

Notice of Meeting

Notice is hereby given that the General Meeting of Shareholders of Venturex Resources Limited (“Venturex” or the “Company”) will be held on Wednesday 9th of June 2021 at 2pm AWST.

As released to the ASX on the 24th of February 2021, “Bill Beament to cornerstone strategic funding package”, the Company is pleased to enclose the Notice of Meeting as detailed in the ASX announcement.

The revised indicative timetable for the Entitlement Offer is as follows:

Indicative Timetable

	Date
Announcement of the Equity Raising	24 Feb 2021
Notice of Meeting to be sent to Venturex Shareholders	6 May 2021
Venturex Shareholder Meeting	9 June 2021
Ex-Date	15 June 2021
Entitlement Offer Record Date (5:00pm AWST)	16 June 2021
Settlement of Placement and Director and Consultant Options	17 June 2021
Entitlement Offer Document and Acceptance Form dispatched to Eligible Shareholders	21 June 2021
Entitlement Offer Opening Date	21 June 2021
Entitlement Offer Closing Date (5:00pm AWST)	12 July 2021
Entitlement Offer Notification of Shortfall	13 July 2021
Entitlement Offer Issue Date	19 July 2021

The above timetable is indicative only and all dates are subject to change. The Directors reserve the right to extend the closing date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

Authorised for release to the ASX by Trevor Hart, Company Secretary & CFO.

TREVOR HART
Company Secretary and CFO
Venturex Resources Limited

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VENTUREX RESOURCES LIMITED
ABN 28 122 180 205
NOTICE OF EXTRAORDINARY GENERAL MEETING
FOR RECAPITALISATION OF VENTUREX

TIME: 2:00pm (AWST)
DATE: Wednesday, 9 June 2021
PLACE: MinterEllison
Level 4, Allendale Square
77 St Georges Terrace
Perth WA 6000

This Notice, the accompanying Explanatory Memorandum, the Independent Expert's Report and the Independent Technical Expert's Report should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

Independent Expert's Report: You should carefully consider the Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd, ABN 27 124 031 045, AFS Licence No 316158 accompanying the Explanatory Memorandum at Annexure A for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act (proposed by Resolutions 1 and 4). The Independent Expert's Report concludes that the Recapitalisation the subject of this Notice of Meeting (and in particular, Resolutions 1 and 4), is fair and reasonable to non-associated Shareholders.

Please call Trevor Hart (Company Secretary), on +61 8 6389 7400 if you have questions or queries.

CONTENTS

Chairman's Letter	3
Notice of Extraordinary General Meeting (setting out the proposed Resolutions)	5
Explanatory Memorandum (explaining the proposed Resolutions)	17
Glossary	52
Annexure A – Independent Expert's Report (including Independent Technical Expert's Report)	55
Annexure B – Placement Options Terms	56
Annexure C – Director Options Terms	59
Annexure D – Consultant Option Terms	62
Proxy Form	Enclosed

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Extraordinary General Meeting of the Shareholders of Venturex Resources Limited, to which this Notice of Extraordinary General Meeting relates, will be held at 2:00pm (WST) on Wednesday, 9 June 2021 at:

MinterEllison
Level 4, Allendale Square
77 St Georges terrace
Perth WA 6000

Your vote is important

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

Voting in person and COVID-19

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

To ensure the safety of all attendees at the Meeting, the Company will ensure the social distancing restrictions and guidelines put in place by the Western Australian Government in response to COVID-19 are observed.

Voting by proxy

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, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 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.

Please note that the Corporations Act requires that:

- if proxy holders vote, the proxy holder must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairperson, who must vote the proxies as directed by the Shareholder.¹

Resolutions connected with giving of financial benefit to Related Party

If the Chairperson is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in the voting directions section of the Proxy Form for Resolutions 2, 3, 7, 8 and 10, the Proxy Form expressly directs and authorises the Chairperson to cast your votes “for” the relevant Resolution. This express authorisation is included because, without it, the Chairperson would be precluded from casting your votes as these Resolutions are connected with the giving of a financial benefit to a Related Party of the Company.

Subject to any voting prohibitions that may apply to the Chairperson in respect of Resolutions 2, 3, 7, 8 and 10 to restrict the Chairperson from voting undirected proxies, the Chairperson intends to vote all undirected proxies in favour of Resolutions 2, 3, 7, 8 and 10.

¹ Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

CHAIRMAN'S LETTER

6 May 2021

Dear Shareholder,

On 24 February 2021, the Company announced an extensive re-capitalisation plan designed to re set the Company for growth as a supplier of new-generation energy and technology materials and to advance the funding and development of our flagship Sulphur Springs copper-zinc project in Western Australia's Pilbara region (**Recapitalisation**).

Underpinned by a resource and reserve supporting an initial 10 year mine life with exceptional exploration upside, Sulphur Springs is one of the few development-ready base metal assets worldwide: its Tier-1 location, compelling economics and attractive fundamentals mean that it is well and truly ready to move into production to take advantage of the strong outlook for new-energy metals over the coming decade.

The Recapitalisation announced in February will see an accomplished new Board and management team, with a strong track record of success in the international mining industry, join the Company. Coupled with a comprehensive strategic funding package, this will allow the Company to source and consider opportunities in new-generation energy and technology materials opportunities and to advance Sulphur Springs rapidly towards a Final Investment Decision.

I am pleased to enclose some important documents relating to these developments, including:

- 1 a Notice of Meeting and Explanatory Memorandum for an Extraordinary General Meeting of Shareholders to be held on 9 June 2021 to approve the key elements of this landmark transaction; and
- 2 the Independent Expert's Report by BDO, which includes an Independent Technical Report.

In order to assist you to digest this extensive package of information, I have taken the opportunity to summarise the background to the key matters to be considered by Shareholders at this upcoming Meeting:

- 1 The Recapitalisation proposal is being led by Bill Beament, one of Australia's most successful mining executives, who was until recently Executive Chairman of Northern Star Resources (ASX: NST) and has been the driving force behind Northern Star's growth and success over the past decade from a junior micro-cap to become Australia's second-largest gold producer with a market capitalisation of ~\$12 billion.
- 2 If approved by Venturex Shareholders, the funding package under the Recapitalisation introduces:
 - (a) funding of \$18.8 million at 8c per Share by way of a \$14 million placement to sophisticated investors, of which Mr Beament will contribute \$8.9 million, and a fully underwritten 1-for-7 Entitlement Offer to existing Shareholders; and
 - (b) an Option structure to source additional funding of \$39.6 million, increasing the total value of the strategic funding package to \$58 million, putting the Company in a strong position to fast-track the development of Sulphur Springs.
- 3 Importantly, Shareholders will have the opportunity to participate in this funding package via the fully underwritten one for seven Entitlement Offer, through which they will also

receive one free attaching Option for every two Shares subscribed for, exercisable at 13.5c within 24 months. The Entitlement Offer will be available to all shareholders on the VXR share register on the record date, which is Wednesday, 16 June 2021, on the same terms and price as the placements. The Entitlement Offer Prospectus will be sent to shareholders shortly after the Meeting and funds should be received by 2.00pm AWST Monday, 12 July 2021.


- 4 The Independent Expert's Report included in the Explanatory Memorandum has concluded that the proposed transaction is both fair and reasonable to Venturex Shareholders. This conclusion is backed by the strong market response to the proposal since it was announced.
- 5 The Board restructure (outlined on 24 February) has already seen highly regarded mining executive Mick McMullen, the former CEO of Stillwater Mining and Detour Gold, join the Board as an Executive Director. In addition, subject to the approval of the Resolutions at the upcoming EGM, Mr Beament will join the Board as an Executive Director on 1 July and Mr Michael Blakiston, partner of legal firm Gilbert + Tobin, will join the Board as non-executive Chairman.

The Independent Board Committee welcomes Mineral Resources Limited as a cornerstone Shareholder of Venturex following the on-market acquisition of Northern Star's 17.5% interest (comprising 70,806,430 Shares) on 15 March 2021.

The upcoming EGM is critical to the future of Venturex. I encourage you to vote in favour of the Resolutions to be considered at the EGM by submitting the attached proxy form by the due date of 7 June 2021.

Should you have any queries regarding the attached documents, please contact Venturex on (08) 6389 7400.

Your faithfully,



Anthony Reilly
Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of Shareholders of Venturex Resources Limited will be held at 2:00pm (WST) on Wednesday, 9 June 2021 at MinterEllison, Level 4, Allendale Square, 77 St Georges Terrace, Perth WA 6000.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters before the Extraordinary General Meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company at 5:00 pm (WST) on 7 June 2021.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

OVERVIEW OF RECAPITALISATION RESOLUTIONS

If approved by Shareholders, the funding package under the Recapitalisation introduces:

- (a) funding of \$18.8 million at 8c per share by way of a \$14 million placement to sophisticated investors, of which Mr Beament will contribute \$8.9 million, and a fully underwritten 1-for-7 Entitlement Offer to existing Shareholders; and
- (b) an Option structure to source additional funding of \$39.6 million, increasing the total value of the strategic funding package to \$58 million, putting Venturex in a strong position to fast-track the development of Sulphur Springs.

Existing Venturex Shareholders will have the opportunity to participate in this funding package via the Entitlement Offer, through which they will also receive one free attaching Option for every two Shares subscribed for, exercisable at 13.5c within 24 months. The Entitlement Offer will be available to all shareholders on the Company share register on the record date, which is Wednesday, 16 June 2021, on the same terms and price as the Placement. The Entitlement Offer Prospectus will be sent to Shareholders shortly after the Meeting and funds will need to be received by 5.00pm AWST Monday, 12 July 2021.

Finally, the Board restructure outlined on 24 February has already seen highly regarded mining executive Mick McMullen, the former CEO of Stillwater Mining and Detour Gold, join the Board as an Executive Director. In addition, subject to the approval of the Resolutions at the Meeting, Mr Beament will join the Board as an Executive Director on 1 July and Mr Michael Blakiston, partner of legal firm Gilbert + Tobin, will join the Board as non-executive Chairman.

Subject to the approval of the requisite resolutions of Shareholders at the Meeting, the maximum voting power of each of the relevant Directors on the Board following the Recapitalisation (excluding the Entitlement Offer) will be as follows:

Name of Director	Shares (and Options) held (directly or indirectly) as at date of Notice	Placement Shares to be issued	Options to be issued	Maximum voting power (assuming no Options exercised) ¹	Maximum voting power (assuming only that Director's Options are exercised) ^{2 3 4}
Bill Beament	1,093,459 Shares and Nil Options	110,800,341	195,400,171 ⁵	27.06%	38.87% ⁶
Michael Blakiston	Nil Shares and Options	Nil	7,000,000	27.06%	1.16%
Mick McMullen	Nil Shares and Options	5,762,712	12,881,356 ⁷	27.06%	2.61%

Anthony Reilly	4,817,957 Shares and 272,727 Options	Nil	Nil	0.81%	0.86%
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Notes:

1. This maximum voting power is calculated as at after the completion of the Placement and assumes that all Acquirers and Associates are associates of one another.
2. This maximum voting power does not include the Entitlement Offer securities, on the basis that Entitlement Offer will not increase the maximum voting power of any of the Directors.
3. By no later than immediately following completion of the Entitlement Offer pursuant to the Recapitalisation (being the time at which the Recapitalisation will have been implemented), the Acquirers and the Associates consider, on grounds they consider reasonable, and have confirmed to the Company, that they will no longer be associates of one another in respect of the Company for the purposes of Chapter 6 of the Corporations Act.
4. Each of the Acquirers and the Associates has confirmed to the Company that they do not intend to exercise any Options before the completion of the Entitlement Offer (including the Placement Options, Consultant Options and Director Options proposed to be granted to certain Acquirers and/or Associates under this Notice) or acquire any Shares other than the Shares to be obtained from the Placement and the Entitlement Offer. As such, and on the basis that the Acquirers and Associates (including Michael Blakiston, Mick McMullen and Bill Beament) will no longer be associates of one another following completion of the Entitlement Offer, Michael Blakiston's and Mick McMullen's respective maximum voting powers following the issue of only their own Options will be lower than on the date of issue of the Placement Shares (at which time the Associates and Acquirers may be considered associates of one another for the reasons set out in section 2.4).
5. This comprises 140,000,000 Consultant Options and 55,400,171 Subscription Options.
6. This is calculated on the basis that only Bill Beament exercises his Consultant Options and Subscription Options, and excludes exercise of the Director Options and any other Options on issue.
7. This comprises 10,000,000 Director Options and 2,881,356 Placement Options.

If the Company reorganises its capital prior to the date of exercise of any of the Consultant Options or Subscription Options, the number of Shares issued on conversion of those Consultant Options or Subscription Options may change.

A full summary of the Recapitalisation is set out in section 1 of the Explanatory Memorandum.

The table below sets out the proposed issues of Securities by the Company pursuant to this Notice.

The table does not include the Shares to be issued pursuant to the Entitlement Offer.

The table is intended to be a summary of the proposed Resolutions relating to the issue of securities, however the complete Resolutions are set out in the Agenda section below. The table is not intended to be formal disclosure in relation to the Resolutions and Shareholders should read this Notice, the accompanying Explanatory Memorandum, the Independent Expert's Report and the Independent Technical Expert's Report in their entirety before voting on the Resolutions.

OVERVIEW OF RECAPITALISATION RESOLUTIONS

	Bill Beament Shares	Bill Beament Options	Investor Shares	Investor Options	McMullen Shares	McMullen Options	Director Options
Resolution 1	110,800,341 Subscription Shares		21,241,018 Investor Shares		5,762,712 McMullen Shares		
Resolution 2	110,800,341 Subscription Shares	55,400,171 Subscription Options					
Resolution 3		140,000,000 Consultant Options					
Resolution 4	140,000,000 Shares* on conversion of Consultant Options 55,400,171 Shares* on conversion of Subscription Options <i>*Subject to any capital reorganisation prior to the exercise of the Consultant Options and Subscription Options</i>						
Resolution 5			37,233,558 Investor Shares	29,237,288 Investor Options			
Resolution 6							
Resolution 7							10,000,000 Director Options

	Bill Beament Shares	Bill Beament Options	Investor Shares	Investor Options	McMullen Shares	McMullen Options	Director Options
Resolution 8					5,762,712 McMullen Shares	2,881,356 McMullen Options	
Resolution 9							
Resolution 10							7,000,000 Director Options
Total	306,200,512 Shares	195,400,171 Options	58,474,576 Shares	29,237,288 Options	5,762,712 Shares	2,881,356 Options	17,000,000 Options

AGENDA

INTER-CONDITIONALITY OF RESOLUTIONS

Shareholders should be aware that most of the Resolutions set out below are conditional and if any of the Resolutions are not passed the outcome will be as set out in the following table:

Event	Consequence
If any of Resolutions 1, 2, 3, 5, 9 or 10 is not passed.	None of Resolutions 1, 2, 3, 4, 5, 8, 9, and 10 will pass.
If Resolution 4, 7 or 8 is not passed.	No consequence on other Resolutions.
If Resolution 6 is not passed.	Neither Resolutions 6 or 7 will pass.

BUSINESS

1. RESOLUTION 1 – ISSUE OF PLACEMENT SHARES TO THE ACQUIRERS AND THE INCREASE OF VOTING POWER UP TO 27.06%

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

“That, subject to Resolutions 2, 3, 5, 9 and 10 being passed for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, Shareholder approval is given for:

- the issue and allotment of 137,804,071 Placement Shares to the Acquirers; and*
- an acquisition of a relevant interest in those 137,804,071 Placement Shares by the Acquirers; and*
- the Voting Power of the Acquirers and the Associates increasing up to a maximum of 27.06%,*

in each case, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Prohibition Statement

In accordance with item 7, section 611 of the Corporations Act, a vote on this Resolution must not be cast by:

- any of the Acquirers or any of their associates; or
- the person (if any) from whom the acquisition is to be made and their associates.

As the issue of the Placement Shares will occur through an issue of shares, there is no ‘person from whom the acquisition is to be made’. This means that item 7(a)(ii) does not prevent an associate of the Company from voting in favour of the Resolution.²

Independent Expert’s Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under item 7 of section 611 of

² The position that section 611, item 7(a)(ii) does not prevent an associate of the Company from voting in favour of this Resolution was confirmed in *McMillan Properties Pty Ltd v W C Penfold Ltd (2001)* 40 ACSR 319 at 325–26.

the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions, the subject of this Resolution, to the non-associated Shareholders in the Company.

2. RESOLUTION 2 – ISSUE OF SUBSCRIPTION SHARES AND SUBSCRIPTION OPTIONS TO BILL BEAMENT ON THE TERMS OF THE PLACEMENT AGREEMENT

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

"That, subject to Resolutions 1, 3, 5, 9 and 10 being passed, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 110,800,341 Subscription Shares and grant of a total of 55,400,171 Subscription Options (being 1 Subscription Option for each 2 Subscription Shares) by the Company to Bill Beament (as trustee for the Beament Family Trust) in accordance with the Placement Agreement and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The entity will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) Bill Beament and any other person who will obtain a material benefit as a result of the issue of the Subscription Shares and Subscription Options (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of a person to whom paragraph (a) applies.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on this Resolution must not be cast by Bill Beament or any associate of Bill Beament.

However, a person (voter) described above may cast a vote on the Resolution if:

- (a) it is cast by the person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Bill Beament or any associate of Bill Beament.

As the issue of the Subscription Shares and Subscription Options will occur through an issue of shares and options, there is no 'person from whom the acquisition is to be made', an associate of Venturex can vote in favour of the Resolution.³

3. RESOLUTION 3 – ISSUE OF CONSULTANT OPTIONS TO BILL BEAMENT UNDER THE CONSULTANCY AGREEMENT

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

"That, subject to Resolutions 1, 2, 5, 9 and 10 being passed, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11, and for all other purposes, Shareholders approve the grant of a total of 140,000,000 Consultant Options by the Company to Bill Beament (as trustee for the Beament Family Trust) in accordance with the Consultancy Agreement and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The entity will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) Bill Beament and any other person who will obtain a material benefit as a result of the issue of the Consultant Options (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of a person to whom paragraph (a) applies.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on this Resolution must not be cast by Bill Beament or any associate of Bill Beament.

However, a person (voter) described above may cast a vote on the Resolution if:

- (a) it is cast by the person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Bill Beament or any associate of Bill Beament.

³ The position that section 611 item 7(a)(ii) does not prevent an associate of the Company from voting in favour of this Resolution was confirmed in *McMillan Properties Pty Ltd v W C Penfold Ltd* (2001) 40 ACSR 319 at 325–26.

As the issue of the Consultant Options will occur through an issue of options, there is no 'person from whom the acquisition is to be made', an associate of Venturex can vote in favour of the Resolution.⁴

4. RESOLUTION 4 – ISSUE OF SHARES TO BILL BEAMENT ON CONVERSION OF CONSULTANT OPTIONS AND SUBSCRIPTION OPTIONS AND INCREASE OF MR BEAMENT AND HIS ASSOCIATES' VOTING POWER IN THE COMPANY TO UP TO 38.87%

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

"That, subject to Resolutions 1, 2, 3, 5, 9 and 10 being passed, for the purposes of item 7 of section 611 of the Corporations Act, and for all other purposes, Shareholder approval is given for:

- *the issue and allotment of up to 140,000,000 Shares (or such other number of Shares that may result from the exercise of the Consultant Options if the Company reorganises its capital prior to the date of exercise) to Bill Beament (as trustee for the Beament Family Trust) on conversion of the Consultant Options;*
- *the issue and allotment of up to 55,400,171 Shares (or such other number of Shares that may result from the exercise of the Subscription Options if the Company reorganises its capital prior to the date of exercise) to Bill Beament (as trustee for the Beament Family Trust) on conversion of the Subscription Options;*
- *the acquisition by Bill Beament (as trustee for the Beament Family Trust) of a Relevant Interest in 140,000,000 Shares (or such other number of Shares that may result from the exercise of the Consultant Options if the Company reorganises its capital prior to the date of exercise);*
- *the acquisition by Bill Beament (as trustee for the Beament Family Trust) of a Relevant Interest in 55,400,171 Shares (or such other number of Shares that may result from the exercise of the Subscription Options if the Company reorganises its capital prior to the date of exercise); and*
- *Bill Beament and his associates to increase their Voting Power in the Company from 27.06%⁵ (or such lesser extent of Voting Power in the Company any of them may have at the time of any such issue and allotment) up to a maximum of 38.87% (assuming no other Options on issue are exercised),*

on the terms and conditions set out in the Explanatory Memorandum.

Voting Prohibition Statement

In accordance with item 7, section 611 of the Corporations Act, a vote on this Resolution must not be cast by:

- (a) Bill Beament or any of his associates; or
- (b) the person (if any) from whom the acquisition is to be made and their associates.

As the issue of the Shares on conversion of the Consultant Options and Subscription Options will occur through an issue of shares, there is no 'person from whom the acquisition is to be made', an associate of Venturex can vote in favour of the Resolution.⁶

⁴ The position that section 611 item 7(a)(ii) does not prevent an associate of the Company from voting in favour of this Resolution was confirmed in *McMillan Properties Pty Ltd v W C Penfold Ltd* (2001) 40 ACSR 319 at 325–26.

⁵ This Resolution is subject to, and assumes that, Shareholders approve the Acquirers and the Associates acquiring Voting Power in the Company of 27.23% under Resolution 1.

⁶ The position that section 611 item 7(a)(ii) does not prevent an associate of the Company from voting in favour of this Resolution was confirmed in *McMillan Properties Pty Ltd v W C Penfold Ltd* (2001) 40 ACSR 319 at 325–26.

Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under item 7 of section 611 of the Corporations Act. The Independent Expert's Report comments on the fairness and reasonableness of the transactions, the subject of this Resolution, to the non-associated Shareholders in the Company.

5. RESOLUTION 5 – ISSUE OF INVESTOR SHARES AND INVESTOR OPTIONS TO SOPHISTICATED AND PROFESSIONAL INVESTORS PARTICIPATING IN THE PLACEMENT

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

"That, subject to Resolutions 1, 2, 3, 9 and 10 being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of:

- *37,233,558 Investor Shares (not including the 21,241,018 Investor Shares to be issued to the Acquirers); and*
- *29,237,288 Investor Options (being 1 Investor Option for each 2 Investor Shares issued),*

in the Company to certain sophisticated and professional investors participating in the Placement on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The entity will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) 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 entity); or
- (b) an associate of a person to whom paragraph (a) applies.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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.

6. RESOLUTION 6 – ELECTION OF MICK MCMULLEN AS DIRECTOR

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

"That, for the purpose of clause 13.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Mick McMullen, a Director who was appointed casually on 24 February 2021, retires, and being eligible, is re-elected as a Director."

7. RESOLUTION 7 – ISSUE OF DIRECTOR OPTIONS TO MICK MCMULLEN

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

"That, subject to Resolution 6 being passed, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of a total of 10,000,000 Director Options by the Company to Mick McMullen in accordance with and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The entity will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) Mick McMullen and any other person who will obtain a material benefit as a result of the issue of the Director Options (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of a person to whom paragraph (a) applies.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on this Resolution must not be cast by Mick McMullen or any associate of Mick McMullen.

However, a person (voter) described above may cast a vote on the Resolution if:

- (a) it is cast by the person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Mick McMullen or any associate of Mick McMullen.

8. RESOLUTION 8 – ISSUE OF MCMULLEN SHARES AND MCMULLEN OPTIONS TO MICK MCMULLEN

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

"That, subject to Resolutions 1 and 5 being passed, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the issue and allotment of 5,762,712 McMullen Shares and 2,881,356 McMullen Options (being 1 McMullen Option for each 2 McMullen Shares issued) to Mick McMullen in accordance with and otherwise on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The entity will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) Mick McMullen and any other person who will obtain a material benefit as a result of the issue of the McMullen Shares and McMullen Options (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of a person to whom paragraph (a) applies.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on this Resolution must not be cast by Mick McMullen or any associate of Mick McMullen.

However, a person (voter) described above may cast a vote on the Resolution if:

- (a) it is cast by the person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Mick McMullen or any associate of Mick McMullen.

9. RESOLUTION 9 – ELECTION OF MICHAEL BLAKISTON AS DIRECTOR

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

"That, subject to Resolutions 1, 2, 3, 5 and 10 being passed, for the purpose of clause 13.3 of the Constitution and for all other purposes, Michael Blakiston, being eligible, is elected as a Director."

10. RESOLUTION 10 – ISSUE OF DIRECTOR OPTIONS TO MICHAEL BLAKISTON

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

"That, subject to Resolutions 1, 2, 3, 5 and 9 being passed, for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of a total of 7,000,000 Director Options by the Company to Michael Blakiston in accordance with the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The entity will disregard any votes cast in favour of the Resolution by or on behalf of:

- (a) Michael Blakiston and any other person who will obtain a material benefit as a result of the issue of the Director Options (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of a person to whom paragraph (a) applies.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairperson to vote on the Resolution as the Chairperson 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.

Voting Prohibition Statement

In accordance with the Corporations Act, a vote on this Resolution must not be cast by Michael Blakiston or any associate of Michael Blakiston.

However, a person (voter) described above may cast a vote on the Resolution if:

- (a) it is cast by the person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of Michael Blakiston or any associate of Michael Blakiston.

DATED: 6 MAY 2021

BY ORDER OF THE BOARD



TREVOR HART
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held at 2:00 pm (WST) on Wednesday, 9 June 2021 at MinterEllison, Level 4, Allendale Square, 77 St Georges Terrace, Perth WA 6000.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

CONTENTS OF EXPLANATORY MEMORANDUM

Section	Page
1 Background to Recapitalisation of the Company	18
2 Resolution 1 – Issue of Placement Shares to the Acquirers and the increase of Voting Power above 20%	23
3 Resolution 2 – Issue of Subscription Shares and Subscription Options to Bill Beament on the terms of the Placement Agreement	31
4 Resolution 3 – Issue of Consultant Options to Bill Beament on the terms of the Consultancy Agreement	31
5 Resolution 4 – Issue of Shares to Bill Beament on conversion of Subscription Options and Consultant Options and increase of Mr Beament's Voting Power in the Company to up to 38.87%	36
6 Resolution 5 – Issue of Investor Shares and Investor Options to sophisticated and professional investors	40
7 Resolution 6 – Election of Mick McMullen as Director	41
8 Resolutions 7 and 8 – Issue of Director Options, McMullen Shares and McMullen Options to Mick McMullen	43
9 Resolution 9 – Election of Michael Blakiston as Director	47
10 Resolution 10 – Issue of Director Options to Michael Blakiston	48
11 Enquiries	51

1. BACKGROUND TO RECAPITALISATION OF THE COMPANY

1.1 Background

As announced to the ASX on 24 February 2021, the Company intends to undertake an extensive re-capitalisation plan (**Recapitalisation**) which will reposition the Company to become a rapidly growing supplier of new-generation energy and technology materials.

Subject to Shareholder approval, the Recapitalisation will be underpinned by prominent mining executive, Bill Beament. Mr Beament will (subject to Shareholders voting in favour of certain Resolutions in this Notice) join the Board of the Company on 1 July 2021. Mr Beament will simultaneously step down as Executive Chair of Northern Star Resources Ltd (ASX:NST), ACN 092 832 892.

As announced to ASX, the Company and Bill Beament entered into a placement agreement dated 23 February 2021 (**Placement Agreement**), which provides for the issue of Shares and Options to Mr Beament. Further details regarding the Shares and Options to be issued to Mr Beament are set out in section 1.2 below and further details regarding the Placement Agreement are set out in section 1.4 below.

1.2 Recapitalisation

The Recapitalisation (subject to Shareholder approval) will result in funds being raised from:

- (a) a placement to raise approximately \$14 million (**Placement**) by the issue of 175,037,629 new Shares at \$0.08 per Share (**Placement Shares**), consisting of:
 - (i) a placement of 110,800,341 Shares (**Subscription Shares**) to Bill Beament (as trustee for the Beament Family Trust), being the subject of Resolution 1;
 - (ii) a placement of 58,474,576 Shares (**Investor Shares**) to certain sophisticated and professional investors participating in the Placement (including the Acquirers other than Bill Beament and Mick McMullen), being the subject of Resolutions 1 and 5; and
 - (iii) a placement of 5,762,712 Shares (**McMullen Shares**) to Michael (Mick) McMullen, being the subject of Resolutions 1 and 8; and
- (b) a fully underwritten 1 for 7 entitlement offer to raise up to approximately \$4.8 million at \$0.08 by the issue of up to 60,004,353 new Shares (**Entitlement Offer**).

Subscribers in the Recapitalisation in both the Placement and Entitlement Offer will also receive 1 free attaching Option per 2 Shares subscribed as follows:

- (a) 55,400,171 Options to be issued to Mr Beament (**Subscription Options**), being the subject of Resolutions 1 and 2;
- (b) 29,237,288 Options to be issued to certain sophisticated and professional investors participating in the Placement (including the Acquirers other than Bill Beament) (**Investor Options**), being the subject of Resolution 5; and
- (c) 2,881,356 Options to be issued to Mick McMullen (**McMullen Options**), being the subject of Resolution 8.

Each Option will have an exercise price of \$0.135 per Option and have a 2 year term. A summary of the terms of the Subscription Options, Investor Options and McMullen Options (together the **Placement Options**) are contained in Annexure B.

The Company will lodge a prospectus for the Entitlement Offer, the Placement Options and the Director Options (**Prospectus**) after the date of the Meeting. Subject to the passing of the Resolutions at the Meeting, the Company intends to issue the Placement Shares during the offer period under the Prospectus.

The Board's intentions for the proceeds from the Recapitalisation are as follows:

Use of funds	Approximate allocation of funds	Approximate percentage allocation of funds
(a) development activities for the Company's Sulphur Springs Project including:		
(i) TSF geotechnical verification of design;	\$1,700,000	9.2%
(ii) infill drilling and update of the resource model at Sulphur Springs;	\$3,500,000	19.0%
(iii) regional exploration;	\$2,500,000	13.6%
(iv) environmental compliance and permits;	\$1,200,000	6.5%
(v) access road design;	\$500,000	2.7%
(vi) early capital expenditure; and	\$2,500,000	13.6%
(vii) FEED study;	\$2,000,000	10.9%
(b) corporate and general working capital (including salaries and corporate overheads and costs of the evaluation of other potential assets and revenue streams).	\$4,500,000	24.5%
Total	\$18,400,000	100%

Resolutions 1, 2, 4, 5, and 8 relate to the Recapitalisation.

1.3 Board restructure and strategy

Mick McMullen was appointed to the Company Board as an Executive Director on 24 February 2021. Mick McMullen will be issued 10,000,000 unlisted 3 year Options, exercisable at 15c (being a portion of the Director Options), subject to Resolution 6 being passed. It is also proposed that, subject to Resolutions 1 and 8 being passed, Mick McMullen will participate in the Placement and be issued McMullen Shares and McMullen Options.

Following Shareholder approval of the Recapitalisation, Craig McGown will resign from the Company's Board and Anthony Reilly will transition from Executive Chair to Executive Director. Subject to Shareholder approval, Anthony Reilly will be replaced by Michael Blakiston as Non-executive Chair. On his appointment to the Board and subject to the passing of Resolutions 9 and 10, Michael Blakiston will be issued 7,000,000 unlisted 3 year Options, exercisable at \$0.15 (being a portion of the Director Options).

The Options terms for the Director Options proposed to be granted to Mr McMullen and Mr Blakiston are contained at Annexure C.

In the Recapitalisation proposal it is proposed that Bill Beament will join the Board as a full-time Executive Director from 1 July 2021. Bill Beament is currently providing consultancy services to the Company under the Consultancy Agreement and will be issued 140 million options with a \$0.15 strike price (**Consultant Options**) subject to Resolution 3 being passed.

The priority for the new Board will include:

- implementing the human capital and management plan for the business going forward;
- reassessing approvals and implications for the development of Sulphur Springs;

- considering drilling options for the Sulphur Springs Project's inferred resource;
- re-evaluating cost inputs into the financial model;
- reviewing the offtake and financing proposals received by the Company from various groups including the Trafigura debt and offtake proposal (ASX release 5 August 2019);
- assessing plant options; and
- evaluating other potential assets and revenue streams.

The Board considers that the proposed Board restructure will bring a wealth of experience, knowledge, and industry networks to the Company.

Resolutions 3, 4, 6, 7, 9 and 10 relate to the Board restructure and Bill Beament's consulting services.

1.4 Placement Agreement

As set out above, under the terms of the Placement Agreement, Bill Beament (as trustee for the Beament Family Trust) has agreed to subscribe for the Subscription Shares and the Subscription Options.

In summary, completion under the Placement Agreement is conditional on the satisfaction or waiver (if possible) of the following conditions:

- (a) the Company validly convening and holding a general meeting on the prescribed date and the Shareholders resolving at the general meeting to approve the issue of the Placement Shares, and grant of the Placement Options and Consultant Options, to the extent required under the ASX Listing Rules and the Corporations Act, including ASX Listing Rules 7.1, 10.1 and 10.11, Chapter 2E of the Corporations Act and the maximum increase in the subscriber's Voting Power (as that term is defined in the Corporations Act) in the Company in excess of 20% under item 7 of section 611 of the Corporations Act;
- (b) each of the members of the Board legally able:
 - (i) giving their recommendation to the Shareholders that they vote in favour of the resolutions the subject of the proposal; and
 - (ii) not changing or withdrawing his recommendation that the Shareholders vote in favour of the resolutions the subject of the proposal; and
- (c) the Company preparing and lodging with ASIC and ASX a prospectus pursuant to and which complies with section 713 of the Corporations Act for the offer of the Shares and Options under the Entitlement Offer and the Placement Shares and the Placement Options.

Completion of the Placement Agreement will not occur unless and until the conditions precedent to the acquisition have been satisfied or waived (if possible) in accordance with the terms of the Placement Agreement.

A full copy of the Placement Agreement is attached to the announcement of the Company released to ASX on 24 February 2021.

1.5 Consultancy Agreement

To provide for the period between the date of the Placement Agreement and Mr Beament joining the Board, the Company entered into a consultancy agreement with Mr Beament, commencing on 23 February 2021, for the provision of part-time services by Mr Beament under the direction of and on behalf of the Company (**Consultancy Agreement**).

The term of the Consultancy Agreement is to end on the earlier of 31 December 2021 and the date on which Mr Beament commences as a Director of the Company.

The services to be provided under the Consultancy Agreement by Bill Beament include but are not limited to providing:

- (a) strategic advice to the Company;
- (b) capital markets advice;
- (c) investor relations advice;
- (d) funding advice; and
- (e) technical input on the Company's assets.

In part consideration for the services provided under the Consultancy Agreement, the Company agreed, subject to Resolution 3 being passed, to grant to Mr Beament the Consultant Options on the following terms:

- (a) 140,000,000 unlisted Consultant Options;
- (b) exercisable at \$0.15 per Share;
- (c) 50% of the Consultant Options expiring three years after the date of issue; and
- (d) 50% of the Consultant Options expiring four years after the date of issue.

Mr Beament is also entitled to A\$200 per hour for services performed in accordance with the Consultancy Agreement.

1.6 Effect on control and dilution

The following table describes the effect of the Recapitalisation (excluding the Entitlement Offer) on the control of the Company and the dilutive effect on existing Shareholders.

Mineral Resources Limited, Regent Pacific Group and Bill Beament (and his current associates) are the only current substantial holders in the Company on the date of this Notice.

For the benefit of comparison by existing Shareholders, there is an additional example which represents a hypothetical Shareholder holding 1% on the date of this notice. The Prospectus to be released by the Company in respect of the Entitlement Offer will contain further details regarding the potential dilutive effect of non-participation in the Entitlement Offer for eligible Shareholders.

Holder	Percentage holding on date of Notice	Maximum Voting Power on issue of Placement Shares	Maximum Voting Power following completion of and Options exercise by Bill Beament ²
Mineral Resources Limited	19.22%	14.02%	10.56%
Regent Pacific Group	5.80%	4.66%	3.51%
Bill Beament	5.53%	27.06% ³	38.87%
Hypothetical 1% Shareholder	1%	0.71% ⁴	0.53%

Notes:

1. This is calculated on the basis that no Options are exercised and excludes any entitlement of the respective holder under the Entitlement Offer.

2. This is calculated on the basis that only Bill Beament exercises his Consultant Options and Subscription Options, and excludes any entitlement of the respective holder under the Entitlement Offer and exercise of the Director Options and any other Options on issue.
3. This maximum voting power assumes that all Acquirers and Associates are associates of one another.
4. Assumes the Hypothetical 1% Shareholder will not be issued Shares under the Placement.

1.7 Pro-forma financial information

A consolidated pro-forma balance sheet is set out below to demonstrate the financial position of the Company assuming completion of the Recapitalisation:

VENTUREX RESOURCES LTD					
Pro-Forma Consolidated Statement of Financial Position					
As at 31 March 2021					
	Financial Accounts ⁽¹⁾	Interim Financial Accounts ⁽²⁾	Pro-forma Management Accounts ⁽³⁾	Capital Raising	Pro-forma Management Accounts
	30/06/2020	31/12/2020	31/03/2020		
Assets					
Current assets					
Cash and cash equivalents	2,256,492	2,594,496	3,511,619	18,293,320	21,804,939
Trade and other receivables	752,824	422,011	619,829	-	619,829
Inventories	23,885	6,853	4,575	-	4,575
Other assets	202,970	118,599	100,424	-	100,424
Total current assets	3,236,171	3,141,959	4,236,447	18,293,320	22,529,767
Non-current assets					
Other receivables	-	5,721,218	11,442,436	-	11,442,436
Property, plant and equipment	1,588,813	761,372	720,005	-	720,005
Right of Use Asset	39,309	137,136	119,279	-	119,279
Exploration and evaluation expenditure	37,002,615	31,594,083	26,171,553	-	26,171,553
Total non-current assets	38,630,737	38,213,809	38,453,273	-	38,453,273
Total assets	41,866,908	41,355,768	42,689,720	18,293,320	60,983,040
Liabilities					
Current liabilities					
Trade and other payables	1,455,241	835,762	1,263,321	-	1,263,321
Loans and Borrowings	2,087,869	1,170,545	-	-	0
Lease Liability	40,455	73,101	56,529	-	56,529
Employee benefits	74,412	94,743	102,932	-	102,932
Total current liabilities	3,657,977	2,174,151	1,422,782	-	1,422,782
Non-current liabilities					
Lease Liability	364	64,183	64,182	-	64,182
Employee benefits	18,720	19,899	20,408	-	20,408
Provisions	14,309,467	14,303,045	14,303,045	-	14,303,045
Total non-current liabilities	14,328,551	14,387,127	14,387,636	-	14,387,636
Total liabilities	17,986,528	16,561,278	15,810,417	-	15,810,417
Net assets	23,880,380	24,794,490	26,879,303	18,293,320	45,172,623
Equity					
Share capital	110,289,634	114,084,266	116,664,722	18,293,320	134,958,041
Reserves	228,150	136,341	136,341	-	136,341
Accumulated losses	(86,637,404)	(89,426,117)	(89,921,760)	-	(89,921,760)
Total equity	23,880,380	24,794,490	26,879,303	18,293,320	45,172,623

- (1) Financial Accounts Audited by BDO Audit (WA) Pty td.
(2) Interim Financial Accounts Reviewed by BDO Audit (WA) Pty Ltd.
(3) Management Accounts to be Audit by BDO Audit (WA) Pty Ltd.
(4) Dr Cash and cash equivalents 18,803,359
 Cr Issued Capital (18,803,359)
 Dr Capital Raising Costs 510,039
 Cr Cash and cash equivalents (510,039)

2. RESOLUTION 1 – ISSUE OF PLACEMENT SHARES TO THE ACQUIRERS AND THE INCREASE OF VOTING POWER UP TO 27.06%

2.1 Details of the Acquirers

The Placement will result in 137,804,071 Placement Shares being issued to the Acquirers in the proportions set out in the table below.

Acquirer	Number of Placement Shares
Bill Beament ¹	110,800,341
Precision Opportunities Fund Ltd	2,033,898
Shane McLeay ²	2,033,898
Mick McMullen ³	5,762,712
Tim Day ⁴	2,251,186
Denis Dwiputra ⁵	345,765
Nero Resource Fund ⁶	14,576,271

Notes:

1. Bill Beament's Placement Shares and Placement Options will be issued or granted to Bill Beament (as trustee for the Beament Family Trust).
2. Shane McLeay's Placement Shares and Placement Options will be issued or granted to Karen Leigh McLeay and Shane Gavin McLeay (as trustee for the McLeay Family Trust).
3. Mick McMullen's Placement Shares and Placement Options will be issued or granted to each of Lilaid Pty Ltd ATF McMullen Family Trust No. 2 and McMullen SMSF Pty Ltd ATF The McMullen Family Superannuation Fund in equal proportions.
4. Tim Day's Placement Shares and Placement Options will be issued or granted to Elegy Pty Ltd.
5. Denis Dwiputra's Placement Shares and Placement Options will be issued or granted to Green Velvet Investments Pty Ltd.
6. Nero Resource Fund's Placement Shares and Placement Options will be issued or granted to Treasury Services Group Ltd ATF Nero Resource Fund.

2.2 Section 606 Prohibition

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a 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:

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

A person's Voting Power in a company is determined in accordance with section 610 of the Corporations Act. A person's Voting Power is calculated by determining the percentage of the total number of votes attached to all voting shares in the company that a person and its associates have a relevant interest in.

A person has a relevant interest in securities if they:

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

2.3 Exception to the section 606 prohibition

Item 7 of section 611 of the Corporations Act is an exception to the prohibition under section 606 of the Corporations Act. This exception provides that a person may acquire a relevant interest in a company's voting shares with shareholder approval.

For item 7 of section 611 of the Corporations Act to apply, shareholders must be given all information known to the person making the acquisition or their associates, or known to the company, that was material to the decision on how to vote in the resolution, including:

- (a) the identity of the person proposing to make the acquisition and their associates;
- (b) the maximum extent of the increase in that person's Voting Power in the company that would result from the acquisition;
- (c) the Voting Power that person would have as a result of the acquisition;
- (d) the maximum extent of the increase in the Voting Power of each of that person's associates that would result from the acquisition; and
- (e) the Voting Power that each of that person's associates would have as a result of the acquisition.

Each of these matters has been addressed in respect of Resolution 1 below.

2.4 Why Shareholder approval is required

Shareholder approval under item 7 of section 611 of the Corporations Act is required because the Acquirers and the Associates may all be considered associates of one another in respect of the Company at the time of the issue of Placement Shares, as they are arguably acting in concert in relation to the Recapitalisation, including with respect to voting on the Resolutions as set out in this Notice in relation to the Recapitalisation.

By no later than immediately following completion of the Entitlement Offer pursuant to the Recapitalisation (being the time at which the Recapitalisation will have been implemented), the Acquirers and the Associates consider, on grounds they consider reasonable, and have confirmed to the Company, that they will no longer be associates of one another in respect of the Company for the purposes of Chapter 6 of the Corporations Act.

As a result of the matters set out above, for the purposes of the issue of the Placement Shares, it is arguable that the Voting Power of the Acquirers and the Associates must be aggregated, triggering Chapter 6 of the Corporations Act. Accordingly, the Voting Power of the Acquirers following the issue of the Placement Shares will increase to up to 27.06%, as set out in section 2.5 below.

Each of the Acquirers and the Associates has confirmed to the Company that they do not intend to exercise any Options before the completion of the Entitlement Offer (including the Placement Options, Consultant Options and Director Options proposed to be granted to certain Acquirers and/or Associates under this Notice) or acquire any Shares other than the Shares to be obtained from the Placement and the Entitlement Offer. Consequently, the maximum Voting Power of the Acquirers and Associates of 27.06% sought under this Resolution will remain the maximum Voting Power of the Acquirers and Associates until completion of the Entitlement Offer.

If Shareholder approval is granted for the issue of the Placement Shares to the Acquirers in accordance with the terms of Resolution 1, the acquisition of the Shares by each of the Acquirers and the resulting increase in their Voting Power or the Voting Power of another Acquirer or an Associate to up to 27.06% will be permitted pursuant to item 7, section 611 of the Corporations Act.

2.5 Maximum Voting Power of Acquirers and their Associates

As at the date of this Notice of Meeting, the Acquirers and the Associates have Voting Power of 5.53% in the Company.

Following the issue of the Placement Shares as set out in this Explanatory Memorandum, the Acquirers will hold up to 161,036,457 Shares.

The table below sets out the maximum total direct and indirect holding and Voting Power of each Acquirer and Associate upon completion of the Placement. The amounts in this table assumes that Resolutions 2, 3, 5 and 8 10 are passed.

Name of Acquirer / Associate	Shares held (directly or indirectly) as at date of Notice ¹	Placement Shares to be issued	Maximum total holding ¹⁴	Maximum voting power ^{15, 16}
Bill Beament	1,093,459 ^{2, 4}	110,800,341 ³	111,893,800	27.06%
Precision Opportunities Fund Ltd	15,327,391	2,033,898	17,361,289 ⁴	27.06%
Tim Weir	1,700,000 ^{4, 5}	Nil	1,700,000	27.06%
Andy Clayton	1,072,061 ⁶	Nil	1,072,061	27.06%
Shane McLeay	175,000 ⁷	2,033,898 ⁸	2,208,898	27.06%
Michael Blakiston	Nil ⁴	Nil	Nil	27.06%
Tony Kenny	Nil	Nil	Nil	27.06%
Mick McMullen	Nil	5,762,712 ⁹	5,762,712	27.06%
Tim Day	232,727 ¹⁰	2,251,186 ¹¹	2,483,913	27.06%
Denis Dwiputra	Nil	345,765 ¹²	345,765	27.06%
Nero Resource Fund ¹³	3,631,748	14,576,271	18,208,019	27.06%
Total	23,232,386	137,804,071	161,036,457	-

Notes:

1. The total issued capital of the Company as at the date of this Notice is 420,030,470 Shares.

2. This comprises 66,667 Shares held by Mining & Infrastructure Group, 635,902 Shares held by Bill Beament ATF the Beament Family Trust, 366,500 held by St Emilion Super Pty Ltd ATF The St Emilion Super Fund and 24,390 Shares held by the estate of Mr John Beament.
3. Bill Beament's Placement Shares will be issued to Bill Beament (as trustee for the Beament Family Trust).
4. Each of Bill Beament, Tim Weir, Michael Blakiston and Tony Kenny have a relevant interest in the Shares held by Precision Opportunities Fund Ltd by virtue of section 608(3) of the Corporations Act.
5. This comprises 1,000,000 Shares held by Fosdike Securities Pty Ltd, 500,000 Shares held by Fullsack Enterprises Pty Ltd, and 200,000 Shares held by Mr Timothy Leonard Weir & Mr Anthony Christopher Kenny <Tim Weir Super Fund A/C>.
6. This comprises 499,334 Shares held by the A and J Clayton Super Fund and 572,727 Shares held by Jodi Leanne Clayton.
7. This comprises 100,000 Shares held by Efficient Dynamics Pty Ltd ATF McLeay Super Fund A/C and 75,000 held by Investmin Pty Ltd.
8. Shane McLeay's Placement Shares will be issued to Karen Leigh McLeay and Shane Gavin McLeay (as trustee for the McLeay Family Trust).
9. Mick McMullen's Placement Shares will be issued to each of Lilaid Pty Ltd ATF McMullen Family Trust No. 2 and McMullen SMSF Pty Ltd ATF The McMullen Family Superannuation Fund in equal proportions.
10. These Shares are held by Elegy Pty Ltd.
11. Tim Day's Placement Shares will be issued or granted to Elegy Pty Ltd.
12. Denis Dwiputra's Placement Shares will be issued to Green Velvet Investments Pty Ltd.
13. Nero Resource Fund's Placement Shares will be issued to Treasury Services Group Pty Ltd ATF Nero Resource Fund.
14. As set out in section 2.4, the Acquirers have confirmed to the Company that they will not exercise any Options, including their Placement Options, Consultant Options or Director Options before the completion of the Entitlement Offer, or acquire any Shares other than their Placement Shares and Share entitlement under the Entitlement Offer. This table therefore excludes any Shares to be issued on conversion of the Placement Options, Consultant Options and Director Options. The maximum Voting Power is on an undiluted basis.
15. This table assumes all Acquirers and Associates are associates of one another.
16. This assumes that no Options are exercised.

2.6 Information for Shareholders required by Regulatory Guide 74

An explanation of the reasons for the proposed acquisition	A summary of the Placement and the reasons for the Recapitalisation are set out in section 1 above.
When the proposed acquisition is to occur	Subject to the approval of Shareholders, the Company intends to issue the Placement Shares on 17 June 2021 or otherwise within 1 month of the date of the Meeting.
The material terms of the proposed acquisition	The material terms of the Placement are set out in section 1 above.
Details of the terms of any other relevant agreement between the acquirers and the target entity or vendor (or any of their associates) that is conditional on (or directly or indirectly depends on) members' approval of the proposed acquisition	A full copy of the Placement Agreement between the Company and Bill Beament is attached to the announcement of the Company released to ASX on 24 February 2021. The Company has issued an allocation letter to each person intended to receive Placement Shares under the Placement, including each of the Acquirers. The allocation letter states the quantity of Placement Shares to be received by the recipient and the terms of the Placement (being those set out in section 1 above).

	A condition of the issue of any Placement Shares and Placement Options under each allocation letter and pursuant to the Placement is subject to obtaining all necessary approvals of the Shareholders.
A statement of the Acquirers' intentions regarding the future of the target entity if members approve the acquisition, in particular:	A statement regarding the intentions of the Acquirers is set out in section 2.7 below.
<ul style="list-style-type: none"> any intention to change the business of the entity; 	See section 2.7.
<ul style="list-style-type: none"> any intention to inject further capital into the entity; 	See section 2.7.
<ul style="list-style-type: none"> the future employment of present employees of the entity; 	See section 2.7.
<ul style="list-style-type: none"> any proposal where assets will be transferred between the entity and the acquirer or vendor or their associates; and 	See section 2.7.
<ul style="list-style-type: none"> any intention to otherwise redeploy the fixed assets of the entity. 	See section 2.7.
Any intention of the Acquirers to significantly change the financial or dividend distribution policies of the entity	See section 2.7.
The interests that any director has in the acquisition or any relevant agreement disclosed in respect of any other relevant agreement disclosed above	No current Directors have an interest in the Placement other than Mick McMullen who, in his own right or in his nominated entity and subject to the passing of the relevant Resolutions will be issued 5,762,712 Placement Shares and granted 2,881,356 Placement Options in the Placement.
The following details about any person who is intended to become a director if members approve the acquisition:	It is intended that Bill Beament will be appointed as a Director on 1 July 2021.
<ul style="list-style-type: none"> name; 	Bill Beament
<ul style="list-style-type: none"> qualifications and relevant professional or commercial experience; 	Bill Beament is a mining engineer with more than 25 years' experience in the resource sector. He is currently executive chair and a founder of Northern Star, one of Australia's largest listed gold producers with a market capitalisation of around \$12 billion. Under his leadership and in little over a decade Northern Star has grown from 1 cent per share to over \$10 per share, now employing 4,500 staff and business partners. Previously he held several senior management positions, including general manager of operations for Barminto Limited and general manager of the Eloise Copper Mine in Queensland. Mr Beament is also currently a non-executive director of Precision Funds Management Pty Ltd and Precision Opportunities Fund Ltd (a shareholder in the Company). Mr. Beament is a board trustee of Telethon, a Patron of Western Australia School of Mines Alumni and was named 2016 CEO of the Year by the Financial Review and First Amongst Equals at the 2013 Business News 40 under 40 Awards.

<ul style="list-style-type: none"> any associations that the proposed director has with the acquirer, vendor or any of their Associates; and 	<p>As at the date of the acquisition, Bill Beament will be an associate of each other Acquirer and Associate. Upon completion of the Entitlement Offer, each of the Acquirers and Associates will cease to be associates of one another for the purposes of Chapter 6 of the Corporations Act.</p> <p>Further details regarding Bill Beament's associates is set out in sections 2.1, 2.4 and 2.5 above.</p>
<ul style="list-style-type: none"> any interest that the proposed director has in the acquisition or any relevant agreement disclosed above 	<p>Bill Beament has an interest in the acquisition both directly and through association (as at the date of the acquisition) with the Acquirers and Associates, as set out in section 2.5 above.</p>
<p>The following details about any person who is intended to become a director if members approve the acquisition:</p>	<p>This Resolution is subject to Michael Blakiston being elected as Director pursuant to Resolution 9.</p>
<ul style="list-style-type: none"> name; 	<p>Michael Blakiston</p>
<ul style="list-style-type: none"> qualifications and relevant professional or commercial experience; 	<p>Michael Blakiston is a specialist in mining and resources law and a partner in Gilbert + Tobin's Corporate Advisory group. Mr Blakiston joined Gilbert + Tobin in July 2011, after the firm's integration with Blakiston & Crabb which he founded and led since 1985. Mr Blakiston advises clients in the corporate and resources sector covering all aspects of corporate life and resource exploration, development and operation. He has extensive experience across a range of commodities. An internationally renowned leader in resources law, Mr Blakiston has been recognised in various legal publications including Who's Who Legal, the Australian Financial Review's Best Lawyers listing of Australia's top mining lawyers and Chambers International.</p> <p>Mr Blakiston is also a Non-executive Director of ASX listed BCI Minerals Limited (ASX:BCI), ACN 120 646 924, Precision Funds Management Pty Ltd, ACN 613 296 665 and Precision Opportunities Fund Ltd, ACN 613 479 262 (a shareholder in the Company).</p>
<ul style="list-style-type: none"> any associations that the proposed director has with the acquirer, vendor or any of their Associates; and 	<p>As at the date of the acquisition, Michael Blakiston will be an associate of each other Acquirer and Associate. Upon completion of the Entitlement Offer, each of the Acquirers and Associates will cease to be associates of one another for the purposes of Chapter 6 of the Corporations Act.</p> <p>Further details regarding Michael Blakiston's associates is set out in section 2.1, 2.4 and 2.5 above.</p>
<ul style="list-style-type: none"> any interest that the proposed director has in the acquisition or any relevant agreement disclosed above 	<p>This Resolution is subject to Michael Blakiston being granted 7,000,000 Director Options pursuant to Resolution 10.</p>

2.7 Intentions of Acquirers

The Company understands that, in the event that Resolutions 1, 2, 3, 5, 9 and 10 are passed by Shareholders, it is the Acquirers' intention that the Company will implement the Recapitalisation and the Board will be restructured as set out in section 1.3. As set out in section 2.4, following the issue of Shares under the Entitlement Offer, the Acquirers and the Associates will (to the extent they currently are) no longer be associates of one another for the purposes of Chapter 6 of the Corporations Act.

As noted previously, certain Acquirers (being Bill Beament and Mick McMullen (who was appointed to the Board on 24 February 2021), Anthony Reilly (who is an existing

Director) and Michael Blakiston, will constitute the new Board upon completion of the Board restructure (as set out in section 1.3). Accordingly, it is relevant to identify the new Board's intentions with respect to the Company.

It is the new Board's current intention to implement the proposed business strategy of the Company in relation to its growth as a supplier of new-generation energy and technology materials, the priorities of which are set out in section 1.3. In particular, the new Board currently intends to conduct a review of the Company's operations on a strategic and financial level to evaluate the Company's performance, profitability and prospects in relation to its business and tenements. At present, the new Board also intends to evaluate inorganic and organic growth opportunities for the Company, whether through acquisitions or partnerships.

Subject to the new Board conducting the above evaluations, it intends to determine the level of financial and other resources necessary to optimise the Company's operations. Therefore, further capital may be required in the future depending on the outcome of these evaluations.

At present, the new Board does not have any intentions to redeploy the fixed assets of the Company or to cease to provide continued employment to the Company's existing workforce.

The new Board has no current intention to significantly change the financial or dividend distribution policies of the Company or to transfer assets between the Company and any of the Acquirers or their associates.

The new Board's business strategy represents the best estimate for the Company at this time, and may change in line with emerging results, circumstances and opportunities in the future. In that regard, each member of the new Board will exercise their own independent judgment as to whether any such change is required from time to time.

Consistently with any association between the Acquirers and the Associates in respect of the Recapitalisation ending upon completion of the Entitlement Offer, each Acquirer and Associate who holds or will hold Shares has confirmed to the Company that, from that time, in their capacity as a shareholder of the Company, they intend to act in their own best interests as a shareholder of the Company.

2.8 Independent Expert's Report

In accordance with the requirements of Regulatory Guide 74, the Directors engaged the Independent Expert to prepare and provide the Independent Expert's Report which contains an analysis of whether the proposed issue of the Placement Shares and Placement Options is fair and reasonable to the non-Associated Shareholders.

The Independent Expert's Report compares the likely advantages and disadvantages for the non-Associated Shareholders if the proposed issue of the Placement Shares and Placement Options is approved, against the advantages and disadvantages for the non-Associated Shareholders if the proposed issue of the Placement Shares and Placement Options is not approved.

The Independent Expert has concluded that, in the absence of an alternative offer, the Recapitalisation is **fair and reasonable** to the non-Associated Shareholders. The Independent Expert considers that the advantages of the Recapitalisation outweigh the disadvantage.

A copy of the Independent Expert's Report is attached to this Notice of Meeting at Annexure A. A summary of the content is set out below.

The Independent Expert has given, and has not before the date of this Notice of Meeting withdrawn, its consent to:

- (a) the inclusion of the Independent Expert's Report in this Notice of Meeting;
- and

- (b) the references to the Independent Expert's Report in this Explanatory Memorandum being made in the form and context in which each reference is included.

2.9 Advantages and disadvantages of Placement

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, consider that the advantages of the issue of the Placement Shares and Placement Options may include:

- (a) that based on the Independent Expert's analysis of the value of a Share prior to the Recapitalisation, the Independent Expert considers the proposal is fair for Shareholders;
- (b) the funds raised by the issue of the Subscription Shares and Subscription Options will enable the Company to progress the Sulphur Springs Project, through the funding of a TSF geotechnical verification of design, an infill drilling program, regional exploration, a FEED study and for other corporate and general working capital purposes;
- (c) Bill Beament's interests will be aligned with Shareholders following the Recapitalisation and Mr Beament will bring his commercial and development expertise to the Company and this may provide the Company with better access to sources of funding, as external debt and equity providers may have greater confidence in a Company where Mr Beament has a significant interest;
- (d) Shareholders will be given the opportunity to participate in the Entitlement Offer on the same terms as the issue of the Subscription Shares and Subscription Options to Mr Beament, being at a significant discount to the current market price;
- (e) raising funds through the issue of equity, rather than debt, will not have a negative impact on the Company's working capital and cash position during the life of the Sulphur Springs Project; and
- (f) the appointment of Mick McMullen and Michael Blakiston to the Board will bring significant commercial and technical experience to the Company.

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, consider that the disadvantages of the issue of the Placement Shares and Placement Options may include that:

- (a) the issue of Shares and Options as part of the Recapitalisation will have a dilutive effect on current Shareholders; and
- (b) prior to completion of the Entitlement Offer, the Acquirers will likely have a holding of more than 25% in the Company and can therefore exercise a significant level of control.

Further detail regarding the advantages and disadvantages identified by the Independent Expert are set out in the Independent Expert's Report, attached to this Notice of Meeting at Annexure A.

2.10 Consequences of this Resolution

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Placement Shares to the Acquirers.

If Resolution 1 is not passed the Company will not be able to proceed with the issue of the Placement Shares to the Acquirers and none of Resolutions 1, 2, 3, 4, 5, 8, 9 and 10 will pass.

As described in section 1.4, approval of Shareholders to these Resolutions is a condition precedent to the Placement Agreement. If those Resolutions do not

pass, the Recapitalisation as described in section 1.2 will not proceed and the Company will need to identify and negotiate alternative sources of funding for the Sulphur Springs Project, which may be less favourable to Shareholders.

2.11 Recommendation of Directors

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of Resolution 1.

3. RESOLUTIONS 2 AND 3 – ISSUE OF SUBSCRIPTION SHARES AND SUBSCRIPTION OPTIONS TO BILL BEAMENT ON THE TERMS OF THE PLACEMENT AGREEMENT AND ISSUE OF CONSULTANT OPTIONS TO BILL BEAMENT ON THE TERMS OF THE CONSULTANCY AGREEMENT

3.1 Proposed issue

Approval of Shareholders is required for the issue of the Subscription Shares, Subscription Options and Consultant Options to Bill Beament (as trustee for the Beament Family Trust) by Listing Rule 10.11 and Chapter 2E of the Corporations Act.

As described in section 1.4, the Company is proposing to issue:

- (a) 110, 800,341 Subscription Shares to Bill Beament (as trustee for the Beament Family Trust) in accordance with the Placement Agreement;
- (b) 55,400,171 Subscription Options to Bill Beament (as trustee for the Beament Family Trust) in accordance with the Placement Agreement; and
- (c) 140,000,000 Consultant Options to Bill Beament (as trustee for the Beament Family Trust) in accordance with the Consultancy Agreement.

3.2 Listing Rule 10.11

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

- (a) (10.11.1) a Related Party;
- (b) (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;
- (c) (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;
- (d) (10.11.4) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) (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.

Listing Rule 10.12, exception 6, provides that Listing Rule 10.11 does not apply to an issue of securities under item 7, section 611 of the Corporations Act.

Pursuant to Listing Rule 10.12, exception 6, the effect of passing Resolution 1 will be to allow the Company to issue the Subscription Shares to Bill Beament (as trustee for the Beament Family Trust), a Related Party of the Company, without separately requiring Shareholder approval under Listing Rule 10.11. However, Shareholder approval is still required under Chapter 2E of the Corporations Act for the issue of the Subscription Shares to Bill Beament (as trustee for the Beament Family Trust).

The issues of the Subscription Options and Consultant Options to Bill Beament (as trustee for the Beament Family Trust) each fall within Listing Rule 10.11 and do not fall

within any of the exceptions in Listing Rule 10.12. The issues therefore each require the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 2 seeks the required Shareholder approval to the issue of:

- (a) 110, 800,341 Subscription Shares to Bill Beament (as trustee for the Beament Family Trust) under and for the purposes of Chapter 2E of the Corporations Act; and
- (b) 55,400,171 Subscription Options to Bill Beament (as trustee for the Beament Family Trust) under and for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

Resolution 3 seeks the required Shareholder approval to the issue of 140,000,000 Consultant Options to Bill Beament (as trustee for the Beament Family Trust) under and for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

3.3 Consequences of Resolutions 2 and 3

If Resolution 2 is passed (subject to Resolutions 1, 3, 5, 9 and 10 being passed), the Company will be able to proceed with the issue of 55,400,171 Subscription Options to Bill Beament (as trustee for the Beament Family Trust).

If Resolution 3 is passed (subject to Resolutions 1, 2,5, 9 and 10 being passed), the Company will be able to proceed with the issue 140,000,000 Consultant Options to Bill Beament (as trustee for the Beament Family Trust).

If either Resolution 2 or 3 is not passed, the Company will not be able to proceed with the respective issue and none of Resolutions 1, 2, 3, 4, 5, 8, 9 and 10 will pass.

As described in section 1.4, approval of Shareholders to these Resolutions is a condition precedent to the Placement Agreement. If those Resolutions do not pass, the Recapitalisation as described in section 1.2 will not proceed and the Company will need to identify and negotiate alternative sources of funding for the Sulphur Springs Project, which may be less favourable to Shareholders.

3.4 Information required to be provided in accordance with Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 2 and 3:

The name of the person.	Bill Beament (as trustee for the Beament Family Trust).
Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why.	Listing Rule 10.11.1, a Related Party of the Company as a person with reasonable grounds to believe they will become a Director at any time in the future.
The number and class of securities to be issued to the person.	Resolution 2: 110,800,314 Subscription Shares and 55,400,171 Subscription Options; and Resolution 3: 140,000,000 Consultant Options.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	Subscription Options: A summary of the material terms of the Placement Options, which include the Subscription Options, is set out in Annexure B. Consultant Options: A summary of the material terms of the Consultant Options is set out in Annexure D.
The date or dates on or by which the entity will issue the securities, which must not be	17 June 2021 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.

more than 1 month after the date of the meeting.	
The price or other consideration the entity will receive for the issue.	\$0.08 per Subscription Share. Nil for both the Subscription Options and Consultant Options.
The purpose of the issue, including the intended use of any funds raised by the issue.	The purpose of the issue of the Subscription Shares and Subscription Options has been set out in section 1.2 above. The purpose of the issue of the Consultant Options is to remunerate Bill Beament for services provided to the Company pursuant to the Consultancy Agreement. The proceeds from this issue are intended to be used to fund Development activities for the Sulphur Springs Project including but limited to TSF geotechnical verification of design, Infill drilling at Sulphur Springs, Regional exploration FEED study and corporate and general working capital. Funds raised on exercise of the Subscription Options and Consultant Options will be used for general working capital purposes.
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package.	Bill Beament is not currently a director of the Company. Bill Beament will join the Board as a full-time Executive Director from 1 July 2021 and is therefore a Related Party under Listing Rule 10.11.1. In accordance with Listing Rule 10.13.8, Mr Beament's annual remuneration is proposed to be \$250,000 per annum, excluding superannuation contributions.
If the securities are issued under an agreement, a summary of any other material terms of the agreement.	Subscription Shares and Subscription Options: A summary of the material terms of the Placement Agreement are included in section 1.4 above and a full copy of the Placement Agreement is attached to the announcement of the Recapitalisation release by the Company to ASX on 24 February 2021. Consultant Options: A summary of the material terms of the Consultancy Agreement is set out in section 1.5 above.
Voting exclusion statement.	Voting exclusion statements are included with Resolutions 2 and 3 in the Notice.

3.5 Timing of issue

Subject to the approval of Shareholders to Resolutions 2 and 3, the Company intends to issue the Subscription Shares, Subscription Options and Consultant Options to Bill Beament on 17 June 2021 or otherwise within 1 month of the date of the Meeting.

3.6 Chapter 2E of the Corporations Act

Under section 228(6) of the Corporations Act, an entity is a Related Party of the Company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a Related Party of the Company at any time in the future. A Director of the Company is a Related Party under section 228(2) of the Corporations Act.

For the purposes of Chapter 2E, Bill Beament is a Related Party of the Company as he has reasonable grounds to believe that he is likely to become a Director in the future and the issue by the Company of the Subscription Shares, Subscription Options and Consultant Options to Bill Beament (as trustee for the Beament Family Trust) each constitutes the giving of a financial benefit to a Related Party of the Company and therefore requires prior Shareholder approval.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed issue of the Subscription Shares by the Company:

3.7 Details concerning the Subscription Shares, Subscription Options and Consultant Options required by Chapter 2E

Identity of the Related Party: s219(1)(a)	Bill Beament (as trustee for the Beament Family Trust).
Nature of the financial benefit: s219(1)(b)	<p>Resolution 2: 110,800,341 Subscription Shares and 55,400,171 Subscription Options to be issued on the terms of the Placement Agreement for the reasons set out in section 1 above.</p> <p>Resolution 3: Grant of 140,000,000 Consultant Options.</p>
Directors' recommendations: s219(1)(c)	<p>The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of the issue of the Subscription Shares, Subscription Options and Consultant Options to Bill Beament (as trustee for the Beament Family Trust).</p> <p>Craig McGown and Anthony Reilly make this recommendation as they consider the proposed issues to be in the best interests of Shareholders and the Company because:</p> <ul style="list-style-type: none"> • the Independent Board Committee considers that Bill Beament is very well regarded by investors and relevant stakeholders as a mineral resource developer and operator as has been evidenced by the performance of Northern Star over the last 10 years during which he has been involved with Northern Star; • the market response to Bill Beament being involved in the development of the Sulphur Springs Cu Zn project (The Project) has resulted in significant market interest in the Company and The Project with the consequence that the share price traded at a 30 Day VWAP of \$[0.364] in the month following the announcement of the Recapitalisation; • the Independent Board Committee considers that Bill Beament has demonstrated that he is able to build a development team capable of undertaking the development of The Project and assembling both debt and equity financiers capable of funding The Project; • at the time of entering into the Placement Agreement and relevant allocation letters with sophisticated and professional investors there were no other current offers of funding which the Independent Board Committee considered to be more favourable to the Company and Shareholders; and • the Independent Expert concluded that the proposed issues are fair and reasonable to

	<p>Shareholders. See section 2.8 for further details of the Independent Expert's Report.</p> <p>Having considered all alternative proposals, and noting that the issue of the Subscription Shares, Subscription Options and Consultant Options to Bill Beament (as trustee for the Beament Family Trust) may not strictly comply with the Corporate Governance Principles, the Independent Board Committee considers that the Resolution is in the best interest of Shareholders.</p>
Directors' interest in the outcome: s219(1)(d)	None of the current directors have an interest in the outcome of Resolutions 2 or 3.
Other: s219(1)(e)	N/A
Valuation of the financial benefit	<p>The Company considers that the value of each the Subscription Options and Consultant Options is as follows:</p> <p>As at the date prior to the date of the announcement of the Recapitalisation:</p> <ul style="list-style-type: none"> Subscription Options: \$0.0483 per Subscription Option, totalling \$2,675,828 for the 55,400,171 Subscription Options;⁷ Consultant Options: \$0.0571 for 50% of the Consultant Option and \$0.0657 for the other 50% of the Consultant Options, totalling \$8,596,000 for the 140,000,000 Consultant Options.⁸ <p>As at the date of this Notice of Meeting:</p> <ul style="list-style-type: none"> Subscription Options: \$0.6414 per Subscription Option, totalling \$35,533,604 for the 55,400,171 Subscription Options;⁹ Consultant Options: \$0.6526 for 50% of the Consultant Options and \$0.6571 for the other 50% of the Consultant Options, totalling \$91,679,208 for the 140,000,000 Consultant Options.¹⁰ <p>The Independent Expert has conducted an analysis of the valuation of the Placement Shares. A copy of the Independent Expert's Report is attached to this Notice at Annexure A.</p>
Related Party's existing interest	<p>1,093,459 Shares comprising of 66,667 Shares held by Mining & Infrastructure Group, 454,545 Shares held by William James Beament ATF the Beament Family Trust, 366,500 held by St Emilion Super Pty Ltd ATF The St Emilion Super Fund and 24,390 Shares held by the estate of Mr John Beament.</p> <p>As at the date of this Notice, Bill Beament also has a relevant interest in 15,327,391 Shares held by Precision Opportunities Fund Ltd by virtue of section 608(3) of the Corporations Act.</p>
Dilution effect of the transaction on existing members' interests	18.62% dilution to other Shareholders.

⁷ Value calculated on 24 March 2021 using the Black-Scholes option pricing model.

⁸ Value calculated on 24 March 2021 using the Black-Scholes option pricing model.

⁹ Value calculated on 4 May 2021 using the Black-Scholes option pricing model.

¹⁰ Value calculated on 4 May 2021 using the Black-Scholes option pricing model.

3.8 Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, a listed company may not issue or agree to issue equity securities in any 12 month period that exceed 15% of the number of securities the company has on issue, except with the prior approval of shareholders of the company in a general meeting of the terms and conditions of the proposed issue.

Listing Rule 7.2, exception 8, provides that Listing Rule 7.1 does not apply to an issue of securities under item 7, section 611 of the Corporations Act.

Pursuant to Listing Rule 7.2, exception 8, the effect of passing Resolution 1 will be to allow the Company to issue the Subscription Shares to Bill Beament (as trustee for the Beament Family Trust) without using up any of the Company's 15% placement capacity under Listing Rule 7.1.

Listing Rule 7.2, exception 14, provides that Listing Rule 7.1 does not apply to an issue of securities under Listing Rule 10.11.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 2 and 3 will be to allow the Company to issue the Subscription Options and Consultant Options to Bill Beament (as trustee for the Beament Family Trust) without using up any of the Company's 15% placement capacity under Listing Rule 7.1.

3.9 Recommendation of Directors

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of Resolutions 2 and 3.

4. RESOLUTION 4 – ISSUE OF SHARES TO BILL BEAMENT ON CONVERSION OF CONSULTANT OPTIONS AND SUBSCRIPTION OPTIONS AND INCREASE OF MR BEAMENT'S VOTING POWER IN THE COMPANY TO UP TO 38.87%

4.1 Proposed issue

As set out above, approval of Shareholders is required for the issue of Shares to Bill Beament on conversion of the Consultant Options and Subscription Options by item 7 section 611 of the Corporations Act.

Information required to be disclosed in relation to Resolution 4 in accordance with Regulatory Guide 74 is set out in section 2 above.

4.2 Maximum Voting Power

As set out in section 2 above, the Acquirers and the Associates will cease to be associates of Bill Beament for the purposes of Chapter 6 of the Corporations Act following the issue of Shares under the Entitlement Offer.

As discussed above at section 2.4, the Acquirers (including Bill Beament) and the Associates consider they will no longer be associates of one another following completion of the Entitlement Offer pursuant to the Recapitalisation. Bill Beament has confirmed to the Company that he will not exercise any of his Consultant Options or Subscription Options before Shares are issued under the Entitlement Offer. The Consultant Options and Subscription Options will only be exercised after the association ceases.

The issue of Shares on the exercise of the Consultant Options and/or the Subscription Options may result in an increase in Bill Beament's maximum Voting Power from 27.06% (as approved under Resolution 1) to 38.87% upon the issue of Shares on exercise of the Subscription Options and Consultant Options as set out in the table below. The numbers in the table below assume that Resolutions 1, 2, 3, 5 and 8 are passed.

Shares held at date of this Notice	Subscription Shares	Shares to be issued on conversion of Subscription Options	Shares to be issued on conversion of Consultant Options	Maximum total holding	Maximum voting power ¹
1,093,459 ³	110,800,341	55,400,171	140,000,000	307,293,971	38.87%

Notes:

1. This is calculated on the basis that only Bill Beament exercises his Consultant Options and Subscription Options, and excludes exercise of the Director Options and any other Options on issue.
2. If the Company reorganises its capital prior to the date of exercise of any of the Consultant Options or Subscription Options, the number of Shares issued on conversion of those Consultant Options or Subscription Options may change.
3. This comprises 66,667 Shares held by Mining & Infrastructure Group, 454,545 Shares held by William James Beament ATF the Beament Family Trust, 366,500 held by St Emilion Super Pty Ltd ATF The St Emilion Super Fund and 24,390 Shares held by the estate of Mr John Beament.

4.3 Information for Shareholders under item 7 of section 611 of the Corporations Act

The following information is provided to Shareholders for the purposes of the requirements under the Corporations Act in respect of obtaining Shareholder approval pursuant to item 7 of section 611 of the Corporations Act:

An explanation of the reasons for the proposed acquisition	A summary of the Placement and the reasons for the Recapitalisation are set out in section 1 above.
When the proposed acquisition is to occur	The Consultant Options and Subscription Options will be granted to Bill Beament on 17 June 2021. The Consultant Options and Subscription Options may be exercised at any time during their term.
The material terms of the proposed acquisition	Subscription Options: A summary of the material terms of the Placement Options, which include the Subscription Options, is set out in Annexure B to this Notice of Meeting. Consultant Options: A summary of the material terms of the Consultant Options is set out in Annexure D to this Notice of Meeting.
Details of the terms of any other relevant agreement between the acquirers and the target entity or vendor (or any of their associates) that is conditional on (or directly or indirectly depends on) members' approval of the proposed acquisition	A full copy of the Placement Agreement between the Company and Bill Beament is attached to the announcement of the Company released to ASX on 24 February 2021. Argonaut (on behalf of the Company) has issued an allocation letter to each person intended to receive Placement Shares under the Placement, including each of the Acquirers. The allocation letter states the quantity of Placement Shares to be received by the recipient and the terms of the Placement (being those set out in section 1 above). A condition of the issue of any Placement Shares and Placement Options under each allocation letter and pursuant to the Placement is subject to obtaining all necessary approvals of the Shareholders.
A statement of the acquirer's intentions regarding the future of the target entity if members approve the acquisition, in particular:	A statement regarding the intention of Bill Beament with respect to the future of the Company if Shareholders approve the Placement is set out in section 2.7 above.
<ul style="list-style-type: none"> • any intention to change the business of the entity; 	See sections 1.1, 1.3 and 2.7.

<ul style="list-style-type: none"> any intention to inject further capital into the entity; 	See sections 1.2 and 1.3.
<ul style="list-style-type: none"> the future employment of present employees of the entity; 	See section 2.7.
<ul style="list-style-type: none"> any proposal where assets will be transferred between the entity and the acquirer or vendor or their associates; and 	See section 2.7.
<ul style="list-style-type: none"> any intention to otherwise redeploy the fixed assets of the entity. 	See section 2.7.
Any intention of the acquirer to significantly change the financial or dividend distribution policies of the entity	See section 2.7.
The identity of the person proposing to make the acquisition and their associates	<p>The person proposing to make the acquisition (that, is the person who will be issued Shares on conversion of the Consultant Options and the Subscription Options) is Bill Beament (as trustee for the Beament Family Trust).</p> <p>Further details regarding Mr Beament are set out in section 2.6.</p>
The maximum extent of the increase in that person's Voting Power in the company that would result from the acquisition	As set out in section 4.2 of this Explanatory Memorandum, the issue of Shares on the exercise of the Consultant Options and/or the Subscription Options may result in an increase in Bill Beament's maximum Voting Power from 27.06% (as approved under Resolution 1) to 38.87%, a maximum increase of 11.81%.
The Voting Power that a person would have as a result of the acquisition	As set out in section 4.2 of this Explanatory Memorandum, the issue of Shares on the exercise of the Consultant Options and/or the Subscription Options may result in an increase in Bill Beament's maximum Voting Power from 27.06% (as approved under Resolution 1) to 38.87% (assuming no other Options on issue are exercised).
The maximum extent of the increase in the Voting Power of each of that person's associates that would result from the acquisition	<p>As set out above at section 2.4 and section 4.2, the Acquirers (including Bill Beament) and the Associates consider that their association will cease following completion of the Entitlement Offer pursuant to the Recapitalisation.</p> <p>Mr Beament has confirmed to the Company that he will not exercise any of his Consultant Options or Subscription Options before Shares are issued under the Entitlement Offer. Therefore, the Consultant Options and Subscription Options will only be exercised after the association has ceased.</p> <p>Bill Beament's maximum Voting Power on conversion of all of the Consultant Options and Subscription Options is 38.87% (assuming no other Options on issue are exercised).</p>
The Voting Power that each of that person's associates would have as a result of the acquisition	N/A
Intentions of the acquirer	The intentions of Bill Beament (through the new Board) are set out in section 2.7.

Advantages and disadvantages of the acquisition

A summary of the advantages and disadvantages of the Placement is set out in section 2.9 above.

4.4 Independent Expert's Report

In accordance with the requirements of Regulatory Guide 74, the Directors engaged the Independent Expert to prepare and provide the Independent Expert's Report which contains an analysis of whether the proposed issue of Shares on the conversion of the Consultant Options and Subscription Options is fair and reasonable to non-associated Shareholders.

A copy of the Independent Expert's Report is attached to this Notice of Meeting at Annexure A. A summary of the content is set out below, and a summary of the key findings of the Independent Expert's Report are set out in sections 2.8 and 2.9 above.

4.5 Listing Rules 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, a listed company may not issue or agree to issue equity securities in any 12 month period that exceed 15% of the number of securities the company has on issue, except with the prior approval of shareholders of the company in a general meeting of the terms and conditions of the proposed issue.

Listing Rule 7.2, exception 6, provides that Listing Rule 7.1 does not apply to an issue of securities under item 7, section 611 of the Corporations Act.

Pursuant to Listing Rule 7.2, exception 6, the effect of passing Resolution 4 will be to allow the Company to issue Shares on conversion of the Consultant Options and Subscription Options to Bill Beament (as trustee for the Beament Family Trust) without using up any of the Company's 15% placement capacity under Listing Rule 7.1.

4.6 Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in section 3.2 above.

Listing Rule 10.12, exception 6, provides that Listing Rule 10.11 does not apply to an issue of securities under item 7, section 611 of the Corporations Act.

Pursuant to Listing Rule 10.12, exception 6, the effect of passing Resolution 4 will be to allow the Company to issue Shares on conversion of the Consultant Options and Subscription Options to Bill Beament (as trustee for the Beament Family Trust), a Related Party of the Company, without separately requiring Shareholder approval under Listing Rule 10.11.

4.7 Consequences of this Resolution

If Resolution 4 is passed, the Company will be able to proceed with the issue of Shares on conversion of the Consultant Options and Subscription Options to Bill Beament (as trustee for the Beament Family Trust).

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of Shares on conversion of the Consultant Options and the Subscription Options to Bill Beament (as trustee for the Beament Family Trust) without first seeking (and receiving) the approval of Shareholders.

4.8 Recommendation of Directors

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – ISSUE OF INVESTOR SHARES AND INVESTOR OPTIONS TO SOPHISTICATED AND PROFESSIONAL INVESTORS

5.1 Proposed issue

The Company is proposing to issue 37,233,558 Investor Shares (not including the 21,241,018 Investor Shares to be issued to the Acquirers) and 29,237,288 Investor Options (being 1 Investor Option for each 2 Investor Shares issued) in the Company to certain sophisticated and professional investors participating in the Placement.

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, subject to specific exemptions.

While the issue of the Investor Shares and Investor Options would not exceed the 15% limit in Listing Rule 7.1 (or otherwise come within an application exception) and the Company wants to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. The Company wants Shareholders to approve the issue of the Investor Shares and Investor Options under Listing Rule 7.1 so that it does not use up any of the 15% limit of issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

Listing Rule 7.2, exception 6, provides that Listing Rule 7.1 does not apply to an issue of securities under item 7, section 611 of the Corporations Act. Pursuant to Listing Rule 7.2, exception 6, the effect of passing Resolution 1 will be to allow the Company to issue 21,241,018 Investor Shares to the Acquirers (other than Bill Beament) without using up any of the Company's 15% placement capacity under Listing Rule 7.1 and without separately requiring approval under this Resolution 5.

Resolution 5 therefore seeks the approval of Shareholders to issue 37,233,558 Investor Shares and 29,237,288 Investor Options to certain sophisticated and professional investors participating in the Placement under and for the purposes of Listing Rule 7.1.

5.2 Consequences of Resolution 5

If Resolution 5 is passed (subject to Resolutions 1, 2, 3, 9 and 10 being passed), the Company will be able to proceed with the issue of 37,233,558 Investor Shares and 29,237,288 Investor Options to certain sophisticated and professional investors participating in the Placement.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of 37,233,558 Investor Shares and 29,237,288 Investor Options to certain sophisticated and professional investors participating in the Placement and none of Resolutions 1, 2, 3, 4, 8, 9 and 10 will pass.

As described in section 1.4, approval of Shareholders to these Resolutions is a condition precedent to the Placement Agreement. If those Resolutions do not pass, the Recapitalisation as described in section 1.2 will not proceed and the Company will need to identify and negotiate alternative sources of funding for the Sulphur Springs Project, which may be less favourable to Shareholders.

5.3 Listing Rule 7.1 disclosures

The following information is provided to Shareholders in relation to Resolution 5:

The names of the persons to whom the Company will issue the securities or the basis upon which those persons will be identified or selected	The Company will issue the Investor Securities to certain sophisticated and professional investors under sections 708(8) and 708(11) of the Corporations Act including the Acquirers other than Bill Beament. The allocation will be jointly managed by Argonaut Capital Limited, ACN 099 761 547 and Euroz Hartleys
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	Securities Limited, ACN 089 314 983 with an agreed dispersion strategy.
The number and class of the securities the Company will issue	37,233,558 Investor Shares (not including the 21,241,018 Investor Shares to be issued to the Acquirers); and 29,237,288 Investor Options (being 1 Investor Option for each 2 Investor Shares issued).
Summary of the material terms of the securities	The Investor Shares will be fully paid ordinary shares in the Company. The terms of the Investor Options are attached this Notice at Annexure B.
The date or dates on or by which the Company will issue the securities	17 June 2021 or otherwise no later than 3 months after the date of the Meeting in accordance with ASX Listing Rule 7.3.4.
The price or other consideration the Company will receive for the issue	\$0.08 per Investor Share. Nil for the Investor Options.
The purpose of the issue, including the intended use of any funds raised by the issue	The purpose of the issue, including the intended use of any funds raised, is set out in section 1.2 above.
Summary of any other material terms of the agreement	The Company has issued an allocation letter to each person intended to receive Placement Shares under the Placement. The allocation letter states the quantity of Placement Shares to be received by the recipient and the terms of the Placement (being those set out in section 1 above). A condition of the issue of any Placement Shares and Placement Options under each allocation letter and pursuant to the Placement is the receipt of all necessary approvals of the Shareholders.
Voting exclusion statement	A voting exclusion statement is included below Resolution 5 in the Notice.

5.4 Recommendation of Directors

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – ELECTION OF MICK MCMULLEN AS DIRECTOR

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.

Mick McMullen, having been appointed by other Directors on 24 February 2021 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seek election from Shareholders.

6.2 Qualifications and other material directorships

Mr McMullen is a geologist with over 28 years' experience in the exploration, development, financing and operation of mining projects across Australia, Africa, Asia, Europe, North and South America.

His expertise covers both upstream and downstream areas as well as metal trading and equity and debt capital markets in Australia, London, South Africa, Canada and the USA. His specific mining experience covers small and large open pit and underground mines across many different cultures.

Mr McMullen is well known to both sell side analysts and institutional investors in the global equity and debt capital markets. During his career he has raised in excess of \$0.5 billion in equity and \$0.8 billion in debt from the capital markets. He has a strong track record in mergers and acquisitions and asset restructuring.

Most recently, Mr McMullen served as the CEO and President of Detour Gold, a 600,000 ozpa gold producer in Canada. During his tenure Mr McMullen took the market capitalisation of Detour from C\$2B to C\$4.5B over 9 months leading to its eventual sale.

Prior to serving as CEO of Detour Gold, Mr McMullen was the CEO and President of Stillwater Mining Company from December 2013 until June 2017. During his time at Stillwater Mr McMullen oversaw an increase in equity value from US\$1.1B to US\$2.2B against a 10% fall in PGM prices over the same time. Stillwater was sold in an all cash deal valued at US\$2.7B.

He is a former executive board member of the National Mining Association of the United States and Board Member of the World Council, and a current Member of the AusImm.

He qualified as a Geologist at Newcastle University in 1992 and holds a B.Sc in Geology from Newcastle University.

6.3 Independence

The Independent Board Committee have observed the conduct of Mick McMullen since his appointment to the Board on 24 February, 2021 and considers that, if elected, Mr McMullen will be an independent Director.

The Independent Board Committee considers that Mr McMullen's independence is supported by Mr McMullen's:

- (a) past roles with significant listed public companies where he has represented activist shareholders as a Board member where those shareholders have sought greater independence and governance on these companies' boards;
- (b) willingness for this Resolution 6 (pertaining to Mr McMullen's re-election to the Board) to be a standalone Resolution and not be conditional on the grant of Placement Shares and Placement Options to Mr McMullen.

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 and character. The Company undertook such checks prior to the appointment of Mr McMullen.

6.5 Recommendation of Directors

The Board (excluding Mr McMullen) has reviewed the performance of Mr McMullen since his appointment to the Board and considers that both candidate's skills and experience will continue to enhance the Board's ability to perform its role.

The Board (excluding Mr McMullen) considers that Mr McMullen has the necessary technical (project management and development) and commercial skills (debt and equity fundraising/offtake financing and metal trading) required for the development of a base metals project as he has demonstrated in his past roles.

The Board (excluding Mr McMullen) understands that, while the reconstituted Board may not strictly comply with the Corporate Governance Principles, the revised Board composition represents the right mix of skills and diversity required for the Company at its current stage. The Board structure will continue to be reviewed to better reflect the current Corporate Governance Principles.

Accordingly, the Board (excluding Mr McMullen) supports the election of Mr McMullen and recommends that Shareholders vote in favour of Resolution 6.

7. RESOLUTIONS 7 AND 8 – ISSUE OF DIRECTOR OPTIONS, MCMULLEN SHARES AND MCMULLEN OPTIONS TO MICK MCMULLEN

7.1 Proposed issue

As described in section 1.3, the Company is proposing to issue:

- (a) 10,000,000 Director Options;
- (b) 5,762,712 McMullen Shares; and
- (c) 2,881,356 McMullen Options,

to Mick McMullen (or his nominee).

McMullen Shares and McMullen Options will be issued or granted to each of Lilaid Pty Ltd ATF McMullen Family Trust No. 2 and McMullen SMSF Pty Ltd ATF The McMullen Family Superannuation Fund in equal proportions.

A summary of Listing Rule 10.11 is set out in section 3.2 above.

Listing Rule 10.12, exception 6, provides that Listing Rule 10.11 does not apply to an issue of securities under item 7, section 611 of the Corporations Act.

Pursuant to Listing Rule 10.12, exception 6, the effect of passing Resolution 8 will be to allow the Company to issue the McMullen Shares to Mick McMullen, a Related Party of the Company, without separately requiring Shareholder approval under Listing Rule 10.11. However, Shareholder approval is still required under Chapter 2E of the Corporations Act for the issue of the McMullen Shares to Mick McMullen.

The issue of the Director Options and McMullen Options described above each fall within Listing Rule 10.11 and do not fall within any of the exceptions in Listing Rule 10.12. The issues therefore require the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 7 seeks the required Shareholder approval to issue the Director Options to Mick McMullen (or his nominee) under and for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

Resolution 8 seeks the required Shareholder approval to issue the McMullen Shares to Mick McMullen under and for the purposes of Chapter 2E of the Corporations Act only and seeks the required Shareholder approval to issue the McMullen Options to Mick McMullen under and for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act.

7.2 Consequences of Resolutions 7 and 8

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Director Options to Mr McMullen. If Resolution 7 is not passed, the Company will not be able to proceed with the issue of Director Options to Mr McMullen and may need to re-negotiate Mr McMullen's remuneration package to ensure Mr McMullen is

appropriately remunerated for his role as Non-Executive Director of the Company (starting 1 July 2021 subject to approval of Shareholders).

If Resolution 8 is passed, the Company will be able to proceed with the issue of McMullen Shares and McMullen Options to Mick McMullen. If Resolution 8 is not passed, the Company will not be able to proceed with the issue of McMullen Shares and McMullen Options to Mick McMullen and the Company will not receive the proceeds for those issues.

7.3 Information required to be provided by Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 7 and 8:

The name of the person	Mick McMullen
Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why.	Listing Rule 10.11.1, a Director of the Company.
The number and class of securities to be issued to the person.	10,000,000 Director Options; 5,762,712 McMullen Shares; and 2,881,356 McMullen Options.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	A summary of the material terms of the Director Options is set out in Annexure C. The McMullen Shares will be, on their issue, fully paid ordinary securities. A summary of the material terms of the Placement Options, which comprise the McMullen Options, is set out in Annexure B.
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting.	17 June 2021 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.
The price or other consideration the entity will receive for the issue.	Nil for both the Director Options and the McMullen Options and \$0.08 per McMullen Share, totalling \$416,017.00.
The purpose of the issue, including the intended use of any funds raised by the issue.	The purpose for the issue of the Director Options is to remunerate Mick McMullen for his role as a Director. The purpose for the issue of the McMullen Shares and the McMullen Options as part of the Recapitalisation is set out in section 1.2 above. Details of the intended use of funds raised by the Recapitalisation are set out in section 1.2 above. Funds raised on exercise of the Director Options will be used for general working capital purposes.
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's	Mick McMullen is a current Director and is therefore a Related Party under Listing Rule 10.11.1. As such the following details are proposed in accordance with Listing Rule 10.13.8: <ul style="list-style-type: none"> day rate of \$1,500 per day as Executive Director until 1 July 2021;

current total remuneration package.	<ul style="list-style-type: none"> annual remuneration of \$60,000 per annum, excluding superannuation contributions from 1 July 2021 as Non-Executive Director; and 10,000,000 unlisted options, exercisable at \$0.15 per share, with an expiry date of three years after the date of issue (being the subject of Resolution 7).
If the securities are issued under an agreement, a summary of any other material terms of the agreement.	Not applicable.

7.4 Timing of issue

Subject to the approval of Shareholders to Resolutions 7 and 8, The Company intends to issue the Director Options, McMullen Shares and McMullen Options to Mick McMullen on 17 June 2021 or otherwise within 1 month of the date of the Meeting.

7.5 Chapter 2E of the Corporations Act

Under section 228(6) of the Corporations Act, an entity is a Related Party of the Company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a Related Party of the Company at any time in the future. A Director of the Company is a Related Party under section 228(2) of the Corporations Act.

For the purposes of Chapter 2E, Mick McMullen is a Related Party of the Company and the issue of the Placement Shares and the grant of the Director Option and Placement Options by the Company to Mick McMullen constitutes the giving of a financial benefit to a Related Party of the Company and therefore requires prior Shareholder approval.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed grant of the Options by the Company:

7.6 Details concerning the Director Options, Placement Shares and Placement Options required by Chapter 2E

Identity of the Related Party: s219(1)(a)	Mick McMullen
Nature of the financial benefit: s219(1)(b)	<p>10,000,000 Director Options; 5,762,712 McMullen Shares; and 2,881,356 McMullen Options.</p> <p>A summary of the material terms of the Director Options is set out in Annexure C.</p> <p>A summary of the material terms of the Placement Options, which comprise the McMullen Options, is set out in Annexure B.</p> <p>The purpose for the issue of the Director Options is to remunerate Mick McMullen for his role as a Director.</p> <p>The purpose for the issue of the McMullen Shares and the McMullen Options as part of the Recapitalisation is set out in section 1.2 above.</p> <p>Details of the intended use of funds raised by the Recapitalisation are set out in section 1.2 above.</p>

<p>Directors' recommendations: s219(1)(c)</p>	<p>The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of Resolutions 7 and 8.</p> <p>Craig McGown and Anthony Reilly make this recommendation because:</p> <ul style="list-style-type: none"> the Independent Board Committee considers that Mick McMullen is very well regarded by investors and relevant stakeholders as a mineral resource developer and operator as has been evidenced by the performance of Stillwater and Detour Gold; the market response to Mr McMullen being involved in the development of the Sulphur Springs Project has resulted in significant market interest in the Company and the Sulphur Springs Project with the consequence that the share price traded at a 30 Day VWAP of \$0.364 in the month following the announcement of the Recapitalisation; and the Independent Board Committee considers that Mr McMullen has demonstrated that he is able to build development team capable of undertaking the development of The Project and assembling both debt and equity financiers capable of funding The Project; <p>The Independent Board Committee understand that, while the reconstituted Board may not strictly comply with the Corporate Governance Principles, the revised Board composition represents the right mix of skills and diversity required for the Company at its current stage. The Board structure will continue to be reviewed to better reflect the current Corporate Governance Principles.</p> <p>Having considered all alternative proposals, and noting that the issue of the Director Options, McMullen Shares and McMullen Options to Mr McMullen may not strictly comply with the Corporate Governance Principles, the Independent Board Committee considers that the Resolutions are in the best interest of Shareholders.</p> <p>Mr McMullen has not made a recommendation in respect of Resolutions 7 and 8, as those Resolutions concern securities to be issued to him.</p>
<p>Directors' interest in the outcome: s219(1)(d)</p>	<p>Other than Mr McMullen, no other Directors have an interest in the outcome of Resolutions 7 and 8.</p>
<p>Other: s219(1)(e)</p>	<p>N/A</p>
<p>Valuation of the financial benefit</p>	<p>The Company considers that the value of each the Director Options, McMullen Shares and McMullen Options is:</p> <p>As at the date before the announcement of the Recapitalisation:</p> <ul style="list-style-type: none"> \$0.0571 per Director Option, totalling \$571,000 for the 10,000,000 Director Options;¹¹ and \$0.0483 per McMullen Option, totalling \$139,169 for the 2,881,356 McMullen Options.¹² <p>As at the date of this Notice of Meeting:</p>

¹¹ Value calculated on 24 March 2021 using the Black-Scholes option pricing model.

¹² Value calculated on 24 March 2021 using the Black-Scholes option pricing model.

	<ul style="list-style-type: none"> • \$0.6526 per Director Option, totalling \$6,525,793 for the 10,000,000 Director Options;¹³ and • \$0.6414 per McMullen Option, totalling \$1,848,098 for the 2,881,356 McMullen Options.¹⁴ <p>The Independent Expert has conducted an analysis of the valuation of the Placement Shares. A copy of the Independent Expert's Report is attached to this Notice at Annexure A.</p>
Related Party's existing interest	Nil.
Dilution effect of the transaction on existing members' interests	3.04% dilution to other shareholders.

7.7 Listing Rule 7.1

A short summary of Listing Rule 7.1 is set out in section 5.1 above.

Listing Rule 7.2, exception 14, provides that Listing Rule 7.1 does not apply to an issue of securities under Listing Rule 10.11.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 7 and 8 will be to allow the Company to issue the Director Options, McMullen Shares and McMullen Options to Mick McMullen without using up any of the Company's 15% placement capacity under Listing Rule 7.1.

7.8 Recommendation of Directors

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of Resolutions 7 and 8.

8. RESOLUTION 9 – ELECTION OF MICHAEL BLAKISTON AS DIRECTOR

8.1 General

The Company proposes to appoint Michael Blakiston as a Director of the Company subject to Shareholder approval under Resolution 9 and pursuant to clause 13.3 of the Constitution.

Subject to the provisions of the Constitution, the Company may elect a person as a Director by resolution passed in a general meeting. Clause 13.3 of the Constitution states that a Director elected at a general meeting is taken to have been elected with effect immediately after the end of that general meeting unless the resolution by which the Director was appointed or elected specifies a different time.

8.2 Qualifications and other material directorships

Michael Blakiston is a specialist in mining and resources law and a partner in Gilbert + Tobin's Corporate Advisory group. Mr Blakiston joined Gilbert + Tobin in July 2011, after the firm's integration with Blakiston & Crabb which he founded and led since 1985.

Mr Blakiston advises clients in the corporate and resources sector covering all aspects of corporate life and resource exploration, development and operation. He has extensive experience across a range of commodities.

An internationally renowned leader in resources law, Mr Blakiston has been recognised in various legal publications including Who's Who Legal, the Australian

¹³ Value calculated on 4 May 2021 using the Black-Scholes option pricing model.

¹⁴ Value calculated on 4 May 2021 using the Black-Scholes option pricing model.

Financial Review's Best Lawyers listing of Australia's top mining lawyers and Chambers International.

Mr Blakiston is also a Non-executive Director of ASX listed BCI Minerals Limited (ASX:BCI), ACN 120 646 924, Precision Funds Management Pty Ltd, ACN 613 296 665 and Precision Opportunities Fund Ltd, ACN 613 479 262 (a shareholder in the Company).

8.3 Independence

If elected the Board does not consider Michael Blakiston will be an independent Director.

The current Board understands that, while the reconstituted Board may not comply with the Corporate Governance Principles, the revised Board composition represents the right mix of skills and diversity required for the Company at its current stage. The Board structure will continue to be reviewed to better reflect the current Corporate Governance Principles.

8.4 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 and character. The Company has undertaken such checks in relation to Michael Blakiston.

8.5 Recommendation of Directors

The Board considers that the skills and experience of Michael Blakiston will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Blakiston and recommends that Shareholders vote in favour of Resolution 9.

9. RESOLUTION 10 – ISSUE OF DIRECTOR OPTIONS TO MICHAEL BLAKISTON

9.1 Proposed issue

The Company is proposing to issue 7,000,000 Director Options to Michael Blakiston.

A summary of Listing Rule 10.11 is set out in section 3.2 above.

This issue of Director Options to Mr Blakiston falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11. Resolution 10 seeks the required Shareholder approval to the issue under and for the purposes of Listing Rule 10.11.

If Resolution 10 is passed, the Company will be able to proceed with the issue of Director Options to Mr Blakiston.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of Director Options to Mr Blakiston and the Company may need to re-negotiate Mr Blakiston's remuneration package to ensure Mr Blakiston is appropriately remunerated for his role as Non-Executive Chair (starting following the date of the Meeting subject to approval of Shareholders), and Resolution 9 will not be passed.

9.2 Information required to be provided by Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 10:

Which category in Listing Rules 10.11.1 - 10.11.5 the person falls within and why.	10.11.1, a Director of the Company.
--	-------------------------------------

The number and class of securities to be issued to the person.	7,000,000 Director Options.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	A summary of the material terms of the Director Options is set out in Annexure C to this Notice of Meeting.
The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting.	17 June 2021 or otherwise no later than 1 month after the date of the Meeting in accordance with ASX Listing Rule 10.13.5.
The price or other consideration the entity will receive for the issue.	Issue: Nil Exercise: \$0.15 per Share
The purpose of the issue, including the intended use of any funds raised by the issue.	The purpose for the issue of the Director Options is to remunerate Michael Blakiston for his role as a Director. The Company will receive nil funds on issue of the Director Options. Funds raised on exercise of the Director Options will be used for general working capital purposes.
If the person is: (A) a director and therefore a Related Party under rule 10.11.1; or (B) an associate of, or person connected with, a director under rules 10.11.4 or 10.14.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package.	Michael Blakiston is not currently a director of the Company. Mr Blakiston is seeking election as a Director under Resolution 9 and is therefore a Related Party under Listing Rule 10.11.1. As such the following details are proposed in accordance with Listing Rule 10.13.8: <ul style="list-style-type: none"> • annual remuneration of \$100,000 per annum, excluding superannuation contributions; and • 7,000,000 unlisted options, exercisable at \$0.15 per share, with an expiry date of three years after the date of issue (being the subject of Resolution 10).
If the securities are issued under an agreement, a summary of any other material terms of the agreement.	N/A

9.3 Timing of issue

Subject to the approval of Shareholders to Resolution 10, the Company intends to issue Director Options to Michael Blakiston on 17 June 2021 or otherwise within 1 month of the date of the Meeting.

9.4 Chapter 2E of the Corporations Act

Under section 228(6) of the Corporations Act, an entity is a Related Party of the Company at a particular time if the entity believes or has reasonable grounds to believe that it is likely to become a Related Party of the Company at any time in the future. A Director of the Company is a Related Party under section 228(2) of the Corporations Act.

For the purposes of Chapter 2E, Michael Blakiston is a Related Party of the Company and the grant of the Options by the Company constitutes the giving of a financial

benefit to a Related Party of the Company and therefore requires prior Shareholder approval.

In accordance with the requirements of Chapter 2E, and in particular with section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed grant of the Options by the Company:

9.5 Details concerning Options

Identity of the Related Party: s219(1)(a)	Michael Blakiston
Nature of the financial benefit: s219(1)(b)	7,000,000 Director Options A summary of the material terms of the Director Options is set out in Annexure C. The purpose for the issue of the Director Options is remunerate Michael Blakiston for his role as a Director.
Directors' recommendations: s219(1)(c)	The Board recommends that Shareholders vote in favour of Resolution 10. The Board makes this recommendation because it considers that Michael Blakiston's skills and experience will continue to enhance the Board's ability to perform its role. The current Board understand that, while the reconstituted Board may not comply with the Corporate Governance Principles, the revised Board composition represents the right mix of skills and diversity required for the Company at its current stage. The Board structure will continue to be reviewed to better reflect the current Corporate Governance Principles. Having considered all alternative proposals and noting that the issue of Director Options to Mr Blakiston may not strictly comply with the Corporate Governance Principles, the Board considers that the Resolution is in the best interest of Shareholders.
Directors' interest in the outcome: s219(1)(d)	No Directors have an interest in the outcome of Resolution 10.
Other: s219(1)(e)	N/A
Valuation of the financial benefit	The Company considers that the value of each the Director Options: <ul style="list-style-type: none"> as at the date before the announcement of the Recapitalisation, is \$0.0571 per Director Option, totalling \$399,700 for the 7,000,000 Director Options;¹⁵ and as at the date of this Notice of Meeting, is \$0.6526 per Director Option, totalling \$4,568,055 for the 10,000,000 Director Options.¹⁶
Related Party's existing interest	Michael Blakiston has no direct interest in the Company. However, as at the date of this Notice, Michael Blakiston has a relevant interest in 15,327,391 Shares held by Precision Opportunities Fund Ltd by virtue of section 608(3) of the Corporations Act.

¹⁵ Value calculated on 24 March 2021 using the Black-Scholes option pricing model.

¹⁶ Value calculated on 4 May 2021 using the Black-Scholes option pricing model.

Dilution effect of the transaction on existing members' interests	The issue of Director Options to Michael Blakiston will not have a dilutive effect on existing Shareholders. If Michael Blakiston converts all 7,000,000 Director Options the effect will be a 1.16% dilution to other Shareholders.
---	---

9.6 Listing Rule 7.1

A short summary of Listing Rule 7.1 is set out in section 5.1 above.

Listing Rule 7.2, exception 14, provides that Listing Rule 7.1 does not apply to an issue of securities under Listing Rule 10.11.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 10 will be to allow the Company to issue Director Options to Michael Blakiston without using up any of the Company's 15% placement capacity under Listing Rule 7.1.

9.7 Recommendation of Directors

The Independent Board Committee, consisting of Craig McGown and Anthony Reilly, recommends that Shareholders vote in favour of Resolution 10.

10. ENQUIRIES

Shareholders may contact the Company Secretary, Trevor Hart on +61 8 6389 7400 or at admin@venturexresources.com if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars, being the lawful currency of Australia.

Acquirers means:

- (a) Bill Beament;
- (b) Precision Opportunities Fund Ltd;
- (c) Shane Gavin McLeay whose Placement Shares and Placement Options will be issued or granted to Karen Leigh McLeay and Shane Gavin McLeay (as trustee for the McLeay Family Trust);
- (d) Mick McMullen, whose Placement Shares and Placement Options will be issued or granted to each of McMullen SMSF Pty Ltd AFT McMullen Super Fund and Lilaid Pty Ltd ATF The McMullen Family Trust No.2;
- (e) Tim Day, whose Placement Shares and Placement Options will be issued or granted to Elegy Pty Ltd;
- (f) Denis Dwiputra, whose Placement Shares and Placement Options will be issued or granted to Green Velvet Investments Pty Ltd; and
- (g) Nero Resource Fund whose Placement Share and Placement Options will be issued or granted to Treasury Services Group Pty Ltd ATF Nero Resource Fund.

Andy Clayton means Andrew Malcolm Clayton.

ASIC means the Australian Securities and Investments Commission.

Associates means the associates of the Acquirers for the purposes of the Placement, being Tim Weir, Andy Clayton, Michael Blakiston and Tony Kenny.

associate has the meaning given to that term in section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691.

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

Bill Beament means William James Beament.

Board means the current Board of Directors of the Company.

Chairperson means the person appointed to chair the Meeting.

Company means Venturex Resources Limited, ACN 122 180 205.

Constitution means the Company's constitution.

Consultancy Agreement means the consultancy agreement between Bill Beament and the Company dated 23 February 2021.

Consultant Options means 140,000,000 options to acquire Shares in accordance with the Consultancy Agreement, on the terms attached to this Notice at Annexure D.

Corporate Governance Principles means the *Corporate Governance Principles and Recommendations (4th edition)* dated February 2019 published by the ASX Corporate Governance Council.

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

Directors means the current directors of the Company.

Director Options means the Options to be issued to each of Mick McMullen and Michael Blakiston on the terms attached to this Notice at Annexure C.

Entitlement Offer means a fully underwritten non-renounceable pro-rata entitlement offer by the Company to eligible investors of one (1) new Share for every seven (7) Shares on issue as at the record date and one (1) free attaching new Option for each new Share taken up under the entitlement offer, to raise approximately \$4.8 million.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Extraordinary General Meeting or **Meeting** means the extraordinary general meeting of Shareholders convened by the Notice of Meeting and to which this Notice of Meeting relates.

Independent Board Committee means the independent board committee of the Company, established to consider funding proposals including the proposal made by Bill Beament.

Independent Expert means the independent expert appointed to prepare the Independent Expert's Report.

Independent Expert's Report means the independent expert's report prepared by the Independent Expert attached to this Notice at Annexure A.

Independent Technical Expert means the independent technical expert appointed to prepare the Independent Technical Expert's Report.

Independent Technical Expert's Report means the independent technical expert's report prepared by the Independent Technical Expert included in the Independent Expert's Report attached to this Notice at Annexure A.

Investors means sophisticated and professional investors under sections 708(8) and 708(11) of the Corporations Act.

Investor Options means 29,237,288 Options proposed to be issued to Investors participating in the Placement, the terms of which are attached to this Notice at Annexure B.

Investor Securities means the Investor Shares and the Investor Options.

Investor Shares means 58,474,576 Shares proposed to be issued to Investors (including the Acquirers other than Bill Beament) participating in the Placement.

McMullen Options means the 2,881,356 Options proposed to be issued to Mick McMullen under the Placement, the terms of which are attached to this Notice at Annexure B.

McMullen Shares means the 5,762,712 Shares proposed to be issued to Mick McMullen under the Placement.

Michael Blakiston means Michael Gerrard Blakiston.

Mick McMullen means Michael McMullen.

Mining & Infrastructure Group means Mining & Infrastructure Group, ACN 132 954 968.

Northern Star means Northern Star Resources Ltd (ASX:NST), ACN 092 832 892.

Notice of Meeting or **Notice** means this notice of extraordinary general meeting including the Explanatory Memorandum.

Option means an option to acquire a Share.

Placement means the private placement by the Company of the Placement Shares and the Placement Options to raise the Placement Amount as described in section 1.2 of the Explanatory Memorandum.

Placement Agreement means the Placement agreement between the Company and Bill Beament dated 23 February 2021.

Placement Amount means up to \$14,003,010 being the amount calculated by multiplying the number of Placement Shares by the Subscription Price, and for the avoidance of doubt, comprising the Subscription Amount payable by Bill Beament for the Subscription Shares and up to \$5,138,983 payable by the Investors for the Investor Shares.

Placement Options means the Investor Options, the Subscription Options and the McMullen Options to be issued under the Placement, the terms of which are attached to this Notice at Annexure B.

Placement Shares means the Subscription Shares, the Investor Shares and the McMullen Shares to be issued under the Placement, all to be issued at the Subscription Price.

Proxy Form means the proxy form accompanying this Notice.

Recapitalisation means the Placement and the Entitlement Offer.

Related Party has the meaning given to that term in section 228 of the Corporations Act.

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

Shane McLeay means Shane Gavin McLeay.

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

Shareholder means a holder of a Share.

Subscription Amount means \$8,864,027 being the amount calculated by multiplying the number of Subscription Shares by the Subscription Price.

Subscription Options means 55,400,171 Options proposed to be issued to Bill Beament (as trustee for the Beament Family Trust) on the terms of the Placement Agreement, the terms of which are attached to this Notice at Annexure B.

Subscription Price means \$0.08 for each Share.

Subscription Securities means the Subscription Shares and the Subscription Options.

Subscription Shares means 110,800,341 Shares proposed to be issued to Bill Beament (as trustee for the Beament Family Trust) on the terms of the Placement Agreement.

Tim Day means Timothy James Day.

Tim Weir means Timothy Leonard Weir.

Tony Kenny means Anthony Christopher Kenny.

Voting Power has the meaning given to that term in section 610 of the Corporations Act.

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

**ANNEXURE A – INDEPENDENT EXPERT'S REPORT (INCLUDING THE
INDEPENDENT TECHNICAL EXPERT'S REPORT)**



VENTUREX RESOURCES LIMITED
Independent Expert's Report

OPINION: FAIR AND REASONABLE

5 May 2021



Financial Services Guide

5 May 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Venturex Resources Limited ('Venturex') to provide an independent expert's report on the proposal as described in Section 4 of the accompanying independent expert's report. You are being provided with a copy of our report because you are a shareholder of Venturex and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Venturex to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

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

Information about us

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

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$32,500.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Venturex.

BDO Audit (WA) Pty Ltd is the appointed Auditor of Venturex. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

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

Referrals

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

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

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

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

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

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.



TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	2
3.	Scope of the Report	5
4.	Outline of the Proposed Transaction	7
5.	Profile of Venturex	12
6.	Profile of New Directors	21
7.	Economic analysis	23
8.	Industry analysis	26
9.	Valuation approach adopted	33
10.	Valuation of Venturex prior to the Proposed Transaction	35
11.	Valuation of Venturex following the Proposed Transaction	45
12.	Is the Proposed Transaction fair?	50
13.	Is the Proposed Transaction reasonable?	51
14.	Conclusion	55
15.	Sources of information	55
16.	Independence	56
17.	Qualifications	56
18.	Disclaimers and consents	57

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Control Premium

Appendix 4 - Independent Valuation Report prepared by Valuation & Resource Management

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

5 May 2021

The Directors
Venturex Resources Limited
Level 2, 91 Havelock Street
West Perth, WA, 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 24 February 2021, Venturex Resources Limited ('**Venturex**' or '**the Company**') announced its recapitalisation strategy to raise up to approximately \$58 million through a number of issues, including the issue of 175,037,629 new shares at \$0.08 per share ('**Placement Shares**'), with a one-for-two attaching option exercisable at \$0.135 expiring in two years ('**Placement Options**') ('**the Placement**'), a one-for-seven entitlement offer on the same terms as the Placement ('**Entitlement Offer**'), and the issue of options to Directors and consultants, exercisable at \$0.150.

As part of the Placement, the Company has received binding commitments from Mr Bill Beament ('**Mr Beament**'), Precision Opportunities Fund Ltd, Shane McLeay, Mick McMullen ('**Mr McMullen**'), Tim Day, Denis Dwiputra and Nero Resource Fund (collectively '**the Acquirers**') to subscribe for 137,804,071 Placement Shares for a cash consideration of \$11.0 million, and including 68,902,036 Placement Options. Of the Placement Shares and Placement Options to be issued to the Acquirers, Mr Beament has personally agreed to subscribe for 110,800,341 Placement Shares ('**Subscription Shares**') and 55,400,171 Placement Options ('**Subscription Options**').

The issue of the Placement Shares and Placement Options to the Acquirers will increase the maximum voting power of the Acquirers and their '**Associates**' (being Tim Weir, Andy Clayton, Michael Blakiston ('**Mr Blakiston**') and Tony Kenny) from 5.53% to 27.06% on an undiluted basis. In addition, the issue of shares to Mr Beament upon conversion of the Subscription Options and 140,000,000 Consultant Options ('**Consultant Options**') to be issued to Mr Beament for his role as an independent consultant to the Company until 1 July 2021, will increase Mr Beament's maximum voting power in Venturex to approximately 38.87%.

As at 9th April 2021, the Company had 420,030,470 ordinary shares on issue and 14,112,916 unlisted options outstanding, exercisable at \$0.100 prior to 15 December 2021. Each option entitles the holder to subscribe for one ordinary share of Venturex upon exercise.

The issue of Placement Shares, Placement Options, Entitlement Shares, Entitlement Options, Consultant Options and Director Options to the Acquirers and their Associates is collectively referred to as the '**Proposed Transaction**'. We have considered the Proposed Transaction as a whole because of the interdependence of the resolutions. We note that Shareholder approval is not required to issue the Entitlement Shares or the Entitlement Options.

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

As the Proposed Transaction will result in the Acquirers and their Associates' maximum voting power in Venturex increasing from below 20% to 27.06%, and upon conversion of the Subscription Options and the Consultant Options, Mr Beament's maximum voting power in Venturex will increase from below 20% to 38.87%, approval from Venturex shareholders not associated with the Acquirers and their Associates ('Shareholders') is required for the Company to enter into the Proposed Transaction.

Further details of the Proposed Transaction are outlined in Section 4 of our Report. All figures are quoted in Australian dollars ('A\$' or 'AUD') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Venturex have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the Shareholders of Venturex.

Our Report is prepared pursuant to item 7 of section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting to be provided to the Shareholders of Venturex in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guides Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

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

- How the value of a Venturex share prior to the Proposed Transaction on a control basis compares to the value of a Venturex share following the Proposed Transaction on a minority basis;
- The likelihood of an alternative offer being made to Venturex;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- The position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Transaction is fair and reasonable to Shareholders.

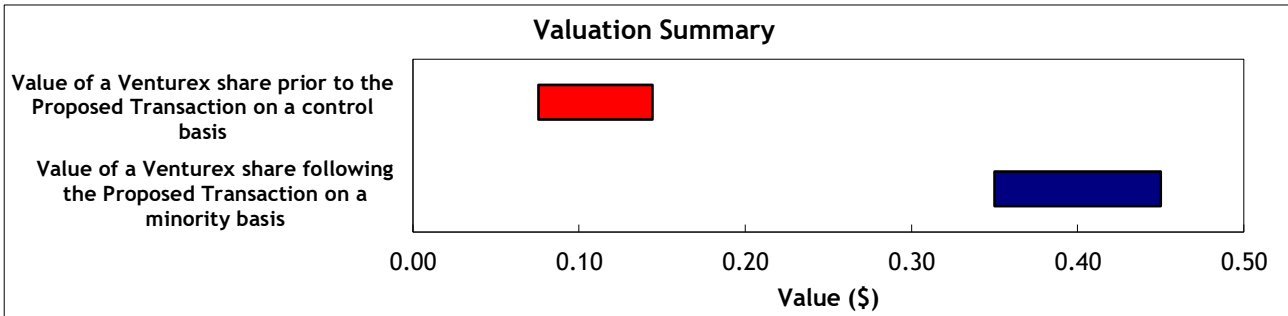
2.4 Fairness

In section 12 we determined that the value of a Venturex share prior to the Proposed Transaction on a control basis compares to the value of a Venturex share following the Proposed Transaction on a minority basis, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a Venturex share prior to the Proposed Transaction on a control basis	10.3	0.075	0.110	0.144
Value of a Venturex share following the Proposed Transaction on a minority basis	11.3	0.350	0.400	0.450

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, and an alternative offer, the Proposed Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed Transaction does not proceed and the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternative proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	The Proposed Transaction is fair	13.5	Dilution of existing Shareholders' interests
13.4	Financing support for the development of the Sulphur Springs Project	13.5	Restriction on special resolutions
13.4	Alignment of the interests of Mr Beament and Venturex Shareholders		

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	Shareholders will be given the opportunity to participate in the Entitlement Offer at the same issue and exercise prices as the Placement		
13.4	Raising funds through the issue of equity, rather than debt will not have a negative impact on Venturex's working capital		
13.4	Appointment of Mick McMullen and Michael Blakiston to the Venturex Board		

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal
13.2	Practical Level of Control
13.3	Consequences of not approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act ('Section 606') expressly prohibits the acquisition of further shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party's (or someone else's) voting power in the company increases from 20% or below to more than 20%. The issue of Placement Shares and Placement Options to the Acquirers and their Associates will increase their maximum voting power in Venturex from below 20% to approximately 27.06% on an undiluted basis. In addition, the issue of shares to Mr Beament upon conversion of the Subscription Options and the Consultant Options to be issued under the Proposed Transaction will increase Mr Beament's maximum voting power in Venturex to approximately 38.87% in a situation where only Mr Beament exercises his options. A breakdown of the voting power of the Acquirers and their Associates, and Mr Beament specifically, under various scenarios is outlined in Section 4.

Section 611 of the Corporations Act ('Section 611') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('item 7 s611') permits such an acquisition if the shareholders of Venturex have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution, Venturex can commission an Independent Expert's Report.

Therefore, the directors of Venturex have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

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

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.

In our opinion, the Proposed Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Transaction as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are 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. When considering the value of the securities which are the subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest. Consequently the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

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

- A comparison between the value of a Venturex share prior to the Proposed Transaction on a control basis and the value of a Venturex share following the Proposed Transaction on a minority basis (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Proposed Transaction, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

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

A Valuation Engagement is defined by APES 225 as follows:

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

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

4. Outline of the Proposed Transaction

On 24 February 2021, Venturex announced its recapitalisation strategy to raise up to approximately \$58 million through the Placement, the Entitlement Offer and subsequent issues of options to Directors and consultants. Should no options be exercised, the recapitalisation will raise up to approximately \$19 million through the above issues. As part of the Placement, the Company has received binding commitments (subject to index fall clause) to raise approximately \$11.0 million from the Acquirers and their Associates, through the issue of 137,804,071 Placement Shares, and 68,902,036 Placement Options.

The issue of Placement Shares and Placement Options to the Acquirers and their Associates will increase their maximum voting power in Venturex from below 20% to approximately 27.06% on an undiluted basis. In addition, the issue of shares to Mr Beament upon conversion of the Subscription Options and the Consultant Options to be issued under the Proposed Transaction will increase Mr Beament's maximum voting power in Venturex to approximately 38.87%.

The total value of funds raised from the recapitalisation, assuming all options are exercised is approximately \$58 million. Venturex will recapitalise through the issue of:

- 175,037,629 Placement Shares (including 110,800,341 Subscription Shares to Mr Beament) at an issue price of \$0.08 per share;
- 87,518,815 Placement Options (including 55,400,171 Subscription Options to Mr Beament) with an exercise price of \$0.135, expiring two years after issue;
- 60,004,353 Entitlement Shares* ('Entitlement Shares') through a fully underwritten one-for-seven Entitlement Offer, at an issue price of \$0.08 per share;
- 30,002,176 Entitlement Options* ('Entitlement Options') with an exercise price of \$0.135, expiring two years after issue;
- 140,000,000 Consultant Options to be issued to Mr Beament for his role as an independent consultant to the Company until 1 July 2021, exercisable at \$0.150, with 50% of the Consultant Options expiring three years after issue, and the remaining 50% expiring four years after issue; and
- 17,000,000 Director Options ('Director Options') (10 million to be issued to Mr McMullen and 7 million to be issued to Mr Blakiston) with an exercise price of \$0.150, expiring three years after issue.

*We note that the number of Entitlement Shares and Entitlement Options to be issued is as above as at 9 April 2021. However, as a result of the exercise of existing options following 9 April 2021 but prior to the record date (16 June 2021), the number of Entitlement Shares and Entitlement Options to be issued may differ from our above figures. For the purpose of our valuation, we have considered the impact of the Entitlement Offer based on the figures above.

Although each of the issues comprising the Proposed Transaction, as listed above, is addressed through a different resolution, as set out in the Notice of Meeting, we have considered the Proposed Transaction as a whole because of the interdependence of the resolutions.

The details of the Proposed Transaction are set out in the Placement Agreement with Mr Beament, dated 23 February 2021. Completion of the Placement is conditional on the satisfaction of the following conditions precedent:

- Shareholder Approval - The Company validly convening and holding the General Meeting on the General Meeting Date and the Shareholders resolving at the General Meeting to approve the issue

of the Placement Shares, and grant of the Placement Options and the Consultant Options, to the extent required under ASX Listing Rules and the Corporations Act;

- Recommendation - Each of the members of the Board legally able:
 - Giving their recommendation to the Shareholders in the ASX Announcement and the Notice of Meeting, that they vote in favour of the Proposed Transaction; and
 - Not changing or withdrawing their recommendation that the Shareholders vote in favour of the resolutions the subject of the Proposed Transaction.
- Prospectus - The Company must prepare and lodge with ASIC and ASX a prospectus pursuant to and which complies with section 713 of the Corporations Act for the Placement Options and the Entitlement Options.

As expressed in the Notice of Meeting, the purpose of the \$58 million recapitalisation strategy is to fund the Company's development activities for the Sulphur Springs Project. Following the Proposed Transaction, Venturex aims to position itself as a supplier of new-generation energy and technology materials, with funds raised being used to fund the following activities:

- TSF geotechnical verification of design;
- Infill drilling and update of the resources models at Sulphur Springs;
- Regional exploration;
- Environmental compliance and permits;
- Access road design;
- Early capital expenditure;
- Front End Engineering and Design ('FEED') study; and
- Corporate and general working capital.

As outlined below, the Acquirers and their Associates hold a relevant interest of 23,232,386 shares in the Company, representing a 5.53% maximum voting power on an undiluted basis. The issue of shares under the Placement to the Acquirers and their Associates will increase their holding in Venturex to 161,036,457 shares representing a maximum voting power of 27.06% on an undiluted basis.

The table below shows the change in holding in Venturex by the Acquirers and their Associates on an undiluted basis before and after the issue of Placement Shares. We note that this does not include the fully underwritten Entitlement Offer, nor the issue of Director and Consultant Options.

	Number
Issued shares of Venturex prior to the Proposed Transaction	420,030,470
Placement Shares to be issued to the Acquirers and their Associates	137,804,071
Remaining Placement Shares to be issued	37,233,558
Total number of Venturex shares following the issue of Placement Shares	595,068,099
Shares held by the Acquirers and their Associates prior to the Proposed Transaction	23,232,386
% holding prior to the Proposed Transaction	5.53%
Shares held by the Acquirers and their Associates following the issue of Placement Shares	161,036,457
% holding following the issue of Placement Shares	27.06%

Source: Management and BDO analysis

We note that as part of the Proposed Transaction, the Acquirers and their Associates have confirmed that they will not exercise any options until the completion of the Entitlement Offer. As such, the Acquirers and their Associates will hold an otherwise fully diluted maximum voting power of 25.65% in Venturex following the Placement, as outlined below.

	Number
Issued shares of Venturex prior to the Proposed Transaction	420,030,470
Unlisted options on issue	14,112,916
Placement Shares to be issued to the Acquirers and their Associates	137,804,071
Remaining Placement Shares to be issued	37,233,558
Placement options issued to parties other than Acquirers and their Associates	18,616,780
Total number of Venturex shares following the Placement	627,797,795
Shares held by the Acquirers and their Associates prior to the Proposed Transaction	23,232,386
% holding at prior to the Proposed Transaction	5.53%
Shares held by the Acquirers and their Associates following the Placement	161,036,457
% holding following the Placement	25.65%

Source: Management and BDO analysis

Entitlement Offer

Management have provided us with confirmation letters signed by the Acquirers and their Associates as part of the Proposed Transaction. As per the confirmation letters, the Acquirers and their Associates have confirmed they will cease to be associated (to the extent to which they currently are) with the other Acquirers and their Associates in respect to Venturex, by no later than immediately following the completion of the Entitlement Offer, in accordance with the terms of the letters. Despite the disassociation of the Acquirers and their Associates, the issue of shares upon the exercise of options will result in Mr Beament's maximum voting power in Venturex increasing from 27.06% to 38.87%.

As per the Notice of Meeting, Mr Beament's shareholding and maximum voting power following the issue and exercise of the Subscription Options and Consultant Options is outlined in the table below. The maximum voting power of 38.87% is calculated on the basis that Mr Beament exercises his Consultant and Subscription Options, and excludes the exercise of the Director Options and any other options on issue.

	Number
Total number of Venturex shares prior to the Placement (undiluted)	420,030,470
Subscription Shares to be issued to Mr Beament	110,800,341
Subscription Options to be issued to Mr Beament	55,400,171
Remaining Placement Shares to be issued	64,237,288
Consultant Options issued to Mr Beament	140,000,000
Total number of Venturex shares	790,468,270
Shares held by Mr Beament prior to the Proposed Transaction	1,093,459
% holding prior to the Proposed Transaction	0.26%
Shared held by Mr Beament following the exercise of Subscription and Consultant Options	307,293,971
% holding following the exercise of Subscription and Consultant Options	38.87%

Source: Venturex Notice of Meeting

As outlined above, the Acquirers and their Associates have confirmed that they will not exercise any options until the completion of the Entitlement Offer. As such, we have outlined below the maximum

voting power of Mr Beament on a fully diluted basis, before and after the Proposed Transaction, including the Entitlement Offer and the issue of Director and Consultant Options.

	Number
Total number of Venturex shares prior to the Placement (undiluted)	420,030,470
Unlisted options on issue	14,112,916
Subscription Shares to be issued to Mr Beament	110,800,341
Subscription Options to be issued to Mr Beament	55,400,171
Remaining Placement Shares to be issued	64,237,288
Remaining Placement Options to be issued	32,118,644
Consultant Options issued to Mr Beament	140,000,000
Director Options to be issued to Mr McMullen and Mr Blakiston	17,000,000
Entitlement Shares to be issued to Mr Beament	156,208
Entitlement Options to be issued to Mr Beament	78,104
Remaining Entitlement Shares to be issued	59,848,145
Remaining Entitlement Options to be issued	29,924,072
Total number of Venturex shares following the Entitlement Offer	943,706,359
Shares held by Mr Beament prior to the Proposed Transaction	1,093,459
% holding prior to the Proposed Transaction	0.26%
Shares held by Mr Beament following the Entitlement Offer	307,528,283
% holding following the Entitlement Offer	32.59%

Source: Management and BDO analysis

Board and management changes

As at the date of the announcement of the Proposed Transaction, Mr McMullen was appointed to the Board as an Executive Director. Mr McMullen will be issued 10 million Director Options, subject to Shareholder approval.

As announced on 8 February 2021, Anthony Kiernan has stepped down as a Director and Chairman of the Company, effective as at 31 March 2021, and is succeeded by Anthony Reilly as interim Executive Chairman.

Following Shareholder approval of the Proposed Transaction, Craig McGown will resign from the Board and Anthony Reilly will transition from Executive Chairman to Executive Director. Subject to Shareholder approval, Anthony Reilly will be replaced by Mr Blakiston as Non-Executive Chairman, with Mr Blakiston to be issued 7 million Director Options.

Darren Stralow resigned from the Venturex Board effective from the date of the announcement of the Proposed Transaction.

Mr Beament will join the Board as a full-time Executive Director from 1 July 2021, until which time Mr Beament has entered into a consulting arrangement with Venturex, and will be issued 140 million Consultant Options, subject to Shareholder approval. The table below outlines the Company's Board, post Shareholder approval of the Proposed Transaction and associated resolutions.

Board composition post Transaction	
Name	Position
Michael Blakiston	Non-Executive Chairman
Bill Beament	Executive Director
Mick McMullen	Executive Director*
Anthony Reilly	Executive Director
Craig McGown	To Resign
Anthony Kiernan	Resigned
Darren Stralow	Resigned

Source: Venturex ASX announcement on 24 February 2021

*Mick McMullen will transition to a Non-Executive Director following Mr Beament joining the Venturex Board.

5. Profile of Venturex

5.1 History

Venturex is an ASX-listed mineral exploration company, with copper and zinc projects located in the Pilbara region of Western Australia. The Company's flagship asset is the Sulphur Springs Project, located approximately 110 kilometres ('kms') southeast of Port Hedland, Western Australia. The Company also holds a 20% free carried interest in the Whim Creek joint venture located southwest of Port Hedland. The Company's head office is located in Perth, Western Australia.

The Company's board of directors and senior management as at the date of the announcement of the Proposed Transaction were:

- Anthony Kiernan - Non-Executive Chairman*;
- Anthony Reilly - Executive Director, Interim Chief Executive Officer;
- Darren Stralow - Non-Executive Director**;
- Craig McGown - Non-Executive Director; and
- Trevor Hart - Company Secretary and Chief Financial Officer.

*Anthony Kiernan resigned from the Venturex Board, effective 31 March 2021.

**Darren Stralow resigned on the date of the announcement of the Proposed Transaction.

Venturex has a number of wholly owned subsidiaries as below:



5.2 Projects

Sulphur Springs Project

The Sulphur Springs Project ('the Project') is an underground Volcanogenic Massive Sulphide ('VMS') deposit, located approximately 110kms southeast of Port Hedland and was acquired by the Company in January 2011. Venturex acquired 100% of the share capital of CBH Sulphur Springs Pty Ltd, the owner of the Sulphur Springs copper-zinc deposit, for the consideration of \$26.2 million paid in cash, and the grant of zinc off-take rights to Toho Zinc Co Limited ('Toho Zinc') capped at 230,000t of zinc from the Project.

Venturex commissioned a definitive feasibility study ('initial DFS') on the Sulphur Springs Project and the Company's Whim Creek Project shortly after acquiring Sulphur Springs. The initial DFS was completed in December 2012, and confirmed the technical and economic feasibility of underground mining operations at Sulphur Springs, utilising a one million tonne per annum ('Mtpa') processing plant to produce zinc and copper concentrate over an 8.5 year life-of-mine. The Company subsequently announced that it would

further progress to the development stage by preparing and lodging the appropriate approvals, and conducting further exploration drilling.

In November 2015, following the approval of the Company's underground mining development plan in 2014 and a number of exploration drilling programs, Venturex completed an optimisation study on the Project. The optimisation study identified that part of the deposit could be more economically mined using both open pit and underground mining methods. As a result, the Company commissioned an updated DFS ('**updated DFS**') to be completed in order to consider the findings of the optimisation study. Venturex continued to conduct exploration drilling and optimise its mine plan (which included the completion of a value engineering study), whilst completing the updated DFS.

The updated DFS was completed in October 2018, based on revised methodologies, which confirmed the technical feasibility of a two-stage underground and open pit mining operation at the Sulphur Springs Project. The updated DFS indicated an ore reserve of 8.5Mt at a grade of 1.4% copper and 3.1% zinc, a 10.3 year life of mine, and highlighted an increased 1.25Mtpa processing plant, with the ability to add further value through additional exploration and the increase of plant capacity. Following the completion of the updated DFS, Venturex turned its focus to the completion of a Project Implementation Plan, the preparation and lodgement of the appropriate permits, and the securing of funding in order to advance the Project.

In August 2019, the Company announced that it had conditionally secured a \$100 million (US\$70 million) debt funding package from Trafigura Pte Ltd ('**Trafigura**'). The Company signed a non-binding term sheet with Trafigura for the funding package, to be repaid over a four-year term, with an interest rate of 3 month LIBOR plus 8.5% for the first year, increasing thereafter. Venturex also entered into an off-take agreement with Trafigura for concentrate from the entire mine production, excluding the Company's zinc off-take agreement with Toho Zinc. In addition to the funding from Trafigura, Venturex received a \$2 million loan from Northern Star Resources Ltd ('**Northern Star**') in order to complete its permitting approvals.

Following a year of exploration drilling and seeking of approvals, on 22 October 2020, the Company announced that its mining proposal had been approved by the Department of Mines, Industry Regulation and Safety ('**DMIRS**') for the construction of a 7.6km access road, water infrastructure, plant construction, and other associated ground works. This followed Venturex receiving environmental approval from the Western Australian Minister for Environment in May 2020, which enabled the Company to issue required secondary permits at the Project.

Venturex is currently advancing exploration drilling programs as it continues to seek approvals for development. The Company intends to undertake a FEED study and key work programs in order to advance the Sulphur Springs Project to a Final Investment Decision.

Whim Creek Project

The Whim Creek Project is an open pit copper-zinc mining operation that was acquired by Venturex in August 2009, and is located approximately 115km southwest of Port Hedland, Western Australia. The Whim Creek Project spans an area of approximately 18,000 hectares over the Whim Creek Basin, and comprises the Whim Creek, Mons Cupri, Salt Creek and Evelyn Deposits.

In August 2009, the Company announced it had acquired all of the issued capital of Straits (Whim Creek) Pty Ltd, from Straits Resources Limited ('**Straits**'). Straits (Whim Creek) Pty Ltd was the beneficial owner of the Whim Creek Project, and all associated exploration tenements, and was acquired by the Company

for the consideration of 106 million fully paid Venturex shares at a deemed value of \$0.075 per share (approximately \$8 million), and Venturex shares or cash to the equivalent value of \$3 million based on the 30-day VWAP of the Company preceding Venturex formally committing to a Decision to Mine. In addition, access to an existing solvent extraction and electrowinning plant ('SX-EW') was subject to an option to purchase agreement with Finders Resources Limited.

The Company announced the settlement of the acquisition on 1 February 2010, and immediately began planning a reverse circulation ('RC') and diamond drilling program in order to evaluate the existing resource. Following a number of drilling programs throughout the Whim Creek Project, the Company commissioned a scoping study, which confirmed the economic feasibility of the potential development of a production facility centre on the Whim Creek mine site, sourcing ore from multiple deposits. The study was based on a plant capacity of 600,000 tonnes per annum ('tpa') and the initial resource to support a mine life of nine years without any future exploration success.

Following the acquisition of the Sulphur Springs Project, the Whim Creek Project became a secondary project, as the Company assessed that the identifiable reserves at Sulphur Springs were much greater than at the Whim Creek Project. As a result, the Company reappraised its production plan in order to optimise operations at the Sulphur Springs Project. The initial DFS assumed that all operations would be focussed on the Sulphur Springs Project for the first 6.5 years, before transitioning to a blended ore supply from the Whim Creek area in the latter stages of operations. Following the initial DFS, Venturex focussed on completing a detailed review of the Whim Creek Project through further exploration drilling and further analyses.

After an extensive review of the Whim Creek Project and attached historical data, the Company announced the identification of new targets within the existing known deposits in May 2016 and, shortly after, announced the commencement of a new drilling program at the Whim Creek Project with the objective of growing the existing resource inventory. The primary deposit of interest for the program was the Mons Cupri deposit, which was historically the major producing deposit at the Whim Creek Project. Drilling was completed in December 2016, confirming further mineralisation within the deposit.

In September 2017, the Company announced the commencement of a review for potential gold targets within the Whim Creek Project. Venturex stated that it remained primarily focussed on advancement of the Sulphur Springs Project, but would continue to evaluate existing targets at the Whim Creek Project without detracting from its primary objectives at Sulphur Springs. This preceded a period of minimal field work being performed, due to a number of factors such as adverse weather conditions and the COVID-19 crisis.

In July 2020, the Company announced that it had executed a binding earn-in and joint venture ('EIJV') agreement with Aurora Minerals Limited ('ARM') for ARM to acquire up to an 80% interest in the Whim Creek Project through its wholly owned subsidiary Anax Metals Limited ('Anax Metals'). The consideration for the earn-in rights was a deposit of \$150,000, and three deferred annual cash payments of \$1 million each year for three years, commencing on the second anniversary of the joint-venture commencement date. In addition, Anax Metals is required to spend \$4 million on project expenditure within four years of signing the EIJV agreement.

In November 2020, the Company announced that all conditions precedent to the EIJV agreement had been satisfied, and shortly after, in December 2020, Anax Metals announced that it had completed its initial earn-in interest by spending \$1 million on the Whim Creek Project. Following this announcement, in January 2021, Anax Metals announced that it had completed its additional earn-in interest after spending

\$1.5 million on the Whim Creek Project, to emerge with an 80% interest. Under the agreement, Anax Metals will assume control and management of the Whim Creek Project, and will assume 100% liability of Venturex's existing two-tranche payment of \$3.5 million to Straits as part of the Whim Creek acquisition. Venturex will retain 20% free carried interest through to Anax Metals' decision to mine.

Recent Corporate Events

On 10 June 2020, Venturex announced it had received binding commitments for a placement of approximately 45.50 million new shares at an issue price of \$0.055 per share, to raise \$2.50 million (before costs). In addition, the Company announced its intention to undertake a share purchase plan ('SPP') to raise \$1.50 million, in order to fund an exploration drilling program at the Sulphur Springs Project. The Company completed the first tranche of the placement, issuing 34 million shares to raise approximately \$1.90 million.

On 16 July 2020, the Company announced the results from the SPP, stating that it closed oversubscribed, with Venturex accepting applications for \$2.00 million, equating to the issue of 37,049,936 new shares at an issue price of \$0.055 per share. The issue included a one-for-two free attaching option, exercisable at \$0.100 prior to 15 December 2021. In addition, the Company announced that it had received binding commitments for a placement to sophisticated and strategic shareholders for 1,800,000 new shares and 900,000 options, under the same terms as the SPP.

On 14 August 2020, Venturex issued 11,052,300 new ordinary shares, following shareholder approval, for the total consideration of \$607,877. On 17 August 2020, the Company issued 14,645,454 shares to Northern Star as part of the repayment of its unsecured loan agreement. The shares were issued at a price of \$0.055 per share, for the total consideration of \$805,500.

On 1 September 2020, the Company issued 269,743 ordinary shares under the long-term employee incentive scheme. Shortly after, on 26 October 2020, the Company announced it had issued 4,419,445 performance rights, expiring on 25 October 2022, under the Company's performance rights plan.

On 11 December 2020, the Company announced that it had agreed to extend the existing Northern Star Loan Agreement for a period of 6 months. The outstanding loan had a balance of \$1.16 million as at the date of the announcement.

On 17 March 2021, Venturex released an announcement stating that on 15 March 2021, Northern Star had sold its 17.5% interest in Venturex to Mineral Resources Limited ('MinRes'). Northern Star's shares in Venturex were sold at \$0.40 per share, which represented approximately a 20% premium to the Company's closing price on the previous trading day.

In addition, Venturex announced that it had settled its outstanding loan with Northern Star in full, through the conversion of debt to 7,595,454 shares at a conversion price of \$0.100, which was applied against the outstanding loan, with the remaining balance of \$434,544 being settled in cash. Northern Star subsequently sold the 7,595,454 shares in Venturex to an undisclosed buyer on 17 March 2021, at \$0.40 per share.

5.3 Historical Statement of Financial Position

Statement of Financial Position	Reviewed as at 31-Dec-20 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
CURRENT ASSETS			
Cash and cash equivalents	2,594,496	2,256,492	4,910,026
Trade and other receivables	422,011	752,824	310,647
Inventories	6,853	23,885	26,145
Other assets	118,599	202,970	153,014
TOTAL CURRENT ASSETS	3,141,959	3,236,171	5,399,832
NON-CURRENT ASSETS			
Property, plant and equipment	761,372	1,588,813	1,885,629
Right of use asset	137,136	39,309	-
Exploration and evaluation expenditure	31,594,083	37,002,615	33,774,248
Other receivables	5,721,218	-	-
TOTAL NON-CURRENT ASSETS	38,213,809	38,630,737	35,659,877
TOTAL ASSETS	41,355,768	41,866,908	41,059,709
CURRENT LIABILITIES			
Trade and other payables	835,762	1,455,241	1,531,756
Borrowings	1,170,545	2,087,869	-
Lease liabilities	73,101	40,455	-
Employee benefits	94,743	74,412	58,844
TOTAL CURRENT LIABILITIES	2,174,151	3,657,977	1,590,600
NON-CURRENT LIABILITIES			
Lease liabilities	64,183	364	-
Employee benefits	19,899	18,720	18,150
Provisions	14,303,045	14,309,467	13,402,717
TOTAL NON-CURRENT LIABILITIES	14,387,127	14,328,551	13,420,867
TOTAL LIABILITIES	16,561,278	17,986,528	15,011,467
NET ASSETS	24,794,490	23,880,380	26,048,242
EQUITY			
Issued capital	114,084,266	110,289,634	108,041,913
Reserves	136,341	228,150	745,017
Accumulated losses	(89,426,117)	(86,637,404)	(82,738,688)
TOTAL EQUITY	24,794,490	23,880,380	26,048,242

Source: Venturex's audited financial statements for the years ended 30 June 2019 and 30 June 2020, and reviewed financial statements for the half-year ended 31 December 2020.

We note that the Company's auditor highlighted the ability of Venturex to continue as a going concern as a key audit matter, in its reports for the years ended 30 June 2019 and 30 June 2020. The matter was raised due to the existence of a material uncertainty relating to the Company's ability to realise its assets and discharge its liabilities in the normal course of business. The audit opinion was not modified with respect to this matter.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents decreased from \$4.91 million as at 30 June 2019 to \$2.26 million as at 30 June 2020. The decrease of approximately \$2.65 million was primarily the result of exploration and evaluation expenditure of \$3.94 million, and cash paid to suppliers and employees of \$2.65 million. This was partially offset by proceeds from borrowings of \$2.00 million, and proceeds from the issue of securities of \$1.89 million.
- Other assets of \$0.12 million as at 31 December 2020 comprises prepayments of approximately \$0.08 million, bank guarantees for credit card facilities of \$0.03 million, and security deposits for leased buildings of \$0.01 million.
- Property, plant and equipment of \$0.76 million as at 31 December 2020 comprises buildings and plant and equipment, as shown in the table below.

Property, plant and equipment	\$
Buildings	536,581
Plant and equipment	224,791
Balance at 31 December 2020	761,372

- Exploration and evaluation expenditure in relation to the Sulphur Springs Project and the Whim Creek Project of \$31.59 million as at 31 December 2020 is outlined in the table below.

Exploration and evaluation expenditure	\$
Balance at 30 June 2020	37,002,615
Additions	1,129,406
Other receivables (shown separately)	(5,721,218)
Impairment	(816,720)
Balance at 31 December 2020	31,594,083

- Other receivables of \$5.72 million as at 31 December 2020 relate to an estimate of the amount receivable from the Whim Creek joint venture for the fulfilment of rehabilitation obligations at the end of operations. The balance of other receivables is recalculated every six months, and reduces the carrying value of exploration and evaluation expenditure, as shown in the table above. Once the tenements have been legally transferred to Anax Metals, other receivables will be removed and the rehabilitation provision will be reduced.
- Borrowings decreased from \$2.09 million as at 30 June 2020 to \$1.17 million as at 31 December 2020. Borrowings comprises the balance of a binding loan agreement with Northern Star Resources Limited ('Northern Star'), and the associated interest, accrued at 10% per annum. The loan is repayable in cash or at Northern Star's election by conversion to Venturex shares at the same issue price as any recent rights issue or placement prior to the repayment of the loan, or at an issue price equal to the 10-day volume weighted average price ('VWAP') of Venturex shares prior to the date on which notice of repayment of the loan was given.

The loan was fully repaid on 17 March 2021, through the conversion and exercise of 7,595,454 options at an implied exercise price of \$0.100, and a cash payment to repay the outstanding balance and interest of \$434,544.

- Provisions of \$14.30 million as at 31 December 2020 comprise provisions for the rehabilitation of the Sulphur Springs Project and the Whim Creek Project.

5.4 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed as at 31-Dec-20 \$	Audited as at 30-Jun-20 \$	Audited as at 30-Jun-19 \$
Revenue			
Revenue	9,144	16,536	(53,276)
Other income	143,137	204,658	1,380,000
Total revenue	152,281	221,194	1,326,724
Expenses			
Administrative expenses	(231,613)	(527,837)	(616,703)
Corporate expenses	(85,194)	(309,748)	(294,338)
Directors, employees and consultants fees	(674,776)	(1,081,827)	(1,951,217)
Exploration and evaluation expenses	(205,677)	(814,235)	(188,016)
Depreciation and amortisation expenses	(175,668)	(375,610)	(291,603)
Impairment of trade and other receivables	(158,011)	(6,600)	-
Impairment of exploration and evaluation expenses	(816,720)	-	-
Loss on sale of property, plant and equipment	(538,729)	-	-
Finance costs	(54,606)	(65,519)	(279,474)
Re-estimation of site rehabilitation provisions	-	(938,534)	(416,768)
Total expenses	(2,940,994)	(4,119,910)	(4,038,119)
Loss before income tax	(2,788,713)	(3,898,716)	(2,711,395)
Income tax expense	-	-	-
Loss after income tax	(2,788,713)	(3,898,716)	(2,711,395)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(2,788,713)	(3,898,716)	(2,711,395)

Source: Venturex's audited financial statements for the years ended 30 June 2019 and 30 June 2020, and reviewed financial statements for the half-year ended 31 December 2020.

As noted above, the Company's auditor highlighted the ability of Venturex to continue as a going concern as a key audit matter, in its reports for the years ended 30 June 2019 and 30 June 2020.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Other income of \$1.38 million for the year ended 30 June 2019 comprised revenue from the hire of the Spinifex Ridge mining camp to an external party. Other income for the year ended 30 June 2020, and the half-year ended 31 December 2020 included government stimulus payments of \$0.05 million and \$0.07 million, respectively, and JobKeeper subsidy payments of \$0.07 million in each period.
- Directors', employees' and consultants' fees of \$1.08 million for the year ended 30 June 2020 primarily comprise directors and employee expenses of \$0.65 million, and consultants expenses of \$0.43 million.

- The Company recorded a loss on the sale of property, plant and equipment of \$0.54 million in the half-year ended 31 December 2020, which was in relation to the sale of assets at the Whim Creek Project, which is now 80% controlled by Anax Metals.
- Site rehabilitation provisions increased from \$0.42 million estimated for the year ended 30 June 2019 to \$0.94 million for the year ended 30 June 2020. The Company reviews its rehabilitation provisions annually and any changes in the estimate are reflected in the present value of the rehabilitation provision at each end of the reporting period.

5.5 Capital Structure

The share structure of Venturex as at 9 April 2021 is outlined below:

	Number
Total ordinary shares on issue	420,030,470
Top 20 shareholders	217,608,175
Top 20 shareholders - % of shares on issue	51.81%

Source: Venturex share registry information

The range of shares held in Venturex as at 9 April 2021 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	145	19,407	0.00%
1,001 - 5,000	830	2,517,011	0.60%
5,001 - 10,000	634	4,983,173	1.19%
10,001 - 100,000	1,445	52,011,587	12.38%
100,001 - and over	416	360,499,292	85.83%
TOTAL	3,470	420,030,470	100.00%

Source: Venturex share registry information

The ordinary shares held by the most significant shareholders as at 9 April 2021 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Bell Potter Nominees Ltd	80,730,633	19.22%
Regent Pacific Group Ltd	23,849,445	5.68%
Citicorp Nominees Pty Ltd	15,980,346	3.80%
Precision Opportunities Fund Ltd	15,327,391	3.65%
Subtotal	135,887,815	32.35%
Others	284,142,655	67.65%
Total ordinary shares on Issue	420,030,470	100.00%

Source: Venturex share registry information



The derivative securities on issue as at 9 April 2021 are outlined below:

Current Derivatives on Issue	Number
Performance Rights expiring on 20 October 2022	2,532,222
Unlisted options with an exercise price of \$0.100 expiring on 15 December 2021	14,112,916
TOTAL	16,645,138

Source: Venturex share registry information

6. Profile of New Directors

Bill Beament

Mr Beament is a mining engineer and a highly regarded executive in global mining, with more than 25 years of experience in the resources sector. He is a founder and the Executive Chairman of Northern Star, a gold production company with a market capitalisation of approximately \$10 billion. Under his leadership, in a little over a decade, Northern Star has grown from a \$0.01 per share company to approximately \$10 per share, now employing 4,500 staff and business partners to be recognised as Australia's second largest gold mining company.

Mr Beament is a Non-Executive Director of Precision Funds Management Pty Ltd, and Precision Opportunities Fund Limited (a Venturex shareholder), a board trustee of Telethon, Chairman of the Western Australia School of Mines ('WASM') Alumni, was named 2016 CEO of the Year by the Australian Financial Review and First Amongst Equals at the 2013 Business News 40-under-40 Awards, and was awarded the 2019/20 Business Leader of the Year at the WA Pinnacle Awards.

Mr Beament graduated from WASM as a mining engineer with honours, and began his career working as a labourer in an underground mine. He subsequently performed roles as General Manager of Operations for Barmingo Limited and General Manager of the Eloise Copper Mine in Queensland, before becoming Managing Director at Northern Star in 2007, and Executive Chair in 2016. Under Mr Beament's leadership, Northern Star has grown from a market capitalisation of \$1 million, to become a top 100 ASX-listed company with a market capitalisation of approximately \$10 billion.

In December 2019, under Mr Beament's leadership, Northern Star secured a deal to buy Newmont Corporation's 50% stake in the Kalgoorlie Super Pit. This came after Saracen Mineral Holdings Limited ('Saracen') acquired Barrick Gold Corporation's share of the Kalgoorlie Super Pit, putting the operation back into 100% Australian ownership for the first time since its inception in the 1990s.

Mr Beament played a major role in the merger of Northern Star and Saracen, where in January 2021, more than 98 per cent of Saracen's shareholders voted in favour of the merger to create a new major global gold producer.

As at the announcement of the Proposed Transaction, the Acquirers and their Associates (including Mr Beament) hold a relevant interest of 23,232,386 shares in the Company, representing a 5.53% shareholding on an undiluted basis.

Mr Beament is set to retire from the Northern Star board after 14 years of service, effective July 2021. Mr Beament will subsequently shift his focus to Venturex, where he will be appointed as an Executive Director from 1 July 2021. Until then, Mr Beament has entered into a consulting arrangement with the Company and will be issued 140 million Consultant Options for his services, subject to Shareholder approval.

Mick McMullen

Mr McMullen is a geologist with approximately 30 years of experience in the resources sector across Australia, Africa, Asia, Europe, North America and South America. Mr McMullen has extensive experience in underground and open pit mining, mine permitting, financing, sales, asset acquisitions, divestments, and capital markets. He graduated from Newcastle University in 1992, and additionally pursued studies in mineral economics at WASM. Mr McMullen is a former executive board member of the National Mining

Association of the United States, a board member of the World Council, and a current member of Australasian Institute of Mining and Metallurgy.

Mr McMullen worked as a partner and audit manager of multinational mining consultancy group, RSG Global, from 2005 through to 2007. Mr McMullen was responsible for the technical audit division, having experience with bank and financial due diligence, expert's report, mergers and acquisition due diligence, feasibility studies and other technical studies.

In 2013, Mr McMullen was appointed CEO and President of Stillwater Mining Company ('Stillwater'), and went on to oversee an increase in market capitalisation of the company from US\$1.1 billion to US\$2.2 billion. Subsequently, Mr McMullen aided in the facilitation of the US\$2.7 billion all cash sale of Stillwater to Sibanye Gold Limited in 2017.

More recently, Mr McMullen has served as the CEO and President of Detour Gold Corporation, a Canadian gold production company. Under Mr McMullen's leadership, the market capitalisation of the company doubled to C\$4.5 billion, prior to its eventual sale.

Mr McMullen was appointed to the Venturex board as an Executive Director as at the date of the announcement of the Proposed Transaction, and will transition to becoming a Non-Executive Director following Mr Beament joining the Venturex Board. Mr McMullen will be issued 10 million Director Options as part of the Proposed Transaction, subject to Shareholder approval.

Michael Blakiston

Mr Blakiston is a partner at Gilbert + Tobin, with over 35 years of experience. Mr Blakiston specialises in mining and resource law, having experience advising in relation to asset acquisitions and disposals, project structuring, joint ventures and strategic alliances. He joined Gilbert + Tobin in 2011 after the integration of Blakiston & Crabb, a firm founded and led by Mr Blakiston since 1985. He graduated from the University of Western Australia with a Bachelor of Jurisprudence and a Bachelor of Law degree. Mr Blakiston is a Non-Executive Director of BCI Minerals Limited, Precision Funds Management Pty Ltd, and Precision Opportunities Fund Ltd (a Venturex shareholder).

Mr Blakiston has extensive knowledge across a broad range of commodities and countries, and has gained experience as a director through companies with a number of projects from the exploration phase through to full production. Mr Blakiston is also known for playing a lead role in the negotiation of a number of key agreements in relation to Sundance Resources Limited's Mbalam Iron Project.

Mr Blakiston has been recognised by the Australian Financial Review in the publication's Best Lawyers listing of Australia's top mining lawyers. He will replace Anthony Reilly as the Non-Executive Chairman of Venturex, and will be issued 7 million Director Options as part of the Proposed Transaction, subject to Shareholder approval.

Sources: Venturex ASX announcement; 24 February 2021, Australian Financial Review; February 2021, ABC News; January 2021, Northern Star Company Website, Western Australian School of Mines, WA Business News, Mining Journal, Gilbert + Tobin Company Website, Sundance Resources Company Website.

7. Economic analysis

Venturex is primarily exposed to the risks and opportunities of the Australian market, due to its operations at the Sulphur Springs Project and the Whim Creek Project in Western Australia. As a result, we have presented an economic analysis on Australia.

Overview

The Australian economy is expected to have contracted by 2% over 2020, a smaller decline than was initially anticipated in the wake of the global pandemic.

COVID-19 has led to the largest contraction in global economic activity since the 1930s. Labour markets have been severely disrupted, and inflation has declined. The easing of containment measures in some nations led to a new surge in infections, postponing a fuller and faster economic recovery. The global economic downturn has been concentrated in the services (mainly travel and hospitality) sector, with the manufacturing sector staging a recovery, initially in China, but then in other industrial nations.

The pandemic has had a significant impact on the Australian economy and financial system, along with creating considerable volatility in financial markets. Equity prices experienced sharp declines and the yield on government bonds reached historic lows in March 2020 and have continued to decline through to December 2020. Measures taken by the Australian government and the RBA have improved stability in equity and bond markets over recent months.

Globally, financial market conditions have rebounded from the period of dislocation in March 2020, and over the past few months financial conditions have improved and remained accommodative due to the successful development of COVID-19 vaccines, historically low interest rates and asset prices, including housing prices, mostly increasing. The expectation that significant fiscal and monetary stimulus will be provided for an extended period, is supporting sentiment in financial markets. The continuance of low global interest rates would be a positive outcome for Venturex, as the Company would benefit from a relatively cheaper cost of debt, and could potentially consolidate its outstanding debt that was acquired at higher rates.

According to the Australian Bureau of Statistics ('ABS') Australia's mining and resources industry contributed 10.4% (\$202 billion GDP) to the Australian economy in the 2020 financial year, making it the largest economic contributor. The industry experienced growth of 4.9% over this period, largely attributable to strong demand for iron ore due to international supply issues and increased demand from China.

Government and RBA Policies

The Australian Government introduced a range of stimulus measures in response to the economic impact of COVID-19, totalling \$507 billion since the beginning of the pandemic.

Support from public policy has cushioned the effects of the health-related activity restrictions on incomes and will shape the recovery of the economy. In aggregate, household disposable income has increased throughout the pandemic, despite the large contraction in economic activity and even as many people lost their jobs or worked fewer hours. The largest contributor to this support has been the \$101 billion JobKeeper program, which is estimated to have supported more than 25% of all workers nationwide. The program has been extended to March 2021, and is targeted at businesses and not-for-profits which continue to be significantly impacted by COVID-19.

In mid-March 2020, the Reserve Bank of Australia ('RBA') introduced a comprehensive package of policy measures to support the Australian economy. The RBA announced it would lower the cash rate and reduce the target on the 3-year government bond yield to 0.25%. Subsequently, in November 2020, the RBA further reduced the cash rate and the target on the 3-year government bond yield to 0.10% and announced a program to purchase \$100 billion of government bonds over the next six months. At its February 2021 meeting, the RBA decided to purchase an additional \$100 billion of government bonds when the current bond purchase program is completed in mid-April.

Given the outlook for both employment and inflation, the RBA will not increase the cash rate until inflation is sustainably within the 2% to 3% target range, which the RBA does not expect to be met until 2024 at the earliest.

Venturex qualified for the JobKeeper subsidy for the year ended 30 June 2020, and the half-year ended 31 December 2021. The continuance of government assistance in Australia will assist the Company through the global pandemic, and advancing its operations at the Sulphur Springs copper-zinc project.

Economic Indicators

According to the RBA's baseline scenario, the Australian economy is expected to have contracted by approximately 4% over 2020, returning to its end-2019 level by June 2021, before growing by approximately 3.5% over both 2021 and 2022. The expected recovery will be supported by considerable fiscal and monetary policy easing, as well as accommodative financial conditions.

Following a quarterly decline in the Consumer Price Index ('CPI') inflation of 1.9% in the June 2020 quarter which resulted in annual deflation of 0.3%, CPI inflation has since rebounded in two consecutive quarters (1.6% in September 2020 quarter and 0.9% in December 2020 quarter), resulting in annual inflation of 0.9%. The increase since June 2020 was largely accounted for by the reintroduction of child care fees following the end of free child care on 13 July 2020, which alone contributed 0.9% to inflation in the September 2020 quarter. The rebound was also supported by the rise in automotive fuel prices, as global demand began to recover and the annual excise tax increase of 12.5% on tobacco. According to the RBA's baseline scenario, inflation is expected to gradually increase to 1.25% over 2021 and 1.5% by the end of 2022.

The COVID-19 outbreak has severely affected the labour market. The measured unemployment rate increased by more than 2% over the course of a few months, reaching 7.4% in the month of June, the highest rate in more than two decades. Since June, the unemployment rate has declined to 6.4% as of March 2021, but remains higher than the pre-pandemic levels of 5.2% in March 2020. The Australian Government's JobKeeper program introduced in March is currently subsidising 3.5 million jobs, in the absence of this program, employment would have declined much further. The RBA expects the unemployment rate to be around 6% at the end of 2021, declining gradually to 5.5% by the end of 2022.

The Australian dollar depreciated significantly during the height of the market turmoil in March 2020. However, as at March 2021, the Australian dollar has appreciated to above its level prior to the onset of COVID-19. This appreciation was in line with the currencies of a range of other developed economies against the backdrop of a depreciation of the United States dollar over recent months as well as commodity prices rising. However, given declining interest rates in Australia relative to those of other major advanced economies, the Australian dollar is lower than otherwise.

Outlook

Despite the recent improvement of financial conditions, uncertainty still remains for the near term outlook of the Australian economy with the outcome dependent both on the health situation and ongoing fiscal and monetary policy support. Further outbreaks of the virus and associated restrictions on activity are the key risks to the outlook.

While uncertainty exists, the RBA is predicting Gross Domestic Product ('GDP') growth of around 3.5% over each of 2021 and 2022 as the recovery progresses. GDP is expected to return to its end-2019 level by the mid-2021.

For Venturex, operations at the Sulphur Springs Project and the Whim Creek Project did not go unhindered by the COVID-19 pandemic. The Company was forced to adhere to strict government protocols, which resulted in the suspension of operations throughout 2020. Looking forward, the Company remains focussed on the advancement of the Sulphur Springs Project, and looks to capitalise on the positive impact the crisis has had on copper and zinc prices.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 2 March 2021, 2 February 2021, 1 December 2020, 3 November 2020, 1 September 2020, 7 July 2020, 2 June 2020, 5 May 2020, 7 April 2020 and 19 March 2020, www.abs.gov.au Consumer Price Index December 2020, September 2020 and June 2020, www.rba.gov.au Statement on Monetary Policy dated 2 February 2021, Australian Government 2020-21 Budget Overview.

8. Industry analysis

Venturex is a pre-development company operating primarily in the base metals industry through its flagship exploration asset, the Sulphur Springs Project. The main base metals of interest to the Company are copper and zinc. As such, we have presented an update on the Australian exploration sector, as well as an industry analysis on the copper and zinc mining industries.

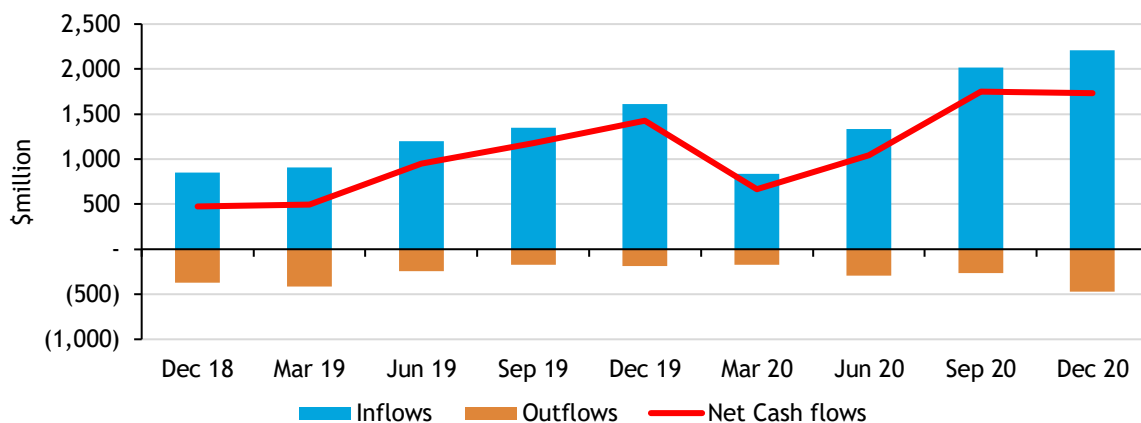
8.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the December quarter of 2020 identified positive signs for the exploration sector, with investment and exploration expenditure surging following a spike in financing cash inflows over the course of the June and September quarters of 2020.

BDO identified a 325% growth in investment spending since the September 2020 quarter, suggesting that economic confidence within the sector is improving with more companies acquiring new tenements and equipment during the December quarter. Although ongoing travel restrictions and lack of access to prospective sites may still pose a hindrance to further investment spending, the impact of this appears to have reduced significantly over the December quarter.

Cash from recent strong quarters of capital raisings was also spent in the ground, with exploration expenditure increasing by 36% compared to the September quarter. BDO had anticipated this after observing that a number of explorers in their September quarterly activities reports had stated that drilling and exploration programmes were planned for the December 2020 quarter. BDO expects the continuing recommencement of exploration activity to cause a tightening of available staff and resources in the short term, which will place upward pressure on prices. This may lead to a further increase in exploration expenditure in the coming quarters.

The graph below outlines the change in financing cash flows since the December quarter of 2018.



Source: BDO analysis

In spite of the significant increase in spending across exploration and investment expenditure, financing cash inflows continued to grow and cash balances strengthened in the December 2020 quarter. 43 companies (which we have termed 'Fund Finders') raised funds of \$10 million or more, and made up 61%

of the \$2.21 billion total funds raised. This \$2.21 billion is the highest cash inflow that has been observed since the commencement of this analysis in 2013 and represents a 37% increase compared to the corresponding quarter of 2019. Equity markets continued to be the preferred source of funds, with the identified Fund Finders sourcing 80% of their funds through equity raisings.

Cash balances across the sector also strengthened, with 78% of companies recording a cash balance of \$1 million or more, again the highest BDO has seen since the commencement of this analysis in 2013.

The growth in spending in the December 2020 quarter indicates an increased level of confidence within the exploration section, which BDO attributes to two main factors:

- Steady commodity prices - The recovery of commodity prices to long-term high levels has led to an improvement in the confidence of exploration companies. Companies initially appeared to be cautious when spending on investment and exploration, fearing sudden price changes stemming from volatile markets. However, now companies are more willing to accelerate the development of their projects, and in doing so, have spent more on exploration and investment; and
- Continued access to funds - Data from the last three quarters indicates a significant improvement in the access to financing for the exploration sector, primarily through the equity market. In addition, low global interest rates have supported a low cost of borrowing, should exploration companies seek funding through the debt market. As a result, exploration companies have continued to spend in the ground with the confidence of knowing that money spent can be replenished from new equity or debt raises, which provides a positive outlook for spending and activity in the sector going forward.

Source: BDO Explorer Quarterly Cash Update: December 2020.

8.2 Copper

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

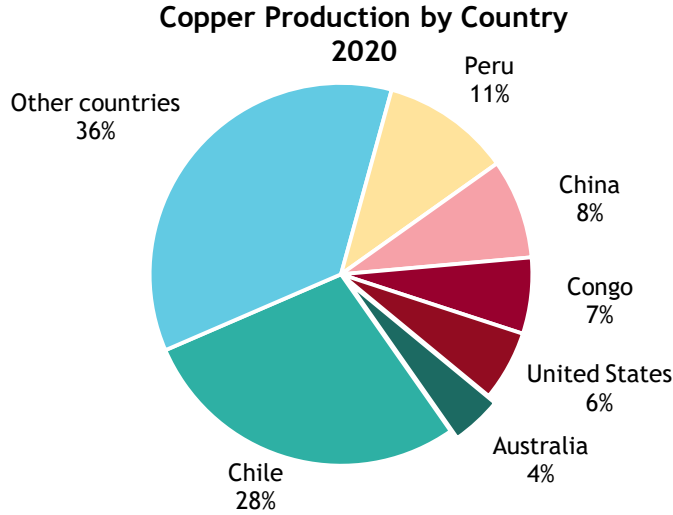
Copper occurs naturally in the Earth's crust in a variety of forms such as sulphide deposits, carbonate deposits and silicate deposits. Open pit mining is widely utilised in most copper producing countries although in Australia, approximately 93% of output is extracted through underground mining. Copper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

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

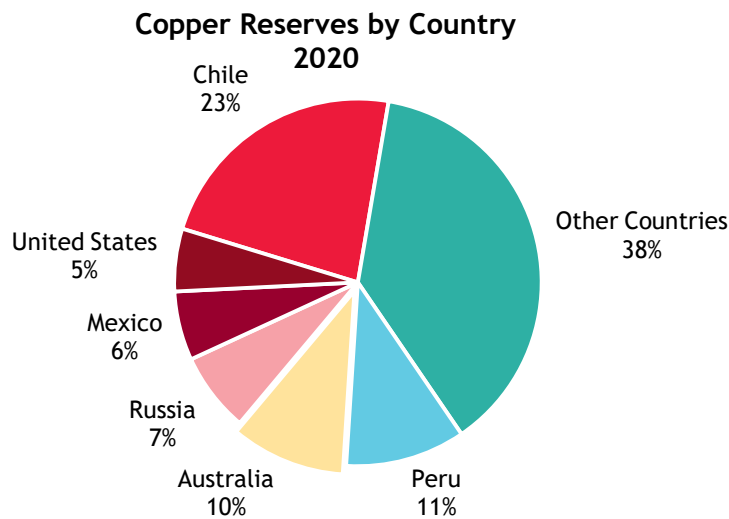
Copper Production

Most of the world's copper supply is sourced from Central and South America, specifically, Chile and Peru. Chile is the leading copper producer, with an estimated 5.70 million tonnes ('Mt') of copper mined throughout 2020, equating to approximately 28% of the world copper production. The International Copper Study Group ('ICGS') expects global copper production to grow by approximately 4.5% in 2021, after falling by approximately 1.5% in 2020. The ICGS expects sustained copper demand to continue due to the importance of the commodity in infrastructure development and modern technology.

The graph below exhibits estimated production output for 2020, according to the United States Geological Survey ('U.S. Geological Survey'):



Australia's copper reserves are second only to Chile's according to the U.S. Geological Survey. As depicted in the chart below, Chile, Australia and Peru are estimated to collectively account for just over 40% of global reserves of copper.



Source: U.S. Geological Survey

Copper Prices

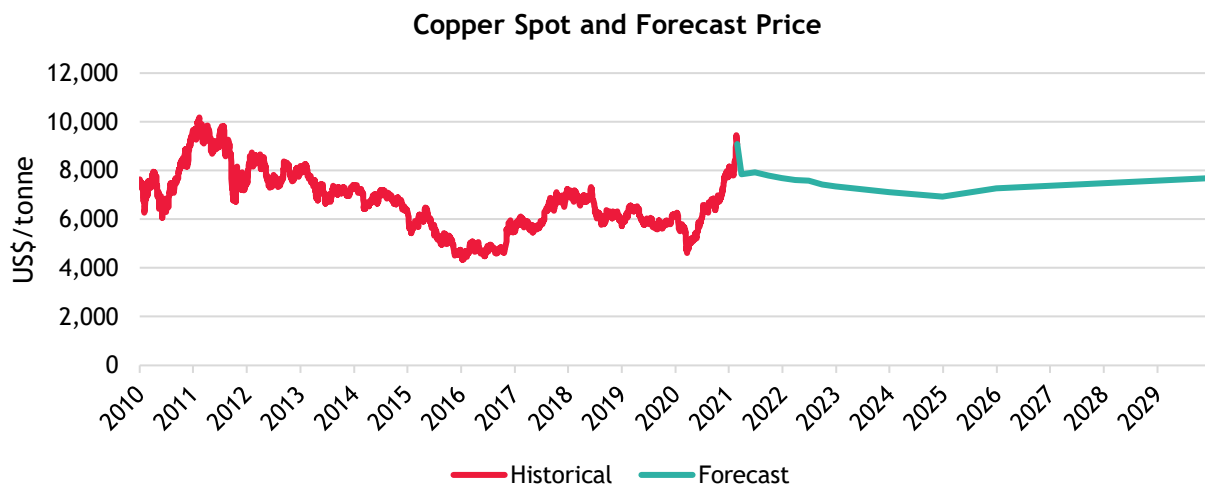
Following a deterioration in global economic conditions in 2008, base metal prices, including copper, fell sharply. The copper price recovered over 2010 and 2011, to reach a high of approximately US\$10,180 per tonne ('t') in February 2011. The recovery in the copper price reflected a steady increase in demand for base metals, following a pick-up in global industrial production after the Global Financial Crisis.

Between 2011 and 2017, the copper price steadily declined, before increasing in price in mid-February 2017 as a result of strike action at the world's largest copper mine Escondida, located in Chile.

The average copper price from January 2019 through November 2019 was US\$6,004/t, ranging from a low of US\$5,585/t on 3 September 2019 to a high of US\$6,556/t on 28 February 2019.

Global uncertainty as a result of the COVID-19 pandemic was a key catalyst in the decline in copper prices throughout the first quarter of 2020, with prices dropping to a 4-year low of US\$4,625/t on 23 March 2020. The subsequent decline in global production stemming from global lockdown laws in April and May 2020, coupled with an improvement in copper demand from China, caused prices to spike over the remainder of 2020. Chinese government stimulus measures further increased Chinese demand, with the industry experiencing supply constraints and an excess of demand, which pushed the price to US\$9,456/t in late February 2021, a level not reached since 2012.

A summary of the historical spot price of copper, based on the quoted price on the London Metals Exchange in US\$ per tonne, and forecasts to 2029 (in nominal terms, free on board) are illustrated in the chart below



Source: Bloomberg and Consensus Economics

Copper Outlook

The ICSG anticipates global mine production to grow by 4.5% in 2021 (after adjusting for historical disruption factors), however this figure is largely dependent on the global ability to control the COVID-19 virus. Output is expected to benefit from a recovery from the constrained operating levels in 2020, and increased supply resulting from the ramp-up of a number of recently commissioned mines and the planned start-up of larger projects within the industry.

The ICSG also expects sustained growth in copper demand as it remains an essential commodity to economic activity, particularly in today's modern technological society. Infrastructure development in China and India as well as the trend towards cleaner energy is expected to support demand for the metal. World apparent refined usage is expected to increase by around 1.1% in 2021. Overall, global refined copper balance projections indicate a surplus of about 70,000t for 2021, increasing from a deficit of approximately 50,000t on 2020. The actual market balances will however, be influenced by the ongoing US-China trade issues and strength of the global economy, especially that of China.

As the global economy shifts towards decarbonisation and electrification, it is expected that the demand for copper production will follow. Copper has become synonymous with a low-carbon economy as it is a

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

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

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

8.3 Zinc

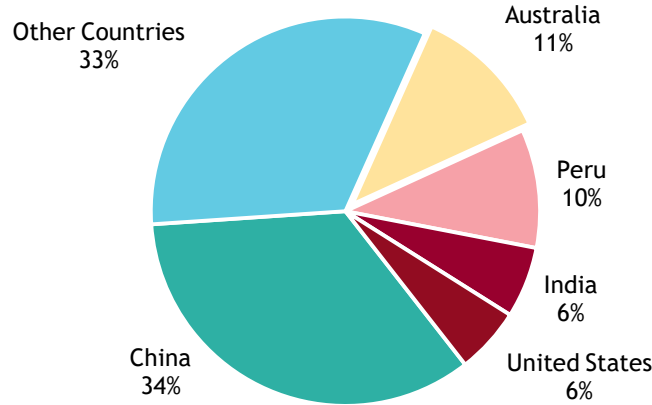
Globally, zinc is the most used metal after iron, aluminium and copper. It is typically found in complex deposits alongside lead and silver. It is an element known for its unique protective capacity given it is resistant to corrosion and, as such, a substantial portion of zinc is used for galvanising steel. Other uses include the production of zinc alloys, e.g. brass from the combination of zinc and copper. Zinc is also used in chemical forms, for example in the pharmaceutical industry for skin products.

Refined zinc is produced from a two staged process consisting of mining and smelting. The mining process involves the extraction of zinc from underground and open pit mines, with the produced ore containing approximately 5 - 10% of zinc. The ore is then crushed and ground to produce a zinc concentrate containing approximately 55% of zinc. The zinc concentrate is then put through a smelting process to produce refined zinc metal.

Zinc mining trends

According to the U.S. Geological Survey for 2021, total estimated global zinc mine production decreased 6% in 2020 to fall to approximately 12Mt. Global refined zinc production in 2020 was estimated to increase slightly to 13.60Mt, with metal consumption estimated to be 12.98Mt, leading to a production-to-consumption surplus of 620,000t of refined zinc. Over the past five years, China has dominated global zinc production and has been the world's largest zinc consumer also, utilising the metal for anti-corrosive steel coating in infrastructure applications. The chart below illustrates the estimated global zinc production by country for 2020.

Zinc Production by Country 2020

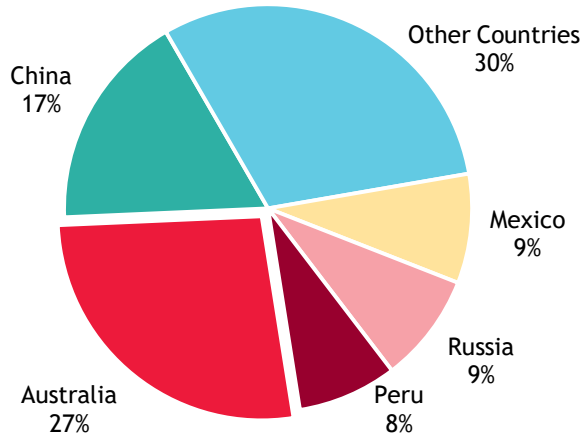


Source: U.S. Geological Survey

Australia has the world’s largest deposits for zinc, with a substantial portion of zinc reserves located in the state of Queensland. The Australian zinc industry is also highly concentrated in terms of market share with, South32 Limited and Glencore Holdings Pty Limited amongst the largest producers. Globally, China and Peru also have substantive portions of zinc reserves.

The figure below outlines global zinc reserves by country for 2020. As depicted below, collectively Australia and China account for approximately 45% of global zinc reserves.

Zinc Reserves by Country 2020

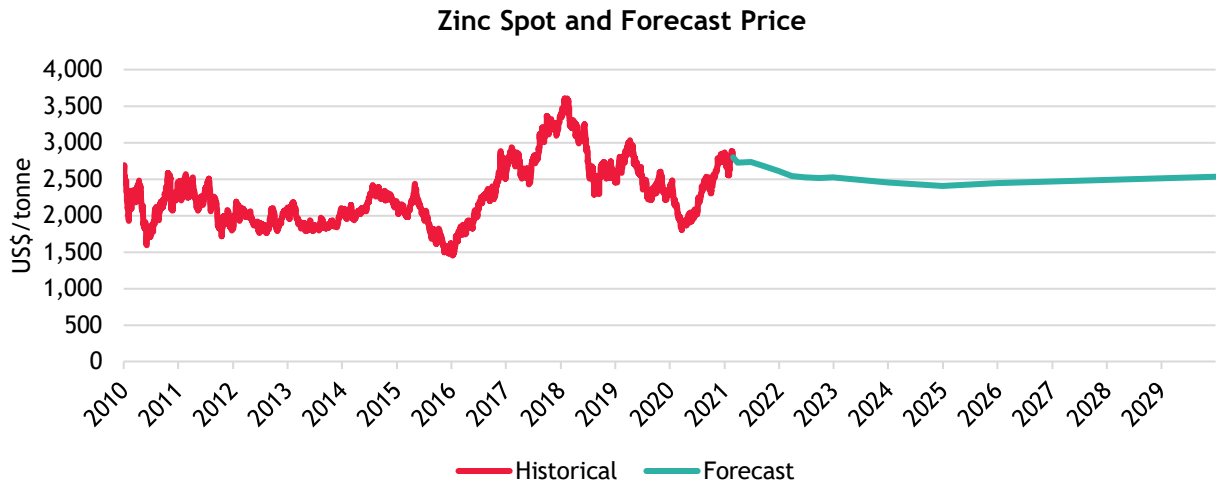


Source: U.S. Geological Survey

Zinc prices

The US dollar (‘USD’) price for zinc is listed on the London Metal Exchange (‘LME’). A key driver of the zinc price relates to the stock levels of zinc held in the LME warehouses, the largest global zinc depository. The global balance between demand for and supply of zinc, along with speculative influences

determine the price of zinc. No single producer can influence zinc prices as it is an undifferentiated commodity.



Source: Bloomberg and Consensus Economics

The figure above illustrates the historical fluctuations in the zinc spot prices from January 2010 to March 2021 and the consensus forecasts for zinc prices through to 2029.

As a result of the demand drivers and being positioned behind other base metals, the price of zinc has closely followed global economic conditions. Since the global financial crisis, the price of zinc has recovered and reached a decade high of US\$3,606/t on 1 February 2018. In 2019, the price of zinc started the year positively and approached the US\$3,000/t level, however, over the subsequent months, the price declined to around the US\$2,300/t level as trade tensions between the US and China continued.

The price of zinc fluctuated substantially throughout 2020. Zinc prices climbed to just below US\$2,500/t in January 2020 before the impact of COVID-19 combined with a global surplus of zinc caused prices to contract. Prices would fall to US\$1,803/t on 24 March 2020, which represented its lowest point since June 2016, before steadily recovering to US\$2,529/t in early September. Optimism surrounding construction in China was largely responsible for this recovery, with the Chinese government heavily subsidising construction activity as they continue to recover from the COVID-19 crisis. Additionally, COVID-19 related supply constraints throughout South America have contributed to this price recovery, and threaten to continue to do so, should the continent fail to control the spread of the virus.

Through March 2021, continued strong industrial activity in China coupled with a tightening of supply has resulted in zinc prices increasing to around the US\$2,800/t mark. In addition, the rollout of the COVID-19 vaccine worldwide has boosted consumer confidence in line with a global economic recovery.

According to Consensus Economics forecasts, the price of zinc will decline slightly from its elevated state, to around the US\$2,500/t mark in the medium-term. The duration of the COVID-19 crisis is expected to largely dictate price movements in the near future, with demand set to increase as governments continue to subsidise economic activity in response to the crisis. Vaccinations across a large proportion of the industrialised world will increase the market sentiment towards base metals, and more specifically, zinc, in the medium to long term.

9. Valuation approach adopted

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

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

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

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

9.1 Valuation of a Venturex Share prior to the Proposed Transaction

In our assessment of the value of a Venturex share prior to the Proposed Transaction, we have chosen to employ the following methodologies:

- QMP as our primary valuation methodology; and
- NAV on a going concern basis as our secondary valuation methodology.

We have chosen these methodologies for the following reasons:

- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. Venturex's mineral assets do not currently generate any income, nor are there any historical profits that could be used to represent future earnings. Furthermore, the FME methodology is not considered appropriate for valuing finite life assets such as mining assets, therefore, we do not consider the application of the FME approach to be appropriate;
- Venturex has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds to rely on, in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'), therefore we do not consider the application of the DCF approach to be appropriate;
- The QMP basis is a relevant methodology to consider because Venturex's shares are listed on the ASX. This means there is a regulated and observable market where Venturex's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the company's activities. As detailed in Section 10.1, we consider there to be a liquid and active market for Venturex shares, therefore we have utilised the QMP approach as our primary valuation methodology in determining the value of a Venturex share prior to the Proposed Transaction; and
- We have adopted the NAV approach as our secondary valuation method. Venturex's mineral assets are currently not producing assets and no revenue or cash flows are currently being generated by these assets. Therefore, we consider that the NAV approach is an appropriate methodology to use in assessing the value of a Venturex share prior to the Proposed Transaction.

Technical Expert

In performing our valuation of Venturex's mineral assets, we have relied on the Technical Specialist Report (**'Technical Specialist Report'**) prepared by Valuation and Resource Management Pty Ltd (**'VRM'**), which includes an assessment of the market value of Venturex's mineral assets.

We instructed VRM to provide an independent market valuation of Venturex's mineral assets. VRM considered a number of different valuation methods when valuing these assets. VRM's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) (**'VALMIN Code'**) and the JORC Code.

We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report attached as Appendix 4.

9.2 Valuation of Venturex Shares following the Proposed Transaction

In our assessment of the value of a Venturex share following the Proposed Transaction, we have chosen to employ a market based assessment as our primary valuation methodology. The market approach involves determining the value of a Venturex share by considering the recent quoted market price of the Company's securities on the ASX and recent market sales and precedent transactions involving the sale of the Company's shares, commonly in the form of capital raisings, placements and joint ventures.

We consider the market based assessment to be an appropriate primary valuation methodology following the Proposed Transaction, due to the significant activity on the market since the announcement of the Proposed Transaction. Further analysis is detailed in Section 11.1.

We have also considered the NAV of Venturex following the Proposed Transaction as our secondary valuation methodology, having consideration for:

- the value of Venturex's mineral assets in Australia (placing reliance on VRM's independent specialist valuation opinion);
- the effect of the new shares issued as part of the Proposed Transaction; and
- the effect of cash inflow resulting from the issue of other new shares.

10. Valuation of Venturex prior to the Proposed Transaction

10.1 Quoted Market Prices for Venturex Securities

We have assessed the value of a share in Venturex using the quoted market price basis as our primary valuation methodology.

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

RG 111.43 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Whilst the Acquirers and their Associates will not be obtaining 100% of Venturex, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

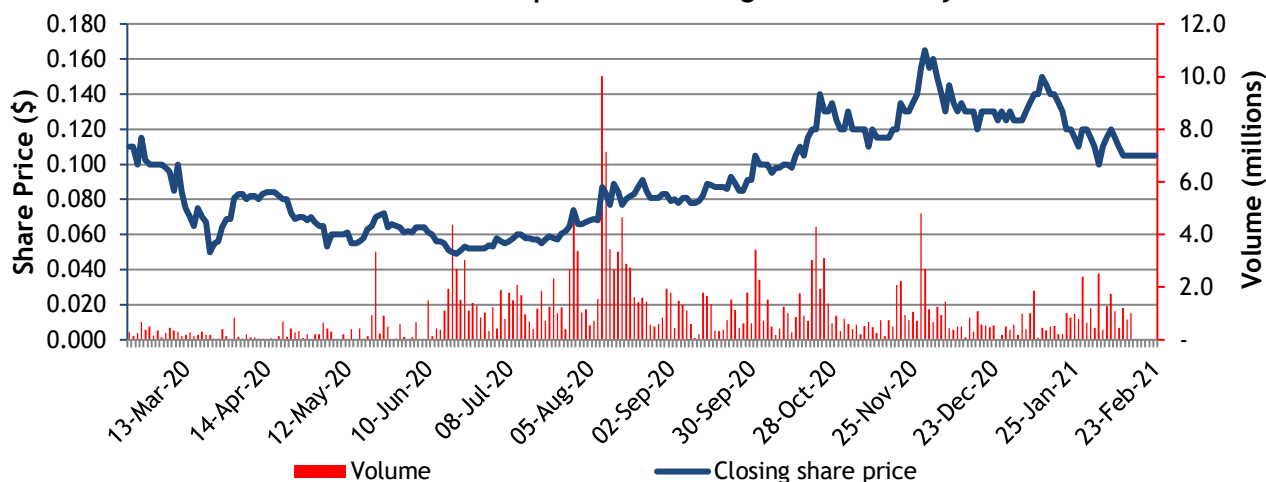
Therefore, our calculation of the quoted market price of a Venturex share including a premium for control has been prepared in two parts. The first part is to assess the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

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

Information on the Proposed Transaction was announced to the market on 24 February 2021. Therefore, the following chart provides a summary of the share price movement over the 12 months to 23 February 2021 which was the last trading day prior to the announcement.

Venturex share price and trading volume history



Source: Bloomberg

The daily price of Venturex shares from 23 February 2020 to 23 February 2021 has ranged from a low of \$0.047 on 18 June 2020 to a high of \$0.170 on 30 November 2020. The highest single trading day over the assessed period was 10 August 2020, where 10,012,936 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
05/02/2021	ANX: Outstanding Drill Results Whim Creek Northern Pilbara	0.115	▲ 4.5%	0.110	▼ 4.3%
29/01/2021	Quarterly Activities and Cashflow Reports	0.120	▶ 0.0%	0.100	▼ 16.7%
20/01/2021	Sulphur Springs Exploration Update	0.130	▼ 3.7%	0.115	▼ 11.5%
15/01/2021	80% Earn-in Completed at Whim Creek	0.140	▼ 3.4%	0.130	▼ 7.1%
17/12/2020	Sulphur Springs Exploration Drilling Update	0.120	▼ 7.7%	0.130	▲ 8.3%
11/12/2020	Northern Star Extends Loan to Venturex	0.135	▲ 3.8%	0.130	▼ 3.7%
07/12/2020	Initial 40% Earn-In at Whim Creek Project Complete	0.130	▼ 7.1%	0.130	▶ 0.0%
25/11/2020	ANX: Drilling Intersects Massive Sulphides	0.135	▲ 3.8%	0.165	▲ 22.2%
28/10/2020	Quarterly Activities and Cashflow Reports	0.135	▲ 3.8%	0.120	▼ 11.1%
22/10/2020	Sulphurs Springs Permitting Update	0.120	▶ 0.0%	0.130	▲ 8.3%
20/10/2020	Sulphur Springs Copper Zinc Project Drilling Update	0.115	▲ 9.5%	0.140	▲ 21.7%
14/09/2020	Sulphur Springs Project Update	0.082	▲ 3.8%	0.087	▲ 6.1%
11/08/2020	Options Prospectus	0.083	▼ 4.6%	0.084	▲ 1.2%
23/07/2020	Quarterly Activities and Cashflow Reports	0.058	▼ 1.7%	0.062	▲ 6.9%
21/07/2020	Venturex to Joint Venture Whim Creek Project	0.057	▲ 3.6%	0.057	▶ 0.0%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$	(movement)		\$	(movement)	
06/07/2020	Venturex to Drill High-Potential VMS Targets	0.056	▼	3.4%	0.058	▲	3.6%
17/06/2020	Share Purchase Plan Offer Document	0.051	▼	7.3%	0.051	►	0.0%
10/06/2020	Venturex Secures Capital Raising	0.061	▼	4.7%	0.056	▼	8.2%
21/05/2020	Sulphur Springs Receives Environmental Ministerial Approval	0.070	▲	7.7%	0.064	▼	8.6%
30/04/2020	Quarterly Activities and Cashflow Reports	0.067	▼	4.3%	0.053	▼	20.9%
21/04/2020	Amended Sulphur Springs Permitting and Development update	0.080	►	0.0%	0.070	▼	12.5%
31/03/2020	EPA Recommends Sulphur Springs Project for Approval	0.081	▲	17.4%	0.080	▼	1.2%

Source: Bloomberg and BDO analysis

On 31 March 2020, the Company released an announcement stating it had received an approval recommendation from the Western Australian Environmental Protection Authority ('EPA') for the Sulphur Springs Project, with a report being provided to the Minister for Environment for a final decision. On the date of the announcement, the share price increased 17.4% to close at \$0.081, before declining 1.2% over the subsequent three day trading period to close at \$0.080.

On 21 April 2020, Venturex announced a retraction of its previous ASX release relating to forecast financial information at the Sulphur Springs Project, due to the insufficient level of study completed to support the assumptions released. On the date of the announcement, the share price closed unchanged at \$0.080, before declining 12.5% over the subsequent three day trading period to close at \$0.070.

On 30 April 2020, the Company released its quarterly cash flow and activities reports for the March 2020 quarter, which detailed the Company's progress at the Sulphur Springs Project. On the date of the announcement, the share price decreased 4.3% to close at \$0.067, before declining a further 20.9% over the subsequent three day trading period to close at \$0.053.

On 21 May 2020, Venturex announced that environmental approval had been granted by the Western Australian Minister for Environment in relation to the Sulphur Springs Project. On the date of the announcement, the share price increased 7.7% to close at \$0.070, before declining 8.6% over the subsequent three day trading period to close at \$0.064.

On 10 June 2020, the Company announced it had received binding commitments for a placement of 45.45 million new shares at an issue price of \$0.055 per share, to raise approximately \$2.5 million, and a SPP to raise up to \$1.5 million, in order to advance secondary approvals at the Sulphur Springs Project. On the date of the announcement, the share price decreased 4.7% to close at \$0.061, before declining a further 8.2% over the subsequent three day trading period to close at \$0.056.

On 17 June 2020, Venturex released their SPP offer document providing details of the \$1.5 million capital raise at an issue price of \$0.055 per share. On the date of the announcement, the share price decreased 7.3% to close at \$0.051, and remained unchanged over the subsequent three day trading period.

On 6 July 2020, the Company released an announcement highlighting its drilling progress at the Sulphur Springs Project. On the date of the announcement, the share price declined 3.4% to close at \$0.056, before increasing 3.6% over the subsequent three day trading period to close at \$0.058.

On 21 July 2020, the Company announced the execution of a binding earn-in and joint venture agreement for ARM to acquire up to an 80% interest in Whim Creek Project. On the date of the announcement, the share price increased 3.6% to close at \$0.057, and remained unchanged over the subsequent three day trading period.

On 23 July 2020, the Company released its June 2020 quarterly cash flow and activities reports, which detailed EPA minister approval, project implementation and capital raising results. On the date of the announcement, the share price declined 1.7% to close at \$0.058, before increasing 6.9% over the subsequent three day trading period to close at \$0.062.

On 11 August 2020, the Company released an options prospectus for eligible shareholders under the previously announced placement. On the date of the announcement, the share price declined 4.6% to close at \$0.083, before increasing 1.2% over the subsequent three day trading period to close at \$0.084.

On 14 September 2020, the Company released an announcement highlighting the engagement of a drilling contractor at the Sulphur Springs Project. On the date of the announcement, the share price increased 3.8% to close at \$0.082, before increasing a further 6.1% over the subsequent three day trading period to close at \$0.087.

On 20 October 2020, Venturex announced that the Company would commence drilling at the Sulphur Springs Project on the following business day. On the date of the announcement, the share price increased 9.5% to close at \$0.115, before increasing a further 21.7% over the subsequent three day trading period to close at \$0.140.

On 22 October 2020, the Company announced that it had received Mining Proposal approval from DMIRS, for the construction of an access road to the mine site. On the date of the announcement, the share price closed unchanged at \$0.120, before increasing 8.3% over the subsequent three day trading period to close at \$0.130.

On 28 October 2020, the Company released its September 2020 quarterly activities and cash flow reports, highlighting the ongoing drilling program, regulatory updates and the execution of the EIJV agreement. On the date of the announcement, the share price increased 3.8% to close at \$0.135, before decreasing 11.1% over the subsequent three day trading period to close at \$0.120.

On 25 November 2020, Anax Metals announced its progress from its diamond drilling campaign at the Whim Creek Project. On the date of the announcement, the share price increased 3.8% to close at \$0.135, before increasing a further 22.2% over the subsequent three day trading period to close at \$0.165.

On 7 December 2020, Venturex announced that Anax Metals has completed their initial earn-in interest by spending \$1 million on the Whim Creek Project. On the date of the announcement, the share price declined 7.1% to close at \$0.130, and remained unchanged over the subsequent three day trading period.

On 11 December 2020, the Company announced the extension of its existing loan agreement with Northern Star for an additional six month period. On the date of the announcement, the share price increased 3.8% to close at \$0.135, before declining 3.7% over the subsequent three day trading period to close at \$0.130.

On 17 December 2020, the Company released an announcement highlighting its drilling progress at the Sulphur Springs Project. On the date of the announcement, the share price declined 7.7% to close at \$0.120, before increasing 8.3% over the subsequent three day trading period to close at \$0.130.

On 15 January 2021, Venturex announced that Anax Metals had completed an additional earn-in interest, after spending \$1.5 million to increase its interest to 80%. On the date of the announcement, the share price declined 3.4% to close at \$0.140, before decreasing a further 7.1% over the subsequent three day trading period to close at \$0.130.

On 20 January 2021, Venturex released a Sulphur Springs exploration update, detailing the further discovery of VMS, and assay confirmation of mineralisation within the Project. On the date of the announcement, the share price declined 3.7% to close at \$0.130, before decreasing a further 11.5% over the subsequent three day trading period to close at \$0.115.

On 29 January 2021, the Company released its December 2020 quarterly cash flow and activities reports, highlighting drilling progress and an update of the funding of the Sulphur Springs Project. On the date of the announcement, the share price closed unchanged at \$0.120, before declining 16.7% over the subsequent three day trading period to close at \$0.100.

On 5 February 2021, Anax Metals released an announcement highlighting drilling progress at the Whim Creek Project. On the date of the announcement, the share price increased 4.5% to close at \$0.115, before decreasing 4.3% over the subsequent three day trading period to close at \$0.110.

To provide further analysis of the market prices for a Venturex share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 23 February 2021.

Share Price per unit	23-Feb-21	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.105				
Volume weighted average price (VWAP)		\$0.106	\$0.116	\$0.130	\$0.127

Source: Bloomberg, BDO analysis

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

An analysis of the volume of trading in Venturex shares for the twelve months to 23 February 2021 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.105	\$0.105	-	0.00%
10 Days	\$0.100	\$0.110	3,469,902	0.83%
30 Days	\$0.100	\$0.150	21,235,763	5.10%
60 Days	\$0.100	\$0.170	47,466,710	11.40%
90 Days	\$0.100	\$0.170	81,096,758	19.47%
180 Days	\$0.047	\$0.170	221,114,596	53.10%

Source: Bloomberg, BDO analysis

This table indicates that Venturex's shares display a moderate level of liquidity, with 19.47% of the Company's current issued capital being traded in a 90 day period prior to the announcement of the Proposed Transaction. RG 111.86 states that for the quoted market price methodology to be an

appropriate methodology there needs to be a ‘liquid and active’ market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company’s securities;
- Approximately 1% of a company’s securities are traded on a weekly basis;
- The spread of a company’s shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company’s shares should meet all of the above criteria to be considered ‘liquid and active’, however, failure of a company’s securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Venturex, we consider the shares to display a moderate level of liquidity, on the basis that greater than 1% of the securities have been traded weekly on average, with 53.10% traded over a six month period, and 19.47% of the Company’s issued capital being traded in the last 90 trading days.

During the week which included the highest single trading day over the assessed period (10 August 2020 to 14 August 2020), 6.40% of the Company’s issued capital was traded. We note that the trading volume of the Company’s shares increased over the past 180 trading days, coinciding with the Company receiving environmental approval for the Sulphur Springs Project.

Our assessment is that a range of values for Venturex shares based on market pricing, after disregarding post announcement pricing, is between \$0.100 and \$0.120.

10.1.1. Quoted Market Price including control premium

The quoted market price per share reflects the value to minority interest shareholders. In order to value a Venturex share on a control basis, we have added a control premium that is based on our analysis set out in Appendix 3.

Applying a control premium to Venturex’s quoted market share price results in the following quoted market price value including a premium for control:

QMP including control premium	Ref	Low	High
Value per share (minority basis)	10.1	0.100	0.120
Control premium	Appendix 3	25%	35%
Value per share (controlling interest)		\$0.125	\$0.162

Source: BDO analysis

Therefore, our valuation of a Venturex share based on the quoted market price method and including a premium for control is between \$0.125 and \$0.162, with a midpoint value of \$0.144.

10.2 Net Asset Valuation of Venturex

We have assessed the net assets value of Venturex to provide a comparison to the QMP valuation of Venturex in Section 10.1. The value of Venturex's net assets on a going concern basis is reflected in our valuation below:

Statement of Financial Position	Ref	Reviewed as at 31-Dec-20 \$	Low Value \$	Preferred Value \$	High Value \$
CURRENT ASSETS					
Cash and cash equivalents	a)	2,594,496	4,496,898	4,496,898	4,496,898
Trade and other receivables		422,011	422,011	422,011	422,011
Inventories		6,853	6,853	6,853	6,853
Other assets		118,599	118,599	118,599	118,599
TOTAL CURRENT ASSETS		3,141,959	5,044,361	5,044,361	5,044,361
NON-CURRENT ASSETS					
Property, plant and equipment		761,372	761,372	761,372	761,372
Right of use asset		137,136	137,136	137,136	137,136
Exploration and evaluation expenditure	b)	31,594,083	23,800,000	29,700,000	35,500,000
Other receivables	c)	5,721,218	11,442,436	11,442,436	11,442,436
TOTAL NON-CURRENT ASSETS		38,213,809	36,140,944	42,040,944	47,840,944
TOTAL ASSETS		41,355,768	41,185,305	47,085,305	52,885,305
CURRENT LIABILITIES					
Trade and other payables		835,762	835,762	835,762	835,762
Borrowings	d)	1,170,545	-	-	-
Lease liabilities		73,101	73,101	73,101	73,101
Employee benefits		94,743	94,743	94,743	94,743
TOTAL CURRENT LIABILITIES		2,174,151	1,003,606	1,003,606	1,003,606
NON-CURRENT LIABILITIES					
Lease liabilities		64,183	64,183	64,183	64,183
Employee benefits		19,899	19,899	19,899	19,899
Provisions		14,303,045	14,303,045	14,303,045	14,303,045
TOTAL NON-CURRENT LIABILITIES		14,387,127	14,387,127	14,387,127	14,387,127
TOTAL LIABILITIES		16,561,278	15,390,733	15,390,733	15,390,733
NET ASSETS		24,794,490	25,794,572	31,694,572	37,494,572
Shares on issue	e)		420,030,470	420,030,470	420,030,470
Value per share			\$0.061	\$0.075	\$0.089

Source: BDO analysis and reviewed financial statements as at 31 December 2020

We have been advised that there has not been a significant change in the net assets of Venturex since 31 December 2020. The table above indicates that, based on the 420,030,470 shares on issue prior to the Proposed Transaction, the net asset value of a Venturex share is between \$0.061 and \$0.089. We note that this NAV value implies control.

The following adjustments were made to the net assets of Venturex as at 31 December 2020 in arriving at our valuation.

Note a) Cash and cash equivalents

We have reduced the balance of cash and cash equivalents as at 31 December 2020 to reflect the repayment of the remaining balance of the Company's loan from Northern Star. We note that following the conversion of 7,595,454 shares at a conversion price of \$0.100, the remaining balance of borrowings as at 31 December 2020 was \$411,000 which is the value we have reduced cash and cash equivalents by. We consider this adjustment to be appropriate as the Northern Star debt was to be repaid, regardless of whether or not the Proposed Transaction is approved by Shareholders.

We have also adjusted the balance of cash and cash equivalents as at 31 December 2020 to account for the exercise of 23,134,013 options (excluding the Northern Star options) from 31 December 2020 to the date of our Report. The options were exercisable at \$0.100 prior to 15 December 2021. The net adjustments are outlined below.

Cash and cash equivalents		\$
Balance as at 31 December 2020		2,594,496
Less: Northern Star debt repaid		-411,000
Add: Cash raised from exercise of options		2,313,401
Adjusted cash and cash equivalents		4,496,898

Note b) Exploration and evaluation expenditure

We instructed VRM to provide an independent market valuation of the mineral assets held by Venturex. VRM considered a number of different valuation methods when valuing the exploration assets of Venturex. VRM applied the comparable transaction method as the preferred valuation method for the tenements with mineral resources, supported by a yardstick valuation. The exploration potential of Venturex's assets was valued using the Multiples of Exploration Expenditure ('MEE') method, supported by a Kilburn Valuation. The MEE method is discussed in Appendix 2. The comparable transaction method involves calculating a value per common attribute in a comparable transaction and applying that value to the subject asset. A common attribute could be the amount of resource or the size of a tenement.

We consider these methods to be appropriate for valuing Venturex's exploration assets.

Full details of VRM's valuation are provided in Appendix 4 to our Report.

The range of values for Venturex's mineral assets as calculated by VRM is set out below:

	Mineral Resources Valuation		Exploration Potential		VRM Valuation
	Comparable Transactions	Yardstick Valuation	MEE Valuation	Kilburn Valuation	
Low Valuation (\$m)	19.96	16.57	3.85	2.78	23.8
Preferred Valuation (\$m)	24.95	24.85	4.71	5.00	29.7
High Valuation (\$m)	29.94	33.13	5.57	7.22	35.5

Source: VRM Valuation, 2021

The table above indicates a range of values between \$23.8 million and \$35.5 million, with a preferred value of \$29.7 million. We note that this valuation is based on a 100% interest in the Sulphur Springs Project, and a 20% interest in the Whim Creek Project.

Note c) Other receivables

We have adjusted other receivables as at 31 December 2020 to reflect the divestment of an additional 40% of the Whim Creek Project on 15 January 2021. As a result of the divestment, the Company's rehabilitation obligations have declined proportionally to its decline in ownership of the Whim Creek Project. This has been captured by an increase in other receivables to represent the additional 40% of the rehabilitation provisions that are receivable from Anax, whilst provisions have been unadjusted. The net adjustment is outlined below:

Other receivables	\$
Balance as at 31 December 2020	\$5,721,218
Add: Rehabilitation provision receivable for the Whim Creek Project	\$5,721,218
Adjusted other receivables	11,442,436

Source: Venturex management accounts and BDO analysis

Note d) Borrowings

We have adjusted the balance of borrowings as at 31 December 2020 to reflect the repayment of the Company's loan from Northern Star, through the conversion of the debt to 7,595,454 Venturex shares at a conversion price of \$0.100 per share, for the implied consideration of \$759,545.

Note e) Number of shares on issue

Our assessed value is on an undiluted basis. As detailed in Section 5.5, the Company has 420,030,470 shares on issue prior to the Proposed Transaction. We have outlined below the change in the number of shares in Venturex outstanding from 31 December 2020 to the date of our Report.

Issued share capital	Number
Issued shares of Venturex as at 31 December 2020	387,413,780
Shares issued to Northern Star on the conversion of debt	7,595,454
Shares issued upon the conversion of options	23,134,013
Shares issued upon the vesting of performance rights	1,887,223
Total number of Venturex shares prior to the Proposed Transaction	420,030,470

Source: Venturex ASX announcements and BDO analysis

Diluted basis

We have also considered the valuation on a diluted basis by assessing the likelihood of the exercise of currently existing options and the vesting of currently existing performance rights.

All options currently on issue have an exercise price of \$0.100 and an expiry date of 15 December 2021. Based on our net assets valuation assessment on an undiluted basis, all options will be 'out of the money' and therefore no options will be exercised.

We have not considered the likelihood of the vesting of the performance rights on issue given the non-market based nature of their vesting conditions.

10.3 Assessment of Venturex Value

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
QMP (Section 10.1)	0.125	0.144	0.162
Net Assets Value (Section 10.2)	0.061	0.075	0.089

Source: BDO analysis

We note that the range of values derived under the QMP approach are higher than the NAV of Venturex. This is likely to be because Venturex does not generate any income nor are there any historical profits that could be used to represent future earnings, therefore the quoted market price of Venturex shares may be influenced by investors' perceptions of future upside in relation to the Company's projects which are not reflected in the NAV. Further, the market may have been pricing in the possibility of a future transaction which may partly explain the difference between the results derived under the QMP and NAV approaches.

As detailed in Section 9.1, Venturex's mineral assets are currently non-producing assets and no revenue or cash flows are currently generated by these assets. We consider the NAV to represent an appropriate floor price for the shares as this represents a price that may be realisable in the event that the Company disposed of its assets and discharged its liabilities. Therefore, we consider the preferred valuation under the NAV approach is an appropriate measure of the low value of a Venturex share.

It is not uncommon for the market price of companies that have exploration assets to trade at a premium to a valuation prepared by an independent technical specialist for the purposes of an Independent Expert's Report. This is because investors are not necessarily guided by the principles of RG 170 and IS 214 in forming their valuations allowing the market price to reflect the potential upside expectations associated with the exploration assets should market conditions change or favourable exploration results be achieved.

Based on the results above we consider the value of a Venturex share to be between \$0.075 and \$0.144, with a midpoint value of \$0.110. We note that we have concluded on a wide range of values given the pre-development stage of the Company's assets and the blue sky value that appears to be priced in by the market. However, for assessing whether to approve the Proposed Transaction, we consider this value range to be meaningful as an adoption of any of the values within the range would not alter our opinion or conclusion in relation to the Proposed Transaction. It is our view that assigning a narrower range by disregarding the NAV as the low valuation or the QMP as the high valuation, would understate the level of uncertainty with the valuation and may therefore imply a misleading level of accuracy.

11. Valuation of Venturex following the Proposed Transaction

We have employed a market based valuation methodology in estimating the fair market value of a Venturex share following the Proposed Transaction. We consider the market based assessment to be an appropriate primary valuation methodology, due to the significant level of activity involving the purchase and sale of Venturex shares following the announcement of the Proposed Transaction, which would not be captured by alternative valuation methods.

We have utilised the NAV methodology in valuing Venturex following the Proposed Transaction as our secondary approach.

As outlined in Section 4 and in the Notice of Meeting, we consider the Placement, the Entitlement Offer, and the issue of Director and Consultant Options to be interdependent, and as such, we have assessed the impact of the entire Recapitalisation, on the value of Venturex. Our analysis is set out below.

11.1 Market based assessment

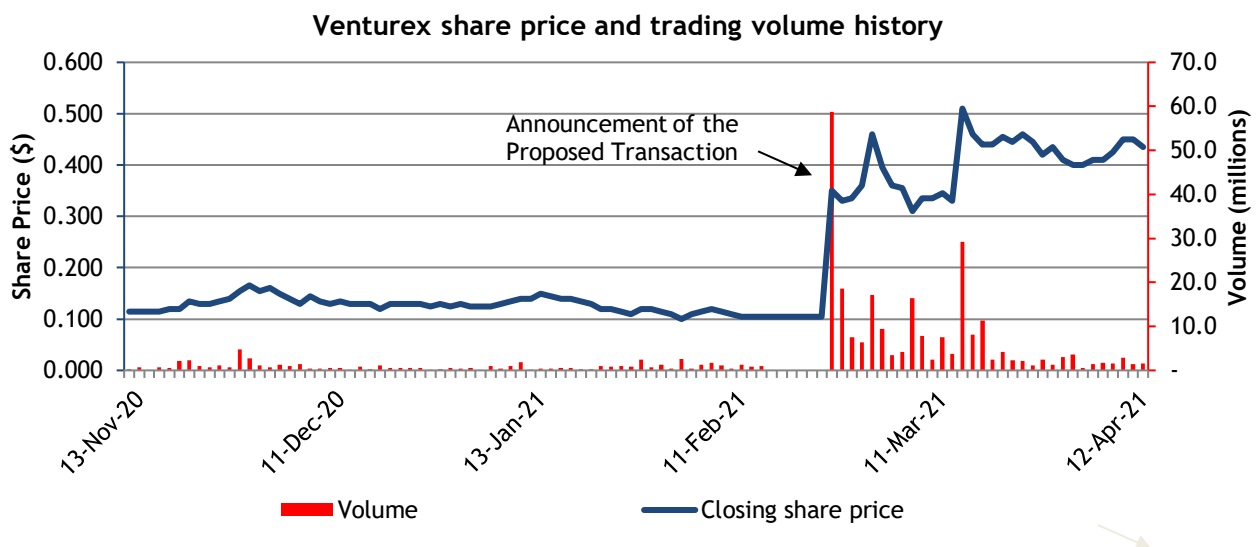
The application of the market approach that we have employed in our valuation is to consider the QMP of Venturex shares trading on the ASX following the announcement of the Proposed Transaction, and precedent transactions involving the Company and its shares.

Key consideration factors for the use of such transactions are whether the acquirer of the shares is an unrelated third party and whether the level of interest subscribed for in the company's equity is substantial enough to indicate the company's value. These factors need to fulfil the definition of an arm's length transaction between a willing buyer and willing seller for the shares in that company.

We have set out our market based approach below.

11.1.1. Quoted Market Prices for Venturex Securities

We have analysed movements in Venturex's share price since the Proposed Transaction was announced. A graph of Venturex's share price and trading volume leading up to, and following the announcement of the Proposed Transaction (covering six months to date) is set out below.



Source: Bloomberg

Over the post-announcement trading period, the share price has varied from a low of \$0.310 on 8 March 2021 to a high of \$0.510 on 15 March 2021. The highest single day of trading was on 15 March 2021, where 29,144,438 shares were traded, representing approximately 7.00% of the Company's current issued capital. We note that we have excluded the sale of 70,806,430 Venturex shares from Northern Star to MinRes on 15 March 2021 in our liquidity analysis.

The table below details the VWAP of Venturex shares for the 10-day period prior to and subsequent to the announcement of the Proposed Transaction on 24 February 2021.

Share Price	24-Feb-21	30 Days pre announcement	10 Days pre announcement	10 Days post announcement
Closing price	\$0.350			
Volume weighted average price (VWAP)		\$0.116	\$0.106	\$0.327

Source: Bloomberg

Following the announcement of the Proposed Transaction, Venturex's share price increased from a VWAP of \$0.116 over the 30 days prior to the announcement of the Proposed Transaction, to close at \$0.350 on 24 February 2021. The Company's VWAP over the 10 trading days following the announcement of the Proposed Transaction was \$0.327, representing a 309% premium to the issue price of Venturex shares as part of the Placement and the Entitlement Offer. The share price has been highly volatile over the post-announcement trading period, albeit remaining substantially above the issue price. This suggests that the market is pricing in the likelihood that the Proposed Transaction will proceed, and the blue sky value that is achievable at the Company's Sulphur Springs Project, with the benefit of having Mr Beament, Mr McMullen, and Mr Blakiston on the Board.

In addition to the increase in the Company's share price, we note that the trading volume of Venturex has increased substantially, following the announcement of the Proposed Transaction. In the week following the announcement of the Proposed Transaction (1 March 2021 to 5 March 2021), 40,487,784 shares were traded, representing approximately 9.72% of the Company's current issued capital.

An analysis of the volume of trading in Venturex shares over the start of the post-announcement trading period as at 12 April 2021 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.430	\$0.460	1,630,382	0.39%
5 Days	\$0.405	\$0.470	9,209,151	2.19%
10 Days	\$0.390	\$0.470	19,182,652	4.57%
15 Days	\$0.390	\$0.475	31,220,877	7.43%
20 Days	\$0.325	\$0.515	85,988,159	20.47%
30 Days	\$0.300	\$0.515	168,123,007	40.03%

Source: Bloomberg, BDO analysis

This table indicates that Venturex's shares display a high level of liquidity following the announcement of the Proposed Transaction, with 40.03% of the Company's current issued capital being traded in a 30 day period following the announcement of the Proposed Transaction.

Our assessment is that a range of values for Venturex shares based on QMP is between \$0.350 and \$0.450.

11.1.2. Precedent Transactions

On 17 March 2021, it was announced by Venturex, Northern Star and MinRes that on 15 March 2021, Northern Star had sold its 17.5% interest in Venturex, comprising 70,806,430 shares to MinRes, for the consideration of \$0.40 per share, representing a total consideration of approximately \$28.3 million. The consideration per share represented approximately a 20% premium to Venturex’s closing price on the previous trading day.

In addition to the sale of 70,806,430 shares on 15 March 2021, following the repayment of the Northern Star debt through the conversion to Venturex shares, on 17 March 2021, Northern Star sold its remaining interest of 7,595,454 shares to an undisclosed buyer at \$0.40 per share, for the total consideration of \$3.04 million.

The transaction between Northern Star and MinRes represents a completed transaction between a willing buyer and a willing seller at arm’s length. In addition, the total interest acquired by MinRes was approximately 17.5%, which we consider to be substantial enough to indicate the Company’s fair value. Therefore, we have determined that the consideration price of \$0.40 per share is the best indicator of the fair value of a Venturex share, following the announcement of the Proposed Transaction.

11.1.3. Value of Venturex based on Market Based Assessment

We have considered the quoted market price of Venturex, and precedent transactions involving Venturex shares following the announcement of the Proposed Transaction in estimating the fair market value of a Venturex share following the Proposed Transaction. We note that the market based approach reflects the value to minority interest shareholders, and as such we have not applied a minority interest discount to our values above.

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
QMP (Section 11.1.1)	0.350	0.400	0.450
Precedent Transaction (Section 11.1.2)	0.400	0.400	0.400

Source: BDO analysis

11.2 Net Asset Valuation of Venturex following the Proposed Transaction

To provide a comparison to the valuation of Venturex following the Proposed Transaction in Section 11.1, we have also employed the NAV approach. Starting from our NAV of Venturex prior to the Proposed Transaction, we have assessed the impact of the Proposed Transaction on the Company’s net assets. This is outlined in the table and accompanying notes below.

NAV following the Proposed Transaction	Ref	Low Value \$	Preferred Value \$	High Value \$
Venturex NAV prior to the Proposed Transaction	10.2	25,794,572	31,694,572	37,494,572
Cash raised from the Placement	a)	14,003,010	14,003,010	14,003,010
Cash raised from the Entitlement Offer		4,800,348	4,800,348	4,800,348
Value of Venturex following the Proposed Transaction		44,597,930	50,497,930	56,297,930

NAV following the Proposed Transaction	Ref	Low Value \$	Preferred Value \$	High Value \$
Total shares on issue following the Proposed Transaction	b)	655,072,452	655,072,452	655,072,452
Value per share		\$0.068	\$0.077	\$0.086
Minority interest discount (%)	c)	26%	23%	20%
Value per share (\$) - minority basis		\$0.050	\$0.059	\$0.069

Source: BDO analysis

The table above indicates that, based on the 655,072,452 shares expected to be on issue following the Proposed Transaction, the net assets value of a Venturex share on a minority basis is between \$0.050 and \$0.069, with a preferred value of \$0.059. The following adjustments were made to the net assets of Venturex in arriving at our valuation of the Company following the Proposed Transaction.

Note a) Cash raised from the Proposed Transaction

Cash and cash equivalents have been adjusted for the \$14,003,010 cash raised against the 175,037,629 Placement Shares to be issued as part of the Placement, and the \$4,800,348 cash raised against the 60,004,353 Entitlement Shares to be issued as part of the Entitlement Offer.

Note b) Number of shares on issue following the Proposed Transaction

We have adjusted the number of shares on issue to reflect the issue of the 175,037,629 Placement Shares, and the 60,004,353 Entitlement Shares. The table below shows the breakdown of the number of shares on issue following the Proposed Transaction.

	Number
Issued shares of Venturex prior to the Proposed Transaction (refer section 10.2 note e)	420,030,470
Placement Shares issued	175,037,629
Entitlement Shares issued	60,004,353
Total number of Venturex shares following the Proposed Transaction	655,072,452

Source: Venturex announcement on 24 February 2021

Note c) Minority interest discount

As outlined in Section 3.3 of our Report, in assessing fairness we have compared the value of a share of Venturex prior to the Proposed Transaction on a control basis to the value of a share of Venturex following the Proposed Transaction on a minority interest basis.

A minority interest discount is the inverse of a premium for control and is calculated using the formula $1 - (1 \div (1 + \text{control premium}))$. As discussed in section 10.2.1, we consider an appropriate control premium for Venturex to be in the range of 25% to 35%, giving a minority interest discount in the range of 20% to 26%, with a rounded midpoint of 23%.

Options and performance rights

In our NAV approach, we have not diluted the valuation set out above for the exercise of pre-existing options nor the vesting of pre-existing performance rights nor the exercise of the Placement Options, the Entitlement Options, the Director Options and the Consultant Options.

Options on issue prior to the Proposed Transaction have an exercise price of \$0.100 and an expiry date of 15 December 2021, whilst the Placement Options and the Entitlement Options have an exercise price of \$0.135, expiring two years after issue. In addition, as part of the Proposed Transaction, the Company will issue 140 million Consultant Options, and 17 million Director Options, exercisable at \$0.150. Based on our net assets valuation assessment on an undiluted basis, all the options will be ‘out of the money’ and therefore no options will be exercised.

We have not considered the likelihood of the vesting of the performance rights on issue given the non-market based nature of their vesting conditions.

11.3 Assessment of Venturex Value following the Proposed Transaction

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
QMP (Section 11.1.1)	0.350	0.400	0.450
Precedent Transaction (Section 11.1.2)	0.400	0.400	0.400
Net Assets Value (Section 11.2)	0.050	0.059	0.069

Source: BDO analysis

As summarised in the table above, there is a significant difference in the absolute values derived under our primary and secondary valuation approaches. Given that the Proposed Transaction does not result in a change in the assets of Venturex, rather a change in interest of substantial shareholders, the important consideration for the non-associated shareholders of the Company is whether the value of a share increases or decreases as a result of the Proposed Transaction.

We have determined a net assets value of Venturex following the Proposed Transaction of between \$0.050 and \$0.069, with a preferred value of \$0.059. Our NAV following the Proposed Transaction considers the net assets value of Venturex prior to the Proposed Transaction, the effect of the new shares issued as part of the Proposed Transaction, and the effect of cash inflow resulting from the issue of new shares. We note that, in performing our valuation of Venturex’s mineral assets, we have relied on the Technical Specialist Report provided by VRM, which includes an assessment of the market value of Venturex’s mineral assets.

In light of the market activity following the announcement of the Proposed Transaction, we have considered the value of a Venturex share using a market based approach, following the announcement of the Proposed Transaction, in our consideration of the fair value of a Venturex share following the Proposed Transaction. This is due to the fact that the sharp increase in the Company’s share price and trading volume since the announcement suggest that the market has priced in the likelihood of the Proposed Transaction proceeding.

It appears that the market has priced in an increased likelihood of the Company’s flagship Sulphur Springs Project being able to be developed and the required funds raised, through the achievement of funding as part of the Proposed Transaction, and the addition of highly distinguished executives, Mr Beament, Mr McMullen and Mr Blakiston to the Venturex Board. In addition, we note that previous interest held by Northern Star may have been perceived as a blocking stake by potential investors, which may have contributed to the suppressed share price prior to the announcement of the Proposed Transaction. Our

assessment is that a range of values for Venturex shares based on post-announcement market pricing is between \$0.350 and \$0.450.

Furthermore, the precedent transaction between Northern Star and MinRes for approximately 17.5% of the Company’s issued capital was completed for the consideration of \$0.40 per share. As this consideration per share is well above the quoted market price per Venturex security prior to the announcement of the Proposed Transaction, it is indicative that both parties had priced in the approval of the Proposed Transaction.

As a result, we consider the market based assessments under our primary valuation approach to be a more reliable indicator of the fair value of a Venturex share following the Proposed Transaction. As such, based on the above results we consider the value of a Venturex share following the Proposed Transaction to be between \$0.350 and \$0.450, with a preferred value of \$0.400.

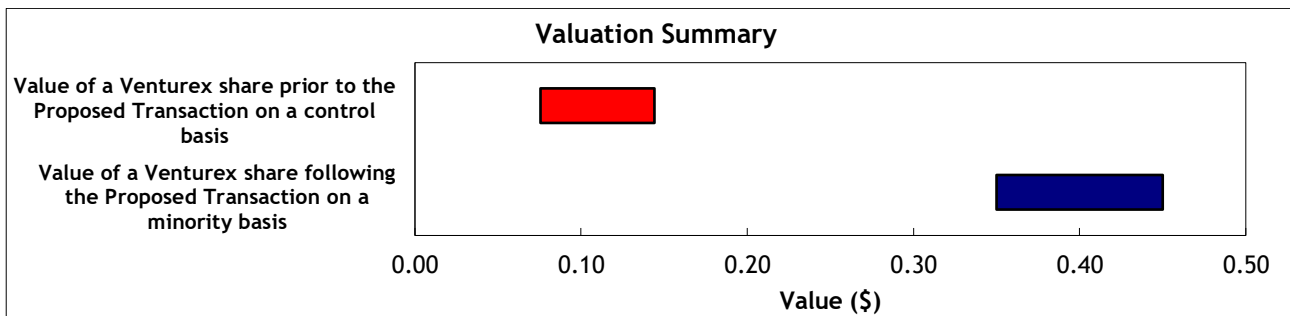
12. Is the Proposed Transaction fair?

The value of a Venturex share prior to the Proposed Transaction compares to the value of a Venturex share following the Proposed Transaction as shown below:

	Ref	Low \$	Preferred \$	High \$
Value of a Venturex share prior to the Proposed Transaction on a control basis	10.3	0.075	0.110	0.144
Value of a Venturex share following the Proposed Transaction on a minority basis	11.3	0.350	0.400	0.450

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

The above pricing indicates that in the absence of any other relevant information, and an alternative offer, the Proposed Transaction is fair for Shareholders.

13. Is the Proposed Transaction reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Venturex a premium over the value resulting from the Proposed Transaction. Given the increase in the quoted market price following the announcement of the Proposed Transaction, whilst it is possible, it is unlikely that a superior alternative proposal will arise.

13.2 Practical Level of Control

If the Proposed Transaction is approved then Mr Beament will hold a maximum voting power of approximately 38.87% in Venturex. We note that Mr Beament's maximum voting power of 38.87% is prior to the Entitlement Offer, and on the basis that Mr Beament exercises his options, and no other options are exercised. Considering the Acquirers and their Associates have confirmed that they will not exercise any options until the completion of the Entitlement Offer, we consider Mr Beament's maximum voting power in Venturex following the Entitlement Offer to be a fairer representation of his future level of control of Venturex.

As such, following the Entitlement Offer, Mr Beament will hold 17.10% of the voting shares on issue in Venturex, and will have a maximum voting power of approximately 32.59% in Venturex on a fully diluted basis (as outlined in Section 4). Mr Beament's holding of 17.10% of the voting shares of Venturex following the Entitlement Offer is outlined below.

	Number
Total number of Venturex shares prior to the Placement (undiluted)	420,030,470
Subscription Shares to be issued to Mr Beament	110,800,341
Remaining Placement Shares to be issued	64,237,288
Entitlement Shares to be issued to Mr Beament	156,208
Remaining Entitlement Shares to be issued	59,848,145
Total number of Venturex shares following the Entitlement Offer	655,072,452
Shares held by Mr Beament prior to the Proposed Transaction	1,093,459
% holding prior to the Proposed Transaction	0.26%
Shared held by Mr Beament following the Entitlement Offer	112,050,008
% holding following the Entitlement Offer	17.10%

Source: Venturex management

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution require 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Transaction is approved then Mr Beament will be in a position to block special resolutions with a maximum voting power of 32.59% on a fully diluted basis.

At present, the Venturex Board of Directors comprises a total of four directors. Following the Proposed Transaction, subject to Shareholder approval, on 1 July 2021, Mr Beament will be appointed as an Executive Director of Venturex.

Mr Beament's control of Venturex following the Proposed Transaction will be significant when compared to all other shareholders. Mr Beament will hold a maximum voting power of 32.59% and will be an

Executive Director of the Company. Therefore, in our opinion, whilst Mr Beament will be able to significantly influence the activities of Venturex, he will not be able to exercise a similar level of control as if he held 100% of Venturex. We note that as at the date of our Report, MinRes, as the Company’s current largest shareholder, has a voting power of approximately 19.2% in Venturex, on an undiluted basis. Following the issue of the Placement Shares, MinRes will hold a maximum voting power of approximately 14.0% in Venturex, on an undiluted basis.

We note that the Acquirers and their Associates have confirmed that they will cease to be associated (to the extent to which they currently are) with the other Acquirers and their Associates in respect to Venturex, by no later than immediately following the completion of the Entitlement Offer. As such, should the Proposed Transaction be approved by Shareholders, the remaining Acquirers will also not be able to exercise a similar level of control as if they held 100% of Venturex.

13.3 Consequences of not Approving the Proposed Transaction

Funding

If the Proposed Transaction is not approved, the Company will forego the \$58 million of funds that are to be raised pursuant to the Proposed Transaction. As set out in Section 4, the Company intends to use these funds to fund the development of the Company’s flagship Sulphur Springs Project. If the Proposed Transaction is not approved, Venturex may need to source alternative means of fund raising, and as such, there is no certainty that the Company will be successful in obtaining the funding it requires for the development of the Project, and may not be in a position to negotiate debt funding on attractive terms.

Potential decline in share price and trading volume

We have outlined in Section 11.2 the price and trading volume movements over the post-announcement trading period. Based on the significant increase in price and trading volume of Venturex securities we have observed in our analysis, and based on precedent transactions subsequent to the announcement of the Proposed Transaction, we consider it to be highly likely that if the Proposed Transaction is not approved, Venturex’s share price and trading volume will decline back to pre-announcement levels.

13.4 Advantages of Approving the Proposed Transaction

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

Advantage	Description
The Proposed Transaction is fair	As set out in Section 12, the Proposed Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
Financing support for the development of the Sulphur Springs Project	As outlined in the Notice of Meeting, the funds raised through the Proposed Transaction will be used to progress the Sulphur Springs Project, through the funding of a TSF geotechnical verification of design, an infill drilling program, regional exploration, environmental compliance and permits, access road design, early capital expenditure, a FEED study, and for corporate and general working capital purposes.

Advantage	Description
	<p>We note that in 2018, Venturex announced that it had completed its updated DFS showing that the Sulphur Springs Project had a pre-tax NPV of \$472 million, and expected revenue in excess of \$2.6 billion over the life of the Project.</p> <p>This suggests that securing financing to advance the Sulphur Springs Project is likely to be value accretive to Shareholders</p>
<p>Alignment of the interests of Mr Beament and Venturex Shareholders</p>	<p>Following the Proposed Transaction, Mr Beament will hold a maximum voting power in Venturex of approximately 32.59% on a fully diluted basis, and thus will eclipse Mineral Resources as the Company's most significant shareholder.</p> <p>Mr Beament is a highly regarded executive in global mining, being a founder of Northern Star, having taken them from a \$1 million market capitalisation company to greater than \$10 billion. The Proposed Transaction will result in the further alignment of Mr Beament and Venturex Shareholders' interests, which we consider likely to be value accretive to Shareholders.</p> <p>Additionally, as an Executive Director and major shareholder, Mr Beament will bring his commercial and developmental expertise to the Company. As a result, this may provide Venturex with better access to sources of future funding, as external debt and equity providers may have greater confidence in a company where Mr Beament has a significant interest. Mr Beament may also be associated with external parties that have the potential to bring future value to Venturex.</p>
<p>Shareholders will be given the opportunity to participate in the Entitlement Offer at the same issue and exercise prices as the Placement</p>	<p>As part of the Proposed Transaction, Shareholders will have the opportunity to participate in the one-for-seven Entitlement Offer on the same terms as the Placement to Mr Beament and other institutional and professional investors. The issue price of the Placement Shares and the Entitlement Shares is at a 309% discount to the 10-day VWAP of the Company's shares following the announcement of the Proposed Transaction. Approval of the Proposed Transaction be followed by the Entitlement Offer, which will provide Shareholders the opportunity to subscribe for Venturex shares at a significant discount to the current market price.</p>
<p>Raising funds through the issue of equity, rather than debt will not have a negative impact on Venturex's working capital</p>	<p>Approval of the Proposed Transaction means that the Company will issue 175,037,629 Placement Shares and 55,344,826 Entitlement Shares. An alternative recapitalisation strategy may be to enter into a debt agreement with a third party, which would</p>

Advantage	Description
	<p>impact the Company’s cash position during the life of the Sulphur Springs Project.</p>
<p>Appointment of Mr McMullen and Mr Blakiston to the Venturex Board</p>	<p>As of the date of the announcement of the Proposed Transaction, Mr McMullen was appointed as an Executive Director of the Company, and will transition to a Non-Executive Director role as at 1 July 2021. Following the completion of the Proposed Transaction, Mr Blakiston will be appointed as the Non-Executive Chairman of Venturex, subject to Shareholder approval.</p> <p>Mr McMullen has approximately 30 years of experience in mine exploration, financing, development and operations across a wide range of countries. He has a history of success as the CEO and President of Detour Gold and Stillwater, having led through each company’s increase in value prior to their eventual sales. Mr McMullen will subscribe for 5,762,712 Venturex shares as part of the Placement, and will be issued 10 million Director Options, subject to Shareholder approval. Mr McMullen’s future interest in the Company will align his interests with the Shareholders of Venturex, which we consider may be value accretive to Shareholders.</p> <p>Mr Blakiston has an existing interest in the Company through his deemed relevant interest in the expected holding of Precision Opportunities Fund. In addition, Mr Blakiston will be issued 7 million Director Options, subject to Shareholder approval. The alignment of the interests of Mr Blakiston and Shareholders may be value accretive to Shareholders, as Mr Blakiston has extensive experience in mining and resource law as a partner at Gilbert + Tobin. The presence of Mr Blakiston on the Venturex Board may allow the Company to better execute agreements and deal with legal matters in the future.</p>

13.5 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
<p>Dilution of existing shareholders’ interests</p>	<p>The issue of new Venturex shares as part of the Proposed Transaction is dilutive to current Shareholders.</p>

Disadvantage	Description
Restriction on special resolutions	Since the Acquirers and their Associates will hold more than a 25% shareholding in the Company, they will be able to exercise a significant level of control.

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the Shareholders of Venturex.

15. Sources of information

This report has been based on the following information:

- Draft Notice of Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Venturex for the years ended 30 June 2018, 30 June 2019 and 30 June 2020
- Reviewed financial statements of Venturex for the period ended 31 December 2020;
- Independent Valuation Report of Venturex mineral assets dated 29 March 2021 performed by VRM;
- Share registry information of Venturex;
- Signed Confirmation Letters by the Acquirers and their Associates;
- BDO Explorer Quarterly Cash Update: December 2020;
- RBA Monetary Policy Decisions dated 19 March 2020, 7 April 2020, 5 May 2020, 2 June 2020, 7 July 2020, 1 September 2020, 5 November 2020 and 2 February 2021;
- Australia Bureau of Statistics - Consumer Price Index for September 2020 and December 2020;
- Australian Federal Government - 2021-21 Budget Overview;
- Consensus Economics;
- Announcements made by Venturex available through the ASX;
- Bloomberg;
- Information in the public domain; and
- Discussions with Directors and Management of Venturex.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of approximately \$32,500 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

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

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Venturex, the Acquirers and their Associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Venturex, the Acquirers and their Associates.

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

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of Venturex.

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

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17. Qualifications

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

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

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX

Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Venturex for inclusion in the Notice of Meeting which will be sent to all Venturex Shareholders. Venturex engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal as outlined in Section 4 of our Report.

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

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

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

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

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

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

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

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

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

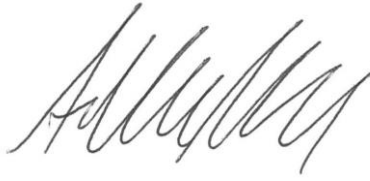
Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'. The signature is fluid and cursive, with a large initial 'S'.

Sherif Andrawes

Director

A handwritten signature in black ink, appearing to read 'Adam Myers'. The signature is fluid and cursive, with a large initial 'A'.

Adam Myers

Director

Appendix 1 - Glossary of Terms

Reference	Definition
ABS	Australian Bureau of Statistics
The Acquirers	Mr Beament, Precision Opportunities Fund Ltd, Shane McLeay, Mr, Tim Day, Denis Dwiputra and Nero Resource Fund
The Act	The Corporations Act 2001 Cth
AFCA	Australian Financial Complaints Authority
Anax Metals	Anax Metals Limited
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ARM	Aurora Minerals Limited
ASIC	Australian Securities and Investments Commission
Associates	Associates of the Acquirers for the purposes of the Placement, being Tim Weir, Andy Clayton, Mr Blakiston and Tony Kenny
ASX	Australian Securities Exchange
A\$	Australian Dollars
BDO	BDO Corporate Finance (WA) Pty Ltd
Mr Beament	Mr Bill Beament
Board	Venturex Board of Directors
The Company	Venturex Resources Limited
Consultant Options	The issue of 140,000,000 options to Mr Beament for his role as a consultant, exercisable at \$0.150, 50% of which expire three years after issue, and the other 50% expiring four years after issue
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer Price Index
DCF	Discounted Cash Flows

Reference	Definition
Director Options	10,000,000 options issued to Mick McMullen, and 7,000,000 options issued to Michael Blakiston, exercisable at \$0.150, expiring three years after issue
DMIRS	Department of Mines, Industry Regulation and Safety
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EIJV	Earn-in and joint venture
The Entitlement Offer	The issue of 55,344,826 Shares at an issue price of \$0.08, attached with 27,672,416 options with an exercise price of \$0.135, expiring two years after issue
Entitlement Options	27,672,413 Options with an exercise price of \$0.135, expiring two years after issue, issued as part of the Entitlement Offer
Entitlement Shares	55,344,826 shares issued at an issue price of \$0.08
EPA	Environmental Protection Authority
EV	Electronic Vehicle
FEED	Front End Engineering and Design
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
Fund Finders	Exploration companies that raised funds of over \$10 million in the December quarter of 2020
GDP	Gross Domestic Product
ICA	International Copper Association
ICGS	International Copper Study Group
Initial DFS	Definitive feasibility study undertaken in December 2012 on the Sulphur Springs Project and the Whim Creek Project
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
Item 7 s611	Item 7 Section 611

Reference	Definition
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Kms	Kilometres
LME	London Metal Exchange
MinRes	Mineral Resources Limited
MEE	Multiples of Exploration Expenditure
Mr Blakiston	Michael Blakiston
Mr McMullen	Mick McMullen
Mt	Million tonnes
Mtpa	Million tonnes per annum
NAV	Net Asset Value
Northern Star	Northern Star Resources Limited
Our Report	This Independent Expert's Report prepared by BDO
The Placement	The placement of 175,037,629 shares at \$0.08 per share, with a one-for-two attaching option exercisable at \$0.135 expiring in two years
Placement Options	87,518,815 Options with an exercise price of \$0.135, expiring two years after issue, issued as part of the Placement
Placement Shares	175,037,629 Shares issued at an issue price of \$0.08
The Project	The Sulphur Springs Project
The Proposed Transaction	The Placement, the Entitlement Offer and the issue of Director and Consultant Options to the Acquirers and their Associates
QMP	Quoted market price
RBA	Reserve Bank of Australia
RC	Reverse circulation
Regulations	Corporations Act Regulations 2001 (Cth)
RG 74	Regulatory Guide 74 'Acquisitions Approved by Members'

Reference	Definition
RG 111	Content of Expert Reports (March 2011)
RG 112	Independence of Experts (March 2011)
RG 170	Regulatory Guide 170 'Prospective Financial Information
Saracen	Saracen Minerals Holdings Limited
Section 606	Section 606 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Venturex not associated with Mr Beament
SPP	Share purchase plan
Stillwater	Stillwater Mining Company
Straits	Straits Resources Limited
Subscription Options	55,400,171 Options with an exercise price of \$0.135, expiring two years after issue, issued to Mr Beament as part of the Placement
Subscription Shares	110,800,341 Shares issued to Mr Beament at an issue price of \$0.08 as part of the placement
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
SX-EW	Solvent extraction and electrowinning plant
Technical Specialist Report	Technical Specialist Report of Venturex's mineral assets, provided by VRM
Toho Zinc	Toho Zinc Co Limited
Tpa	Tonnes per annum
Trafigura	Trafigura Pte Ltd
Updated DFS	Definitive Feasibility Study undertaken in October 2018 on the Sulphur Springs Project based on revised methodologies
USD	United States dollar
U.S. Geological Survey	United States Geological Survey

Reference	Definition
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
Venturex	Venturex Resources Limited
VMS	Volcanogenic Massive Sulphide
VRM	Valuation & Resource Management
VWAP	Volume Weighted Average Price
WASM	Western Australian School of Mines

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Appendix 2 - Valuation Methodologies

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

1 *Net asset value ('NAV')*

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

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

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

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

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

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

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

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

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

3 *Capitalisation of future maintainable earnings ('FME')*

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

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

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

4 Discounted future cash flows ('DCF')

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

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

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

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

5 Market Based Assessment

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

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Control Premium

Control premium

The concept of a premium for control reflects the additional value that is attached to a controlling interest. We have reviewed the control premiums on completed transactions, paid by acquirers of diversified metal mining companies, general mining companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium) and at a premium in excess of 100%. We have summaries our findings below:

Diversified metal mining companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	0	0.00	0.00
2020	4	50.31	68.47
2019	5	201.50	46.32
2018	5	117.08	57.09
2017	2	7.05	38.68
2016	2	16.54	119.24
2015	3	550.86	52.41
2014	6	26.14	50.74
2013	7	83.96	76.97
2012	5	309.31	45.01
2011	11	965.66	40.22

Source: Bloomberg, BDO analysis

General mining companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	1	5864.23	2.02
2020	7	427.74	51.58
2019	12	143.74	42.83
2018	11	87.76	53.40
2017	5	13.91	35.21
2016	13	59.54	74.92
2015	9	340.82	57.86
2014	16	111.11	47.28
2013	17	117.99	63.99
2012	17	219.10	54.03
2011	21	811.55	37.42

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2021	3	2,044.67	16.96
2020	26	432.79	49.28
2019	45	3,026.62	38.82
2018	46	1,077.10	41.55
2017	30	940.18	42.05
2016	42	718.51	49.58
2015	34	828.14	34.10
2014	46	507.34	39.97
2013	41	128.21	50.99
2012	51	481.33	52.19
2011	68	891.85	44.43

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2011 onwards for diversified metal mining companies, general mining companies and all ASX-listed companies are set out below:

Entire Data Set Metrics	Diversified Metal Mining Companies		General Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	328.14	55.49	312.47	51.81	935.46	44.23
Median	49.14	42.47	41.73	41.63	120.36	33.88

Source: Bloomberg, BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium paid by acquirers of diversified metal mining companies, general mining companies and all ASX-listed companies is approximately 55.49%, 51.81% and 44.23% respectively. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers.

These outliers included eight diversified metal mining company transactions, 13 general mining company transactions and 30 ASX-listed company transactions, for which the announced premium was in excess of

100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas, the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 42.47% for diversified metal mining companies, 41.63% for general mining companies and 33.88% for all ASX-listed companies.

We consider an appropriate control premium to be on the lower end of historical averages as a result of the degree of business risk faced by small, early-stage exploration companies. As Venturex's current operations are on a small scale, are in the exploration phase and are therefore high risk assets, we believe that an acquirer would not be willing to pay a control premium in line with historical averages. Further, the audit report of Venturex for the year ended 30 June 2020 includes an emphasis of matter relating to the material uncertainty around the ability of the Company to continue as a going concern.

Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

The minority discount is calculated from the control premium identified, using the formula $[1 - (1/(1+\text{Control Premium}))]$. Therefore, the minority discount (rounded to the nearest percentile) is in the range from 20% to 26%.

Appendix 4 - Independent Valuation Report



Valuation & Resource Management

INDEPENDENT TECHNICAL ASSESSMENT & VALUATION REPORT

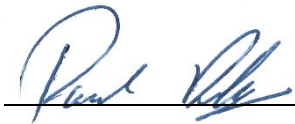
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Venturex Resources Limited



Date Issued:

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Contents

Executive Summary.....	i
Pilbara Base Metal Projects.....	i
Conclusions.....	ii
1. Introduction	1
1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides.....	1
1.2. Scope of Work.....	1
1.3. Statement of Independence.....	2
1.4. Competent Persons Declaration and Qualifications.....	2
1.5. Reliance on Experts.....	3
1.6. Sources of Information.....	4
1.7. Site Visits.....	4
2. Mineral Assets	5
2.1. Tenure.....	5
2.2. Accessibility.....	7
3. Sulphur Springs Project	8
3.1. Geological Setting	8
3.2. Local Geology	9
3.3. Previous Exploration Sulphur Springs Project.....	12
3.4. Sulphur Springs Project Mineral Resources.....	14
3.4.1. High Level Review - Overview	14
3.4.2. Sulphur Springs Mineral Resource	16
Geology and Mineralisation.....	16
Informing Data and QAQC	17
Drilling and Sampling.....	17
Analysis.....	19
QAQC.....	19
Bulk Density Measurements	19
Data Verification.....	20
Mineral Resource Estimation.....	20
Mineral Resource Classification and Reporting	20
3.4.3. Kangaroo Caves Mineral Resources	20
Geology and Mineralisation.....	21
Informing Data and QAQC	21
Drilling and Sampling.....	21
Analysis.....	22
QAQC.....	22
Bulk Density Measurements	22
Mineral Resource Estimate.....	23

Mineral Resource Classification and Reporting	23
3.4.4. VRM Comments	23
3.5. Technical Studies	24
4. Whim Creek Project.....	25
4.1. Geological Setting	25
4.2. Local Geology	27
4.3. Previous Exploration and Mining Whim Creek Project.....	28
4.4. Whim Creek Project Mineral Resources	29
4.4.1. High Level Review - Overview	29
Information Sources	31
4.4.2. Combined Whim Creek Mineral Resources	32
Geology and Mineralisation.....	32
Local Geology	32
Drilling, Sampling, Analysis, QAQC and Bulk Density	33
Mineral Resource Estimate.....	33
Mineral Resource Classification and Reporting.....	33
4.4.3. VRM Comments	33
5. Valuation Methodology.....	34
5.1. Previous Valuations.....	35
5.2. Valuation Subject to Change.....	35
5.3. General assumptions.....	35
5.4. Market Based Valuations	36
5.5. Valuation of Advanced Properties	37
5.5.1. Comparable Market Based Transactions – Resource Based.....	37
5.5.2. Yardstick Valuation.....	38
6.6 Exploration Asset Valuation.....	38
6.6.1 Geoscientific (Kilburn) Valuation.....	39
6.6.2 Prospectivity Enhancement Multiplier (PEM) Valuation.....	41
7 Venturex Mineral Property Valuation	43
7.1 Sulphur Springs Project Valuation	43
7.1.1 Comparable Transactions – Resource Multiples.....	43
7.1.2 Yardstick Method.....	45
7.1.3 Geoscientific Valuation.....	47
7.1.4 PEM Valuation.....	48
8 Risks and Opportunities.....	49
9 Preferred Valuations.....	50
10 References.....	52
11 Glossary.....	52
Appendix A - Comparable transactions	57
Appendix B - Geoscientific Valuation	59

List of Figures

Figure 1 – Location of the Venturex projects in Western Australia.....	5
Figure 2 – Location of the Sulphide Springs and Whim Creek tenements in Western Australia.....	7
Figure 3 – Litho-tectonic divisions of the North Shaw area (Van Kranendonk, 1998).....	8
Figure 4 - Schematic Stratigraphy of the Sulphur Springs Project area	10
Figure 5 - Simplified geology of the Panorama Trend with tenements and prospect locations overlain.....	11
Figure 6 – Location plan and local geology of the Sulphur Springs and Kangaroo Caves deposits.....	16
Figure 7 – Sulphur Springs Cross Section 728,820mE.....	18
Figure 8 – Sulphur Springs Cross Section 728,840mE	18
Figure 9 – Kangaroo Caves Resource Model showing different domains and drilling.	21
Figure 10 - Location of the Whim Creek tenements in western Pilbara Craton of Western Australia.	25
Figure 11 - The Mons Cupri Volcanics and Rushall Slate Argillite that host the VMS mineralisation	26
Figure 12 - Deposit locations at Whim Creek Project.....	27
Figure 13 – Location of the Whim Creek Project Mineral Resources	30
Figure 14 - Five year Copper price graph (March 2016 to March 2021). US Dollars.	36
Figure 15 - Five year Zinc price graph (March 2016 to March 2021). US Dollars.....	37
Figure 16 Valuation summary.....	51
Table 13 Preferred Valuation of the Venturex Mineral Assets as at 24 February 2021.....	51

List of Tables

Table 1 Venturex tenement schedule as at 24 February 2021.....	6
Table 2 - Stratigraphy of the Pilbara Craton at North Shaw 1:100,000 Map Sheet	9
Table 3 Sulphur Springs Project JORC 2012 Mineral Resource Estimates	15
Table 4 Whim Creek Project JORC 2012 Mineral Resource Estimates.....	31
Table 5 VALMIN Code 2015 valuation approaches suitable for mineral Properties.	34
Table 6 Ranking criteria are used to determine the geoscientific technical valuation.	40
Table 7 Prospectivity Enhancement Multiplier (PEM) ranking criteria.....	41
Table 8 Comparable transaction valuation of the Sulphur Springs and Whim Creek Projects Mineral Resources.....	45
Table 9 Yardstick valuation of the Venturex Mineral Resources	46
Table 10 Technical Valuation for the Venturex exploration tenements.....	47
Table 11 PEM Valuation for the Venturex exploration tenements.....	48
Table 12 Venturex Mineral Assets Valuation Summary by method.....	50
Table 13 Preferred Valuation of the Venturex Mineral Assets as at 24 February 2021.....	51

Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation report (ITAR or the Report) on the Mineral Assets of Venturex Resources Limited (ASX: VXR) (Venturex or the Company). BDO was commissioned by Venturex to prepare an Independent Expert's Report (IER) for inclusion in a Notice of Meeting to assist the shareholders of Venturex in relation to the proposed transaction.

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). VRM understands that BDO will include the Report within its IER relating to the proposed transaction.

This Report is a technical review and valuation opinion of the mineral assets of Venturex, being the Sulphur Springs and Whim Creek Projects and surrounding exploration ground in the Pilbara region of Western Australia (WA). Applying the principles of the VALMIN Code VRM has used several valuation methods to determine the value for the base metal mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Services Licence, this valuation is not a valuation of Venturex but rather an asset valuation of the Sulphur Springs and Whim Creek projects and the surrounding exploration ground.

This valuation is current as of 24 February 2021. VRM provided a redacted draft report to Venturex via BDO on 25 March 2021.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Venturex along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

Pilbara Base Metal Projects

Venturex owns 100% of the tenements that cover the Sulphur Springs Project located approximately 145 kilometres south east of Port Hedland and a 20% free carried interest in the Whim Creek Project located approximately 115km south west of Port Headland. Both projects have several volcanogenic hosted massive sulphide (VMS) base metal deposits and multiple VMS targets adjacent to the known deposits. VMS base

metal systems are a significant global producer of base metals and a common characteristic of these systems is that the deposits occur in clusters at specific stratigraphic locations.

VRM has estimated the value of the projects tenements an equity ownership basis considering the technical information supporting their base metal prospectivity. As at the valuation date there are declared Mineral Resource and Ore Reserve estimates prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code 2012 Edition (JORC) at both projects. The valuation has been prepared as a sum of the parts with the value attributed to both the declared Mineral Resources and the exploration potential in the adjacent tenements. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique. Secondary valuations were determined based on the yardstick approach. For the exploration potential on the surrounding tenements a geoscientific / Kilburn method and a prospectivity enhancement multiplier approach have been used.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Conclusions

Both the Sulphur Springs and Whim Creek projects host significant base metal deposits. There has been substantial previous mining at Whim Creek however there has been no previous mining at Sulphur Springs. The Sulphur Springs project is considered a pre-development project with a feasibility study completed in 2018. The project has significant Mineral Resources within the Sulphur Springs and Kangaroo Caves deposits and Ore Reserves estimated at both deposits however VRM has not valued the project based on these Ore Reserves as some aspects of the feasibility study have been updated while other aspects the feasibility study are now outdated and require additional work.

The review found that the base metal deposits were generally characterised by well-defined zones of consistent mineralisation within the deposits and that there are numerous additional targets for ongoing exploration. Within the Sulphur Springs project the deposits are considered under drilled or drilled at inconsistent drill spacings. The inconsistent drill spacing is due to the topography adjacent to the deposits which has significantly impacted the location of potential drill sites, therefore some areas of the deposits require additional drill testing to increase confidence.

Considering both the mineralisation currently defined and the exploration potential in VRM's opinion, the mineral assets of Venturex, being 100% of the Sulphur Springs Project and a 20% free carried interest in the Whim Creek Project have a market value of between \$23.8 million and \$35.5 million with a preferred value of \$29.7 million on an attributable equity basis.

1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by BDO Corporate Finance (WA) Pty Ltd (BDO) to undertake an Independent Technical Assessment and Valuation Report (Report or ITAR) on the Sulphur Springs and Whim Creek Projects and the surrounding exploration ground for Venturex Resources Limited (ASX: VXR) (Venturex or the Company). This is in relation to the proposed transaction and capital raising as announced by Venturex on 24 February 2021. BDO was engaged by Venturex to prepare an Independent Expert's Report (IER) for inclusion in a Notice of Meeting to assist the shareholders of Venturex in relation to the proposed transaction.

VRM understands that this ITAR will be included in the IER being prepared by BDO. BDO will refer to, and rely on, the VRM report and mineral asset valuation which will be attached to its IER to inform the Venturex shareholders as to the fairness and reasonableness of the proposed transaction.

Paul Dunbar and Deborah Lord of VRM were contacted to undertake a valuation of the mineral assets of Venturex located in Western Australia (WA). BDO engaged VRM for the purposes of the ITAR and all correspondence was directed through BDO.

VRM has estimated the value of the Sulphur Springs Project (incorporating the Sulphur Springs and Kangaroo Caves deposits) and the Whim Creek Project considering the declared Mineral Resource and Ore Reserve estimates. The technical information supporting the prospectivity of the licences and the valuation of the tenements is on a 100% interest basis to determine a market value of the project with this subsequently reduced in line with the beneficial interest in each of the projects as at 24 February 2021.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Venturex and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the valuation based upon the principle of reviewing and interrogating both the documentation of Venturex and previous exploration within the areas. This Report is a summary of the work conducted, completed and reported by the various explorers to 24 February 2021 based on information supplied to VRM by Venturex and other information sourced from the public domain to the extent required by the VALMIN and JORC Codes.

VRM provided a draft report to BDO on 24 March 2021 and a redacted version to Venturex via BDO on 25 March 2021.

VRM understands that the objective of this study is to provide:

- Summaries of the regional and local geology, the security of the tenure, a summary of the recent and previous exploration,
- Review of the mineral assets to determine the most appropriate valuation techniques for the assets based on the development stages of the projects and amount of available information.
- Provide an independent valuation on the mineral assets of Venturex as at 24 February 2021.

VRM understands that its reviews and valuations will be relied upon and appended to an IER prepared by BDO for inclusion in a Target's Statement, to assist Venturex shareholders in their decision regarding the proposed transaction. As such, it is understood that VRM's review and valuation will be a public document.

1.3. Statement of Independence

VRM was engaged to undertake an ITAR. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of experts (RG112).

Ms Deborah Lord and Mr Paul Dunbar of VRM have not had any association with Venturex, their individual employees, or any interest in the securities of Venturex which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. Neither VRM, Ms Lord nor Mr Dunbar hold an Australian Financial Services Licence (AFSL) and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is \$38,000 (excluding GST).

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar as the primary author with contributions by Ms Lynda Burnett and peer reviewed by Ms Deborah Lord.

The Report and information that relates geology, exploration and the mineral asset valuation is based on information compiled by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a Member

of the AusIMM and Member of the AIG. Mr Dunbar is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the JORC Code and a Specialist under the VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The Report and information that relates geology and exploration is partly based on information compiled by Ms Kate Bassano, BSc (Hons) PhD Geochemistry a Competent Person who is a Member of the AIG. Ms Bassano is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the JORC Code. Ms Bassano consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The Report and information that relates peer review of the mineral asset valuation was provided by Ms Deborah Lord, BSc (Hons), a Competent Person who is a Fellow of the AusIMM and the AIG. Ms Lord is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the JORC Code and a Specialist under the VALMIN Code. She is an Executive Member of the VALMIN Committee and a the AusIMM Professional Conduct Committee. Ms Lord consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Between 24 February 2021 and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions.

1.5. Reliance on Experts

The Sulphur Springs, Kangaroo Caves and combined Whim Creek Mineral Resource estimates were reported on 21 March 2018, 22 September 2015, and 23 March 2018, respectively. Venturex had announced a feasibility study and Ore Reserves on 10 October 2018. VRM has relied on the technical information contained in the ASX releases and other ASX releases by Venturex, JV partners and previous owners of the projects. VRM has therefore placed reliance on the Competent Persons who signed off on the Exploration results, Mineral Resource and Ore Reserve estimates as reported by Venturex.

Mr Dunbar, Ms Bassano and Ms Lord, the authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the legislative environment and permitting in WA. In relation to the tenement standing, VRM has relied on the documentation of the Competent Person for Mineral Resources and associated JORC Table 1 documentation. In addition to relying on the Competent Person and JORC Table 1 associated with the resources reported, on 3 March 2021 VRM undertook an independent review of the Department of Mines, Industry Regulation and Safety (DMIRS) online tenement database, Mineral Titles online. As required by the VALMIN Code the status of the tenements is detailed within this Report.

1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Venturex and other relevant publicly available data to 24 March 2021. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Venturex as detailed in the reference list. A draft of this Report was provided to Venturex, via BDO to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until the technical aspects were validated and the Report was declared final.

1.7. Site Visits

VRM attempted to undertake a site visit as a part of this report on 12 March 2021. The attempted site visit involved a commercial flight to Newman and a helicopter charter to site with the aim of reviewing existing drill core and inspecting the drill sites and access at Sulphur Springs and Kangaroo Caves. Due to a severe thunderstorm and rain cell being located in the region after flying close to site access to the deposit and site was not possible. Subsequent to the attempted site visit VRM has reviewed additional reports and information obtained by independent consultants including the Mineral Resource Competent Person who has visited site and VRM elected not to attempt a second site visit. VRM is confident that while it is considered preferable to undertake a site visit, a site visit would not modify the opinion of the project due to the current information that has been made available to VRM.

2. Mineral Assets

The mineral assets included in this valuation include the Sulphur Springs (100% VXR) and Whim Creek (20% VXR) Projects. The projects include 27 tenements in total, all of which are located in the Pilbara Craton of Western Australia (Figure 1).



Figure 1 – Location of the Venturex projects in Western Australia

2.1. Tenure

The tenement portfolio making up the Mineral Assets of Venturex consists of 27 tenements, including 13 Mining Leases, two Prospecting Licences, eight Miscellaneous and four Exploration Licences. Venturex owns 100% of the Sulphur Springs and 20% of the Whim Creek tenements.

Tenement information is summarised below Table 1.

Table 1 Venturex tenement schedule as at 24 February 2021

Venturex Tenement Schedule						
Project	Licence Holder	Licence No.	Area (BL/Ha)	Equity	Grant Date	Expiry Date
Whim Creek	Jutt Resources	E 47/1209	8	20%	27/09/2005	26/09/2021
Whim Creek	Jutt Resources	M 47/1455	458	20%	4/04/2012	3/04/2033
Whim Creek	Venturex Pilbara	E 47/3495	35	20%	1/08/2017	31/07/2022
Whim Creek	Venturex Pilbara	L 47/36	6.3	20%	19/01/1998	18/01/2023
Whim Creek	Venturex Pilbara	M 47/236	963.35	20%	22/07/1990	26/07/2032
Whim Creek	Venturex Pilbara	M 47/237	411.35	20%	22/07/1990	26/07/2032
Whim Creek	Venturex Pilbara	M 47/238	980.3	20%	22/07/1990	26/07/2032
Whim Creek	Venturex Pilbara	M 47/323	363.2	20%	1/06/1993	3/06/2035
Whim Creek	Venturex Pilbara	M 47/324	484.2	20%	1/06/1993	3/06/2035
Whim Creek	Venturex Pilbara	M 47/443	40.465	20%	29/05/1998	1/06/2040
Sulphur Springs	Venturex Sulphur Springs	E 45/4811	4	100%	28/03/2017	27/03/2022
Sulphur Springs	Venturex Sulphur Springs	E 45/4993	3	100%	11/04/2018	10/04/2023
Sulphur Springs	Venturex Sulphur Springs	L 45/166	2183	100%	1/05/2009	30/04/2030
Sulphur Springs	Venturex Sulphur Springs	L 45/170	688	100%	18/09/2009	17/09/2030
Sulphur Springs	Venturex Sulphur Springs	L 45/173	40	100%	24/08/2012	23/08/2033
Sulphur Springs	Venturex Sulphur Springs	L 45/179	636.86	100%	1/04/2011	31/03/2032
Sulphur Springs	Venturex Sulphur Springs	L 45/188	57	100%	20/11/2009	19/11/2030
Sulphur Springs	Venturex Sulphur Springs	L 45/189	1808	100%	20/11/2009	19/11/2030
Sulphur Springs	Venturex Sulphur Springs	L 45/287	117	100%	28/09/2012	27/09/2033
Sulphur Springs	Venturex Sulphur Springs	M 45/494	972.35	100%	18/10/1990	21/10/2032
Sulphur Springs	Venturex Sulphur Springs	M 45/587	939.1	100%	27/08/1993	6/09/2035
Sulphur Springs	Venturex Sulphur Springs	M 45/653	497.2	100%	27/09/1995	28/09/2037
Sulphur Springs	Venturex Sulphur Springs	M 45/1001	873.9	100%	18/01/2008	21/01/2029
Sulphur Springs	Venturex Sulphur Springs	M 45/1254	1157.5	100%	11/10/2017	10/10/2038
Sulphur Springs	Venturex Sulphur Springs	M 45/1265	589.85	100%	Pending	Pending
Sulphur Springs	Venturex Sulphur Springs	P 45/2910	197.33	100%	30/05/2014	29/05/2022
Sulphur Springs	Venturex Sulphur Springs	P 45/2911	196.54	100%	30/05/2014	29/05/2022

Note: Venturex Pilbara - Venturex Pilbara Pty Ltd, Venturex Sulphur Springs - Venturex Sulphur Springs Pty Ltd, Jutt Resources - Jutt Resources Pty Ltd, Jutt Resources is a 100% owned subsidiary of Venturex Pty Ltd, the tenement areas for the Exploration Licences (E's) are Blocks while the Mining Leases (M's) and Prospecting Licences (P's) are in hectares

VRM independently confirmed the status of the Western Australian tenements on the DMIRS online tenement database, Mineral Titles Online accessed on 3 March 2021. The Sulphide Springs and Whim Creek tenement locations are shown in Figure 2.

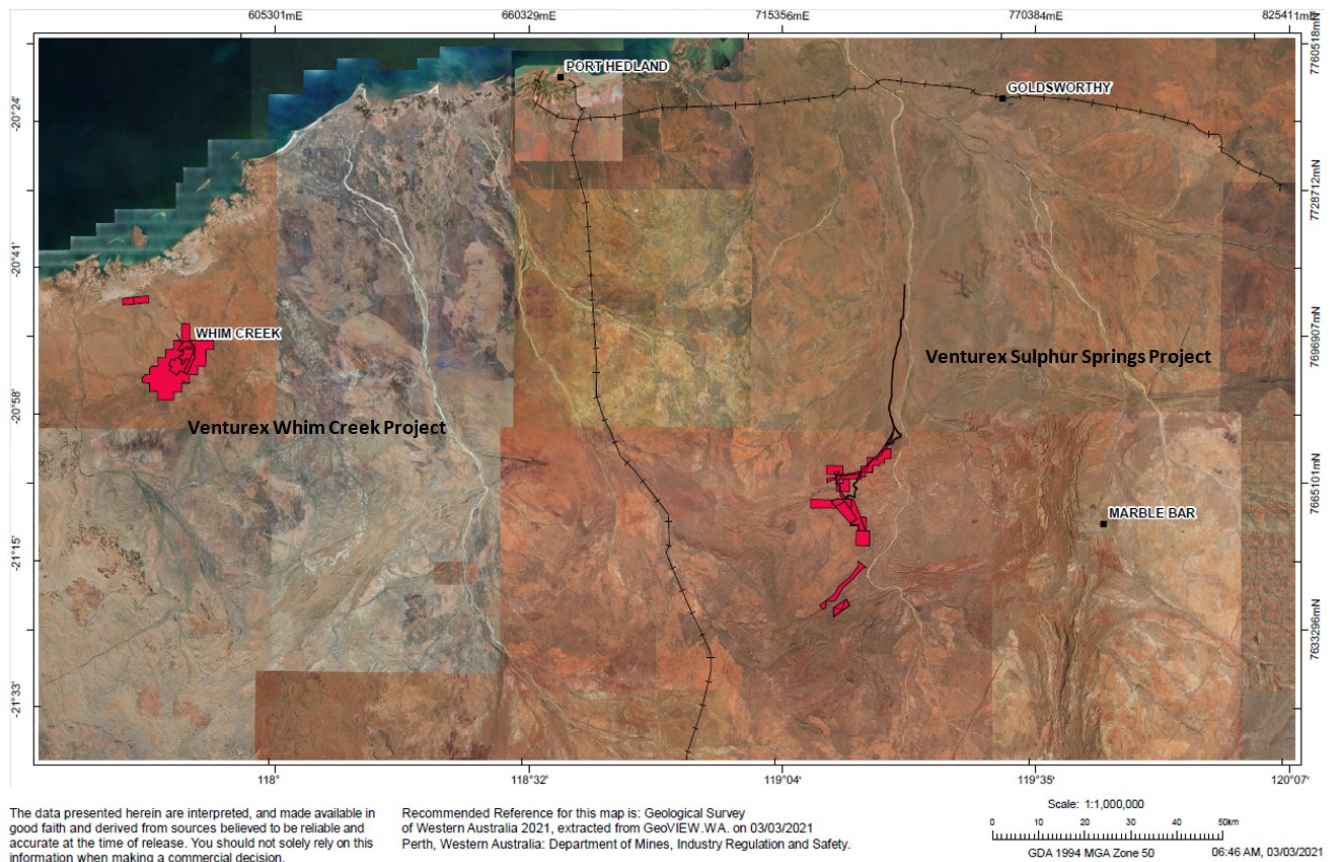


Figure 2 – Location of the Sulphide Springs and Whim Creek tenements in Western Australia

2.2. Accessibility

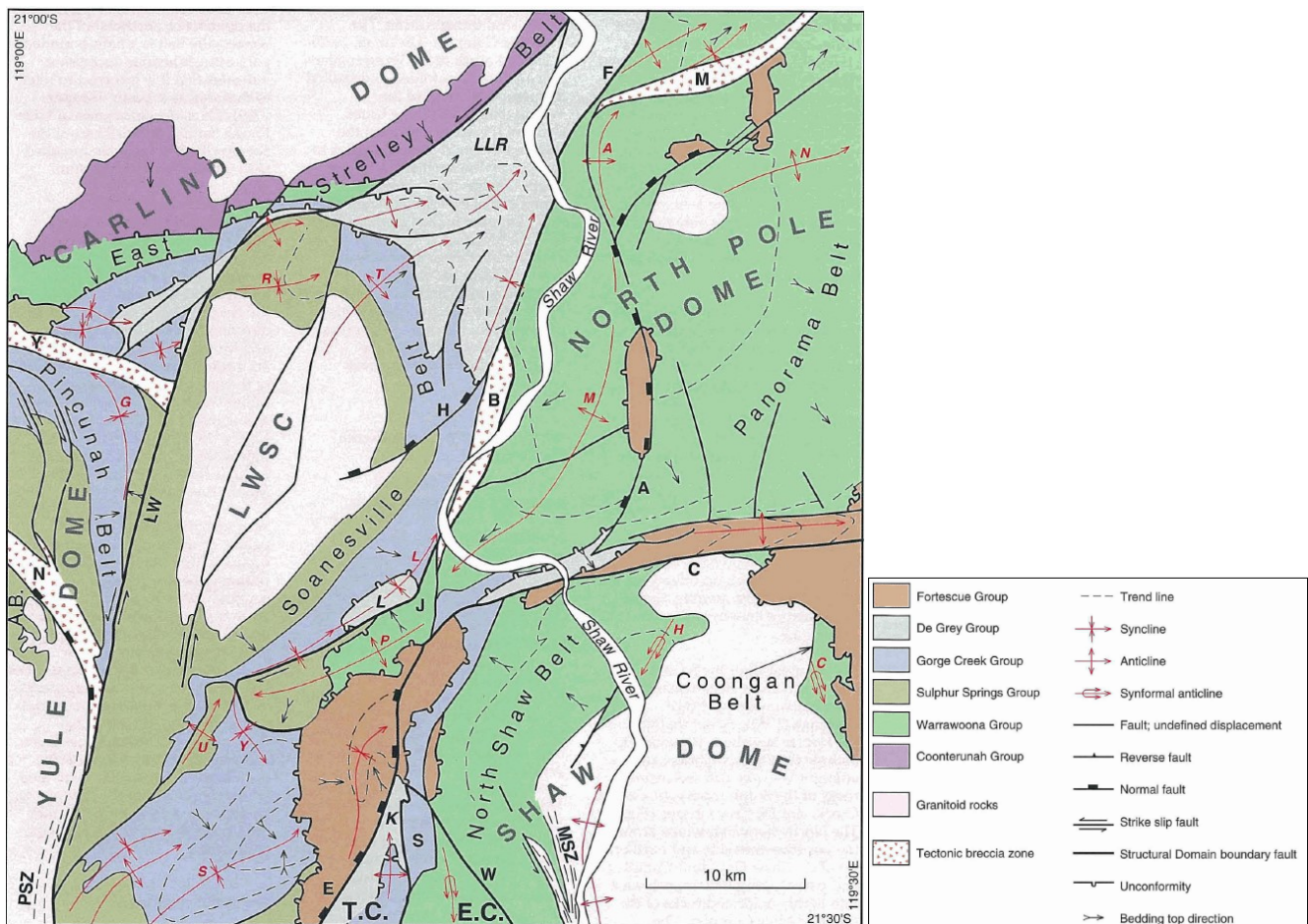
The Sulphur Springs Project is located approximately 145 kilometres south east of Port Hedland (Figure 1 and Figure 2) on the Marble Bar and Port Hedland 1:250,000 and North Shaw and Carlindie 1:100,000 map sheets. The Project area includes the Sulphur Springs and Kangaroo Caves deposits. The site is accessed by a combination of sealed and all-weather and dry weather roads and a mining haul road. The prospect areas have challenging access due to the strike extensive chert and silicified sediments which form steep sided hills. The topography of the region has significantly impacted the ability to drill the deposits on a regular pattern and the optimal drill locations are rarely accessible.

The Whim Creek Project is located approximately 115 kilometres to the south west of Port Hedland at Whim Creek (Figure 1) in the West Pilbara Mineral Field on the Roebourne 1:250,000 and Sherlock 1:100,000 map sheets. The Project area includes the Whim Creek, Mons Cupri, Salt Creek and Evelyn deposits. The North West Coastal Highway runs through the project area providing easy access to the Whim Creek deposit. Access to the remaining deposits and exploration ground is via unsealed pastoral, mining, and exploration tracks.

3. Sulphur Springs Project

3.1. Geological Setting

Base metal mineralisation at Venturix’s Sulphur Springs Project has been identified as volcanogenic massive sulphide (VMS). The mineralisation is hosted by 3.24 Ma (Buick et al. 2002) felsic volcanics of the Sulphur Springs Group within the Archean greenstones of the Pilbara Craton. The Sulphur Springs Group lies within a north – north-easterly trending litho-tectonic zone known as the Lalla Rookh-Western Shaw structural corridor (LWSC), that is bound by regional scale faults (Figure 3) Metamorphism of the volcano – sedimentary sequence of the belt is predominately less than prehnite – pumpellyite facies, with many of the original depositional features preserved. The stratigraphic framework for this part of the Pilbara Craton, as proposed by Van Kranendonk and Morant (1998) is outlined in Table 2.



Note the Lalla Rookh-Western Shaw structural corridor (LWSC) hosts the Sulphur Springs Project.
 Figure 3 – Litho-tectonic divisions of the North Shaw area (Van Kranendonk, 1998).

**Table 2 - Stratigraphy of the Pilbara Craton at North Shaw 1:100,000 Map Sheet
(after Van Kranendonk and Morant, 1998)**

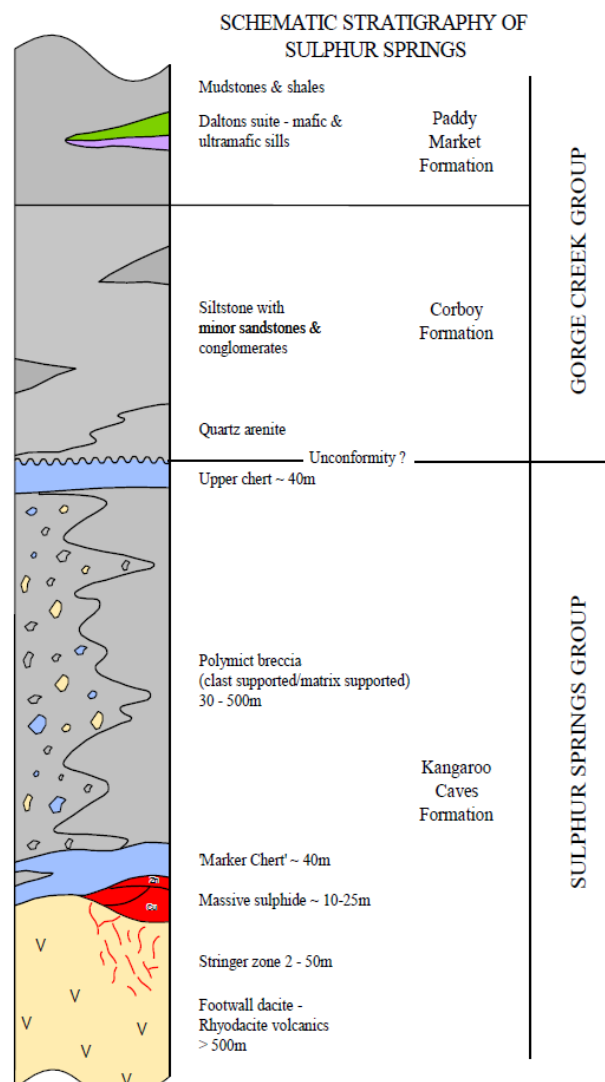
Group	Age (Ma)	Formation	Lithology
Fortescue Group	≥2715	Maddina Formation	Massive to vesicular basalt and agglomerate
		Tumbiana Formation	Mingah tuff member; pisolitic and felsic tuff
	≥2756	Kylena Formation	Thick flows of basalt
	≥2765	Hardey Formation	Conglomerate, shale, and sandstone, local tuff, and agglomerate
		Mount Roe Basalt	Basalt, locally glomeroporphyritic; agglomerate
De Grey Group	≈2950	Lalla Rookh Sandstone	Conglomerate, sandstone, minor shale
Gorge Creek Group	<3235	Pyramid Hill Formation	Banded iron-formation (BIF)
		Honeyeater Basalt	Basalt
		Dalton Suite	Layered ultramafic-mafic sills in Soanesville Subgroup
		Paddy Market Formation	Fe-shale; locally silicified to grey and white chert
		Corboy Formation	Sandstone, mudstone, minor conglomerate
		Pincunah Hill Formation	Fe-shale, BIF, interbedded sandstone, felsic volcanic rocks
Sulphur Springs Group	3238-3235	Kangaroo Caves Formation	Differentiated volcanic-volcaniclastic pile of mainly tholeiitic magmatic affinity varying from basalt to rhyolite with comagmatic granite, including chert, local polymict megabreccia and iron formation, and calc-alkaline rhyodacite
		Kunagunarrina Formation	Pillow basalt, komatiite, high-Mg basalt, chert
		Six Mile Creek Formation	Mafic volcanic rocks, minor volcaniclastic rocks
	>3238	Golden Cockatoo Formation	Cherty silicate-facies iron formation, rhyolite, quartzite and interbedded metapelite
Warrawoona Group	<3458	Euro Basalt	Pillow basalt and chert; pillow tholeiitic basalt and chert, Komatiite, and high-Mg basalt
		Strelley Pool Chert	Quartzite and chert, stromatolites
	3435	Panorama Formation	Felsic lavas, tuffs, and tuffaceous sandstone
	<3463	Apex Basalt	Carbonate-altered basalts, chert
		Towers Formation	Blue-black and white layered chert, barite
	3471-3463	Duffer Formation	Dacitic tuff, agglomerate, and lava
	>3471	Mount Ada Basalt	Basalts and cherts
	McPhee Formation	Talc-chlorite schist, chert, BIF, pelite	
Coonterunah Group	3515	Double Bar Formation	Basalts and volcanogenic sedimentary rocks
		Coucal Formation	Mafic and felsic volcanic rocks, chert, carbonate, BIF
		Table Top Formation	Basalt, local komatiitic basalt

3.2. Local Geology

The Sulphur Springs Project includes the Sulphur Springs and Kangaroo Caves deposits. Mineralisation lies within the upper part of the Kangaroo Caves Formation felsic volcanics (Figure 4). In the Sulphur Springs area, the lithologies in the upper part of the Kangaroo Caves Formation which have been intersected in drillholes (see Belford and Black, 2001) comprise polymict breccia, chert, massive and stringer sulphide mineralization, and felsic volcanic rocks of dacitic composition. The coeval Strelley Granite intrudes only the

lower parts of the Kangaroo Caves Formation, and is, therefore, not present in the Sulphur Springs drillholes (Belford and Black, 2001).

Turbiditic sedimentary rocks of the Gorge Creek Group overlie the Sulphur Springs Group, and although some minor angular unconformities do present, the sharp transition from Sulphur Springs Group volcanic rocks to Gorge Creek Group sedimentary rocks is generally conformable. In the Sulphur Springs area, the Paddy Market Formation and Corboy Formation have been reported in pre-collars and in the upper parts of the deeper diamond drillholes (Belford and Black, 2001).

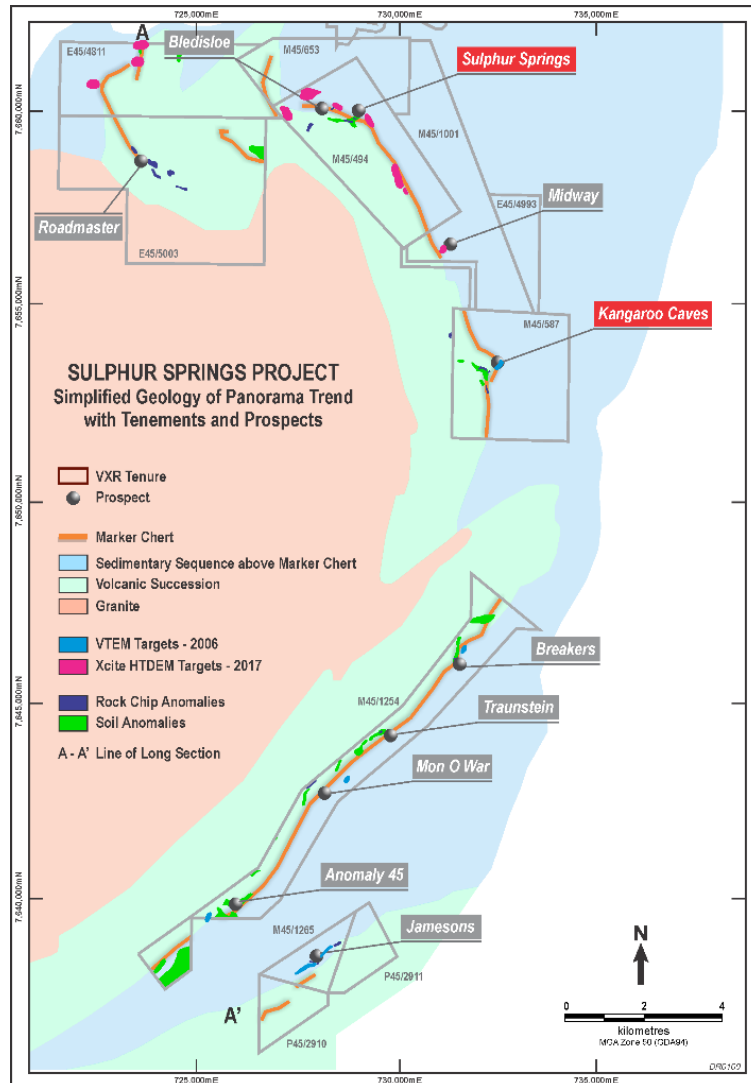


(after Van Kranendonk and Morant, 1998)

Figure 4 - Schematic Stratigraphy of the Sulphur Springs Project area

The Sulphur Springs mineralisation occurs as stratiform lenses of massive sulphides. The sulphides lie at the base of a regionally extensive unit of silicified sedimentary and volcanoclastic rocks (Figure 5). This unit is locally referred to as the “marker chert” (Venturex, 2013). The silicification forms the hanging wall to the deposit but pervades the sulphide lenses and penetrates to varying degrees into the footwall rocks. Sulphide mineralisation is dominated by massive pyrite which contains enriched horizons of sphalerite and

chalcopryite. Galena is present in minor amounts. The Sphalerite rich zone lies towards the top of the massive pyrite lenses. The pyrite lenses have a gradational contact with the barren felsic volcanic rocks beneath. The copper rich zone of the deposit lies towards the base of the pyrite (Venturex, 2013).



Note E45/5003 is not included in this report (source <https://www.venturexresources.com/sulphur-springs-project/>).

Figure 5 - Simplified geology of the Panorama Trend with Venturex tenements and prospect locations overlain.

Footwall alteration at Sulphur Springs is described by Venturex (2013) as defining a broad alteration pipe bounded by syn-volcanic faults. A central zone of chloritic alteration is surrounded by strong sericite-ankerite alteration that decreases in intensity stratigraphically downwards. The vertical and lateral decrease in alteration intensity toward feldspar bearing rocks defines a mushroom shaped zone of altered rocks. The deposit is divided into two major parts by a significant 'Main' fault (Venturex, 2013).

3.3. Previous Exploration Sulphur Springs Project

Three mineralised zones of massive sulphides were identified in drilling by Sipa Resources (Sipa) at Sulphur Springs in 1991. The zones were identified as bearing ore-grade copper and zinc within massive sulphide copper-zinc and a copper stockwork zones. Four holes were subsequently completed on the Sulphur Springs deposit in 1992 to test the mineralisation to an extent of ~300 m from outcrop over a strike length of ~300m. Sipa also drilled ten holes over 750m of strike at Kangaroo Caves (Metals Gazette Aug 1992). In 1993, Outokumpu signed a Joint Venture (JV) agreement with Sipa in which it agreed to earn a 60% interest in Panorama by spending A\$5 million on exploration over a two-year period and financing the project through to the completion of a feasibility study (Metals Bulletin 25 February 1993).

In December 2000, Sipa received results from Outokumpu's phase-one drilling program. The objectives of the drill program were to recover core for metallurgical testing, to drill mineralised sections within the known resources for information, planning, and testing purposes, and to provide an updated resource estimate and block model. All the drill holes returned potential ore-grade intersections except for one, which was drilled for geological and structural data (Sipa ASX release 21 December 2000).

In June 2002, Outokumpu completed a feasibility study into the exploitation of the underground Sulphur Springs zinc-copper deposit at the Panorama JV with Sipa. The study assessed the viability of mining and conventional flotation processing of the Sulphur Springs zinc-copper mineralisation.

Outokumpu returned to Sipa its 100% interest in Sulphur Springs and Kangaroo Caves deposits. The tenements returned include the Breakers, Man O'War, and Jamesons prospects, all of which had returned ore-grade intersections from past Sipa-Outokumpu exploration (Sipa Annual Report 28 Oct 2002).

During 2005 CBH Resources (CBH) (who had entered an agreement to acquire a 100% of the Sulphur Springs deposit and earn-in to a 60% interest in Panorama Exploration JV in October 2004) completed a detailed review of the Sulphur Springs project and concluded that the deposit could be optimized for maximum value through open pit mining at lower cut-off grades.

In November 2009, CBH completed a scoping study at Panorama, showing that an underground mine at Panorama could be economic. Initial capital costs were estimated at US\$138.7 million (A\$150 million) (CBH ASX release 24 Nov 2009).

Venturex Resources entered a conditional agreement with CBH Resources to acquire a 100% interest in Panorama in January 2011. Later that year, Venturex began a 6,500-m RC/DD program at Induced Polarisation (IP) targets at Mons Cupri (within the Whim Creek Project) and copper targets at Sulphur Springs. The primary target at Sulphur Springs was the Bledisloe anomaly 500 m west of the main deposit (Venturex ASX release 14 July 2011).

Confirmatory testing on the Sulphur Springs flotation method included 95% Cu recovery (into a 26.4% copper concentrate) and 90% Zn recovery (into a 58.9% zinc and 5.9% iron concentrate) (Venturex ASX release 15 August 2011). In September 2011, Venturex announced updated probable ore reserves at Sulphur Springs (Venturex ASX release 2 Sept 2011).

In early 2012, Venturex completed its initial drill program at Whim Creek and Sulphur Springs totalling 4,200m in 11 holes. Drilling at Bledisloe prospect, intersected 0.7 m grading 5.6% Cu and 5.0 g/t Ag (Venturex ASX release 29 March 2012). The company undertook a feasibility study on the entire Pilbara project, based on the development of a centralised processing facility at the existing Whim Creek mine. The feasibility study update concluded that due to the growth of the Sulphur Springs, moving the centralised processing facility to Sulphur Springs would offer greater returns. The proposed Sulphur Springs facility would source material from the Sulphur Springs underground mine and two open pit mines at Whim Creek. As part of an agreement in May 2012, Northern Star would acquire a 21% interest in Venturex, and the two companies would investigate the potential for a joint development of the Pilbara project (Venturex ASX release 29 May 2012).

In mid-October 2012, Venturex reported RC drill results from its Sulphur Springs project. Highlights included 11 m grading 19.44% Zn, and 7m grading 4.83% Cu (Venturex ASX release 18 October 2012). An amended definitive feasibility study for the Sulphur Springs-Whim Creek project was completed with all of the operations focused at the Sulphur Springs deposit initially, transitioning to a blended ore supply from the Whim Creek area in later stages of the project. (Venturex ASX release 18 Dec 2012).

In early 2014, drilling at Midway, which began in December 2013, was completed. The four-hole, 1,421.8m program achieved mixed results with the first two drill holes (VS005, VS006) failing to intersect the geological target. A third hole (VS007) intersected the target horizon at a shallower depth than anticipated and contained a narrow zone of weakly disseminated sphalerite-pyrite-barite mineralization. The hole then passed into highly altered footwall felsic volcanics, similar in appearance to the footwall rocks below the Sulphur Springs deposit. The final hole (VSD008) intersected the targeted horizon at the expected depth of 211 m with no visible base metal mineralization and moderate levels of alteration observed in the underlying footwall felsic volcanics.

The Kangaroo Caves resource was upgraded in September 2015 (Venturex, ASX release 22 Sept 2015). The company announced that it was assessing if the zinc dominant resource could be brought into the mining inventory for the Pilbara Base Metal Project as part of an optimisation study. The estimate included the results of 19 holes drilled at the property during 2013. The September 2015 resource estimate is the most recent estimate and is detailed in the resource section below (Venturex, ASX release 22 Sept 2015).

An updated JORC-compliant resource estimate for Sulphur Springs was completed mid-2016. The new resource model included a newly identified supergene resource. In addition, the company would update the reserves statement once mine planning work was completed (Venturex ASX release 11 May 2016).

Venturex reported that the inferred supergene resource included enriched secondary copper mineralisation that was expected to be amenable to heap leaching based on known characteristics of these minerals (Venturex ASX release 1 July 2016).

In early September 2017, Venturex began a 17 hole drilling program expected to complete in three months at Sulphur Springs (Venturex ASX release 4 Sept 2017). Four drill holes totalling 1,200m were drilled in mid-2018 to test three electromagnetic (EM) targets and complete two geotechnical holes (required for the open pit mining study component of the Definitive Feasibility Study (DFS) (Venturex June Quarterly Report 26 July 2018). In March 2018, the company reported an updated mineral resource estimate which is detailed in the resource section below (Venturex ASX release 21 March 2018), and a definitive feasibility study was completed in 2018 based on these estimates (Venturex ASX release 10 Oct 2018). These Mineral Resource Estimates are detailed in the Resource section below while a summary of the feasibility study is detailed below.

During the June quarter 2019, Venturex submitted its revised Environmental Review Document to the Environmental Protection Authority of Western Australia. The company also completed an 11-hole (2,685m) RC resource and exploration drilling program at Sulphur Springs (Venturex June Quarterly Report 16 July 2019).

In December 2020, Venturex completed a six-hole, 1,886 m RC drill program at the Breakers Project and a single hole at the XA8 prospect. Drill results indicated that Breakers Main Gossan mineralisation is a broad, low-moderate grade massive sulphide envelope surrounding a zone of higher-grade material. Drilling at XA8 intersected only minor disseminated sulphide mineralisation at the Mafic-Ultramafic contact, followed by a fault zone. Assay results received for the drill hole (SSR010) confirmed that no significant mineralisation is associated with this zone (Venturex ASX release 20 Jan 2021). Additional Downhole EM (DHEM) and other geophysical surveys are planned to be completed by the June 2021 quarter.

3.4. Sulphur Springs Project Mineral Resources

As detailed in the Exploration section above there have been multiple Mineral Resource Estimates for both the Sulphur Springs and Kangaroo Caves deposits within the Sulphur Springs Project. The most recent were released on 21 March 2018 (Venturex ASX release 21 March 2018). These resources have been undertaken by Mil Min Pty Ltd, an external independent resource consultant and are reported following the guidelines of JORC 2012. Within this section of the Report the majority of the technical details are summarised from the Venturex ASX release of 21 March 2018 with VRM providing an opinion as to the reasonableness of several aspects of the technical inputs.

3.4.1. High Level Review - Overview

The Project contains two separate mineralised zones, one being the Sulphur Springs deposit, the second the Kangaroo Caves deposit. Both are typical VMS style base metal deposits and the Sulphur Springs deposit could be described as a copper deposit with significant zinc credits or a zinc deposit with significant copper

credits. The difference is dependent on the relative metal prices of zinc or copper. In this review VRM considers the Sulphur Springs deposit a copper deposit with significant zinc credits. The Kangaroo Caves deposit is dominated by zinc with significant copper credits. From a valuation perspective both deposits have been valued based on a metal ratio with the contained copper being used as a basis. No metal equivalents as defined by the JORC Code have been calculated in the valuation due to the different projects used as comparable transactions having different recoveries and these recoveries variably reported at the time the comparable transactions were announced. Therefore, VRM has used the ratio of the value of all of the metals to determine a metal ratio and used the contained copper as the basis for the valuation. Additional detail of this analysis is included in the valuation section below.

As required by the VALMIN Code, Clause 4.1, VRM has undertaken a high - level review of the Mineral Resource estimation reports and technical data to provide an assessment of the reasonableness of the Mineral Resource estimates for the Sulphur Springs and Kangaroo Caves deposits as they are key inputs into the valuation.

The underlying geological or geochemical datasets have not been validated, nor has there been a complete audit or reassessment of the resource. The Mineral Resources for the Project have not been re reported or re estimated as a part of this Report. The technical data was reviewed at a high level, however full due diligence was not undertaken.

The latest Sulphur Springs Mineral Resources estimates (Venturex ASX release of 21 March 2018) and Kangaroo Caves Mineral Resource estimates (Venturex ASX release of 22 September 2015) have been reported in compliance with the JORC Code (2012) reporting standard and are summarised in Table 4.

Table 3 Sulphur Springs Project JORC 2012 Mineral Resource Estimates

Deposit	Classification	Ore type	Mt	Cu (%)	Zn (%)	Pb (%)	Ag (ppm)
Sulphur Springs	Indicated	Fresh	5.7	1.4%	4.0%	0.2%	18
		Transition	3.4	1.5%	3.7%	0.2%	16
		Supergene	0.3	4.5%	0.6%	0.2%	27
	Inferred	Fresh	3.3	1.2%	4.1%	0.2%	19
		Transition	0.8	1.6%	3.1%	0.2%	16
		Supergene	0.3	2.8%	1.5%	0.2%	17
Sulphur Springs Deposit Total			13.8	1.5%	3.8%	0.20%	18
Kangaroo Caves	Indicated		2.3	0.93%	5.7%	0.27%	13.6
		Inferred	1.3	0.50%	6.5%	0.40%	18
	Kangaroo Caves Deposit Total			3.6	0.77%	6.0%	0.32%
Sulphur Springs Project Total			17.4	1.34%	4.2%	0.22%	17.3

(Source: Venturex 2020 Annual Report)

Note: The Sulphur Springs Mineral Resource was first published in the Venturex ASX release of 21 March 2018 and the Kangaroo Caves Mineral Resource was reported on 22 September 2015. These have subsequently been reported in multiple ASX releases and were included in the

Venturex 2020 Annual Report. Appropriate rounding has been applied and totals may not add due to rounding. The Sulphur Springs Deposit Mineral Resource is reported at a cut-off grade of 0.4% copper and then less than 0.4% copper and greater than or equal to 2% zinc.

The above information is extracted from the various ASX announcements including 21 March 2018 (Sulphur Springs Mineral Resources), 22 September 2015 (Kangaroo Caves Mineral resources) and the 2020 Venturex Annual Report which are all on the ASX release platform and also the Venturex website (www.venturexresources.com). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.

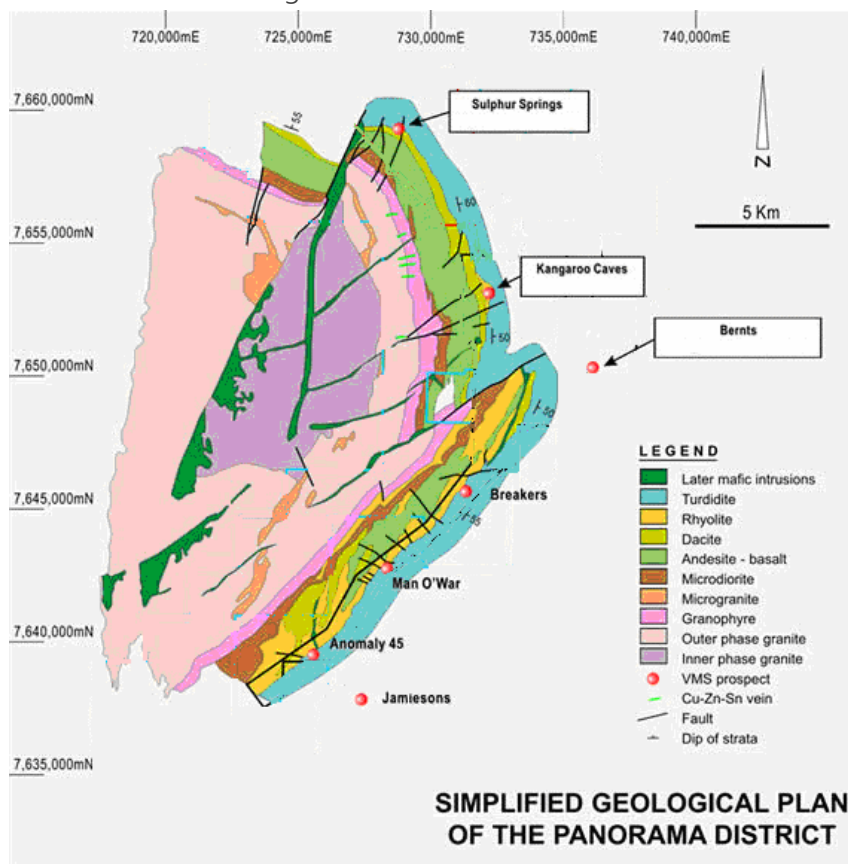


Figure 6 – Location plan and local geology of the Sulphur Springs and Kangaroo Caves deposits

3.4.2. Sulphur Springs Mineral Resource

Geology and Mineralisation

Sulphur Springs is a VMS copper zinc deposit located in the central east of the Archean Pilbara Craton, in the north west of Western Australia. The mineralisation lies within the Kangaroo Caves Formation of the Sulphur Springs Group of volcanic and sedimentary rocks. The regional metamorphic grade is low with many original volcanic and depositional features preserved.

There is a high degree of confidence in the interpretation of Sulphur Springs as it is based on detailed surface mapping which drilling has demonstrated to continue at depth.

The Sulphur Springs mineral deposit is a single strata bound VMS mineralising event which has been off-set into two massive sulphide lenses (East and West) by a post mineralisation sub vertical fault. Strike length (east-west) is 500 metres with economic mineralisation up to 16 metres true width to a depth of 400 metres. Each lens dips to the north at approximately 45-55°. Underlying the massive mineralisation is a volcanic rock sequence which contains disseminated copper mineralisation that could potentially be recovered by the open pit and may contain economic grades.

VMS deposits typically have good continuity on a deposit scale. Locally the sulphide bearing rocks have varying tenors of sulphide minerals which vary in both vertical and lateral extent in fresh rock. Later stage fault and weathering effects have affected the distribution patterns also on a local scale. There is a separate less than 5m true thickness of massive sulphide zone recognized in the overlying chert (hanging wall). Ore types which form separate domains for grade interpolation are massive sulphide, both main and hanging wall, stock work and disseminated zones which can be of a fresh, transitional or supergene type. Oxide material is recognized but not estimated due to lack of informing data.

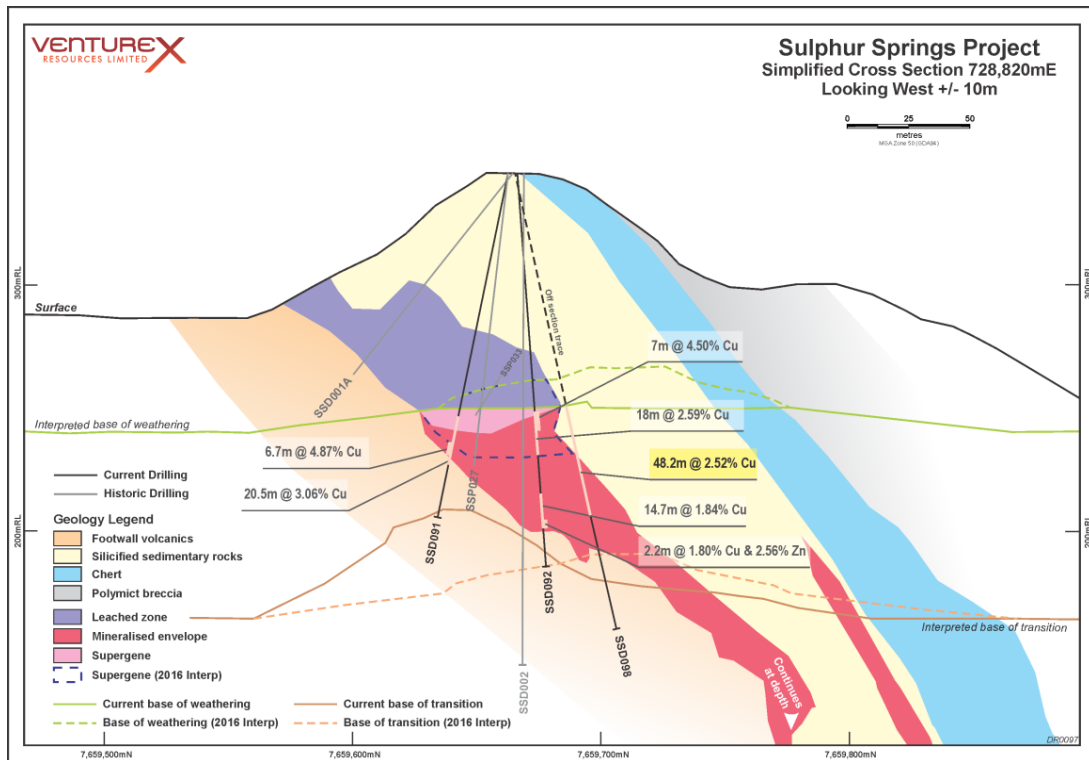
The Mineral Resource covers a single VMS sulphide mineralising event which has been disrupted post mineralisation by a N-S sub vertical reverse fault into two off-set massive sulphide lenses (East and West), with the West block up faulted and outcropping. Total strike length (east-west) is approximately 500 metres, horizontal cross strike width is 60-125 metres (maximum true width of approximately 16 metres) to a vertical depth of 400metres. Each lens dips to the north at approximately 45-55°. Underlying the massive sulphide material type is a volcanic rock sequence which has disseminated and stock work (stringer) type sulphide mineralisation. The massive sulphide and stock work types may contain economic grades.

Informing Data and QAQC

Drilling and Sampling

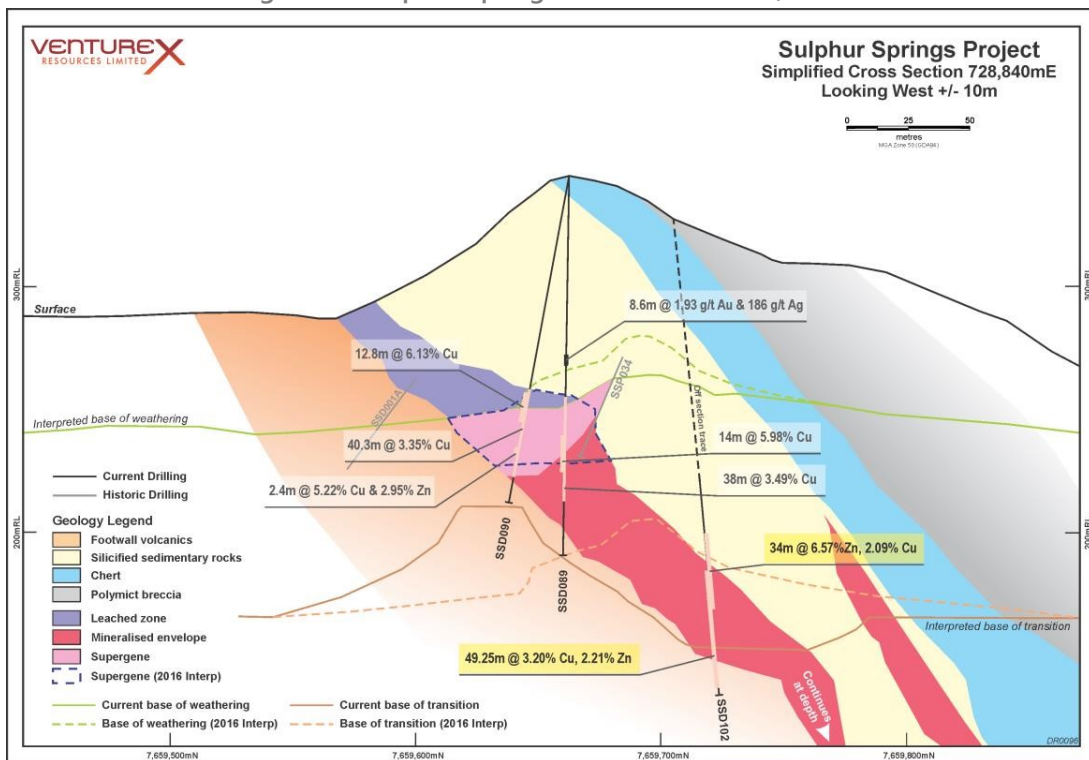
There have been eight distinct phase of resource evaluation drilling and sampling as summarised in the following table.

Company	Period	Metres	Comments
Homestake	Sept 86 - Dec 88	455.70	2 diamond holes, 9 percussion
Sipa	May 91 - Dec 95	19,689.85	49 diamond holes (RC pre-collars for some holes)
Outokumpu	Aug - Oct 2000	4,119.25	19 diamond holes (RC pre-collars for some holes)
Outokumpu	Oct - Dec 2001	3,867.70	21 diamond holes (RC pre-collars for some holes)
Sipa	Aug - Nov 2005	1,792.50	22 RC holes
CBH	Oct - Dec 2007	4,356	16 RC holes
Venturex	Sep – Oct 2012	1,710	6 RC holes
Venturex	Sept - Dec 2017	2,514.2	14 RC pre-collar/Diamond tail holes
Total		38,505.20	158 Holes



Source Venturex ASX release 21 March 2018.

Figure 7 – Sulphur Springs Cross Section 728,820mE



Source Venturex ASX release 21 March 2018.

Figure 8 – Sulphur Springs Cross Section 728,840mE

A full independent resurvey of all pre-2007 holes was completed by a licensed surveyor for CBH in 2007. Post 2007, all hole collar coordinates have been picked up by Venturex (or CBH) employees using a Differential GPS (DGPS) with all co-ordinates and RL data considered reliable. Downhole surveys were performed on all holes by either single shot Eastman camera or reflex gyro readings at 10-50 metre down hole intervals. The grid system used for the location of all drill holes is MGA_GDA94, Zone 50.

Access for drill sites is challenging due to the terrain therefore drilling patterns vary from nominally 40m by 40m to 30m by 30m in the plane of the mineralisation. The Competent Person for the Mineral Resource estimate has stated that this drill spacing is sufficient to allow parts of the resource to be classified as Indicated and Inferred Mineral Resource. In VRM's opinion to classify significant parts of the resource as Indicated Mineral Resource with such broad drill spacings is a considerable risk. From a yardstick valuation prospective VRM considers that all of the Mineral Resources in the Sulphur Springs Project should be classified as Inferred.

Analysis

Over the project life four different Perth based assaying facilities have been used. Analytical techniques involve either a three or a four acid digest with a multi-element suite ICP/MS finish (30g FA/AAS for precious metals). Samples were split into high sulphide and low sulphide types on submission to ensure appropriate digestion and quality analysis. Sulphur was determined by the Leco method. All methods of analysis are considered to provide "total" assay values.

QAQC

QAQC using re submitted pulps and external check assays, blind blanks and reference standards has been applied to samples assayed. Depending on the operator between 5 and 10% of the assays relate to QAQC procedures. An independent analysis of intra and inter laboratory bias and precision was undertaken in 2007 by CBH. The results of this QAQC work indicate no material bias to assay results used in the resource.

Prior to 2011, verification procedures of significant intersections are not documented. However, inspection of retained core indicates that recorded locations of mineralisation are correct. Post 2011, significant intersections were checked by the senior company staff. Significant intersections are also verified/ by portable XRF data collected in the field and cross-checked against the final assays when received.

Bulk Density Measurements

Densities used in the estimation are based on around 3500 specific gravity determinations were carried out on whole diamond core samples representative of all the different rock and ore types. Assays pertain to the same interval measured. Density measurements were conducted on site by the Archimedes (water immersion) method, using the total core for each sample. Check determination were made at the assay laboratories which confirmed the accuracy of the determinations. The rocks are homogeneously solid with negligible pore space. Metals of economic consideration and the basis of this estimate are only related to sulphide bearing rock. The high correlation confidence between sulphur grade and measured density has allowed the use of sulphur grades to predict rock density used in the tonnage estimates.

VRM notes the following.

- There are no details of the formula, statistical analysis or correlation coefficient used in the conversion of sulphur grades to bulk density.
- The density used in each of the domains and rock types has not been reported.

Data Verification

It is reported that there have been four separate audits of the sampling techniques and data compiled from previous feasibility studies. The JORC Table 1 states that there does not appear to any significant risk in accepting the data as valid. VRM is also of the opinion that the underlying data appears to be valid however does note that the drill collar locations and additional data would usually also be included in the ASX release associated with the Mineral Resource Estimate. Neither the 2016 nor the 2018 Mineral Resource Estimates contain the drilling information.

Mineral Resource Estimation

Details of the estimate were limited to information in the JORC Table 1 accompanying the 21 March 2018 Mineral Resource ASX release. Interpretation of the key geological domains was undertaken on cross section matched to the available drill hole spacing. Sectional interpretations were then balanced in plan view at ~20m level intervals. The geological domains interpreted were lithology and mineralisation type.

A block model has been generated. Parent cell measures 10 metres (X axis), 10 metres (Y) and 10 metres (Z) with sub-cells of 2.5 metres (X), 2.5 metres (Y), 2.5 metres (Z), appropriate given an average drill spacing of 30 metres.

The main elements that were estimated were copper, zinc, silver, lead and gold with sulphur, iron, arsenic, barium, bismuth, cadmium, cobalt, mercury, manganese, nickel, and antimony also included in the estimate. Composite length was set at best fit of 1 metre for ore types massive, disseminated and supergene and 2m for stock-work. The estimation employed inverse distance (squared and cube) techniques using SURPAC 6.8 software.

The interpolation is ellipsoidal, and the directional features and search radii varies within the ore type domains. Minimum samples required to make an estimate vary from 2 to 20 according to ore type domain. Discretization was set to 5(Y) by 5(X) by 2(Z). The hard boundaries were used to constrain both the informing assay data selection and grade interpolation.

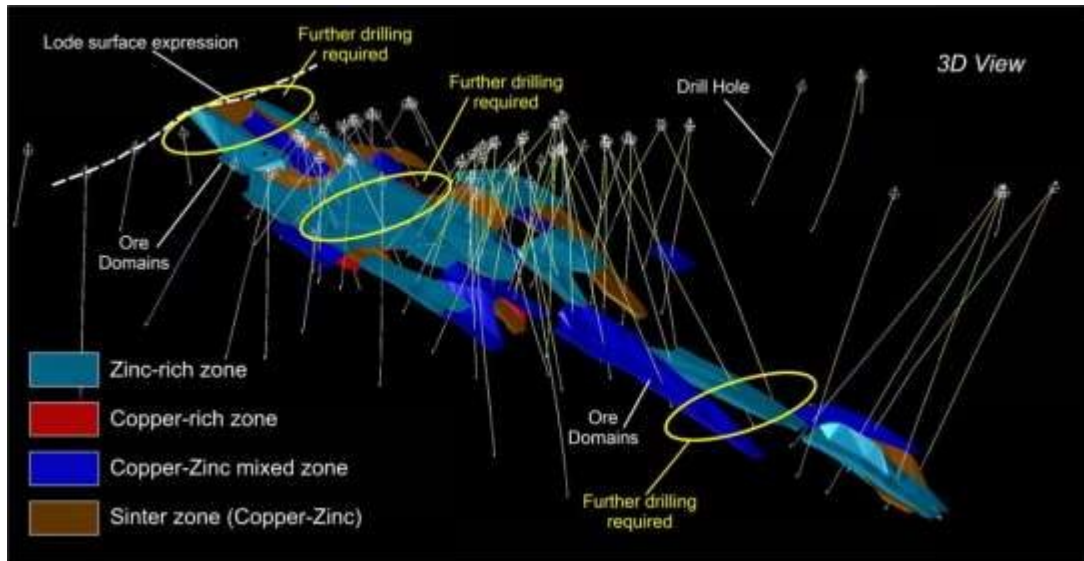
No top cuts were applied to any assay data.

Mineral Resource Classification and Reporting

Mineral Resource has been classified by the Competent Person as Inferred and Indicated categories is based on a combination of average weighted distance from sample points, true distance, drill density and geological interpretation confidence.

3.4.3.Kangaroo Caves Mineral Resources

The Kangaroo Caves deposit lies approximately 6km south of the main Sulphur Springs Creek deposit. It is unmined but mineralisation extends to surface over a strike length of approximately 400m (Figure 9). The current estimate for the deposit was reported on 22 September 2015. It was completed by Hardrock Mining Consultants Pty Ltd for Venturex and incorporated results from all drilling on the project to that date. The technical aspects of this section of the report are sourced from the Mineral Resource estimate ASX release of 22 September 2015.



Source Venturex ASX release 22 September 2015.

Figure 9 – Kangaroo Caves Resource Model showing different domains and drilling.

Geology and Mineralisation

The Kangaroo Caves zinc copper deposit is hosted by the Kangaroo Caves Formation, a volcano-sedimentary sequence within the north – north-easterly trending tectonostratigraphic domain known as the Lalla Rookh – Western Shaw Corridor (LWSC) in the central east of the Archaean Pilbara Craton.

The deposit is a well preserved example of an Archean VMS style deposit in a low-grade metamorphic terrain.

The interpretation of the deposit takes full account of all surface and subsurface geological, geochemical, and structural information. Detailed surface mapping in an extensively outcropping and exposed rock environment is available. The mineralisation and its environment closely adhere to world-wide accepted and reported VMS style mineralisation. Drilling intersections, the geochemistry of the rocks and the semi contiguous nature of the main features form the basis of the interpretation.

The stratiform nature of the mineralisation provides a reasonable level of geological control in the interpretation. The six mineralised domains have characteristic economic, major, and minor variables that allows identification. Some local structural features in the surrounding lithology have been used to constrain the extent of the mineralisation.

Informing Data and QAQC

Drilling and Sampling

RC drilling by Venturex in 2013 totalled 19 holes for 4,593m with these holes all used in the resource estimate. There has been extensive diamond drilling into the Kangaroo Caves deposit since its discovery in 1989 and prior to the 2013 drilling however the 22 September 2015 ASX release that outlined the resource does not detail the number of holes or meters drilled prior to the 2013 drilling programme by Venturex.

Drilling technique is predominantly diamond drilling since 1989 (over 75%) using mostly NQ size with some BQ, TT56 and HQ sizes using a variety of rig types. Surface drill core was generally orientated. RC drilling was conducted after 2007.

The deposit was sampled with a combination of Reverse Circulation (RC) and diamond (DD) drill holes completed on a variable spacing across the deposit to a maximum vertical depth of depth of 400 metres. The RC drill holes were sampled on a single meter basis via a 5.5 inch face sampling hammer and a standard adjustable cyclone and a cone splitter producing samples of approximately 3kgs. Diamond drill core of predominantly NQ size was sampled using standard cut half core at either 1m intervals or on geologically determined intervals between 0.25 to 1.2 metres in length.

The nominal drill spacing is 40m x 40m however rugged terrain restricts access.

Post 2007, all hole collar coordinates have been picked up by Sipa/CBH/Venturex employees using a Differential GPS with all co-ordinates and RL data considered reliable.

Downhole surveys were performed on all holes by either single shot Eastman camera or reflex gyro readings at 10-50 metre down hole intervals.

The grid system used for the location of all drill holes is MGA_GDA94, Zone 50.

Topographic control is provided by combination of external survey control, photogrammetry analysis and Differential GPS reading.

Analysis

Various operators used analytical techniques involving a four acid digest multi-element suite with ICP/MS finish (30g FA/AAS for precious metals). The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for the dissolution of most silica based samples. The method approaches total dissolution of most minerals. Combustion furnace or Eltra "Leco" analyser assayed total sulphur.

QAQC

Venturex and previous operators had QAQC procedures involving the use of certified standards, blanks, and duplicates. These procedures are consistent with standard industry practice. In 2007 independent intra and inter laboratory analysis done to check bias and precision with no material bias or error reported. The QAQC has been independently audited with no apparent issues.

Bulk Density Measurements

Bulk density determinations have been measured on 167 samples of diamond drill core spread proportionally across the mineralisation domains. There is a strong reported correlation between sulphur grades (>1% S) and the measured SG. The regression equation for the bulk density is $0.0324 * \text{Sulphur grade (\%)} + 2.6841$. Mineralised blocks within the Resource Model have been assigned a bulk density based the regression equation where the sulphur grades are >1%. Where the sulphur grades were less than 1% were assigned a bulk density of 2.9.

Mineral Resource Estimate

Details of the estimate were limited to information in the JORC Table 1 accompanying the ASX release of the Mineral Resource.

Modelling of the mineralisation identified six domains of which three domains are considered to be of economic importance. The interpretation of the domains was used to constrain the assay values used in estimations, but grade interpolation process used an unconstrained approach. An order of precedence was forced on the interpolation with the three potentially economic domains over printing other domains.

The 15 assay variables were included in the estimate being the three primary metals (zinc, copper, and silver) with twelve secondary metals also included in the estimate (lead, gold, iron, sulphur, barium, arsenic, cadmium, antimony, cobalt, manganese, mercury, and bismuth). These were estimated by Inverse Distance Cube method into a block model using Surpac software. The block model covered the full extent of the mineralisation. The primary block size is 40m by 40m in plan view and 5m deep which reflects the nominal drilling grid and ore body geometry. The grade interpolation was by a three pass method of increasing search radii and thickness, 70, 140 and 210m and 35, 40 and 50m, respectively. The search was anisotropic and reflects the flattened direction, plunging and pitching shape of the mineralization 45, -30 and -10 degrees, respectively. Varying numbers, 2 to 12, of informing samples are accepted for the estimate. Discretisation was set to 3 by 3 by 3.

Main sampling direction is in the z or RL for which the blocks are primarily 5m high and sub-celled to 1.25m and composited data is 2m in length.

Model block parameters were based on mineralisation geometry and informing data distribution (drill hole spacing).

One outlier sample was cut which has a copper grade of 10.1% Cu. This sample was reduced to 3% Cu to remove any potential bias of the outlier assay.

Mineral Resource Classification and Reporting

Mineral Resource classification by the Competent Person into Inferred and Indicated categories is based on geological continuity, drill spacing, modelling technique and estimation properties including search strategy and number of informing composites. The short range geological continuity is considered to be about 40m in plan view, corresponding to a distance with which geological continuity has been demonstrated to be strong.

The Indicated Resource is where geological confidence is high as defined by strong support from drilling and areas where the drilling is an average of less than 40m x 60m spacing. The block estimate grades are supported by between 4 and 12 composite grades from 3 or more holes.

The Inferred Resource boundary is outside the Indicated area and reflects mineralisation where there is limited drilling, typically less than 40m x 75m. The block estimate grades are supported by between 2 and 6 composite grades from 1 or more holes.

3.4.4.VRM Comments

The Mineral Resource estimates within the Sulphur Springs Project are based on high quality exploration with no material issues identified or reported with the underlying drilling, samples, or analytical methods. It

is however noted that VRM has not undertaken a re-assessment of the underlying data that supports the Mineral Resource nor have the Mineral Resources been re estimated or re reported as a part of this report. This report is limited to a high level review and documenting / detailing the publicly available information however Venturex has provided VRM with the full resource report for the Sulphur Springs deposit.

In VRM's opinion the bulk density assigned within the block model based on the association between the Sulphur assays and measured bulk density should be better reported. In VRM's opinion the very least the correlation coefficient between the sulphur assays and the measured density should be reported with best practice usually reporting the regression formula along with a plot of the data.

The Mineral Resource estimation has been undertaken by the inverse distance method (squared and cubed) however VRM considers that other methods should also be investigated for example ordinary kriging. The drill spacing is also considered to be broad with the drilling being undertaken from limited and restricted drill sites (due to topographical challenges) resulting in what VRM considers significant gaps in the drill coverage. It is reported that the drilling is on a nominal 40 x 40 drill pattern and as low as a 30 x 30 pattern. In VRM's opinion and unless additional supporting data is reported for example variograms to show the variability in the grade distribution this drill pattern is broad and should be infill drilled to provide additional confidence in the resource estimate.

The JORC tables included and the 2018 ASX release associated with the Sulphur Springs Mineral Resource estimate do not, in VRM's opinion contain the required diagrams. For example, the tables do not contain a drill hole plan of all drilling, any cross sections with all drilling or a complete table of the drill collars.

The JORC tables associated with the Kangaroo Caves Mineral Resource also does not contain all the required diagrams or information, for example the number of holes and meters that have been used to inform the Mineral Resource estimate is not documented in the report nor the JORC table 1.

While these aspects may not have a material impact on the validity of the Mineral Resource estimate they are considered best practice and it is recommended that any additional updates to the Mineral Resources contain additional information.

3.5. Technical Studies

There have been multiple studies undertaken on the Sulphur Springs and Kangaroo Caves deposits since their discovery. This report is not intended as a detailed review of the previous studies and the reader is directed to various ASX releases by the Venturex and previous operators of the project.

The most recent study, reported as being a DFS, was undertaken on the 2018 Mineral Resources for Sulphur Springs (21 March 2018) and the 2015 Mineral Resource estimates for the Kangaroo Caves deposit (22 September 2015). The DFS and associated Ore Reserves were reported on 10 October 2018 (Venturex ASX release 10 October 2018).

VRM has reviewed the majority of the inputs into that study and considers that they may need to be reviewed as in 2020 Venturex updated portions of the DFS which have changed several of the key inputs (Venturex ASX release 20 April 2020 (retracted) and a re-released update 24 April 2020. On the basis that some sections of the DFS have been updated but the entire study has not been reviewed there may be areas where

the critical inputs are inaccurate compared to the current costs. On that basis VRM has not undertaken a detailed review of the DFS. Due to the uncertainty associated with the DFS which was completed approximately 2.5 years ago and the likelihood that some of the key inputs, potentially derived up to three years ago, likely that the DFS would require additional updates to validate the technical inputs and costs. Additional studies are also required including a geotechnical study into the Tailings Storage Facility (TSF), detailed TSF design based on the geotechnical study, a Front End Engineering Design (FEED) study, refresh of the DFS and definitive design, review, and optimisation of the mining activities.

Since the DFS was announced Venturex has received several critical permits and approvals from various Western Australian government departments which, subject to a successful update to the DFS may result in a rapid development of the project. The approvals include Environmental Approval (21 May 2020), Mining Proposal – Infrastructure (22 October 2020). As reported in the Venturex ASX release of 10 March 2021 additional approvals prior to developing the project include (but are not limited to) approval of a Mining Proposal and Mine Closure Plan from DMIRS and a Works Approval from Department of Water and Environmental Regulation.

4. Whim Creek Project

4.1. Geological Setting

The Whim Creek Project area covers Archean rocks of the Whim Creek Greenstone Belt within the North Pilbara region. The area consists of heavily faulted North-East trending volcanic and sedimentary rocks wrapped around granitoid batholiths.

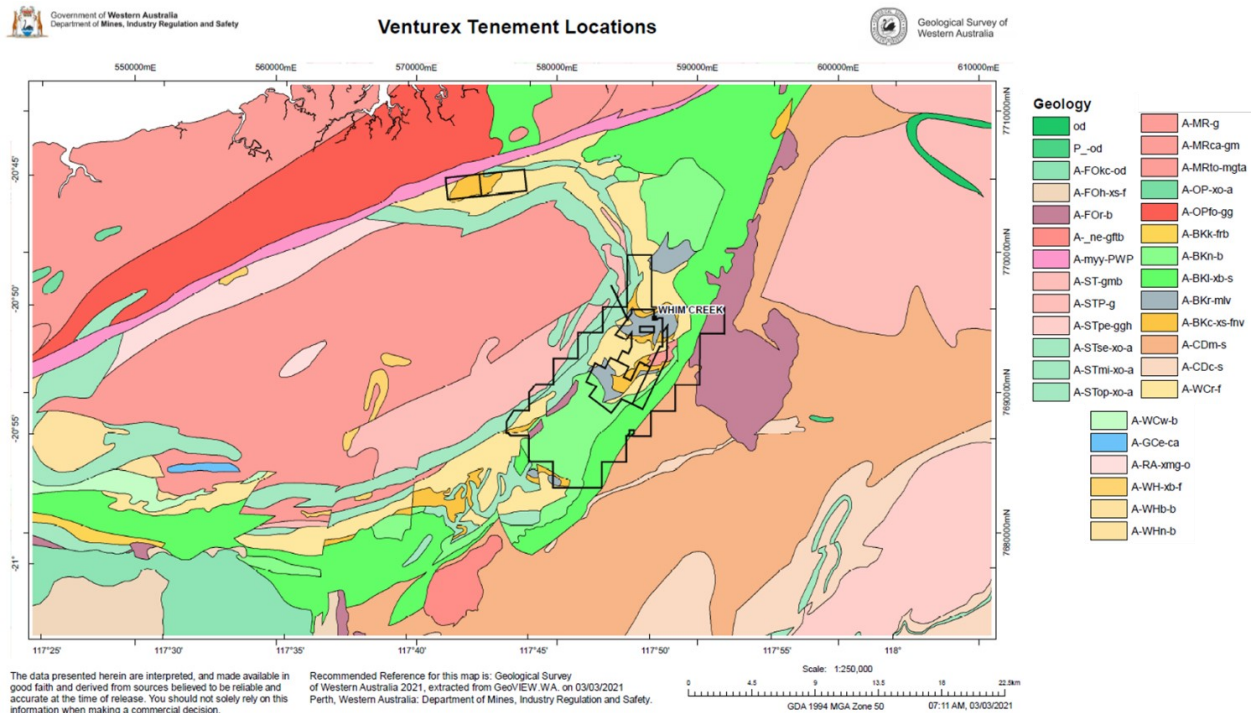
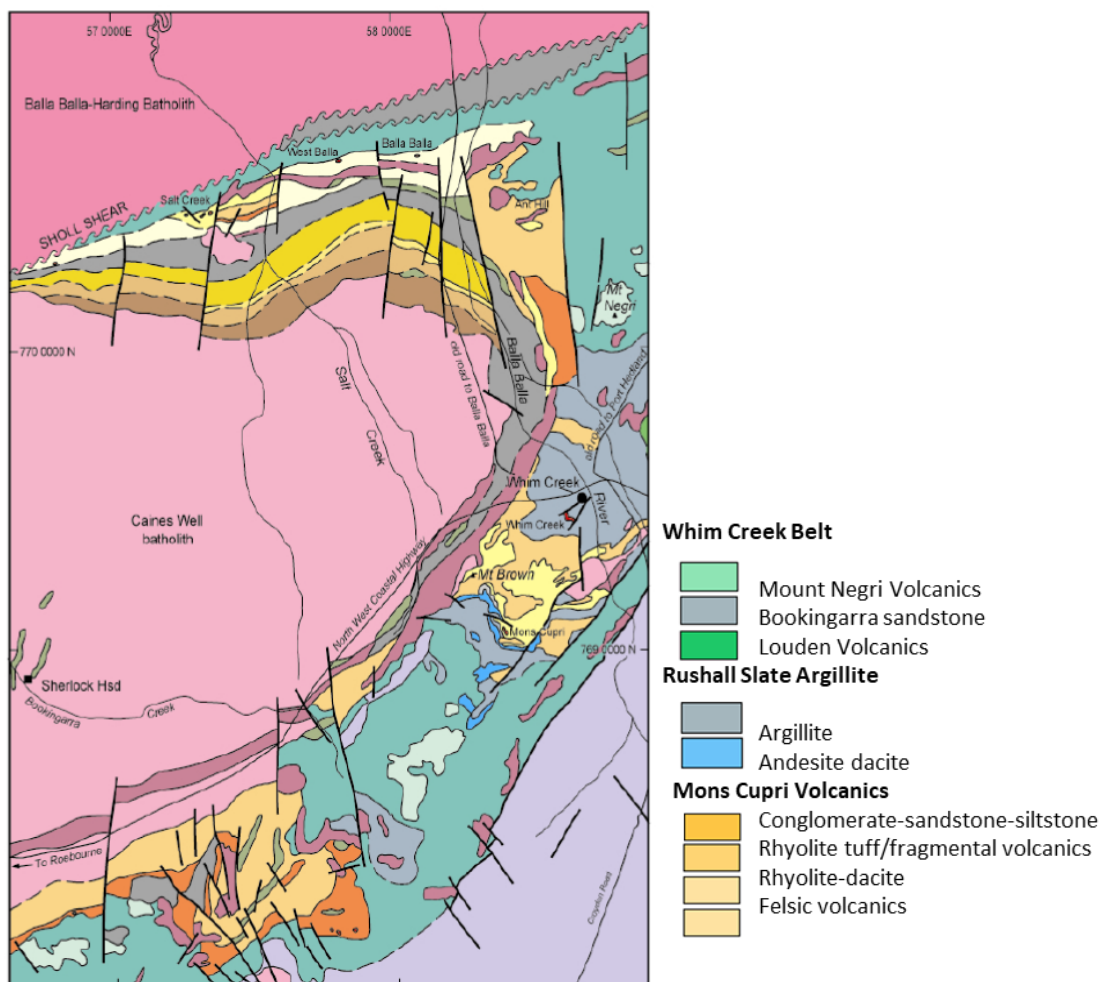


Figure 10 - Location of the Whim Creek tenements in western Pilbara Craton of Western Australia. Volcanic and sedimentary rocks (green) wrap around a granitoid batholith (dark pink).

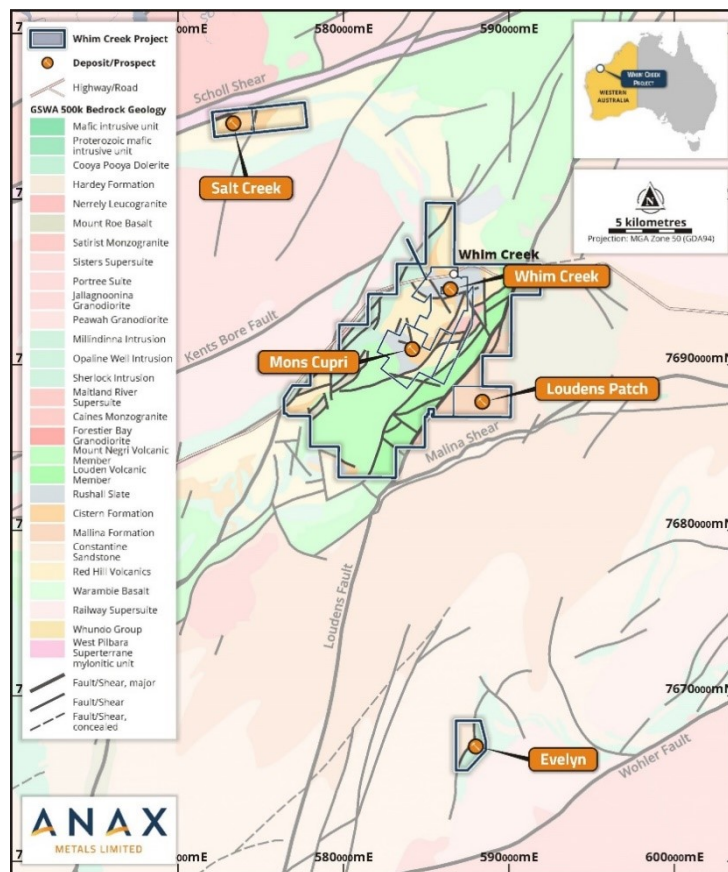
Base metal mineralisation has been identified in the Whim Creek Volcanics; a continuous arcuate belt approximately 85 kilometres long and 5 -10 kilometres wide extending around the southern, eastern, and northern flanks of the ovoid Caines Well batholith within the western Pilbara Craton (Figure 11). The western limit of the southern arm of the volcanic arc is blanketed by Late Archaean rocks. The northern strike length of the Whim Creek Volcanics and the underlying Sherlock Intrusion are truncated by the Sholl Shear, a crustal scale strike-slip shear zone with a dextral in plan displacement of around 15 kilometres (Venturex, 2013). The south-eastern margin of the Whim Creek Volcanics and the Louden Volcanics are in faulted contact with shales, sandstones, and sedimentary rocks of the De Grey Group. Where these rocks are overlain by the Fortescue Group, they are also in faulted contact with the Whim Creek Group. The bounding fault is the Louden Fault, which is interpreted to be sub vertical and normal. The Whim Creek Group is overlain by the Louden Volcanics and lies unconformable upon the Caines Well Granite.



after Venturex, 2013

Figure 11 - The Mons Cupri Volcanics and Rushall Slate Argillite that host the VMS mineralisation wrap around the Caines Well Batholith.

Strat about VMS deposits in the Whim Creek belt have been identified at Mons Cupri, Evelyn, Salt Creek and Whim Creek Projects (Figure 12). These deposits all occur at the same or equivalent stratigraphic level within the Mons Cupri Volcanics or Rushall Slate of the Whim Creek Volcanics. This distribution indicates widespread volcanogenic hydrothermal activity during accumulation of the volcanic pile. The Mons Cupri Volcanics are a complex sequence of felsic volcanic, volcanoclastic and epiclastic sedimentary rock and felsic intrusive bodies. This unit is characterized by rapid facies variations, typical of a volcanic environment. The Rushall slate unit, that conformably overlies the Mons Cupri Volcanics, is composed by turbiditic sandstone, siltstone, and argillite, with minor andesitic lavas or sills.



Source www.anaxmetals.com.au

Figure 12 - Deposit locations at Whim Creek Project.

4.2. Local Geology

The sediment-hosted Cu-Zn-(Pb) deposit at the Whim Creek deposit crops out as a low ridge less than 1 km south west of the Whim Creek Hotel (Venturex, 2013). The ore is confined to a single conformable mineralised horizon dipping shallowly to the north, 150-200 m above the base of the Rushall Slate. The deposit crops out over a strike length of some 600 m, between two thrust faults that are parallel to and coeval with the slaty cleavage. The predominant sulphide ore minerals are chalcopyrite (Cu) and sphalerite (Zn) with occasional galena (Pb). Venturex (2013) have identified semi-massive to massive sphalerite above semi-massive to massive chalcopyrite-pyrite with a chalcopyrite-pyrite stringer zone below. All of the mineralization is hosted within sericite-chlorite altered argillites and siltstones of the Rushall Slate member.

At the Mons Cupri deposit, Venturex (2013) identified two styles of base-metal sulphides that compose the essential mineralization - a Pb-Zn (-Cu) strata bound sulphide ore that is underlain by a disseminated and stockwork copper (-Zn) sulphide mineralization. Mineralisation lies within a large pipe-like alteration zone. Most of the lead, zinc and silver are in the strata bound ore. The stockwork mineralization is apparently zoned, with the highest grades directly beneath the strata bound ore. Copper grades decrease with depth and towards the margin of the stockwork zone.

The Evelyn deposit, 25km to the south of Whim Creek, occupies the contact between sandstones and ultramafics of the De Grey Group in the Croydon Anticline structure of the Mallina Basin, considered to be laterally equivalent to the Whim Creek Greenstones (Anax, 2021).

4.3. Previous Exploration and Mining Whim Creek Project

The presence of a number of VMS deposits along the Whim Creek Greenstone Belt was defined during systematic exploration by Australian Inland Exploration Company and Texas Gulf Oil during the 1960s and 1970s. The defined VMS deposits included Whim Creek, Mons Cupri and Salt Creek. The deposits were mapped, surveyed, and drilled but not developed as they were considered uneconomic (S&P 2021).

During the late 1980s, Dominion Mining acquired Whim Creek Consolidated (Australian Financial Review 1990). Dominion Mining conducted an extensive drilling campaign over the area, from which a feasibility study was conducted in 1991. In 1994, due to rising metals prices, Dominion updated the feasibility study.

Following a 60% JV with Straits Resources in 1996, extensive exploration was conducted over the area. Straits commenced mining oxidised ore at Whim Creek and Mons Cupri. This ceased in 2009 (Aurora 21 July 2020). Straits acquired the remaining 40% of the Whim Creek from Dominion in 1997. An update to the feasibility study including incorporation of a plant the Girilambone mine led to operations commencing at Whim Creek in 2005. At full production, Whim Creek was producing 17,000t/a copper.

During 2009, Straits agreed to sell the Whim Creek Project to Venturex. Venturex commenced a 5,000m drilling program the following year to test sheet and stringer sulphide mineralisation at Mons Cupri, sulphides at Mons Cupri Northwest, massive and stringer sulphides at Whim Creek and massive sulphide lenses at Salt Creek. In August 2011, Venturex completed a 6,500m drilling program over IP targets at Mons Cupri and copper targets at Sulphur Springs.

In late March 2012, Venturex reported results from its initial drill program at Whim Creek and Sulphur Springs, totalling 4,200m in 11 holes. Highlights including 0.6m at 0.28% Cu, 7.26% Zn, 0.01% Pb, 5 g/t Ag, and 0.07 g/t Au at Mons Cupri South West. Drilling at the Mons Cupri exploration area intersected the Whim Creek deposit stratigraphic horizon, opening up a second target for Venturex for future exploration (Venturex, 29 Mar 2012).

A feasibility study of the Sulphur Springs deposit completed later in 2012 resulted in a revised development strategy, moving the central processing plant to Sulphur Springs rather than Whim Creek. However, resource definition work continued at Whim Creek, where Mineral Resources were declared (<https://anaxmetals.com.au/>).

In September 2013, Venturex announced an updated JORC-compliant resource and reserves statement for Whim Creek. (Venturex ASX Release 30 Sept 2013).

In early July 2014, Venturex announced a 1,550m drill program at Mons Cupri, as part of its 2014 program on Whim Creek (Venturex ASX Release 3 July 2014). Venturex appointed Blackrock Metals Pty Ltd as the operator of the existing heap leach facility, from which Blackrock had been producing copper cathode.

During the December 2016 quarter, Venturex conducted geophysical testing of four drill holes at Mons Cupri and re-assaying of historical drill holes to identify prospective areas within the VMS system at Mons Cupri. Also, the company evaluated the potential of additional leachable oxide mineralization at Whim Creek (Venturex 31 Jan 2017).

In March 2018, Venturex reported updated mineral resource estimates for the Mons Cupri and Salt Creek deposits. With the release of the updated Mons Cupri resource, the Mons Cupri and Whim Creek reserves were reclassified as resources (Venturex 23 Mar 2018).

In mid-2019, Venturex ceased operations when an environmental protection notice was issued by the Department of Water and Environmental Regulation. A replacement environmental protection notice was issued in late 2019 and amended on 15 May 2020. On 31 December 2019, the contract with Blackrock ended with PPM Global taking over management of site activities from 1 January 2020. All metal production ceased at Whim Creek at the end of October 2019 (Venturex 11 Mar 2020).

In mid-2020 Venturex signed an earn-in and joint venture agreement with Aurora Minerals Ltd (now Anax Metals Limited). Anax could acquire up to 80% interest in the Whim Creek Project. In November 2020 Anax completed metallurgical and geotechnical due diligence at Whim Creek (Anax 25 Nov 2020). Anax are currently undertaking field work and progressing a feasibility study at the Project (Anax 8 Mar 2021).

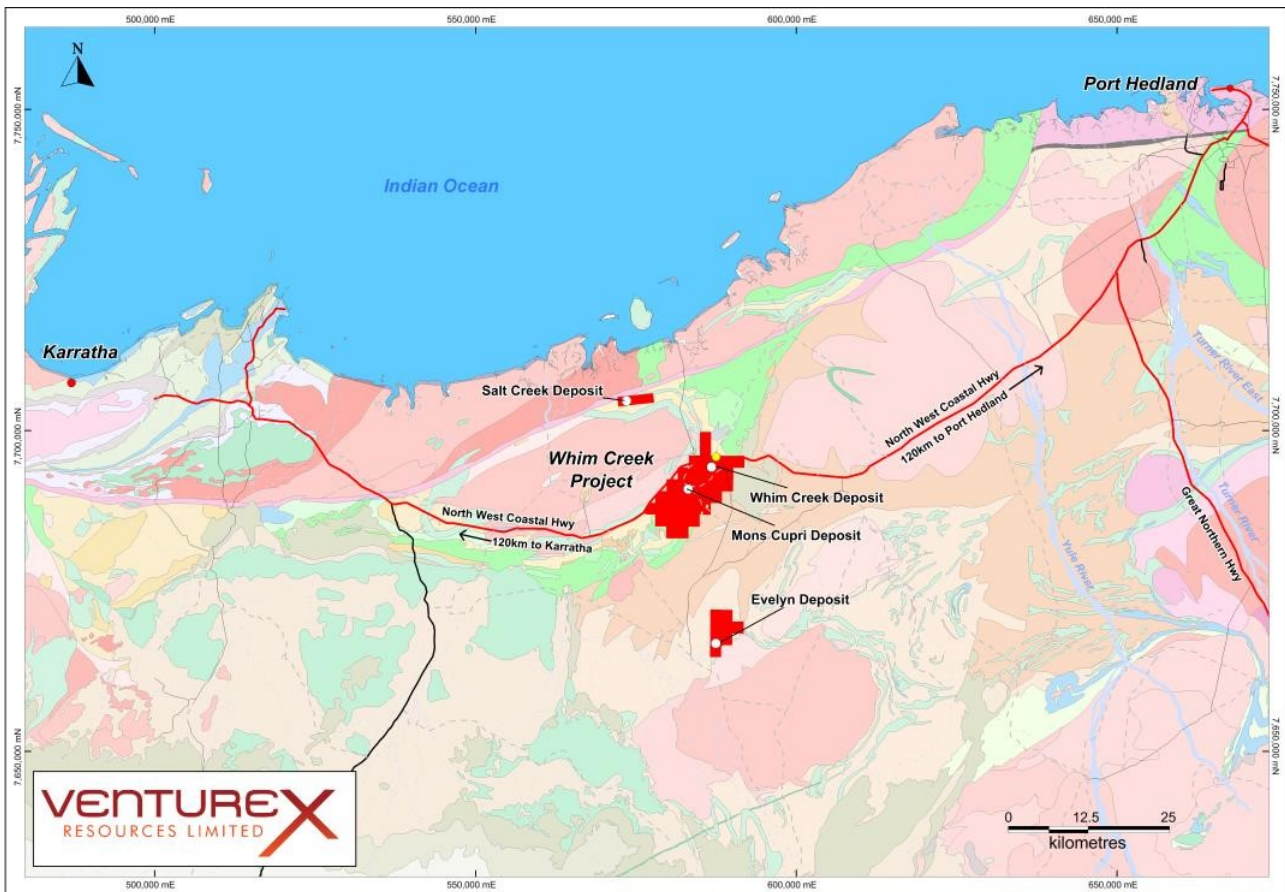
4.4. Whim Creek Project Mineral Resources

4.4.1. High Level Review - Overview

The Project Tenements host four distinct mineralised zones, being at the Whim Creek, Mons Cupri, Salt Creek and Evelyn deposits. Each area has several previous Mineral Resource estimates reported with the most recent resource update being reported by Venturex on Mons Cupri and Salt Creek Deposits "Whim Creek Project Resources Update" dated 25 March 2018. The information relating to mineral resources for the Whim

Creek and Evelyn Deposits have been detailed in the Company’s ASX announcement “Company Resource and Reserve Statement as at 30 September 2013”, which was released to the market on 8 October 2013.

As required by the VALMIN Code, Clause 4.1, VRM has undertaken a high - level review of the Mineral Resource estimation reports and technical data to provide an assessment of the reasonableness of the Mineral Resource estimates for the four deposits as these estimates are key inputs into the valuation.



Source Venturex ASX release 23 March 2018.

Figure 13 – Location of the Whim Creek Project Mineral Resources

The underlying geological or geochemical datasets have not been validated, nor has there been a complete audit or reassessment of the resource. The Mineral Resources for the Project have not been re reported or re estimated as a part of this report. The technical data was reviewed at a high level, however full due diligence was not undertaken.

All the Whim Creek Project Mineral Resources estimates have been reported in accordance with the guidelines of the JORC Code (2012) reporting standard and are summarised in Table 4. The Mineral Resource estimate was completed by Hardrock Mining Consultants Pty Ltd who are independent consultants for Venturex and announced on 23 March 2018.

Information Sources

The above information is extracted from Venturex ASX releases of 8 October 2013 for the Whim Creek and Evelyn resources and 23 March 2018 for the Salt Creek and Mons Cupri resources. Additionally, the Whim Creek Mineral Resource was re-reported in the 23 March 2018 release due to a typographical error which was contained in the original ASX release. These Mineral Resources were also tabulated in the 2020 Venturex Annual Report (ASX release 25 September 2020) which contains a statement that references to exploration results and Mineral Resources and Ore Reserve estimates, which have been cross referenced to previous market announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all material assumptions and technical parameters underpinning those estimates in the relevant market announcements continue to apply and have not materially changed.

Table 4 Whim Creek Project JORC 2012 Mineral Resource Estimates

Deposit	Classification	Tonnes (,000t)	Cu%	Zn%	Pb%	Ag g/t
Whim Creek ¹	Measured	-	-	-	-	-
	Indicated	1,000	1.40	1.20	0.20	8.7
	Inferred	-	0.6	2.1	0.5	13.1
	Sub Total	1,000	1.4	1.2	0.2	9.0
Mons Cupri ²	Measured	1,100	1.50%	1.70%	0.70%	38
	Indicated	3,500	0.80%	0.80%	0.30%	17
	Inferred	500	0.50%	1.50%	0.60%	14
	Sub Total	5,100	0.9	1.0	0.4	21
Salt Creek ²	Measured	-	-	-	-	-
	Indicated	1,000	1.20%	3.30%	0.90%	20
	Inferred	800	0.70%	5.30%	1.50%	42
	Sub Total	1,800	1.0	4.2	1.2	30.0
Evelyn ¹	Measured	-	-	-	-	-
	Indicated	500	2.30%	4.40%	0.40%	41
	Inferred	200	1.10%	1.90%	0.30%	24
	Sub Total	700	1.9	3.6	0.4	35.0
Whim Creek Project Total		8,600	1.1	2.0	0.5	23

Notes:

1 Announced in ASX release 8 October 2013 with the Whim Creek Resource re-reported due to a typographical error in ASX release of 23 March 2018.

2 Announced in ASX release titled Whim Creek Project Resource Update on 23 March 2018

Totals may not add due to rounding. Resource Totals rounded to nearest 0.1Mt

4.4.2. Combined Whim Creek Mineral Resources

Geology and Mineralisation

The Whim Creek Copper Zinc Project contains three main deposits, Whim Creek, Salt Creek and Mons Cupri, located within the Archaean Whim Creek Greenstone Belt. The deposits are classed as volcanic massive sulphide (VMS). Both Mons Cupri and Salt Creek are hosted at a similar stratigraphic level within the upper Cistern Formation of the Bookingarra Group. Modern style exploration began in the late 1960's and drilling has been largely restricted to the deposit environments whereas much of the target stratigraphy is concealed beneath younger volcanic sequences and has not been subjected to systematic evaluation. Therefore, the potential for additional discoveries in the district remains high. The Evelyn deposit is hosted within a sequence of volcanoclastic sediments with closely associated volcanics within an unassigned north trending belt on the eastern margin of the Mallina Basin in the western Pilbara Craton. The deposit is an example of an Archaean volcanogenic massive sulphide (VMS) style deposit in a high grade metamorphic terrain.

Local Geology

Salt Creek is a structurally modified VMS deposit. The deposit does not outcrop, and the upper part is weathered to about 50m depth. The deposit has not been previously mined and remains open at depth. The main massive sulphide lenses dip steeply south and plunge moderately to steeply east. The deposit is structurally overturned from its original position and is strongly elongated down plunge. The sulphide lenses are hosted in the upper parts of fine to medium grained bedded tuffaceous sediment with some massive sulphide lenses transgressing into the overlying shales and mudstones. The tuffaceous sandstone and siltstone show typical VMS zoned alteration of chlorite-pyrite and sericite which extends into the underlying rhyolitic volcanics. The alteration intensity shows a strong increase to the east and down plunge.

The Mons Cupri deposit is hosted towards the upper part of the Cistern Formation and approximately 20m below the overlying Rushall Shale. The main resource broadly comprises a gently west dipping and tapering semi massive sulphide zone, 300m x 160m x 5-20m thick, overlying a steeply dipping conical shaped stringer sulphide zone, 350m x 150m x 30m thick. The global resource was divided into seven domains based on the mineralisation styles and metal ratios (See Table 4 within the Appendix).

- Zinc Domain: The Zinc domain is located at the top of the deposit and is broadly a gently dipping zone of semi massive zinc and lead rich sulphides with a high silver content. (>5% Zn & 1% Pb, <1% Cu).
- Copper – Zinc domain: This mixed zone is located immediately below the Zinc Domain. It comprises semi massive zinc lead sulphides as above with transgressive copper sulphide veins (>1% Zn & >1% Cu).
- Copper Stringer Core Domain: This zone immediately below the Zinc Domain and the Copper Zinc Domain is dominated by generally steeply dipping stringer style copper sulphide mineralization with low zinc and lead content (>1% Cu & <0.5%Zn).
- Copper Stringer Domain: Similar style to the Copper Stringer Core Domain above but is deeper with less chalcopyrite (0.5%-1% Cu, >1% Zn).
- Zinc - Lead Stringer Domain: This forms the outer shell of the stringer sulphide zone forming a zone.

- around the Copper Stringer Domains (Zn & Pb ~0.5% & Cu >0.2%).
- Mixed Stringer Domain: Sub vertical shear controlled mixed copper-zinc and lead sulphide zones.
- mostly below the main pit (Zn-Pb-Cu ~0.5%).
- North West Pit: Separate smaller VMS occurrence to the north west of the main Mons Cupri pit.

Drilling, Sampling, Analysis, QAQC and Bulk Density

VRM has reviewed the various Mineral Resource ASX releases for the four deposits within the Whim Creek Project. This review has confirmed that the Mineral Resource estimates are all considered to be reasonable and have been undertaken using the JORC 2012 guidelines.

Mineral Resource Estimate

The mineralisation within the Mons Cupri, Whim Creek, Salt Creek and Evelyn deposits were all modelled by polygonal interpretation of the mineralisation at reasonable cut-off grades based on the commodity prices at the date of the resource estimate. The polygonal wireframes were then used as boundaries for industry standard Ordinary Kriging estimation of the base metals and other metals including sulphur and deleterious elements. The search ellipses used at the deposits within the Whim Creek Project all appear to be reasonable.

Mineral Resource Classification and Reporting

The Mineral Resource Estimates within the Whim Creek Project have been classified as Measured, Indicated, and Inferred based on the estimation search ellipses, data spacing and geological continuity and confidence. The classifications all appear to be reasonable.

4.4.3.VRM Comments

VRM has reviewed the various Mineral Resource ASX releases associated with the Whim Creek Project. VRM considers that the Mineral Resources have all been estimated in accordance with the 2012 JORC code. The documentation of the estimation has been done to industry standards and are considered reasonable. One of the few aspects which in VRM's opinion could be better documented is where the JORC reporting in the Table 1 appended to each of the Resource ASX releases is the lack of detail on the bulk density that has been used in estimation. The documented densities used in the estimation all are within the range expected for an Archean VMS deposit however the number of bulk density measurements that have been used to determine the domain specific density has not been disclosed.

5. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 5 and provides a guide as to the most applicable valuation techniques for different assets.

Table 5 VALMIN Code 2015 valuation approaches suitable for mineral Properties.

Valuation Approaches suitable for mineral properties				
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 Sulphur Springs Base Metal project is best described as a Pre Development Project with several targets within the project that are either conceptual or at an early exploration stage. The Whim Creek Base Metal project is also a development project with existing infrastructure, existing Resources, early stage prospects and conceptual targets.

There are Mineral Resource estimates within both projects which are reported under the JORC Code (2012), and an Ore Reserve estimate was also reported as a part of a feasibility study by Venturex in 2018 (ASX release 10 October 2018). Development Projects are defined in VALMIN as tenure holdings for which a decision has been made to proceed with construction or production or both. In the case of the Sulphur Springs and Whim Creek projects VRM understands there has not been a decision to commence construction therefore VRM considers the projects to be Pre-Development Projects.

VRM considers that there are risks identified regarding the Mineral Resources. These are associated with the drill spacing and grade smoothing within the resource. Additional work is recommended to increase the drill density and investigate additional estimation techniques to reduce the localised smoothing of the grade within the resource model. This may impact the resource classification which flow through to the declared Ore Reserves. VRM considers that the declared Ore Reserves remain valid. VRM is of the view that there may not be a reasonable basis for reporting production targets and similar production information therefore a market-based approach is considered more suitable than an income-based method. On that basis the project valuation for areas that host Mineral Resources is based on a comparable transaction (market-based approach) with supporting valuation methods used including a yardstick approach (market-based approach). A geoscientific (Kilburn) approach and a prospectivity enhancement multiplier (PEM) were also applied to surrounding tenements with these valuation methods being cost-based.

5.1. Previous Valuations

VRM is not aware of any relevant valuation reports on the Sulphur Springs or Whim Creek projects.

5.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 24 February 2021 being the valuation date of this Report and considering information up to 14 March 2021. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

5.3. General assumptions

The Mineral Assets of Venturex are valued using appropriate methodologies as described Table 5 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the Venturex Mineral Assets located within tenements controlled by the Company and not the Company itself nor its shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe,
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The following commodity prices have been used in this valuation and are (as at 24 February 2021).
 - Copper US\$9,231.50/t (LME spot price London PM Fix Price),
 - Zinc US\$2,840.25/t (LME spot price London PM Fix Price),
 - Lead US\$2,101.00/t (LME spot price London PM Fix Price),
 - Silver US\$27.745/oz (www.kitco.com London PM Fix Price),
- The US\$ - AUS\$ exchange rate of 0.79337 (www.xe.com).

- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

5.4. Market Based Valuations

As the projects being valued in this Report are dominantly prospective for base metals it is important to note the current market conditions and supply and demand fundamentals of the base metal markets.

The base metal markets and prices are fundamentally linked to market fundamentals of supply and demand. Demand is directly linked to the status of the global economy and economic growth. Additional demand and expected future demand for copper among other metals is the ongoing shift toward a lower carbon economy including renewable power supply and electrical vehicles. Global uncertainty in regard to the outbreak of COVID-19 and the resulting impact to the world economy had slowed the expected copper demand however with vaccine development and an expectation that the effects of COVID-19 while significant the demand and copper price has increased in the past three months. Figure 14 shows the copper price (US\$/lb) over the last five years while Figure 15 shows the zinc price (US\$/lb) over the last five years.



(Source: www.kitcobasemtm.com)

Figure 14 - Five year Copper price graph (March 2016 to March 2021). US Dollars.

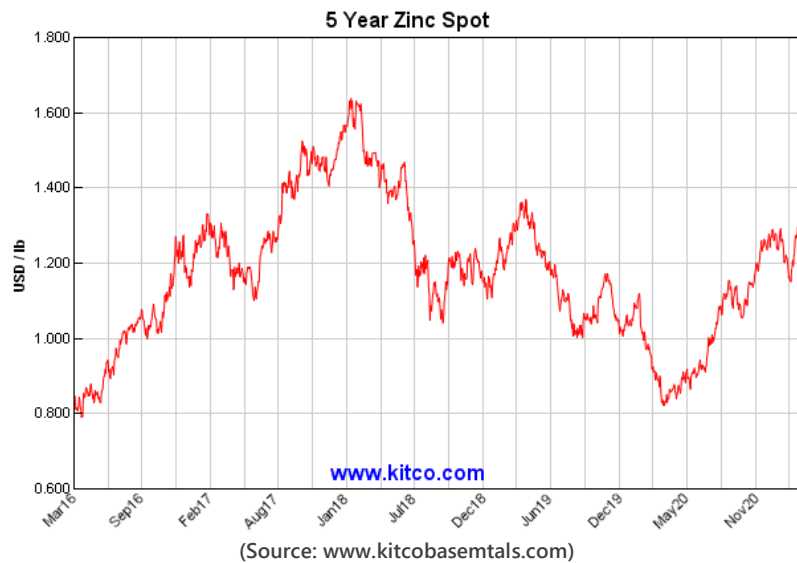


Figure 15 - Five year Zinc price graph (March 2016 to March 2021). US Dollars.

5.5. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

While Venturex announced the completion of a feasibility study in 2018 (ASX release 10 October 2018) several parts of that study were re-evaluated in 2020 (ASX release 20 April 2020). On 21 April 2020 Venturex was required to retract the 20 April 2020 ASX release as the company had not completed the level of study required of all the DFS assumptions to support the forecast financial information. As there were several aspects of the re-evaluated feasibility study that potentially impact on the reasonableness of the assumptions in the 2018 feasibility study, VRM does not consider an income - based valuation approach as being appropriate in this report. VRM recommends that the Ore Reserves and Mineral Resource Estimates are re-assessed using new information, including additional drilling and updated capital and operating costs and commodity price assumptions.

5.5.1. Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource or Ore Reserves estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is typically the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would generally be valued using an income approach due to the modifying factors for a mining operation being better defined. In the case of the Sulphur Springs Project Venturex announced the completion of a feasibility study in 2018.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Sulphur Springs and Whim Creek base metal Projects.

5.5.2. Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports such as Naidoo *et.al.* (2016). The US\$-AUS\$ exchange rate and base metal price as of 24 February 2021 and documented above have been used to determine the yardstick valuation.

6.6 Exploration Asset Valuation

To generate a value of an early stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral

Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation
- Comparable transactions (purchase) based on the Properties' area.
- Joint Venture terms based on the Properties' area.
- A prospectivity enhancement multiplier (PEM)

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The comparable transaction multiples can also be useful but are strongly related to the projects tenement area so can be conservative for small areas and overstate large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

6.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed

in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 6 documents the ranking criteria while the inputs and assumptions that were used to derive the base acquisition cost (BAC) for each tenement are detailed in the valuation section below.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. The BAC is derived from the Western Australian DMIRS.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 6 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 6 Ranking criteria are used to determine the geoscientific technical valuation.

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		Favourable geological setting
2.5			Significant intersections – not correlated on section	
3.0				

Geoscientific Ranking Criteria				
3.5	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The technical valuation was discounted / escalated to derive a market valuation. A market factor was derived to account for the status of the base metal prices which are currently elevated as shown in Figure 14 and Figure 15. Based on the elevated commodity prices the technical valuation for each tenement was increased by 10%. There are social, environmental, and geopolitical risks associated with the projects therefore a slight discount of 5% has been applied.

For early stage Projects (where there are no Mineral Resources estimated), VRM typically considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used.

6.6.2 Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 5 above and in the VALMIN Code a cost - based or appraised value method is an appropriate valuation technique for early stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 7 below. VRM usually considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used once a JORC 2012 Mineral Resource has been estimated. In the opinion of the author, it is preferable to use resource multiples based on comparable transactions once a resource has been estimated.

Table 7 Prospectivity Enhancement Multiplier (PEM) ranking criteria.

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 - 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections

PEM Ranking Criteria

2.0 – 2.5 Detailed Drilling has defined targets with potential economic interest

2.5 – 3.0 A Mineral Resource has been estimated at an Inferred category

7 Venturex Mineral Property Valuation

7.1 Sulphur Springs Project Valuation

The mineral assets valued as a part of this ITAR are the Sulphur Springs and Whim Creek Projects. As detailed above Venturex holds 100% of the Sulphur Springs Project and a 20% free carried interest in the Whim Creek Project. The valuations in this section are undertaken on an equity basis to account for the Venturex equity in the projects. There are Mineral Resource estimates within both Projects, as well as a package of surrounding tenements that are variably prospective and have had differing levels of previous exploration.

In VRM's opinion an income valuation approach is not considered an optimal valuation method for the Projects given the concerns noted above in relation to the Mineral Resource and Ore Reserves estimates. Therefore, VRM has undertaken a valuation based on several techniques, these being a comparable transaction (resource multiplier) and Yardstick method as a cross check for the reported Mineral Resource estimates. The surrounding exploration tenure have been valued considering a Kilburn or Geoscientific valuation method and a Prospectivity Enhancement Multiplier (PEM) method as described further below.

7.1.1 Comparable Transactions – Resource Multiples

VRM interrogated a commercial subscription based transaction database and reviewed a series of base metal resource transactions from Australia which were announced in the past five years. Twenty-four transactions were identified relating to Australian base metal assets that occurred in the past five years. Only five of these transactions were completed for VMS base metal projects that are considered potentially comparable, these are detailed in Appendix A. A copper metal ratio resource multiple was calculated for each transaction based on the commodity prices as at the transaction date to account for different commodities. The relative recoveries of the various metals in the various projects have not been factored into the metal ratio due to the projects being at different stages and the information not being consistently available for all commodities or all projects. The copper metal ratio is used to determine the price paid per tonne of base metals (AUS\$/t). This metal ratio was then normalised, using the copper price as at the valuation date to account for changes in the copper price from the time of the comparable transaction and the valuation date. One VMS transaction was anomalously low compared to the other four projects due to being at an earlier stage of development and was therefore removed from the analysis. Nineteen of the original transactions were also not considered comparable due to the assets being related to operating mines, the deals including significant infrastructure, the transaction being terminated prior to completion or being a non-VMS base metal project. The potentially comparable VMS project transactions are detailed in Appendix A.

The preferred valuation is based on the average of the four advanced project transactions for VMS projects at a pre-development stage that have been completed. The project valuation range has been determined based on the average normalised metal ratio resource multiple with the upper valuation being 20% above the average and the lower valuation 20% below the average. These correspond to a lower metal ratio

multiple of \$37.62/t, a preferred metal ratio multiple of \$47.02/t and an upper metal ratio multiple of \$56.43/t.

In VRM's opinion these multiples can be applied to the metal ratio contained copper based on the Venturex Mineral Resource estimates as reported in Table 4 and the base (and precious) metal prices as at the valuation date. No allowance has been made for the relative metallurgical recoveries in the calculation of the metal ratio. Based on the metal prices as at the valuation date detailed in Section 5.3 above and the Mineral Resource estimates in Table 3 and Table 4, VRM has calculated the Metal Ratio contained copper for each of the Mineral Resources. The Sulphur Springs metal ratio contained copper has been determined to be 395,000t, the Kangaroo Caves metal ratio contained copper at 101,000t and the Whim Creek metal ratio contained copper at 173,000t.

The resource review described above noted a number of risks to the Mineral Resource estimates. At the Sulphur Springs Deposit VRM considers that the weathering zones, especially in the oxide copper mineralisation, require additional drilling to confirm the grade and geological continuity. The mineralisation at depth has a broad drill spacing. Therefore, in VRM's opinion, there is a risk that there is not sufficient understanding of the geological or grade continuity at depth within the Sulphur Springs deposit to allow parts of the resource to be classified as indicated material. Due to this uncertainty VRM considers that additional drilling should be undertaken to confirm the geological and grade continuity within the oxide mineralisation and at depth. VRM does however note the difficulties in drilling the deposit at a regular drill spacing due to the challenging terrain, especially at the Sulphur Springs Deposit.

The normalised metal ratio resource multiples detailed above and supported by the information in Appendix A have been used along with the Metal Ratio of contained copper determined based on the various commodity prices (as at the valuation date) and the base (and precious) metal grades within Mineral Resources in Table 3 and Table 4 to derive the value of the base mineralisation within the Sulphur Springs and Whim Creek projects (Table 8).

Table 8 Comparable transaction valuation of the Sulphur Springs and Whim Creek Projects Mineral Resources

Comparable transaction valuation summary

	Lower Valuation AUS\$ million (-20%)	Preferred Valuation AUS\$ million (Average)	Upper Valuation AUS\$ million (+20%)
Sulphur Springs Project			
Sulphur Springs Resource Metal Ratio contained Copper	395,000	395,000	395,000
Metal Ratio Multiple (\$/t contained Copper)	\$37.62	\$47.02	\$56.43
Total Sulphur Springs Valuation	\$14.9	\$18.6	\$22.3
Kangaroo Caves Resource Metal Ratio contained Copper			
Kangaroo Caves Resource Metal Ratio contained Copper	101,000	101,000	101,000
Metal Ratio Multiple (\$/t contained Copper)	\$37.62	\$47.02	\$56.43
Total Kangaroo Caves Valuation	\$3.8	\$4.7	\$5.7
Total Sulphur Springs Project Valuation	\$18.7	\$23.3	\$28.0
Whim Creek Project			
Whim Creek Combined Resource (100% basis) Metal Ratio contained Copper	173,000	173,000	173,000
Metal Ratio Multiple (\$/t contained Copper)	\$37.62	\$47.02	\$56.43
Total Whim Creek Valuation (100%)	\$6.5	\$8.1	\$9.8
Total Whim Creek Valuation (VXR equity (20%))	\$1.3	\$1.6	\$2.0
Total Resource Valuation	\$20.0	\$25.0	\$29.9

Note

Metal Ratio Contained Copper is based on the contained base metal grades in the resource without taking into account the recovery of each of the individual metals and the value of each of the metals as at the valuation date.

Rounding has been applied to the Metal Ratio contained Copper and valuation.

VRM considers the Mineral Resource estimates within the Sulphur Springs and Whim Creek projects to have a combined valued, based on the Venturex equity of the projects and comparable transactions, at between \$20.0 million and \$29.9 million with a preferred valuation of \$25.0 million.

7.1.2 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or secondary valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a secondary approach for valuation of Mineral Resources and is based on a percentage of the current metal price.

For Mineral Resources, a typical yardstick value would be between 0.5% and 5% of the current base metal prices, dependent on the resource classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the resources described above have been incorporated into the Yardstick approach as footnoted below. In particular, VRM notes that the potential

risks in the resource classification have been applied in determining the yardstick valuation. In this approach the valuation method does not draw a comparison with any other stated resources, instead it only considers the declared resources at the current metal price.

This yardstick valuation was determined based on the copper price (in Australian dollars per tonne) multiplied by the yardstick value of between 0.25% and 2% with this then multiplied by the metal ratio contained copper in each of the resources that is attributable to Venturex based on the beneficial interest in each of the projects or resource.

VRM has applied a range of percentage values, corresponding to VRM's opinion of the classification of the Sulphur Springs, Kangaroo Caves and the combined Whim Creek Mineral Resource estimates to the metal ratio contained copper in those resources and of the copper price at the valuation date in order to value the resources within these Projects. This valuation is summarised in Table 9. Due to the wide spacing of the drilling, especially within the Sulphur Springs deposit, VRM considers from a Yardstick valuation perspective it is reasonable to downgrade the Sulphur Springs and Kangaroo Caves Mineral Resources to an inferred resource category.

Table 9 Yardstick valuation of the Venturex Mineral Resources

Yardstick Valuation of the Sulphur Springs, Kangaroo Caves and Whim Creek Resources						
Classification	Yardstick Factors	Copper Price (\$/t)	Metal Ratio Contained Copper ³ (t)	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Sulphur Springs Project (100% VXR)						
Combined Resources	0.25 – 0.5%	\$11,635.70	496,000	\$14.42	\$21.64	\$28.85
Total Valuation Sulphur Springs Resources				\$14.42	\$21.64	\$28.85
Whim Creek Project (20% VXR)						
Measured Resources ²	1.0 – 2.0%	\$11,635.70	5,610	\$0.65	\$0.98	\$1.31
Indicated Resources ²	0.5 – 1.0%	\$11,635.70	22,120	\$1.29	\$1.93	\$2.57
Inferred Resources ²	0.25 – 0.5%	\$11,635.70	6,950	\$0.20	\$0.30	\$0.40
Total Valuation Whim Creek Resources				\$2.14	\$3.21	\$4.28
Total Yardstick Valuation				\$16.6	\$24.8	\$33.1

Note

1. Yardstick Valuation based on copper price of AUS\$11,635.7/t, the copper metal ratio contained in the various classifications of the resources.
2. The valuations of the Whim Creek project are based on the Venturex 20% equity in the project.
3. Metal Ratio Contained Copper is based on the contained base metal grades in the resource without taking into account the recovery of each of the individual metals and the value of each of the metals as at the valuation date.
4. Appropriate rounding has been applied to the Metal Ratio Contained Copper and the valuation.

Therefore, VRM considers the Mineral Resource estimates within the Sulphur Springs and Whim Creek Projects to be valued, based on a yardstick approach, at between \$16.6 million and \$33.1 million with a preferred valuation of \$24.8 million.

7.1.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid Geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the projects. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing while the costs of the tenement applications, annual tenement rents and targeting have not been included.

The Geoscientific rankings were derived for each of the Kilburn ranking criteria with the off property criteria, on property criteria, the anomaly factor and geology criteria estimated for each tenement following the ratings listed in Table 6. When these ranking criteria are combined with the base acquisition cost both of which are detailed in Appendix B this has determined the technical value as shown in Table 10. Note that tenements hosting Mineral Resources or adjacent to the Mineral Resources have been assigned no value in Table 10 are not valued using this method as Mineral Resources are more appropriately valued by other valuation methods as detailed above.

Table 10 Technical Valuation for the Venturex exploration tenements

Technical Valuation Summary by Tenement					
Project	Tenement	VXR Equity	Lower (\$M)	Preferred (\$M)	Upper (\$M)
E 47/1209	Whim Creek	20%	0.04	0.08	0.12
M 47/1455	Whim Creek	20%	-	-	-
E 47/3495	Whim Creek	20%	0.04	0.07	0.10
M 47/236	Whim Creek	20%	0.07	0.16	0.26
M 47/237	Whim Creek	20%	-	-	-
M 47/238	Whim Creek	20%	-	-	-
M 47/323	Whim Creek	20%	-	-	-
M 47/324	Whim Creek	20%	0.04	0.08	0.11
M 47/443	Whim Creek	20%	-	-	-
E 45/4811	Sulphur Springs	100%	0.05	0.08	0.12
E 45/4993	Sulphur Springs	100%	0.07	0.12	0.18
M 45/494	Sulphur Springs	100%	-	-	-
M 45/587	Sulphur Springs	100%	-	-	-
M 45/653	Sulphur Springs	100%	0.22	0.42	0.61
M 45/1001	Sulphur Springs	100%	-	-	-
M 45/1254	Sulphur Springs	100%	1.74	3.04	4.34
M 45/1265	Sulphur Springs	50% ¹	0.33	0.61	0.88
P 45/2910	Sulphur Springs	100%	0.03	0.06	0.09
P 45/2911	Sulphur Springs	100%	0.03	0.06	0.09
Total			2.66	4.78	6.91

Note 1 a 50% reduction in the equity has been used for M45/1265 as the tenement is an application.

Appropriate rounding has been undertaken.

Table 10 details the technical value of the exploration potential of the tenement while the Market Value of the project is based on a location and market discount or premium. As the current base metal prices are at or close to multi year highs a premium of 10% was applied to the technical value. While the projects are all location in a stable jurisdiction with minimal geopolitical risks there are other risks associated with heritage, environmental and access permits therefore a 5% reduction in the technical valuation was applied.

For the Venturex exploration properties including the Sulphur Springs project and the minority (20%) free carried interest in the Whim Creek Project the fair market valuation as determined by the Geoscientific or Kilburn valuation method has resulted in a value between \$2.8 million and \$7.2 million with a preferred valuation of \$5.0 million.

7.1.4 PEM Valuation

VRM has undertaken a PEM valuation of the tenements based on exploration expenditure for the last five years as reported to DMIRS in annual expenditure reports (Form 5's) for each tenement. The expenditures were obtained from the publicly available Mineral Titles Online database. These expenditures are summarised below. Where a Mining Lease has been granted in the last five years the tenement expenditures that pre-date the Mining Lease were included in the total expenditure.

This expenditure has been multiplied by and Prospectivity Enhancement Multiplier as detailed in Table 7 above. To generate a range in in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range in likely values of the project. The preferred valuation is the average of the upper and lower PEM valuation. Table 11 below details the expenditure, the PEM multiples, and the valuations for the project. For tenements that contain the Mineral Resources VRM has removed the expenditure as those tenements are considered to be valued by the comparable transaction method.

Table 11 PEM Valuation for the Venturex exploration tenements

PEM Valuation by Tenement							
Project	Tenement	Expenditure (\$)	PEM Low	PEM High	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Sulphur Springs	E45/4993	\$37,397	0.50	1.00	\$0.02	\$0.03	\$0.04
Sulphur Springs	M45/1001	\$1,937,490	0.00	0.00	\$-	\$-	\$-
Sulphur Springs	M45/1254	\$1,099,093	1.50	2.00	\$1.65	\$1.92	\$2.20
Sulphur Springs	M45/1265	\$-	1.00	1.50	\$-	\$-	\$-
Sulphur Springs	M45/494	\$5,168,598	0.00	0.00	\$-	\$-	\$-
Sulphur Springs	M45/587	\$694,765	0.00	0.00	\$-	\$-	\$-
Sulphur Springs	M45/653	\$1,743,230	1.00	1.50	\$1.74	\$2.18	\$2.61
Sulphur Springs	P45/2910	\$62,469	0.50	1.00	\$0.03	\$0.05	\$0.06
Sulphur Springs	P45/2911	\$63,378	0.50	1.00	\$0.03	\$0.05	\$0.06
Sulphur Springs	E45/4811	\$77,793	0.50	1.00	\$0.04	\$0.06	\$0.08
Whim Creek	E47/1209	\$523,331	1.00	1.30	\$0.10	\$0.12	\$0.14
Whim Creek	E47/3495	\$256,418	1.00	1.30	\$0.05	\$0.06	\$0.07
Whim Creek	M47/1455	\$269,586	1.00	1.30	\$0.05	\$0.06	\$0.07

PEM Valuation by Tenement							
Whim Creek	M47/236	\$815,209	0.50	1.00	\$0.08	\$0.12	\$0.16
Whim Creek	M47/237	\$21,800,509	0.00	0.00	\$-	\$-	\$-
Whim Creek	M47/238	\$3,700,155	0.00	0.00	\$-	\$-	\$-
Whim Creek	M47/323	\$1,168,156	0.00	0.00	\$-	\$-	\$-
Whim Creek	M47/324	\$412,357	0.50	1.00	\$0.04	\$0.06	\$0.08
Whim Creek	M47/443	\$271,067	0.00	0.00	\$-	\$-	\$-
Total					\$3.85	\$4.71	\$5.57

Note Appropriate rounding has been undertaken.

For the Venturex projects VRM considers that the market valuation as determined by the Geoscientific or Kilburn valuation method is between \$3.8 million and \$5.6 million with a preferred valuation of \$4.7 million.

8 Risks and Opportunities

As with all mineral assets there are several associated risks and opportunities and therefore also with the valuation of those assets. Some non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with security of tenure, native title claims, environmental approvals, social, geopolitical, and regulatory approval risks.

In VRM's opinion the Sulphur Springs Mineral Resource estimates require additional drilling within the supergene mineralisation and also at depth where there is a spatial relationship between indicated material and proximity to drilling. This indicated material is surrounded in all directions by inferred material. In VRM's experience this typically occurs where the search criteria used to classify the Mineral Resource and the block model sizes are significantly less than the drill spacing. Additionally, other external consultants have recommended additional drilling and re-estimation of the Mineral Resource using Ordinary Kriging when the drill spacing is sufficient to allow reliable variography. VRM agrees with these external consultants. In VRM's opinion, the declared Ore Reserves remain valid.

Additional risks associated with the potential development including heritage surveys and environmental and government approvals have been significantly reduced by the environmental and other approvals that Venturex has obtained since the feasibility study was completed. Additional risks include the geotechnical aspects of the tailings storage facility which is the basis of additional studies.

Opportunities to extend the current resource inventory are present in a number of areas especially at depth and adjacent to the Sulphur Springs and Kangaroo Caves deposits. Continued exploration and drilling at adjacent prospects have, in VRM's opinion, a high probability of defining additional mineralisation, in particular at the Breakers prospect. Earlier stage targets along the chert marker horizon are also highly prospective and it is recommended that Venturex continue a significant exploration program on the highly prospective Sulphur Springs project.

As with all exploration projects, a key technical risk is that further exploration will not result in identifying a body of mineralisation sufficiently large to be considered an economic resource. While Whim Creek is mature in terms of exploration, the past ownership and focus on short term production requirements means it may not have been as systematically explored. Venturex has, in divesting the majority interest in the more mature Whim Creek project maintained its control of some of the most prospective VMS tenure within Western Australia.

9 Preferred Valuations

Based on the valuation techniques detailed above, Table 12 provides a summary of the valuations derived for the Mineral Resources and the Exploration potential within the projects by the various techniques. The combined valuation range for and VRM's preferred valuation in Table 13. Figure 16 graphically shows the valuation range and preferred valuation for the Mineral Resources and exploration potential within the projects and the combined valuation range and preferred valuation for the mineral assets.

The preferred valuation that VRM has determined is based on the comparable transaction approach recognising that most of the value in the tenement package is attributed to the currently defined Sulphur Springs and Kangaroo Caves Mineral Resources estimates. The comparable transaction valuation is supported by the yardstick approach which took into account the classification of the Mineral Resources discounted for assessed resource risk.

Both the geoscientific / Kilburn method and PEM valuation methods are considered viable options to value the exploration potential adjacent to the currently defined Mineral Resources. As the PEM valuation has provided a smaller range in the total valuation and with the objective to reduce the valuation range in the combined valuation VRM has elected to add the PEM valuation to the comparable transaction valuation to determine the valuation range preferred valuation of the combined Venturex Mineral assets.

Table 12 Venturex Mineral Assets Valuation Summary by method

Valuation summary by various methods				
Valuation Technique	Priority	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Comparable Transactions (Mineral Resources)	Primary	\$20.0	\$25.0	\$29.9
Yardstick (Mineral Resources)	Supporting	\$16.6	\$24.9	\$33.1
Kilburn / Geoscientific (Exploration properties)	Supporting	\$2.8	\$5.0	\$7.2
PEM (Exploration properties)	Primary	\$3.9	\$4.7	\$5.6

Based on the rationale outlined in the body of this Report, VRM is of the view that the Sulphur Springs, Kangaroo Caves and Whim Creek Mineral Resources are most appropriately valued considering a comparable transaction approach, while the Exploration Projects are most appropriately valued applying the

PEM valuation method. On this basis, in VRM’s opinion the Mineral Asset valuation for the Venturex Projects portfolio is outlined in Table 13 is between \$23.8 million and \$35.5 million with a preferred valuation of \$29.7 million.

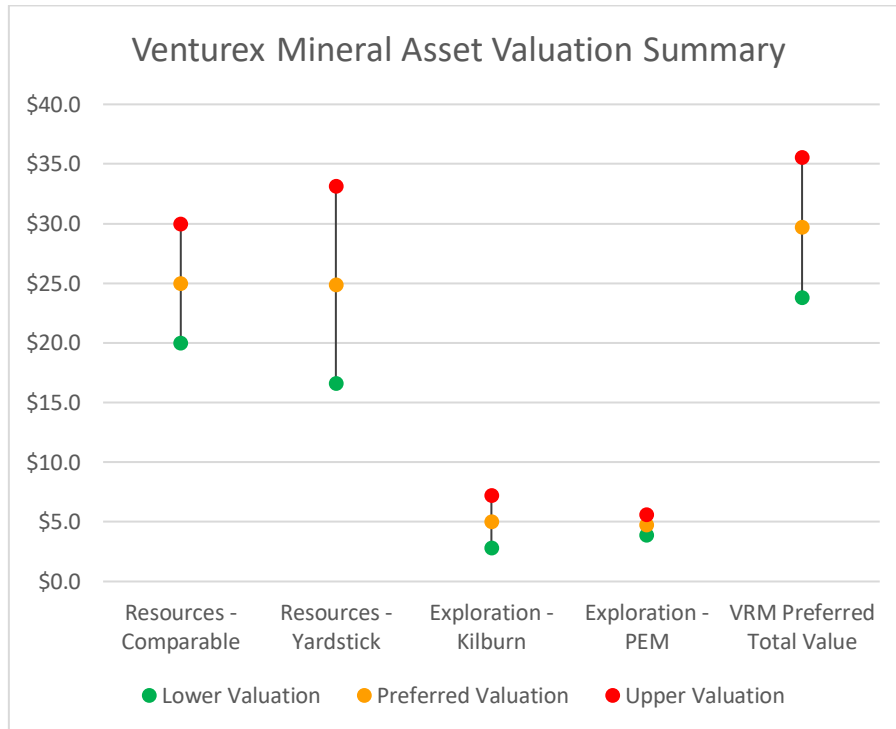


Figure 16 Valuation summary

Table 13 Preferred Valuation of the Venturex Mineral Assets as at 24 February 2021

Valuation Summary			
Venturex Mineral Assets	Lower (\$M)	Preferred (\$M)	Upper (\$M)
Mineral Resources	\$20.0	\$25.0	\$29.9
Exploration Potential	\$3.9	\$4.7	\$5.6
Total (AUD\$ million)	\$23.8	\$29.7	\$35.5

Note the totals do not add due to rounding in the valuations.

10 References

The references below document the main documents referred to in this report however the various ASX releases for the various companies including Venturex have not been included in the reference list.

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Van Kranendonk, M. J., 1998, Litho-tectonic and structural map components of the North Shaw 1:100, 000 sheet, Archaean Pilbara Craton: Western Australia Geological Survey, Annual Review 1997-1998, 63-70.

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Venturex, 2013. Venturex Resources Pty Ltd Definitive Feasibility Study on Sulphur Springs. Appendix 4 - Geology and Resources. Unpublished Report. 25p.

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11 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org,

The following terms are taken from the 2015 VALMIN Code.

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea, and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

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

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation 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. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

- (a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- (b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- (c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- (d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.
- (e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is 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.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Comparable transactions

Project	Purchaser	Seller	Date	Equity	Deal Summary	Asset Description	Value (\$M)	Metal Ratio Contained Copper	Metal Ratio multiple (\$/t)	Normalised Metal Ratio multiple (\$/t)
Whim Creek	Anax Metals	Venturex	21/07/2020	80%	Anax paid \$150,000 in cash, will pay \$3 million in cash within four years. It has also assumed 100% of a payment of A\$3.50 million to a third party on mining and free-carried Venturex Resources Ltd.'s 20% interest through to a decision to mine.	Multiple VMS deposits, prospects and tenements around the historic Whim Creek deposits including infrastructure. The site is on care and maintenance.	6.65	153,944	43.20	61.40
Halls Creek	Cazaly Resources	3D Resources	12/10/2020	80%	Cazaly \$250,000 in cash to acquire the remaining 80% interest in the Halls Creek project in Cazaly will make a further cash payment of \$250,000 upon production.	The project hosts the Mount Angelo North Cu-Zn-Ag VMS deposit and a large low grade copper deposit	0.50	27,557	18.14	24.75
Hollandaire	Cyprium Australia	Musgrave Minerals	31/05/2019	80%	Cyprium paid \$10,000 and issued \$250,000 in stock, upon delineating 80,000t of contained copper, Cyprium will pay \$200,000 in cash or shares and agreed to pay \$300,000 in cash or shares upon a decision to mine.	Hollandaire is a tabular strata-bound felsic hosted VMS deposit in mafic rocks which show typical chlorite and silica alteration similar to other VMS deposits..	0.76	42,077	18.06	28.50
Stockman	Copper Chem	IGO	14/06/2017	100%	\$11.2 million on completion and \$11 million six months after and \$10 million twelve months after completion and a net smelter return royalty with a provisional value of up to \$15 million. VRM has excluded the Royalty in the value of the deal.	The Stockman VMS deposits are hosted near the top of the Limestone Creek Graben, the southernmost of the Silurian rift basins in the Lachlan Fold Belt, known to contain VMS deposits	32.20	711,850	45.23	73.45
Develin Creek	Zenith Minerals	4DS Memory	13/09/2016	49%	Zenith paid \$60,000 to acquire the remaining 49% interest in the Develin Creek property	Develin Creek base metals project hosts several copper-zinc-gold-silver VMS deposits	0.06	34,520	1.74	3.47

The Develin Creek project was excluded from the analysis as it was considered to be an outlier and not comparable to the Sulphur Springs or Whim Creek Projects.

The average normalised Metal Ratio of contained copper of the four comparable transactions is \$47.02/t.

VRM notes that if the contingent payment of \$3.5 million on commencement of mining at Whim Creek were removed from Whim Creek the transaction valuation then the Normalised Metal Ratio Contained Copper would reduce from \$61.40/t to \$29.08/t and the overall average would reduce to \$38.94/t.

The Metal Ratio Copper Grades when multiplied by the Mineral Resource tonnage results in the Metal Ratio Contained Copper. It is this Metal Ratio Contained Copper that has been used in the comparable transaction valuation. The copper, zinc, lead, and silver prices that were used in determining the Metal Ratio Copper Grade are detailed in section 5.3 of the report. The Metal Ratio Copper Grade for the Sulphur Springs Mineral Resource was determined to be 2.86% which when multiplied by the total resource tonnage of 13.8Mt results in the Metal Ratio Contained Copper for the Sulphur Springs Mineral Resource of 395,173t of contained copper. In the valuation appropriate rounding has been undertaken which results in the Metal Ratio Contained Copper of 395,000t being used in the valuation. The same process has been done for the Kangaroo Caves and Whim Creek projects and result in Metal Ratio Contained Copper of 101,000t and 173,000t, respectively.

Appendix B - Geoscientific Valuation

Tenements	Project	BAC (AUS\$)	Equity	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation Equity Basis (AUS\$ million)		
				Low	High	Low	High	Low	High	Low	High	Lower	Preferred	Upper
E 47/1209	Whim Creek	\$70,000	20%	1.5	2.0	2	2.5	1	1.3	1.0	1.3	0.04	0.08	0.12
M 47/1455	Whim Creek	\$45,800	20%	1.5	1.8	1.5	1.8	1.3	1.5	1.0	1.3	-	-	-
E 47/3495	Whim Creek	\$52,500	20%	2.5	3.0	1.5	1.8	1	1.3	1.0	1.3	0.04	0.07	0.10
M 47/236	Whim Creek	\$96,400	20%	2.5	3.0	1.5	1.7	1	1.3	1.0	2	0.07	0.16	0.26
M 47/237	Whim Creek		20%									-	-	-
M 47/238	Whim Creek		20%									-	-	-
M 47/323	Whim Creek		20%									-	-	-
M 47/324	Whim Creek	\$48,500	20%	2	2.5	1.5	1.8	1	1.3	1.5	2	0.04	0.08	0.11
M 47/443	Whim Creek		20%									-	-	-
E 45/4811	Sulphur Springs	\$20,000	100%	1.5	2.0	1.5	1.8	1	1.3	1.0	1.3	0.05	0.08	0.12
E 45/4993	Sulphur Springs	\$15,000	100%	3	3.5	1	1.3	1	1.3	1.5	2	0.07	0.12	0.18
M 45/494	Sulphur Springs		100%									-	-	-
M 45/587	Sulphur Springs		100%									-	-	-
M 45/653	Sulphur Springs	\$49,800	100%	3	3.5	1.5	1.8	1.0	1.3	1.0	1.5	0.22	0.42	0.61
M 45/1001	Sulphur Springs		100%									-	-	-
M 45/1254	Sulphur Springs	\$115,800	100%	2.5	3	2.0	2.5	2	2.5	1.5	2	1.74	3.04	4.34
M 45/1265	Sulphur Springs	\$58,985	50%	2.5	3	1.5	2.0	2.0	2.5	1.5	2	0.33	0.61	0.88
P 45/2910	Sulphur Springs	\$7,920	100%	2.5	3	1.0	1.5	1.0	1.3	1.5	2	0.03	0.06	0.09
P 45/2911	Sulphur Springs	\$7,880	100%	2.5	3	1.0	1.5	1.0	1.3	1.5	2	0.03	0.06	0.09
Total												2.66	4.78	6.91

Notes

To convert the Technical Valuation to a Market Valuation a premium of 10% has been applied to account for the current strength in the base metal prices while a 5% discount has been applied to account for the potential environmental and social and approval risks associated with the project. This results in a Market Valuation range of \$2.78 million to \$7.22 million with a preferred (mid-point) valuation of \$5.0 million.

The valuation of M45/1265 has been discounted by 50% due to the tenement being an application and there are risks that the tenement will not be granted.

ANNEXURE B – PLACEMENT OPTIONS TERMS

1. TERMS OF PLACEMENT OPTIONS

(a) Entitlement

Each Placement Option entitles the holder to subscribe for and be allotted one Share.

(b) Exercise Price

The Placement Options are exercisable at 13.5 cents each, payable in cash (**Exercise Price**).

(c) Shareholder approval

The issue of the Placement Options is subject to Shareholder approval.

(d) Vesting Date

The Placement Options will vest immediately on issue (**Vesting Date**).

(e) Expiry Date

The Placement Options shall expire at 5.00pm (AWST) on the day which is two years after the date of issue of the Placement Options (**Expiry Date**).

(f) Exercise of Placement Options

The Placement Options may be exercised at any time after the Vesting Date and on or before the Expiry Date.

(g) Lapse of Placement Option

The Placement Options not exercised on or before the Expiry Date will automatically lapse.

(h) Status of lapsed Placement Option

On a Placement Option lapsing, all rights of the Placement Option holder in respect of the Placement Option cease and no consideration or compensation will be payable for or in relation to that lapse.

(i) Holding statement

Following allotment of the Placement Options, a holding statement will be issued by the Company for the Placement Options.

(j) Exercise conditions

Subject to these conditions, Placement Options may be exercised at any time after the relevant Vesting Date and on or before the Expiry Date by the Placement Option holder:

- (i) lodging with the Company the certificate for the Placement Options or, if the certificate for the Placement Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (ii) lodging with the Company a notice of exercise signed by the Placement Option holder (**Notice of Exercise**) for a parcel of not less than one thousand (1,000) Placement Options except that if the Placement Option holder holds less than one thousand (1,000) Placement Options then such Placement Options may be exercised; and
- (iii) paying the Company the Exercise Price in respect of the Placement Options exercised.

An exercise of Placement Options will only be valid and effective once the Company has received, in cleared funds, the full amount of the Exercise Price payable and after the other matters have been complied with pursuant to this item (j).

(k) Notice of Exercise

A Notice of Exercise, once lodged with the Company, is irrevocable and by giving a Notice of Exercise the Placement Option holder:

- (i) agrees to subscribe for that number of Shares equivalent to the number of Placement Options exercised in the Notice of Exercise;
- (ii) agrees to be bound by the Company's constitution on the issue of Shares; and
- (iii) without limiting any other clause in these conditions, must pay the Exercise Price in respect of the Placement Options exercised at the time the Notice of Exercise is lodged with the Company.

(l) Exercise in whole or part

The Placement Options may be exercised in whole or in part, subject to the conditions in item (j).

(m) Issue of Shares

For each Placement Option that is exercised, the Company must issue to the Placement Option holder one Share, credited as fully paid and, within 5 Business Days (or such other period as is required by the ASX Listing Rules) after the date of exercise of the Placement Option, issue (or cause to be issued) to the Placement Option holder a Holding Statement or other appropriate evidence of title for each Share that is issued.

(n) Issue of holding statement

If a Placement Option holder exercises only some of the Placement Options held, the Company must issue (or cause to be issued) a holding statement or other appropriate evidence of title for each remaining Placement Option held by the Placement Option holder.

(o) Reconstruction of capital

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Placement Option holder will be treated in the manner prescribed by the ASX Listing Rules applying to reconstructions at that time.

(p) Takeover bid or scheme of arrangement

If:

- (i) a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder becomes entitled to compulsorily acquire Shares, any Placement Options not exercised by the end of the bid period will lapse; or
- (ii) a court orders a meeting to be held in relation to a proposed scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Company, which, if implemented, would result in a person having a relevant interest in at least 90% of Shares, any Placement Options not exercised during the period that ends seven days after the date of the court order will lapse.

(q) Quotation of Placement Options

The Company may seek to have the Placement Options listed on the ASX, subject to the Company being able to satisfy the quotation requirements under the ASX Listing Rules.

(r) Status of shares issued on exercise

All Shares issued upon exercise of the Placement Options will rank pari passu in all respects with the Company's then existing Shares. The Company will apply for official quotation by the ASX of all Shares issued upon exercise of the Placement Options.

(s) Participation in new issues

There are no participating rights or entitlements inherent in the Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Placement Options. However, if from time to time on or prior to the Expiry Date the Company makes an issue of new Shares to Shareholders, the Company will announce the issue to ASX prior to the record date in accordance with the requirements of the ASX Listing Rules. This will give holders of Placement Options the opportunity to exercise their Placement Options prior to the date for determining entitlements to participate in any such issue.

(t) Pro rata issue

If the Company makes a pro rata issue (except a bonus issue), and that pro rata offer is announced by the Company after the date of grant of the Placement Options, the Exercise Price of the Placement Options will be reduced in accordance with the ASX Listing Rules according to the formula in Listing Rule 6.22.2 as follows:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

O' = the new exercise price of the Placement Option;

O = the old exercise price of the Placement Option;

E = the number of Shares into which one Placement Option is exercisable;

P = the volume weighted average market price per Share of the Shares during the five trading days ending on the day before the ex right date or the ex entitlements date for the relevant pro rata offer;

S = the subscription price for new Shares issued under the pro rata issue;

D = any dividends due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(u) Change in exercise price

There is no right to a change in the Exercise Price of the Placement Options or to the number of Shares over which the Placement Options are exercisable in the event of a bonus issue to shareholders during the currency of the Placement Options.

(v) Transferability of the Placement Options

The Placement Options are transferrable.

ANNEXURE C – DIRECTOR OPTIONS TERMS

1. TERMS OF DIRECTOR OPTIONS

(a) Entitlement

Each Director Option entitles the holder to subscribe for and be allotted one Share.

(b) Exercise Price

The Director Options are exercisable at 15 cents each, payable in cash (**Exercise Price**).

(c) Shareholder approval

The issue of the Director Options is subject to Shareholder approval.

(d) Vesting Date

The Director Options will vest 12 months after the date of issue (**Vesting Date**).

(e) Expiry Date

The Director Options shall expire at 5.00pm (AWST) on the day which is three years after the date of issue of the Director Options (**Expiry Date**).

(f) Exercise of Director Options

The Director Options may be exercised at any time after the Vesting Date and on or before the Expiry Date.

(g) Ceasing to be a Director

The Director Options must be exercised or forfeited on a Director ceasing to be a member of the Board.

(h) Lapse of Director Option

The Director Options not exercised on or before the Expiry Date will automatically lapse.

(i) Status of lapsed Director Option

On a Director Option lapsing, all rights of the Director Option holder in respect of the Director Option cease and no consideration or compensation will be payable for or in relation to that lapse.

(j) Holding statement

Following allotment of the Director Options, a holding statement will be issued by the Company for the Director Options.

(k) Exercise conditions

Subject to these conditions, Director Options may be exercised at any time after the relevant Vesting Date and on or before the Expiry Date by the Director Option holder:

- (i) lodging with the Company the certificate for the Director Options or, if the certificate for the Director Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (ii) lodging with the Company a notice of exercise signed by the Director Option holder (**Notice of Exercise**) for a parcel of not less than one thousand (1,000) Director Options except that if the Director Option holder holds less than one thousand (1,000) Director Options then such Director Options may be exercised; and
- (iii) paying the Company the Exercise Price in respect of the Director Options exercised.

An exercise of Director Options will only be valid and effective once the Company has received, in cleared funds, the full amount of the Exercise Price payable and after the other matters have been complied with pursuant to this item (k).

(l) Notice of Exercise

A Notice of Exercise, once lodged with the Company, is irrevocable and by giving a Notice of Exercise the Director Option holder:

- (i) agrees to subscribe for that number of Shares equivalent to the number of Director Options exercised in the Notice of Exercise;
- (ii) agrees to be bound by the Company's constitution on the issue of Shares; and
- (iii) without limiting any other clause in these conditions, must pay the Exercise Price in respect of the Director Options exercised at the time the Notice of Exercise is lodged with the Company.

(m) Exercise in whole or part

The Director Options may be exercised in whole or in part, subject to the conditions in item (k).

(n) Issue of Shares

For each Director Option that is exercised, the Company must issue to the Director Option holder one Share, credited as fully paid and, within 5 Business Days (or such other period as is required by the ASX Listing Rules) after the date of exercise of the Director Option, issue (or cause to be issued) to the Director Option holder a Holding Statement or other appropriate evidence of title for each Share that is issued.

(o) Issue of Holding Statement

If a Director Option holder exercises only some of the Director Options held, the Company must issue (or cause to be issued) a Holding Statement or other appropriate evidence of title for each remaining Director Option held by the Director Option holder.

(p) Reconstruction of capital

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Director Option holder will be treated in the manner prescribed by the ASX Listing Rules applying to reconstructions at that time.

(q) Takeover bid or scheme of arrangement

If:

- (i) a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder becomes entitled to compulsorily acquire Shares, any Director Options not exercised by the end of the bid period will lapse; or
- (ii) a court orders a meeting to be held in relation to a proposed scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Company, which, if implemented, would result in a person having a relevant interest in at least 90% of Shares, any Director Options not exercised during the period that ends seven days after the date of the court order will lapse.

(r) Quotation of Director Options

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

(s) Status of shares issued on exercise

All Shares issued upon exercise of the Director Options will rank pari passu in all respects with the Company's then existing Shares. The Company will apply for official quotation by the ASX of all Shares issued upon exercise of the Director Options.

(f) Participation in new issues

There are no participating rights or entitlements inherent in the Director Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, if from time to time on or prior to the Expiry Date the Company makes an issue of new Shares to Shareholders, the Company will announce the issue to ASX prior to the record date in accordance with the requirements of the ASX Listing Rules. This will give holders of Director Options the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.

(u) Pro rata issue

If the Company makes a pro rata issue (except a bonus issue), and that pro rata offer is announced by the Company after the date of grant of the Director Options, the Exercise Price of the Director Options will be reduced in accordance with the ASX Listing Rules according to the formula in Listing Rule 6.22.2 as follows:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

O' = the new exercise price of the Director Option;

O = the old exercise price of the Director Option;

E = the number of Shares into which one Director Option is exercisable;

P = the volume weighted average market price per Share of the Shares during the five trading days ending on the day before the ex right date or the ex entitlements date for the relevant pro rata offer;

S = the subscription price for new Shares issued under the pro rata issue;

D = any dividends due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(v) Change in exercise price

There is no right to a change in the Exercise Price of the Director Options or to the number of Shares over which the Director Options are exercisable in the event of a bonus issue to shareholders during the currency of the Director Options.

(w) Transferability of the Director Options

The Director Options are not transferrable.

ANNEXURE D – CONSULTANT OPTIONS TERMS

1. TERMS OF CONSULTANT OPTIONS

(a) **Entitlement**

Each Consultant Option entitles the holder to subscribe for and be allotted one Share.

(b) **Shareholder approval**

The issue of the Consultant Options is subject to Shareholder approval.

(c) **Holding statement**

Following grant of the Consultant Options, a holding statement will be issued by the Company for the Consultant Options.

(d) **Exercise Price**

Each Consultant Option is exercisable at 15 cents, payable in cash (**Exercise Price**).

(e) **Vesting Date**

The Consultant Options will vest immediately upon the date of grant (**Vesting Date**).

(f) **Expiry Date**

50% of the Consultant Options shall expire at 5.00pm (AWST) on the day which is three years after the date of issue of the Consultant Options and the remaining 50% of the Consultant Options shall expire at 5.00pm (AWST) on the day which is four years after the date of issue of the Consultant Options (**Expiry Date**).

(g) **Exercise of Consultant Options**

Subject to these conditions, the Consultant Options may be exercised, in whole or in part, at any time after the Vesting Date and on or before the Expiry Date by:

- (i) lodging with the Company a notice of exercise signed by the Consultant Option holder (**Notice of Exercise**) for a parcel of not less than one thousand (1,000) Consultant Options except that if the Consultant Option holder holds less than one thousand (1,000) Consultant Options then such Consultant Options may be exercised; and
- (ii) paying the Company the Exercise Price in respect of the Consultant Options specified in the Notice of Exercise;

An exercise of Consultant Options will only be valid and effective once the Company has received, in cleared funds, the full amount of the Exercise Price payable and after the other matters have been complied with pursuant to this item (g).

(h) **Notice of Exercise**

A Notice of Exercise, once lodged with the Company, is irrevocable and by giving a Notice of Exercise the Consultant Option holder agrees, subject to item (h):

- (i) to subscribe for that number of Shares equivalent to the number of Consultant Options exercised in the Notice of Exercise; and
- (ii) to be bound by the Company's constitution on the issue of Shares.

(i) **Board's election upon exercise**

Upon exercise of a Consultant Option, the Board may elect that either:

- (i) the Company will arrange for the Consultant Option holder to receive the number of Shares to which the holder is entitled for the exercised Consultant Option (**Equity Settled**); or
- (ii) the Company will pay the holder a cash payment per exercised Consultant Option equal to the volume weighted average of the Shares recorded on the ASX over the 20 trading days prior to the day on which the Consultant Option is exercised less the exercise price payable for that Consultant Option. An amount may be deducted by the Company from the cash

payment on account of any applicable tax the Company is required to withhold for any superannuation or social security contribution (as applicable) the Company is required to pay in connection with the payment of the cash.

(j) Equity Settled

If a Consultant Option is Equity Settled pursuant to item (i), as soon as practicable after the exercise of the Consultant Options, the Company will issue the requisite number of Shares relating to the exercised Consultant Options or and/or cause the number of Shares to which the Consultant Option holder is entitled to be transferred to Consultant Option holder. Any Consultant Options which are not exercised on or before the Expiry Date will automatically lapse.

(k) Lapse of Consultant Option

On a Consultant Option lapsing, all rights of the Consultant Option holder in respect of the Consultant Option cease and no consideration or compensation will be payable for or in relation to that lapse.

(l) Issue of holding statement

If a Consultant Option holder exercises only some of the Consultant Options held, the Company must issue (or cause to be issued) a holding statement or other appropriate evidence of title for each remaining Consultant Options held by the Consultant Option holder.

(m) Takeover bid or scheme of arrangement

If:

(i) a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder becomes entitled to compulsorily acquire Shares, any Consultant Options not exercised by the end of the bid period will lapse; or

(ii) a court orders a meeting to be held in relation to a proposed scheme of arrangement under Part 5.1 of the Corporations Act in relation to the Company, which, if implemented, would result in a person having a relevant interest in at least 90% of Shares, any Consultant Options not exercised during the period that ends seven days after the date of the court order will lapse.

(n) Quotation of Consultant Options

The Consultant Options will not be listed on the ASX.

(o) Status of shares issued on exercise

If any Consultant Options are Equity Settled, all Shares issued upon exercise of the Consultant Options will rank *pari passu* in all respects with the Company's then existing Shares. The Company will apply for official quotation by the ASX of all Shares issued upon exercise of the Consultant Options.

(p) Participation in new issues

There are no participating rights or entitlements inherent in the Consultant Options and Consultant Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Consultant Options. However, if from time to time on or prior to the Expiry Date the Company makes an issue of new Shares to Shareholders, the Company will announce the issue to ASX prior to the record date in accordance with the requirements of the ASX Listing Rules. This will give Consultant Option holders the opportunity to exercise their Consultant Options prior to the date for determining entitlements to participate in any such issue.

(q) Pro rata issue

If the Company makes a pro rata issue (except a bonus issue), and that pro rata offer is announced by the Company after the date of grant of the Consultant Options, the Exercise Price of the Consultant Options will be reduced in accordance with the ASX Listing Rules according to the formula in Listing Rule 6.22.2 as follows:

Where:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Consultant Option;

O = the old exercise price of the Consultant Option;

E = the number of underlying securities into which one Consultant Option is exercisable;

P = the volume weighted average market price per security of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date for the relevant pro rata offer;

S = the subscription price for new Shares issued under the pro rata issue;

D = any dividends due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(r) Change in exercise price

There is no right to a change in the Exercise Price of the Consultant Options or to the number of Shares over which the Consultant Options are exercisable in the event of a bonus issue to shareholders during the currency of the Consultant Options.

(s) Reconstruction of capital

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the rights of the Consultant Option holder will be treated in the manner prescribed by the ASX Listing Rules applying to reconstructions at that time.

(t) Transferability of the Consultant Options

Consultant Options are not transferrable. The holder of a Consultant Option may not sell, assign, transfer, grant a security interest under the *Personal Property Securities Act 2009* (Cth) over or otherwise deal with a Consultant Option that has been granted to you, unless the Board in its absolute discretion so approves or the relevant dealing is effected by force of law on death or legal incapacity to the holder's legal personal representative. The Company may require that a Consultant Option will be forfeited if a sale, assignment, transfer, dealing or grant of a Consultant Option occurs or is purported to occur other than in accordance with the terms of the offer.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Venturex Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **2:00pm (WST) on Monday, 7 June 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the 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. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

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 the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second 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.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Venturex Resources Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **2:00pm (WST) on Wednesday, 9 June 2021 at MinterEllison, Level 4, Allendale Square Perth WA 6000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 2, 3, 4, 7, 8 & 10: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 2, 3, 4, 7, 8 & 10, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Issue of Placement Shares to the Acquirers and the increase of Voting Power up to 27.06%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Election of Michael Blakiston as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of Subscription Shares and Subscription Options to Bill Beament on the terms of the Placement Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Director Options to Michael Blakiston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of Consultant Options to Bill Beament Under the Consultancy Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Issue of Shares to Bill Beament on conversion of Consultant Options and Subscription Options and increase of Mr Beament and his Associates' Voting Power in the Company to up to 38.87%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Investor Shares and Investor Options to Sophisticated and Professional Investors participating in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Election of Mick McMullen as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Director Options to Mick McMullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of McMullen Shares and McMullen Options to Mick McMullen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, 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.

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, either shareholder may 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).

STEP 3

VXR PRX2101D



16 April 2021

Venturex Resources Limited

The Board of Directors
Level 2, 91 Havelock Street
West Perth
WA 6005 Australia

Dear Directors

Notice of consent and nomination for election to office of director – Venturex Resources Limited

Pursuant to clause 13.3 of the constitution of Venturex Resources Limited (**Venturex**) and ASX Listing Rule 14.3, by this notice I, Michael Gerrard Blakiston, hereby:

- (a) nominate for election to the office of director of Venturex at the extraordinary general meeting to be held on or about 30 May 2021 (**Meeting**); and
- (b) consent to become a candidate for election to the office of director of Venturex at the Meeting.

Yours Sincerely

A handwritten signature in black ink, consisting of a stylized initial 'M' followed by a long, horizontal, slightly wavy line that ends in a small arrowhead pointing to the right.

Michael Gerrard Blakiston

16 April 2021

Venturex Resources Limited

The Board of Directors

Level 2, 91 Havelock Street
West Perth
WA 6005 Australia

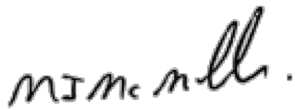
Dear Directors

Notice of consent and nomination for election to office of director – Venturex Resources Limited

Pursuant to clause 13.3 of the constitution of Venturex Resources Limited (**Venturex**) and ASX Listing Rule 14.3, by this notice I, Michael (Mick) McMullen, hereby:

- (a) nominate for election to the office of director of Venturex at the extraordinary general meeting to be held on or about 31 May 2021 (**Meeting**); and
- (b) consent to become a candidate for election to the office of director of Venturex at the Meeting.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'mjmcmll.', is positioned above the printed name.

Michael (Mick) McMullen