusion statement applies to this Resolution. Please see below.**

**Short Explanation:** The Company currently holds a 50% interest in the issued share capital of Colour Minerals Pty Ltd, which it acquired from the Vendor. The Company has entered into the CMPL Agreement pursuant to which the Company has agreed to acquire the remaining 50% interest in the issued share capital of Colour Minerals Pty Ltd from the Vendor. The Vendor is currently a substantial (10%+) holder in the Company for the purpose of Listing Rule 10.1. Accordingly, the Company seeks Shareholder approval for the Proposed Acquisition in accordance with Listing Rule 10.1.

**Independent Expert’s Report:** Shareholders should carefully consider the Independent Expert’s Report prepared by Bentleys Corporate Finance (WA) Pty Ltd for the purpose of the Shareholder approval required under Listing Rule 10.1. The Independent Expert’s Report comments on the fairness and reasonableness of the Proposed Acquisition to the non-associated Shareholders of the Company. The Independent Expert has determined the Proposed Acquisition is **fair and reasonable** to the non-associated Shareholders.

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**15. RESOLUTION 14 – APPROVAL FOR THE VENDOR TO INCREASE ITS RELEVANT INTEREST IN THE COMPANY**

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

*“That, subject to and conditional upon all other Essential Resolutions being passed, for the purposes of section 611 item 7 of the Corporations Act and for all other purposes, approval is given for the Company to issue:*

**Consideration for the Proposed Acquisition (Restricted Securities)**

- (a) 100,000,000 Shares (on a post-Consolidation basis) to the Vendor (or its nominee) as consideration for the Proposed Acquisition;
- (b) 50,000,000 Options (on a post-Consolidation basis) to the Vendor (or its nominee) as consideration for the Proposed Acquisition and where these Options are exercised the Company issuing an additional 50,000,000 Shares (on a post-Consolidation basis) to the Vendor (or its nominee);

**Participation in the Capital Raising**

- (a) up to 10,000,000 Shares (on a post-Consolidation basis) to the Vendor (or its nominee) pursuant to the Vendor participating in the Capital Raising;

- (b) up to 5,000,000 Options (on a post-Consolidation basis) to the Vendor (or its nominee) pursuant to the Vendor participating in the Capital Raising and where these Options are exercised the Company issuing up to an additional 5,000,000 Shares (on a post-Consolidation basis) to the Vendor (or its nominee);

**Participation in the Options Placement**

- (a) up to 80,000,000 Options (on a post-Consolidation basis) to the Vendor (or its nominee) pursuant to the Vendor participating in the Options Placement and where these Options are exercised the Company issuing up to an additional 80,000,000 Shares (on a post-Consolidation basis) to the Vendor (or its nominee);

**Participation in the SPP**

- (a) up to 3,000,000 Shares (on a post-Consolidation basis) to the Vendor (or its nominee) pursuant to the Vendor participating in the SPP; and
- (b) up to 1,500,000 Options (on a post-Consolidation basis) to the Vendor (or its nominee) pursuant to the Vendor participating in the SPP and where these Options are exercised the Company issuing up to an additional 1,500,000 Shares (on a post-Consolidation basis) to the Vendor (or its nominee),

and which will result in the voting power of the Vendor (and its associates) in the Company increasing from 13.73% to up to a maximum of 46.00% on the terms and conditions set out in the Explanatory Statement."

**A voting exclusion statement applies to this Resolution. Please see below.**

**Short Explanation:** The Company has entered into the CMPL Agreement pursuant to which the Company has agreed to issue 100,000,000 Shares (on a post-Consolidation basis) and 50,000,000 New Options (on a post-Consolidation basis) to the Vendor as consideration to acquire the remaining 50% interest in the issued share capital of Colour Minerals Pty Ltd. The Vendor also proposes to participate in the Capital Raising for up to \$100,000, the Options Placement for up to \$80,000 and the SPP for up to \$30,000. As a result, the voting power of the Vendor (and its associates) in the Company will increase above 20%. Accordingly, the Company seeks Shareholder approval for the issue of the Securities pursuant to the Proposed Acquisition and the Vendor's proposed participation in the Capital Raising, the Options Placement and the SPP and the acquisition of a relevant interest in the Shares (including any Shares issued upon exercise of any Options) by the Vendor (and its associates) exceeding 20% in accordance with section 611 item 7 of the Corporations Act.

**Independent Expert's Report:** Shareholders should carefully consider the Independent Expert's Report prepared by Bentleys Corporate Finance (WA) Pty Ltd for the purpose of the Shareholder approval required under section 611 item 7 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the proposed issues of Securities as contemplated by Resolution 14 to the non-associated Shareholders of the Company. The Independent Expert has determined the proposed issues of Securities as contemplated by Resolution 14 are **fair and reasonable** to the non-associated Shareholders.

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**16. RESOLUTION 15 – CHANGE OF COMPANY TYPE**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, subject to and conditional upon Resolutions 16 and 17 being passed, for the purposes of section 162 of the Corporations Act and for all other purposes, approval is given for the Company to be converted from a public no liability company to a public company limited by shares.”*

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**17. RESOLUTION 16 – CHANGE OF COMPANY NAME**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, subject to and conditional upon Resolutions 15 and 17 being passed, for the purposes of section 157 of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to **Tennant Minerals Limited**, with effect from the change of type of the Company for which approval is sought under Resolution 15.”*

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**18. RESOLUTION 17 – REPLACEMENT OF CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, subject to and conditional upon Resolutions 15 and 16 being passed, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the Chairman of the Meeting for identification purposes, with effect from the change of type of the Company for which approval is sought under Resolution 15.”*

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**Dated: 16 February 2021**

**By order of the Board**

**Gino D’Anna**  
**Director**

## Voting Prohibition Statements

<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"><li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li><li>(b) a Closely Related Party of such a member.</li></ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"><li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li><li>(b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none"><li>(i) does not specify the way the proxy is to vote on this Resolution; and</li><li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li></ul></li></ul>
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## Voting Exclusion Statements

### **ASX Listing Rules**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 8 – Approval to undertake Capital Raising</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
<b>Resolution 9 – Approval to undertake Options Placement</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
<b>Resolution 11 – Approval for related party to participate in Capital Raising – Gino D’Anna</b>	Gino D’Anna (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 12 – Approval for related party to participate in Capital Raising – Matthew Driscoll</b>	Matthew Driscoll (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 13 – Acquisition of a Substantial Asset from Substantial (10%+) Holder – the Vendor</b>	The Vendor (or its nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

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

- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Corporations Act 2001**

#### **Resolution 14 – Approval for the Vendor to increase its relevant interest in the Company**

No votes may be cast in favour of this Resolution by:

- (a) the person proposing to make the acquisition and their associates; or
- (b) the persons (if any) from whom the acquisition is to be made and their associates.

Accordingly, the Company will disregard any votes cast in favour of this Resolution by the Vendor (or its nominees) and any of its associates.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Advanced Share Registry Limited will need to verify your identity.

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 499 900 044.**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND

#### 1.1 Introduction

The business to be considered at the Meeting consists of the following:

- (a) **AGM: Resolutions 1 - 6**: statutory and other items of business relevant to the Company's Annual General Meeting;
- (b) **Reinstatement to Official Quotation: Resolutions 7 - 14**: the proposed Recapitalisation Strategy (as outlined in Section 1.3 below) and the Proposed Acquisition (as outlined in Section 1.4 below) as referred to in the Company's announcement released on 11 December 2020; and
- (c) **General Corporate: Resolutions 15 - 17**: general corporate matters, including a change of company type and change of company name.

Shareholders are encouraged to read Sections 1.2 to 1.8 below for further background in relation to the proposed Recapitalisation Strategy and the Proposed Acquisition and the proposed general corporate matters to be considered at the Meeting.

**RESOLUTIONS 7, 8, 9, 10, 13 AND 14 ARE ESSENTIAL RESOLUTIONS TO THE RECAPITALISATION STRATEGY AND THE PROPOSED ACQUISITION (THE ESSENTIAL RESOLUTIONS). EACH OF THE ESSENTIAL RESOLUTIONS IS CONDITIONAL UPON THE APPROVAL BY SHAREHOLDERS OF EACH OF THE OTHER ESSENTIAL RESOLUTIONS. IF ANY OF THE ESSENTIAL RESOLUTIONS ARE NOT APPROVED BY SHAREHOLDERS, ALL OF THE ESSENTIAL RESOLUTIONS WILL FAIL AND COMPLETION OF THE RECAPITALISATION STRATEGY AND THE PROPOSED ACQUISITION WILL NOT OCCUR.**

**SHAREHOLDERS SHOULD ALSO NOTE THAT IT IS A CONDITION PRECEDENT TO THE CMPL AGREEMENT (WHICH PROVIDES THE TERMS AND CONDITIONS OF THE PROPOSED ACQUISITION) THAT ALL RESOLUTIONS SET OUT IN THIS NOTICE ARE PASSED AT THE MEETING. ACCORDINGLY, ALL RESOLUTIONS SET OUT IN THIS NOTICE MUST BE APPROVED BY SHAREHOLDERS FOR SETTLEMENT OF THE PROPOSED ACQUISITION TO OCCUR (UNLESS OTHERWISE WAIVED).**

#### 1.2 Reinstatement to Official Quotation

On 18 March 2020, the Company's securities were suspended from trading (**Suspension**) on the basis that the ASX did not consider the Company was in compliance with Listing Rule 12.2.

As announced by the Company on 11 December 2020, the Company has obtained confirmation from ASX that upon completion of the proposed Recapitalisation Strategy (as outlined in Section 1.3 below) and the Proposed Acquisition (as outlined in Section 1.4 below), along with satisfaction of a number of ancillary corporate matters, its financial condition will be sufficient for the purposes of Listing Rule 12.2 and to warrant the lifting of the Suspension to reinstate the Company's securities to official quotation on ASX.

**AS SET OUT ABOVE, APPROVAL OF ALL RESOLUTIONS IS NECESSARY TO COMPLETE THE PROPOSED RECAPITALISATION STRATEGY AND PROPOSED ACQUISITION IN ORDER TO WARRANT THE LIFTING OF THE SUSPENSION TO REINSTATE THE COMPANY'S SECURITIES TO OFFICIAL QUOTATION ON ASX.**

### **1.3 Recapitalisation Strategy**

The Company intends to implement a recapitalisation strategy in order to strengthen its balance sheet and provide additional working capital so that its financial condition is adequate for the purposes of Listing Rule 12.2, to the satisfaction of ASX.

Under the recapitalisation strategy, the Company proposes to undertake:

- (a) a consolidation of its current issued capital on a one (1) for fifty (50) basis (**Consolidation**);
- (b) a capital raising of \$2.15 million by the placement of 215 million Shares at an issue price of \$0.01 per Share together with 1 free attaching New Option (exercisable at \$0.03 each and expiring 3 years from the date of issue) for every 2 Shares subscribed for (**Capital Raising**) all on a post-Consolidation basis;
- (c) a capital raising of \$187,500 by the placement of 187.5 million New Options (exercisable at \$0.03 each and expiring 3 years from the date of issue) at an issue price of \$0.001 per New Option (**Options Placement**) all on a post-Consolidation basis; and
- (d) a share purchase plan to raise \$250,000 by the issue of 25 million Shares at an issue price of \$0.01 per Share together with 1 free attaching New Option (exercisable at \$0.03 each and expiring 3 years from the date of issue) for every 2 Shares subscribed for (**SPP**) all on a post-Consolidation basis,

subject to obtaining Shareholder approval (the **Recapitalisation Strategy**).

Westar Capital Limited (ACN 009 372 838) (AFSL: 255789) has agreed (conditionally) to act as lead manager and underwriter to the Capital Raising and the Options Placement. Westar Capital Limited will be paid a fee of 6% (plus GST) of the total gross proceeds raised under the Capital Raising and the Options Placement in consideration for lead manager and underwriting services to be provided in relation to the Capital Raising and the Options Placement. The key terms of the Underwriting Agreement are summarised in Schedule 3.

It is proposed the Capital Raising, the Options Placement and the SPP will be undertaken pursuant to a transaction specific prospectus.

### **1.4 Proposed Acquisition**

#### **CMPL Agreement**

The Company holds a 50% interest in the issued share capital of Colour Minerals Pty Ltd (ACN 130 340 457) (**CMPL**) which it acquired from Kalgoorlie Mine Management Pty Ltd (ACN 009 235 625) (**KMM** or the **Vendor**) on 25 September 2019. Please refer to the Company's announcement on 24 September 2019 for further details.

As announced by the Company on 25 January 2021, the Company has entered into an agreement with KMM (**CMPL Agreement**) pursuant to which the Company has agreed to acquire the remaining 50% interest in the issued share capital of CMPL from KMM (the **Proposed Acquisition**), giving the Company a 100% interest in the Barkly Copper Gold asset portfolio.

The key terms of the CMPL Agreement are summarised in Schedule 1.

The Company has agreed to issue:

- (a) 100 million Shares (**Consideration Shares**); and
- (b) 50 million New Options (exercisable at \$0.03 each and expiring 3 years from the date of issue) (**Consideration Options**),

to the Vendor in total consideration for the Proposed Acquisition (all on a post-Consolidation basis).

### **Standstill Agreement**

On 3 August 2020, the Board of CMPL approved a budget for planned exploration and development works for the Barkly Copper Gold asset portfolio and a call for a contribution of funding was subsequently made to the Company and KMM on 4 August 2020. The Company did not make payment of its portion of the funding call at the time (being, the Outstanding Contribution of \$34,842.50) and accordingly its interest in CMPL is now subject to potential dilution in accordance with the terms of the incorporated joint venture agreement between the Company, the Vendor and CMPL in relation to CMPL and its business and affairs (**JV Agreement**).

On 21 August 2020, KMM made a further funding contribution of \$4,000 to CMPL to assist CMPL in meeting its obligations.

In view of the above, and the intended Proposed Acquisition, the Company and KMM have also entered into a standstill agreement in relation to CMPL (**Standstill Agreement**).

The Standstill Agreement provides for a standstill and forbearance period to allow the Company time to complete the proposed Recapitalisation Strategy and the Proposed Acquisition and prevent any dilutionary action being undertaken. Under the standstill and forbearance arrangement the Company will preserve its interest in CMPL.

The Standstill Agreement effectively requires the proposed Recapitalisation Strategy and the Proposed Acquisition to be completed, otherwise the Company's interest in CMPL will be subject to dilution in relation to the Outstanding Contribution in accordance with the terms of the JV Agreement.

The key terms of the Standstill Agreement are summarised in Schedule 1.

The indicative proposed timetable to complete the Proposed Acquisition is set out below:

<b>Event</b>	<b>Date</b>
ASX announcement of the Proposed Acquisition	25 January 2021
General Meeting (to approve resolutions relevant to the Recapitalisation Strategy and Proposed Acquisition)	19 March 2021

Event	Date
Effective date of Consolidation	19 March 2021
Completion of the Capital Raising, the Options Placement and the SPP	8 April 2021
Satisfaction (or waiver) of the Conditions Precedent	13 April 2021
Completion of Proposed Acquisition	15 April 2021

**Note:** The above timetable is indicative only and subject to change.

Reinstatement of the Company's securities to Official Quotation will be determined at the discretion of ASX.

## 1.5 Pro-forma Capital Structure

On the basis that the Company completes the Recapitalisation Strategy and the Proposed Acquisition (and that the Capital Raising, the Options Placement and the SPP are fully subscribed), the pro-forma capital structure of the Company will be as set out below:

	Shares	Options
<b>Current issued capital – pre-Consolidation</b>	6,268,771,455	1,013,888,885
<b>Consolidation on a 50-to-1 basis</b>		
<b>Issued capital – post-Consolidation</b>	125,375,429	20,277,778 <sup>1</sup>
<b>Securities to be issued pursuant to the Capital Raising</b>	215,000,000	107,500,000 <sup>2</sup>
<b>Securities to be issued pursuant to the Options Placement</b>	Nil	187,500,000 <sup>3</sup>
<b>Securities to be issued pursuant to the SPP</b>	25,000,000	12,500,000 <sup>4</sup>
<b>Securities to be issued pursuant to the Proposed Acquisition</b>	100,000,000	50,000,000 <sup>5</sup>
<b>TOTAL</b>	<b>465,375,429</b>	<b>377,777,778</b>

### Notes:

1. Unlisted Options exercisable at \$0.10 each (on a post-Consolidation basis) on or before 17 August 2021.
2. New Options exercisable at \$0.03 each (on a post-Consolidation basis) on or before 3 years from the date of issue.
3. New Options exercisable at \$0.03 each (on a post-Consolidation basis) on or before 3 years from the date of issue.
4. New Options exercisable at \$0.03 each (on a post-Consolidation basis) on or before 3 years from the date of issue.
5. New Options exercisable at \$0.03 each (on a post-Consolidation basis) on or before 3 years from the date of issue.

## 1.6 Use of Funds

On the basis the Company completes the Recapitalisation Strategy and the Proposed Acquisition, the Company's proposed budget for the next 12 months is set out below:

Item	Amount
<b>Additional drilling on the Barkly Tenement, Northern Territory</b>	\$500,000
<b>Reconnaissance field work on the Babblers Tenement, Northern Territory</b>	\$200,000
<b>Geophysical programs, interpretation and planning at the Barkly Project</b>	\$100,000

Item	Amount
Drilling on the Babblers Project	\$300,000
Geophysical programs, interpretation and planning at the Babblers Project	\$100,000
JORC (2012) Resource Estimation for the Barkly Tenement	\$40,000
Working capital and corporate administration	\$600,000
<b>Total</b>	<b>\$1,840,000</b>

The above table assumes that the Capital Raising, the Options Placement and the SPP are all fully subscribed (ie the Company raises a total of \$2,587,500). Additional capital raised under the offers will be retained and allocated in accordance with determined budgets in subsequent years.

The above table is a statement of current intentions as of the date of this Notice and is subject to change. As with any budget, intervening events 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.

## 1.7 Purpose of the Meeting

### AGM

As set out at Section 1.1 above, **Resolutions 1 to 6** are being proposed to facilitate statutory and other items of business relevant to the Company's Annual General Meeting.

### **Recapitalisation Strategy and Proposed Acquisition**

In order to complete the Recapitalisation Strategy and the Proposed Acquisition, the Company is seeking Shareholder approval:

- (a) **Resolution 7:** to undertake the Consolidation;
- (b) **Resolution 8:** to issue 215,000,000 Shares and 107,500,000 New Options to participants under the Capital Raising (all on a post-Consolidation basis);
- (c) **Resolution 9:** to issue 187,500,000 New Options to participants under the Options Placement (all on a post-Consolidation basis);
- (d) **Resolution 10:** to issue 25,000,000 Shares and 12,500,000 New Options to participants under the SPP and any shortfall offer (all on a post-Consolidation basis);
- (e) **Resolution 13:** to proceed with the Proposed Acquisition for the purposes of Listing Rule 10.1, as KMM is a substantial (10%+) holder of the Company; and
- (f) **Resolution 14:** to issue the Consideration Shares and Consideration Options to KMM (or its nominee) and for KMM to participate in the Capital Raising, the Options Placement and the SPP for the purposes of section 611 item 7 of the Corporations Act, given that KMM's voting power in the Company may increase from 13.73% at the date of this Notice up to a maximum of 46.00% following Completion.

RESOLUTIONS 7, 8, 9, 10, 13 AND 14 ARE ESSENTIAL RESOLUTIONS TO THE RECAPITALISATION STRATEGY AND THE PROPOSED ACQUISITION (THE ESSENTIAL RESOLUTIONS). EACH OF THE ESSENTIAL RESOLUTIONS IS CONDITIONAL UPON THE APPROVAL BY SHAREHOLDERS OF EACH OF THE OTHER ESSENTIAL RESOLUTIONS. IF ANY OF THE ESSENTIAL RESOLUTIONS ARE NOT APPROVED BY SHAREHOLDERS, ALL OF THE ESSENTIAL RESOLUTIONS WILL FAIL AND COMPLETION OF THE RECAPITALISATION STRATEGY AND THE PROPOSED ACQUISITION WILL NOT OCCUR.

SHAREHOLDERS SHOULD ALSO NOTE THAT IT IS A CONDITION PRECEDENT TO THE CMPL AGREEMENT (WHICH PROVIDES THE TERMS AND CONDITIONS OF THE PROPOSED ACQUISITION) THAT ALL RESOLUTIONS SET OUT IN THIS NOTICE ARE PASSED AT THE MEETING. ACCORDINGLY, ALL RESOLUTIONS SET OUT IN THIS NOTICE MUST BE APPROVED BY SHAREHOLDERS FOR SETTLEMENT OF THE PROPOSED ACQUISITION TO OCCUR (UNLESS OTHERWISE WAIVED) AND TO AVOID POTENTIAL DILUTION OF THE COMPANY'S INTEREST IN CMPL.

The Company is also seeking Shareholder approval for:

- (a) Gino D'Anna, a Director, to participate in the Capital Raising for up to \$10,000 pursuant to **Resolution 11**; and
- (b) Matthew Driscoll, a Director, to participate in the Capital Raising for up to \$10,000 pursuant to **Resolution 12**.

#### **Corporate Matters**

In addition to the above, the Company is seeking Shareholder approval:

- (a) **Resolution 15**: to change type from a public no liability company to a public company limited by shares;
- (b) **Resolution 16**: to change its name to **Tennant Minerals Limited**; and
- (c) **Resolution 17**: to replace its Constitution with a new constitution.

**RESOLUTIONS 15 TO 17 ARE INTER-CONDITIONAL WITH THE RESULT THAT ALL THREE OF THESE RESOLUTIONS MUST BE PASSED BY THE REQUISITE MAJORITY IN ORDER FOR EACH OF THEM TO PASS.**

#### **1.8 Dilution**

On the basis that all Essential Resolutions are passed, the Proposed Acquisition is completed and that the Capital Raising, the Options Placement and the SPP are all fully subscribed and assuming that no Options are exercised or other Shares issued and the maximum number of 340,000,000 Shares are issued (on a post-Consolidation basis), the number of Shares on issue would increase from 125,375,429 (being the number of Shares on issue as at the date of this Notice on a post-Consolidation basis) to 465,375,429 (on a post-Consolidation basis) and the shareholding of existing Shareholders would be diluted by 73.06%.

The above dilution figure does not account for any Shares issued on exercise of New Options that are to be issued where all Essential Resolutions are passed and the Proposed Acquisition is completed and the resulting dilution effect.

#### **1.9 Consideration issued to the Vendor – Restricted Securities (Listing Rule 10.7)**

Shareholders should note that as:

- (a) Listing Rule 10.1 applies to the Proposed Acquisition; and
- (b) the Proposed Acquisition constitutes the acquisition of a *classified asset* for the purposes of Listing Rule 10.7,

the Consideration Shares and the Consideration Options will be classified as restricted securities in accordance with the Listing Rules.

Accordingly, the Consideration Shares and the Consideration Options will be subject to ASX mandatory escrow for a period of 12 months commencing on the date on which the restricted securities are issued.

The Vendor will be required to enter into a restriction deed on terms satisfactory to ASX prior to issue of the Consideration Shares and the Consideration Options to the Vendor pursuant to the Proposed Acquisition.

During the period in which the escrow arrangement applies, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner (on the basis that the Company completes the Recapitalisation Strategy and the Proposed Acquisition).

#### **1.10 Voting on SPP - ASX Waiver (Listing Rule 7.3.9)**

In order to not exclude all Shareholders from being able to vote in favour of Resolution 10, the Company has obtained a waiver from Listing Rule 7.3.9 to permit Resolution 10 to not include a voting exclusion statement that excludes votes in favour of the Resolution by any person who may participate in the SPP or an associate of such a person on the condition that the SPP is not underwritten, or if it is underwritten, the Company excludes any votes cast on Resolution 10 by any proposed underwriter or sub-underwriter of the SPP.

The SPP is not proposed to be underwritten.

No Directors (or other related parties) will be entitled to participate in the SPP. Accordingly, the Company has not sought any ASX waiver in relation to Listing Rule 10.11.

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## **2. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.blinaminerals.com.au](http://www.blinaminerals.com.au).

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## **3. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

### **3.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

### **3.2 Voting consequences**

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **3.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **4. RESOLUTION 2 – ELECTION OF DIRECTOR - NEVILLE BASSETT**

### **4.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Neville Bassett, having been appointed by other Directors on 28 November 2019 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and, being eligible, seeks election from Shareholders.

## **4.2 Qualifications and other material directorships**

Mr Bassett is a Chartered Accountant specialising in corporate, financial and management advisory services.

Neville has spent more than 35 years working in accounting, finance and stockbroking. During that time, he's had considerable involvement in Australian financial markets including numerous public company listings and capital raisings, as well as mergers and acquisitions.

Neville's expertise includes in-depth knowledge of the Corporations Act, ASX listing requirements, corporate taxation and finance. He is an in-demand consultant to publicly listed companies and private company groups, across a diverse range of industry sectors. He is also a director or company secretary at several public and private companies.

Mr Bassett is the Chairman of Westar Capital Limited.

A summary of the qualifications and experience of Mr Bassett is provided in the Annual Report.

## **4.3 Independence**

Neville Bassett has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Neville Bassett will be an independent Director.

## **4.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Neville Bassett. No material adverse information was revealed during such checks.

Neville Bassett has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

## **4.5 Board recommendation**

The Board has reviewed Neville Bassett's performance since his appointment to the Board and considers that Neville Bassett's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Neville Bassett and recommends that Shareholders vote in favour of Resolution 2.

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## **5. RESOLUTION 3 – ELECTION OF DIRECTOR - GINO D'ANNA**

### **5.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Gino D'Anna, having been appointed by other Directors on 2 December 2019 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and, being eligible, seeks election from Shareholders.

### **5.2 Qualifications and other material directorships**

Mr D'Anna is an experienced public company officer at both a National and International level. Mr D'Anna has significant primary and secondary capital markets experience and has extensive experience in resource exploration, public company operations and administration and financial management.

Mr D'Anna has been involved in exploration companies across multiple sectors and jurisdictions, having worked in Australia, Canada, South Korea, South Africa, Botswana and Namibia. He was a founding shareholder and founding Executive Director of Atrum Coal Ltd (ASX: ATU) which is developing the high-grade Elan Hard Coking Coal Project located in Alberta, Canada.

Mr D'Anna is a founding shareholder and Executive Director of MetalsTech Limited (ASX: MTC) which is developing the +1m oz Sturec Gold Mine located in Slovakia and is currently a Director of Metals Australia Limited (ASX: MLS) which is developing a high-grade graphite project in Quebec, Canada.

Over his career, Mr D'Anna has been involved in capital raisings which in aggregate have exceeded \$150 million.

A summary of the qualifications and experience of Mr D'Anna is provided in the Annual Report.

### **5.3 Independence**

Gino D'Anna has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Gino D'Anna will be an independent Director.

### **5.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks

prior to the appointment of Gino D'Anna. No material adverse information was revealed during such checks.

Gino D'Anna has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

## **5.5 Board recommendation**

The Board has reviewed Gino D'Anna's performance since his appointment to the Board and considers that Gino D'Anna's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Gino D'Anna and recommends that Shareholders vote in favour of Resolution 3.

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## **6. RESOLUTION 4 – ELECTION OF DIRECTOR - MICHAEL SCIVOLO**

### **6.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Michael Scivolo, having been appointed by other Directors on 9 June 2020 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and, being eligible, seeks election from Shareholders.

### **6.2 Qualifications and other material directorships**

Michael Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate entities.

Mr Scivolo is currently a Director of Sabre Resources Ltd (ASX: SBR), Golden Deeps Ltd (ASX: GED) and Metals Australia Ltd (ASX: MLS).

A summary of the qualifications and experience of Mr Scivolo is provided in the Annual Report.

### **6.3 Independence**

Michael Scivolo has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board considers Michael Scivolo will be an independent Director.

## **6.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Michael Scivolo. No material adverse information was revealed during such checks.

Michael Scivolo has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

## **6.5 Board recommendation**

The Board has reviewed Michael Scivolo's performance since his appointment to the Board and considers that Michael Scivolo's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Michael Scivolo and recommends that Shareholders vote in favour of Resolution 4.

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## **7. RESOLUTION 5 – RE-ELECTION OF DIRECTOR - MATTHEW DRISCOLL**

### **7.1 General**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Matthew Driscoll, who has served as a Director since 15 April 2019, and was last re-elected on 28 November 2019, retires by rotation and seeks re-election.

### **7.2 Qualifications and other material directorships**

Mr Driscoll has over 30 years' experience in capital markets and the financial services industry with major financial institutions. He is an accomplished company director in roles with listed and private companies, undertaking leadership positions on the Board (as Chairman) and on various committees (including audit and risk committees).

Mr Driscoll has significant experience in international business growth, mergers and acquisitions, equity and debt raisings and building strategic political, financial and commercial alliances.

Mr Driscoll is currently a Non-Executive Director of Energy Technologies Limited, BuyMyPlace.com.au, Smoke Alarms Holdings, Workspace Australia, and Non-Executive Director and Responsible Manager of Advocate Strategic Investments.

A summary of the qualifications and experience of Mr Driscoll is provided in the Annual Report.

### **7.3 Independence**

If re-elected the Board considers Matthew Driscoll will be an independent Director.

## 7.4 Board recommendation

The Board has reviewed Matthew Driscoll's performance since his appointment to the Board and considers that Matthew Driscoll's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Matthew Driscoll and recommends that Shareholders vote in favour of Resolution 5.

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## 8. RESOLUTION 6 – APPROVAL OF 7.1A MANDATE

### 8.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$6,268,771 (based on the number of Shares on issue and the closing price of Shares on the ASX on the date of the Suspension and excluding any restricted securities that may be on issue).

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

### 8.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 6:

#### (a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and

- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 8.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued exploration and development of the Barkly Project;
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue as at the date of the Suspension (all stated on a post-Consolidation basis, giving an indicative issue price of \$0.05).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.025	\$0.050	\$0.075
			50% decrease	Issue Price	50% increase
		Funds Raised			
<b>Current</b>	465,375,429 Shares	46,537,542 Shares	\$1,163,438	\$2,326,877	\$3,490,315
<b>50% increase</b>	698,063,144 Shares	69,806,314 Shares	\$1,745,157	\$3,490,315	\$5,235,473
<b>100% increase</b>	930,750,858 Shares	93,075,085 Shares	\$2,326,877	\$4,653,754	\$6,980,631

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 465,375,429 Shares (on a post-Consolidation basis) on issue comprising:
  - (a) 125,375,429 existing Shares (on a post-Consolidation basis) as at the date of this Notice of Meeting; and
  - (b) 340,000,000 Shares (on a post-Consolidation basis) which will be issued if the Essential Resolutions are passed at this Meeting and the Proposed Acquisition is completed.
2. The issue price set out above is the closing market price of the Shares on the ASX on the date of the Suspension, being \$0.001, stated on a post-Consolidation basis (giving an indicative issue price of \$0.05).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting (including the indicative issue price of \$0.05 used to prepare the table above stated on a post-Consolidation basis); and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 28 November 2019 (**Previous Approval**).

The Company did not issue any Equity Securities pursuant to the Previous Approval.

### **8.3 Voting Exclusion Statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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## **9. RESOLUTION 7 – CONSOLIDATION OF CAPITAL**

### **9.1 Background**

As set out in Section 1.3 above, as part of the Recapitalisation Strategy, the Company proposes to undertake the Consolidation.

If Resolution 7 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 6,268,771,455 to 125,375,429 (subject to rounding); and
- (b) Options on issue will be reduced from 1,013,888,885 to 20,277,778 (subject to rounding).

## 9.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

## 9.3 Fractional entitlements

Not all security holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 50. Accordingly, where a fractional entitlement occurs the Company will round that fraction up to the nearest whole Security.

## 9.4 Taxation

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

## 9.5 Holding statements

From the date two (2) Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

## 9.6 Effect on capital structure

The effect which the Consolidation will have on the Company's current capital structure is set out in the table below:

Capital Structure	Shares	Unlisted Options
Pre-Consolidation: issued capital	6,268,771,455	1,013,888,885 <sup>1</sup>
<b>Consolidation on a 50-for-1 basis</b>		
Post-Consolidation: issued capital	125,375,429	20,277,778 <sup>2</sup>

### Notes:

1. Unlisted Options exercisable at \$0.002 each (on a pre-Consolidation basis) on or before 17 August 2021.
2. Unlisted Options exercisable at \$0.10 each (on a post-Consolidation basis) on or before 17 August 2021.

## 9.7 Indicative timetable for Consolidation

If Resolution 7 is passed, the consolidation of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

Action	Date
Company announces Consolidation	16 February 2021
Company sends out notices for Shareholder meeting	16 February 2021
Shareholders pass Resolution 7 to approve the Consolidation	19 March 2021
Company announces effective date of Consolidation	19 March 2021
Effective date of Consolidation (Being the date of the Resolution approving the Consolidation or a later date specified in the Resolution)	19 March 2021
Last day for pre-Consolidation trading	22 March 2021
Post-Consolidation trading starts on a deferred settlement basis	23 March 2021
Record Date	24 March 2021
Last day for the Company to register transfers on a pre-Consolidation basis	
First day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold	25 March 2021
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred	31 March 2021

## 10. RESOLUTION 8 – APPROVAL TO UNDERTAKE CAPITAL RAISING

As set out in Section 1.3 above, as part of the Recapitalisation Strategy, the Company proposes to secure funding of up to \$2,150,000 under the Capital Raising by a placement of up to 215,000,000 Shares to professional and sophisticated investors at an issue price of \$0.01 per Share.

Participants in the Capital Raising will receive 1 free attaching New Option for every 2 Shares subscribed for (rounded up for fractional entitlements).

The Capital Raising is being undertaken on a post-Consolidation basis.

Westar Capital Limited has agreed (conditionally) to fully underwrite the Capital Raising as outlined at Section 1.3. Accordingly, any Shares (and free attaching New Options) not subscribed for under the Capital Raising by investors will be acquired by Westar Capital Limited and/or any sub-underwriters.

### 10.1 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Securities under the Capital Raising does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### 10.2 Technical Information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the Securities under the Capital Raising. In addition, the issue of the Securities

under the Capital Raising will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed with the issue of the Securities under the Capital Raising. Accordingly, the Company will not be able to implement the proposed Recapitalisation Strategy outlined at Section 1.3 above.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Securities under the Capital Raising.

### **10.3 Technical Information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the Securities will be issued to professional and sophisticated investors who are clients and/or associates of Westar Capital Limited, as well as Westar Capital Limited itself where it determines to participate in the Capital Raising. The recipients will be identified through a bookbuild process, which will involve Westar Capital Limited, in consultation with the Company, seeking expressions of interest to participate in the Capital Raising from non-related parties of the Company. KMM (a substantial holder of the Company), Gino D'Anna (a Director of the Company) and Matthew Driscoll (a Director of the Company) may also participate in the Capital Raising, for which Shareholder approval is specifically being sought pursuant to Resolution 14, Resolution 11 and Resolution 12 respectively;
- (b) in addition to that set out in Section 10.3(a), Westar Capital Limited has agreed (conditionally) to act as lead manager and underwriter to the Capital Raising. Accordingly, Securities may be issued to Westar Capital Limited and/or its associates as a result of the underwriting obligation and/or to any sub-underwriters to the Capital Raising where Westar Capital Limited determines to enter into sub-underwriting arrangements in relation to the underwritten amount. The key terms of the Underwriting Agreement are summarised in Schedule 3;
- (c) in accordance with paragraph 7.2 of ASX Guidance Note 21, other than as set out in this Notice, the Company confirms that at the date of this Notice the Company has not selected or identified any recipients:
  - (i) who are related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) will be issued more than 1% of the current issued capital of the Company;
- (d) the maximum number of Shares to be issued is 215,000,000 (on a post-Consolidation basis) and the maximum number of Options to be issued is equal to 50% of the number of Shares to be issued (rounded up for fractional entitlements) (being approximately 107,500,000 Options (on a post-Consolidation basis)) as the Options will be issued free attaching with the Shares on a 1:2 basis;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Options will be issued on the terms and conditions set out in Schedule 2;
- (g) the Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Securities will occur on the same date;
- (h) the issue price will be \$0.01 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:2 basis. The Company will not receive any other consideration for the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (i) the purpose of the issue of the Securities under the Capital Raising is to raise \$2,150,000. The Company intends to apply the funds raised under the Capital Raising as set out in Section 1.6;
- (j) the Securities are not being issued under an agreement; and
- (k) the Securities are not being issued under, or to fund, a reverse takeover.

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## **11. RESOLUTION 9 – APPROVAL TO UNDERTAKE OPTIONS PLACEMENT**

As set out in Section 1.3 above, as part of the Recapitalisation Strategy, the Company proposes to secure funding of \$187,500 under the Options Placement by a placement of 187,500,000 New Options to professional and sophisticated investors at an issue price of \$0.001 per New Option.

The Options Placement is being undertaken on a post-Consolidation basis.

Westar Capital Limited has agreed (conditionally) to fully underwrite the Options Placement as outlined at Section 1.3. Accordingly, any New Options not subscribed for under the Options Placement by investors will be acquired by Westar Capital Limited and/or any sub-underwriters.

### **11.1 Listing Rule 7.1**

Listing Rule 7.1 is summarised at Section 10.1 above.

The proposed issue of the New Options under the Options Placement does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **11.2 Technical Information required by Listing Rule 14.1A**

If Resolution 9 is passed, the Company will be able to proceed with the issue of the New Options under the Options Placement. In addition, the issue of the New Options under the Options Placement will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the New Options under the Options Placement. Accordingly, the Company will not be able to implement the proposed Recapitalisation Strategy outlined at Section 1.3 above.

Resolution 9 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the New Options under the Options Placement.

### **11.3 Technical Information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 9:

- (a) the New Options will be issued to professional and sophisticated investors who are clients and/or associates of Westar Capital Limited, as well as Westar Capital Limited itself where it determines to participate in the Options Placement. The recipients will be identified through a bookbuild process, which will involve Westar Capital Limited, in consultation with the Company, seeking expressions of interest to participate in the Options Placement from non-related parties of the Company. KMM (a substantial holder of the Company) may also participate in the Options Placement, for which Shareholder approval is specifically being sought pursuant to Resolution 14;
- (b) in addition to that set out in Section 11.3(a) above, Westar Capital Limited has agreed (conditionally) to act as lead manager and underwriter to the Options Placement. Accordingly, New Options may be issued to Westar Capital Limited and/or its associates as a result of the underwriting obligation and/or to any sub-underwriters to the Options Placement where Westar Capital Limited determines to enter into sub-underwriting arrangements in relation to the underwritten amount. The key terms of the Underwriting Agreement are summarised in Schedule 3;
- (c) in accordance with paragraph 7.2 of ASX Guidance Note 21, other than as set out in this Notice, the Company confirms that at the date of this Notice the Company has not selected or identified any recipients:
  - (i) who are related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) will be issued more than 1% of the current issued capital of the Company;
- (d) the maximum number of New Options to be issued is 187,500,000 (on a post-Consolidation basis). The terms and conditions of the New Options are set out in Schedule 2;
- (e) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the New Options will occur on the same date;
- (f) the issue price will be \$0.001 per New Option. The Company will not receive any other consideration for the issue of the New Options (other than in respect of funds received on exercise of the Options);

- (g) the purpose of the issue of the New Options under the Options Placement is to raise \$187,500. The Company intends to apply the funds raised under the Options Placement as set out in Section 1.6;
- (h) the New Options are not being issued under an agreement; and
- (i) the New Options are not being issued under, or to fund, a reverse takeover.

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## 12. RESOLUTION 10 – APPROVAL TO UNDERTAKE SHARE PURCHASE PLAN

As set out in Section 1.3 above, as part of the Recapitalisation Strategy, the Company proposes to undertake the SPP which will be offered to eligible shareholders of the Company (all non-related party shareholders with a registered address in Australia) who are to be determined by the Company at the relevant time of undertaking the SPP at the applicable record date (**Eligible Shareholders**) on the same terms and conditions as the Capital Raising. Directors and other related parties of the Company will not be entitled to participate under the SPP as set out at Section 1.10.

As per the Capital Raising, the SPP is being undertaken on a post-Consolidation basis.

Under the SPP, Eligible Shareholders will be able to purchase up to \$30,000 worth of Shares, irrespective of the size of their shareholding, without incurring brokerage or transaction costs. In the event there is a shortfall under the SPP, a separate shortfall offer will be made to professional and sophisticated investors who are not related parties of the Company to subscribe for the shortfall.

The Company does not consider that Listing Rule 7.2 (Exception 5) applies to the SPP given that the proposed issue price of Shares under the SPP (being, \$0.01 on a post-Consolidation basis) will not satisfy the 80% VWAP requirement for Listing Rule 7.2 (Exception 5) to be available given the indicative price of Shares on ASX resulting from the proposed Consolidation (being, \$0.05 on a post-Consolidation basis). Accordingly, pursuant to Resolution 10, the Company seeks Shareholder approval to issue up to 25,000,000 Shares and 12,500,000 New Options to:

- (a) Eligible Shareholders participating under the SPP; and
- (b) professional and sophisticated investors who are not related parties of the Company, who wish to subscribe for any shortfall under the SPP.

Further details of the SPP will be set out in a transaction specific prospectus to be lodged by the Company to facilitate the Capital Raising, the Options Placement and the SPP.

### 12.1 Listing Rule 7.1

Listing Rule 7.1 is summarised at Section 10.1 above.

The proposed issue of the Securities under the SPP (and any shortfall offer) does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## 12.2 Technical Information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will be able to proceed with the issue of the Securities under the SPP and any shortfall offer. In addition, the issue of the Securities under the SPP and any shortfall offer will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the Securities under the SPP and any shortfall offer. Accordingly, the Company will not be able to implement the proposed Recapitalisation Strategy outlined at Section 1.3 above.

Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Securities under the SPP and any shortfall offer.

## 12.3 Technical Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 10:

- (a) the Securities under the SPP will be issued to participating Eligible Shareholders, who are to be determined by the Company at the relevant time of undertaking the SPP at the applicable record date. However, any Securities not subscribed for by Eligible Shareholders will be offered under a shortfall offer. The Securities under the shortfall offer will be issued to professional and sophisticated investors. The recipients will be identified by the Directors through a bookbuild process, which will involve seeking expressions of interest to participate in the shortfall offer from non-related parties of the Company. KMM (a substantial holder of the Company) may also participate in the SPP, for which Shareholder approval is specifically being sought pursuant to Resolution 14;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, other than as set out in this Notice, the Company confirms that at the date of this Notice the Company has not selected or identified any recipients:
  - (i) who are related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) will be issued more than 1% of the current issued capital of the Company;
- (c) the maximum number of Shares to be issued (under the SPP and any shortfall offer in aggregate) is 25,000,000 (on a post-Consolidation basis) and the maximum number of Options to be issued is equal to 50% of the number of Shares to be issued (rounded up for fractional entitlements) (being approximately 12,500,000 Options (on a post-Consolidation basis)) as the Options will be issued free attaching with the Shares on a 1:2 basis;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (e) the Options will be issued on the terms and conditions set out in Schedule 2;
- (f) the Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Securities will occur on the same date;
- (g) the issue price will be \$0.01 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:2 basis (both under the SPP and any shortfall offer). The Company will not receive any other consideration for the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (h) the purpose of the issue of the Securities under the SPP (and any shortfall offer) is to raise \$250,000. The Company intends to apply the funds raised under the SPP (and any shortfall offer) as set out in Section 1.6;
- (i) the Securities are not being issued under an agreement; and
- (j) the Securities are not being issued under, or to fund, a reverse takeover.

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**13. RESOLUTIONS 11 AND 12 – APPROVAL FOR RELATED PARTIES TO PARTICIPATE IN CAPITAL RAISING - GINO D'ANNA AND MATTHEW DRISCOLL**

As set out in Section 1.7 above:

- (a) Gino D'Anna, a Director of the Company, may participate in the Capital Raising for up to \$10,000 on the same terms as unrelated participants in the Capital Raising (**GD Participation**); and
- (b) Matthew Driscoll, a Director of the Company, may participate in the Capital Raising for up to \$10,000 on the same terms as unrelated participants in the Capital Raising (**MD Participation**).

Accordingly, in view of the above:

- (a) Resolution 11 seeks Shareholder approval for the issue of up to 1,000,000 Shares and 500,000 New Options to Gino D'Anna (or his nominee), as a result of the GD Participation on the terms set out below; and
- (b) Resolution 12 seeks Shareholder approval for the issue of up to 1,000,000 Shares and 500,000 New Options to Matthew Driscoll (or his nominee), as a result of the MD Participation on the terms set out below.

The number of Securities available for subscription by non-related participants under the Capital Raising will be reduced to the extent Gino D'Anna and Matthew Driscoll participate in the Capital Raising up to a maximum of \$10,000 (1,000,000 Shares) each.

**13.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

### **GD Participation**

The GD Participation will result in the issue of Shares and New Options which constitutes giving a financial benefit and Gino D'Anna is a related party of the Company by virtue of being a Director.

The Directors (other than Gino D'Anna who has a material personal interest in Resolution 11) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the GD Participation because the Shares and New Options will be issued to Gino D'Anna (or his nominee) on the same terms as Shares and New Options issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

### **MD Participation**

The MD Participation will result in the issue of Shares and New Options which constitutes giving a financial benefit and Matthew Driscoll is a related party of the Company by virtue of being a Director.

The Directors (other than Matthew Driscoll who has a material personal interest in Resolution 12) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the MD Participation for the same reason as is given for the GD Participation above.

## **13.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed entity must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;  
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

### **GD Participation**

The GD Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 11 seeks Shareholder approval for the GD Participation for the purposes of Listing Rule 10.11.

### **MD Participation**

The MD Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 12 seeks Shareholder approval for the MD Participation for the purposes of Listing Rule 10.11.

## **13.4 Technical Information required by Listing Rule 14.1A**

### **GD Participation**

If Resolution 11 is passed, Gino D'Anna will be able to participate in the Capital Raising for up to \$10,000 and the Company will be able to issue the Shares and New Options under the GD Participation. As approval is being obtained under Listing Rule 10.11, any Shares and New Options issued to Gino D'Anna (or his nominee) under the GD Participation will not use up any of the Company's 15% annual placement capacity.

If Resolution 11 is not passed, Gino D'Anna will not be able to participate in the Capital Raising.

Resolution 11 is not an Essential Resolution.

### **MD Participation**

If Resolution 12 is passed, Matthew Driscoll will be able to participate in the Capital Raising for up to \$10,000 and the Company will be able to issue the Shares and New Options under the MD Participation. As approval is being obtained under Listing Rule 10.11, any Shares and New Options issued to Matthew Driscoll (or his nominee) under the MD Participation will not use up any of the Company's 15% annual placement capacity.

If Resolution 12 is not passed, Matthew Driscoll will not be able to participate in the Capital Raising.

Resolution 12 is not an Essential Resolution.

## **13.5 Technical Information required by Listing Rule 10.13**

### **GD Participation**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 11:

- (a) the Shares and New Options will be issued to Gino D'Anna (or his nominee), who falls within the category set out in Listing Rule 10.11.1, as

Gino D'Anna is a related party of the Company by virtue of being a Director;

- (b) the maximum number of Shares to be issued to Gino D'Anna (or his nominee) is 1,000,000 (on a post-Consolidation basis) and the maximum number of Options to be issued is equal to 50% of the number of Shares to be issued (rounded up for fractional entitlements) (being approximately 500,000 Options (on a post-Consolidation basis)) as the Options will be issued free attaching with the Shares on a 1:2 basis in accordance with the terms of the Capital Raising;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options will be issued on the terms and conditions set out in Schedule 2;
- (e) the Shares and New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares and New Options will be issued on the same date;
- (f) the issue price will be \$0.01 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:2 basis, being the same terms as Shares and New Options issued to other participants in the Capital Raising. The Company will not receive any other consideration for the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (g) the purpose of the issue of the Securities under the GD Participation is to raise capital, which the Company intends to apply in the manner set out in Section 1.6;
- (h) the Securities to be issued under the GD Participation are not intended to remunerate or incentivise the Director; and
- (i) the Shares and New Options are not being issued under an agreement.

### **MD Participation**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 12:

- (a) the Shares and New Options will be issued to Matthew Driscoll (or his nominee), who falls within the category set out in Listing Rule 10.11.1, as Matthew Driscoll is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued to Matthew Driscoll (or his nominee) is 1,000,000 (on a post-Consolidation basis) and the maximum number of Options to be issued is equal to 50% of the number of Shares to be issued (rounded up for fractional entitlements) (being approximately 500,000 Options (on a post-Consolidation basis)) as the Options will be issued free attaching with the Shares on a 1:2 basis in accordance with the terms of the Capital Raising;

- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options will be issued on the terms and conditions set out in Schedule 2;
- (e) the Shares and New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares and New Options will be issued on the same date;
- (f) the issue price will be \$0.01 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:2 basis, being the same terms as Shares and New Options issued to other participants in the Capital Raising. The Company will not receive any other consideration for the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (g) the purpose of the issue of the Securities under the MD Participation is to raise capital, which the Company intends to apply in the manner set out in Section 1.6;
- (h) the Securities to be issued under the MD Participation are not intended to remunerate or incentivise the Director; and
- (i) the Shares and New Options are not being issued under an agreement.

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## **14. RESOLUTION 13 – ACQUISITION OF A SUBSTANTIAL ASSET FROM SUBSTANTIAL (10%+) HOLDER – THE VENDOR**

### **14.1 General**

As outlined in Section 1.4 above, the Company has entered into the CMPL Agreement pursuant to which the Company has agreed to acquire the remaining 50% interest in the issued share capital of CMPL from the Vendor.

In consideration for the Proposed Acquisition, subject to obtaining Shareholder approval, the Company has agreed to issue:

- (a) 100,000,000 Shares (on a post-Consolidation basis), being the Consideration Shares; and
- (b) 50,000,000 New Options (on a post-Consolidation basis), being the Consideration Options,

to the Vendor (or its nominee) at settlement.

The key terms of the CMPL Agreement are summarised in Schedule 1.

The Vendor, KMM, currently holds 860,999,999 Shares (17,220,000 Shares on a post-Consolidation basis), representing a relevant interest in the Company of 13.73%.

Accordingly, the Vendor is deemed to be a “substantial 10%+ holder” in the Company for the purpose of Listing Rule 10.1. As the value of the consideration for the 50% interest in CMPL to be acquired under the Proposed Acquisition

exceeds 5% of the equity interests of the Company, Shareholder approval for the acquisition of the 50% interest in CMPL from the Vendor is required for the purpose of Listing Rule 10.1. This approval is sought pursuant to Resolution 13.

As set out in Section 1.9, the Consideration Shares and the Consideration Options will be subject to ASX mandatory escrow for a period of 12 months commencing on the date on which the restricted securities are issued.

The Vendor will be required to enter into a restriction deed on terms satisfactory to ASX prior to issue of the Consideration Shares and the Consideration Options to the Vendor pursuant to the Proposed Acquisition.

## **14.2 Independent Expert's Report**

Listing Rule 10.5.10 requires a notice of meeting containing a resolution to approve a transaction under Listing Rule 10.1 to include a report on the transaction from an independent expert.

In addition, ASIC Regulatory Guide 74 also requires a notice of meeting containing a resolution seeking shareholder approval for the purposes of section 611 item 7 of the Corporations Act to include a report on the transaction from an independent expert or the directors.

The Independent Expert's Report accompanying this Notice sets out a detailed independent examination of the Proposed Acquisition to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 13. The Independent Expert has concluded that the Proposed Acquisition is **fair and reasonable** to the non-associated Shareholders.

The non-associated Shareholders for the purpose of Resolution 13 are all Shareholders other than the Vendor, KMM.

Shareholders are urged to carefully read the Independent Expert's Report in its entirety to understand its scope, the methodology of the valuation and the sources of information and assumptions made. The Independent Expert's Report is also available on the Company's website [www.blinaminerals.com.au](http://www.blinaminerals.com.au). If requested by a Shareholder, the Company will send to the Shareholder a hard copy of the Independent Expert's Report at no cost.

## **14.3 Listing Rule 10.1**

The Company is proposing to acquire the remaining 50% interest in the issued share capital of CMPL from the Vendor under the Proposed Acquisition.

Listing Rule 10.1 provides that a listed entity must not acquire or agree to acquire a substantial asset from, or dispose of or agree to dispose of a substantial asset to:

- 10.1.1 a related party;
- 10.1.2 a child entity;
- 10.1.3 a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the entity;
- 10.1.4 an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3; or
- 10.1.5 a person whose relationship to the entity or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by shareholders,

unless it obtains the approval of its shareholders.

The Proposed Acquisition falls within Listing Rule 10.1 given that:

- (a) the Vendor holds a relevant interest in the Company of 13.73% as at the date of this Notice and is therefore deemed a substantial (10%+) holder in the Company; and
- (b) the value of the consideration for the 50% interest in CMPL to be acquired under the Proposed Acquisition exceeds 5% of the equity interests of the Company and is therefore deemed a substantial asset.

Accordingly, the Proposed Acquisition requires Shareholder approval under Listing Rule 10.1.

#### **14.4 Technical Information required by Listing Rule 14.1A**

If Resolution 13 is passed, the Company will be able to proceed with the Proposed Acquisition.

If Resolution 13 is not passed, the Proposed Acquisition will not proceed.

#### **14.5 Technical Information required by Listing Rule 10.5**

Pursuant to and in accordance with Listing Rule 10.5, the following information is provided in relation to Resolution 13:

- (a) the Company is acquiring the substantial asset from the Vendor;
- (b) the Vendor holds a relevant interest in the Company of 13.73% as at the date of this Notice. Accordingly, the Vendor is deemed to be a substantial (10%+) holder in the Company and falls within the category of persons in Listing Rule 10.1.3;
- (c) the asset being acquired by the Company from the Vendor is 50% of the fully paid ordinary shares in the capital of CMPL. As set out in Section 1.4 above, the Company already holds the other 50% of the fully paid ordinary shares in the capital of CMPL;
- (d) in consideration for the acquisition, the Company is to issue the Vendor (or its nominee):
  - (i) 100,000,000 Shares (on a post-Consolidation basis), being the Consideration Shares; and

- (ii) 50,000,000 New Options (on a post-Consolidation basis), being the Consideration Options;
- (e) the consideration for the acquisition will be satisfied by the issue of Securities as set out at Section 14.5(d) above. Accordingly, no cash payment will need to be funded to complete the Proposed Acquisition. The Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Consideration Options will be issued on the terms and conditions set out in Schedule 2;
- (f) it is intended that the Proposed Acquisition will be completed in accordance with the timetable set out at Section 1.4;
- (g) the acquisition will occur pursuant to the CMPL Agreement. The key terms of the CMPL Agreement are summarised in Schedule 1;
- (h) a voting exclusion statement is included for Resolution 13; and
- (i) the Independent Expert's Report is attached to this Notice at Annexure A.

#### **14.6 Board recommendation**

The Board considers that the Proposed Acquisition is in the best interests of Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 13.

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### **15. RESOLUTION 14 – APPROVAL FOR THE VENDOR TO INCREASE ITS RELEVANT INTEREST IN THE COMPANY**

#### **15.1 General**

As outlined in Section 1.4 above, in consideration for the Proposed Acquisition, subject to obtaining Shareholder approval, the Company has agreed to issue:

- (a) 100,000,000 Shares (on a post-Consolidation basis), being the Consideration Shares; and
- (b) 50,000,000 New Options (on a post-Consolidation basis), being the Consideration Options,

to the Vendor (or its nominee) at settlement.

In addition, it is intended that the Vendor (or its nominee) may also participate in the Capital Raising, the Options Placement and the SPP on the following basis:

- (a) up to a maximum of \$100,000 under the Capital Raising (10,000,000 Shares together with 5,000,000 free attaching New Options (on a post-Consolidation basis));
- (b) up to a maximum of \$80,000 under the Options Placement (80,000,000 New Options (on a post-Consolidation basis)); and
- (c) up to a maximum of \$30,000 under the SPP (3,000,000 Shares together with 1,500,000 free attaching New Options (on a post-Consolidation basis)).

At the date of this Notice, the Vendor, KMM, currently holds a direct interest in 860,999,999 Shares (being, 17,220,000 Shares on a post-Consolidation basis), representing a relevant interest in the Company of 13.73%.

By virtue of:

- (a) the Company issuing the 100,000,000 Consideration Shares (on a post-Consolidation basis) and the 50,000,000 Consideration Options (on a post-Consolidation basis) to the Vendor (or its nominee) as consideration for the Proposed Acquisition;
- (b) the Company issuing 10,000,000 Shares (on a post-Consolidation basis) and 5,000,000 New Options (on a post-Consolidation basis) to the Vendor (or its nominee) where the Vendor (or its nominee) participates in the Capital Raising for the maximum of \$100,000;
- (c) the Company issuing 80,000,000 New Options (on a post-Consolidation basis) to the Vendor (or its nominee) where the Vendor (or its nominee) participates in the Options Placement for the maximum of \$80,000; and
- (d) the Company issuing 3,000,000 Shares (on a post-Consolidation basis) and 1,500,000 New Options (on a post-Consolidation basis) to the Vendor (or its nominee) where the Vendor (or its nominee) participates in the SPP for the maximum of \$30,000,

the voting power in the Company of the Vendor (and its associates) may increase from 13.73% up to a maximum of 46.00% at Completion (assuming that the Capital Raising and the Options Placement are fully subscribed and that only the Vendor (or its nominee) participates in the SPP).

Resolution 14 seeks Shareholder approval for the purposes of section 611 item 7 of the Corporations Act to permit the voting power in the Company of the Vendor (and its associates) to increase from 13.73% up to a maximum of 46.00%.

## 15.2 Item 7 of section 611 of the Corporations Act

### (a) Section 606 of the Corporations Act – Statutory Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%.

(the **Prohibition**).

### (b) Voting Power

The voting power of a person in a body corporate is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

(c) **Associates**

For the purposes of determining voting power under the Corporations Act, a person (**second person**) is an “associate” of the other person (**first person**) if:

- (i) pursuant to section 12(2) of the Corporations Act, the first person is a body corporate and the second person is:
  - (A) a body corporate the first person controls;
  - (B) a body corporate that controls the first person; or
  - (C) a body corporate that is controlled by an entity that controls the first person;
- (ii) the second person has entered or proposed to enter into a relevant agreement with the first person for the purpose of controlling or influencing the composition of the company's board or the conduct of the company's affairs; or
- (iii) the second person is a person with whom the first person is acting, or proposed to act, in concert in relation to the company's affairs.

Associates are, therefore, determined as a matter of fact. For example, where a person controls or influences the board or the conduct of a company's business affairs or acts in concert with a person in relation to the entity's business affairs.

(d) **Associates of the Vendor**

The Vendor is an entity ultimately controlled by James John Del Piano and its issued capital is held by James John Del Piano (66.67%) and Coniston Pty Ltd (33.33%). Coniston Pty Ltd is also an entity ultimately controlled by James John Del Piano (100%).

In view of the above, the deemed associates of the Vendor and the nature of the association is summarised below:

Entity	Associate	Reason for association
The Vendor	Coniston Pty Ltd	KMM and Coniston Pty Ltd are both ultimately controlled by the same person.
The Vendor	James John Del Piano	Mr Del Piano controls KMM.

No associates of the Vendor currently have or will have a direct interest in the Company at Completion.

(e) **Relevant Interests**

Section 608(1) of the Corporations Act provides that a person has a relevant interest in securities if they:

- (i) are the holder of the securities;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or

- (iii) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that a person has a relevant interest in securities that any of the following has:

- (i) a body corporate in which the person's voting power is above 20%;
- (ii) a body corporate that the person controls.

### 15.3 Relevant interest and voting power of the Vendor (and its associates)

#### (a) Relevant interest and voting power at the date of this Notice

At the date of this Notice, the Vendor (and its associates) hold a relevant interest in Securities and resulting voting power in the Company as set out in the table below (on a pre-Consolidation basis):

Entity	Capacity	Shares	Options	Voting Power <sup>1</sup>
Kalgoorlie Mine Management Pty Ltd (the Vendor)	Legal and beneficial holder	860,999,999	Nil	13.73%
<b>Total</b>	-	<b>860,999,999</b>	<b>Nil</b>	<b>13.73%</b>

**Notes:**

1. Based on a total issued share capital of 6,268,771,455 Shares (on a pre-Consolidation basis), being the total number of Shares on issue at the date of this Notice. It is assumed that no existing Options are exercised.

#### (b) Relevant interest and voting power following Completion

##### **At Completion**

At Completion (on the basis that all Essential Resolutions are passed and that the Capital Raising, the Options Placement and the SPP are fully subscribed), the Vendor (and its associates) will hold a relevant interest in Securities and resulting voting power in the Company as set out in the table below (on a post-Consolidation basis):

Entity	Capacity	Shares	Options	Voting Power <sup>1</sup>
Kalgoorlie Mine Management Pty Ltd (the Vendor) <sup>2</sup>	Legal and beneficial holder	130,220,000	136,500,000	27.98%
<b>Total</b>	-	<b>130,220,000</b>	<b>136,500,000</b>	<b>27.98%</b>

**Notes:**

1. Based on a total issued share capital of 465,375,429 Shares (on a post-Consolidation basis). It is assumed that no existing Options or New Options to be issued as contemplated by this Notice are exercised.

- The interest in Securities set out in the table above assumes that the Vendor (or its nominee) is issued 100,000,000 Consideration Shares and 50,000,000 Consideration Options pursuant to the Proposed Acquisition and that the Vendor (or its nominee) subscribes for \$100,000 under the Capital Raising, \$80,000 under the Options Placement and \$30,000 under the SPP.

However, if at Completion (on the basis that all Essential Resolutions are passed and that the Capital Raising and the Options Placement are fully subscribed and that only the Vendor (or its nominee) participates in the SPP), the Vendor (and its associates) will hold a relevant interest in Securities and resulting voting power in the Company as set out in the table below (on a post-Consolidation basis):

Entity	Capacity	Shares	Options	Voting Power <sup>1</sup>
Kalgoorlie Mine Management Pty Ltd (the Vendor) <sup>2</sup>	Legal and beneficial holder	130,220,000	136,500,000	29.37%
<b>Total</b>	-	<b>130,220,000</b>	<b>136,500,000</b>	<b>29.37%</b>

**Notes:**

- Based on a total issued share capital of 443,375,429 Shares (on a post-Consolidation basis). It is assumed that no existing Options or New Options to be issued as contemplated by this Notice are exercised.
- The interest in Securities set out in the table above assumes that the Vendor (or its nominee) is issued 100,000,000 Consideration Shares and 50,000,000 Consideration Options pursuant to the Proposed Acquisition and that the Vendor (or its nominee) subscribes for \$100,000 under the Capital Raising, \$80,000 under the Options Placement and \$30,000 under the SPP.

**Following Completion (where the Vendor (or its nominee) exercises Options)**

In addition to the above, where following Completion (on the basis that all Essential Resolutions are passed and that the Capital Raising, the Options Placement and the SPP are fully subscribed), where the Vendor (or its nominee) subsequently exercises all Consideration Options and all New Options issued to it (or its nominee) under the Capital Raising, the Options Placement and the SPP, the Vendor (and its associates) will hold a relevant interest in Securities and resulting voting power in the Company as set out in the table below (on a post-Consolidation basis):

Entity	Capacity	Shares	Options	Voting Power <sup>1</sup>
Kalgoorlie Mine Management Pty Ltd (the Vendor) <sup>2</sup>	Legal and beneficial holder	266,720,000	Nil	44.31%
<b>Total</b>	-	<b>266,720,000</b>	<b>Nil</b>	<b>44.31%</b>

**Notes:**

- Based on a total issued share capital of 601,875,429 Shares (on a post-Consolidation basis). It is assumed that no existing Options or New Options to be issued as contemplated by this Notice are exercised, other than those New Options issued to the Vendor (and any nominees) as set out in Note 2 below.
- The interest in Securities set out in the table above assumes that the Vendor (or its nominee) is issued 100,000,000 Consideration Shares and 50,000,000

Consideration Options pursuant to the Proposed Acquisition and that the Vendor (or its nominee) subscribes for \$100,000 under the Capital Raising, \$80,000 under the Options Placement and \$30,000 under the SPP and that all New Options issued to the Vendor (and any nominees) are subsequently exercised by the Vendor (and any nominees).

Further, where following Completion (on the basis that all Essential Resolutions are passed and that the Capital Raising and the Options Placement are fully subscribed and that only the Vendor (or its nominee) participates in the SPP), where the Vendor (or its nominee) subsequently exercises all Consideration Options and all New Options issued to it (or its nominee) under the Capital Raising, the Options Placement and the SPP, the Vendor (and its associates) will hold a relevant interest in Securities and resulting voting power in the Company as set out in the table below (on a post-Consolidation basis):

Entity	Capacity	Shares	Options	Voting Power <sup>1</sup>
Kalgoorlie Mine Management Pty Ltd (the Vendor) <sup>2</sup>	Legal and beneficial holder	266,720,000	Nil	46.00%
<b>Total</b>	-	<b>266,720,000</b>	<b>Nil</b>	<b>46.00%</b>

**Notes:**

1. Based on a total issued share capital of 579,875,429 Shares (on a post-Consolidation basis). It is assumed that no existing Options or New Options to be issued as contemplated by this Notice are exercised, other than those New Options issued to the Vendor (and any nominees) as set out in Note 2 below.
2. The interest in Securities set out in the table above assumes that the Vendor (or its nominee) is issued 100,000,000 Consideration Shares and 50,000,000 Consideration Options pursuant to the Proposed Acquisition and that the Vendor (or its nominee) subscribes for \$100,000 under the Capital Raising, \$80,000 under the Options Placement and \$30,000 under the SPP and that all New Options issued to the Vendor (and any nominees) are subsequently exercised by the Vendor (and any nominees).

(c) **Summary of increases**

From a review of the tables set out above, it can be seen that the maximum relevant interest in Shares that the Vendor (and its associates) may acquire following Completion is in 266,720,000 Shares (assuming that the Vendor (and any nominees) exercises all New Options issued to it (and any nominees) as contemplated by this Notice) is 46.00%.

(d) **Assumptions**

The above calculations are based on the following assumptions:

- (i) the Company has 6,268,771,455 Shares (on a pre-Consolidation basis) on issue as at the date of this Notice, which equates to 125,375,429 Shares (on a post-Consolidation basis);
- (ii) the Company has 1,013,888,885 Options (on a pre-Consolidation basis) on issue as at the date of this Notice, which equates to 20,277,778 Options (on a post-Consolidation basis);
- (iii) the Consolidation is completed;

- (iv) the Company does not issue any other Securities prior to Completion other than as contemplated by this Notice;
- (v) no Options on issue are exercised prior to Completion;
- (vi) the issue of all Securities as contemplated by this Notice is completed, resulting in total Securities on issue of 465,375,429 Shares (on a post-Consolidation basis) and 377,777,778 Options (on a post-Consolidation basis), other than where expressly stated otherwise;
- (vii) the Vendor (or its nominee) participates in the Capital Raising for the maximum of \$100,000;
- (viii) the Vendor (or its nominee) participates in the Options Placement for the maximum of \$80,000;
- (ix) the Vendor (or its nominee) participates in the SPP for the maximum of \$30,000; and
- (x) the Vendor (and its associates) do not acquire any additional Securities other than as contemplated by this Notice.

In addition, any nominees of the Vendor are deemed to be associates of the Vendor.

#### **15.4 Reason section 611 approval is required**

Item 7 of section 611 of the Corporations Act provides an exception to the Prohibition (set out at Section 15.2(a)), whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

As set out at Section 15.1, the Vendor currently holds a relevant interest in the Company of 13.73%.

Following the issue of the Consideration Shares and the Consideration Options to the Vendor (or its nominee) and the Securities to be issued to the Vendor (or its nominee) as a result of participating in the Capital Raising for \$100,000, the Options Placement for \$80,000 and the SPP for \$30,000, at Completion the Vendor (and its associates) may acquire a relevant interest in up to 266,720,000 Shares (on a post-Consolidation basis) comprising:

- (a) 17,220,000 Shares, being the existing Shares held by the Vendor at the date of this Notice (stated on a post-Consolidation basis);
- (b) 150,000,000 Shares from the issue of the Consideration Shares and the Consideration Options and on the basis that the Consideration Options are exercised;
- (c) 15,000,000 Shares from participating in the Capital Raising for \$100,000 and on the basis that the 5,000,000 New Options are exercised;
- (d) 80,000,000 Shares from participating in the Options Placement for \$80,000 and on the basis that the 80,000,000 New Options are exercised; and
- (e) 4,500,000 Shares from participating in the SPP for \$30,000 and on the basis that the 1,500,000 New Options are exercised,

representing a voting power of approximately 46.00%.

The above assumes that:

- (a) all the Essential Resolutions are passed;
- (b) the Proposed Acquisition is completed;
- (c) the Capital Raising and the Options Placement are fully subscribed;
- (d) only the Vendor (or its nominee) participates in the SPP; and
- (e) no other Securities are issued or Options exercised.

Accordingly, Resolution 14 seeks Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes in order to permit the voting power in the Company of the Vendor (and its associates) to increase from 13.73% up to 46.00% by virtue of the Company issuing the Vendor (or its nominee):

- (a) 100,000,000 Consideration Shares and 50,000,000 Consideration Options pursuant to the Proposed Acquisition, and an additional 50,000,000 Shares where the Vendor (or its nominee) subsequently exercises the 50,000,000 Consideration Options (all on a post-Consolidation basis);
- (b) 10,000,000 Shares and 5,000,000 New Options as a result of the Vendor (or its nominee) participating in the Capital Raising for \$100,000, and an additional 5,000,000 Shares where the Vendor (or its nominee) subsequently exercises the 5,000,000 New Options (all on a post-Consolidation basis);
- (c) 80,000,000 New Options as a result of the Vendor (or its nominee) participating in the Options Placement for \$80,000, and an additional 80,000,000 Shares where the Vendor (or its nominee) subsequently exercises the 80,000,000 New Options (all on a post-Consolidation basis); and
- (d) 3,000,000 Shares and 1,500,000 New Options as a result of the Vendor (or its nominee) participating in the SPP for \$30,000, and an additional 1,500,000 Shares where the Vendor (or its nominee) subsequently exercises the 1,500,000 New Options (all on a post-Consolidation basis).

## **15.5 Prescribed information – Section 611 item 7 and ASIC Regulatory Guide 74**

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 for the purposes of obtaining approval pursuant to item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report prepared by Bentleys Corporate Finance (WA) Pty Ltd attached to this Notice at Annexure A.

### **(a) Identity of the acquirer and its associates**

It is proposed that the Vendor (or its nominee) will be issued a maximum of 100,000,000 Consideration Shares (on a post-Consolidation basis) and 50,000,000 Consideration Options (on a post-Consolidation basis) pursuant to the terms of the CMPL Agreement.

It is also proposed that the Vendor (or its nominee) will be issued up to 13,000,000 Shares (on a post-Consolidation basis) and 86,500,000 New Options (on a post-Consolidation basis) by virtue of the Vendor (or its nominee) participating in:

- (i) the Capital Raising for up to \$100,000;
- (ii) the Options Placement for up to \$80,000; and
- (iii) the SPP for up to \$30,000.

Details of the Vendor, Kalgoorlie Mine Management Pty Ltd, and its associates are set out at Section 15.2(d) above.

**(b) Relevant interest and voting power**

The effect on the relevant interest and voting power of the Vendor (and its associates) as a result of the proposed issue of the Consideration Shares and the Considerations Options to the Vendor (or its nominee) and the proposed participation of the Vendor (or its nominee) respectively in the Capital Raising, the Options Placement and the SPP is set out in detail in Section 15.3 above.

Further details on the voting power of the Vendor (and its associates) are set out in the Independent Expert's Report prepared by Bentleys Corporate Finance (WA) Pty Ltd and attached to this Notice at Annexure A.

**(c) Intentions of the Vendor**

Other than as disclosed elsewhere in this Explanatory Statement the Vendor (and its associates):

- (i) has no present intention of making any significant changes to the business of the Company, other than as contemplated by this Notice;
- (ii) has no present intention to inject further capital into the Company, other than as contemplated by this Notice;
- (iii) has no present intention to make any changes regarding the future employment of the present employees of the Company;
- (iv) does not intend to redeploy any fixed assets of the Company;
- (v) does not intend to transfer any assets or property between the Company and the Vendor (or its associates), other than as contemplated by this Notice; and
- (vi) has no intention to change the Company's existing policies in relation to financial matters or dividend distributions.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Vendor (and its associates) at the date of this Notice.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material

information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time. Accordingly, the statements set out above are statements of current intentions only.

(d) **Reasons for the proposed issue of Consideration Shares and Consideration Options and proposed issue of Securities under the Capital Raising, the Options Placement and the SPP**

As set out in Section 1.4 above, the Company proposes to issue the Consideration Shares and the Consideration Options to the Vendor (or its nominee) in consideration for the acquisition of the remaining 50% interest in the issued share capital of CMPL pursuant to the CMPL Agreement.

The purpose of the issue of the:

- (i) Shares and New Options under the Capital Raising is to raise up to \$2,150,000;
- (ii) New Options under the Options Placement is to raise up to \$187,500; and
- (iii) Shares and New Options under the SPP is to raise up to \$250,000,

in order to facilitate the Recapitalisation Strategy as outlined at Section 1.3.

The Vendor has indicated to the Company that it may wish to participate in the Capital Raising for up to \$100,000, the Options Placement for up to \$80,000 and the SPP for up to \$30,000 to provide financial support to the Company.

(e) **Date of proposed issue of Consideration Shares and Consideration Options and proposed issue of Securities under the Capital Raising, the Options Placement and the SPP**

The Consideration Shares and the Consideration Options will be issued to the Vendor (or its nominee) at settlement of the Proposed Acquisition, which is proposed to occur on or around 15 April 2021.

Any Securities to be issued to the Vendor (or its nominee) respectively under the Capital Raising, the Options Placement and the SPP will be issued subsequent to completion of those offers which is anticipated to occur on or around 8 April 2021, and otherwise at the time Securities are issued respectively to all other participants under those offers.

(f) **Material terms of proposed issue of Consideration Shares and Consideration Options and proposed issue of Securities under the Capital Raising, the Options Placement and the SPP**

The Consideration Shares and the Consideration Options will be issued to the Vendor (or its nominee) for nil cash consideration in consideration for the acquisition of the remaining 50% interest in the issued share capital of CMPL pursuant to the CMPL Agreement. Accordingly, no funds will be raised from the issue of the Consideration Shares or the

Consideration Options (other than in respect of funds received on exercise of the Consideration Options).

The key terms of the CMPL Agreement are summarised in Schedule 1.

As set out in Section 1.9, the Consideration Shares and the Consideration Options will be subject to ASX mandatory escrow for a period of 12 months commencing on the date on which the restricted securities are issued.

The Vendor will be required to enter into a restriction deed on terms satisfactory to ASX prior to issue of the Consideration Shares and the Consideration Options to the Vendor pursuant to the Proposed Acquisition.

Please refer to:

- (i) Section 10 (specifically, Section 10.3) for details of the Capital Raising and the terms and conditions of the Shares and the New Options to be issued under the Capital Raising;
- (ii) Section 11 (specifically, Section 11.3) for details of the Options Placement and the terms and conditions of the New Options to be issued under the Options Placement; and
- (iii) Section 12 (specifically, Section 12.3) for details of the SPP and the terms and conditions of the Shares and the New Options to be issued under the SPP.

(g) **Interests and recommendations of Directors**

The Directors recommend that Shareholders vote in favour of Resolution 14. In support of this recommendation, the Directors provide the following non-exhaustive list of reasons in addition to the advantages set out in Section 15.6:

- (i) completion of the Proposed Acquisition will provide the Company with 100% control over the Barkly Project which will allow the Company to control all operational and exploration aspects of the Barkly Project. In addition, full ownership of CMPL and its asset portfolio should provide more security to the Company and its Shareholders;
- (ii) completion of the Proposed Acquisition (together with the other ASX imposed conditions) will allow the Company to achieve reinstatement to official quotation on the ASX, which will provide the Company with improved access to capital markets and allow the Company to explore further opportunities;
- (iii) completion of the Proposed Acquisition (together with the other ASX imposed conditions) will allow the Company to achieve reinstatement to official quotation, which will facilitate providing a liquid market for the Shares; and
- (iv) the Vendor intends to support the Company moving forward and assist the Company in its future endeavours and assist with the necessary planning, preparation and execution of the exploration strategy at the Barkly Project.

The Board confirms that no Directors have a material personal interest in the outcome of this Resolution.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass this Resolution.

(h) **Capital Structure**

The Company's pro-forma capital structure at Completion is set out at Section 1.5, which shows the effect the transactions contemplated by Resolution 14 will have on the Company's capital structure.

**15.6 Advantages of the proposed issue of Consideration Shares and Consideration Options and proposed issue of Securities under the Capital Raising, the Options Placement and the SPP**

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 14:

- (a) the issue of the Consideration Shares and the Consideration Options to the Vendor (or its nominee) will complete the Company's obligations under the terms of the CMPL Agreement (in respect of the consideration payable to the Vendor for the Proposed Acquisition) and will not require renegotiation of the CMPL Agreement in this regard. **In addition, it is noted that the Company must complete the Proposed Acquisition as a condition to ASX lifting the Suspension to reinstate the Company's securities to official quotation on ASX as set out at Section 1.2;**
- (b) the Company will become the sole shareholder of CMPL, assuming settlement of the Proposed Acquisition occurs, which will provide the Company with 100% control over the Barkly Copper Gold project. On this point it is noted that by the Company acquiring 100% control of the project, this may accelerate project outcomes by improving the ability to raise capital (as currently there are effectively two companies, owning the same asset, competing for the required development capital) as well as providing management efficiencies, streamlining administration processes and eliminating ancillary costs in relation to the project;
- (c) Shareholders may be exposed to further debt and equity opportunities that the Company would not likely generate prior to the Proposed Acquisition completing;
- (d) completion of the Proposed Acquisition and the Capital Raising will enable the Company to achieve reinstatement to official quotation on the ASX; and
- (e) the Vendor intends to support the Company moving forward and assist the Company in its future endeavours and assist with the necessary planning, preparation and execution of the exploration strategy at the Barkly Project.

Bentleys Corporate Finance (WA) Pty Ltd, the Independent Expert, has concluded that the transactions contemplated by Resolution 14 are **FAIR AND**

**REASONABLE** to the non-associated Shareholders. A copy of the Independent Expert's Report is enclosed with this Notice at Annexure A.

### 15.7 **Disadvantages of the proposed issue of Consideration Shares and Consideration Options and proposed issue of Securities under the Capital Raising, the Options Placement and the SPP**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on proposed Resolution 14:

- (a) the issue of the Consideration Shares and the Consideration Options in addition to the Vendor's proposed participation in the Capital Raising, the Options Placement and the SPP will result in the voting power in the Company of the Vendor (and its associates) increasing from 13.73% up to potentially 46.00%, significantly diluting the voting power of other existing Shareholders. On this point, Shareholders are also referred to Section 1.8 in relation to dilutionary impacts. However, it is noted that the Company must complete the Proposed Acquisition as a condition to ASX lifting the Suspension to reinstate the Company's securities to official quotation on ASX as set out at Section 1.2;
- (b) there is no guarantee that the Company's Shares will not fall in value as a result of the proposed issue of Securities to the Vendor (or its nominee) both pursuant to the Proposed Acquisition and by virtue of the Vendor's participation in the Capital Raising, the Options Placement and the SPP; and
- (c) future outlays of funds by the Company may be required for its proposed business operations, which is not uncommon for junior exploration companies.

### 15.8 **Independent Expert's Report**

The Independent Expert's Report (a copy of which is attached as Annexure A to this Notice) assesses whether:

- (a) the issue of the Consideration Shares and the Consideration Options; and
- (b) the Vendor's proposed participation in the Capital Raising for up to \$100,000, the Options Placement for up to \$80,000 and the SPP for up to \$30,000,

and the resulting increase in the voting power in the Company of the Vendor (and its associates) as contemplated by Resolution 14 is fair and reasonable to the non-associated Shareholders of the Company.

The Independent Expert's Report concludes that the transactions contemplated by Resolution 14 are **fair and reasonable** to the non-associated Shareholders of the Company.

**Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation, the sources of information and assumptions made and the advantages and disadvantages of the Proposed Acquisition and the transactions contemplated by the proposed Resolution 14.**

#### **15.9 Board Recommendation**

The Board considers that:

- (a) the Proposed Acquisition is in the best interests of Shareholders; and
- (b) the participation in the Capital Raising, the Options Placement and the SPP by the Vendor as outlined above is reasonable as the Securities would be issued to the Vendor (or its nominee) on the same terms as the Securities issued to all other investors respectively participating in the Capital Raising, the Options Placement and the SPP.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 14.

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#### **16. RESOLUTION 15 – CHANGE OF COMPANY TYPE**

Resolution 15 seeks Shareholder approval for the Company to change its status from a public no liability company to a public company limited by shares.

Section 162 of the Corporations Act specifically provides that a public no liability company may change its status to a public company limited by shares if the members of the company pass a special resolution to that effect, provided that all the issued shares of the company are fully paid up. All of the issued shares of the Company are fully paid up.

The Directors are of the view that public companies limited by shares are the most common type of company listed on the ASX. The Directors believe that, in changing to a public company limited by shares, the Company's ability to raise capital and pursue its business objectives will be enhanced as a result of having a capital structure that is more readily understood by investors and their advisors.

In addition to only engaging in businesses related to mining, a principal difference between a no liability company and a company limited by shares is that a shareholder of a no liability company has no obligation to pay calls on their shares, although their shares are liable to be forfeited if they do not do so.

In contrast, a shareholder of a company limited by shares has a contractual obligation to pay any amount unpaid on their shares in the event of a call of the unpaid amount, and may be sued if they fail to pay such a call.

The Company does not have any partly paid shares on issue. The matter of payment for partly paid shares would only be of practical importance if you accepted an offer by the Company of partly paid shares in the future.

Current shareholders, all of whom hold fully paid shares, have no obligation to contribute further funds to the Company. If the Company did offer partly paid shares for subscription the maximum liability of the holders of such shares would be the amount unpaid on the share. The change from a no liability company to a company limited by shares will not affect the Company's existing property, rights or obligations.

If Resolution 15 is passed at the Meeting by the requisite majority, the Company will apply to ASIC to change the company type. In accordance with section 164 of the Corporations Act, ASIC is required to publish a notice in the Commonwealth Gazette that states that it intends to alter the details of the Company's registration one month after the notice has been published. Subject to an order made by a court or the Administrative Appeals Tribunal within that one month period, after that one month period has passed ASIC must alter the details of the company's registration to reflect the company's new type. The change of type takes effect when ASIC alters the details of the company's registration.

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## **17. RESOLUTION 16 – CHANGE OF COMPANY NAME**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 16 seeks the approval of Shareholders for the Company to change its name to "Tennant Minerals Limited".

The Board considers that the proposed change of name is a rebranding of the Company to more accurately reflect the future operations of the Company intended to take the Company to the next level of productivity and performance.

In addition, the change in legal element of the Company's name (from 'NL' to 'Limited') is a necessary consequence of passing Resolution 15 to change the company type from a public no liability company to a public company limited by shares. Only no liability companies may end their name with the abbreviation 'NL'.

The proposed name has been reserved by the Company with ASIC and if Resolution 16 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order to effect the change. The change of name will take effect when ASIC alters the details of the Company's registration.

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## **18. RESOLUTION 17 – REPLACEMENT OF CONSTITUTION**

### **18.1 Background**

The current Constitution was adopted by the Company as a public no liability company. However, changes are required to the Constitution in order for the Company to change its type from a public no liability company to a public company limited by shares as proposed pursuant to Resolution 15.

A company may modify or repeal its constitution or a provision of its constitution by special resolution of its shareholders.

Resolution 17 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type customary for a listed public company limited by shares.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution and many of the proposed changes are administrative or minor in nature. In addition to replacing the rules specific to public no liability companies with the necessary rules applicable to listed public companies limited by shares, the Proposed Constitution has also been modernised where appropriate.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders.

The Proposed Constitution also includes proportional takeover provisions (as are included in the current Constitution). The information the Corporations Act requires the Company to provide for adoption of the proportional takeover provisions is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website [www.blinaminerals.com.au](http://www.blinaminerals.com.au) and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 499 900 044). Shareholders are invited to contact the Company if they have any queries or concerns.

## **18.2 Partial (proportional) Takeover Provisions**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

### Information required by section 648G of the Corporations Act

#### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

#### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

#### *Knowledge of any acquisition proposals*

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

*Potential advantages and disadvantages of proportional takeover provisions*

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

*Recommendation of the Board*

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 17.

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## GLOSSARY

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**\$** means Australian dollars.

**7.1A Mandate** has the meaning given in Section 8.1.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ASIC** means the Australian Securities & Investments Commission.

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

**Board** means the current board of Directors of the Company.

**Business Day** 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.

**Capital Raising** has the meaning given to that term in Section 1.3.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**CMPL** means Colour Minerals Pty Ltd (ACN 130 340 457).

**CMPL Agreement** has the meaning given to that term in Section 1.4.

**Company** means Blina Minerals NL (ACN 086 471 007).

**Completion** means completion of both the Recapitalisation Strategy and the Proposed Acquisition.

**Consideration Options** has the meaning given to that term in Section 1.4.

**Consideration Shares** has the meaning given to that term in Section 1.4.

**Consolidation** has the meaning given to that term in Section 1.3.

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**JV Agreement** has the meaning given to that term in Section 1.4.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**KMM** or the **Vendor** means Kalgoorlie Mine Management Pty Ltd (ACN 009 235 625).

**Listing Rules** means the Listing Rules of ASX.

**New Option** means an Option issued on the terms and conditions set out in Schedule 2.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share, including a New Option.

**Optionholder** means a holder of an Option.

**Options Placement** has the meaning given to that term in Section 1.3.

**Outstanding Contribution** has the meaning given to that term in Schedule 1.

**Proposed Acquisition** has the meaning given to that term in Section 1.4.

**Proxy Form** means the proxy form accompanying the Notice.

**Recapitalisation Strategy** has the meaning given to that term in Section 1.3.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Securities** means Shares and/or Options, as the context requires.

**Services Agreement** has the meaning given to that term in Schedule 1.

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

**Shareholder** means a registered holder of a Share.

**SPP** has the meaning given to that term in Section 1.3.

**Standstill Agreement** has the meaning given to that term in Section 1.4.

**Suspension** has the meaning given to that term in Section 1.2.

**Underwriting Agreement** means the underwriting agreement entered into between Westar Capital Limited (ACN 009 372 838) (AFSL: 255789) and the Company in relation to the Capital Raising and the Options Placement as summarised at Schedule 3.

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

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

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## SCHEDULE 1 - KEY TERMS OF CMPL AGREEMENT AND STANDSTILL AGREEMENT

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### CMPL Agreement

The key terms of the CMPL Agreement pursuant to which the Company is to acquire the remaining 50% interest in the issued share capital of CMPL from the Vendor are as follows:

(a) **Conditions Precedent**

Settlement of the Proposed Acquisition is subject to a number of conditions precedent (**Conditions Precedent**), including but not limited to those set out below, being satisfied or waived (by mutual agreement of the Company and the Vendor in writing) on or prior to 30 May 2021:

- (i) the Company obtaining shareholder approval at a general meeting:
  - A. to undertake the Consolidation;
  - B. to undertake the Proposed Acquisition;
  - C. to undertake a capital raising of not less than \$2,150,000; and
  - D. of all other resolutions put to the general meeting of the Company at which the above items of business are considered.
- (ii) the parties, acting reasonably and in good faith, agreeing in writing that they are satisfied that the trading suspension of the Company's Shares on ASX will be lifted following settlement of the Proposed Acquisition.
- (iii) any monies owed by CMPL to the Vendor being repaid.
- (iv) the Company not being the subject of an insolvency event between the date of execution of the CMPL Agreement and the date the last of the other Conditions Precedent has been satisfied (or waived by the parties).

(b) **Consideration**

Subject to satisfaction or waiver of the Conditions Precedent, in consideration for acquiring the remaining 50% of the issued share capital of CMPL, the Company has agreed to issue 100,000,000 Shares (on a post-Consolidation basis) (**Consideration Shares**) and 50,000,000 New Options (on a post-Consolidation basis) (**Consideration Options**) to the Vendor (or its nominee) at settlement of the Proposed Acquisition.

The terms, including the expiry date, of the Consideration Options are to be the same as the New Options to be issued pursuant to the Capital Raising.

(c) **Settlement**

At settlement of the Proposed Acquisition, the Company must:

- (i) issue the Consideration Shares and the Consideration Options to the Vendor (or its nominee); and
- (ii) pay to the Vendor an amount equal to the bond monies of \$10,194 lodged by the Vendor with the Northern Territory Department of Primary

Industry and Resources (DPIR) in respect of the Barkly Copper-Gold project (the **Bond Amount**).

Upon satisfaction of payment of the Bond Amount, the Vendor must assist the Company to transfer the bond into the name of the Company.

### **Standstill Agreement**

The key terms of the Standstill Agreement pursuant to which the Company and the Vendor have agreed to a standstill and forbearance period are as follows:

#### **(a) Standstill and Forbearance**

During the standstill period, KMM agrees to forebear from undertaking certain actions to preserve the Company's interest in CMPL and its business, including not to demand or request any contribution or advance of funds or seek performance of any obligations of the Company, and the Company's interest in CMPL will not be subject to dilution.

#### **(b) Recapitalisation Strategy**

During the standstill period, the Company must perform all acts reasonably necessary to satisfy a number of recapitalisation conditions (**Recapitalisation Conditions**), including but not limited to those set out below, to implement the Recapitalisation Strategy:

- (i) the Company obtaining shareholder approval at a general meeting:
  - A. to undertake the Consolidation;
  - B. to undertake a capital raising to raise a minimum of \$2,150,000;
  - C. to undertake the Proposed Acquisition; and
  - D. of all other resolutions put to the general meeting of the Company at which the above items of business are considered.
- (ii) the Company completing the Consolidation.
- (iii) the Company completing the capital raising to raise a minimum of \$2,150,000.
- (iv) the Company not changing or restructuring its Board of Directors.
- (v) the Company entering into a services agreement pursuant to which KMM will be engaged to provide administrative, management, geological, engineering, metallurgical, secretarial and other services to the Company (the **Services Agreement**) a summary of which is provided below.

*Note: the Recapitalisation Conditions largely align with the Conditions Precedent to the CMPL Agreement summarised above.*

#### **(c) Management of CMPL and Joint Venture**

During the standstill period, KMM must:

- (i) manage and conduct the business and activities of CMPL in accordance with the JV Agreement;

- (ii) maintain the tenements of CMPL in full force and keep the tenements in good standing and free from any liability to forfeiture or non-renewal under the relevant Australian state-based mining legislation and applicable law;
- (iii) meet all outgoings in respect of the tenements of CMPL;
- (iv) observe and perform all stipulations and conditions relating to the tenements of CMPL (including, without limitation, expenditure conditions prescribed under the relevant Australian state-based mining legislation and applicable law) and all statutory obligations relating to activities on the tenements; and
- (v) do all things necessary to maintain the JV Agreement and the interests of the Company and KMM in CMPL and the tenements of CMPL.

(d) **Operation of Standstill**

The standstill period operates from the execution date (being, 21 January 2021) and will end on the earlier to occur of:

- (i) the date that is 5 days after the date the Recapitalisation Conditions are satisfied;
- (ii) the Company becoming subject of an insolvency event; and
- (iii) the date that is 4 months after the execution date.

In the event paragraph (d)(ii) above or paragraph (d)(iii) above occurs, then the standstill period will be deemed at an end and the Standstill Agreement will become void and have no effect. In this instance, KMM and CMPL may proceed to dilute the Company in relation to the Outstanding Contribution in accordance with the JV Agreement.

In the event paragraph (d)(i) above occurs, then the standstill period will be deemed at an end and the Company must, within 5 days of the end of the standstill period, pay to KMM the following:

- (i) \$34,842.50 (the **Outstanding Contribution**), being the amount of funding that the Company was called on to contribute pursuant to the JV Agreement on 4 August 2020;
- (ii) \$4,000, being for the further funding advance made by KMM to CMPL on 21 August 2020;
- (iii) the total of any costs and expenses incurred by KMM in performance of and satisfaction of its obligations to manage CMPL and the joint venture as set out under paragraph (c) above and any other monies owed by CMPL to KMM for work done by KMM pursuant to the budget approved for CMPL on 3 August 2020; and
- (iv) the Bond Amount, which is a settlement obligation of the Company under the CMPL Agreement.

## **Services Agreement**

The key terms of the Services Agreement pursuant to which the Company will engage KMM to provide administrative, management, geological, engineering, metallurgical, secretarial and other services to the Company are as follows:

(a) **Term**

The engagement will operate for a period of 5 years from the date of quotation of the securities of the Company on the ASX.

The engagement will continue to automatically extend for further 1 year periods following the end of the initial 5 year period on a rolling basis, unless the Company has provided KMM with written notice of termination in accordance with the terms of the agreement at least 3 months prior to the end of the relevant term.

(b) **Scope of Appointment**

KMM shall provide the services and shall assist in supervising and managing the Company's operations and activities subject always to KMM being provided with sufficient funds to perform its obligations and exercise its powers and discretions under the agreement and subject to the direction of the Board of Directors of the Company.

Subject to the direction of the Board of Directors of the Company, KMM shall:

- (i) assist in the general day to day operation and conduct of the Company's operations and activities;
- (ii) be entitled to possession, custody and control of the Company's assets and property on behalf of the Company.

(c) **Conduct of KMM**

KMM shall perform all of its duties and obligations under the agreement:

- (i) in good faith and with regard to the commercial interests of the Company;
- (ii) in a good, workmanlike and commercially reasonable manner with the standard of diligence and care normally employed by duly qualified and/or experienced persons in the performance of comparable work; and
- (iii) in accordance with generally accepted practices appropriate to the activities undertaken.

KMM is also bound by confidentiality provisions.

(d) **Authority of KMM**

KMM shall have the authority to act as agent for and on behalf of the Company, unless expressly agreed otherwise.

The authority of KMM with respect to the following matters shall be subject to the prior approval of the Company:

- (i) the disposal of any Company assets and property or group of assets of a value in excess of \$20,000;
- (ii) the acquisition of any Company assets and property of a value in excess of \$20,000; and
- (iii) the entry into any contract involving the expenditure in total of more than \$20,000.

(e) **Liability of KMM and Indemnity**

KMM shall be deemed to have been discharged from all liability in respect of the performance of its duties and exercise of its powers and discretions under the agreement, whether under the law of contract, tort or otherwise, at the expiration of the period of 3 months after KMM has ceased to be a service provider or 3 months after the date of termination of the agreement (whichever is sooner) and the Company and all persons claiming through or under the Company shall not be entitled to commence any action or claim whatsoever against KMM (or any personnel of KMM) in respect of the performance of such duties and exercise of such powers and discretions after such period.

In addition, KMM and its personnel shall not be liable to the Company or any person claiming through the Company, for any loss or damage of whatsoever nature, whether in contract or tort, unless the Company or the person claiming has commenced legal proceedings in respect of the matter, within 6 months of the occurrence of the alleged breach, action or omission.

KMM shall not be responsible for any costs, losses, claims, damages and liabilities suffered or done in the course of the discharge of KMM's duties or the exercise of its powers and discretions under the agreement except for all costs, losses, claims, damages and liabilities arising from the wilful misconduct, gross negligence or fraud of KMM or its personnel.

The Company shall:

- (i) at all times for a period of 7 years after the termination of the agreement indemnify and keep indemnified and save harmless KMM and its personnel from and against all costs, losses, damages, liabilities, actions, suits, claims or demands whatsoever incurred by or made against KMM or its personnel which may arise out of KMM and/or its personnel carrying out its duties or exercising its powers and discretions pursuant to the agreement; and
- (ii) at all times for a period of 7 years after the termination of the agreement indemnify and keep indemnified and save harmless KMM and its personnel from all actions, suits, demands, claims, costs, losses, damages and liabilities made against or incurred by KMM and/or its personnel in defending any proceeding whether civil or criminal (in which it is acquitted) which may arise out of KMM and/or its personnel carrying out its duties or exercising its powers and discretions pursuant to the agreement or in connection with any application in relation to any such proceedings, which relief is granted to KMM by a Court.

(f) **Duties of the Company**

The Company shall:

- (i) make available to KMM all information, documents and other particulars relating to the Company to enable KMM to perform its duties and exercise its powers and discretions under the agreement; and
- (ii) do and procure to be done all necessary acts and things to enable KMM and its personnel to enter upon the sites of the Company's operations and activities and such other lands, access to which is necessary (in the opinion of KMM) to enable KMM to perform its duties and exercise its powers and discretions under the agreement.

The Company shall at all times during the operation of the agreement co-operate and procure the co-operation of its officers, employees, agents, contractors and representatives with KMM.

(g) **Records and Accounts and Reports**

KMM shall:

- (i) keep true and accurate records and accounts of the expenditures made in relation to performance of its duties under the agreement and of all transactions entered into on behalf of the Company; and
- (ii) if required to do so by the Company within 25 days (or within such longer period as may be reasonable in the circumstances) after the end of each quarter furnish to the Company a written progress report summarising the performance of the Company's operations and activities during such quarter.

(h) **Chargeable Costs**

The Company shall indemnify and reimburse KMM each month for all costs, expenses, disbursements, outgoings of every kind and liabilities properly incurred and/or properly paid by KMM pursuant to the terms of the agreement and all valid charges raised by KMM pursuant to the agreement.

(i) **Service Fee**

In addition to any payment of chargeable costs, the Company shall pay to KMM by way of remuneration for its services during the term a minimum annual service fee of \$240,000 as and from the commencement date of the engagement, provided that on each one year anniversary of the commencement date of the engagement (**Review Date**) this minimum fee shall be reviewed so that the minimum fee to be paid from each Review Date shall be calculated by multiplying the minimum fee paid immediately preceding the relevant Review Date by a fraction obtained by dividing the Consumer Price Index (All groups for Perth) as determined immediately prior to the relevant Review Date by the Consumer Price Index (All groups for Perth) as determined immediately prior to 1<sup>st</sup> June 2020 or the previous Review Date (as the case may require).

(j) **Termination**

The Company may by notice in writing served on KMM terminate the agreement if:

- (i) KMM is wilfully and grossly in dereliction of its duties and obligations under the agreement provided that the Company shall before being entitled to terminate the agreement by way of the abovementioned written notice, give written notice to KMM of the precise nature of the wilful and gross dereliction of duty KMM is (in the opinion of the Company) guilty of and then only if KMM does not successfully refute such allegation or remedy such breach within a period of 30 days of receipt of such notice; or
- (ii) KMM goes into liquidation or has a receiver or administrator appointed to it.

KMM may terminate the agreement by notice in writing served on the Company, in the event that:

- (i) the Company is in breach of any provision of the agreement and has failed to remedy such breach within 14 days (or such longer period as KMM may allow) of being required in writing by KMM to do so; or
- (ii) KMM is unreasonably hindered or prohibited by the Company or its officers from carrying out its duties or exercising its powers and obligations under the agreement.

Upon termination of the agreement, the Company must pay to KMM:

- (iii) an amount calculated by multiplying the number of months (or parts thereof) during the period from the date of termination to the date of the expiration of the term (**Relevant Period**) by the average monthly fee paid or payable to KMM for the period of six calendar months prior to the date of termination (**Prior Six Month Period**); and
- (iv) an amount calculated by multiplying the Relevant Period by the amount being 15% of the average monthly chargeable costs paid or payable for the Prior Six Month Period.

Termination of the agreement for any reason shall be without prejudice to any liability of a party already incurred under the agreement arising from any prior act or omission of any such party, including, without limitation, settlement of account with KMM in respect of chargeable costs or fees payable by the Company.

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## SCHEDULE 2 - TERMS AND CONDITIONS OF NEW OPTIONS

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(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.03 (on a post-Consolidation basis) (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that 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 on or prior to 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) **Timing of issue of Shares on exercise**

Within five 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 (g)(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.

(h) **Shares issued on exercise**

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

(i) **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 Listing Rules at the time of the reconstruction.

(j) **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.

(k) **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.

(l) **Transferability**

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

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## SCHEDULE 3 – KEY TERMS OF UNDERWRITING AGREEMENT

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The key terms of the Underwriting Agreement pursuant to which the Company has appointed Westar Capital Limited (ACN 009 372 838) (AFSL: 255789) (**Underwriter**) to underwrite the Capital Raising and the Options Placement are as follows:

(a) **Engagement**

Subject to satisfaction of certain conditions precedent (including, without limitation, shareholder approval being obtained for the Recapitalisation Strategy and the Proposed Acquisition), the Underwriter agrees to underwrite:

- (i) the Capital Raising (215,000,000 Shares and 107,500,000 New Options); and
- (ii) the Options Placement (187,500,000 New Options),

(the **Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Underwritten Securities at its sole discretion.

In addition, the Underwriter has the sole right to nominate and determine who is to receive shortfall securities. However, no party will receive shortfall securities that would result in a voting power in the Company equal to or greater than 10%.

(b) **Fees**

The Company agrees to pay the Underwriter an underwriting fee of 6% (exclusive of GST) of the total gross proceeds raised under the Capital Raising and the Options Placement.

The Underwriter must pay all fees and commissions due to sub-underwriters to the offers.

The Company also agrees to pay and will indemnify and keep indemnified the Underwriter against, and in relation to, all costs and expenses of and incidental to the offers, including but not limited to:

- (i) the disbursements of the Underwriter (including legal fees); and
- (ii) all reasonable marketing and promotional expenditure related to the offers.

The Underwriter must obtain prior approval of the Company before incurring any expenses and disbursements in excess of \$1,000.

(c) **Termination Events**

The obligation of the Underwriter to underwrite the offers is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement (without cost or liability to it) if:

- (i) (**Share Price**): after the Consolidation takes effect, the share price of the Company trading on the ASX under the ASX code of "BDI" finishes trading for two consecutive days with a closing share price that is less than the issue price under the Capital Raising;

- (ii) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (iii) **(Offer Document)**: the Company does not lodge the offer document for the offers with ASIC on the agreed lodgement date or the offer document or the offers are withdrawn by the Company;
- (iv) **(Supplementary Offer Document)**:
  - (A) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence of a prescribed event, forms the view on reasonable grounds that a supplementary offer document should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary offer document in such form and content and within such time as the Underwriter may reasonably require; or
  - (B) the Company lodges a supplementary offer document without the prior written agreement of the Underwriter;
- (v) **(Non-compliance with disclosure requirements)**: it transpires that the offer document does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (B) the rights and liabilities attaching to the Underwritten Securities;
- (vi) **(Misleading Offer Document)**: it transpires that there is a statement in the offer document that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the offer document (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the offer document becomes misleading or deceptive or likely to mislead or deceive or if the issue of the offer document is or becomes misleading or deceptive or likely to mislead or deceive;
- (vii) **(Restriction on issue)**: the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (viii) **(ASIC or other prosecution)**: ASIC gives notice of any deficiency in the offer document or related documents or ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the offers of the Company;
- (ix) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are

unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;

- (x) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (xi) **(Authorisation)**: any authorisation which is material to anything referred to in the offer document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (xii) **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company or any of its subsidiaries;
- (xiii) **(Indictable offence)**: a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence; or
- (xiv) **(Termination Events)**: upon the occurrence of any of the following events:
  - (A) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (B) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (C) **(Contravention of constitution or Act)**: a contravention by the Company or any of its subsidiaries of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (D) **(Adverse change)**: an event occurs which gives rise to a prescribed material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or any of its subsidiaries;
  - (E) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results undertaken in relation to the offers was false, misleading or deceptive or that there was an omission from them;
  - (F) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;

- (G) (**Public statements**): without the prior approval of the Underwriter a public statement is made by the Company in relation to the offers;
- (H) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the offers or the affairs of the Company or any of its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;
- (I) (**Change in Act or policy**): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (J) (**Prescribed Occurrence**): a prescribed occurrence occurs as specified in the Underwriting Agreement;
- (K) (**Suspension of debt payments**): the Company suspends payment of its debts generally;
- (L) (**Judgment against a Relevant Company**): a judgment in an amount exceeding \$50,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
- (M) (**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or any of its subsidiaries, which have real prospects of resulting in a judgment against the Company or any of its subsidiaries exceeding \$100,000 other than any claims foreshadowed in the offer document;
- (N) (**Board and senior management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter;
- (O) (**Change in shareholdings**): there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company or any of its subsidiaries;
- (P) (**Timetable**): there is a delay in any specified date in the agreed timetable which is greater than 3 business days and the Underwriter has not given its prior written consent agreeing to a delay exceeding 3 business days;
- (Q) (**Force Majeure**): a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;

- (R) **(Certain resolutions passed)**: the Company or any of its subsidiaries passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (S) **(Capital Structure)**: the Company or any of its subsidiaries alters its capital structure in any manner not contemplated by the Consolidation or the offers;
- (T) **(Breach of Material Contracts)**: any of the material contracts of the Company is terminated or substantially modified;
- (U) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or any of its subsidiaries; or
- (V) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The *Termination Events* listed in paragraph (c)(xiv) above do not entitle the Underwriter to exercise its rights to terminate pursuant to those provisions unless it has or is likely to have, or those events together have, or could reasonably be expected to have, a material adverse effect (from the view point of an investor) or could give rise to a liability of the Underwriter under the Corporations Act.

The Underwriting Agreement contains indemnities, representations and warranties and undertakings by the Company to Westar.

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**ANNEXURE A - INDEPENDENT EXPERT'S REPORT**

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## Blina Minerals NL

Independent expert's report

Opinion: Fair and Reasonable

25 January 2021



 Advisors

 Accountants

 Auditors

## Financial Services Guide

### What is a Financial Services Guide?

This Financial Services Guide ('FSG') provides important information to assist you, as a retail client, in making a decision as to your use of the general financial product advice provided by Bentleys Corporate Finance (WA) Pty Ltd ABN 58 627 405 350 Australian Financial Services Licence No: 512495 ('us', 'our', 'we' or 'Bentleys Corporate Finance').

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;
- how we are remunerated;
- any relevant associations or relationships we have; and
- how complaints are being handled, our dispute resolution process and how you can access them.

### Financial services we are licensed to provide

Bentleys Corporate Finance holds an Australian Financial Services Licence which authorises us to provide general financial product advice in relation to securities to retail and wholesale clients. An authorised representative is authorised by Bentleys Corporate Finance to provide general financial product advice on Bentleys Corporate Finance's behalf.

### General financial product advice

We have been engaged by Blina Minerals NL ('Client') to provide general financial product advice in the form of an independent expert's report ('Report') in relation to the Company's proposed acquisition of the remaining 50% interest in Colour Minerals Pty Ltd ('CMPL') from Kalgoorlie Mine Management Pty Ltd ('KMM') and KMM's proposed participation in a capital raising, an options placement and a share purchase plan which may result in the voting interests of KMM and its associates, in the Client, increasing from 13.73% up to a maximum of 46.00%.

We have been engaged to provide this Report in connection with a financial product of another person/entity. Our Report includes details of the nature and circumstances of our engagement and the identity of the person/entity who has engaged us. Although you have not engaged us directly, a copy of the Report is provided to you as a retail client because of your connection to the Client either as a security holder or for other reasons for which you have been provided a copy of this Report. We are not acting for any person other than the Client.

Our Report contains only general financial product advice. We do not provide personal financial product advice. Accordingly, this advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs before you act on the general financial product advice contained in our Report.

### Remuneration and other benefits for our services

Bentleys Corporate Finance charges fees for preparing reports. These fees are agreed with and paid by the Client. Fees are agreed either on a fixed fee or time cost basis. In this case, we will receive a fee of approximately A\$23,000 (exclusive of GST) for preparing this Report. This fee is not contingent upon the success or otherwise of the proposed transaction.

Other than the fees referred to above, Bentleys Corporate Finance and its directors and officers, representatives, related entities, affiliates or associates will not receive any other fee or benefit in connection with the provision of

this Report. Our directors and officers, representatives and employees receive a salary, a performance bonus or profit share depending on their level of seniority.

## Referrals

We do not pay commissions or provide other benefits to anyone who refers prospective opportunities or clients to us in connection with this Report.

## Information about us and our relationships

Bentleys Corporate Finance is owned by Bentleys (WA) Pty Ltd, a professional firm which is an independent member of the Bentleys network of accountants and business advisers providing corporate finance and advisory, business advisory, accounting and auditing services ('Bentleys Network'). The Bentleys Network is a network of independent accounting firms located throughout Australia, New Zealand and China that trade as 'Bentleys'. All members of the Bentleys Network are affiliated only and are separate legal entities. The members are not in partnership, nor are they part of a worldwide partnership.

The members of the Bentleys Network do not accept responsibility or liability for the actions or inactions of any member firm of the Bentleys Network. This Report has been prepared by Bentleys Corporate Finance and is the responsibility of Bentleys Corporate Finance. The liability of Bentleys Corporate Finance, if any, is limited to the contents of this Report.

Entities of the Bentleys Network may have provided, and may continue to provide, a range of tax, audit and advisory services to the Client and receive fees for those services. Over the past two years, Bentleys (WA) Pty Ltd, a related entity of Bentleys Corporate Finance, received fees of A\$3,000 plus GST for tax compliance work undertaken for the Client.

## Complaints and dispute resolution

If you have any concerns regarding our report or service, please contact us. As a holder of an Australian Financial Services Licence, we are required to have a complaints handling system for persons whom we provide general financial product advice. Our complaints handling process is designed to respond to your concerns promptly and equitably.

Our contact details are:

Complaints Officer  
Bentleys WA  
PO Box 7775  
Cloisters Square WA 6000  
Phone: (08) 9226 4500

If you are not satisfied with how we respond to your complaint, you may contact the Australian Financial Complaints Authority ('AFCA'). Bentleys Corporate Finance is a member of AFCA. AFCA is an external dispute resolution scheme that provides an alternative avenue for the investigation of complaints lodged against financial services providers who provide services to retail and small business clients.

The contact details for AFCA are:

GPO Box 3, Melbourne, Victoria, 3001  
Phone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)

25 January 2021

The Independent Directors  
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Dear Directors

## Independent Expert's Report

### Introduction

Blina Minerals NL, formerly Blina Diamonds NL, ('Blina' or 'the Company') is an Australian mineral resource exploration company listed on the Australian Securities Exchange ('ASX'). The Company holds a 50% interest in Colour Minerals Pty Ltd that owns the Barkly Copper Gold asset portfolio, a high-grade gold-copper project located in the Northern Territory, Australia, acquired in September 2019 ('Barkly-Babbler Project').

Blina was suspended from official quotation on the ASX on 18 March 2020 pursuant to ASX Listing Rule 12.2 which related to the financial condition of the Company. The Company is pursuing a recapitalisation plan to improve its financial position and to strengthen its balance sheet to enable it to be reinstated to official quotation on the ASX.

The Company is also proposing to acquire the remaining 50% interest in Colour Minerals Pty Ltd ('CMPL') from Kalgoorlie Mine Management Pty Ltd ('KMM') ('the Acquisition Transaction'). To this end, Blina has reached an agreement with KMM regarding the proposed acquisition. The Acquisition Transaction will enable the Company to increase its interest and operational control over its portfolio of projects and expand its business as a junior exploration company.

To further explore and develop the Barkly-Babbler Project, it is proposed that Blina will fund total expenditure of a minimum of \$500,000 in direct in-ground exploration over the 12-month period following the completion of the Acquisition Transaction.

The consideration for the Acquisition Transaction is the issue of 100 million shares in Blina and the issue of 50 million options each with an exercise price of \$0.03 and an expiry date of 3 years from the date of issue (all on a post-consolidation basis).

The Acquisition Transaction is subject to shareholders' approval under ASX Listing Rule 10.1 of Chapter 10 'Transactions with persons in a position of influence' as it involves the acquisition of a substantial asset from KMM which is a substantial shareholder holding 13.73% of Blina. This approval is sought under Resolution 13 of the Notice of Meeting.

The Acquisition Transaction also requires shareholders' approval under section 611 of the Corporations Act as KMM's voting interest in Blina will increase from 13.73% to above 20% as a result of the Acquisition Transaction. This approval is sought under Resolution 14 of the Notice of Meeting.

In addition, the Acquisition Transaction is conditional on shareholders approving KMM's proposed participation in a capital raising for up to \$100,000, an options placement for up to \$80,000 and a share purchase plan for up to \$30,000 ('KMM's Participation').

KMM's Participation in conjunction with the Acquisition Transaction requires shareholders' approval under section 611 of the Corporations Act as KMM's voting interest in Blina will increase further with KMM's Participation. KMM's voting interest in Blina will be above 20% as a result of KMM's Participation as well as the Acquisition Transaction. This approval is also sought under Resolution 14 of the Notice of Meeting.

The Acquisition Transaction and KMM's Participation will be referred to and analysed together as the 'Proposed Transaction'.

Bentleys Corporate Finance (WA) Pty Ltd ('us', 'our', 'we' or 'Bentleys Corporate Finance') has prepared an independent expert's report ('this Report') to provide an opinion on whether the Acquisition Transaction, which involves an acquisition of a substantial asset from KMM, being a substantial holder in Blina, is fair and reasonable to the non-associated shareholders of Blina ('Shareholders').

This Report also provides an opinion on whether the Proposed Transaction, which may result in the voting interests of KMM and its associates, in Blina, increasing from 13.73% up to a maximum of 46.00%, is fair and reasonable to Shareholders.

This Report is to be included in the notice of meeting and explanatory memorandum ('Notice of Meeting'), which will be distributed to the shareholders of the Company, to assist the non-associated shareholders of the Company in their decision whether or not to approve the Acquisition Transaction and the Proposed Transaction.

All dollar amounts are in Australian dollars ('A\$', '\$' or 'AUD') unless otherwise indicated.

## Purpose of this Report

### ASX Listing Rule 10.1

ASX Listing Rule 10.1 states that an entity must ensure that neither it, nor its child entities, acquires or agrees to acquire a substantial asset from, or disposes of or agrees to dispose of a substantial asset to a related party or a substantial holder without obtaining its shareholders' approval, unless any of the exceptions in ASX Listing Rule 10.3 apply. A substantial asset is 5% or more of the equity interests of the Company at the date of the last audited accounts.

The requirement of an independent expert to report on the transaction is stated under ASX Listing Rule 10.5.10. The report provided by the independent expert is required to state the expert's opinion as to whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not be disregarded.

This Report is prepared pursuant to the requirements of ASX Listing Rule 10.1 and in accordance with the guidance of Australian Securities and Investments Commission's ('ASIC') Regulatory Guide 111 Content of expert report ('RG 111'), Regulatory Guide 112 Independence of experts ('RG 112') and Regulatory Guide 76 Related party transactions ('RG 76').

### Section 611 of the Corporations Act

Section 606 of the Corporations Act prohibits any person to acquire an interest, in an Australian public company, from below 20% to above 20% or from above 20% to under 90% without triggering a compulsory takeover offer.

Item 7 of section 611 of the Corporations Act provides an exemption to this prohibition if the transaction is approved by shareholders in a general meeting.

RG 74 does not mandate for an independent expert's report to be provided if the directors have sufficient expertise, experience and resources to prepare a detailed report on the proposed transaction to satisfy the obligation to disclose all material information on how to vote on the item 7 resolution (which should comply with RG 111). The directors of Blina have decided to voluntarily commission an independent expert's report to satisfy this disclosure obligation.

The report provided by the independent expert is required to state the expert's opinion as to whether the transaction is fair and reasonable to holders of the entity's ordinary securities whose votes are not be disregarded.

This Report is prepared in accordance with the guidance of ASIC's Regulatory Guide 111 Content of expert report (RG 111), Regulatory Guide 112 Independence of experts (RG 112) and Regulatory Guide 74 Acquisitions approved by members ('RG 74').

## Basis of assessment

### ASX Listing Rule 10.1

RG 111 provides guidance to experts on how to draft an expert report that satisfies the requirements of the Corporations Act. Whilst RG 111 focuses on reports prepared for transactions under Chapters 2E, 5, 6 and 6A of the Corporations Act, whether they are required by the Corporations Act or are commissioned voluntarily, the principles may also be relevant to independent expert reports commissioned for other purposes, including independent expert reports required under the ASX Listing Rules.

Paragraphs RG 111.52 to RG 111.63 of RG 111 provide guidance on related party transactions under Chapter 2E of the Corporations Act or for a transaction with a person in a position of influence that requires member approval under ASX Listing Rule 10.

The regulatory guide states that when analysing related party transactions, an expert needs to focus on the substance of the related party transaction rather than the legal mechanism. In analysing a related party transaction, the expert is required to express an opinion on whether the transaction is 'fair and reasonable' from the perspective of non-associated members. This analysis is specifically required where the report is also intended to accompany meeting materials for member approval of an asset acquisition or disposal under ASX Listing Rule 10.1.

RG 111.56 states that, where an expert assesses whether a related party transaction is 'fair and reasonable', this should not be applied as a composite test. There should be a separate assessment of whether the transaction is 'fair' and 'reasonable'.

A proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

A proposed related party transaction is 'reasonable' if it is 'fair' but it might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons for members to vote for the proposal.

### Section 611 of the Corporations Act

RG 111 provides guidance to experts on how to draft an expert report that satisfies the requirements of the Corporations Act. Paragraphs RG 111.24 to RG 111.28 provide guidance on control transactions to be approved under item 7 of section 611 of the Corporations Act.

A control transaction, when a person acquires, or increases, a controlling stake in a company can be achieved by a number of different legal mechanisms. The regulatory guide states that when analysing control transactions, an expert needs to focus on the substance of the control transaction rather than the legal mechanism used to effect it.

Accordingly, paragraphs RG 111.24 and RG 11.25 state that, where share issues to be approved under item 7 of section 611 of the Corporations Act are comparable to takeover bids under Chapter 6 of the Corporations Act, the expert should apply the analysis outlined in RG 111.10 to RG 111.17 as if it was a takeover bid under Chapter 6. However, references to the 'bidder' and the 'target' should be taken to mean the 'allottee' and 'company' respectively.

In analysing a control transaction as if it was a takeover bid under Chapter 6 of the Corporations Act, the expert is required to express an opinion on whether the offer is 'fair and reasonable' from the perspective of non-associated members. RG 111.10 states that the 'fair and reasonable' phrase is not regarded as a compound phrase. There should be a separate assessment of whether the transaction is 'fair' and 'reasonable'.

An offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities, the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Since this will be control transaction if assessed as if it was a takeover bid, the comparison should also be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash.

An offer is 'reasonable' if it is 'fair' but it might also be 'reasonable' if, despite being 'not fair', the expert believes there are sufficient reasons for security holders to approve the proposed transaction.

### Conduct of our assessment

RG 111.63 states that, generally, an expert need only conduct one analysis of whether the transaction is 'fair and reasonable', even if the report has been prepared for a reason other than the transaction being a related party transaction (e.g. if item 7 of s611 approval is also required).

However, for the benefit of Shareholders, we have conducted our analysis taking a stepped approach by first evaluating the Acquisition Transaction, then evaluating the Proposed Transaction.

We have assessed the Acquisition Transaction as being:

- 'fair' if the value per share of Blina after the Acquisition Transaction (on a minority basis) is equal to or greater than the value per share of Blina before the Acquisition Transaction (on a 100% basis); and
- 'reasonable' if it is fair, or despite not being fair, after considering other significant factors, we believe there are sufficient reasons for Shareholders to approve the Acquisition Transaction, in the absence of any alternative offers.

We have assessed the Proposed Transaction as being:

- ‘fair’ if the value per share of Blina after the Proposed Transaction (on a minority basis) is equal to or greater than the value per share of Blina before the Proposed Transaction (on a 100% basis); and
- ‘reasonable’ if it is fair, or despite not being fair, after considering other significant factors, we believe there are sufficient reasons for Shareholders to approve the Proposed Transaction, in the absence of any alternative offers.

This engagement is conducted in accordance with Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’ (‘APES 225’).

### Summary of opinion

In our opinion, the Acquisition Transaction is **fair and reasonable** to Shareholders in the absence of more superior alternative offers.

In our opinion, the Proposed Transaction is **fair and reasonable** to Shareholders in the absence of more superior alternative offers.

Notwithstanding that we provide a summary of our conclusion below, it should be noted that our opinion should be read in conjunction with this Report in its entirety.

### Fairness

We determined the value of a Blina share (on a 100% basis) **before** the Acquisition Transaction to be in the range of \$0.0046 per share to \$0.0116 per share with a **midpoint value of \$0.0081 per share**.

We determined the value of a Blina share (on a minority basis) **after** the Acquisition Transaction to be in the range of \$0.0054 per share to \$0.0124 per share with a **midpoint value of \$0.0088 per share**.

Since the value of a Blina share after the Acquisition Transaction (on a minority interest basis) is higher than the value of a Blina share **before** the Acquisition Transaction (on a controlling interest basis), we conclude that the Acquisition Transaction is **fair**.

The Company is seeking shareholders’ approval for the Proposed Transaction (which includes the Acquisition Transaction) and the proposed recapitalisation strategy as set out in Resolutions 7, 8, 9, 10, 13 and 14 in the Notice of Meeting (‘Essential Resolutions’). Each of the Essential Resolutions is conditional upon the approval by Shareholders of each of the other Essential Resolutions.

If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail and completion of the recapitalisation strategy and the Proposed Acquisition (including the Acquisition Transaction) will not occur. Therefore, we have also considered the analysis of KMM’s shareholding in Blina assuming all the Essential Resolutions are approved, including the Proposed Transaction.

We determined the value of a Blina share (on a minority basis) **after** the Proposed Transaction (including all the Essential Resolutions being passed) to be in the range of \$0.0072 per share to \$0.0109 per share with a **midpoint value of \$0.0090 per share**. On a fully diluted basis, the value is in the range of \$0.0165 per share to \$0.0192 per share with a **midpoint value of \$0.0178 per share**.

Since the value of a Blina share after the Proposed Transaction (including all the Essential Resolutions being passed) (on a minority interest basis) is higher than the value of a Blina share before the Proposed Transaction (on a controlling interest basis), we also conclude that the Proposed Transaction is **fair** on both fully diluted and non-diluted bases.

### Reasonableness

We assessed that the Acquisition Transaction is reasonable because it is fair.

We assessed that the Proposed Transaction is also reasonable because it is fair.

We summarise the following significant factors which also provide sufficient reasons for Shareholders to approve the Acquisition Transaction and the Proposed Transaction in the absence of any alternative offers:

- ASX will lift the current suspension of the Company and reinstate trading in the Company's shares on ASX if the Acquisition Transaction and recapitalisation of the Company (under all the Essential Resolutions) are completed, and this would generate more opportunities for existing shareholders to trade shares creating value for the stock held.
- The Company will have 100% control over the Barkly-Babbler Project, providing more security to the Company and its shareholders as the Company would fully own the significant asset acquired. This may also open up further debt and equity opportunities for the Company, providing further value for the shares held.
- However, the Proposed Transaction will bring about dilution of the shareholding of existing shareholders from 86.27% to 71.59% (including new shareholders who will participate in the proposed recapitalisation strategy to be approved under the Essential Resolutions) or to 68.01% on a fully diluted basis.
- KMM may hold up to a maximum shareholding of 46.00% under a specific scenario where, in addition to the Acquisition Transaction, KMM participates in the capital raising for \$100,000, KMM participates in the options placement for \$80,000, only KMM participates in the proposed share purchase plan for \$30,000 (collectively to be approved under the Essential Resolutions) and if only KMM exercises its options (and no other options are exercised).
- There is also no guarantee that the Company's shares will not fall in value, nor that the Company will not require further funds to fund its business operations, after the implementation of the proposed recapitalisation and acquisition strategies; although this is not uncommon for junior exploration companies.

### Other matters

This Report has been prepared specifically for the non-associated shareholders of the Company, at the request of the directors of the Company, and we consent for this Report to be included in the Notice of Meeting which will be distributed to all shareholders of the Company. Apart from such use, this Report must not be used, whether wholly or in part, nor may any reference to them be included in or with, or attached to any document, statement or letter without our prior written consent which we may provide (conditionally or unconditionally) or withhold at our discretion.

This Report provides only general financial product advice and does not take into consideration the individual circumstances of Shareholders when making their decision whether or not to approve the Proposed Transaction, which is an individual matter. Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Shareholders should consult their

own professional advisers (financial advisers and/or tax advisers) when considering these matters and how they relate to their own individual circumstances.

Please refer to the Financial Services Guide provided by Bentleys Corporate Finance, which is included in this Report.

Yours faithfully

BENTLEYS CORPORATE FINANCE (WA) PTY LTD



Evelyn Tan  
Director



Chris Nicoloff  
Authorised Representative

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# 1 Background

## 1.1 The Proposed Transaction

Blina Minerals NL ('Blina' or 'the Company'), formerly Blina Diamonds NL, is an Australian mineral resource exploration company listed on the ASX. The Company holds a 50% interest in Colour Minerals Pty Ltd ('CMPL') that owns the Barkly Copper Gold asset portfolio, a high-grade gold-copper project located in the Northern Territory, Australia, acquired in September 2019 ('Barkly-Babbler Project').

Blina was suspended from official quotation on the ASX on 18 March 2020 pursuant to ASX Listing Rule 12.2 which related to the financial condition of the Company. The Company is pursuing a recapitalisation plan to improve its financial position and to strengthen its balance sheet to enable it to be reinstated to official quotation on the ASX.

Under the recapitalisation strategy, the Company proposes to undertake:

- a consolidation of its current issued capital on a 1-for-50 basis ('Consolidation');
- a capital raising of \$2.15 million by the placement of 215 million shares at an issue price of \$0.01 per share together with 1 free attaching new option (exercisable at \$0.03 each and expiring 3 years from the date of issue) for every 2 shares subscribed for ('Capital Raising'), all on a post Consolidation basis;
- a capital raising of \$187,500 by the placement of 187.5 million new options (exercisable at \$0.03 each and expiring 3 years from the date of issue) at an issue price of \$0.001 per new option ('Options Placement'), all on a post Consolidation basis; and
- a share purchase plan to raise \$250,000 by the issue of 25 million shares at an issue price of \$0.01 per share together with 1 free attaching new option (exercisable at \$0.03 each and expiring 3 years from the date of issue) for every 2 shares subscribed for ('Share Purchase Plan'), all on a post Consolidation basis.

All the above, which together form the recapitalisation strategy ('the Recapitalisation Strategy'), is subject to obtaining Shareholders' approval.

The Company is also proposing to acquire the remaining 50% interest in CMPL from KMM under a Share Sale Deed between Blina and KMM dated 21 January 2021 ('Share Sale Deed').

To further explore and develop the Barkly-Babbler Project, it is proposed that Blina will fund total expenditure of a minimum of \$500,000 in direct in-ground exploration over the 12-month period following the completion of the Acquisition Transaction.

The consideration for the Acquisition Transaction is the issue of 100 million shares in Blina and the issue of 50 million options each with an exercise price of \$0.03 and an expiry date 3 years from the date of issue (all on a post Consolidation basis).

The Acquisition Transaction will enable the Company to have an increased interest and operational control over its projects portfolio and expand its business as a junior exploration company.

Further disclosure of the agreed material terms of the Acquisition Transaction is provided in the Notice of Meeting.

KMM is also proposing to participate in the Capital Raising for up to \$100,000, the Options Placement for up to \$80,000 and the Share Purchase Plan for up to \$30,000.

Further details of the Proposed Transaction are provided in the Notice of Meeting.

## 1.2 Change in shareholding

The change in shareholding for Blina shareholders, following the Acquisition Transaction only, is shown in the table below. This analysis is conducted on a post Consolidation basis.

<b>Change in shareholding</b>		
Under the Acquisition Transaction	Number of shares	% shareholding
<b>Existing Blina shares</b>		
Shares held by existing Blina shareholders (excl KMM)	5,407,771,456	86.27%
Existing Blina shares held by KMM	860,999,999	13.73%
<b>Issued shares as at the date of our Report</b>	<b>6,268,771,455</b>	<b>100.00%</b>
<b>Shares to be issued under the Acquisition Transaction</b>		
Shares held by existing Blina shareholders (excluding KMM) post Consolidation	108,155,429	
Existing shares held by KMM post Consolidation	17,220,000	
Shares issued to KMM as consideration of Acquisition Transaction	100,000,000	
<b>Total number of shares in Blina after the Acquisition Transaction</b>	<b>225,375,429</b>	
<b>Options to be issued under the Acquisition Transaction</b>		
Options held by existing Blina optionholders (excluding KMM) post Consolidation	20,277,778	
Options issued to KMM as consideration of Acquisition Transaction	50,000,000	
<b>Total number of options in Blina after the Acquisition Transaction</b>	<b>70,277,778</b>	
<b>Total number of shares in Blina after the Acquisition Transaction (fully diluted)</b>	<b>295,653,207</b>	
<b>Shareholding following the Acquisition Transaction</b>		
Shares held by existing Blina shareholders (excl KMM)	108,155,429	47.99%
Shares to be held by KMM after the Acquisition Transaction	117,220,000	52.01%
<b>Total number of shares after the Acquisition Transaction</b>	<b>225,375,429</b>	<b>100.00%</b>
<b>Shareholding following the Acquisition Transaction (fully diluted)</b>		
Shares held by existing Blina shareholders with options exercised (excl KMM)	128,433,207	43.44%
Shares to be held by KMM after the Acquisition Transaction with options exercised	167,220,000	56.56%
<b>Total number of shares after the Acquisition Transaction (fully diluted)</b>	<b>295,653,207</b>	<b>100.00%</b>

Source: Company's share register, Share Sale Deed, Bentleys Corporate Finance's analysis

The above analysis shows that KMM is expected to increase its shareholding in Blina from 13.73% to 52.01% following the Acquisition Transaction; or to 56.56% on a fully diluted basis.

The Company is seeking shareholders' approval for the Proposed Transaction (which includes the Acquisition Transaction) and the Recapitalisation Strategy as set out in Resolutions 7, 8, 9, 10, 13 and 14 in the Notice of Meeting ('Essential Resolutions'). Each of the Essential Resolutions is conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail and completion of the Recapitalisation Strategy and the Proposed Transaction (including the Acquisition Transaction) will not occur. Therefore, we have also considered the analysis of KMM's shareholding in Blina assuming that all the Essential Resolutions are approved, including the Proposed Transaction.

Resolutions 11 and 12 in the Notice of Meeting relate to the approval for two of the Company's directors, Gino D'Anna and Matthew Driscoll respectively, to participate in the proposed Capital Raising for up to \$10,000 each. Whilst these are not one of the Essential Resolutions, we have also considered the proposed issue of shares to them as part of our analysis.

KMM is expected to increase its relevant interest in Blina through the Acquisition Transaction, its participation in the proposed Capital Raising, Options Placement and Share Purchase Plan, its collective participation being the Proposed Transaction.

An analysis of KMM's relevant interest in Blina following the Proposed Transaction can be summarised as follows:

Analysis of KMM's holdings	Number of shares / options
<b>Shares to be held by KMM</b>	
Existing shares held by KMM post Consolidation	17,220,000
Shares to be issued to KMM as consideration of the Acquisition Transaction	100,000,000
KMM's participation in the proposed Capital Raising	10,000,000
KMM's participation in the proposed Share Purchase Plan	3,000,000
	130,220,000
<b>Options to be held by KMM</b>	
Options to be issued to KMM as consideration of the Acquisition Transaction	50,000,000
KMM's participation in the proposed Capital Raising	5,000,000
KMM's participation in the proposed Options Placement	80,000,000
KMM's participation in the proposed Share Purchase Plan	1,500,000
	136,500,000

Source: Notice of Meeting, Bentleys Corporate Finance's analysis

The change in shareholding for Blina shareholders, following the proposed Consolidation, the Acquisition Transaction and Recapitalisation Strategy, is shown in the table below.

Change in shareholding	Number of shares	% shareholding
<b>Under the proposed Consolidation, Acquisition Transaction, Recapitalisation Strategy</b>		
<b>Existing Blina shares</b>		
Shares held by existing Blina shareholders (excl KMM)	5,407,771,456	86.27%
Existing Blina shares held by KMM	860,999,999	13.73%
<b>Issued shares as at the date of our Report</b>	<b>6,268,771,455</b>	<b>100.00%</b>
<b>Shares issued under the proposed Consolidation, Recapitalisation Strategy and Acquisition Transaction</b>		
Issued shares post consolidation on a 50-to-1 basis	125,375,429	
Placement of 215 million shares under the Capital Raising	215,000,000	
Issue of 25 million shares under Share Purchase Plan	25,000,000	
Shares issued to KMM as consideration of Acquisition Transaction	100,000,000	
<b>Total number of shares in Blina after all the above transactions</b>	<b>465,375,429</b>	
<b>Options to be issued under the proposed Consolidation, Recapitalisation Strategy and Proposed Transaction</b>		
Issued options post consolidation on a 50-to-1 basis	20,277,778	
1 free attaching option for every 2 shares issued under the Capital Raising	107,500,000	
Options Placement	187,500,000	
1 free attaching option for every 2 shares subscribed for in the Share Purchase Plan	12,500,000	
Options issued to KMM as consideration of Acquisition Transaction	50,000,000	
<b>Total number of options in Blina after all the above transactions</b>	<b>377,777,778</b>	
<b>Total number of shares in Blina after all the above transactions (fully diluted)</b>	<b>843,153,207</b>	

Source: Company's share register, Notice of Meeting, Bentleys Corporate Finance's analysis

KMM may hold 27.98% of Blina or 31.63% on a fully diluted basis following the Proposed Transaction, being the Acquisition Transaction and its participation in the Recapitalisation Strategy. This is analysed as follows.

Analysis of substantial shareholder interest	Number of shares	% shareholding
<b>Analysis of substantial shareholder interest</b>		
Existing Blina shares held by KMM	860,999,999	
Existing Blina shares held by KMM post Consolidation	17,220,000	
<b>Shareholding after the Proposed Transaction post Consolidation</b>		
Shares to be held by existing and new Blina shareholders (excl KMM and directors)	333,155,429	71.59%
Shares to be held by Gino D'Anna	1,000,000	0.21%
Shares to be held by Matthew Driscoll	1,000,000	0.21%
Shares to be held by KMM (as analysed above)	130,220,000	27.98%
<b>Total number of shares in Blina after the Proposed Transaction</b>	<b>465,375,429</b>	<b>100.00%</b>
<b>Analysis of substantial shareholder options on a fully diluted basis:</b>		
<b>Options held after the Proposed Transaction post Consolidation</b>		
Options to be held by existing and new Blina shareholders (excl KMM and directors)	240,277,778	63.60%
Options to be held by Gino D'Anna	500,000	0.13%
Options to be held by Matthew Driscoll	500,000	0.13%
Options to be held by KMM (as analysed above)	136,500,000	36.13%
<b>Total number of options in Blina after the Proposed Transaction</b>	<b>377,777,778</b>	<b>100.00%</b>
<b>Shareholding after the Proposed Transaction post Consolidation (fully diluted)</b>		
Shares to be held by existing and new Blina shareholders (excl KMM and directors)	573,433,207	68.01%
Shares to be held by Gino D'Anna	1,500,000	0.18%
Shares to be held by Matthew Driscoll	1,500,000	0.18%
Shares to be held by KMM	266,720,000	31.63%
<b>Total number of shares in Blina after the Proposed Transaction (fully diluted)</b>	<b>843,153,207</b>	<b>100.00%</b>

Source: Company's share register, Notice of Meeting, Bentleys Corporate Finance's analysis

To analyse the maximum shareholding that KMM may increase to, we evaluated two alternative scenarios where (i) only KMM options are exercised (and no other options are exercised) and (ii) where only KMM participates in the Share Purchase Plan for \$30,000 (in addition to only KMM options are exercised).

Analysis of KMM's maximum shareholding	<sup>1</sup> Number of shares / options	<sup>2</sup> Number of shares / options
<b>Maximum shareholding of KMM</b>		
Total shares held by KMM	130,220,000	130,220,000
Total options held by KMM (assumed to be exercised)	136,500,000	136,500,000
	266,720,000	266,720,000
<b>Shareholding</b>		
Total shares before any options are exercised	465,375,429	443,375,429
Options assumed to be exercised by KMM	136,500,000	136,500,000
	601,875,429	579,875,429
<b>Shareholding of KMM</b>	<b>44.31%</b>	<b>46.00%</b>

<sup>1</sup> Only KMM options are exercised

<sup>2</sup> Only KMM participates in the Share Purchase Plan (ie 22 million fewer shares to be issued under the Share Purchase Plan) and only KMM options are exercised

Source: Notice of Meeting, Bentleys Corporate Finance's analysis

KMM may hold up to a maximum of **46.00%** under a scenario where if only KMM participates in the Share Purchase Plan for \$30,000 and if only KMM options are exercised (and no other options are exercised).

## 2 Blina Minerals NL

### 2.1 The business

Blina was admitted to the official list of the ASX on 17 August 2004. The Company was formerly known as Blina Diamonds NL and changed its name to Blina Minerals NL in March 2011. The Company is a junior exploration company, primarily engaged in the exploration and development of its copper and gold projects based in Madagascar and Burkina Faso and more recently in the Northern Territory, Australia, through its 50% interest in CMPL, which owns the Barkly-Babbler Project.

On 18 March 2020, the Company was suspended from the ASX pursuant to ASX Listing Rule 12.2 which relates to the financial condition of the Company. The Company was actively engaged in discussions with ASX in relation to this and was in conversation with various parties to recapitalise the Company, which would assist in improving its financial position and strengthening the balance sheet, enabling the Company to be reinstated to official quotation on the ASX.

These discussions have culminated in the Acquisition Transaction and the Recapitalisation Strategy that Blina is now seeking shareholders' approval for.

### 2.2 The Barkly-Babbler Project

The Barkly-Babbler Project is located approximately 45km east of the town of Tennant Creek, in the Northern Territory, and comprises two exploration licences, being EL 28620 ('Barkly Project') and EL 30701 ('Babbler Project'). Similar to other deposits found in the Tennant Creek Goldfield, the Barkly-Babbler Project is considered highly prospective for magnetite hosted gold-copper.

EL 28620 was formerly subject to a farm-in joint venture agreement between CMPL and Meteoric Resources NL, with CMPL holding a 70% interest. CMPL subsequently acquired the 30% interest from Meteoric Resources NL. After which, Blina executed a legally binding heads of agreement to acquire a 50% interest in CMPL.

There are two key prospects on EL 28620 called Bluebird and Perseverance. The highest priority target within the Barkly Project is the Bluebird Prospect.

The Bluebird prospect is a 1.6km long gravity anomaly open to the east where shallow geochemical drilling has identified a 600m long copper anomaly overlying a zone of gold-copper-bismuth mineralisation. Additional exploration targets with similar geophysical and geochemical responses have been identified along strike from the Bluebird Prospect and drilling is also planned to test these targets. The Tennant Creek Goldfield has been the focus of extensive recent exploration efforts, notably by Emmerson Resources Ltd. (in joint venture with Ivanhoe Australia Ltd. and subsequently Evolution Mining Ltd), Chalice Gold Mines Ltd. and King River Copper Ltd due to the prospectivity of the gold-copper-bismuth mineralisation.

EL 30701 was previously held by Meteoric Resources NL. Blina acquired its 50% interest in CMPL after CMPL acquired Meteoric Resources NL's interest in EL 30701.

### 2.3 The Maintirano Copper Project – Madagascar

The Maintirano Copper Project is located within 100km radius of Maintirano, a coastal town lying 350km west-northwest of Antananarivo, the capital of Madagascar. Blina entered into a binding option agreement with Madacu Resources Pty Ltd to explore for copper in Madagascar. Madacu Resources Pty Ltd held legally enforceable agreements with a local company, Mada Hanra SARL, to explore an area of 1,658 square kilometres. Mada Hanra SARL holds tenements covering areas over 30 known copper occurrences.

There was no work completed in the Maintirano Copper Project during the year ended 30 June 2020 and the Company is currently re-assessing its position in Madagascar.

## 2.4 The Diakouli Gold Project - Burkina Faso

Diakouli Exploration Licence No 2018/DF-0/PR-18/2875 has an area of 116.39 square kilometres and the Diakouli East Licence No 2018/DF-0/PR-18/2874 has an area of 140.23 square kilometres. Both of these licences lie over the Birimian greenstone rocks about 20 kilometres north of the Natougou gold deposit, a resource of over 2 million ounces of gold.

There was no work conducted on the Diakouli tenements during the year ended 30 June 2020 and the Company is assessing its plans for continued exploration. Blina and its joint venture partner have agreed to upgrade the legal agreements, which have now been drawn up and are under review by both parties, after a hiatus of two years while the licences were being renewed by the Mines Department.

## 2.5 History

Key milestones of the Company's history are summarised as follows.

MILESTONE DATE	BRIEF DESCRIPTION
November 2018	Blina announced the commencement of exploration on the Maintirano Copper Project on a strategic landholding of 20 exploration licences covering an area of 1,658 square kilometres in western Madagascar under a Binding Option Agreement with Madacu Resources Pty Ltd.
September 2019	Blina announced that it had executed a legally binding heads of agreement to acquire a 50% interest in Colour Minerals Pty Ltd, the owner of the Barkly-Babbler Project, from its sole shareholder, Kalgoorlie Mine Management Pty Ltd through the issue of 860,999,999 shares in the capital of Blina. Upon acquiring the 50% shareholding, KMM would become a significant shareholder in Blina at that time, holding approximately 15.79% of the issued share capital of the Company on an undiluted basis.
October 2019	Blina announced that an unknown buyer entered into an instrument of transfer to acquire 11% stake in Siren Gold Limited (formerly Condamine Resources Limited) from Blina for \$0.2 million on October 31, 2019. As a part of consideration, Blina would sell 2.1 million shares of Siren Gold Limited (formerly Condamine Resources Limited) at \$0.10 per share. The proceeds would be applied for working capital purposes and towards the funding of exploration on the Barkly-Babbler project.
March 2020	The Company was suspended from the ASX pursuant to ASX Listing Rule 12.2 which relates to the financial condition of the Company.
October 2020	Blina provided a corporate activities update whereby it was announced that the Company had prepared a submission which had been lodged with the ASX which stated that mechanism by which the Company will be recapitalised, planned future exploration activities and the future direction of the Company.  The Company also announced that it had entered into an Underwriting Agreement with Westar Capital Limited to provide the Company with more certainty relating to the proposed recapitalisation.
December 2020	Blina announced that ASX had approved the recapitalisation proposal provided by the Company and had also approved the Company's proposed acquisition of the remaining 50% interest in Colour Minerals Pty Ltd.

Source: ASX announcements, Capital IQ

## 2.6 Directors and management

The board of directors of Blina are:

- Matthew Driscoll (Non-executive Chairman)
- Gino D’Anna (Non-executive Director)
- Michael Scivolo (Non-executive Director)
- Neville Bassett (Non-executive Director)

## 2.7 Shareholders and other security holders

The top twenty shareholders of Blina as at 13 January 2021 are set out as follows.

Shareholding as at 13 January 2021	Number of shares	%
<b>Top 20 shareholders</b>		
Kalgoorlie Mine Management Pty Ltd	860,999,999	13.73%
Metallica Investments Pty Ltd	242,281,250	3.87%
Mrs Kristin Joanne Keen and Mr Ivan Keen	150,000,000	2.39%
Spelta Enterprises Pty Ltd	141,074,287	2.25%
Mrs Luye Li	140,211,588	2.24%
Mr Jarrod Erbs	125,000,001	1.99%
Sanlam Private Wealth Pty Ltd	120,000,000	1.99%
Mrs Yvonne Bruinsma and Mr Johannes Willem Bruinsma	120,000,000	1.91%
Winone Nominees Pty Ltd	100,000,000	1.60%
Citicorp Nominees Pty Limited	96,215,316	1.54%
Mr Ralf Kriege	95,900,000	1.53%
Mr Mark Andrew Linney	88,333,333	1.41%
Equitas Nominees Pty Limited	85,479,635	1.36%
Mr Mark Andrew Tkocz	76,666,667	1.22%
Rylet Pty Ltd	70,000,000	1.12%
Mr Mitchell Laurence Devonshire	70,000,000	1.12%
Helmet Nominees Pty Ltd	63,300,000	1.01%
Taos Pty Ltd	60,000,000	0.96%
Bellaire Capital Pty Ltd	54,147,000	0.86%
Mr Peter John Bragg	50,779,129	0.81%
	2,815,388,205	44.91%
Other shareholders	3,453,383,250	55.09%
<b>Total issued capital</b>	6,268,771,455	100.00%
<b>Shareholding concentration</b>		
Top 5 shareholders	1,534,567,124	24.47%
Top 10 shareholders	2,100,782,441	33.49%
Top 20 shareholders	2,815,388,205	44.91%

Source: Company's share register

The current directors of Blina do not hold any shares in the Company.

The shareholding range of Blina shares as at 13 January 2021 is set out as follows.

Shareholding Range as at 13 January 2021	Number of holders	Number of shares	% shareholding
<b>Holding ranges</b>			
1 - 1,000	687	251,281	0.004%
1,001 - 5,000	863	2,043,431	0.033%
5,001 - 10,000	200	1,467,503	0.023%
10,001 - 100,000	376	15,840,452	0.253%
100,001 and above	1,268	6,249,168,788	99.687%
<b>Total</b>	<b>3,394</b>	<b>6,268,771,455</b>	<b>100.000%</b>

Source: Company's share register

Other securities issued by Blina are set out as follows.

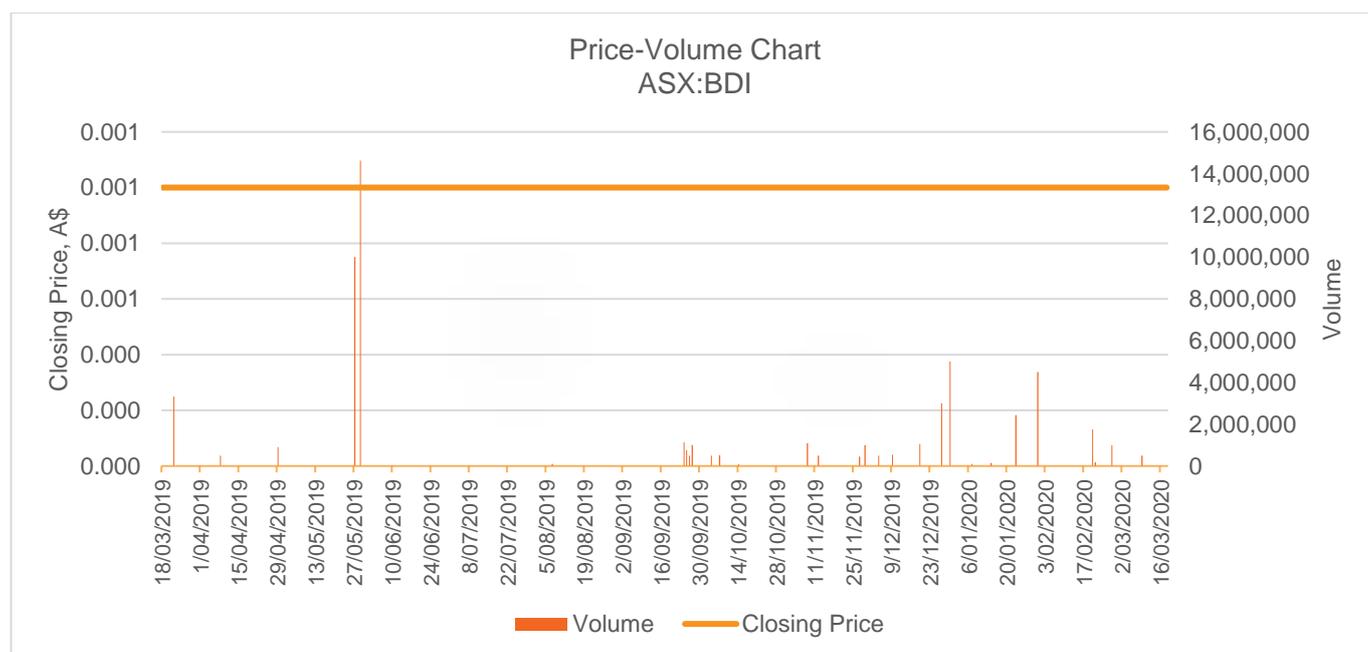
Other securities as at 13 January 2021	Number of holders	Exercise price	Number of options	Cash raised on conversion
<b>Options</b>				
Unlisted options expiring 17-Aug-21	22	\$0.002	1,013,888,885	2,027,778
	22		1,013,888,885	2,027,778

Source: Company's options register

Based on the current share price of Blina, the above options issues are out-of-the-money. However, if all of the above unlisted options are exercised, the Company is expected to receive approximately \$2.0 million in cash. On a fully diluted basis (where all of the options are exercised), notwithstanding that they are out-of-the-money, the number of shares of the Company would increase by 1,013,888,885 to 7,282,660,340.

## 2.8 Share price information

The historical share price movements and trading volumes for Blina for the 12-month period up to the date of suspension from the ASX official quotation (on 18 March 2020) are shown in the graph below.



Source: ASX, Capital IQ

Price sensitive announcements made to the market by Blina during this period are highlighted as follows.

DATE	SUMMARY OF ANNOUNCEMENTS
30-Apr-19	Release of March 2019 Quarterly Activities and Cash Flow Reports
30-Jun-19	Release of Quarterly Activities and Cash Flow Reports
24-Sep-19	Blina announced that it had executed a legally binding heads of agreement to acquire a 50% interest in Colour Minerals Pty Ltd, the owner of the Barkly-Babbler Project, from its sole shareholder, Kalgoorlie Mine Management Pty Ltd through the issue of 860,999,999 shares in the capital of Blina. Upon acquisition of the 50% shareholding, KMM would become a significant shareholder in Blina, holding approximately 15.79% of the issued share capital of the Company on an undiluted basis.
30-Oct-19	Blina announced that a reverse circulation exploration drilling program was due to commence within the next seven days at the Bluebird prospect.
31-Oct-19	Blina announced that it had entered into an instrument to transfer to sell its' investment in Condamine Resources Limited. \$208,333 was expected to be received upon the sale and these would be applied for working capital and exploration purposes. Release of Quarterly Activities and Cash Flow Reports
15-Nov-19	Blina announced that a reverse circulation exploration drilling program had commenced at the Bluebird prospect.
28-Nov-19	Blina announced that the Board of the Company had been restructured following discussions with major shareholders and potential investors and was geared towards positioning the Company for the future as it evaluated project opportunities and continued exploration at the Barkly-Babbler Project.
30-Jan-20	Blina announced that it was undertaking a placement of up to \$247,500 by issue of 825 million shares with 825 million attaching options to fund exploration on the Barkley Project and for administration costs.
31-Jan-20	Release of Quarterly Activities and Cash Flow Reports
18-Feb-20	Blina announced that the placement was completed.
20-Feb-20	Blina announced that it had continued to evaluate additional project opportunities and had been in discussions with a number of parties to explore potential transactions and evaluate new opportunities.
18-Mar-20	Blina announced that a reverse circulation exploration drilling program had completed at the Bluebird prospect.  Blina was suspended from official quotation on the ASX and provided responses to ASX queries.
30-Apr-20	Release of Quarterly Activities and Cash Flow Reports
3-Aug-20	Release of Quarterly Activities and Appendix 5B
24-Aug-20	Blina failed to pay the ASX annual listing fees.
23-Oct-20	Blina provided a corporate activities update where it announced that the Company had prepared a submission which had been lodged with the ASX stating the mechanism by which the Company will be recapitalised, its planned future exploration activities and the future direction of the Company.  The Company also announced that it had entered into an Underwriting Agreement with Westar Capital Limited to provide the Company with more certainty relating to the proposed recapitalisation..

DATE	SUMMARY OF ANNOUNCEMENTS
2-Nov-20	Release of Quarterly Activities and Appendix 5B
11-Dec-20	Blina announced that ASX had approved the recapitalisation proposal provided by the Company and had also approved the Company's proposed acquisition of the remaining 50% interest in Colour Minerals Pty Ltd.

Source: ASX announcements

An analysis of the trading activity of the Company's shares for the 12-month period up to the suspension date is summarised in the table below.

Period	Volume weighted average price (VWAP)	Average number of shares outstanding (million)	Total shares traded over the period (million)	% of shares traded	% traded per week
1 week	n/a	6268.771	-	0.00%	0.00%
1 month	\$0.0010	6268.771	3.430	0.05%	0.01%
2 months	\$0.0010	5900.584	10.370	0.18%	0.02%
3 months	\$0.0010	5761.759	19.663	0.34%	0.03%
6 months	\$0.0010	5576.116	28.226	0.51%	0.02%
12 months	\$0.0010	5062.825	57.690	1.14%	0.02%

Source: Capital IQ, Bentleys Corporate Finance's analysis

From our analysis in the table above, we note that the percentage of the Company's shares traded per week is very minimal over the period assessed. In addition, there has been no change in the VWAP over this period. Taking the percentage of shares traded per week over a 12-month timeframe as our basis, we can reasonably conclude that Blina's share is an illiquid stock.

## 2.9 Financial information

### 2.9.1 Statement of profit or loss and other comprehensive income

The table below summarises the historical audited statements of profit or loss and other comprehensive income (also referred to as 'income statement' or 'P&L') of Blina and its subsidiaries ('the Group') for the financial years ('FY') ended 30 June 2018 ('FY18'), 30 June 2019 ('FY19') and 30 June 2020 ('FY20').

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Financial year ended 30-Jun-18 A\$	Financial year ended 30-Jun-19 A\$	Financial year ended 30-Jun-20 A\$
<b>Operating Activities</b>			
Loss on disposal of investment	-	-	(33,583)
Other gains/(losses)	-	(8,084)	-
Compliance and regulatory costs	(180,306)	(169,834)	(226,629)
Employee benefits	(165,120)	(166,050)	(147,592)
Exploration and evaluation	(293,548)	(511,045)	(325,410)
Project development	(50,383)	(152,914)	(9,563)
Rehabilitation (expense) / over-provision	74,300	-	-
Legal and consulting fees	(68,246)	(99,436)	(139,421)
Share-based payments	(271,057)	-	-
Other expenses	(37,128)	(30,601)	(7,640)
<b>Profit / (loss) from operating activities</b>	<b>(991,488)</b>	<b>(1,137,964)</b>	<b>(889,838)</b>

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Financial year ended 30-Jun-18 A\$	Financial year ended 30-Jun-19 A\$	Financial year ended 30-Jun-20 A\$
Financial Income	7,365	14,142	130
Finance Expenses	(2,085)	(1,685)	(759)
<b>Net financing Income(expense)</b>	<b>5,280</b>	<b>12,457</b>	<b>(629)</b>
<b>Profit/(Loss) before income tax</b>	<b>(986,208)</b>	<b>(1,125,507)</b>	<b>(890,467)</b>
Income tax expense	-	-	-
<b>Profit/(Loss) from continuing operations</b>	<b>(986,208)</b>	<b>(1,125,507)</b>	<b>(890,467)</b>
<b>Other comprehensive income, net of income tax</b>			
Foreign currency movement	782	(235)	16
<b>Total comprehensive income attributable to members of the parent entity</b>	<b>(985,426)</b>	<b>(1,125,742)</b>	<b>(890,451)</b>

Source: Blina's audited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020

Blina's auditors drew attention to notes in the financial report describing the events and/or conditions that give rise to the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and whether it can realise its assets and extinguish its liabilities in the normal course of business. However, the auditors did not modify their opinion in respect of this matter.

We note the following in relation to the income statement of the Company:

- Reduction in exploration expenditure in FY20 is due to reduced exploration activity as a result of COVID-19. Most of the exploration and expenditure occurred on the Barkly-Babbler Project as stipulated under the Heads of Agreement with CMPL. The Heads of Agreement stipulated that the Company agreed to expend \$300,000 in funding for exploration and drilling on the tenements during the period of six months from the settlement date of 23 September 2019.
- Reduction in project development in FY20 was due to subdued activity as a result of COVID-19.
- There was a significant decrease in the share based payments expense as options were issued in FY18 that vested upon issue and there were no further share based payments issued in FY19 or FY20.

## 2.9.2 Statement of financial position

The table below summaries the historical audited statements of financial position (also referred to as 'balance sheet') of Blina as at 30 June 2018, 30 June 2019 and 30 June 2020.

Consolidated Statement of Financial Position	As at 30-Jun-18 A\$	As at 30-Jun-19 A\$	As at 30-Jun-20 A\$
<b>Current assets</b>			
Cash and cash equivalents	1,385,645	300,683	12,049
Trade and other receivables	7,743	-	4,432
Other current assets	11,036	16,099	-
<b>Total current assets</b>	<b>1,404,424</b>	<b>316,782</b>	<b>16,481</b>

Consolidated Statement of Financial Position	As at 30-Jun-18	As at 30-Jun-19	As at 30-Jun-20
	A\$	A\$	A\$
<b>Non-current assets</b>			
Financial assets	-	241,916	-
Investments in equity accounted investees	-	-	664,422
<b>Total non-current assets</b>	<b>-</b>	<b>241,916</b>	<b>664,422</b>
<b>Total assets</b>	<b>1,404,424</b>	<b>558,698</b>	<b>680,903</b>
<b>Current liabilities</b>			
Trade and other payables	53,729	103,745	206,026
<b>Total current liabilities</b>	<b>53,729</b>	<b>103,745</b>	<b>206,026</b>
<b>Total liabilities</b>	<b>53,729</b>	<b>103,745</b>	<b>206,026</b>
<b>Net assets</b>	<b>1,350,695</b>	<b>454,953</b>	<b>474,877</b>
<b>Equity</b>			
Issued Capital	35,645,918	35,875,918	36,758,293
Reserves	418,873	418,638	446,654
Accumulated losses	(34,711,642)	(35,837,149)	(36,727,616)
Non-controlling interest	(2,454)	(2,454)	(2,454)
<b>Total equity</b>	<b>1,350,695</b>	<b>454,953</b>	<b>474,877</b>

Source: Blina's audited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020

Blina's auditors drew attention to notes in the financial report describing the events and/or conditions that give rise to the existence of material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and whether it can realise its assets and extinguish its liabilities in the normal course of business. However, the auditors did not modify their opinion in respect of this matter.

We note the following in relation to the statement of financial position of the Company:

- Cash and cash equivalents as at 30 June 2020 increased as a result of a capital raising during the year, proceeds received from sale of investment in Condamine and an opening cash balance of approximately \$300,000. The Company expended approximately \$740,000 resulting in an ending cash balance of approximately \$12,000.
- The investment in equity accounted investees related to the carrying value of the acquisition of a 50% interest in CMPL.
- An increase in the issued capital related to shares issued for the remuneration of a consultancy service agreement, shares issued on acquisition of a 50% interest in CMPL and capital raised to fund the exploration of the Barkly-Babbler Project and administration costs.

## 2.10 Industry sector

### 2.10.1 Gold

Gold is an international store of monetary value and provides a safe-haven investment during economic uncertainty as the price of gold is negatively correlated to the prices of other asset classes during times of uncertainty and financial crisis. The impact of the COVID-19 pandemic has had several implications for the gold-mining industry.

Due to widespread pandemic-driven lockdowns in several countries, sizeable declines in production in countries such as Peru, Argentina and South Africa, range between 14% and 33%, or between 400,000 ounces and 1.3 Moz. However, the pandemic is not the sole contributing factor as countries such as Peru and Australia are also facing lower head grades at their primary mines, although the pandemic had effectively no impact on Australia's production.

According to S&P Global Market Intelligence, global expenditure on gold exploration increased by over 20% over the year through to June 2020. Revenue from gold exploration has experienced a steady increase over the past year and is anticipated to remain strong as investors shift to safe-haven investment due to economic uncertainty.

Gold prices rose by 28 percent from January 1 to August 14, 2020. In August, the top 200 gold companies, consisting of producers, explorers and royalty holders, had a collective market capitalisation of more than US\$531 billion, the highest in data going back seven years.

### 2.10.2 Copper

Copper prices fell to a 40-month low in late March 2020 before bouncing back to around US\$6,900 per tonne in October 2020, the highest levels since June 2018. Copper cash prices increased a further 14% over the month of November 2020 which is believed to be linked to increasing optimism triggered by positive news on the COVID-19 vaccines front.

Copper prices had bottomed out during the height of the lockdown restrictions in China but has recovered ever since. China has continued to ramp up its economy and copper consumption since March 2020 as a result of end-user demand driving white goods and automobile production. China's increase in consumption has more than offset the decreases in other countries which have been severely impacted by the pandemic.

S&P Global Market Intelligence expects strong prices to continue for the remainder of 2020. Over the medium to longer term, increasing shortages of mined copper are expected, which are anticipated to drive up copper prices.

Source: S&P Global Market Intelligence, IBISWorld 'B1012 Mineral Exploration in Australia Industry Report, November 2020'

## 3 Colour Minerals Pty Ltd

### 3.1 The business

CMPL is the owner of the Barkly-Babbler Project, a high-grade Gold-Copper project, comprising of two exploration licences, EL 28620 (Barkly Project) and EL 30701 (Babbler Project), located in the Northern Territory in Australia and is currently owned by Blina and KMM, each with a 50% shareholding.

EL 28620 was formerly subject to a farm-in joint venture agreement between CMPL and Meteoric Resources NL, with CMPL holding a 70% interest. In 2019, CMPL acquired Meteoric Resources NL's 30% interest in the exploration licence. After which, Blina executed a legally binding heads of agreement to acquire a 50% interest in CMPL.

EL 30701 was previously held by Meteoric Resources NL. Blina acquired its 50% interest in CMPL after CMPL acquired Meteoric Resources NL's interest in EL 30701 in 2019.

The binding heads of agreement executed allowed Blina to acquire 50 fully paid ordinary shares in CMPL's capital representing 50% of the issued capital of CMPL. The Company issued 860,999,999 fully paid ordinary shares at a deemed issue price of \$0.00075 per share in consideration for the acquisition to KMM in September 2019.

The Company recently had ASX approve the Company's proposed acquisition of the remaining 50% interest in CMPL from KMM for a proposed total consideration of 100 million shares (on a post-Consolidation basis) and the issue of 50 million options (on a post-Consolidation basis) exercisable at \$0.03 per option expiring 3 years from date of issue.

The completion of this acquisition will mean that Blina will own 100% of CMPL.

### 3.2 Directors and management

The board of directors of CMPL are:

- Mr James del Piano (Chairman)
- Mr Michael Scivolo (Director)
- Mr Martin Stein (Director)
- Mr Gino D'Anna (Director)

### 3.3 Shareholders and other security holders

CMPL presently has two shareholders, with Blina and KMM holding 50% each of the company.

Shareholding	Number	%
as at 15 December 2020	of shares	shareholding
Blina Minerals NL	18,722	50%
Kalgoorlie Mine Management Pty Ltd	18,722	50%
<b>Total issued capital</b>	<b>37,444</b>	<b>100%</b>

Source: CMPL's share register

## 3.4 Financial information

### 3.4.1 Statement of financial performance

We obtained the financial information of CMPL and note that no salaries, administration expenses or any other expenses were charged to CMPL for the financial years ended 30 June 2018, 30 June 2019 and 30 June 2020. The only item on the statement of profit or loss for the financial year ended 30 June 2020 for CMPL was income from the debt forgiveness of KMM of \$788,965.

### 3.4.2 Statement of financial position

The table below summaries the historical unaudited statements of financial position (also referred to as 'balance sheet') of CMPL.

Statement of Financial Position	As at 30-Jun-18 A\$	As at 30-Jun-19 A\$	As at 30-Jun-20 A\$
<b>Current assets</b>			
Cash	-	-	1
<b>Total non-current assets</b>	-	-	1
<b>Non-current assets</b>			
Capitalised expenditure	702,421	711,975	752,546
<b>Total non-current assets</b>	<b>702,421</b>	<b>711,975</b>	<b>752,546</b>
<b>Total assets</b>	<b>702,421</b>	<b>711,975</b>	<b>752,547</b>
<b>Non-current liabilities</b>			
Long term liabilities owed to KMM	789,085	798,638	12,882
<b>Total non-current liabilities</b>	<b>789,085</b>	<b>798,638</b>	<b>12,882</b>
<b>Total liabilities</b>	<b>789,085</b>	<b>798,638</b>	<b>12,882</b>
<b>Net assets</b>	<b>(86,664)</b>	<b>(86,664)</b>	<b>739,665</b>
<b>Equity</b>			
Issued capital	1	1	37,445
Retained earnings	(86,665)	(86,665)	(86,665)
Current year earnings	-	-	788,965
<b>Total equity</b>	<b>(86,664)</b>	<b>(86,664)</b>	<b>739,665</b>

Source: CMPL's unaudited financial statements for the years ended 30 June 2018, 30 June 2019 and 30 June 2020.

We note the following in relation to the statement of financial position of CMPL:

- Exploration and evaluation expenditure is capitalised on the balance sheet of CMPL.
- CMPL's exploration and evaluation expenditure has been supported by a loan of \$788,965 from KMM which was forgiven in FY20. As a result, long term liabilities owed to KMM reduced to \$12,882 as at 30 June 2020.

## 4 Valuation approach

Our valuation approach is based upon the guidance of RG 111. We considered a range of valuation methodologies in assessing the value of Blina before the Acquisition Transaction ('Pre-Transaction') and the value of Blina after the Acquisition Transaction ('Post-Transaction').

For the purpose of our opinion, our assessment is based on the fair value definition of 'the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'. Any special value or amount that reflects particular attributes of an asset that are only of value to a special purchaser (because of advantages arising from its ownership that would not be available to other purchasers) is not taken into account in our determination of fair value.

A summary of the various valuation methodologies is included in Appendix 3.

### 4.1 Pre-Transaction valuation approach

We have assessed the equity value of Blina using the sum-of-parts approach which requires the aggregation of the fair market values of the various assets and liabilities of the company, where different valuation methodologies were adopted for different assets.

To obtain the equity value of Blina, we aggregated the value of Blina's 50% interest in CMPL and Blina's other assets and liabilities using the sum-of-parts approach. Blina's other assets and liabilities were valued on a net assets on a going concern value ('NAV') method.

The sum-of-parts approach we adopted, provided us with the value of the equity of Blina on a controlling interest basis. The Pre-Transaction value of Blina was calculated on a controlling interest basis.

Bentleys Corporate Finance engaged the services of an independent consultant, Mining Insights Pty Ltd ('Mining Insights') to undertake an Independent Mineral Asset Valuation Report ('MI Valuation Report') of the Barkly-Babbler Project.

Mining Insights has reviewed the mineral resources in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2015 Edition ('VALMIN Code 2015') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ('JORC Code').

As a cross check to our primary valuation methodology, we performed a trading history analysis of the quoted market prices of Blina's shares and compared the value we obtained from this methodology with the equity value of Blina that we obtained using the sum-of-parts approach (on a controlling interest basis).

### 4.2 Post-Transaction valuation approach

We assessed the Post-Transaction equity value of Blina, also using the sum-of-parts approach, on the basis of Blina being a 100% shareholder of CMPL. As required by RG 111, we have valued the Post-Transaction equity value on a minority interest basis. Accordingly, we applied a minority discount on our sum-of-parts valuation to obtain a value on a minority interest basis.

We were unable to perform a cross-check using the trading history analysis of the quoted market prices of Blina's shares after the announcement of the Acquisition Transaction as the shares of Blina have been suspended from trading since 18 March 2020.

## 5 Valuation of Blina Pre-Transaction

### 5.1 Value based on our primary valuation methodology

We assessed the equity value of Blina using the sum-of-parts approach by aggregating its 50% interest in CMPL with Blina's value of other assets and liabilities. The equity value of CMPL was determined by aggregating the fair value of the Barkly-Babbler Project (based on the MI Valuation Report) with CMPL's value of other assets and liabilities, using also the sum-of-parts approach.

Our estimate of the value of Blina based on our primary valuation methodology is summarised in the table below.

Valuation	Reference	Low A\$	Mid A\$	High A\$
Value of CMPL's Barkly-Babbler Project	5.1.1	1,780,000	2,650,000	3,530,000
Value of CMPL's other assets and liabilities	5.1.2	12,720	12,720	12,720
Equity value of CMPL		1,792,720	2,662,720	3,542,720
Value of Blina's 50% interest in CMPL		896,360	1,331,360	1,771,360
Value of Blina's other assets and liabilities	5.1.3	(316,450)	(316,450)	(316,450)
Equity value of Blina		579,910	1,014,910	1,454,910
Number of shares on issue pre Consolidation	2.7	6,268,771,455	6,268,771,455	6,268,771,455
<b>Value per share (controlling basis), A\$</b>		<b>0.00009</b>	<b>0.00016</b>	<b>0.00023</b>
Number of shares on issue post Consolidation	1.2	125,375,429	125,375,429	125,375,429
<b>Value per share (controlling basis), A\$</b>		<b>0.00463</b>	<b>0.00809</b>	<b>0.01160</b>

Source: Bentleys Corporate Finance's analysis

We assessed that the value per Blina share, on a controlling interest basis, is in the range of \$0.00009 per share to \$0.00023 per share with a midpoint value of \$0.00016 per share.

For comparability with our Post-Transaction analysis, we also calculated the Pre-Transaction value per share on a post Consolidation basis, which is calculated to be in the range of \$0.0046 per share to \$0.0116 per share with a midpoint value of \$0.0081 per share.

The following sections set out the basis upon which we have arrived at our valuation.

#### 5.1.1 Value of CMPL's Barkly-Babbler Project

We engaged Mining Insights to undertake an independent mineral asset valuation of the mineral assets held by CMPL, specifically the Barkly-Babbler Project as it is the only material asset of CMPL.

Mining Insights considered the following generally accepted valuation approaches outlined by the VALMIN Code 2015 as follows:

- Income approach;
- Market approach; and
- Cost Approach.

We note that there are no JORC 2012 reported mineral resources or ore reserves for the Barkly-Babbler Project.

Mining Insights used the market-based comparable market transactions and the cost-based geoscientific rating methods to form an opinion of the value of the Barkly-Babblers Project. In Mining Insights' opinion, the Barkly-Babblers Project at an early exploration stage and as discussed in the MI Valuation Report, market comparative method and cost-based methods are generally used to value such types of projects. Therefore, Mining Insights has preferred to apply a combination of two methods to value each of the projects due to the uncertainties attached to its progress. The valuation methods applied include market-based "Comparable Transactions Method" and cost-based "Geoscientific Rating Method".

The comparable market transactions approach focusses on the amount of money a mineral asset should change hands for, between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing and without compulsion. The geoscientific rating method of valuation for exploration tenements focusses on the future prospectivity of the area.

Mining Insights has placed equal weight on the values obtained from both the above valuation approaches to arrive at a low, high and preferred value of a 100% interest in the Barkly-Babblers Project. The preferred value is the half-way point between the low and high value range. A summary of the valuation is provided as follows:

Valuation of the Barkly-Babblers Project (100% basis)	Low A\$'000	Preferred A\$'000	High A\$'000
Market comparable method	1,718	2,454	3,190
Geoscientific method	1,841	2,853	3,865
<b>Selected value</b>	<b>1,780</b>	<b>2,650</b>	<b>3,530</b>

Source: MI Valuation Report

A copy of the MI Valuation Report is provided in Appendix 4 of this Report.

### 5.1.2 Value of CMPL's other assets and liabilities

We made adjustments to the value of other assets and liabilities of CMPL that were not included in the MI Valuation Report analysis to arrive at the equity value of CMPL.

Other assets and liabilities	Notes	As at 10-Dec-20 A\$	Adjusted A\$
<b>Current assets</b>			
Cash and cash equivalents	1	3,632	3,632
Trade and other receivables	2	13,220	13,220
<b>Total current assets</b>		<b>16,852</b>	<b>16,852</b>
<b>Non-current assets</b>			
Capitalised expenditure – EL 30701	3	37,976	37,976
Capitalised expenditure – EL 28620	4	759,284	-
<b>Total non-current assets</b>		<b>797,260</b>	<b>37,976</b>
<b>Total assets</b>		<b>814,112</b>	<b>54,828</b>
<b>Non-current liabilities</b>			
Loan owed to KMM	5	42,108	42,108
<b>Total non-current liabilities</b>		<b>42,108</b>	<b>42,108</b>
<b>Total liabilities</b>		<b>42,108</b>	<b>42,108</b>
<b>Net assets</b>		<b>772,104</b>	<b>12,720</b>

Source: CMPL management accounts to 10 December 2020, Bentleys Corporate Finance's analysis

#### Note 1

The balance relates to cash on hand as at 10 December 2020.

#### Note 2

The balance relates to the trade and other receivables balance which includes tenement security deposits as well as an amount owing from the ATO.

#### Note 3

The value of the Babbler Project – EL 30701 – is considered at cost and therefore included in the value of other assets and liabilities.

#### Note 4

The value of the Barkly Project – EL 28620 – is separately valued by Mining Insights in the MI Valuation Report, and therefore not included in the value of other assets and liabilities.

#### Note 5

This balance relates to the loan owed to KMM as at 10 December 2020.

#### 5.1.3 Value of Blina's other assets and liabilities

We made adjustments to the value of other assets and liabilities of Blina to arrive at the Pre-Transaction equity value of the Company.

Other assets and liabilities	Notes	As at 30-Jun-20 A\$	Adjustments A\$	Adjusted value A\$
<b>Current assets</b>				
Cash and cash equivalents	1	12,049	(6,031)	6,018
Trade and other receivables	2	4,432	4,372	8,804
Other current assets	2	-	5,506	5,506
<b>Total current assets</b>		<b>16,481</b>	<b>3,847</b>	<b>20,328</b>
<b>Non-current assets</b>				
Investments in equity accounted investees	3	664,422	-	-
<b>Total non-current assets</b>		<b>664,422</b>	<b>(664,422)</b>	<b>-</b>
<b>Total assets</b>		<b>680,903</b>	<b>(660,575)</b>	<b>20,328</b>
<b>Current liabilities</b>				
Trade and other payables	4	206,026	107,130	313,156
Borrowings	5	-	23,622	23,622
<b>Total current liabilities</b>		<b>206,026</b>	<b>130,752</b>	<b>336,778</b>
<b>Total liabilities</b>		<b>206,026</b>	<b>130,752</b>	<b>336,778</b>
<b>Net assets</b>		<b>474,877</b>	<b>(791,327)</b>	<b>(316,450)</b>

Source: Blina's management accounts to 11 December 2020, Bentleys Corporate Finance's analysis

We note that the balance sheet provided for CMPL is as at 10 December 2020 and the balance sheet provided for Blina is as at 11 December 2020. We confirmed that there were no significant changes to Blina's balance sheet as at 10 December compared to 11 December 2020 and therefore, we have consolidated the balances for both companies based on different dates.

#### Note 1

We have adjusted the cash balance to reflect Blina's cash position as at 11 December 2020.

#### Note 2

We have adjusted the trade and other receivables and other current assets balances to reflect Blina's current asset position as at 11 December 2020.

#### Note 3

We have excluded the amount recognised as an investment in equity accounted investees as at 30 June 2020 as this amount is accounted for in our assessment of Blina's 50% interest in CMPL.

#### Note 4

We have adjusted the trade and other payables balances to reflect Blina's trade and other payables position as at 11 December 2020.

#### Note 5

The borrowings recorded in the month of December relate to a short term working capital facility secured by Blina to provide working capital to the Company during the period leading up to reinstatement to the Official List of the ASX.

### 5.2 Value based on trading history analysis

Trading history analysis of quoted market price of a security provides a reliable measure of the fair market value of the securities of a company if, in an efficient and liquid market, it reflects all publicly available information.

However, given that the Company has been suspended from the ASX since 18 March 2020 and Blina's share price and volume movement 12 months prior to 18 March 2020 reflects it being an illiquid stock with a constant share price of \$0.001, we were unable to obtain a comparable analysis, using the Pre-Announcement share trading analysis, for our Pre-Transaction value.

### 5.3 Summary of valuation

Our estimate of Blina's Pre-Transaction value based on our primary and secondary valuation methodologies are summarised in the table below.

Pre-Transaction valuation	Low A\$	Mid A\$	High A\$
Sum-of-parts valuation (post Consolidation) (controlling interest basis)	0.0046	0.0081	0.0116
Share price trading analysis (controlling interest basis)	Not available	Not available	Not available

Source: Bentleys Corporate Finance's analysis

We have relied on the primary approach using the sum-of-parts analysis to conclude on Blina's Pre-Transaction value on a post Consolidation basis. Accordingly, the fair value of Blina before the Proposed Transaction (on a post Consolidation basis) is assessed to be in the range of \$0.0046 per share to \$0.0116 per share with a midpoint value of \$0.0081 per share.

## 6 Valuation of Blina Post-Transaction

In this section, we consider the value of Blina after the Acquisition Transaction.

### 6.1 Value based on our primary valuation methodology

We assessed the equity value of Blina using the sum-of-parts approach by aggregating its 100% interest in CMPL (Post-Transaction) with Blina's value of other assets and liabilities. The equity value of CMPL was determined by aggregating the fair value of the Barkly-Babbler Project (based on the MI Valuation Report) with CMPL's value of other assets and liabilities, using also the sum-of-parts approach.

Our estimate of the value of Blina based on our primary valuation methodology is summarised as follows.

Valuation	Reference	Low A\$	Mid A\$	High A\$
Value of CMPL's Barkly-Babbler Project	6.1.1	1,780,000	2,650,000	3,530,000
Value of CMPL's other assets and liabilities	6.1.2	12,720	12,720	12,720
Equity value of CMPL		1,792,720	2,662,720	3,542,720
Value of Blina's 100% interest in CMPL		1,792,720	2,662,720	3,542,720
Value of Blina's other assets and liabilities	6.1.3	(326,644)	(326,644)	(326,644)
Equity value of Blina		1,466,076	2,336,076	3,216,076
Number of shares on issue post Consolidation	1.2	225,375,429	225,375,429	225,375,429
Value per share (controlling basis), A\$		0.00651	0.01037	0.01427
Minority interest discount	6.2	17%	15%	13%
<b>Value per share (minority interest basis), A\$</b>		<b>0.00540</b>	<b>0.00881</b>	<b>0.01241</b>

Source: Bentleys Corporate Finance's analysis

We assessed that the value per Blina share, on a minority interest basis, is calculated to be in the range of \$0.0054 per share to \$0.0124 per share with a midpoint value of \$0.0088 per share.

The following sections set out the basis upon which we have arrived at our valuation.

#### 6.1.1 Value of CMPL's Barkly-Babbler Project

Please refer to Section 5.1.1 of this Report for details.

#### 6.1.2 Value of CMPL's other assets and liabilities

Please refer to Section 5.1.2 of this Report for details.

#### 6.1.3 Value of Blina's other assets and liabilities

We made adjustments to the value of other assets and liabilities of Blina to arrive at the Post-Transaction equity value of the Company.

Other assets and liabilities	Notes	As at 30-Jun-20 A\$	Adjustments A\$	Adjusted value A\$
<b>Current assets</b>				
Cash and cash equivalents	1	12,049	(6,031)	6,018
Trade and other receivables	2	4,432	4,372	8,804
Other current assets	2	-	5,506	5,506
<b>Total current assets</b>		<b>16,481</b>	<b>3,847</b>	<b>20,328</b>
<b>Non-current assets</b>				
Investments in equity accounted investees	3	664,422	-	-
<b>Total non-current assets</b>		<b>664,422</b>	<b>(664,422)</b>	<b>-</b>
<b>Total assets</b>		<b>680,903</b>	<b>(660,575)</b>	<b>20,328</b>
<b>Current liabilities</b>				
Trade and other payables	4	206,026	107,130	323,350
Borrowings	5	-	23,622	23,622
<b>Total current liabilities</b>		<b>206,026</b>	<b>130,752</b>	<b>346,972</b>
<b>Total liabilities</b>		<b>206,026</b>	<b>130,752</b>	<b>346,972</b>
<b>Net assets</b>		<b>474,877</b>	<b>(791,327)</b>	<b>(326,644)</b>

Source: Blina's management accounts to 11 December 2020, Bentleys Corporate Finance's analysis

We note that the balance sheet provided for CMPL is as at 10 December 2020 and the balance sheet provided for Blina is as at 11 December 2020. We confirmed that there were no significant changes to Blina's balance sheet as at 10 December compared to 11 December 2020 and therefore, we have consolidated the balances for both companies based on different dates.

#### Note 1

We have adjusted the cash balance to reflect Blina's cash position as at 11 December 2020 as per Section 5.1.3.

#### Note 2

We have adjusted the trade and other receivables and other current assets balances to reflect Blina's current asset position as at 11 December 2020 as per Section 5.1.3.

#### Note 3

We have excluded the amount recognised as an investment in equity accounted investees as at 30 June 2020 as this amount is accounted for in our assessment of Blina's 100% interest in CMPL.

#### Note 4

We have adjusted the trade and other payables balances to \$313,156 as per Section 5.1.3 of this Report to reflect Blina's trade and other payables position as at 11 December 2020.

An amount equal to the bond monies of \$10,194 lodged by the Vendor with the Northern Territory Department of Primary Industry and Resources in respect of the Barkly-Babbler Project will be payable to KMM at settlement of the Proposed Transaction. Upon payment, KMM shall assist Blina to transfer the bond into Blina's name. This has been adjusted for along with other trade and other payables positions as at 11 December 2020.

## Note 5

The borrowings recorded in the month of December relate to a short term working capital facility secured by Blina to provide working capital to the Company during the period leading up to reinstatement to the official quotation of the ASX. These adjustments were made to reflect Blina's borrowings as at 11 December 2020 as per Section 5.1.3.

### 6.2 Minority Interest

If the Acquisition Transaction is approved, the accepting shareholders, being Blina's current shareholders, will hold a minority interest in the Company Post-Transaction, meaning that their individual shareholdings will not be considered significant enough to have an influence in the operations and value of the Company. In order to reflect this, we have adjusted the value to reflect a minority interest.

Minority interest discount is calculated on the inverse of the control premium. Australian studies indicate that the premiums required to obtain control of companies range from between 20% and 40%. In assessing a control premium that a potential acquirer is likely to pay for Blina, we considered the relative attractiveness of the Company as a target for a potential acquirer, including the early exploration stage of CMPL's projects.

We assessed that a control premium of between 15% and 20% for Blina's shares would be appropriate. The minority interest discount was calculated on the inverse of this control premium.

### 6.3 Value based on trading history analysis

Trading history analysis of quoted market price of a security provides a reliable measure of the fair market value of the securities of a company if, in an efficient and liquid market, reflects all publicly available information.

However, given that the Company has been suspended from the ASX since 18 March 2020 and is yet to be reinstated to trading, we were unable to obtain a comparable analysis, using the Post-Announcement share trading analysis, for our Post-Transaction value.

### 6.4 Summary of valuation

Our estimate of Blina's Post-Transaction value based on our primary and secondary valuation methodologies are summarised in the table below.

Post-Transaction valuation	Low A\$	Mid A\$	High A\$
Sum-of-parts valuation (minority interest basis)	0.0054	0.0088	0.0124
Share price trading analysis (minority interest basis)	Not available	Not available	Not available

Source: Bentleys Corporate Finance's analysis

We have relied on the primary approach using the sum-of-parts analysis to conclude on Blina's Post-Transaction value. Accordingly, the fair value of Blina after the Acquisition Transaction is assessed to be in the range of \$0.0054 per share to \$0.0124 per share with a midpoint value of \$0.0088 per share.

## 7 Value of Blina if all the Essential Resolutions are passed

### 7.1 Value of Blina following the Proposed Transaction

As explained in Section 1.2, the Company is seeking shareholders' approval for both the Proposed Transaction (including the Acquisition Transaction) and the Recapitalisation Strategy as set out in Resolutions 7, 8, 9, 10, 13 and 14 in the Notice of Meeting. Each of the Essential Resolutions is conditional upon the approval by Shareholders of each of the other Essential Resolutions. If any of the Essential Resolutions are not approved by Shareholders, all of the Essential Resolutions will fail and completion of the Recapitalisation Strategy and the Proposed Transaction (including the Acquisition Transaction) will not occur.

Therefore, we have also considered the per share value of Blina to Shareholders assuming that all the Essential Resolutions are passed, that is, both the Proposed Transaction (including the Acquisition Transaction) and the Recapitalisation Strategy are approved.

Resolutions 11 and 12 in the Notice of Meeting relate to the approval for two of the Company's directors, Gino D'Anna and Matthew Driscoll respectively, to participate in the proposed Capital Raising for up to \$10,000 each. Whilst these are not one of the Essential Resolutions, we have also considered the proposed issue of shares to them as part of our analysis.

Our analysis of Blina on a per share basis, assuming that all the Essential Resolutions are passed is as follows.

Valuation	Reference	Low A\$	Mid A\$	High A\$
Equity value of Blina Post-Transaction	6.1	1,466,076	2,336,076	3,216,076
Add: Cash raised from Capital Raising	1.1	2,150,000	2,150,000	2,150,000
Add: Cash raised from the Options Placement	1.1	187,500	187,500	187,500
Add: Cash raised from Share Purchase Plan	1.1	250,000	250,000	250,000
Equity value of Blina after the above transactions		4,053,576	4,923,576	5,803,576
Number of shares on issue post Consolidation	1.2	465,375,429	465,375,429	465,375,429
Value per share (controlling basis), A\$		0.00871	0.01058	0.01247
Minority interest discount	6.2	17%	15%	13%
<b>Value per share (minority interest basis), A\$</b>		<b>0.00723</b>	<b>0.00899</b>	<b>0.01085</b>
<b>On a fully diluted basis:</b>				
Value of Blina before the dilution of options		4,053,576	4,923,576	5,803,576
Add cash received from the exercise of options from:				
Existing options	7.1.1	2,027,778	2,027,778	2,027,778
Options issued pursuant to the Capital Raising	7.1.1	3,225,000	3,225,000	3,225,000
Options issued pursuant to the Options Placement	7.1.1	5,625,000	5,625,000	5,625,000
Options issued pursuant to the Share Purchase Plan	7.1.1	375,000	375,000	375,000
Options issued pursuant to the Acquisition Transaction	7.1.1	1,500,000	1,500,000	1,500,000
Equity value of Blina on a fully diluted basis		16,806,354	17,676,354	18,556,354
Number of shares on issue post Consolidation ('000s)	1.2	843,153,207	843,153,207	843,153,207
Value per share (controlling basis), A\$		0.01993	0.02096	0.02201
Minority interest discount	6.2	17%	15%	13%
<b>Value per share fully diluted (minority interest), A\$</b>		<b>0.01654</b>	<b>0.01782</b>	<b>0.01915</b>

Source: Bentleys Corporate Finance's analysis

### 7.1.1 Cash received from the exercise of options

In the table below, we analysed the cash that will be received assuming the exercise of all options.

	Exercise price A\$	Number of options	Cash received from exercise A\$
<b>Exercise of options</b>			
Add cash received from the exercise of options from:			
Existing options	0.10	20,277,778	2,027,778
Options issued pursuant to the Capital Raising	0.03	107,500,000	3,225,000
Options issued pursuant to the Options Placement	0.03	187,500,000	5,625,000
Options issued pursuant to the Share Purchase Plan	0.03	12,500,000	375,000
Options issued pursuant to the Acquisition Transaction	0.03	50,000,000	1,500,000
<b>Total cash received from the exercise of all options</b>		<b>377,777,778</b>	<b>12,752,778</b>

Source: Bentleys Corporate Finance's analysis

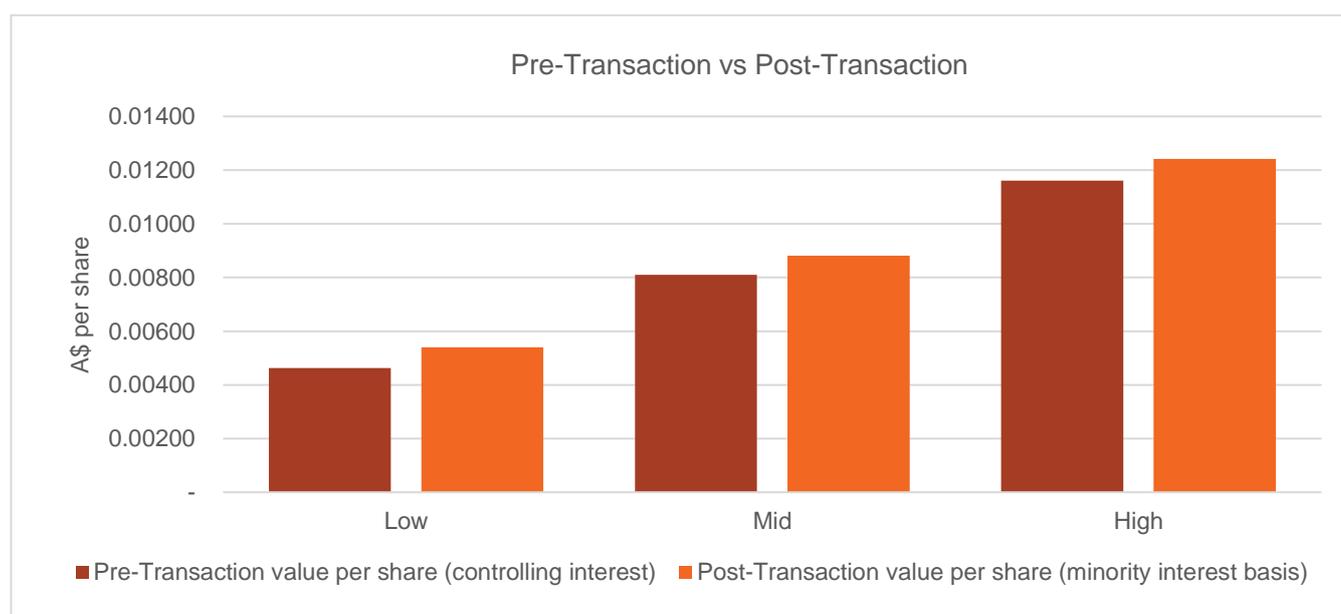
## 8 'Fair and reasonable' assessment

### 8.1 Fairness assessment

We determined the value of a Blina share (on a 100% basis) **before** the Acquisition Transaction to be in the range of \$0.0046 per share to \$0.0116 per share with a **midpoint value of \$0.0081 per share**.

We determined the value of a Blina share (on a minority basis) **after** the Acquisition Transaction to be in the range of \$0.0054 per share to \$0.0124 per share with a **midpoint value of \$0.0088 per share**.

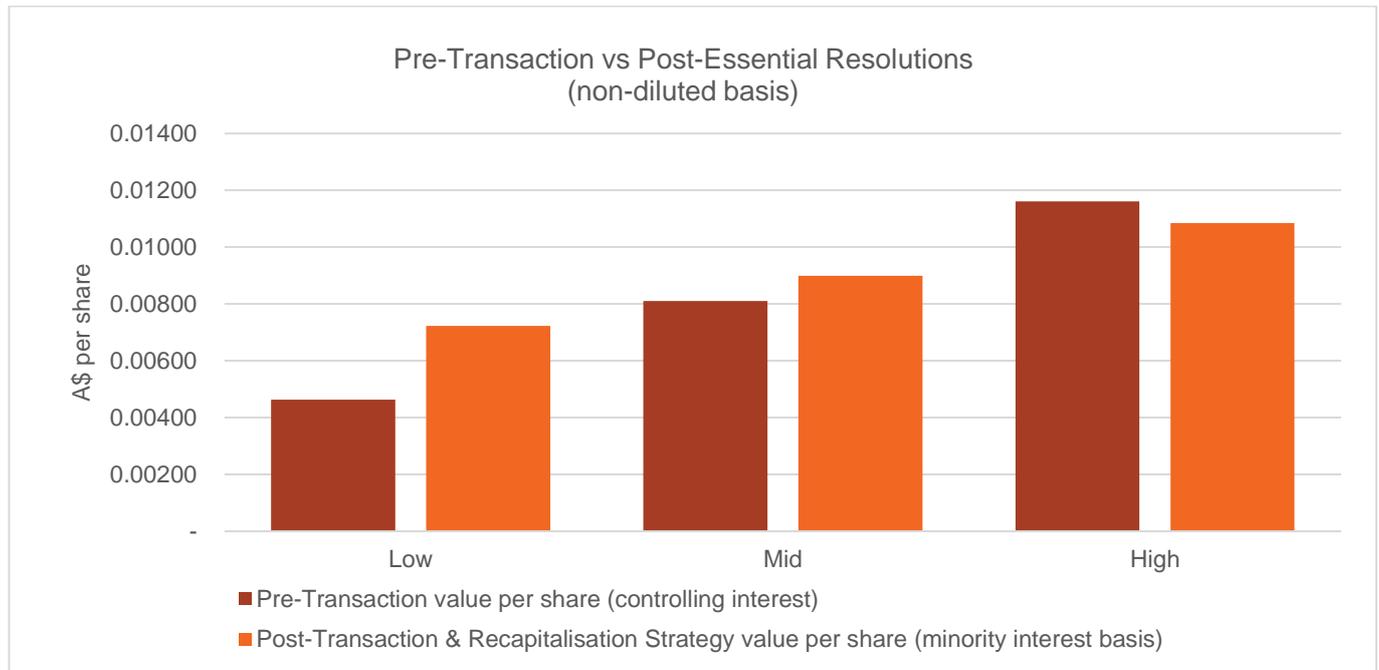
We assessed that the value of a Blina share after the Acquisition Transaction (on a minority interest basis) is higher than the value of a Blina share prior to the Acquisition Transaction (on a controlling interest basis). Therefore, we conclude that the Acquisition Transaction is fair.



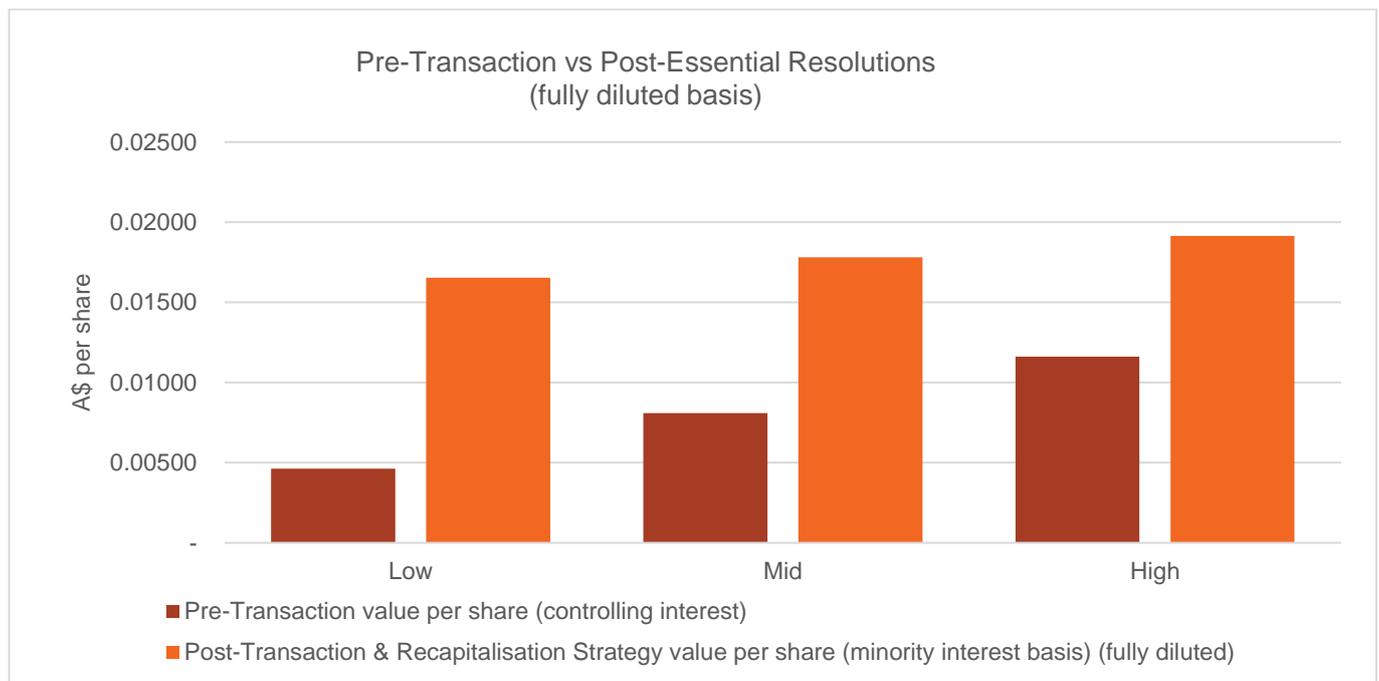
Source: Bentleys Corporate Finance's analysis

We determined the value of a Blina share (on a minority basis) **after** the Proposed Transaction to be in the range of \$0.0072 per share to \$0.0109 per share with a **midpoint value of \$0.0090 per share**. On a fully diluted basis, the value is in the range of \$0.0165 per share to \$0.0192 per share with a **midpoint value of \$0.0178 per share**.

Since the value of a Blina share after the Proposed Transaction (on a minority interest basis) is higher than the value of a Blina share before the Proposed Transaction (on a controlling interest basis), we also conclude that the Proposed Transaction is fair on both fully diluted and non-diluted bases.



Source: Bentleys Corporate Finance's analysis



Source: Bentleys Corporate Finance's analysis

## 8.2 Reasonableness assessment

In accordance with RG 111, an offer is reasonable if it is fair. As set out above, the Acquisition Transaction is fair. The Proposed Transaction is also fair. On this basis, we conclude that the Acquisition Transaction on a standalone basis is reasonable. The Proposed Transaction is also reasonable.

We have also considered the advantages and disadvantages of the Proposed Transaction.

### 8.2.1 Advantages

We consider the following advantages for Shareholders to approve the Proposed Transaction:

- ASX will lift the current suspension of the Company and reinstate trading in the Company's shares on ASX if the Acquisition Transaction and Recapitalisation Strategy of the Company (under all the Essential Resolutions) are completed, and this would generate more opportunities for existing shareholders to trade shares creating value for the stock held.
- The Company will have 100% control over the Barkly-Babbler Project, providing more security to the Company and its shareholders as the Company would fully own the significant asset acquired.
- There may be further debt and equity opportunities that the Company could enter into after the transaction occurs as the Company will have 100% control over the Barkly-Babbler Project. This could provide further value for the shares held.

### 8.2.2 Disadvantages

We consider the following disadvantages for Shareholders electing to approve the Proposed Transaction:

- The voting power of existing shareholders will be diluted from 86.27% to 71.59% (including new shareholders who will participate in the Recapitalisation Strategy) or to 68.01% on a fully diluted basis. However, it should be noted that the Company must complete the Acquisition Transaction and Recapitalisation Strategy for ASX to lift the suspension.
- KMM may hold up to a maximum shareholding of 46.00% under a specific scenario where, in addition to the Acquisition Transaction, KMM participates in the capital raising for \$100,000, KMM participates in the options placement for \$80,000, only KMM participates in the proposed share purchase plan for \$30,000 (collectively to be approved under the Essential Resolutions) and if only KMM exercises its options (and no other options are exercised).
- There is no guarantee that the Company's shares do not fall in value after the implementation of the Acquisition Transaction and Recapitalisation Strategy.
- The Company may have increased cash outflows or require further funds even after raising funds through the Recapitalisation Strategy, to fund its business operations, which is not uncommon for junior exploration companies.

We are not aware of any superior alternative offers available to Blina.

## 9 Summary opinion

In our opinion, the Acquisition Transaction is **fair and reasonable** to Shareholders in the absence of more superior alternative offers.

In our opinion, the Proposed Transaction is **fair and reasonable** to Shareholders in the absence of more superior alternative offers.

## Appendices

### Appendix 1: Glossary of terms

REFERENCE	DEFINITION
A\$ or \$ or AUD	Australian dollars
%	Percent
AASB	Australian Accounting Standards Board
Acquisition Transaction	The acquisition of the remaining 50% interest in Colour Minerals Pty Ltd from Kalgoorlie Mine Management Pty Ltd
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
balance sheet	Statement of financial position
Babbler Project	Barkly Copper Gold asset portfolio, a high-grade gold-copper project located in the Northern Territory, Australia (Exploration Licence - EL 30701),
Barkly Project	Barkly Copper Gold asset portfolio, a high-grade gold-copper project located in the Northern Territory, Australia (Exploration Licence - EL 28620)
Barkly-Babbler Project	Barkly Copper Gold asset portfolio, a high-grade gold-copper project located in the Northern Territory, Australia (comprising both Exploration Licence - EL 30701 and Exploration Licence - EL 28620)
Bentleys Corporate Finance	Bentleys Corporate Finance (WA) Pty Ltd
Blina	Blina Minerals NL
Capital Raising	A capital raising of \$2.15 million by the placement of 215 million shares at an issue price of \$0.01 per share together with 1 free attaching new option (exercisable at \$0.03 each and expiring 3 years from the date of issue) for every 2 shares subscribed for, all on a post-Consolidation basis
Capitalisation of Earnings	Capitalisation of maintainable earnings
CMPL	Colour Minerals Pty Ltd
the Company	Blina Minerals NL
Consolidation	Consolidation of Blina's current issued capital on a 1-for-50 basis
Corporations Act	Corporations Act 2001 (Cth)
DCF	Discounted cash flow
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
Essential Resolutions	Resolutions 7, 8, 9, 10, 13 and 14 in the Notice of Meeting that are essential for the Proposed Transaction and the Recapitalisation Strategy
FSG	Financial Services Guide
FY	Financial Year
FY18	Financial year ended 30 June 2018
FY19	Financial year ended 30 June 2019
FY20	Financial year ended 30 June 2020
income statement	Statement of profit or loss and other comprehensive income

REFERENCE	DEFINITION
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition
KMM	Kalgoorlie Mine Management Pty Ltd
KMM's Participation	KMM's proposed participation in a capital raising for up to \$100,000, an options placement for up to \$80,000 and a share purchase plan for up to \$30,000
m	million
MI Valuation Report	Independent Mineral Asset Valuation Report
Mining Insights	Mining Insights Pty Ltd
NAV	Net Assets on a going concern Value
Notice of Meeting	Notice of meeting and explanatory memorandum to be distributed to the shareholders of Blina
NPV	Net present value
Options Placement	Capital raising of \$187,500 by the placement of 187.5 million new options all on a post-Consolidation basis
our	Bentleys Corporate Finance (WA) Pty Ltd
P&L	Statement of profit or loss and other comprehensive income
Post-Announcement	After the announcement of the Acquisition Transaction
Post-Transaction	After the Acquisition Transaction
Pre-Announcement	Before the announcement of the Acquisition Transaction
Pre-Transaction	Before the Acquisition Transaction
Proposed Transaction	The Acquisition Transaction and KMM's proposed participation in the Capital Raising for up to \$100,000, the Options Placement for up to \$80,000 and the Share Purchase Plan for up to \$30,000
Recapitalisation Strategy	Whereby the Company proposes to undertake the: <ol style="list-style-type: none"> <li>1) Consolidation</li> <li>2) Capital Raising</li> <li>3) Options Placement</li> <li>4) Share Purchase Plan</li> </ol> subject to obtaining shareholder approval.
this Report	This independent expert's report prepared to provide an opinion on whether the Proposed Transaction is fair and reasonable to the non-associated shareholders of Blina
RG 74	ASIC Regulatory Guide 74 Acquisitions approved by members
RG 76	ASIC Regulatory Guide 76 Related party transactions
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
Shareholders	Non-associated shareholders of Blina
Share Purchase Plan	Issue of 25 million shares at an issue price of \$0.01 per share together with 1 free attaching new option (exercisable at \$0.03 each and expiring 3 years from the date of issue) for every 2 shares subscribed for, all on a post-Consolidation basis
Share Sale Deed	Share Sale Deed between Blina and KMM dated 21 January 2021 for Blina's proposed acquisition of the remaining 50% interest in CMPL from KMM
Sum-of-Parts	The sum-of-parts analysis involves different business units or assets that are modelled individually and added together; or a variant of which is used when different business units or assets require the adoption of different valuation

REFERENCE	DEFINITION
	methodologies and requires the aggregation of the fair market values of the various assets and liabilities of the company
Trading History us	Trading history analysis of quoted market price of securities Bentleys Corporate Finance (WA) Pty Ltd
VALMIN Code 2015	Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2015 Edition
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
we	Bentleys Corporate Finance (WA) Pty Ltd

## Appendix 2: Important Notice

### Sources of information

This Report has been based on the following information:

- Share Sale Deed between Blina and KMM dated 21 January 2021;
- ASX Chapter 11 Submission;
- Blina's Notice of Annual General Meeting;
- Independent Mineral Asset Valuation Report prepared by Mining Insights Pty Ltd;
- Historical audited financial statements of Blina for the past three years;
- Historical unaudited financial statements of CMPL for the past three years;
- Management accounts to-date of Blina and CMPL;
- Shareholder register, option register, shareholder range report and disclosure of associated / beneficial shareholders;
- Subscription based information source including Capital IQ and IBISWorld;
- Publicly available information; and
- Discussions with directors and/or management of Blina.

### Important notice to shareholders

This Report has been prepared specifically for the non-associated shareholders of Blina, at the request of the directors of the Company, to assist the non-associated shareholders of Blina in their decision whether or not to approve the Acquisition Transaction and the Proposed Transaction.

This Report provides only general financial product advice and does not take into consideration the individual circumstances of Shareholders when making their decision whether or not to approve the Acquisition Transaction and the Proposed Transaction, which is an individual matter. Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Shareholders should consult their own professional advisers (financial advisers and/or tax advisers) when considering these matters and how they relate to their own individual circumstances.

Please refer to the Financial Services Guide provided by Bentleys Corporate Finance, which is included in this Report.

### Independence

Bentleys Corporate Finance (WA) Pty Ltd has considered its independence in preparing this Report in accordance with ASIC's Regulatory Guide RG 112 and is of the opinion that it is independent of Blina and CMPL and their associates.

### Limitations, declarations and qualifications

#### Limitations

The procedures to be performed in relation to the independent expert's report is limited exclusively to those which are set out in this Report. Neither an audit nor a review has been conducted and, accordingly, no assurance has been expressed. This Report cannot be relied upon to disclose irregularities, including fraud, other illegal acts and errors that may occur.

Bentleys Corporate Finance is also not implied to have conducted any due diligence procedures on behalf of the Company or Shareholders and provides no warranty or assurance in this regard.

### Use of report

This Report has been prepared specifically for the non-associated shareholders of Blina and we consent to the issue of this Report in the form and context to which it is included the Notice of Meeting, which will be distributed to all shareholders of Blina. Apart from such use, this Report must not be used, whether wholly or in part, nor may any reference to them be included in or with, or attached to any document, statement or letter without our prior written consent which we may provide (conditionally or unconditionally) or withhold at our discretion.

Bentleys Corporate Finance does not take any responsibility for the contents of the Notice of Meeting other than this Report.

Neither Bentleys Corporate Finance, Bentleys (WA) Pty Ltd, Bentleys, nor any member or employee thereof, undertakes responsibility to any person, other than to the Company and the Shareholders, in respect of this Report, including any errors or omissions howsoever caused.

Unless used for the purpose specified herein, this Report (or any part of them) must not be distributed or disclosed to any other third party without our prior written consent.

### Reliance

Where our engagement requires us to form or express an opinion, provide an analysis or provide advice, the opinion, analysis or advice will relate to the information, events and circumstances at the date on which it is given, unless we expressly state otherwise.

This Report will be provided solely for the purpose set out in this document and may not be relied upon by any other third party outside of the objectives of our engagement above.

While we are responsible for forming and expressing an opinion based on information that has been prepared and provided by the management of the Company, with the oversight of those charged with governance, it does not relieve management or those charged with governance of their responsibilities.

Our engagement has been conducted on the basis that the Company's management, and those charged with governance, acknowledge and understand that they have responsibility for the completeness and accuracy of the information supplied to us, and without the intention of providing misleading information, or information that a reasonable person would consider likely to mislead, so as to influence our opinion or analysis in any way.

The statements and opinions included in this Report are provided in good faith and in the belief that they are not false, misleading or incomplete. In preparing this Report, Bentleys Corporate Finance has relied upon and considered the information provided to us after due inquiry to be reliable and accurate. We have no reason to believe that any of the information supplied to us was false or that any material information had been withheld from us.

### Forecasts

Any forecast information used in the formation of our opinion, analysis are based on assumptions about events and circumstances that have not yet occurred, having regard to information available at the date of the forecast. These events and circumstances will be expected to take place, but there cannot be any assurance that they will occur as anticipated or at all given that many of the events are outside of our control.

Whilst we may have reviewed such forecast information with a reasonable level of enquiry or rigour, we do not provide any assurance that the forecasts will be representative of the results that will ultimately be achieved or events that will occur. We disclaim any possible liability in respect of any forecast information.

### Qualifications

Bentleys Corporate Finance holds an Australian Financial Services Licence to issue this Report. Bentleys Corporate Finance is owned by Bentleys (WA) Pty Ltd. The persons primarily involved in preparing and reviewing this Report were Evelyn Tan, Director and Representative of Bentleys Corporate Finance, and Chris Nicoloff, Authorised Representative of Bentleys Corporate Finance, and supported by other staff within Bentleys Corporate Finance. Both Evelyn and Chris have the necessary experience and professional qualifications appropriate for the preparation of this Report.

## Appendix 3: Valuation methodologies

### Intrinsic value methodologies

#### Discounted cash flow

Intrinsic value methodologies look at the inherent value of an asset or a business on its own. The most fundamental analysis used in assessing the inherent value of an asset or business is the discounted cash flow ('DCF') analysis.

The DCF analysis is used to place a value on an asset or a business based on the future free cash flows of the business. The future free cash flows are discounted to their present value at an appropriate discount rate. This approach is particularly applicable to assets or businesses with finite lives, experiencing growth, in a start-up phase, or experiencing irregular cash flows.

Usually, a cash flow forecast is provided for a limited period of time during the period of growth and uncertainty. Often, a terminal value for the asset or business may be calculated at the end of the forecast cash flow period, and is also discounted to its present value using the appropriate discount rate.

This discount rate, which is often called the weighted average cost of capital, represents the opportunity cost of capital, reflecting the expected rate of return that investors require from investments having equivalent risks. The weighted average cost of capital ('WACC') is commonly used in determining the market rates of return to both debt and equity holders.

The value obtained directly from the DCF analysis is a controlling interest value.

#### Sum-of-parts

At times, a sum-of-parts ('Sum-of-Parts') analysis is necessary for larger or more complex businesses where different business units or assets are modelled individually and added together.

A variant of the sum-of-parts analysis is also used when different business units or assets require the adoption of different valuation methodologies (not all necessarily valued using the DCF analysis) and requires the aggregation of the fair market values of the various assets and liabilities of the company.

The value obtained directly from the Sum-of-Parts analysis is usually a controlling interest value if all individual values modelled separately and added together are also on a controlling interest basis.

### Market based methodologies

Market based methodologies estimate the fair market value of an asset or a business using precedent transactions, trading history or comparable company analyses. Market based methodologies are a form of relative valuation. They include:

- Capitalisation of maintainable earnings analysis;
- Trading history analysis of quoted market price of securities; and
- Precedent transactions analysis.

#### Capitalisation of maintainable earnings

The capitalisation of maintainable earnings ('Capitalisation of Earnings') analysis places a value on the business by estimating the maintainable earnings of a business, capitalised at an appropriate rate or earnings multiple, which reflects the business outlook, business risk, investor expectations, future growth prospects and other entity specific factors.

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

Maintainable earnings used in the valuation can be based on net profit after tax, earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or earnings multiple is adjusted to reflect which base is used for the maintainable earnings. This approach relies on the availability and analysis of comparable market data.

The value obtained from the Capitalisation of Earnings analysis is usually a controlling interest value if based on EBITDA or EBIT maintainable earnings and multiples.

### Trading history

Trading history analysis of quoted market price of securities ('Trading History') is used where there is a ready market through which securities are publicly traded in an informed and liquid market. The most recent trading history of such securities provides evidence of the fair market value of the securities of a company and, in an efficient and liquid market, reflects all publicly available information.

The quoted market prices of securities used in the Trading History analysis usually reflect a minority interest value of a security.

### Precedent transactions

Precedent transactions analysis is a form of relative valuation where the sale price evidence of other businesses or assets that have been recently sold or acquired in the same industry is used to place a value on a business or asset. As the sale prices obtained under this approach tend to represent the 'en-bloc' value of a business or asset, it may not be as applicable for larger and more complex businesses or businesses and assets that are not identical. Sale price evidence from precedent transactions can also become dated and may no longer reflect the current market over time.

Sale prices used in the precedent transactions analysis usually reflect a take-over premium and a controlling interest value.

### Asset based methodologies

Asset based methodologies estimate the fair market value of a company based on the realisable value of its identifiable net assets. They include:

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

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

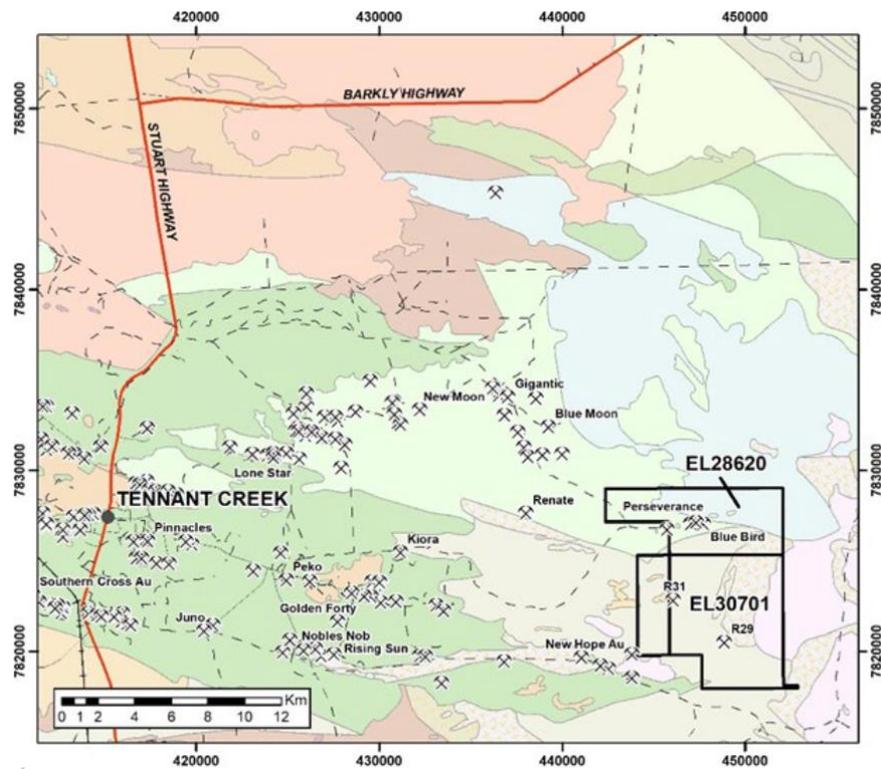
The liquidation method is similar to the orderly realisation of assets method except that the liquidation method assumes that the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate.

The 'net assets on a going concern basis' method estimates the market values of the net assets of an entity but does not take into account any realisation costs. The 'net assets on a going concern basis' approach is usually appropriate where the majority of the assets are cash, passive investments or for investment holding companies. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Appendix 4: Independent Mineral Asset Valuation Report prepared by Mining Insights

# Independent Mineral Asset Valuation Report – Blina Resources NL

Report Prepared for  
Bentleys Corporate Finance (WA) Pty Ltd.



Report Prepared by



January 2021

## **Bentleys Corporate Finance (WA) Pty Ltd.**

Independent Mineral Asset Valuation Report – Blina Resources NL

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**25 January 2021**

**Project Number P2018**

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## Key Abbreviations

A\$ or AUD	Australian Dollar
Au	Gold
AusIMM	Australasian Institute of Mining and Metallurgy
Blina	Blina Resources NL
Cu	Copper
ha	Hectare(s)
JORC	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Mineral Council of Australia
K	Thousand
km	Kilometres(s)
km <sup>2</sup>	Square kilometre(s)
KMM	Kalgoorlie Mine Management Pty Ltd
M	Million
Mt	Millions of tonnes
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, quality, and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, quality, continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated, and Measured categories.
Mining Insights	Mining Insights Pty Ltd.
Mtpa	Millions of tonnes per annum
Ore Reserve	An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Coal Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually, the point where Ore is delivered to the processing plant must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.
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## Executive Summary

In December 2020, Blina Resources NL (“Blina”) announced that it had entered into a binding term sheet (“Agreement”) to acquire the remaining 50% of the issued capital of Colour Minerals Pty Limited from Kalgoorlie Mine Management Pty Ltd (“KMM”). This follows on from the initial acquisition by Blina of the first 50% of CMPL which was completed in September 2019. CMPL holds 100% of the ownership of the Barkly Project located in Northern Territory.

Mining Insights Pty Ltd. (“Mining Insights”) was instructed by Bentleys Corporate Finance (WA) Pty Limited (“Bentleys”) to prepare an Independent Mineral Asset Valuation Report (“IVR” or “Report”) for the mineral assets currently held by Blina which Bentleys will use as part of their Independent Expert Report (“IER”).

This Report is complete up to 25 January 2021. A draft of the technical component of the Report was provided to Blina, along with a written request to identify any material errors or omissions prior to lodgement.

## Barkly Project

The Barkly Project comprising two tenements, Exploration Licence (“EL”) 28620 and EL 30701, is located approximately 45km east of the Tennant Creek township, south of the Barkly Highway in the Northern Territory.

## Geology

The Barkly Project is located in the Tennant Creek Inlier, an area of Proterozoic rocks consisting of three distinct geological provinces; the Davenport Province to the southeast, the central Tennant Creek Block and the Tompkinson Creek Province to the northwest.

The Tennant Creek Goldfield is located within the central Tennant Creek Block where the oldest rocks are the metasedimentary rocks of the Warramunga Formation. The Warramunga Formation comprises of a metamorphosed sequence of argillaceous sedimentary rocks that includes greywacke, siltstone, shale and units of hematite–magnetite shale. Cross-cutting and conformable quartz–feldspar porphyries occur within the sedimentary sequence.

The Barkly Project covers the southeast extension of the Tennant Creek mineral field which has a production history of 5Moz of gold and 350,000 tonnes of copper hosted by high-grade ironstones.

Two key prospects are **Bluebird** and **Perseverance** on EL28620 and **R29** on EL30701. Magnetic surveys indicate that this trend extends into the project area through the Perseverance–Bluebird workings. The R29 magnetic anomaly is situated near a sequence of altered chloritic tuffs in an area of non-outcrop.

The tenements cover the old Perseverance workings and the shallow Bluebird workings where historical records indicate 172 tonnes of ore at 9.3g/t Au were produced.

## Exploration

Exploration activity includes ground magnetic and gravity surveys, soil geochemistry, RC and diamond drilling.

## Prospectivity

The Barkly Project is located in the Tennant Creek Goldfield where IOCG-style iron oxide-copper-gold-bismuth deposits are hosted in Proterozoic metasedimentary rocks of the Warramunga Formation. The Tennant Creek Goldfield has been the focus of extensive recent exploration efforts, notably by Emmerson Resources Ltd (in a joint venture with Ivanhoe Australia Ltd and subsequently Evolution Mining Ltd), Chalice Gold Mines Ltd and King River Copper Ltd.

More recent exploration drilling at the Bluebird Prospect has been very successful with significant Cu-Au-Bi mineralisation intersections. Based on the drilling results, mineralisation is now defined to a depth of at least 150 m vertically from surface and over a strike length of up to 120 m. The mineralisation starts at less than 50 m below surface.

The Barkly Project is considered highly prospective for magnetite hosted **gold-copper** similar to other deposits found elsewhere in the Tennant Creek Goldfield.

## Mineral Asset Valuation

Mining Insights has used market based “Market Comparable”, cost-based “Geoscientific Rating Method” approaches to derive the Mineral Asset Valuation for the Barkly Project. In selecting its overall value range and preferred value, Mining Insights has placed equal weight on the values implied by these methods, with a preferred value being halfway between the low and high-value range. Summary of the valuation for the Barkly Project (on 100% basis) is shown in the table below.

### Valuation – Barkly Gold-Copper Project (100% Basis)

Project	Value - Market Comparable Method (\$'000)			Value - Geoscientific Method (\$'000)			Selected Value (\$'000)		
	Lower	Preferred	Higher	Lower	Preferred	Higher	Lower	Preferred	Higher
Barkly	1,718	2,454	3,190	1,841	2,853	3,865	1,780	2,650	3,530
Barkly	1,718	2,454	3,190	1,841	2,853	3,865	1,780	2,650	3,530

Based on Market Comparable and Geoscientific Rating method, the valuation for Blina’s tenements has been determined to be in the range of \$1.78M to \$3.53M with a preferred value of \$2.65M.

This valuation range is considered appropriate for the project at this stage of development, reflecting the uncertainty and eventual extraction of a mineral resource.

## 1 Introduction

In December 2020, Blina Resources NL (“Blina”) announced that it had entered into a binding term sheet (“Agreement”) to acquire the remaining 50% of the issued capital of Colour Minerals Pty Limited from Kalgoorlie Mine Management Pty Ltd (“KMM”). This follows on from the initial acquisition by Blina of the first 50% of CMPL which was completed in September 2019. CMPL holds 100% of the ownership of the Barkly Project located in Northern Territory.

Mining Insights Pty Ltd. (“Mining Insights”) was instructed by Bentleys Corporate Finance (WA) Pty Limited (“Bentleys”) to prepare an Independent Mineral Asset Valuation Report (“IVR” or “Report”) for the mineral assets currently held by Blina which Bentleys will use as part of their Independent Expert Report (“IER”).

This Report is complete up to and including 25 January 2021. A draft of the technical component of the Report was provided to Blina, along with a written request to identify any material errors or omissions prior to lodgement.

### 1.1 Compliance with JORC and VALMIN Code

This Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2015 Edition (“The VALMIN Code”) and the Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves 2012 Edition (“The JORC Code”).

Both codes are binding upon Members of the Australian Institute of Geoscientists (“AIG”), the Australasian Institute of Mining and Metallurgy (“AusIMM”), the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves and the rules and guidelines issued by such bodies as Australian Securities and Investments Commission (“ASIC”) and Australian Securities Exchange (“ASX”), which pertain to Independent Experts’ Reports.

The authors have taken due note of the rules and guidelines issued by bodies such as the ASIC and the ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

### 1.2 Qualifications

The principal person responsible for the preparation and review of this Report is Mr Manish Garg (Director), a Mineral Valuation Specialist.

Mr Manish Garg [BEng (Minerals Engineering), Masters of Applied Finance, MAusIMM] is a mineral asset valuation specialist with over 30 years’ experience in mining operations, mining feasibility studies, consulting and corporate roles in lead, zinc, copper, nickel, gold, graphite and coal – project management, metallurgy, scoping study and valuation.

The information in this Report that relates to the technical assessment and valuation of mineral assets reflects information compiled and conclusions derived by Mr Manish Garg who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Garg is employed by Mining Insights and is not related parties to Blina or KMM.

Mr Garg has sufficient experience relevant to the technical assessment and valuation of the mineral assets under consideration and to the activity which they are undertaking to qualify as Practitioners as defined in the 2015 edition of the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets. Mr Garg consent to the inclusion in the Report of the matters based on the information in the form and context in which it appears.

### **1.3 Data Sources**

Mining Insights has based its review of the projects on the information made available by Blina along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. Mining Insights has relied upon discussions with Blina management as well as recent exploration reports for the information contained within this Report.

Mining Insights has used its reasonable endeavours to verify the accuracy and completeness of the information provided to it by Blina on which it has relied in compiling the Report. We have no reasons to believe that any of the information or explanation so supplied are false or that material information has been withheld.

### **1.4 Site Visit**

No specific site visit has occurred as a part of this Report or valuation. As the project is an early-stage exploration project with limited recent exploration has been conducted on the tenements, Mining Insights is satisfied that a site visit would not provide any additional material information that would modify the opinion or valuation of the assets.

### **1.5 Tenement Status**

A determination of the Status of Tenure is necessary and must be based on a sufficiently recent inquiry to ensure that the information is accurate for the Report. A tenure that is Material must be or recently have been verified independently of the Commissioning Entity (VALMIN Code 2015, Clause 7.2). The status of the tenements has been verified based on a recent independent inquiry pursuant to section 7.2 of the Valmin Code, 2015.

Mining Insight is not aware of any outstanding matters that may affect the conduct of exploration on the tenements in a timely manner.

## 1.6 Independence

Neither Mining Insights nor the author(s) of this Report, have or have previously had, any material interest in Blina or KMM or its projects/assets. Mining Insights nor the authors have not prepared any previous reports relating to the mineral assets that are the subject of this Report.

Mining Insights' relationship with Blina and KMM is solely one of professional association between independent consultant, client and project vendors.

## 1.7 Professional Fees

Mining Insights' estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, Mining Insights' knowledge of the assets and the availability of data. The fee payable to Mining Insights for this engagement is estimated at approximately \$24,000. The payment of this professional fee is not contingent upon the outcome of the Report.

## 1.8 Consent

Mining Insights consents to this Report being included, in full, in Bentleys' IER in the form and context in which the technical assessment is provided, and not for any other purpose.

Mining Insights provides this consent on the basis that the technical assessments expressed in the Summary and the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report.

## 1.9 Disclaimer

The opinions expressed in this Report are appropriate as of 25 January 2021. The opinions expressed in this Report are based upon the information supplied to Mining Insights by Blina. The opinions in this Report are provided in response to a specific request from Bentleys to do so.

Mining Insights has exercised all due care in reviewing the supplied information. Whilst Mining Insights has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant upon the accuracy and completeness of the supplied data. Mining Insights does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of the investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this report, about which Mining Insights had no prior knowledge nor had the opportunity to evaluate. Blina was provided with a technical section of this Report and requested to identify any material errors or omissions prior to its lodgement.

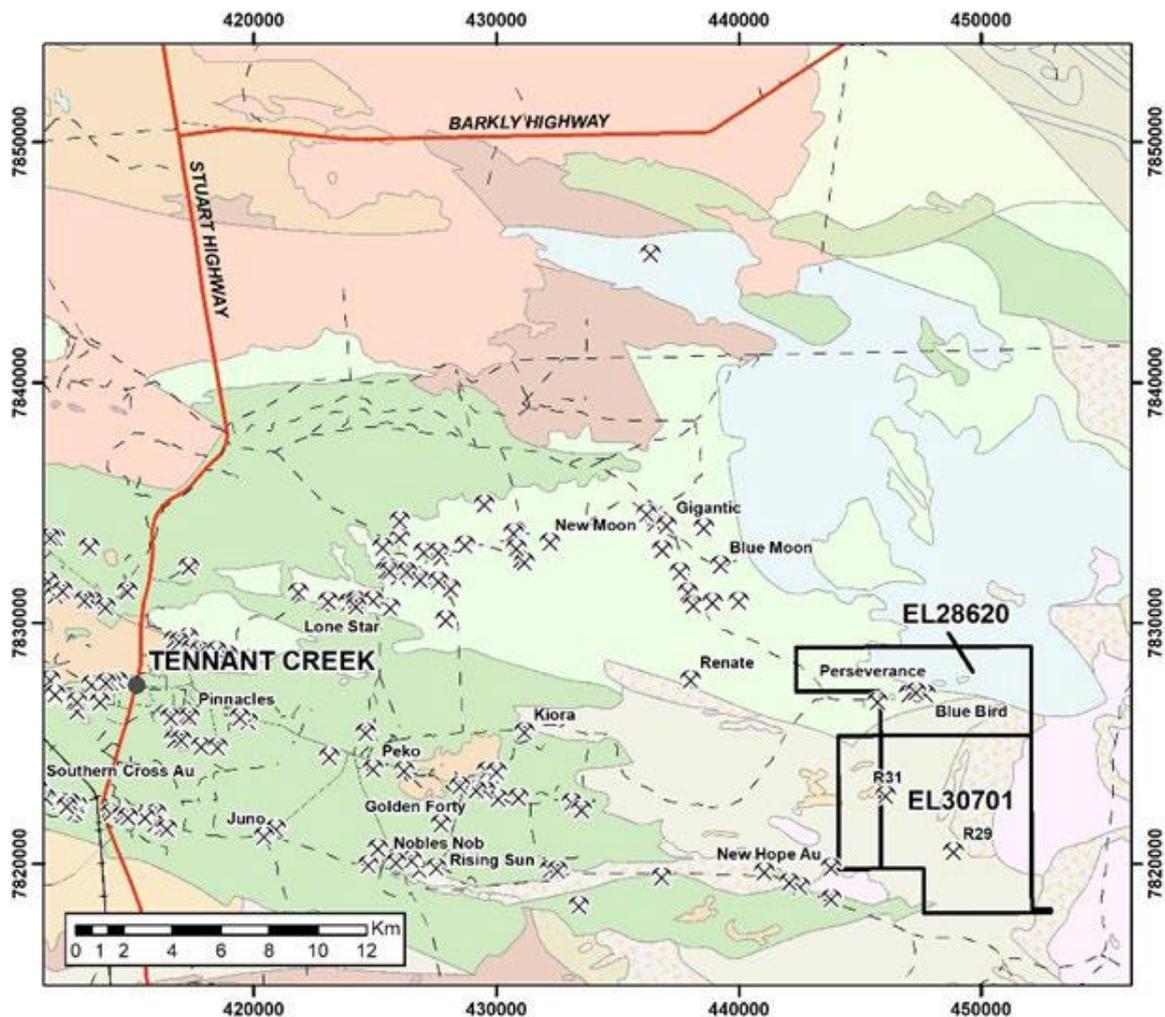
## 2 Tenements

### 2.1 Location and Access

The Barkly Project comprising two tenements, Exploration Licence (“EL”) 28620 and EL 30701, is located approximately 45km east of the Tennant Creek township, south of the Barkly Highway in the Northern Territory (Figure 2:1).

The license area falls within the Gosse River (5858) and Tennant Creek (5758) 1:100 000-scale map sheets. The tenement is within NT Portions 494 & 1075, Perpetual Pastoral Lease 1142, Tennant Creek Station.

The northern part of the Licence areas can be reached from Tennant Creek along the Barkly Highway, and via secondary unsealed tracks heading south. Access into the central part of the tenements is gained via the Lonestar track to the Gigantic mine and then along secondary tracks from the Tennant Creek township or the old Overland Telegraph Station. Access to the southern region of the Licence areas from the Tennant Creek is via the sealed road to the Peko and Nobles Nob mines, and then via the unsealed Gosse River Road. A network of unsealed tracks provides reasonable vehicular access to the remainder of the tenement area.



**Figure 2:1 Blina's Barkly Project**

## 2.2 Climate and Topography

The climate of the project area is semi-arid with a mean annual rainfall of about 460mm, with rainfall mostly in the period November to March. Temperatures are moderate to high in the summer months with an average of 19 days per year over 40°C between October and March and the winters are mild with the lowest temperature recorded being 4°C during July.

The topography of the project area is dominated by hilly ridges separated by flat to undulating areas of sheet wash and soil-covered areas. Vegetation is dominated by spinifex with local patches of low to medium eucalyptus woodland and areas of a salt-tolerant shrub.

## 2.3 Tenement Status

The current status of the Blina's tenements is summarised in Table 2:1.

**Table 2:1 Tenement Schedule**

Tenement No.	Holder	Grant Date	Expiry Date	Blocks	Area (km <sup>2</sup> )
EL 28620	Colour Minerals Pty Ltd	16/12/2011	15/12/2021	13	39.2
EL 30701	Colour Minerals Pty Ltd	20/08/2015	19/08/2021	15	42.6
Barkly Project				28	81.8

Clause 7:2 of the VALMIN Code states that the status of the tenement is Material and requires disclosure. Determination of the status of Tenements is necessary and must be based on a recent independent inquiry, either by the Expert. The status of the tenements has been verified based on a recent independent inquiry of the Department of Industry, Tourism and Trade, NT, Tenure and Geoscience Information On-Line database (source: <http://strike.nt.gov.au/wss.html>) by Mining Insights. Expenditure commitments on the tenements have been expended in full. Mining Insights is not aware of any royalty agreement or any outstanding matters that may affect the conduct of exploration on the tenements in a timely manner.

## 2.4 Native Title Claims

The Barkly Project lies within Tennant Creek Pastoral Lease (Tribunal ID: DC2017/003). Neither the Company nor the author is aware of any indigenous title claims within the mineral assets. Accordingly, no adjustment was made during this Report for indigenous title implications

## 2.5 Encumbrances/ Private Royalty

There are no known royalties payable to previous owners of the project. The Project may be subject to state royalties as stipulated by the Northern Territory Government where applicable.

## 2.6 Other Matters

Mining Insights is not aware of any other outstanding matters that may affect the conduct of exploration on the tenements in a timely manner.

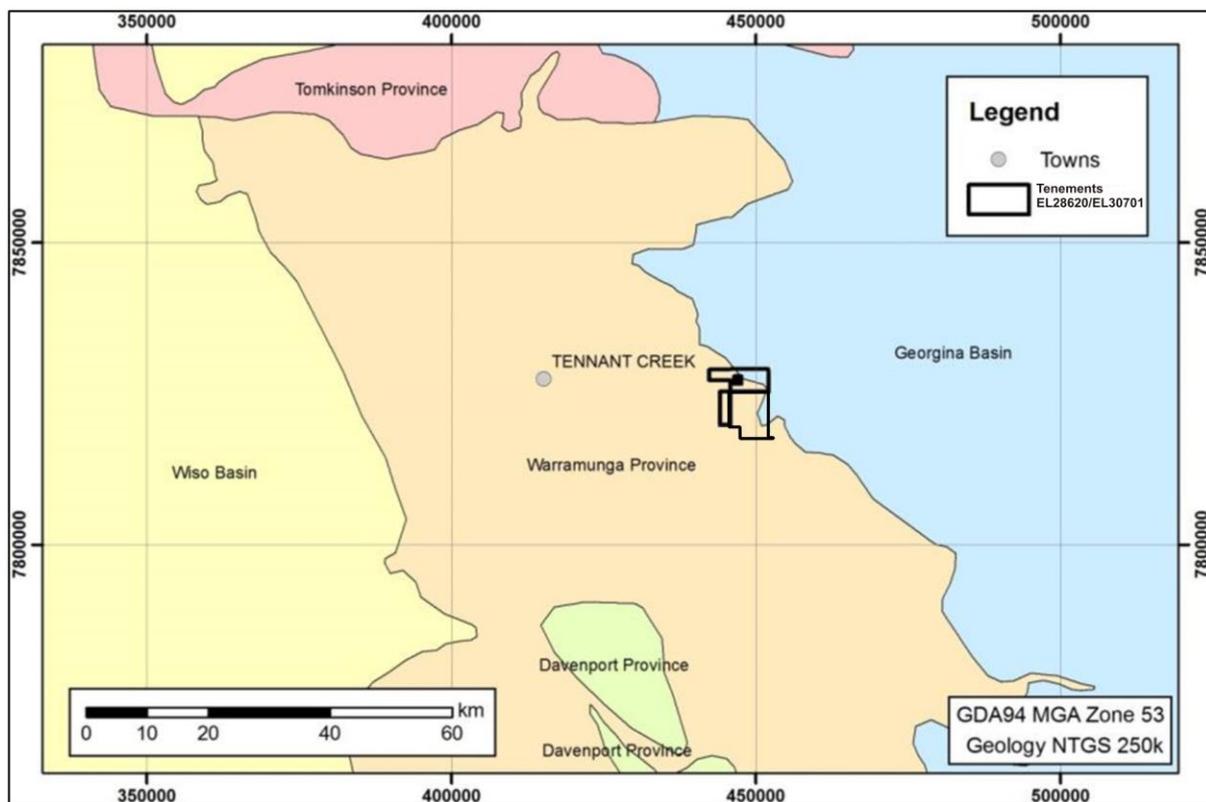
## 3 Geological Settings

### 3.1 Regional Geology

The Barkly Project is located in the Tennant Creek Inlier, an area of Proterozoic rocks consisting of three distinct geological provinces; the Davenport Province to the southeast, the central Tennant Creek Block and the Tompkinson Creek Province to the northwest (Figure 3:1).

The Tennant Creek Inlier is composed of deformed gneissic basement rocks overlain by Proterozoic metasedimentary rocks of the Warramunga Formation, Hatches Creek Group and the Tompkinson Creek Beds. The Proterozoic sedimentary sequence was intruded by younger Proterozoic granitoids around 1858 to 1845 Ma during the Barramundi Orogeny. The Proterozoic rocks were subsequently overlain by Cambrian sedimentary rocks of the Georgina Basin.

The Tennant Creek Goldfield is located within the central Tennant Creek Block where the oldest rocks are the metasedimentary rocks of the Warramunga Formation. The Warramunga Formation comprises of a metamorphosed sequence of argillaceous sedimentary rocks that includes greywacke, siltstone, shale and units of hematite–magnetite shale. Cross-cutting and conformable quartz–feldspar porphyries occur within the sedimentary sequence.



**Figure 3:1 Regional Geology with NTGS 1:250,000 Geology**

Source: *Blina ASX Announcement, 25 September 2019*

The Warramunga Formation has been subjected to three phases of deformation, the first of which formed tight to isoclinal folds with an east-west axis. The two later phases formed west-northwest trending faults and shear zones, and finally northwest-trending faults. The project covers an area of poor outcrop consisting of Cainozoic and Quaternary aeolian and alluvial sand cover.

The Warramunga Formation underlies most of the Barkly project area and hosts the iron oxide–copper–gold–bismuth (IOCG) mineralisation in the Tennant Creek area.

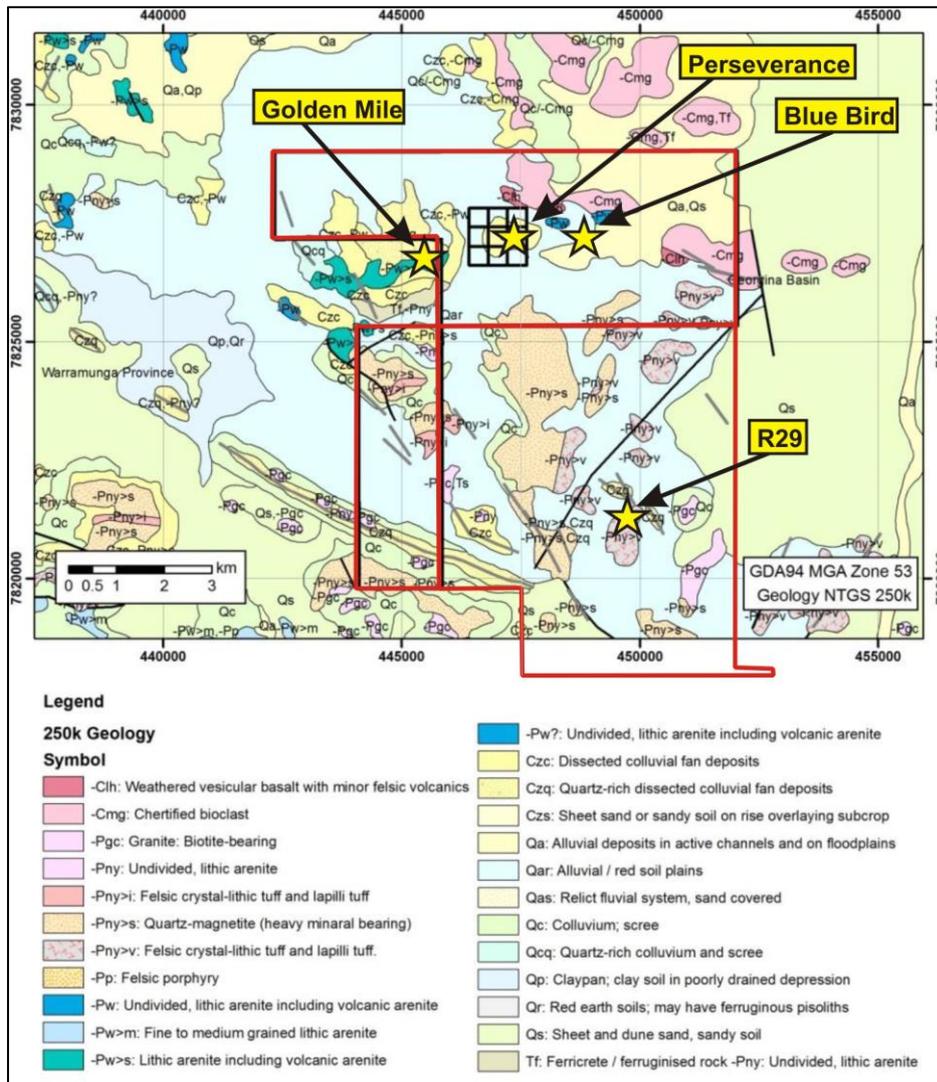
### **3.2 Area Geology**

The Barkly Project covers the southeast extension of the Tennant Creek mineral field which has a production history of 5Moz of gold and 350,000 tonnes of copper hosted by high-grade ironstones. The tenements cover the old Perseverance workings where the previous drilling showed the best result of 3m at 43.2g/t Au from 72m depth and the shallow Bluebird workings where historical records indicate 172 tonnes of ore at 9.3g/t Au was produced.

Coarsening quartz-rich sedimentary units and porphyries of the overlying Flynn Subgroup bound the easterly and southerly extent of the Warramunga Formation to the south of the leases. The Warramunga Formation within the leases is host to several small haematite–quartz–(magnetite–jasper) ironstones, hosted by westerly trending haematite-chlorite shear zones.

Overlying this rhyolitic sequence, 250m W of the magnetic anomaly is a silicified greywacke unit. This unit is characterised by numerous quartz-chlorite stringers throughout. Overlying this is a sequence of chloritic rhyolitic tuffs with 1-5% pyrite as disseminations and fracture fillings. Minor chalcopyrite and bornite occur as fracture fillings. This sequence includes an area of outcrop which is sheared and brecciated and may represent a rhyolite breccia dome. Overlying this pyritic horizon is a sequence of altered rhyolite which in turn is overlain by a tourmalinised rhyolite unit.

To the north of the leases, a low-lying granite body that is largely covered by aeolian sands and silts truncates the Warramunga Formation. Overlying both the sediments and the granite to the northeast are Cambrian cherts which form the western margin of the Georgina Basin sequence.



**Figure 3:2 Local Geology with NTGS 1:250,000 Outcrop Geology**

Source: *Blina ASX Announcement, 25 September 2019*

Two key prospects are **Bluebird** on EL28620 and **R29** on EL30701.

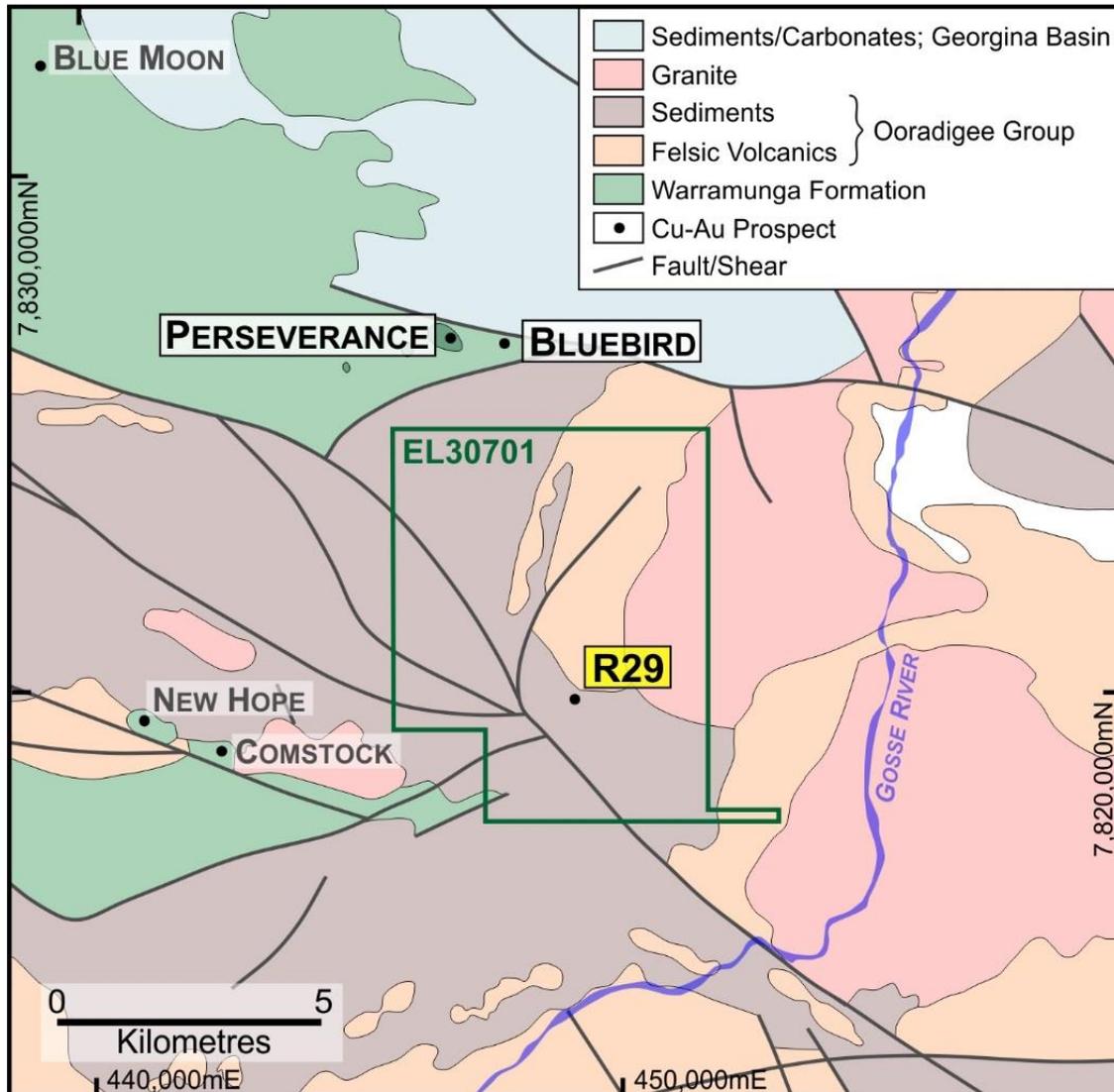
The ironstones form part of the Golden Mile line of historical workings (outside the tenement) that strike over a length of 4.5 km outside the prospect area. Mineral Licences 217–224 within EL28620 cover a small wedge of Warramunga Formation sediments at the eastern end of a westerly trending ridge containing a good anticlinal exposure of interbedded siltstones, shale and greywacke along the Golden Mile. Magnetic surveys indicate that this trend extends into the project area through the Perseverance–Bluebird workings.

At the R29 prospect, the exposed rocks are reported to comprise a westerly dipping sequence of rhyolitic tuffs and possible flows and well-bedded greywacke-siltstone units. The stratigraphic top is to the west. The R29 magnetic anomaly is situated near a sequence of altered chloritic tuffs in an area of non-outcrop. The tuffs consist of quartz, feldspar and chlorite in a red fine-grained siliceous matrix. Two phases of alteration are recorded; chloritisation of feldspar, biotite and the groundmass; and sericitisation of feldspar and biotite.

## 4 Exploration Work Completed

### 4.1 EL30701

Exploration activity on EL30701 was centred around R29 Prospect area (Figure 4:1).



**Figure 4:1 EL30701 Simplified Geology and R29 Prospect Location**

Source: *Blina ASX Announcement, 25 September 2019*

Significant historical exploration activities include:

- 1970 MAT Exploration Pty Ltd: a 200m line spacing aeromagnetic survey (N-S lines).
- 1973 – 1975 Australian Development Ltd:
  - Identification of the R29 magnetic anomaly and located it using ground magnetic traverses,
  - 200m line spacing aeromagnetic survey (N-S lines),
  - geological mapping (1:2500 scale),

- 50m spaced ground magnetic survey (E-W lines),
- shallow RAB drilling programme (44 holes, total 674m) over R29, and
- 7-hole diamond drilling program (cumulative total; 864.5m of diamond and percussion drilling) into the pyritic rhyolite target and the R29 magnetic anomaly.
- 1991-1996 PosGold Ltd: regional gravity survey and photogeological mapping.
- 2017 Meteoric Resources (“Meteoric”): 60km ground magnetic survey using a cesium vapour magnetometer (50m-spaced E-W lines).

The ground magnetic survey identified a discrete N-S anomaly some 600m in length with a maximum amplitude of 250nT. The anomaly was interpreted to be a banded iron formation or a magnetite body parallel to the strike of the volcanics and entirely within the volcanics. The photogeological interpretation by PosGold identified a pronounced NW-trending structure passing close to R29.

Shallow RAB drilling completed along a profile line to obtain bedrock and geochemical data across the axis of the magnetic anomaly delineated a volcanic-sediment contact approximately 100 m W of the anomaly axis, with anomalous gold values up to 2 m @ 2.1 g/t from 18m at bottom of the hole.

Diamond holes drilled into the pyritic rhyolite identified during the geological mapping intersected a thick sequence of rhyolite with abundant pyrite. Several gold-anomalous zones were intersected including 10m @ 0.8g/t Au from 170m in quartz and sulphide veined chloritic tuff. Drilling also intersected minor disseminated pyrite throughout with several gold-anomalous zones including 12m @ 0.6 g/t Au from 6m.

Three diamond holes (DDH468, 479 and 482) and two percussion holes (SHDH169 and 170) were drilled into the R29 magnetic target on two sections 100m apart. The holes intersected a sequence of massive chlorite altered rhyolite with some gold-anomalous zones including 3m @ 2.6g/t Au from 70m in DDH468 in quartz veined brecciated rhyolite and 9m @ 0.3g/t Au from 6m in SHDH169. DDH479 and 482 did not intersect any anomalous base metal values however they do not appear to have been assayed for gold.

## **4.2 EL 28620**

Meteoric Resources has explored EL28620 during the 2004-2019 period with various joint venture partners including Blaze International Limited (ASX: BLZ). Work during the period includes soil geochemistry, magnetic and gravity surveys and drilling.

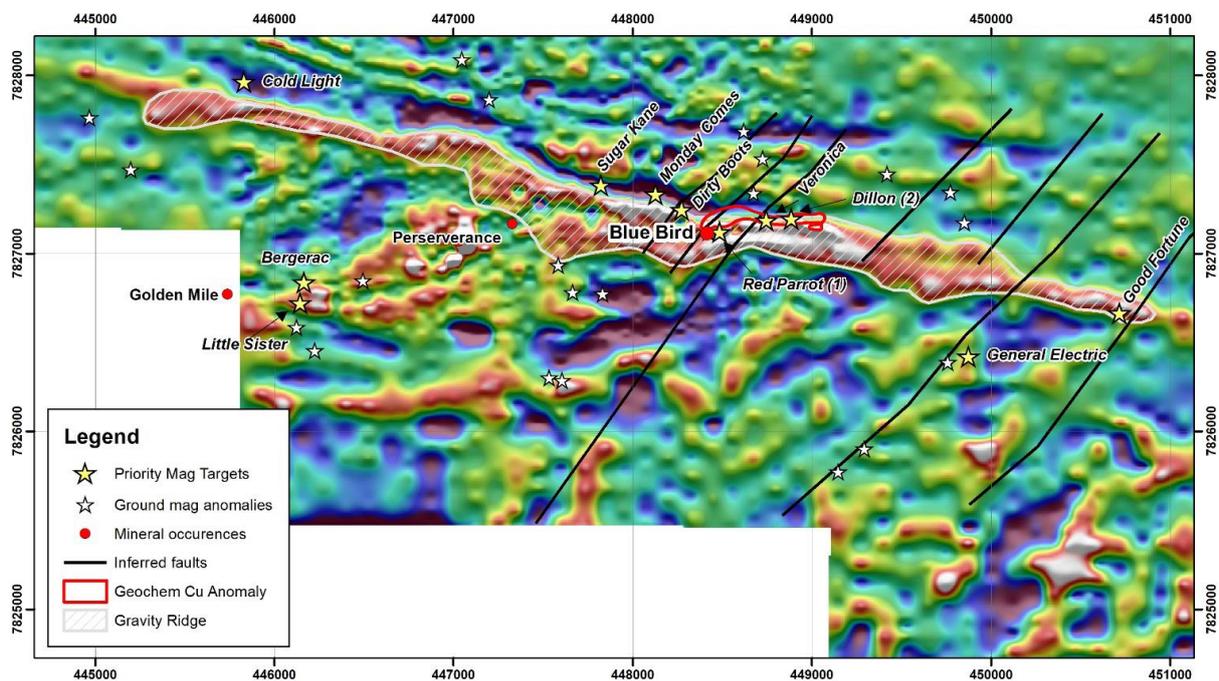
Blina acquired the equity in the project in late 2019. Blina reinterpreted the historic magnetic and gravity surveys and completed a drilling program consisting of approximately 1,170m of RC drilling across six (7) drill holes, designed to test the down-dip / plunge extensions and lateral extensions of the high-grade mineralisation at the Bluebird Prospect area.

### **4.2.1 Geophysical Data Reinterpretation and Regional Targeting**

Two important geophysical datasets for targeting Tennant Creek style gold-copper mineralisation are aeromagnetism and gravity. The magnetite rich ironstones hosting the mineralisation are strongly magnetic and in contrast with the relatively weakly magnetic

Warramunga Formation sedimentary country rocks. The ironstones and associated sulphide mineralisation are also denser than the country rock and may therefore be amenable to detection by gravity surveying. Gravity is particularly important in targeting non-magnetic hematite hosted deposits. Peko and Nobles Nob are both examples of hematite hosted orebodies within the Tennant Creek Goldfield.

Available geophysical survey data over the Barkly Project area has been reprocessed, gridded and imaged. The surface geological and geochemical data allowed to characterise the response of the Bluebird mineralisation and generate a series of targets based on coincident magnetic, gravity and geochemical anomalies similar to Bluebird and/or other deposits in the Tennant Creek Goldfield.



**Figure 4:2 Residual Gravity Image showing Remanent Magnetic Anomalies (with White Stars), High Priority Targets (with Yellow Stars), NE Trending Structural Interpretation (as Black Lines) and The Gravity Ridge (Hatched in Light Grey)**

Source: *Blinka ASX Announcement, 31 January 2020*

In conjunction with the surface geological and geochemical data, this reinterpretation has allowed the company to characterise the response of the Bluebird mineralisation and generate a series of other prospect targets based on coincident magnetic, gravity and geochemical anomalies similar to Bluebird and/or other deposits in the Tennant Creek Goldfield.

The highest-ranking targets were field checked and in most cases, the targets are obscured by soil cover. This is interpreted as a positive, particularly in the context of Bluebird where the ironstone and the mineralisation do not develop until at least 40m below surface. There is no expression of the Bluebird mineralisation at the surface as the weathering profile appears to be strongly leached in the top 40m. Drilling is planned to test these targets.

## 4.2.2 Drilling

RAB drilling programs were conducted in 2005 and 2006 intersecting hematite ironstone and hematite-chlorite alteration over a 600m strike length with anomalous copper, gold and bismuth. RC and diamond drilling programs were conducted between 2014-2016 by Blaze International Exploration.

19 drill holes (RC & Diamond) were drilled at the Bluebird Prospect prior to Blina's acquisition of the equity in the project during 2019. Significant intersections at the Bluebird Prospect include:

BBDD-2:	20m at 8.17g/t Au, 0.61% Cu from 157m including 4m at 37.9g/t Au, 0.66% Cu from 169m
BBRC-5:	25m at 0.30g/t Au and 1.9% Cu from 69m including 4m at 1.06g/t Au, 8.99% Cu from 74 metres
BBDD0004:	16m at 0.65g/t Au and 3.02% Cu from 139m including 4m at 0.74g/t Au, 6.49% Cu from 141m
BBRC0012:	31m at 0.21g/t Au and 2.48% Cu from 116m including 12m at 0.23g/t Au, 4.41% Cu from 125m; and including 1m at 1.44g/t Au, 11.50% Cu from 142m
BBRC0010:	11m at 0.98g/t Au, 0.68% Cu from 77m including 2m at 3.54g/t Au, 0.25% Cu from 77m; and including 1m at 0.95g/t Au, 3.45% Cu from 86m
BBRC0013:	14m at 0.54g/t Au, 1.31% Cu from 162m including 1m at 0.78g/t Au, 3.91% Cu from 166m
BBDD0005:	4m at 0.55g/t Au, 1.04% Cu from 85m including 1m at 0.95g/t Au, 3.45% Cu from 86m

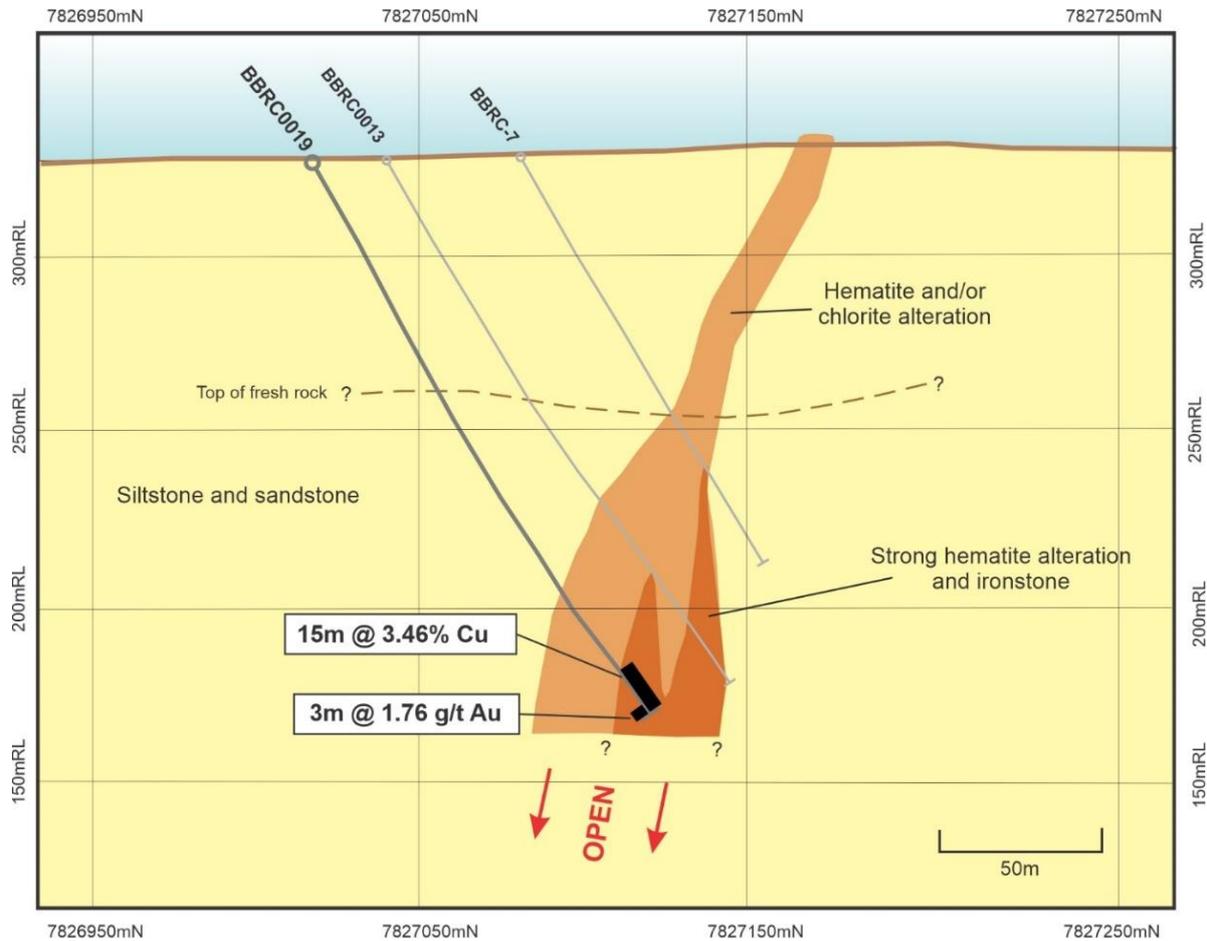
Blina completed a drilling program consisting of approximately 1,170m of RC drilling across six (7) drill holes during 2019-2020. The holes were drilled to in-fill and extend previous drilling that intersected high-grade copper-gold mineralisation within an ironstone unit on a west-northwest trending, steeply south dipping fault zone. Significant results from the drill program included:

BBRC0015	20m @ 1.79g/t Au, 1.67% Cu from 156m Incl. 10m @ 2.87g/t Au, 2.32% Cu
BBRC0019	15m @ 0.61g/t Au, 3.46% Cu from 172m Incl. 4m @ 0.24g/t Au, 6.28% Cu from 175m and 1m @ 3.95g/t Au, 4.80% Cu from 186 to the end of the hole

It is common for Tennant Creek style deposits to be zoned with more copper-rich mineralisation near the surface and more gold-rich mineralisation at depth, or the reverse. The Bluebird mineralisation follows the typical Tennant Creek style model in that it is copper-rich near surface and transitions into high-grade gold as it gets deeper.

Significantly, the new drill hole BBRC0019 was drilled below BBRC013 which was previously the deepest and most westerly hole drilled at Bluebird. The hole intersected strongly hematite altered siltstone and ironstone from 172m to 187m at which depth the hole was abandoned due to in-hole caving. The hole ended in mineralisation with the last metre containing 3.9g/t Au and 4.8% Cu. Several of the other holes were also abandoned due to in-hole caving prior to

reaching the mineralised zone or target depth. The difficult drilling conditions are caused by brecciated ironstone in the fault zone in combination with high water in-flow rates (Figure 4:3).



**Figure 4:3 Bluebird prospect cross-section 448360E**

Source: *Blina ASX Announcement, 18 March 2020*

The Bluebird Prospect has a prominent aeromagnetic and gravity anomaly along with a west-north-west fault trend. At the surface, the prospect is marked by ironstone that forms a low hill with several shallow workings. At the surface, the ironstone has low levels of gold and copper because of strong leaching that extends to a depth of over 100m. High copper and gold values have been intersected at a supergene enriched zone at a depth of approximately 120-150m vertical. Bluebird is one of several coincident magnetic and gravity anomalies along the fault. The previous drilling has been shallow reconnaissance style and is unlikely to have penetrated the strongly leached zone.

Further RC and diamond drilling has been planned at Bluebird in order to complete those holes which were abandoned prior to reaching the target mineralised zone due to in-hole caving and to extend the copper-gold mineralisation along strike to the west.

### 4.3 Prospectivity & Exploration Potential

The Barkly Project is located in the Tennant Creek Goldfield where IOCG-style iron oxide-copper-gold-bismuth deposits are hosted in Proterozoic metasedimentary rocks of the Warramunga Formation. The Tennant Creek Goldfield has been the focus of extensive recent exploration efforts, notably by Emmerson Resources Ltd (in a joint venture with Ivanhoe Australia Ltd and subsequently Evolution Mining Ltd), Chalice Gold Mines Ltd and King River Copper Ltd.

More recent exploration drilling at the Bluebird Prospect has been very successful with significant Cu-Au-Bi mineralisation intersections. Based on the drilling results, mineralisation is now defined to a depth of at least 150 m vertically from surface and over a strike length of up to 120 m. The mineralisation starts at less than 50 m below surface.

The Barkly Project is considered highly prospective for magnetite hosted **gold-copper** similar to other deposits found elsewhere in the Tennant Creek Goldfield.

## 5 Project Risks

Mineral exploration and development are high-risk undertakings. There can be no assurance that the exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if a viable resource is identified, there is no guarantee that it can be economically exploited.

Mining Insights has identified a range of risk elements or risk factors which may affect the future exploration and operational performance of the Project. 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.

Some of the risk factors are completely external and beyond the control of management. However, project-specific risks can be mitigated by taking the proper measures in advance. Key project risks that have been identified are discussed below.

### 5.1 Exploration Risk

The exploration risks associated with the Barkly project are generic and common to most greenfield exploration projects, and in Mining Insights' opinion do not pose a significantly higher risk than any other early-stage exploration project.

### 5.2 Resources & Reserve Risk

No Mineral Resource has been reported within any of the tenement. Moving forward it may be possible that further exploration, geological and metallurgical assessment may result in no mineral resource being delineated which would have a material impact on the technical value of the concession.

No Ore Reserve has been defined at this Project. Moving forward it may be possible that further technical studies may not result in the development of Ore Reserve which would have a material impact on the value of Blina's projects.

### 5.3 Processing Risk

No mineral processing studies have been conducted so far. Moving forward, it may be possible that unfavourable results from further test-work may jeopardise Project viability.

### 5.4 Commodity Price Risk

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of copper and uranium concentrates. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into.

Gold and copper prices are subject to significant fluctuations. Any significant decline in the prices of these or demand could materially and adversely affect the company's business and financial condition results of operations and prospects.

### **5.5 Mine Infrastructure Associated Risk**

A significant mine infrastructure facility including power generation needs to be developed before the commencement of mining activity. Alternatively, access to these facilities including accommodation camp, processing plant and port need to be negotiated with other companies in the vicinity.

### **5.6 Mining Approvals, Tenure, and Permits**

While the Barkly project has approved exploration permits, these projects will require mining permits and environmental approvals before the commencement of actual mining operations. Any delays in obtaining the required approvals may affect the production and the mine plan. This may likely cause the project to overrun, which may significantly affect project capital and operating costs.

### **5.7 Environmental and Social Risks**

Failure to comply with the environment criteria or failure to maintain good relationships with the local community and neighbouring tenement holder may impact the Project.

## 6 Valuation

### 6.1 Valuation Discussion

In assessing the technical aspects relevant to this Valuation, Mining Insights has relied on information provided by Blina, as well as information sourced from the public domain. All sources are appropriately referenced and listed in the bibliography.

### 6.2 Valuation Approaches

While the VALMIN Code (2015) states that the selection of the valuation approach and methodology is the responsibility of the Practitioner, where possible, Mining Insights considers a number of methods.

This approach aims to compare the results achieved using different methods to select a preferred value within a valuation range. This reflects the uncertainty in the data and interaction of the various assumptions inherent in the valuation.

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

1. Income Approach;
2. Market Approach; and
3. Cost Approach.

*The Income Approach* is based on the principle of anticipation of benefits and includes all methods that are based on the income or cash flow generation potential of the Mineral Property (VALMIN 2015). Valuation methods that follow this approach include Discounted Cash Flow (DCF) modelling, Monte Carlo Analysis, Option Pricing and Probabilistic methods.

*The Market Approach* is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The Mineral Property being valued is compared with the transaction value of similar Mineral Properties, transacted in an open market (VALMIN, 2015). Methods include Comparable Transactions, MTR and option or farm-in agreement terms analysis.

*The Cost Approach* is based on the principle of contribution to value (VALMIN, 2015). Methods include the appraised value method and multiples of exploration expenditure, where expenditures are analysed for their contribution to the exploration potential of the Mineral Property.

The applicability of the various valuation approaches and methods vary depending on the stage of exploration or development of the property, and hence the amount and quality of the information available on the mineral potential of the property. Table 6:1 presents the various valuation approaches for the valuation of mineral properties at the various stages of exploration and development.

**Table 6:1 Suggested valuation approaches according to Development status**

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Market approach to valuation is generally accepted as the most suitable approach for valuation of an Exploration or a Pre-Development Project.

An income-based method, such as a Discounted Cash Flow (“DCF”) model is commonly adopted for assessing the Value of Tenure containing a deposit where an Ore Reserve has been produced following appropriate level of technical studies and to accepted technical guidelines such as the JORC Code (2012).

The use of cost-based methods, such as considering suitable multiples of exploration expenditure is best suited to exploration properties before Mineral Resources are reliably estimated.

A summary of each of these methodologies is outlined in Appendix A of this Report. In general, these methods are accepted analytical valuation approaches that are in common use for determining Market Value (defined below) of mineral assets, using market-derived data.

The “**Market Value**” is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation date between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term Market Value has the same intended meaning and context as the IVSC term of the same name. This has the same meaning as Fair Value in RG111. In the 2015 edition of the VALMIN Code, this was known as Fair Market Value.

The “**Technical Value**” is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset’s future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

In summary, the various recognised valuation methods are designed to provide an estimate of the mineral asset or property value in each of the various categories of development. In some instances, a particular mineral asset or property or project may comprise assets which logically fall under more than one of the previously discussed development categories.

### 6.3 Mining Insights' Valuation Techniques

In estimating the value of copper and uranium mineral assets as at the valuation date, Mining Insights has considered various valuation methods within the context of the VALMIN Code (2015).

When valuing an exploration project, the Practitioner is attempting to determine a value that reflects the potential of the project to yield an Ore Reserve and Life of Mine Plan from which a future income stream may ultimately be derived. At the same time, the valuer must also be cognizant of what the project is deemed to be worth by the market and actual transactions taking place, to ensure that the value estimates are realistic. Arriving at the value estimate is somewhat complex as there is no single mineral asset valuation method appropriate for all circumstances.

The valuation method applied depends on the relative maturity of assessment for each asset, as well as the amount of available data supporting the project. In preparing its valuation of the Barkly Project, Mining Insights has considered the two main approaches (market and cost) as well as the available methodologies under each approach.

In Mining Insights' opinion, Barkly Gold Copper Project at an early exploration stage and as discussed above, market comparative method and cost-based methods are generally used to value such type of projects. Therefore, Mining Insights has preferred to apply a combination of two methods to value each of the projects due to the uncertainties attached to its progress. The valuation methods applied include market-based "Comparable Transactions Method" and cost-based "Geoscientific Rating Method".

The valuation is on an 100% asset basis with an effective date being the date of the transaction announcement.

## 6.4 Commodity Prices

### 6.4.1 Gold Prices

Gold has been used in jewellery and as a form of currency for thousands of years, however, in more recent history there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine and aerospace technology.

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

Historically, the price of gold is negatively correlated to the prices of other asset classes during times of uncertainty and financial crises. Due to the recent coronavirus outbreak sparking uncertainty, the price of gold has rallied from US\$1,050/oz at the beginning of 2016 to the spot price of US\$1,860/oz at present (77% increase in 5 years) as investors demand the high liquidity that gold provides. The recent increase in the price of gold has positively impacted the gold industry and will continue to do so if economic uncertainty prevails (Figure 6:1).

The World Gold Council expects that the interplay between financial uncertainty, lower interest rates, weakening in global economic growth and gold price volatility will continue to drive gold demand.



**Figure 6:1 Gold Prices – 5 years historical**

Source: *gold.org*, Dec 2020

### 6.4.2 Copper Prices

The copper market is largely driven by demand from the construction and automotive industries, and as such is closely tied to broader macroeconomic trends.

The copper price had a bullish run in January 2020 after the US and China called a truce to their trade war with a “phase one” deal and China was set to ramp up its infrastructure

spending. However, the Covid-19 pandemic disrupted the upward trajectory of the market in March 2020 as investors weighed the effect of the sharp drop in consumption during Covid-19 lockdowns.

The subsequent rebound in the equity markets and the rebound in industrial activity in the subsequent months, particularly in China saw the copper prices nearing 5 year high. The copper price had increased from US\$2.10/lb at the beginning of 2016 to the spot price of US\$3.50/lb at present (67% increase in 5 years) (Figure 6:2).



**Figure 6:2 Copper Prices – 5 years historical**

Source: *kitco.com, Dec 2020*

## 6.5 Valuation based on Comparable Market Transaction Method

To determine the fair market value for the Barkly gold-copper project, Mining Insights has reviewed recent market transactions for exploration assets involving sale and purchase of tenements with potential for gold and/or copper mineralisation and without any delineated Mineral Resource in Australia.

To determine implied value relevant to the valuation date, Mining Insights has considered only those transactions which occurred within five years of the Barkly transaction.

Mining Insights has identified 63 transactions which can be considered relevant in assessing the fair market value of the Barkly gold-copper project. These market transactions are listed in Table 6:2.

Mining Insights has opted to normalize implied value based on the spot gold prices at the time of the transaction to the current spot price of \$2,450/oz (US\$1,845/oz and AUD:USD exchange rate of 0.753:1) at the day of Blina’s announcement (11 December 2020).

In assessing a valuation factor for unit tenement size (square km), Mining Insights analysed these transactions and considered them to be suitable comparatives for the valuation of Barkly Project. The transactions were analysed in terms of the implied purchase price and the tenement size at the time of the transaction.

The share prices at the time of the announcement of the transactions were considered, where shares formed a part of the consideration and the timing of deferred payments and exploration expenditure commitment, as set out in the initial agreements.

**Table 6:2 Comparable Market Transactions: Gold-Copper Exploration Area without Mineral Resource**

Date	State	Project	Buyer	Vendor	Equity (%)	Value 100% A\$'000	Area (km <sup>2</sup> )	Implied Value (A\$/km <sup>2</sup> )	Normalised Value** (A\$/km <sup>2</sup> )
Jul-20	WA	Biranup	New Energy Metals Ltd	VRX Silica Ltd	100	1,250	393	3,181	3,119
Apr-20	WA	Wells Group	NTN Gold Ltd	Kingwest Resources Ltd	100	125	426	293	278
Feb-20	WA	Sandstone	Westar Resources Ltd	Rafaella Resources Ltd	100	150	259	579	626
Nov-19	WA	Forrest	Westgold Resources Ltd	Fe Limited	20	2,000	219	45,662	53,620
Nov-19	Qld	Ebagoola South	Pacific Bauxite Ltd	Aurum Pacific Group	50	567	313	3,626	4,248
Oct-19	Qld	Ravenswood	Ballymore Gold Pty Ltd	ActivEX Ltd	51	953	323	5,782	6,652
Oct-19	WA	Panther	Beacon Minerals Ltd	Corinthian Mining Pty Ltd	100	125	2	59,524	68,559
Oct-19	VIC	Macorna Bore	Gold Exploration Victoria Pty Ltd	Catalyst Metals Ltd	50	955	237	8,069	9,227
Oct-19	WA	Credo Well	Dampier Gold Ltd	Torian Resources Ltd	25	1,884	17	443,374	501,966
Sep-19	WA	Vettersburg	Bardoc Gold Ltd	Private Seller	100	60	2	30,000	33,342
Jul-19	WA	Perrinvale	Metal Tiger plc	Cobre Pty Ltd	15	3,333	382	58,173	71,404
Jun-19	WA	Cox's Find	Great Southern Mining	Private Seller	100	927	3	370,909	490,541
Jun-19	Qld	Horn Island	St Barbara Ltd	Alce Queen Ltd	70	4,953	309	22,906	30,295
Jun-19	SA	Wild Horse	Freeport-McMoran	Terramin Australia Ltd	51	4,861	462	20,633	27,287
May-19	WA	Mount Venn	Woomera Mining Ltd	Cazaly Resources Ltd	80	2,740	390	8,783	11,874
May-19	WA	Bardoc	Bardoc Gold Ltd	Torian Resources Ltd	100	150	49	3,061	4,220
May-19	WA	Ned's Creek	Vango Mining Ltd	Lodestar Minerals Ltd	51	8,628	338	50,070	69,352
Apr-19	WA	Currans Find	Rox Resources Ltd	Murchison Earthmoving Pty Ltd	90	333	4	102,881	144,622
Mar-19	WA	Ulysses	Genesis Minerals Ltd	Private Seller	100	45	5	9,184	12,692
Mar-19	WA	Tambina	First Au Ltd	West Wits Mining Ltd	35	762	1	2,176,966	2,971,703
Mar-19	WA	Penny's Find	Orminex Ltd	Empire Resources Ltd	100	200	1	400,000	555,698
Jan-19	WA	Nullarbor	Oz Minerals Ltd	Red Metal Ltd	51	24,307	542	87,936	122,006
Dec-18	WA	Cannon	Southern Gold Ltd	Northern Star Resources Ltd	100	78	1	64,583	93,897
Aug-18	WA	Pilbara	Pacton Gold Inc.	Arrow Minerals Ltd	49	4,147	609	13,897	21,309

Date	State	Project	Buyer	Vendor	Equity (%)	Value 100% A\$'000	Area (km <sup>2</sup> )	Implied Value (A\$/km <sup>2</sup> )	Normalised Value** (A\$/km <sup>2</sup> )
Jul-18	WA	Holleton	Ramelius Resources Ltd	Element 25 Ltd	100	1,000	384	2,604	3,996
Jun-18	WA	Lefroy	St Ives Gold Mining Pty Ltd	Lefroy Exploration Ltd	51	16,996	372	89,583	132,983
May-18	WA	South Darlot	Kingwest Resources Ltd	Central Iron Ore Ltd	100	580	289	2,007	2,933
May-18	WA	Mulwarrie	Spitfire Materials Ltd	Goldfield Argonaut Pty Ltd	49	2,184	2	2,475,820	3,621,595
Mar-18	WA	Trojan	Aruma Resources Ltd	Westgold Resources Ltd	100	132	9	15,000	22,451
Mar-18	WA	Nemesis	Pantoro Ltd	Private Seller	80	385	1	344,104	506,922
Feb-18	WA	Queen Lapage	Riversgold Ltd	Alloy Resources Ltd	70	448	322	1,988	2,953
Feb-18	WA	Mount Lucky	Forte Consolidated Ltd	Valleybrook Investments Pty Ltd	100	550	1	916,667	1,366,104
Jan-18	WA	Golden Lode	MinTails Ltd	Investor Group	100	600	12	51,282	77,000
Jan-18	WA	Wallbrook	Nexus Minerals Ltd	Saracen Mineral Holdings Ltd	100	142	24	5,825	8,779
Nov-17	WA	Eastman	Peako Ltd	Sandrib Pty Ltd	60	920	221	6,933	10,285
Nov-17	WA	Birthday Gift	Barra Resources Ltd	Kidman Resources Ltd	100	121	3	40,333	60,737
Nov-17	WA	Croydon Top Camp	Coziron Resources Ltd	Creasy Group Companies	70	1,829	317	8,241	12,409
Nov-17	WA	Fieldings Gully	Calidus Resources Ltd	Haoma Mining Ltd	100	2,113	12	171,748	260,538
Sep-17	WA	Red Dog	Matsa Resources Ltd	Private Seller	100	125	1	156,250	240,794
Sep-17	WA	Western Queen	Monax Mining Ltd	Ramelius Resources Ltd	60	2,889	10	491,374	744,017
Sep-17	WA	Yandal East	Overland Resources Ltd	Zabina Minerals Pty Ltd	75	1,030	327	4,195	6,352
Aug-17	WA	Pilbara	De Grey Mining Ltd	Private Seller	30	3,081	226	45,442	70,477
Jun-17	WA	Mertondale	Kin Mining NL	Kazoo Nominees Pty Ltd	100	8	16	506	770
Jun-17	WA	Dumbleyung	Ausgold Ltd	Chalice Gold Mines Ltd	100	330	461	716	1,048
May-17	WA	Jaurdi	Beacon Minerals Ltd	Flinders Exploration Ltd	100	580	6	101,754	154,846
Mar-17	WA	Obelisk	Sipa Resources Ltd	Ming Gold Ltd	80	3,000	521	7,200	11,246
Jan-17	WA	Menzies	Intermin Resources Ltd	Private Seller	30	83	5	55,555	87,635
Jan-17	WA	E57/681 & 1027	Empire Resources Ltd	Evolution Mining Ltd	91	500	68	8,100	12,770
Dec-16	SA	Red Tiger	Oz Minerals Ltd	Red Tiger Resources Ltd	51	4,000	423	18,542	29,414
Dec-16	Qld	White Range	Teck Resources Ltd	Queensland Mining Corp	69.82	3,800	585	9,300	14,866

Date	State	Project	Buyer	Vendor	Equity (%)	Value 100% A\$'000	Area (km <sup>2</sup> )	Implied Value (A\$/km <sup>2</sup> )	Normalised Value** (A\$/km <sup>2</sup> )
Dec-16	WA	Not Stated	Syndicated Metals Ltd	Undisclosed Seller	100	25	3	9,615	15,540
Nov-16	NT	Rover	Emmerson Resources Ltd	Adelaide Resources Ltd	51	2,000	286	13,697	21,131
Oct-16	WA	Mainlode East	Primary Gold Ltd	Undisclosed Seller	100	39	1	35,636	54,378
Sep-16	WA	West Musgrave	Chalice Gold Mines Ltd	Traka Resources Ltd	70	10,000	1006	14,200	20,825
Jul-16	WA	Monument	Syndicated Metals Ltd	Monument Exploration Pty Ltd	100	250	210	1,190	1,688
Jun-16	NT	Warrego North	Chalice Gold Mines Ltd	Meteoric Resources Ltd	51	400	75	10,397	14,900
May-16	WA	Mount Gill & Howe	Gold Road Resources Ltd	Breaker Resources Ltd	100	50	221	226	340
May-16	Qld	Milleneum	Hammer Metals Ltd	Chinalco Yunnan Copper Ltd	100	83	1	61,413	88,772
Feb-16	WA	Goongarrie	Intermin Resources Ltd	Cove Resources Ltd	100	40	8	5,360	7,885
Feb-16	WA	Doolgunna	RNI NL	Ascidian Prospecting Pty Ltd	100	1,700	22	78,341	119,761
Dec-15	Qld	Eloise	Oz Minerals Ltd	Minotaur Exploration Ltd	51	5,000	633	15,488	26,307
Dec-15	Qld	Overlander	Newmont Exploration Pty Ltd	Hammer Metals Ltd	35	2,001	250	22,905	38,906
Nov-15	Qld	Corkwood	Minotaur Exploration Ltd	Red Metal Ltd	51	3,000	123	47,980	77,085

\* USD currency converted to AUD using the exchange rate at the day of the announcement

\*\*Value normalised using AUD gold price at the day of the announcement

Source: ASX Company Announcements

Mining Insights considered 63 transactions within the past five years involving exploration licences prospective for gold-copper in Australia. Details of the transactions are provided in Table 6:2. A summary of the analysis of these transactions is provided in Table 6:3.

**Table 6:3 Analysis of Australian transactions of gold-copper focused tenements**

	All transactions	Excluding outliers
Number of transactions	63	57
Minimum (A\$/km <sup>2</sup> )	278	770
Maximum (A\$/km <sup>2</sup> )	3,621,595	744,017
Mean (A\$/km <sup>2</sup> )	210,476	92,971
<b>Median (A\$/km<sup>2</sup>)</b>	<b>27,287</b>	<b>27,287</b>
Quartile 1	9,003	10,285
Quartile 3	91,335	87,635
<b>Weighted average (A\$/km<sup>2</sup>)</b>	<b>30,110</b>	<b>31,523</b>

From this analysis, Mining Insights exercised professional judgement in selecting a low valuation factor of A\$21,000/km<sup>2</sup>, a high valuation factor of A\$39,000/km<sup>2</sup> and a preferred valuation factor of A\$30,000/km<sup>2</sup>.

The low valuation factor (A\$21,000/km<sup>2</sup>) is rounded from the 40th percentile of the transaction set (excluding outliers). In Mining Insights' professional judgement, the prospectivity of the Barkly tenure package should mean that its market value is unlikely to be lower than this.

The high valuation factor (A\$39,000/km<sup>2</sup>) is likewise rounded from the 60th percentile of the transaction set (excluding outliers). In Mining Insights' professional judgement, the prospectivity of the Barkly tenure package is good, but not exceptional, and the market value is therefore not very likely to be higher than this.

The preferred valuation factor (A\$30,000/km<sup>2</sup>) is rounded from the average value of the low and high valuation factor (excluding outliers). Mining Insights considers this to be an appropriate reflection of overall market appetite for gold-copper exploration tenure of characteristics after considering the project profile based on location, geology, mineral prospectivity and other micro and macro-economic parameters (including market sentiment) which could affect the project viability and economics.

A summary of the Mining Insights' market-based valuation is presented in Table 6:4.

**Table 6:4 Market-Based Valuation**

Project	Size (km <sup>2</sup> )	Market Value (\$/km <sup>2</sup> )			Valuation (\$'000)		
		Lower	Preferred	Higher	Lower	Preferred	Higher
Barkly	81.8	21,000	30,000	39,000	1,718	2,454	3,190
<b>Market Based Valuation – Barkly Project (100%)</b>					<b>1,718</b>	<b>2,454</b>	<b>3,190</b>

Applying the Market Comparable method, Mining Insights estimates the implied value for 100% interest in the Blina's existing Copper Projects resides within the range \$1.72M to \$3.19M with a preferred value of \$2.45M.

## 6.6 Valuation based on Geoscientific Rating Method

Mining Insights has used the Geoscientific Rating method as the second method to estimate the value of these tenements. The geoscientific rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through the use of appropriate Multipliers (factors) applied to an appropriate base (or intrinsic) value. The intrinsic value is referred to as the Base Acquisition Cost (BAC) and is critical in that it forms the standard base from which to commence a valuation. It represents the “average cost to identify, apply for and retain a base unit of area of the title”.

A BAC of A\$500 per square km has been assigned for this valuation. Mining Insights has compared this BAC against the actual expenditure for the past year and considers it be reasonable.

Multipliers are considered for Off-property aspects, On-property aspects, Anomaly aspects, Geology aspects. These multipliers are applied sequentially to the BAC to estimate the Technical Value for each tenement.

In converting its implied technical values to market value, Mining Insights considers that market participants would apply a premium of 20%. After considering the market conditions for copper, a market factor of 1.2x is applied to derive the Market Value.

The rating criteria used for assessing the modifying factors are provided in Table 6:5.

**Table 6:5 Modified Property Rating Criteria**

Rating	Off-Property Factor	On Property Factor	Geological Factor	Anomaly Factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally, favourable geological setting, undercover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in the district	No known mineralisation on lease	Generally, favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified; initial indications positive
2.0	Several old workings in district	Several old workings or	Multiple exploration models being applied simultaneously	

Rating	Off-Property Factor	On Property Factor	Geological Factor	Anomaly Factor
2.5		exploration targets identified	Well defined exploration model applied to new areas	Significant grade intercepts evident but not linked on a cross or long sections
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in a prospective host rock	
3.5				
4.0	Along strike from a major deposit	Major Mine with significant historical production	Well understood exploration model, with valid targets in a structurally complex area, or undercover	Several economic grades intercept on adjacent sections
5.0	Along strike for a world-class deposit		Well understood exploration model, with valid targets in well-understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World Class Mine		

Geoscientific ratings and valuation based on a Geoscientific Method for the tenements are provided in Table 6:6. These Geoscientific ratings have considered the location, prospectivity and level of exploration work completed.

**Table 6:6 Valuation - Geoscientific Method**

Project	BAC (\$'000)	Factor Range	Off Property	On property	Anomaly	Geology	Technical Value (\$'000)	Market Factor	Valuation (\$'000)
Barkly	40.9	Low	2.5	2	3	2.5	1,534	1.2	1,841
		High	3	2.5	3.5	3	3,221		3,865

Applying the Geoscientific method, Mining Insights estimates the implied value for 100% interest in the Barkly Project resides within the range \$1.84M to \$3.87M with a preferred value of \$2.85M (being the midpoint between high and low value).

## 6.7 Previous Valuations

The Barkly Project was previously valued by another independent consultant in August 2019. At the time, a valuation range of \$1.3M to \$2.1M was assessed with a preferred value of \$1.6M. At the time, gold was trading at US\$1,500/oz while copper was selling at US\$2.60/lb.

## 6.8 Valuation Summary

In forming its opinion of the reasonable value of the Blina's Barkly Project, Mining Insights has taken guidance from the comparable market transactions and Geoscientific Rating methods. In selecting its overall value range and preferred value, Mining Insights has placed equal weight on the values implied by these methods, with a preferred value being halfway between the low and high-value range. Summary of the valuation for the tenements (on 100% basis) is shown in Table 6:7.

**Table 6:7 Valuation – Barkly Gold-Copper Project (100% Basis)**

Project	Value - Market Comparable Method (\$'000)			Value - Geoscientific Method (\$'000)			Selected Value (\$'000)		
	Lower	Preferred	Higher	Lower	Preferred	Higher	Lower	Preferred	Higher
Barkly	1,718	2,454	3,190	1,841	2,853	3,865	1,780	2,650	3,530
Barkly	1,718	2,454	3,190	1,841	2,853	3,865	1,780	2,650	3,530

**Based on Market Comparable and Geoscientific Rating method, the valuation for Blina's tenements (100% Basis) has been determined to be in the range of \$1.78M to \$3.53M with a preferred value of \$2.65M.**

This valuation range is considered appropriate for the project at this stage of development, reflecting the uncertainty and eventual extraction of a mineral resource.

## 7 References

JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code – 2012 Edition [online], The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia. Available from: [http://www.jorc.org/docs/jorc\\_code2012.pdf](http://www.jorc.org/docs/jorc_code2012.pdf) [Accessed: 25 September 2020].

VALMIN, 2015. Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (VALMIN Code) Available from [http://www.valmin.org/docs/VALMIN\\_Code\\_2015\\_final.pdf](http://www.valmin.org/docs/VALMIN_Code_2015_final.pdf) [Accessed: 25 September 2020].

Blina Resources Ltd, Various ASX announcements, 2019 – 2020.

## Appendix A – Valuation Approaches and Methods

To ensure compliance with the ASX’s listing rules and Australian Corporations Act, this Report has been prepared in accordance with the VALMIN Code. Under the VALMIN Code, mineral assets are classified according to their maturity. A *mineral asset* includes all property held for the purpose of near term or eventual mineral extraction, including but not limited to:

- real property
- intellectual-property
- concessions, plant, equipment and associated infrastructure.

Most mineral assets can be classified as outlined in the table below.

**Mineral asset classification**

<b>Project development stage</b>	<b>Criterion</b>
<b>Exploration areas</b>	Mineralisation may or may not have been defined, but where a Mineral Resource has not been identified.
<b>Advanced exploration areas</b>	Considerable exploration has been undertaken and specific targets identified. Sufficient work has been completed on at least one prospect to provide a good geological understanding and encouragement that further work is likely to result in the determination of a Mineral Resource.
<b>Pre-development / Resource</b>	Mineral Resources and/or Ore Reserves have been identified estimated. A positive development decision has not been made. This includes properties where a development decision has been negative and properties are either on care and maintenance or held on retention titles.
<b>Development</b>	Committed to production but not yet commissioned or not initially operating at design levels.
<b>Operating</b>	Mineral properties, in particular mines and processing plants, which have been fully commissioned and are in production.

Source: VALMIN, 2015

Under the VALMIN Code, the *value* is the fair market value of a mineral asset (2015). Fair market value is the amount of money or the cash equivalent that a willing buyer and seller would exchange on the valuation date in an arm’s length transaction (VALMIN, 2015). Each party is assumed to have acted knowledgeably and without compulsion. In essence, fair market value is comprised of:

- Underlying or ‘technical value’ - a mineral asset’s future economic benefit under a set of assumptions, excluding any premium or discount for the market, strategic, or other considerations
- Market component - a premium relating to market, strategic or other considerations, which can be either positive, negative, or zero.

The market value should include all material information to the asset. For projects with extensive technical detail, the valuer determines the materiality of information based on whether its inclusion would result in the valuation reaching a different conclusion.

There is no single method of valuation which is appropriate for all situations. The applicability of the various valuation approaches and methods vary depending on the stage of exploration or development of the mineral asset, and hence the amount and quality of the information available on the mineral potential of the assets. The table below presents the various valuation approaches for the valuation of mineral assets at the various stages of exploration and development.

**Valuation approaches for different types of mineral assets**

Approach	Project development stage			
	Exploration	Resource	Development	Operating
Income	No	Rarely	Yes	Yes
Cost	Yes	Rarely	No	No
Market	Yes	Yes	Yes	Yes

Source: VALMIN Code (2015)

### **Market-based approach**

The market-based approach uses the transaction prices of projects in similar geographical, geopolitical, and geological environments to derive a market value using a process similar to that in the real estate industry. The market-based approach may use the assumption either of joint venture terms or outright acquisitions and can be presented in a range of unitised values including on a dollar per ounce or a tonne of contained metal/mineral; a dollar per square kilometre; or as a percentage of the prevailing commodity price.

In the Mining Insights' opinion, a market-based approach is well suited to establishing a likely value for mineral deposits and exploration projects, as it inherently takes into account all value drivers.

### **Related comparable transactions**

Recent comparable transactions can be relevant to the valuation of projects and concessions. While it is acknowledged that it can be difficult to determine to what extent the properties and transactions are indeed comparable unless the transactions involve the specific parties, projects or concessions under review, this method can provide a useful benchmark for valuation purposes. The timing of such transactions must be considered as there can be a substantial change in value with time.

Mining Insights has considered whether any comparable relevant transactions have taken place in recent years which can be used as a basis for estimation of the value of the mining assets assessed herein.

As no two mineral assets are the same, the Expert must be cognizant of the quality of the assets in the comparable transactions, with specific reference to:

- the grade of the resource
- the metallurgical qualities of the resource
- location of the deposit (geopolitical risk associated with the location)
- the proximity to infrastructure such as an existing mill, roads, rail, power, water, skilled workforce, equipment, etc.
- likely operating and capital costs
- the amount of pre-strip (for open pits) or development (for underground mines) necessary

- the likely ore to waste ratio (for open pits)
- the size of the concession covering the mineral asset, and
- the overall confidence in the resource.

### **Alternative offers and joint venture terms**

If discussions have been held with other parties and offers have been made on the project concessions under review, then these values are certainly relevant and worthy of consideration. Similarly, joint venture terms where one party pays to acquire an interest in a project or spends exploration funds in order to earn interest, provide an indication of value.

### **Rules of thumb or yardsticks**

Certain industry ratios are commonly applied to mining projects to derive an approximate indication of value. The most commonly used ratios are dollars per tonne of coal in resources, dollars per tonne of coal in reserves, and dollars per tonne of annual production. The ratios used commonly cover a substantial range which is generally attributed to the 'quality' of the coal, the infrastructure to reach markets and the status of the tonnes estimates. Low cost of production tonnes is clearly worth more than high-cost tonnes. Where a project has the substantial future potential not yet reflected in the quoted resources or reserves a ratio towards the high end of the range may be justified.

### **Other Expert Valuations**

Where other independent experts or analysts have made recent valuations of the same or comparable properties, these opinions clearly need to be reviewed and to be taken into consideration.

### **Cost-based Approaches**

#### **Appraised Valuation or Multiple of exploration expenditure method (MEE)**

Past expenditure or the amount spent on exploration of a concession is commonly used as a guide in determining the value of exploration concessions, and 'deemed expenditure' is frequently the basis of joint venture agreements. The assumption is that well-directed exploration has added value to the property. This is not always the case and exploration can also downgrade a property and therefore a 'prospectively enhancement multiplier' (PEM), which commonly ranges from 0.5-3.0, is applied to the effective expenditure. The selection of the appropriate multiplier is a matter of experience and judgement.

To eliminate some of the subjectivity with respect to this method, Mining Insights applies a scale of PEM ranges as follows to the exploration expenditure:

#### **Prospectively enhancement multipliers**

<b>PEM Range</b>	<b>Criteria</b>
0.2 - 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation defined
0.5 - 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 - 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity

PEM Range	Criteria
1.3 - 1.5	Exploration has considerably enhanced the prospectivity (geological mapping, geochemical or geophysical activities)
1.5 - 2.0	Scout drilling (RAB, Aircore, RC) has identified economic drill intersections of mineralisation
2.0 – 2.5	Detailed drilling has defined prospects with a potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at Inferred JORC category
3.0 – 4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Pre-feasibility Study
4.0 – 5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

*Source: Mining Insights*

Over-riding any mechanical or technical valuation method for exploration ground must be recognition of prospectivity and potential, which is the fundamental value in relation to exploration properties.

### **Geo-Scientific rating (or Kilburn method)**

Geo-Scientific rating (or Kilburn method), is used to value early-stage exploration assets. This method is an attempt by the valuation expert to quantify the various technical aspects of a property through the use of multipliers which are applied to a base or intrinsic value (Goulevitch J & Eupene G S, 1994 and Kilburn,1990). This intrinsic value is known as the base holding cost (BHC) which represents “the average cost to identify, apply for and retain a base unit of area of tenement title”.

To derive a value for each property, the valuation expert considers four key attributes which either enhance or downgrade the BHC of each property. The technical factors considered are:

- the Off-property factor – nearby properties containing physical indications of favourable mining conditions such as old workings and/or mines;
- the On-property factor – the property being assessed hosts favourable mining indications such as historic workings or mines. Importantly any mineralisation capable of supporting a Mineral Resource estimate, compliant according to the guidelines of the JORC Code, will be assessed using other valuation methods;
- the Anomaly factor – assesses the degree of exploration completed over the property and the number of resultant mineralised targets identified, and
- the Geological factor – assesses the area covered by and degree of exposure of favourable rock types and/or structures (if this is related to the mineralisation style being assessed) within the property.

These attributes are given incremental, fractional or integer ratings to arrive at a series of multiplier factors. These multipliers are then applied sequentially to the BHC to estimate the Technical Value of each mineral property. This is adjusted for local market conditions to determine the Fair Market Value of the project as at the effective valuation date. The strength of the geoscientific method is that it makes an attempt to implement a systematic system. Whilst it does require a subjective assessment of the various multipliers, it also demands a degree of detached rigour to account for the key factors that can be reasonably considered to impact on the exploration potential of a property. Mining Insights’ multipliers or ratings and the criteria for rating selection are summarised in the table below.

### Geo-Scientific Rating Criteria

Rating	Off property Factor	On Property Factor	Anomaly Factor	Geological Factor
0.1			No anomaly identified	Unfavourable geological setting
0.5	Unfavourable district/basin	Unknown area	Extensive previous exploration provided poor results	Poor geological setting/ extensive cover
0.9			Poor results to date	Generally, favourable geological setting, undercover or complexly deformed
1	No known mineralisation in the district	No known mineralisation on lease	No targets outlined	Generally favourable geological setting
1.5	Minor workings	Minor workings or mineralised zones exposed	Target identified, initial indications positive	
2	Several old workings in district	Several old workings or exploration targets identified	Several well-defined targets supported by limited drill data	Multiple exploration models being applied simultaneously
2.5			Several well-defined targets with encouraging drill results	Well defined exploration model applied to new areas
3	Mine or abundant workings with significant previous production	Mine or abundant workings with the previous production	Significant grade intercepts evident but not linked on the cross or long section	Significant mineralised zones exposed in prospective host rocks
3.5				
4	Along strike from a major deposit	Major mine with significant historical production	Several sub-economic grades intercept on adjacent sections	Well understood exploration model, with valid targets in the structurally complex area, or undercover
5	Along strike of the world-class deposit		Marginal economic targets of significant size	Well understood exploration model, with valid targets in well-understood stratigraphy
6			Several significant ore grade correlate-able intersections	Advanced exploration model constrained by known and well-understood mineralisation
10		World-class mine		

(modified by Mining Insights)



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It is a fast, convenient and a secure way to lodge your vote.

**ANNUAL GENERAL MEETING PROXY FORM**  
I/We being shareholder(s) of Blina Minerals NL and entitled to attend and vote hereby:

**STEP 1**

**APPOINT A PROXY**

The Chair of the Meeting **OR**  **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at 110 Stirling Highway, Nedlands 6009 Western Australia on 19 March 2021 at 11.00AM AWST and at any adjournment or postponement of that Meeting.

**Chair's voting intentions in relation to undirected proxies:** The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though this resolution is connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

**STEP 2**

**VOTING DIRECTIONS**

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director - Neville Bassett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director - Gino D'Anna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director - Michael Scivolo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Re-Election of Director - Matthew Driscoll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to undertake Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval to undertake Options Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval to undertake Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval for related party to participate in Capital Raising - Gino D'anna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval for related party to participate in Capital Raising - Matthew Driscoll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Acquisition of a Substantial Asset from Substantial (10%+) holder – the Vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Approval for the Vendor to increase its relevant interest in the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Change of Company Type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3**

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)  Joint Shareholder 2 (Individual)  Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary  Director/Company Secretary (Delete one)  Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.00AM AWST on 17 March 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033