

# Prospectus

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## **Australasian Gold Limited** **ACN: 625 744 907**

For the offer of 22,500,000 Shares at an issue price of \$0.20 to raise \$4.5 million. Oversubscriptions of up to a further 7,500,000 Shares to raise up to a further \$1.5 million may be accepted.

Proposed ASX Code: A8G

Applications under the Offer can be made using the online Application Form at [www.australasianipo.thereachagency.com](http://www.australasianipo.thereachagency.com) and paying the application moneys electronically using BPAY. Investors applying electronically do not need to return any documents. See section 13.4 for details.

This Prospectus provides important information about the Company and you should read it in its entirety before making any investment decision. You should consult professional advisors if you have any queries. An investment in the Shares offered under this Prospectus is highly speculative.

## Important Notice

This Prospectus is dated 5 March 2021 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the Shares the subject of this Prospectus.

### No offering where doing so would be illegal

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

This document may not be distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States. Any securities described in this document have not been and will not be, registered under the US Securities Act 1993 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act 1993 and applicable US state securities law.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

### Exposure Period

This Prospectus will be circulated during the Exposure Period, the purpose for which is to allow market participants to review the Prospectus prior to fund being raised under the Prospectus and which may result in deficiencies being identified in the Prospectus and potentially a supplementary prospectus lodged with ASIC. No preference will be given for Applications made during the Exposure Period.

### Web Site - Electronic Prospectus

A copy of this Prospectus is available and can be downloaded from the website of the Company at [australasiangold.com](http://australasiangold.com).

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

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

## Suitability of Investment & Risks

Before deciding to invest in the Company prospective investors should read entirely this Prospectus and, in particular, the summary of the Company's business in section 5 and the risk factors in section 6. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding to invest.

Any investment in the Shares of the Company should be regarded as speculative.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects,' or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on several assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward- looking statements.

The Company has no intention to update or revise forward- looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6

### Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain.

### Definitions and currency

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

### No investment advice

The information contained in this Prospectus is not financial produce advice or investment advice and does not consider your financial or investment objectives, financial situation, or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer, or other professional advisor before deciding to apply for Shares under the Offer to determine whether doing so meets your financial circumstances, objectives and needs.

### Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to apply for Shares, please call the Company Secretary on 08 9486 4036.

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## Corporate Directory

### Directors

Qingtao Zeng - Managing Director  
Rory McGoldrick - Non-executive Chairman  
Graeme Fraser - Non-executive Director

### Registered Office

C/- Minerva Corporate  
Level 8, 99 St Georges Terrace  
Perth WA 6000

### Investigating Accountant

HLB Mann Judd Corporate Finance Pty Limited

### Solicitors to the Offer

Atkinson Corporate Lawyers

### Company Secretary

Nicholas Ong and Dan Smith

### Website

[Australasiangold.com](http://Australasiangold.com)

### Share Registry

Computershare Investor Services Pty Ltd  
72 St Georges Terrace  
Perth WA 6000

### Auditor

HLB Mann Judd (Victoria Partnership)

### Independent Technical Expert

Phil Jones

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## 1 TIMETABLE TO THE PUBLIC OFFER

Exposure Period ends	12 March 2021
Opening Date of the Offer	13 March 2021
Closing Date of the Offer <sup>1</sup>	1 April 2021
Issue of Shares under this Prospectus	23 April 2021
Quotation of Shares on the ASX <sup>2</sup>	28 April 2021

<sup>1</sup> Subject to all applicable laws and Listing Rules, the Company reserves the right to close the Offer early or later than as indicated above without prior notice.

<sup>2</sup> Subject to the Company complying with the Listing Rules.

This timetable is indicative only, and may change.

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## 2 KEY STATISTICS OF THE OFFER

Number of Shares	Minimum Subscription (A\$4,500,000)	Maximum Subscription (A\$6,000,000)
Shares currently on issue <sup>1</sup>	18,000,001	18,000,001
Shares issued under the Offer	22,500,000	30,000,000
Total Shares on issue post listing (undiluted)	40,500,001	48,000,001
Market capitalisation post listing (undiluted)	\$8,100,000	\$9,600,000
Director Options	3,000,000	3,000,000
Other Options	3,000,000	3,000,000
Performance Rights	3,500,000	3,500,000
Shares on issue post listing (fully diluted)	50,000,001	57,500,001
Market capitalisation post listing (fully diluted)	\$10,000,000	\$11,500,000

<sup>1</sup> This includes 1 million Shares to be issued to Drummond West with respect to the purchase of the Mt Clermont gold project. See section 12.3 for details.

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### 3 CHAIRMAN'S LETTER

Dear Investors,

On behalf of the Directors, it gives me great pleasure to invite you to become a Shareholder in Australasian Gold Limited (**Company** or **Australasian**).

The Company is a mineral exploration company focused on delivering Shareholder value through the identification, development and acquisition of exploration properties, focusing on mining tenements prospective for gold and other minerals, initially in Queensland and Western Australia. We are very excited to be taking our portfolio of Australian gold exploration assets to the next stage of their development through an initial public offering on ASX.

The price of gold has enjoyed significant gains over the last 5 years coinciding with highly accommodative global monetary policies, such as successive programs of quantitative easing in the US, Europe and Asia. While the price of gold and the valuations of many gold mining companies has increased significantly in recent years, your board believes that good quality gold exploration assets with confirmed mineralisation in Tier 1 mining jurisdictions such as Australia, can still represent compelling value in the context of current gold prices.

The Group's business strategy is to focus on the exploration of mineral resource opportunities that have the potential to drive value for Shareholders. Immediately following the proposed ASX listing, the Group will launch exploration programs on its flagship May Queen gold project, located in the Brovinia gold field in Queensland and the Mt Clermont project in the Drummond Basin, central Queensland. The Group's exploration efforts will extend to the Fairview gold project (30 Km from Northern Star Resources Limited's Paulsens Gold mine) once this tenement application is approved.

The initial exploration programs will be designed to better understand the structural and depositional geology of the licence areas in order to then develop further exploration programs that will be focused on the expansion of existing known mineralisation and the potential discovery of new deposits.

The primary purpose of the Offer is to provide funds to undertake systematic exploration of these programs at the Projects with the ultimate goal to define a mineral resource that can be taken through to production, and to also raise the Company's profile through listing on ASX.

This Prospectus is seeking to raise a minimum of \$4,500,000 by the issue of 22,500,000 Shares at an issue price of \$0.20 per Share, with the ability to raise a further \$1,500,000 for a maximum raising of up to \$6,000,000. The Company has received commitments from high net wealth investors to subscribe under the Offer for Shares with a total investment of \$1,927,000.

The Company has assembled an experienced management and exploration team which is well qualified to exploit the potential of the Group's mineral assets. The

Board has significant expertise and experience in mineral exploration, project development and corporate finance, and aims to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Group's Projects.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company.

Before you make your investment decision, I encourage you to read this Prospectus carefully and in its entirety, including in particular the risks associated with an investment in the Company. These include the early stages of the Company's projects (which do not have any mineral resources identified) and the speculative nature of investing in junior exploration companies. If you are in any doubt as to the contents of this Prospectus, you should seek professional advice from your stockbroker, accountant, lawyer or other professional adviser if required.

Rory McGoldrick  
Chairman

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#### 4 INVESTMENT OVERVIEW

The information in this section is a selective overview only. It is not intended to provide full information for investors intending on applying for Shares offered pursuant to this Prospectus. Prospective investors should read and consider this Prospectus in its entirety before deciding to invest in Shares in the Company. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of Shares.

Question	Response	Where to find more information
<b>Introduction</b>		
Who is issuing this Prospectus?	Australasian Gold Limited (Company or Australasian), which was incorporated on 23 April 2018.	Section 5
What is the Group's business?	<p>The Group is focused on early-stage mineral exploration, with a particular focus on gold and precious metals. The Group currently has 3 projects; 2 of which are granted (May Queen and Mt Clermont) and 1 application (Fairview).</p> <p>(a) May Queen - located in the Brovinia goldfield in Queensland, the project has been subject to historical exploration including an 8 hole RC drill program undertaken by IronRidge Resources in 2015. The Group has purchased the project from IronRidge Resources Limited.</p> <p>(b) Mt Clermont - the project is approximately 60 km by road north-west of the town of Emerald, Central Queensland. Over 6,700m of historical drilling has been completed showing potential for a high grade polymetallic epithermal system. Future exploration will focus on exploring for further massive sulphide lenses along the major Retro fault system.</p> <p>The previous owners of the project, Invictus Gold and Impact Minerals, carried out exploration at Mt Clermont between 2016 and 2019. This work included mapping and collecting grab samples, RC drilling and an IP geophysical survey along the Retro Fault</p>	Section 5

Question	Response	Where to find more information
	<p>System, a gold-bearing quartz reef/vein system, to confirm the potential for epithermal mineralisation over its 10 km of strike length. A mineralized vein system was defined by this drilling over 350 m of strike and 75 m depth.</p> <p>(c) Fairview - the project consists of a tenement application by the Company over 38 km<sup>2</sup> of prospective ground approximately 30 km's to the south west of Northern Star's Paulsens Gold Mine.</p>	

### Information on the Group and investment highlights

<p>What are the benefits of investing in the Company?</p>	<p>The Directors believe that an investment in the Company provides the following advantages:</p> <p>(a) The Company has a portfolio of quality exploration assets in Queensland and Western Australia that the Directors believe have potential to host precious and base metals, especially gold.</p> <p>(b) Subject to raising the Minimum Subscription, the Company will have sufficient funds to implement the proposed exploration program.</p> <p>(c) The Company has an experienced Board to progress exploration and accelerate potential development of the Company's projects.</p>	<p>Section 5</p>
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### Risks

Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks and uncertainties. The risk factors set out in **section 6**, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This section summarises only some of the risks which would apply to an investment in the Company and investors should refer to section 6 for a more detailed summary of the risks.

<p>What are the key risks of</p>	<p>The Company, and an investment in it, is subject to a range of risks, as detailed in this Prospectus. These include the following key risks:</p>	<p>Section 6</p>
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Question	Response	Where to find more information
investing in the Company?	<p>(a) Exploration risks - Although the Company's projects have been subject to historical exploration by third parties (as set out in the Independent Technical Report), no mineral resources have been declared for any of the Company's projects. Exploration is speculative; there is a high risk of cost overruns, time delays and exploration not being successful.</p> <p>(b) Queensland title risks - The Company's Queensland exploration permits are subject to certain processes before exploration can be undertaken on certain areas of those permits. There is a risk that these processes may delay the Company's proposed exploration programs. Furthermore, exploration may not be undertaken on certain areas within the permits.</p> <p>(c) Western Australian title risks - The Company's Fairview project in Western Australia is currently in application, and there is a risk that the project may not be granted. The Offer is not conditional upon the application being granted.</p> <p>(d) Dilution risks - The Company will, upon listing, have 6 million Options and 3.5 million Performance Rights on issue. Whilst exercising of the Options will raise funds for the Company, and the satisfying of the vesting conditions be as a result of the Company achieving its exploration objectives, Shareholders will be diluted.</p> <p>(e) Management risks - The Company has one executive director and employee, Managing Director Dr Qingtao Zeng. The Company's non-executive Directors will monitor this to ensure that Dr Zang has sufficient support.</p> <p>(f) Operational risks - The Company will outsource many of its exploration activities to third party</p>	

Question	Response	Where to find more information
	<p>service providers. There are risks in relying on third parties to carry out the Company's activities, including underperformance and potential cost overruns.</p> <p>(g) Exploration costs - There is a risk that the costs of the Company's exploration programs may materially differ from budget.</p> <p>(h) Environmental risks - The proposed exploration programs expose the Company to various environmental risks. The Company proposes to mitigate these risks through engaging suitably qualified service providers and actively monitoring the risks arising from its activities.</p> <p>(i) General risks - Investing in a junior exploration company carries significant risk and should be considered highly speculative.</p>	

Directors and management		
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<p>Who are the Directors of the Company?</p>	<p>(a) Rory McGoldrick - Non-executive Chairman</p> <p>Rory McGoldrick is a qualified lawyer and holds a Bachelor of Laws from the University of Western Australia. Mr McGoldrick has advised public companies on a wide range of corporate matters for over 15 years, and has broad experience in Corporations Act and ASX Listing Rules compliance, corporate governance matters, capital raising and acquisitions.</p> <p>Mr McGoldrick has broad experience in the energy and resources sector, working on a range of corporate transactions as a lawyer and as an advisor. He assisted with the early stage development of a number of mining and energy projects within Europe since 2010. He holds board positions for a number of unlisted companies in the energy sector.</p> <p>Mr McGoldrick was previously non-executive director of Pilot Energy Ltd, ASX:PGY. Mr</p>	<p>Section 7</p>
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Question	Response	Where to find more information
	<p>McGoldrick is currently not a director of any other publicly listed companies.</p> <p>The Board considers that Mr McGoldrick is an independent director.</p>	
	<p>(b) Dr Qingtao Zeng - Managing Director</p> <p>Dr Zeng completed a PhD in geology at the Centre of Exploration Targeting (CET) of University of Western Australia in 2013. He has been engaged as a consulting geologist, principally working with Eldorado Gold Limited CSA Global China and Australia, and has a range of geological and commercial specialties. Since 2015, Dr Zeng has been extensively involved in the lithium exploration and corporate transactions through his strong network of contacts throughout Asia. Dr Zeng has published several academic papers on orogenic gold or structure control gold geological studies, and is a member of AUSIMM and Society of Economic Geologist (SEG).</p> <p>Dr Zeng is currently a non-executive director of ASX-listed Metalstech Limited (ASX:MTC) and AIM-listed Kodal Minerals Plc. Dr Zeng does not consider that these appointments will adversely affect his ability to act as the Company's Managing Director.</p> <p>The Board considers that Mr Zeng is not an independent director by virtue of his role as Managing Director.</p>	
	<p>(c) Graeme Fraser - Non-executive Director</p> <p>Mr Graeme Fraser holds a BSc (Hons) from the University of Melbourne and since graduation has gained 20+ years of international experience in the mining industry with a strong focus on gold.</p> <p>Having held a combination of exploration, mine production and corporate positions, Graeme has</p>	

Question	Response	Where to find more information
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gained a well-rounded and extensive knowledge of multiple geological styles and the mining industry in general.

As Exploration Manager for Eldorado Gold at their Tanjianshan Project in China, Graeme led a small team of local staff to the discovery of the “323 zone”, a previously unknown area of mineralisation. The 323 zone is still being subject to resource definition drilling today by the new owners (Beijing Yintai group) and is proving to be a world class deposit.

Graeme was the CEO of Altius Mining Ltd (now Australian United Mining Ltd) (ASX:AYM) between November 2012 and November 2014. Mr Fraser is currently not a director of any other publicly listed companies.

The Board considers that Mr Fraser is an independent director.

What are the Directors’ interests?

The Directors have the following interests in the Company: Section 7

	Shares	Options	Performance Rights	Salary <sup>1</sup> (\$)
Mr McGoldrick	400,000	500,000	0	
Dr Zeng	6,850,000	2,000,000	3,500,000	49,000
Mr Fraser	150,000	500,000	0	8,514

<sup>1</sup> received in last 2 years

### Material Contracts

What important contracts have been entered

Sale and purchase agreement and shareholder agreement in relation to May Queen project, which sets out terms upon which the Group has purchased the May Queen project from IronRidge Resources Limited for 4.5 million Shares and IronRidge subscribed for a further 1

Section 12

Question	Response	Where to find more information
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into? million Shares at \$0.10 per Share (see section 12.1 of the Prospectus).

Sale and purchase agreement in relation to the Mt Clermont project which sets out terms upon which the Group has purchased the Clermont project from Drummond West Pty Limited (a subsidiary of Impact Minerals Limited) for 1 million Shares (refer to section 12.3 of the Prospectus).

Agreement with respect to the Fairview project, under which Dr Zeng's nominee company was issued 500,000 Shares and reimbursed expenses of \$5,000 for facilitating the Company's application for the Fairview project (see section 12.4 of the Prospectus).

Dr Zeng's executive services contract under which Dr Zeng's controlled entity is entitled to be paid \$240,000 (plus GST) per annum for providing services (including Dr Zeng as managing director) and issued 3.5 million Performance Rights and 2 million Options (see section 12.5 of the Prospectus).

Broker mandate with Euroz Hartleys Limited (see section 12.7 of the Prospectus).

#### Proposed use of funds and key terms of the Offer

How will the proceeds of the Offer be used? The Company intends to use funds raised from the Offer (together with existing unaudited funds on hand of \$317,574 as at 19 February 2021) as follows: Section 5

Use of funds (\$'000)	Minimum Subscription	Maximum Subscription
Exploration at May Queen Project - includes geochemical surveys, geophysics and drillings <sup>2</sup>	1,400	1,825
Exploration at Mr Clermont Project - includes geochemical surveys, geophysics and	1,025	1,300

Question	Response	Where to find more information	
	drillings <sup>2</sup>		
	Exploration at Fairview Gold Project <sup>2</sup>	325	475
	Cash reserves and working capital <sup>1</sup>	1,550	2,100

1 All corporate expenses (excluding first year administration costs) and other operating overheads, including but not limited to salaries and fees payable to directors, employees and consultants, will be satisfied from funds allocated to cash reserves and working capital detailed above.

This is a statement of the Company's intentions based on Minimum Subscription and Maximum Subscription as at the date of this Prospectus. Further details are set out in the Prospectus.

What are the conditions of the Offer?

The Offer is conditional upon, amongst other things, the following:

Section 13.2

- the Company complying with the admission requirements for admission to ASX;
- the Company completing the purchase of the Mt Clermont project; and
- the Company raising the Minimum Subscription.

In the event the conditions are not met, and in accordance with the Corporations Act, the Company will return all application moneys without interest and the Offer will not proceed.

### Financial Information

What is the financial position of the Group?

This Prospectus contains financial information about the Group which is set out in section 10 and includes a pro-forma balance sheet.

Sections 10

Set out below is a selected summary of the Group's pro forma balance sheet as at 30 June 2020:

(\$'000)	Minimum	Maximum
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Question	Response	Where to find more information	
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	Subscription	Subscription
Net tangible assets	5,136	6,536
Cash	4,626	6,026

Refer to section 10.5(a) for the full listing of pro forma adjustments used to prepare the pro forma statement of financial position.

As at 19 February 2021 the Group had (unaudited) cash reserves of approximately \$317,574 and liabilities of approximately \$129,000 (primarily costs of the Offer, including the ASX listing fee).

What is the Company's Dividend Policy?

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Group's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Group, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

Section 5.11

Where will the Shares be quoted?

Subject to the Company complying with the Listing Rules, the Shares will be traded on the ASX under the symbol 'A8G'.

How can I obtain further advice?

- (a) By speaking to your stockbroker, solicitor, accountant, or other independent professional adviser;
- (b) By contacting the Company Secretary, on +61 8 9486 4036; or

<b>Question</b>	<b>Response</b>	<b>Where to find more information</b>
	(c) By contacting the Share Registry on 1300 850 505.	



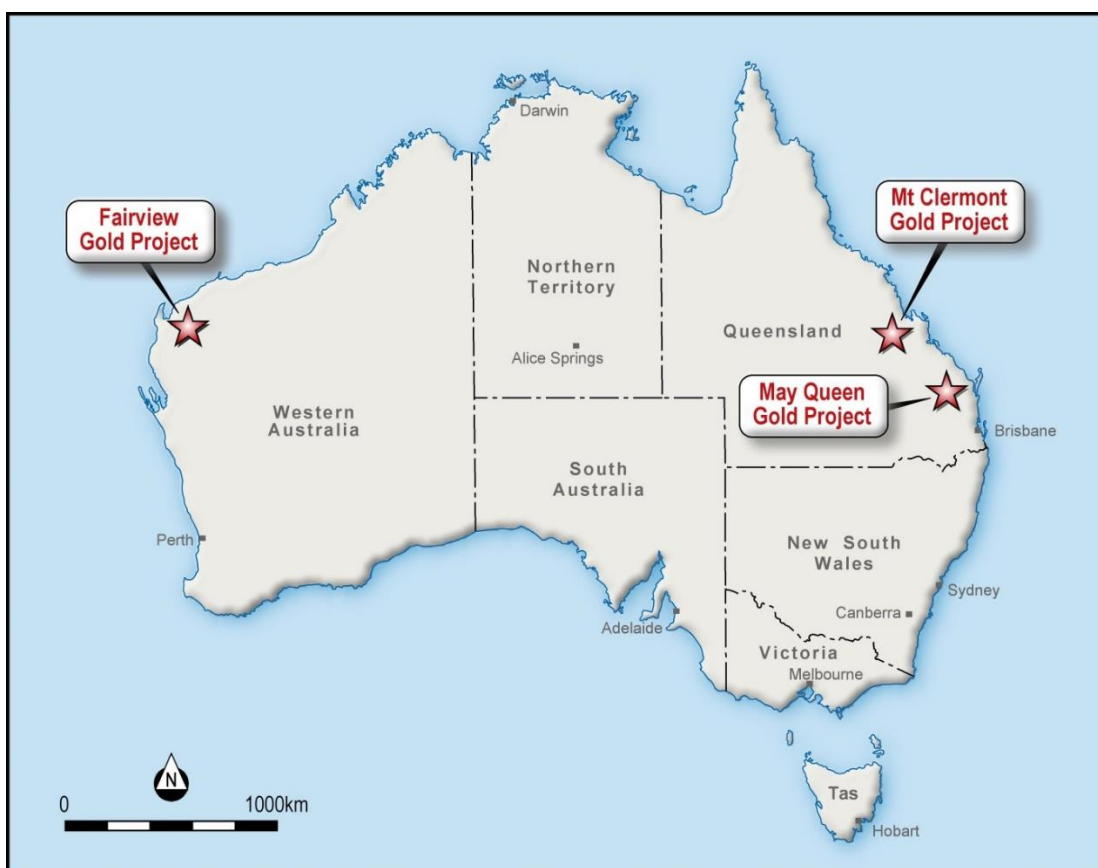
## 5 COMPANY AND BUSINESS MODEL

### 5.1 Introduction and business model

The Company was established in 2018 to identify and explore for gold and base metal projects, primarily in early-stage exploration projects in Australia. The Company through its wholly owned subsidiary Pure Mining Pty Limited, has acquired two projects from unrelated third parties (May Queen and Mt Clermont), has been granted the southern extension of the May Queen gold project in Queensland, and has applied for a third project in Western Australia (Fairview), the details of which are as follows:

Tenement	State	Interest (%)	Status	Area (km <sup>2</sup> )
May Queen, EPM 19419	Queensland	100	Active	74.1
May Queen, EPM 27746	Queensland	100	Active	92.6
Mt Clermont, EPM 14116	Queensland	100	Active	69.6
Fairview, E 08/3248	Western Australia	100	Application Pending	38.0

Location of the Group's three projects



The Group's projects are each considered prospective for gold and other minerals. All three projects have undergone previous mineral exploration including geological mapping, geochemical sampling and drilling by previous owners. The Queensland projects of May Queen and Mt Clermont are the most advanced, having been the subject of numerous exploration campaigns, which have provided the Group with well-defined targets and a strong basis for planning future work at these projects.

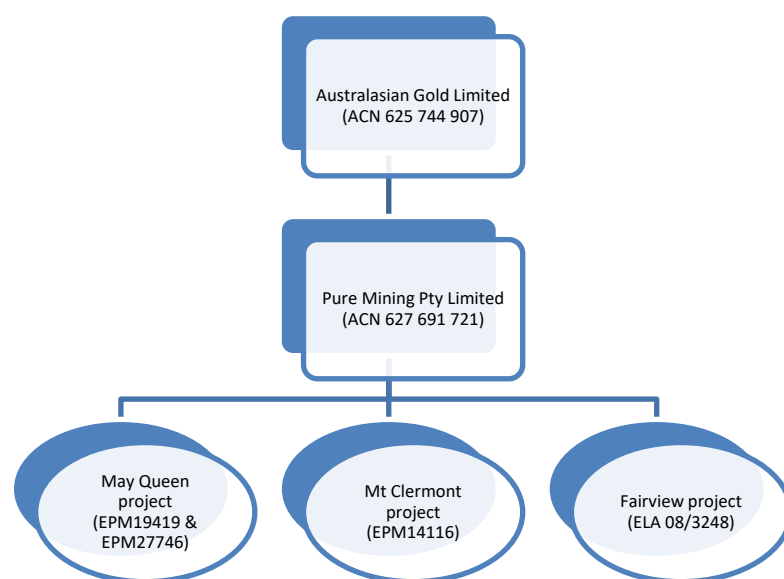
The Group intends to expand on this previous work by conducting drilling along strike and below previously tested targets with the aim of defining a maiden resource estimate as quickly as possible. Besides drilling, Australasian Gold will continue with supportive geological mapping, geochemical sampling and geophysical surveys. To do so, the Group is proposing to spend between approximately A\$2.75 million to A\$3.60 million across the three projects over the next 2 years.

The Group may also consider acquiring (whether by purchase or application) additional exploration projects that complement the Group's existing projects and skills.

As a junior exploration company, the Company will not generate any income (other than interest earned on funds held) and will be reliant upon exploration success to raise further funds and, if resources are discovered and are economic, develop its projects. There are significant risks with the Company's business model, including exploration risks, the requirement to raise further funds, commodity risks and general market risks. An investment in Shares is highly speculative.

## 5.2 Corporate structure

The Group consists of the Company and its wholly owned subsidiary, Pure Mining Pty Limited. A corporate structure is as follows:



### **5.3 May Queen Gold Project**

The May Queen gold project lies within the Brovinia goldfield in Queensland. This goldfield is located in the northern part of the Surat Basin with the project mostly covered by Early to Late Jurassic sediments that unconformably overlay outcropping Late Devonian - Mississippian volcanoclastic sedimentary rocks hosting the May Queen gold mineralisation. Multiple historical high grade shallow gold drill intercepts have been reported which potentially could represent a skarn and/or epithermal gold system. Other gold and copper assays in feldspar porphyry indicate the project may potentially also host a porphyry mineralisation system warranting further exploration.

The May Queen gold project has attracted exploration interest from the early 1900s. The first modern exploration was undertaken by Burmine Mining Pty Ltd in the late 1980s. In 1987-1988, Black Swan drilled 15 RC holes after undertaking auger soil and rock chip sampling, costeaning, and ground magnetic and EM surveys. This work returned several narrow but very high-grade results at shallow depth, the best of which was a one metre sample which assayed 149 g/t Au (BPH01). Following that, a joint venture between Copper Strike and Paradigm Gold conducted 7 RC holes to test previous high-grade veins. However, the results were unable to replicate the success of Black Swan. In 2014, IronRidge Resources (AIM: IRR) completed a total of 85 soil and three rock chip samples within the May Queen prospect area. The following year an eight-hole RC drill program was completed which aimed at testing previous high-grade drill intercepts and outlining possible extensions to the known mineralisation. The best grades were reported from MQN5 which intersected several narrow mineralised zones between 25-49m (down hole), with a best assay of 2m @ 13.5 g/t Au (from 46m). It is likely that the enhanced width and tenor of mineralisation was because the hole was drilled sub-parallel to the dip of the lode; however, no follow up work was conducted.

The Company takes the view that the geology at both mine scale and camp scale has not been well understood to date. Historical works indicate that there are shallow high-grade gold mineralisation occurrences, however, the understanding of how to effectively target these high grade vein systems in the context of either skarn or epithermal mineralisation is still lacking and requires modern exploration approaches. Further surface geochemical and geophysics survey will be conducted to outline the potential gold mineralisation and a diamond drilling campaign has been budgeted to provide more structural information about the controls on mineralisation. Importantly, the altered and mineralised feldspar porphyry carries both anomalous gold and copper grades, which the Company is eager to test through deeper drilling after completing initial targeting exercises.

### **5.4 Mt Clermont Gold Project**

The Mt Clermont gold project lies within the Anakie Province of the Drummond Basin which is composed of a sequence of Devonian to Carboniferous volcanics and

sediments in Central Queensland, approximately 60 km by road north-west of the town of Emerald. Over 6,700m of historical drilling has been completed, showing potential for a high-grade polymetallic epithermal system. Future exploration will focus on exploring for further massive sulphide lenses along the major Retro fault system.

The previous owner of the project, Invictus Gold Limited and Impact Minerals Limited carried out exploration at Mt Clermont between 2016 and 2019. This work included mapping and collecting grab samples, RC drilling and an IP geophysical survey along the Retro Fault System, a gold-bearing quartz reef/vein system, to confirm the potential for epithermal mineralisation over its 10 km of strike length. A mineralised vein system was defined by this drilling over 200 m of strike and 75 m depth. In 2018 and 2019 Impact drilled 17 RC and one diamond hole for a total of 2,843.5 m along the Retro Fault System as well as rock chip and soil geochemistry and IP resistivity and conductivity geophysical surveys. This work extended the total potential strike of mineralisation at Retro Extended up to 1,200 m and up to 125 m below the surface.

While the Retro Faulting system covers over 10km in strike potential, to date only two polymetallic sulfide lenses have been identified at the Retro and Retro Extended areas. The Company considers that the high grade gold, silver and base metal grades identified in historical RC holes indicates great potential to locate additional mineralisation through further targeting and drilling.

## 5.5 Fairview Gold Project

The Fairview gold project lies within the Pilbara Granite-Greenstone Complex in the northwest of Western Australia. The exploration target is structurally similar to the Mt Clement deposit (less than 5 km to the south-east) and the Paulsens Gold Mine, operated by Northern Star Limited (ASX:NST) (around 30 km to the northwest).

Noranda investigated the potential for gold and base metals between 1977 and 1979 within the Lower Proterozoic shale, dolomite and banded iron formation. Geochemical and geophysical results indicated a zone of weak base metal sulphides. As part of Noranda's work programs, approximately 150 stream sediment and channel chip samples were taken. Six of the chip samples within the Fairview tenement application produced anomalous gold results, with three above 1.0 g/t Au; i.e., 6.8 g/t, 3.8 g/t and 1.9 g/t Au.

A total of 35 RC holes were drilled by Billiton Australia Pty Ltd for 1,540 m to test trench anomalies (>0.1g/t Au over 2m) on their Woolshed grid and a 40 ppb Au soil anomaly on their Western grid. Of these holes, 7 were within the Fairview tenement and were targeting intersecting lineaments. The only anomalous sample was 2 m @ 0.19 g/t Au in MCP31 but it is noted that only 3 (MCP30, MCP31 and MCP32) of the 7 holes were effective in penetrating the surficial Quaternary alluvials to reach the target bedrock below, leaving the target not properly tested. The mapping work done by Adelaide Prospecting Pty Ltd in 2000-2001 within the Company's E08/3248 included a number of outcrops with galena (indicating lead mineralisation) and

gossans (indicating weathered sulphide mineralisation) and vertical RAB hole HJR012 produced 4m @ 1.25 g/t Au at 18-22 m depth. During 2007-2008, exploration by Jackson over their exploration licence comprised a review of historic exploration, a literature review, rock chip sampling and processing of airborne geophysical data. Jackson collected 7 rock-chip samples within the Fairview tenement application, with peak results of 0.37 ppm Au and 1890 ppm Cu.

In combination with the historical RC drilling conducted in the northeast part of the tenement and high grade rock chips results overlapping the major northeast-striking regional structure; the Company considers this northeast structure to be prospective for identifying gold mineralisation. Geochemical and geophysical survey work is proposed to define further targets.

## 5.6 Proposed Exploration Program and Expenditure

The Company's main objectives on completion of the Offer are to:

- (a) identify priority drill targets;
- (b) target extensions to known gold mineralisation;
- (c) delineate a maiden JORC compliant mineral resource estimate at May Queen; and
- (d) undertake an exploration strategy to discover new high-grade gold zones at May Queen.

A detailed breakdown of the Company's proposed exploration program during the 2 years post-listing is set out below.

Further details of the Company's intended exploration program are contained within the Independent Technical Report in Section 8.

	Minimum (\$'000)		Maximum (\$'000)	
	Year 1	Year 2	Year 1	Year 2
<b>May Queen Project</b>				
Data Compilation & Access costs	25	-	25	
Geochem, geophysics and mapping	225	250	275	275
Drilling & Assay	400	500	500	700
Resource modelling				50
Sub-Total	650	750	800	1,025

<b>Mt Clermont Project</b>				
Data Compilation & Access costs	25	-	25	-
Geochem, geophysics and mapping	225	50	225	150
Drilling & Assay	300	425	350	500
Resource modelling				50
Sub-Total	550	475	600	700
<b>Fairview Project<sup>1</sup></b>				
Data Compilation & Access costs	25	-	25	-
Geochem, geophysics and mapping*	75	75	75	125
Drilling & Assay*	-	150	-	250
Sub-Total	100	225	100	375
TOTAL	1,300	1,450	1,500	2,100

<sup>1</sup> Contingent on the success of the first year's exploration and dependent on the Fairview EL application being granted.

## **5.7 Use of funds, including proposed exploration program**

The Company intends to apply funds raised under the Offer, together with existing cash reserves, over the 2 years following admission as follows:

<b>Funds available</b>	<b>Minimum (\$'000)</b>	<b>Maximum (\$'000)</b>
Existing cash reserves	250	250
Funds raised from the offer, before costs	4,500	6,000
<b>Total<sup>1</sup></b>	<b>4,750</b>	<b>6,250</b>
<b>Allocation of Funds</b>		
Cost of the offer	342	442
Exploration at May Queen Project - includes geochemical surveys, geophysics and drillings <sup>2</sup>	1,400	1,825
Exploration at Mr Clermont Project - includes geochemical surveys, geophysics and drillings <sup>2</sup>	1,025	1,300
Exploration at Fairview Gold Project <sup>2</sup>	325	475
General administration costs <sup>4</sup>	1,265	1,265
Surplus working capital <sup>5</sup>	393	943

1 Refer to the Financial Information set out in section 10 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 1 January 2021, the Company has spent approximately \$108,648 in progressing and preparing the Prospectus.

2 Refer to section 0 for further details.

3 Refer to section 8 of the Independent Technical Assessment Report for further details of the Group's proposed exploration programs at the Projects.

4 Administration costs include the general costs associated with the management and operation of the Company's business including directors' fees, D&O and general insurances, AMEC membership fees, ASIC and ASX fees, rent and other associated costs.

5 To the extent that:

- a. the Group's exploration activities warrant further exploration; or
- b. the Company is presented with additional acquisition opportunities,

the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions).

It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company is unlikely to be self-funding through its own operational cash flow at the

end of this period. Accordingly, the Company is likely to require additional capital beyond this point, which will likely involve additional equity funding. Future capital needs will also depend on the success or failure of exploration activities undertaken on the Group's projects. The use of further equity funding will be considered by the Board where it is appropriate to fund additional exploration or to capitalise on acquisition opportunities in the resources sector.

In the event the Company raises more than the Minimum Subscription of \$4,500,000 under the Offer but less than the Maximum Subscription of \$6,000,000, the additional funds raised will be first applied towards the expenses of the Offer and then proportionally to the other line items in the above table.

## 5.8 Capital structure

The Company's capital structure, showing existing Shares on issue and following the offer, is as follows:

	Minimum \$4.5m		Maximum \$6m	
	Shares	%	Shares	%
Existing Shares on issue <sup>1</sup>	18,000,001	44.44	18,000,001	37.50
Offer Shares	22,500,000	55.56	30,000,000	62.50
Total post Offer (undiluted)	40,500,001	100	48,000,001	
Options	6,000,000		6,000,000	
Performance Rights <sup>2</sup>	3,500,000		3,500,000	
Total post Offer (fully diluted)	50,000,001		57,500,001	

1 This includes 1 million Shares to be issued to Drummond West with respect to the purchase of the Mt Clermont gold project. See section 12.3 for further details.

2 See section 14.3 for details of the vesting conditions for the Performance Rights. The Performance Rights are subject to the Listing Rules. The Company has sought confirmation from ASX that the terms of the Performance Rights are acceptable to ASX.

## 5.9 Existing Shareholders

As at the date of this Prospectus, the following Shareholders are registered holders of 5% or more of the Company's issued Shares:



Shareholder	Current		Following the Offer (%)	
	Shares	%	Min	Max
Woodsouth Asset Management Pty Ltd, Geosmart Consulting Pty Ltd, Nannan He (each, entities controlled by or associates of Dr Zeng) <sup>1</sup>	6,850,000	38.06	16.9	14.27
Ironridge Resources Limited	5,500,000	30.56	13.58	11.46
Mr Luping Yu	1,000,000	5.56	2.47	2.08
Impact Minerals Ltd	1,000,000	5.56	2.47	2.08

<sup>1</sup> Geosmart Consulting Pty Ltd, an entity controlled by Dr Zeng, also holds 3,500,000 Performance Rights.

The Company has also agreed to issue 1 million Shares to Drummond West with respect to the purchase of the Mt Clermont gold project. See section 12.3 for further details.

#### 5.10 Restricted securities

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

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

The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company) at the time of admission to the Official List of ASX will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.

#### 5.11 Dividend policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Group's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at

least the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Group, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

#### **5.12 Additional information**

Prospective investors are encouraged to read the following reports:

- (a) The Independent Technical Report for further details about the location, geology, historical exploration and mineral potential of the Group's projects.
- (b) The Independent Limited Assurance Report for further details on the Group's financials; and
- (c) Title reports on the Tenements for further details on the Group's interests, rights and obligations in the Tenements.

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## 6 RISK FACTORS

An investment in the Company is not risk free. Before deciding to invest in the Shares, Shareholders and prospective investors should read the entire Prospectus, consider at least the following risk factors in light of their personal circumstances and investment objectives (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser.

The operating and financial performance and position of the Company, the value of Shares and the amount and timing of any dividends that the Company may pay will be influenced by a range of factors. Many of these factors will remain beyond the control of the Company and the Directors. Accordingly, these factors may have a material effect on the Company's performance and profitability which may cause the market price of Shares to rise or fall over any given period.

This section identifies the areas the Directors regard as major risks associated with an investment in the Company. This list is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 6.1 Group specific risks

#### (a) Exploration risks

Although historical exploration has been undertaken on the Group's projects, there are no known resource estimates and the projects are considered early stage. Whilst the Company will use historical exploration as a basis for further exploration, exploration is an inherently speculative activity and there is a significant risk that the proposed exploration programs will not be successful.

#### (b) Queensland title risks

The terms and conditions of the Group's Queensland exploration permits and process to undertake exploration activities on those permits, are set out in the Queensland Tenement Title Report (section 9). The terms and processes include the following risks:

(i) Exploration permits are subject to statutory renewal and relinquishment. Specifically, EPM 19419 was first granted on 26 August 2014 is currently subject to a 3-year term expiring on 25 August 2022. There is no automatic right of renewal, and there is a risk that renewal may not be granted in the future. Furthermore, and whilst the Company believes that it can be managed, there is a risk that relinquishment requirements may adversely impact the Company's planned exploration programs.

(ii) The Mineral and Energy Resources (Common Provisions) Act 2014 (Qld) (MERCPA) under which the Company's Queensland exploration permits

have been issued does not confer an automatic access to the land the subject of the permit for exploration. Activities that have an impact on land use can only occur on privately held land upon a compensation agreement being entered into. Whilst the Company has and will put in place processes to ensure compliance with the MERCPA and applicable compensation agreements, there is a risk that access for exploration may be limited or delayed.

- (iii) Each of the Queensland tenements has land subject to native title within it (in the case of EPM 14116 and 27746 less than 10% of the tenement area). Whilst the Company does not intend to explore on land subject to native title, any future application for a mining lease over that area will trigger a future act process in the Native Title Act 1993 (Cth). There is a risk that this may have a time and cost risk to any mining activities.

Refer to the Queensland Tenement Title Report for more information.

- (c) Western Australia application risk

The Company's Fairview project in Western Australia is currently subject to application. Whilst the Company is not aware of any reason why the application will not be granted, there is a risk that it may not. The Offer is not conditional upon the Fairview project being granted.

## 6.2 Corporate risks

- (a) Dilution

In the future, the Company may elect to issue securities in connection with fundraisings, including to raise proceeds to fund further exploration of its projects. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of securities and fundraisings.

Further, upon listing, the Company will have 6,000,000 Options and 3,500,000 Performance Rights on issue which, if converted and/or the relevant vesting condition is achieved, will further dilute the interests of existing Shareholders. However, each Option has an exercise price of \$0.30 which means that the Company will receive additional funds of \$1,800,000 if 100% of the Options on issue post-listing were exercised, and each Performance Right is subject to vesting conditions that will only be satisfied if the Company materially progresses its current projects.

- (b) Executive Director

The Company has one executive director, Dr Qingtao Zeng.

The Board is aware of the need to have sufficient management to properly supervise the exploration and (if successful) the development of projects in which the Group has, or will in the future have an interest. The Board will continually monitor the management roles in the Company. To this end, the Company currently has two non-executive directors, Messrs. Rory McGoldrick and Graeme Fraser, with significant experience in exploration, development, mining and finance to assist the executive director as needed.

As the Group's projects require an increased level of involvement, the Board will look to appoint additional management and or consultants when and where appropriate to ensure proper management. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its preferred exploration programs in its preferred timeframe.

(c) Conflicts of interest

Certain Directors are also directors and officers of other public companies engaged in mineral exploration and development. These engagements are summarised in the Director profiles in section 7.1. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in the first instance.

Although these Directors have been advised of their fiduciary duties to the Company, there exists actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company. The Directors intend to manage their responsibilities in accordance with applicable legal requirements and good governance frameworks.

### 6.3 Operational risks

(a) Agents and contractors

The Group intends to outsource substantial parts of its exploration activities pursuant to service contracts with third party contractors. The Group is yet to enter these formal arrangements. The Directors are unable to predict the risk of financial failure or default of the insolvency of any of the contractors that will be used by the Group in any of its activities or other managerial failure by any of the other service providers used by the Group for any activity. Contractors may also underperform their obligations of their contract, and if their contract is terminated, the Group may not be able to find a suitable replacement on satisfactory terms.

(b) Exploration costs

The exploration costs of the Group as summarised in section 5.6 and the Independent Technical Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability.

The projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- (i) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- (ii) access to adequate capital throughout the acquisition, discovery and project development phases;
- (iii) securing and maintaining title to the Company's tenements;
- (iv) obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases; and
- (v) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants, and employees.

There can be no assurance that exploration of the Group's projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company has not published resource estimates for any of its projects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit.

The future exploration activities of the Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

## 6.4 Environmental risks

There are several climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its potential future profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates.

The Group's operations could be impacted by natural events such as significant rain events and flooding. Such natural events could result in impacts including reduced mining efficiencies, restrictions to or loss of access to open pits, mining and exploration locations or necessary infrastructure, or restrictions to or delays in access to the site for exploration activities and deliveries of key consumables required for the Group's operations. This could result in increased costs which could impact the Group's financial performance and position. Whilst the Group is able to transfer some of these risks to third parties through insurance, many of the associated risks are not able to be insured or in the Company's opinion the cost of transfer is not warranted by the likelihood of occurrence of the risk event.

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

## 6.5 Coronavirus (COVID-19)

The COVID-19 pandemic may give rise to issues, delays or restrictions in relation to land access and the Group's ability to freely move people and equipment to and from exploration projects. This may cause delays or cost increases.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

## 6.6 General risks

### (a) Additional requirements for capital

The funds raised under the Offer are considered sufficient to meet the objectives of the Company. Additional funding may be required to effectively implement the Company's strategy, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. In addition, should the Company consider that its exploration results justify commencement of production on any of its projects, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at the date of this Prospectus.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development, or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

### (b) Unforeseen Expenses

The proposed expenditure on the Projects may be adversely affected by any unforeseen expenses which arise in the future and which have not been considered in this Prospectus. While the Company is not aware of any expenses that may need to be incurred that have not been considered, if such expenses were incurred, the expenditure proposals of the Company may be adversely affected.

### (c) Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the



current system of exploration and mine permitting in Queensland and Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) Regulatory Risks

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters.

The Group requires permits from regulatory authorities and various stakeholders to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. While the Company believes that it is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects. Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain required permits on acceptable terms, in a timely manner or at all.

The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

(e) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Projects may have to be surrendered or not renewed. General economic conditions may also affect the value of Securities and its valuation regardless of its actual performance.

(f) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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

(g) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition, and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(h) Litigation

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance, and financial position. The Company is not currently engaged in any litigation.

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

Prospective investors should consider that an investment in the Company is highly speculative. There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares. Before deciding whether to subscribe for Shares under this Prospectus you should read this

Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## 7 DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

### 7.1 Directors

The Company is managed by the Board of Directors. The Board currently comprises three Directors. Profiles on each of the Directors are set out below.

(a) Rory McGoldrick - Non-executive Chairman

Rory McGoldrick is a qualified lawyer and holds a Bachelor of Laws from the University of Western Australia. Mr McGoldrick has advised public companies on a wide range of corporate matters for over 15 years, and has broad experience in Corporations Act and ASX Listing Rules compliance, corporate governance matters, capital raising and acquisitions.

Mr McGoldrick has broad experience in the energy and resources sector, working on a range of corporate transactions as a lawyer and as an advisor. He assisted with the early stage development of a number of mining and energy projects within Europe since 2010. He holds board positions for a number of unlisted companies in the energy sector.

Mr McGoldrick was previously non-executive director of Pilot Energy Ltd, ASX:PGY. Mr McGoldrick is currently not a director of any other publicly listed companies.

The Board considers that Mr McGoldrick is an independent director.

(b) Dr Qingtao Zeng - Managing Director

Dr Zeng completed a PhD in geology at the Centre of Exploration Targeting (CET) of University of Western Australia in 2013. He has been engaged as a consulting geologist, principally working with Eldorado Gold Limited CSA Global China and Australia, and has a range of geological and commercial specialties. Since 2015, Dr Zeng has been extensively involved in the lithium exploration and corporate transactions through his strong network of contacts throughout Asia. Dr Zeng has published several academic papers on orogenic gold or structure control gold geological studies, and is a member of AUSIMM and Society of Economic Geologist (SEG).

Dr Zeng is currently a non-executive director of ASX-listed Metalstech Limited (ASX:MTC) and AIM-listed Kodal Minerals plc. Dr Zeng does not consider that these appointments will adversely affect his ability to act as the Company's Managing Director.

The Board considers that Mr Zeng is not an independent director by virtue of his role as Managing Director.

(c) Graeme Fraser - Non-executive Director

Mr Graeme Fraser holds a BSc (Hons) from the University of Melbourne and since graduation has gained 20 years of international experience in the mining industry with a strong focus on gold. Graeme has been a member of AusIMM.

Having held a combination of exploration, mine production and corporate positions, Graeme has gained a well-rounded and extensive knowledge of multiple geological styles and the mining industry in general.

As Exploration Manager for Eldorado Gold at their Tanjianshan Project in China, Graeme led a small team of local staff to the discovery of the “323 zone”, a previously unknown area of mineralisation. The 323 zone is still being subject to resource definition drilling today by the new owners (Beijing Yintai group) and is proving to be a world class deposit.

Graeme was the CEO of Altius Mining Ltd (now Australian United Mining Ltd) (ASX:AYM) between November 2012 and November 2014. Mr Fraser is currently not a director of any other publicly listed companies.

The Board considers that Mr Fraser is an independent director.

## 7.2 Company secretaries

The Company has appointed Messrs. Nicholas Ong and Daniel Smith of Minerva Corporate as joint company secretaries.

Mr Ong brings 16 years’ experience in IPOs, listing rules compliance and corporate governance. Nicholas is a fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia.

Mr Ong works as company secretary for numerous ASX listed companies.

Mr Smith has 13 years’ experience in financial markets, including 10 years’ experience with listing rules compliance and corporate governance. Dan is a fellow member of the Governance Institute of Australia and holds a Bachelor of Arts in International Relations from Curtin University.

Mr Smith acts as company secretary for numerous ASX listed companies.

## 7.3 Directors' holdings

The Directors’ interests in the Company’s securities are, at this time of this Prospectus, as follows:

	Shares	% of total Shares on issue <sup>1</sup>	Options	Performance Rights <sup>2</sup>
Mr Rory McGoldrick	400,000	0.98	500,000	0

Dr Qingtao Zeng	6,850,000	16.91	2,000,000	3,500,000
Mr Graeme Fraser	150,000	0.37	500,000	0

1 Assuming Minimum Subscription and issue of 1 million Shares to Drummond West with respect to the purchase of the Mt Clermont gold project. See section 12.3 for details.

2 See section 7.5 for details.

The Directors may also apply for Shares under the Offer.

#### 7.4 Remuneration received by the Directors and their related entities

The Constitution provides the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$200,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for reasonable travel, accommodation and other expenses incurred in relation to attending meetings of the Board, committees or Shareholders, or while engaged on the Company's business.

In the previous 2 years the Company has paid the Directors the following remuneration:

	Payment (\$)
Mr Rory McGoldrick	Nil
Dr Qingtao Zeng	49,000
Mr Graeme Fraser	8,514

To conserve funds and in lieu of directors' fees, the Company has also issued 2 million Options to Dr Zeng and 500,000 Options to each of Messrs. McGoldrick and Fraser.

Messrs. McGoldrick and Fraser are entitled to \$40,000 (plus GST) per annum in directors fees following the Company listing on ASX. Dr Zeng's remuneration is set out in section 7.5.

#### 7.5 Dr Zeng's executive services contract

The Company, Geosmart Consulting Pty Limited (an entity controlled by Dr Zeng) and Dr Zeng are parties to a consultancy agreement under which Dr Zeng (through

Geosmart Consulting) will provide services to the Company ordinarily provided by a managing director.

The agreement commenced on 31 October 2020 and has a term ending 24 months from when the Company lists on ASX, or such later period the parties agree.

The Company will pay Geosmart Consulting \$10,000 (plus GST) per month prior to the Company listing on ASX and \$20,000 (plus GST) per month thereafter. The Company has also, subject to ASX approval, granted Geosmart Consulting the following Performance Rights:

- (a) 500,000 Performance Rights will be issued to the Consultant (or its nominee) and will convert into Shares upon completion of the Company's first drilling program and the volume weighted average price of the Company's Shares being equal to or greater than 30 cents (over 20 consecutive trading days on which the Shares have actually traded);
- (b) 1,000,000 Performance Rights which convert upon the Company achieving a JORC or NI 43-101 Compliant Resource of >100,000 oz Au Eq (cut-off grade > 2 g/t) at any of its projects; and
- (c) 2,000,000 Performance Rights which convert upon the Company achieving a JORC or NI 43-101 Compliant Resource of >500,000 oz gold Eq (cut-off grade > 1 g/t) at any of its projects.

The Company has also issued 2 million Options to Woodsouth Asset Management Pty Limited, and entity controlled by Dr Zeng.

The agreement otherwise contains clauses consistent for an agreement of this nature, including as to intellectual property rights, insurance, indemnities and confidentiality.

The terms of the Performance Rights are set out in section 14.3.

## **7.6 Deeds of access and indemnity**

The Company has entered into deeds of access, indemnity and insurance with each Director.

Under the deeds the Company has undertaken, subject to the restrictions in the Corporations Act, to:

- (a) indemnify each Director and officer in certain circumstances;
- (b) maintain directors' and officers' insurance cover (if available) in favour of each Director whilst a Director and for seven years after the Director or officer has ceased to be a Director (provided run-off insurance can be procured at reasonable policy premiums); and
- (c) provide access to any Company records which are relevant to the Director's holding of office with the Company, for a period of seven years after the Director has ceased to be a Director.

## 7.7 Employee incentive scheme

The Company has established an employee incentive scheme (**Incentive Plan**), the material terms of which are as follows:

- (a) Purpose of the Plan
  - (i) provide an incentive for Eligible Participants to participate in the future growth of the Company and, upon becoming shareholders, to participate in the Company's profits and development;
  - (ii) ensure that securities issued under the Equity Incentive Plan are issued in accordance with the Corporations Act and the Listing Rules.

- (b) Participants in the Plan

The Board may offer Options and/or Performance Rights (**Incentive Securities**) to persons (**Plan Participants**) who are Directors, employees or consultants of the Company based on a number of criteria including potential contribution to the Company in the future and other factors the Board considers relevant and on such issue terms as the Directors see fit.

Upon receipt of such an offer, the Plan Participant may nominate a nominee acceptable to the Board to be issued with the Incentive Securities.

- (c) Number of Incentive Securities

The maximum number of Incentive Securities issued under the Plan over a 3 year period is 5% of the total number of fully paid ordinary shares on issue in the Company.

- (d) Terms of Incentive Securities

- (i) An uncertified holding statement will be issued for the Incentive Securities;
- (ii) The Incentive Securities shall lapse on the earliest of the relevant dates set out below (**Expiry Date**):
  - (A) the date on which the Plan Participant's appointment with the Company is terminated for cause;
  - (B) unless the Board agrees otherwise, the Participant's resignation or employment or engagement with the Company or an associated body corporate is terminated;
  - (C) the date specified by the Board upon the grant of an Incentive Securities.
- (iii) Incentive Securities shall be issued subject to such vesting conditions as the Board determines.
- (iv) Each Incentive Security shall carry the right in favour of the Plan Participant to be issued one (1) Share upon:



- (A) in the case of Options, vesting of the Option and (if applicable) payment of the Option exercise price determined by the Board in its discretion (Exercise Price); and
  - (B) In the case of Performance Rights, vesting of the Performance Rights.
- (v) The Option Exercise Price shall be payable in full on exercise of the Options.
- (vi) The Options held by each Option holder may be exercised in whole or in part, at any time upon any vesting conditions being satisfied, up to and including the Expiry Date by the delivery to the registered office of the Company of a notice in writing stating the intention of the Plan Participant to:
  - (A) exercise all or a specified number of Options; and
  - (B) pay the Exercise Price by way of subscription monies in full for the exercise of each Option.

The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the shares. An exercise of only some Options shall not affect the rights of the Plan Participant to the balance of the Options held by the Plan Participant, subject to any vesting conditions.

- (vii) The Company shall allot the resultant shares and deliver the share certificate or uncertified holding statement within 5 business days of the exercise of the Options or vesting of Performance Rights (as the case may be).
- (viii) Incentive Securities shall not be listed for Official Quotation on ASX.
- (ix) The Incentive Securities are not transferable except to an associate (as defined in the Corporations Act) of the Plan Participant or nominee approved by the Board in its discretion.
- (x) Shares allotted pursuant to an exercise of the Options or vesting of Performance Rights shall rank from the date of allotment, equally with existing fully paid ordinary shares in all respects.
- (xi) The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Options or vesting of Performance Rights listed for Official Quotation on ASX.
- (xii) In the event of a reconstruction (including consolidation, subdivision, reduction or return of the issued capital of the Company), all rights of the Plan Participant shall be reconstructed in accordance with the Listing Rules.

- (xiii) Subject to paragraph (xii), the Plan Participant shall have no rights to a change in the Exercise Price of an Option or a change to the number of Shares over which an Option can be exercised.
  - (xiv) If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
  - (xv) There are no participating rights or entitlement inherent in the Incentive Securities and Plan Participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Incentive Securities.
- (e) **Taxation**
- Under current taxation laws any taxation liability in relation to the Incentive Securities, or the Shares issued on exercise of the Options or vesting of Performance Rights, will fall on the Plan Participants.
- (f) **Lapse**
- If at any time before the exercise of an Incentive Securities, the holder of the Incentive Securities ceases to be an Eligible Employee, all Incentive Securities held by the Eligible Employee will automatically lapse unless the Board otherwise determines.
- (g) **Participation by Directors**
- Although Directors are eligible to be offered Incentive Securities under the Plan, this requires specific shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.
- (h) **Administration of the Plan**
- The Incentive Plan will be administered under the directions of the Board and the Board may make regulations and establish procedures for the administration and management of the Incentive Plan as it considers appropriate.
- (i) **Operation**
- The operation of the Incentive Plan is subject to the ASX Listing Rules and the Corporations Act.

## **7.8 No other Directors' interests**

Other than as set out below or elsewhere in this Prospectus, no Director holds, either at the date of this Prospectus, or at any time during the last 2 years before the date

of lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (d) to a Director to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director in connection with the formation or promotion of the Company or the Offer.

## 7.9 Corporate governance

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfill this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs. To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations). In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices are set out below. The full Corporate Governance Plan is available on the Company's website [australasiangold.com](http://australasiangold.com).

### (a) Board of directors

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

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

- (iii) ensure compliance with the Company's legal and regulatory objectives.

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

- (iv) leading and setting the Company's strategic direction, values, and objectives;
- (v) appointing the Chairperson of the Board, Managing Director, Executive Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (vi) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (vii) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (viii) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (ix) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (x) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (xi) reviewing, ratifying, and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (xii) approving the Company's remuneration framework.

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

(b) Composition of the Board and diversity

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

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three directors of whom two are independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

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

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

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

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

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

- (c) Identification and management of risk

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

- (d) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are

committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical, or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(e) Independent professional advice

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

(f) Remuneration arrangements

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

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Constitution. Subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum cap will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

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

Directors are also entitled to be paid reasonable travel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

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

(g) Trading policy

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

(i) External audit

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

(j) Audit committee

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

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

(h) Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective, and experience.

(i) Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent

to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

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





# PHIL JONES – GEOLOGIST

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## INDEPENDENT TECHNICAL REPORT

for

### AUSTRALASIAN GOLD LIMITED

#### AUSTRALIAN GOLD PROJECTS

May Queen - Queensland

Mt Clermont - Queensland

Fairview – Western Australia

Qualified Person: Phil Jones, MAusIMM, MAIG

Effective Date: 22<sup>nd</sup> January, 2021

## EXECUTIVE SUMMARY

Phil Jones has been commissioned by Australasian Gold Limited (“Australasian” or “the Company”) to provide a Technical Assessment Report (Report or ITAR) on Australasian’s mineral assets for inclusion in a prospectus to be issued by the Company for an initial public offer of up to 22.5 million shares at an issue price of \$0.20 each to raise up to a total of \$4,500,000 (Prospectus). Oversubscriptions of up to a further 7.5 million shares at an issue price of \$0.20 per share to raise up to a further \$1.5 million may be accepted.

This report has been prepared as a public document, in the format of an independent specialist’s report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code.

This report is a technical review of the Company’s three mineral projects (refer Table 1) which consist of exploration tenements and tenement applications in the Brovinia goldfield and Drummond Basin in Queensland and Pilbara region of Western Australia. This report has been prepared on the basis of data and reports supplied by Australasian, publicly available historic exploration reports (WAMEX) and on geological publications from the GSWA.

Australasian are proposing to raise funds primarily to explore for gold with the intention, if the exploration programs are successful, of eventually developing mineable mineral resources subsequently moving into production at their projects.

Australasian Gold Limited is an exploration company primarily focused on gold and base metal projects in Australia, of which it either holds, has agreed to purchase or applied for, 4 tenements over 274.3 km<sup>2</sup>.

Table 1 presents a summary of Australasian’s tenements Figure 1 illustrates the location of the projects.

**Table 1: Summary table of Australasian Gold’s tenements**

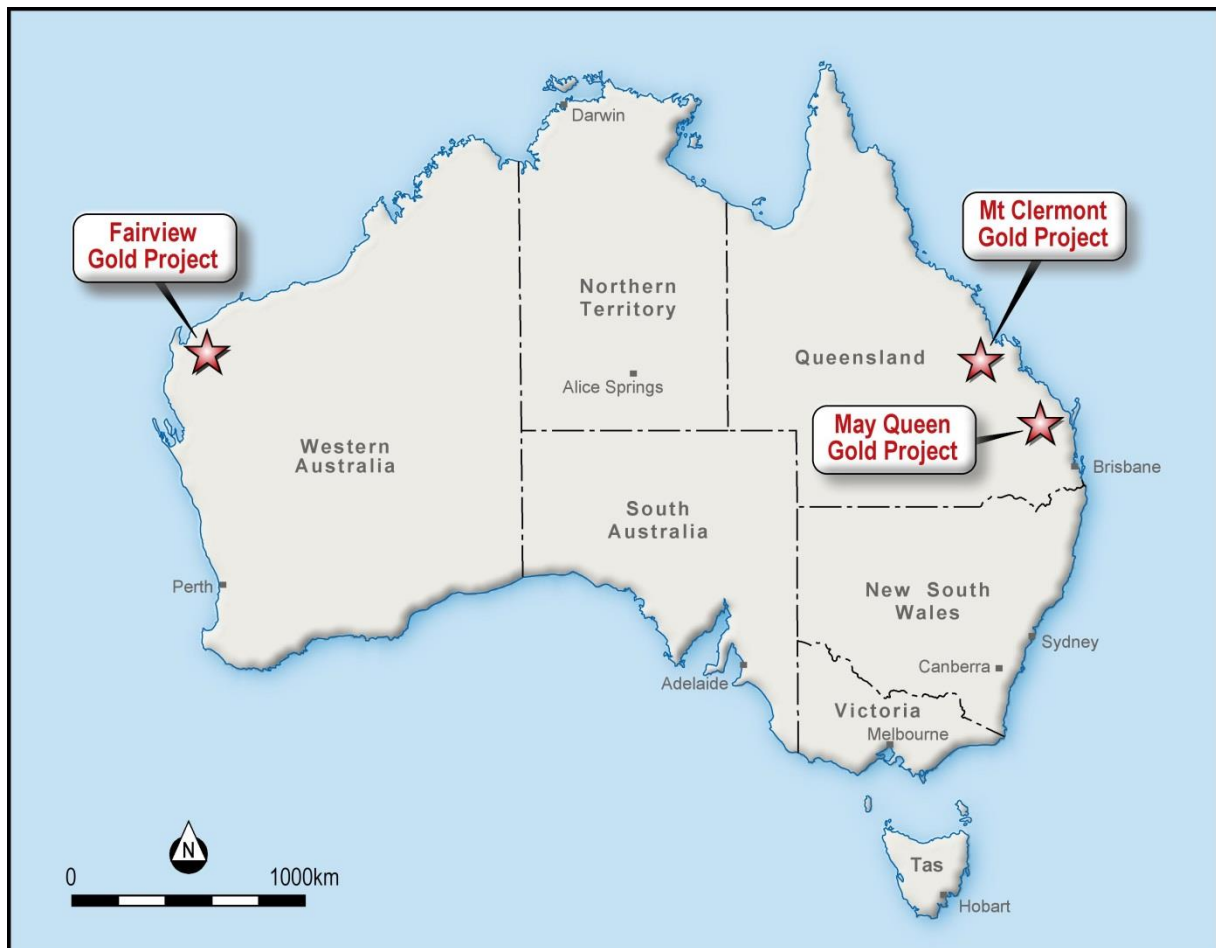
Asset	State	Interest (%)	Status	Licence area (km <sup>2</sup> )
May Queen, EPM 19419	Queensland	100	Active	74.1
May Queen, EPM 27746	Queensland	100	Active	92.6
Mt Clermont, EPM 14116	Queensland	100	Active	69.6
Fairview, E 08/3248	Western Australia	100	Application Pending	38.0

The May Queen gold project lies within the Brovinia goldfield in Queensland. This goldfield is located in the northern part of the Surat Basin with the tenement mostly covered by Early to Late Jurassic sediments that unconformably overlay outcropping Late Devonian – Mississippian volcanoclastic sedimentary rocks hosting the May Queen gold mineralisation. Multiple historical high grade shallow gold drill intercepts have been reported which potentially could represent a skarn and/or epithermal gold system. Other gold and copper assays in feldspar porphyry indicate the project may potentially also host a porphyry mineralization system warranting further exploration.

The Mt Clermont gold project lies within the Anakie Province of the Drummond Basin which is composed of a sequence of Devonian to Carboniferous volcanics and sediments in Central Queensland, approximately 60 km by road north-west of the town of Emerald. Over 6,700m of drilling has been completed showing potential for a high grade polymetallic epithermal system. Future exploration will focus on exploring for further massive sulphide lenses along the major Retro fault system.

Both Queensland projects are considered to have significant potential for hosting precious metals, especially gold, warranting substantial further geological exploration including RC and diamond drilling.

The Fairview gold project lies within the Pilbara Granite-Greenstone Complex in the northwest of Western Australia. The exploration target is structures similar to the Mt Clement deposit (less than 5 km to the south-east) and the Paulsens Gold Mine, operated by Northern Star Limited (around 30 km to the northwest). Historic RC drilling has been conducted in the north part of the tenement application with some gold intercepts over 1 g/t. High grade rock chip samples also were recorded. Planned geochemical and geophysical surveys will help define further targets.



**Figure 1 Location of Australasian projects in Australia.**

Subject to a successful listing on ASX, Australasian is proposing to spend between approximately A\$2.75 million to A\$3.55 million across the three projects over the next 2 years. The planned exploration includes mapping, surface geochemistry, geophysics and drilling.

Phil Jones has reviewed the proposed exploration program and budget, and is of the opinion that the proposed work programs are appropriate and that the budgets are sufficient to complete the work and

advance the projects. Should the capital raising be successful, Phil Jones considers that the Company will have sufficient working capital to carry out its stated objectives, maintain the tenements in good standing by meeting or exceeding tenement expenditure commitments and also satisfy the requirements of the ASX Listing Rules.

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# 1 INTRODUCTION

## 1.1 Context, Scope and Terms of Reference

Phil Jones Pty Ltd (Phil Jones) has been commissioned by Australasian Gold Limited (“Australasian” or “the Company”) to provide a Technical Assessment Report (Report or ITAR) on Australasian’s mineral assets for inclusion in a prospectus (Prospectus) to be issued by the Company for an initial public offer of 22.5 million shares at an issue price of \$0.20 each to raise \$4,500,000. Oversubscriptions of up to a further 7.5 million shares at an issue price of \$0.20 per share to raise up to a further \$1.5 million may be accepted.

This report has been prepared as a public document, in the format of an independent specialist’s report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code, for inclusion in the Prospectus.

This report is a technical review of the Company’s three mineral projects (refer Table 1) which consist of exploration tenements and tenement applications in the Brovinia goldfield and Drummond Basin in Queensland and Pilbara region of Western Australia. This report has been prepared on the basis of data and reports supplied by Australasian, publicly available historic exploration reports (WAMEX) and on geological publications from the GSWA.

The Company is a gold and base metals focussed explorer planning to discover gold deposits to be eventually developed and mined in central Queensland and the Pilbara region in Western Australia.

The Company’s strategy is focused initially on the May Queen and Mt Clermont projects and comprises:

- Compiling and verifying historic exploration data
- Detailed mapping of the geology and taking geochemical samples
- Progressive drilling with the aim of eventually delimiting a resource.

This ITRA has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 Edition) and the VALMIN Code.

The VALMIN Code is the Code and Guidelines for Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. This report is a Technical Assessment Report as defined by the VALMIN Code.

This ITRA has also been prepared in accordance with the requirements of the Australian Securities and Investments Commission Regulatory Guides 111 and 112 (ASIC, 2011).

In preparing this ITAR, Phil Jones has:

- relied on the accuracy and completeness of the data provided to it by Australasian, and that Australasian has made Phil Jones aware of all material information in relation to the projects;
- relied on Australasian’s representation that it will hold adequate security of tenure for exploration and assessment of the projects to proceed and an Independent Solicitor’s Report (that appears elsewhere in the prospectus and which provides a detailed discussion of the Company’s tenements);
- required that Australasian provide an indemnity to the effect that Australasian would compensate Phil Jones in respect of preparing the Report against any and all losses, claims, damages and liabilities to which Phil Jones or its associates may become subject under any applicable law or otherwise arising from the preparation of the Report to the extent that such loss, claim, damage or



liability is a direct result of Australasian or any of its directors or officers knowingly providing Phil Jones with any false or misleading information, or Australasian, or its directors or officers knowingly withholding material information; and

- required that Australasian would compensate Phil Jones for any consequential extension of workload through queries, questions, or public hearings arising from the reports, other than by reason of Phil Jones's negligence.

## **1.2 Principal Sources of Information and Reliance on Other Experts**

Phil Jones has based its review of the Projects on information made available to the author by Australasian along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data. Phil Jones has also relied upon discussions with Australasian's management for information contained within this assessment.

Mr. Phil Jones has not visited the projects but is familiar with their geology having worked in similar projects in the past. This report has been based upon information available up to and including 22<sup>nd</sup> January 2021.

Phil Jones has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this report is based. Unless otherwise stated, information and data contained in this technical report or used in its preparation has been provided by Australasian in the form of documentation.

Australasian was provided a final draft of this report and requested to identify any material errors or omissions prior to its lodgement.

Descriptions of the mineral tenure; tenure agreements, encumbrances and environmental liabilities will be included in the Solicitor's Reports (provided elsewhere in this Prospectus). Australasian has warranted to Phil Jones that the information provided for preparation of this report correctly represents all material information relevant to the Project.

## **1.3 Author of the Report**

Mr Phillip A. Jones, BAppSc (App. Geol), is a mining industry consultant headquartered in Perth, Western Australia. Phil Jones provides geological, resource, mining, management and corporate consulting services to the international resources sector and has done so for more than 40 years and is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He has experience in exploration, prospect evaluation, project development, open pit and underground mining and management roles. Mr Jones has worked in a wide variety of commodities including gold, uranium, iron ore, phosphate, copper, lead, zinc, silver, nickel and silica in Australia, China, Kyrgyzstan, Indonesia, New Zealand, Malaysia, Papua New Guinea and Africa.

## **1.4 Independence**

Phil Jones does not nor has had previously, any material interest in Australasian or the mineral properties in which Australasian has an interest. Phil Jones's relationship with Australasian is solely one of professional association between client and independent consultant.

Phil Jones is an independent geological consultancy. Fees are being charged to Australasian at a commercial rate for the preparation of this report, the payment of which is not contingent upon the conclusions of the report. The fee for the preparation of this report is approximately A\$9,000.

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No member or employee of Phil Jones is, or is intended to be, a director, officer or other direct employee of Australasian. No member or employee of Phil Jones has, or has had, any shareholding in Australasian.

There is no agreement or understanding between Phil Jones and Australasian as to Australasian providing further work for Phil Jones.

## **1.5 Declarations**

### **1.5.1 Purpose of this document**

This report has been prepared by Phil Jones at the request of, and for the sole benefit of Australasian. Its purpose is to provide an ITAR on Australasian's Queensland and Western Australian mineral assets for inclusion in a prospectus to be lodged by Australasian with ASIC.

This report describes the May Queen and Mt Clermont tenements held by Australasian in the Brovinia Goldfield and Anakie Province of the Drummond Basin in Queensland and the Fairview tenement application in the West Pilbara region of Western Australia. This report provides an independent review of these prospective gold exploration properties. The geology and mineralisation for these projects are discussed in detail as well as the exploration work done to date and the results obtained from this work to provide a view of their prospectivity. A summary of the planned exploration on these properties is also included. No valuation has been requested or completed for the Projects.

The report is to be included in its entirety within a prospectus to be prepared by Australasian in connection with a listing on ASX. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 22<sup>nd</sup> January 2021 and could alter over time depending on exploration results, mineral prices and other relevant market factors.

### **1.5.2 Competent Person's Statement**

The information in this report that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on information compiled and conclusions derived by Mr Phil Jones, a Competent Person, who is a Member the Australasian Institute Mining and Metallurgy and the Australian Institute of Geoscientists.

Mr Jones has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets', and as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Jones consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **1.5.3 Site Inspection**

Due to Covid-19 travel restrictions and since much of the reporting on both May Queen and Mt Clermont Projects is publicly available and certain reporting has been made in compliance with AIM and ASX and JORC Code (2012) requirements, Mr. Phil Jones has not visited the project sites but is familiar with their geology having worked in similar projects in the past. Mr. Phil Jones is of the opinion that no

significant additional benefit would have been gained through a site visit to the projects given their stage of development.

#### *1.5.4 Units & List of Abbreviations*

All units are reported in the Système Internationale d'Unités (SI) as utilised by the international mining industries, including: metric tonnes (tons, t), million metric tonnes (Mt), kilograms (kg) and grams (g) for weight; kilometres (km), metres (m), centimetres (cm), millimetres (mm) or microns ( $\mu\text{m}$ ) for distance; cubic metres ( $\text{m}^3$ ), litres (l), millilitres (ml) or cubic centimetres ( $\text{cm}^3$ ) for volume; square kilometres ( $\text{km}^2$ ) or hectares (ha) for area; degrees Celsius ( $^{\circ}\text{C}$ ) for temperature; weight percent (wt %) for metal grades; parts per million (ppm), parts per billion (ppb), percent (%) or grams per tonne (g/t) are used to express metal content and tonnes per cubic metre ( $\text{t}/\text{m}^3$ ) for density.

#### *1.5.5 Statements attributable to third parties*

This report includes statements attributable to third parties, being previous geological reports concerning the projects the subject of this report. These parties have not consented to these statements being included, and the Company relies on ASIC Corporations (Consent to Statements) Instrument 2016/72 to include these statements.

## 2 PROJECT OVERVIEW

Tenement information on Australasian’s Queensland and Western Australian tenements was provided by independent legal firms, Oxby Legal and House Legal. Phil Jones relies on the independent opinion of Oxby Legal dated 25 February 2021 and House Legal dated 2 March 2021 respectively, with regards to the validity, ownership, and standing of Australasian’s tenements. Phil Jones makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so. summarises the tenements, APPENDIX 1 provides summary details of individual leases and full detail of the tenure situation is presented in the solicitors’ reports prepared by Oxby Legal and House Legal attached in a different section of the prospectus.

### 2.1 May Queen Gold Project

#### 2.1.1 Location and Tenure

The May Queen gold project comprises granted tenement Exploration Permits for Minerals EPM 19419 and EPM 27746, located within the Brovinia goldfield in Queensland, approximately 225 km by road south-west of the nearest regional port at Bundaberg and 375 km by road from Brisbane (Figure 3). It covers free-hold land with no Native Title claim.

**Table 2: May Queen tenement summary.**

Asset	Holder	State	Interest (%)	Status <sup>(1)</sup>	Licence expiry date <sup>(2)</sup>	Licence area (km <sup>2</sup> )	Comments
May Queen EPM 19419	Pure Mining Pty Ltd	Queensland	100	Exploration	24 August 2022	74.1	Gold exploration
May Queen EPM 27746	Pure Mining Pty Ltd	Queensland	100	Exploration	15 February 2026	92.6	Gold exploration

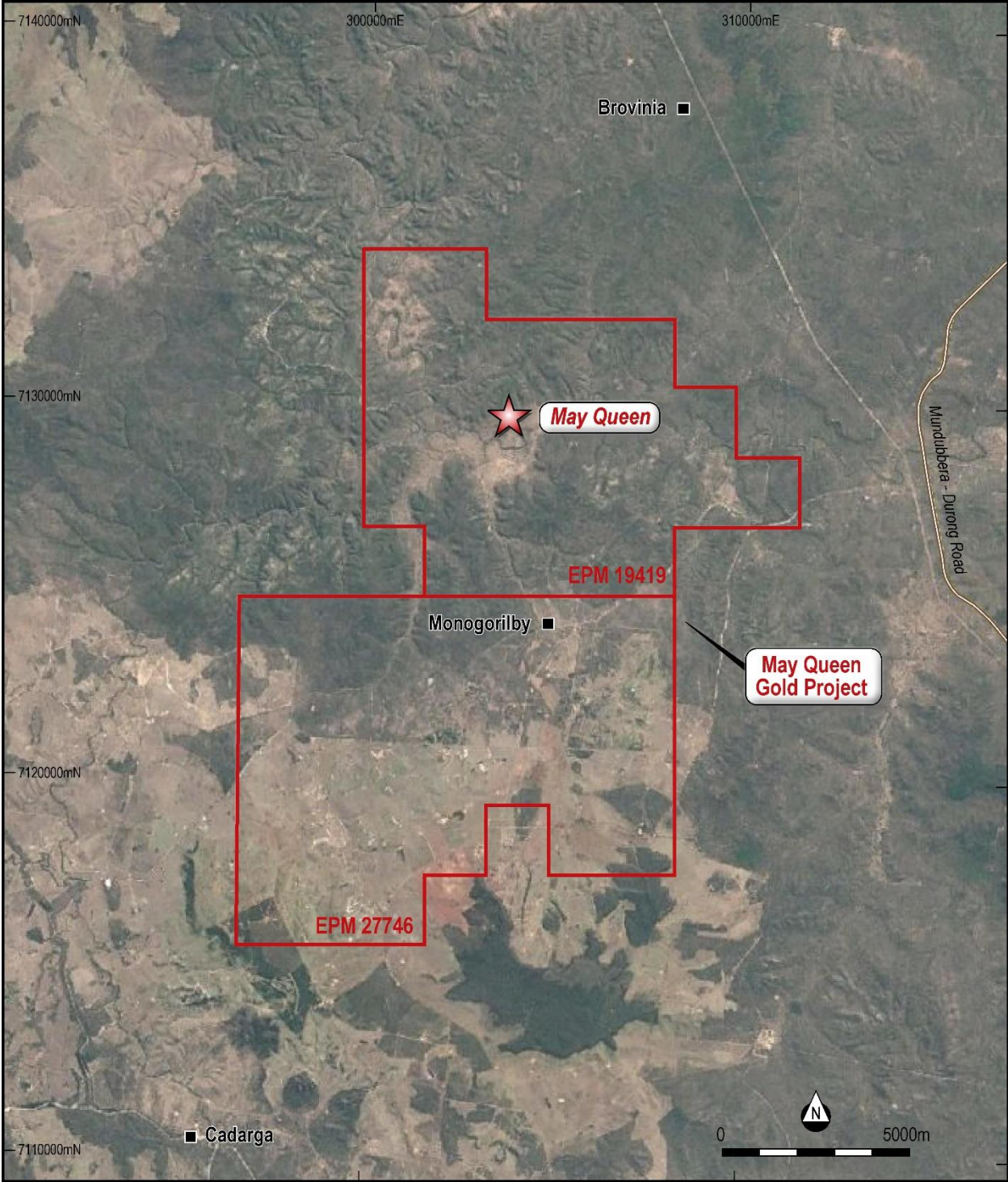


Figure 2: May Queen tenements - EPM 19419 and EPM 27746. (after GoogleEarth)



**Figure 3: May Queen location.**

The May Queen project is accessible by well-maintained gravel tracks leading off the nearby bitumen Mundubbera-Durong Road. Access is possible all year except after occasional summer tropical storms when roads may be blocked due to flooding for short periods.

### ***2.1.2 Physiography and climate***

The Mundubbera region that includes the project area comprises a continental landscape of hills, valleys, plateau and plains. The climate is subtropical without a distinct dry season, although most rain falls during the summer. The average annual rainfall is about 670 mm (Bureau of Meteorology, 2000). Stream erosion has been a major factor in the evolution of the landscape and has produced incised topography over much of the area.

The region includes two major drainage networks; the Dawson River with its system of westward and northward tributaries in the west, and the Burnett River with its system of southward and eastward tributaries including at May Queen in the east. The drainage divide is principally at 400–450 m above sea level (ASL). The valley floors in the east are at about 150–250 m ASL, whereas in the west they are at about 200–250.

The project area consists of a plateau formed from Tertiary volcanics and Jurassic sediments incised by the Monoyorilby, Fishy and Brovinia Creeks and tributaries producing a topographic range between 250 mRL in the valleys and 350 mRL on the plateau.

**Table 3: Summary climate data for Kingaroy (~95 km south-east of May Queen)**



Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Record high °C	41	41.6	37.4	35	31.8	28.4	27.4	33.3	36.7	39	38.9	40.8	41
Average high °C	29.6	28.9	27.7	25.2	21.7	19	18.5	20.2	23.4	26	28.1	29.5	24.8
Average low °C	17.7	17.5	15.7	12.2	9	5.5	4.1	5	8.1	11.8	14.7	16.7	11.5
Record low °C	8.8	6.7	4.4	-0.6	-3.9	-5.3	-6.7	-6.0	-2.2	-1.1	2.4	6.5	-6.7
Average rainfall mm	114.4	96	77.6	46.7	41.3	42.6	40.8	28.6	37.7	64.3	78.3	110.8	779.1
Average rainy days	9.7	9.2	8.6	5.9	5.8	5.4	5.3	4.4	4.7	6.8	7.6	9.1	82.5

Source: Australian Bureau of Meteorology (colour coded to represent intensity)

### 2.1.3 Regional Geology

The bedrock geology of the Mundubbera and northern part of the Chinchilla 1:250,000 scale geology sheets comprises a series of north-trending zones (Figure 4).

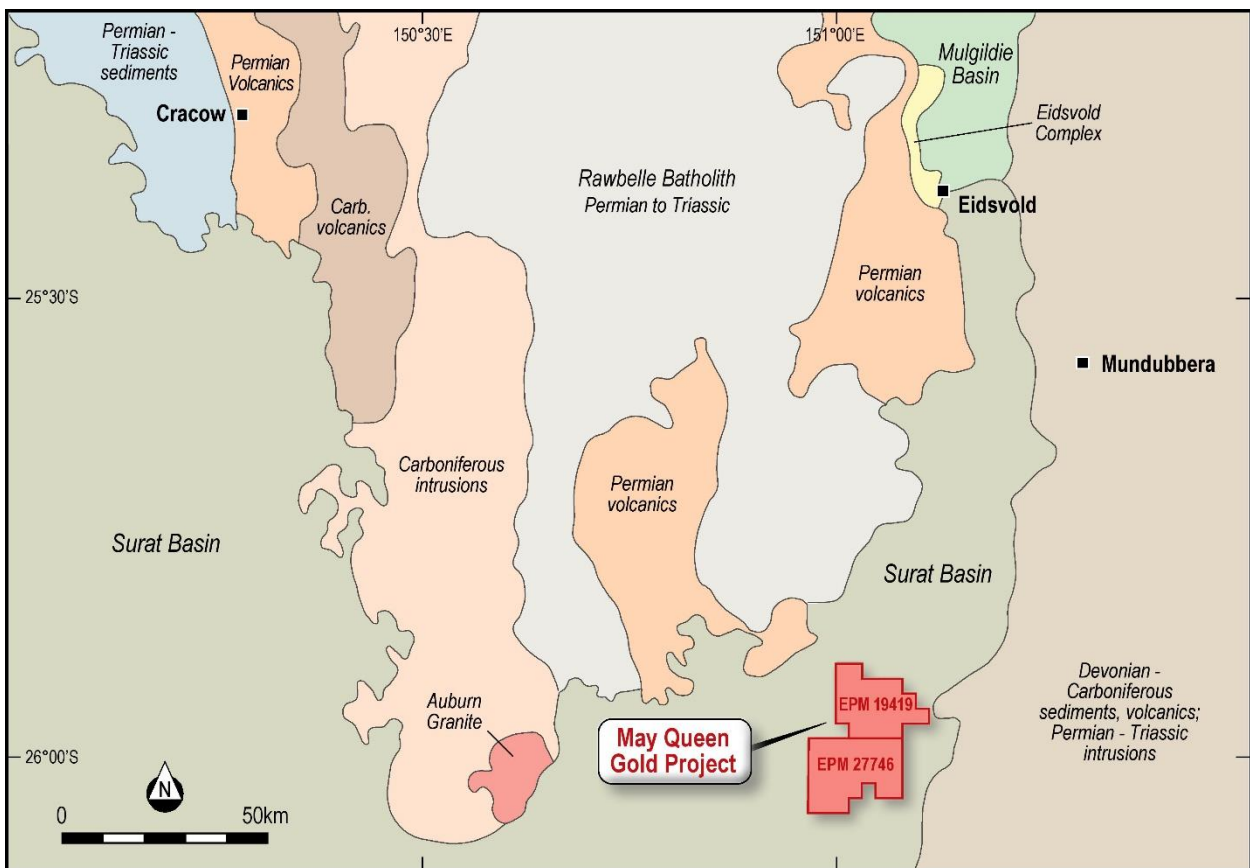


Figure 4: May Queen regional geology. (modified after Jones 2003)

Progressing from east to west, these are as follows:

- Steeply dipping Devonian to Carboniferous rocks in the east related to a former subduction zone and forearc basin. Also in this area are a number of Permian to Triassic intrusions and several Tertiary basalt flows.
- Immediately to the west is a narrow zone of Jurassic sediments (Mulgildie Basin in the north; Surat Basin in the south).

- Permian to Triassic intrusive rocks of the Rawbelle Batholith dominate the central part of the region. This batholith comprises granite, granodiorite, adamellite and gabbro. The Eidsvold Complex also forms part of the Rawbelle Batholith and is the host for gold mined in the Eidsvold area.
- Carboniferous intrusions fringe the Rawbelle Batholith in the west. These comprise granodiorite and adamellite.
- Upper Carboniferous and Permian volcanic rocks occur west of the Carboniferous intrusions, and also along the eastern margin of the Rawbelle Batholith, near Eidsvold. In the west they comprise the Camboon Volcanics (Bowen Basin), which host the Cracow gold deposits.
- Lower to Middle Jurassic sediments of the Surat Basin are exposed in the western and southwestern parts of the Mundubbera sheet area and include the May Queen project area. These rocks dip very gently to the southwest and include the Precipice Sandstone at the base of the sequence, overlain firstly by the Evergreen Formation, then the Hutton Sandstone, and then the Injune Creek Group.
- Westerly dipping sedimentary rocks of the Bowen Basin are present in the northwest of the region. These comprise the Permian Back Creek Group (mudstone, sandstone, limestone), and the Lower Triassic Rewan Formation (sandstone and finer grained rocks).
- Overlying the Permian to Triassic intrusive rocks in the centre of the region is an extensive but thin Cenozoic sandstone with a variably preserved ferruginous cap. An erosional scarp commonly marks the perimeter of the Cenozoic sandstone thereby forming the "Central Plateau", and a pediment of mottled saprolite extends from its base. To the east of the Central Plateau are numerous knolls and mesas of sandstone resulting from incomplete erosion of a formerly more extensive sand sheet..

#### **2.1.4 Local Geology**

The May Queen Project tenements lie at the junction of the Mundubbera and Auburn, 1:100,000 scale geology maps (Figure 5).

The major portion of the tenement area is covered by a relatively flat lying sequence of variable sandstones, pebbly sandstones and shales of the Jurassic Evergreen Formation (Figure 5). These sediments form a sharply dissected plateau with a basal unconformity exposed in the valleys at an elevation of approximately 280 mRL.

Below the unconformity is a west to north-west trending sequence of acid tuff, greywacke and mudstone with minor flow banded rhyolites. This sequence is tentatively correlated with the Carboniferous Torsdale Beds which occur some 65km to the west, and on the opposite side of the Permian Auburn Complex. The presumed Torsdale Beds contain two main suits of intrusives;

- the dioritic to granodioritic stock hosting the May Queen deposit and associated, extensively clay altered felsic intrusives to its immediate southeast,
- smaller northwest-southeast trending stocks of aphyric to porphyroidal rhyolite and quartz-feldspar porphyry.

The Torsdale Beds appear to be broadly folded into a northeast trending syncline. The northwest-southeast control on the emplacement of the porphyroidal intrusives appears to post-date the folding. A number of well-defined topographic breaks in the Evergreen Formation suggest that later faulting has occurred along a parallel northwest-southeast trend.

Exploration to date within EPM 19419 has been focussed on Carboniferous hosted gold mineralisation exposed in valleys associated with various creeks beneath a veneer of the Early Jurassic Evergreen Formation volcanics and sediments.



At May Queen the mineralisation occurs along the contact zone and in close proximity to the porphyry dykes. In detail, the gold lies within quartz chalcedony veinlets within a few metres of the porphyry contacts. Sulphide contents are generally less than 1% and there is a broad correlation with tellurium in the chemical analyses. This is typical of the epithermal gold occurrences that appear in this district including at the Cracow mine west of Brisbane, which has been producing 80,000 to 90,000 oz gold per year since 2003 (Cracow-fact-sheet-2020\_LR.pdf (evolutionmining.com.au)).

Copper - gold (potential 'skarn' type mineralisation associated with copper-gold porphyries) was intersected in the middle of the prospect where surface copper oxide staining had been recognised in reconnaissance mapping.

The May Queen prospect is characterised by a discrete magnetic anomaly also spatially associated with historical drill intersections (Figure 9). Several additional small magnetic anomalies occur to the south-east of the May Queen prospect under approximately 20 m to 50 m of younger Tertiary cover. Potential exists for the discovery of additional high-grade gold mineralisation similar to May Queen at these aeromagnetic anomalies.

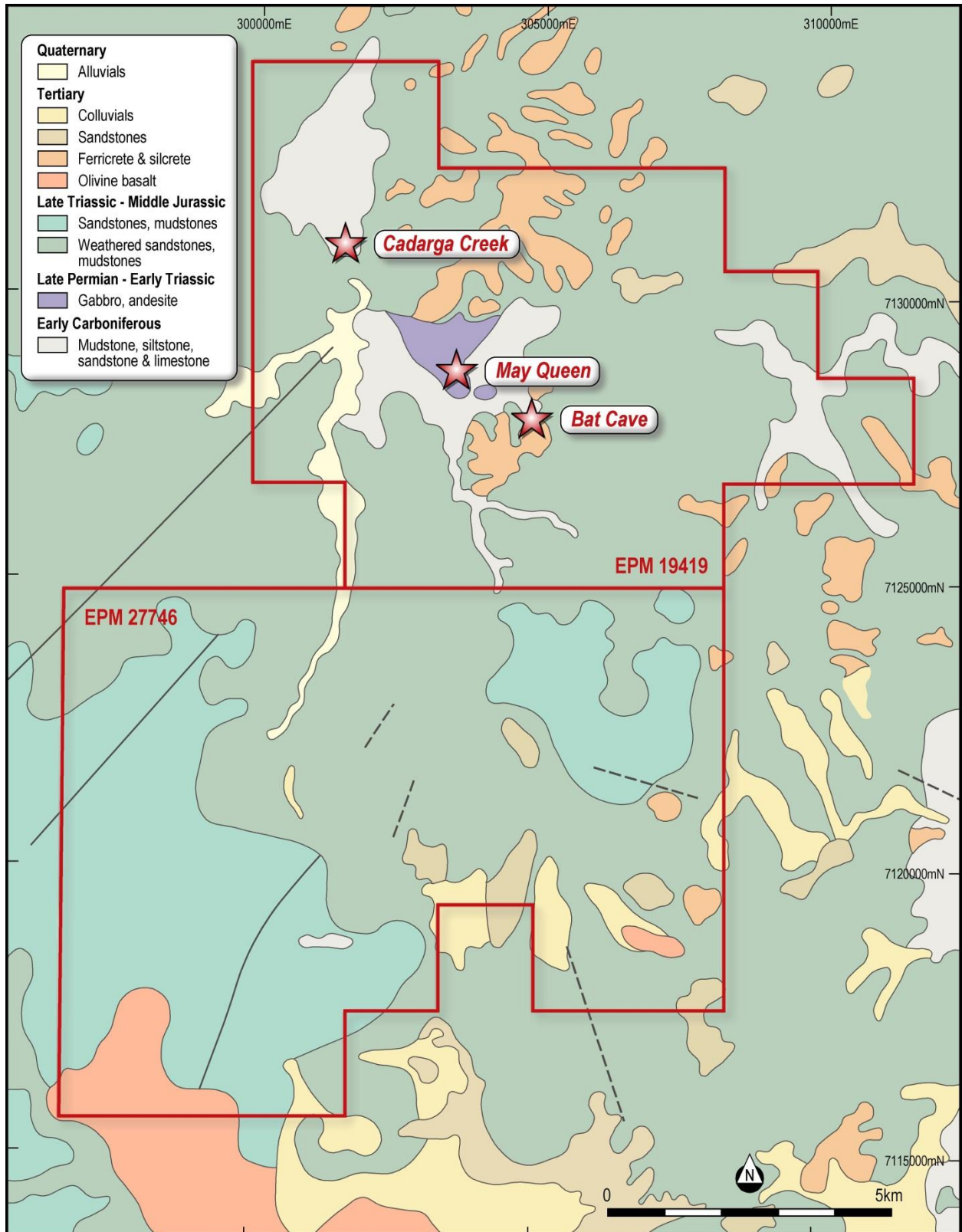


Figure 5: May Queen local geology. (after GSQ, MUNDUBBERA 1:100,000 sheet)

### 2.1.5 Historical Exploration

The May Queen mine was part of the Brovinia gold field and was described by Jack (1896).

The first modern exploration was undertaken by Burmine (ATP 4106) who carried out reconnaissance mapping and rock chip sampling. They took 112 samples with one assaying >1 ppm Au.

Black Swan (ATP 4576) explored the area during 1987-1988. In this period they completed gridded auger soil sampling, rock chip sampling, costeaning, ground magnetic and EM surveying and geological mapping. Black Swan also drilled 15 RC holes, eight of which tested the May Queen mineralisation, Table 4. This work returned several narrow but very high grade results, the best of which was a one metre sample which assayed 149 g/t Au (BPH01). The other holes were drilled at Bat Cave (four holes), Bracken Valley (two holes) and one hole designed to test a skarn altered outcrop to the north of May Queen. This drilling was carried out prior to JORC Code (2012) for reporting exploration results and so the results are provided as an indicative guide only as these results cannot be independently verified as being accurate and unbiased.

**Table 4: Black Swan drill intercepts with gold assays summary.**

Hole ID	East	North	RL	Dip	Azimuth	Total Depth (m*)	From (m*)	To (m*)	Width (m**)	Average Au g/t#
BPH01	303549	7128702	266	-60	196	70	32	34	2.0	75.40
BPH02	303548	7128660	266	-60	155	64	10	15	5.0	0.29
BPH03	303579	7128787	266	-60	232	55	No significant intersection			
BPH10	303545	7128700	266	-60	233	14.5	12	13.5	1.5	0.26
BPH11	303547	7128659	266	-60	53	15.5	4	5	1.0	8.30
BPH12	303549	7128707	266	-60	233	38	18	19	1.0	3.52
						and	31	32	1.0	5.34
BPH13	303538	7128667	266	-60	53	37	14	15	1.0	1.89
BPH14	303554	7128699	266	-60	233	47	10	12	2.0	1.00
						and	36	37	1.0	9.00
BPH15	303542	7128715	266	-60	233	25	9	12	3.0	18.86
						and	21	25	4.0	38.80

NOTE: \* Down hole depths, \*\*intersection widths are down hole, not true widths, # Grade intercept thresholds are >=1 m and >=1 g/t.

During 1997 Compass Resources (EPM 11197) carried out further soil, rock chip and BCL drainage sampling around the May Queen prospect.

Copper Strike (EPM 15036) in joint venture with Paradigm Gold drilled a further seven RC holes at May Queen. The company also surveyed in the Black Swan drill collars.

Two holes were located close to previous high grade results reported by Black Swan but the results failed to duplicate the high grades or widths of the previous drilling campaign (Table 5). This drilling was carried out prior to JORC Code (2012) for reporting exploration results and so the results are provided as an indicative guide only as these results cannot be independently verified as being accurate and unbiased.

**Table 5: Paradigm Gold drill intercept with gold assays summary.**

Hole ID	East	North	RL	Dip	Azimuth	Total Depth (m*)	From (m*)	To (m*)	Width (m**)	Average Au g/t #
BVP001	303524	7128709	266	-60	53.5	70	15	17	2	1.68
BVP002	303545	7128716	266	-60	233.5	35	10	11	1	1.31
BVP003	303511	7128730	266	-60	53.5	40	28	32	4	0.53
BVP004	303519	7128672	266	-60	53.5	77	44	46	2	4.67
and							53	54	1	22.9
BVP005	303541	7128640	266	-60	53.5	65	43	44	1	0.07
BVP006	303477	7128770	266	-60	53.3	65	54	55	1	0.06
BVP007	303561	7128600	266	-60	53.5	60	38	39	1	0.06

NOTE: \* Down hole depths, \*\*intersection widths are down hole, not true widths, # Grade intercept thresholds are >=1 m and >=1 g/t.

The project area (EPM 19419) was acquired by IronRidge Resources (AIM:IRR) in 2014, primarily to test for extensions to the titanium (rutile) mineralisation outlined in the Tertiary volcanics in the Monogorilby area. Subsequently the potential for Tertiary hosted rutile (and bauxite) mineralisation was downgraded and attention focussed on the May Queen prospect.

A total of 85 soil and three rock chip samples were collected within the May Queen prospect area by IronRidge. The following year an eight hole RC drill program was completed aimed at testing previous high grade drill intercepts and outlining possible extensions to the known mineralisation, Table 6. The best grades were reported from MQN5 which intersected several narrow mineralised zones between 25-49m, with a best assay of 46-48m @ 13.5 g/t Au. It is likely that the enhanced width and tenor of mineralisation is due to the fact that the hole was drilled sub-parallel to the dip of the lode.

**Table 6: Iron Ridge Resources drill intercept summary.**

Hole ID	East	North	RL	Dip	Azimuth	Total Depth (m*)	From (m*)	To (m*)	Width (m**)	Average Au g/t #
MQN1	303514	7128784	259	60	235	85	No significant intersection			
MQN2	303528	7128759	259	60	55	121	46	47	1	0.62 1.3% Cu
MQN3	303499	7128735	260	60	55	60	29	30	1	0.72
MQN4	303566	7128721	260	60	235	85	24	26	2	3.45
MQN4	and						37	38	1	6.95
MQN5	303543	7128711	260	60	235	61	25	26	1	6.86
MQN5	and						34	36	2	1.71
MQN5	and						46	49	3	9.27
MQN6	303515	7128698	260	60	55	46	28	29	1	6.14
MQN6	and						33	36	3	2.58
MQN7	303537	7128657	262	60	55	42	24	26	2	0.73
MQN8	303580	7128678	260	60	235	67	No significant intersection			

NOTE: \* Down hole depths, \*\*intersection widths are down hole, not true widths, # Grade intercept thresholds are >=1 m and >=1 g/t.

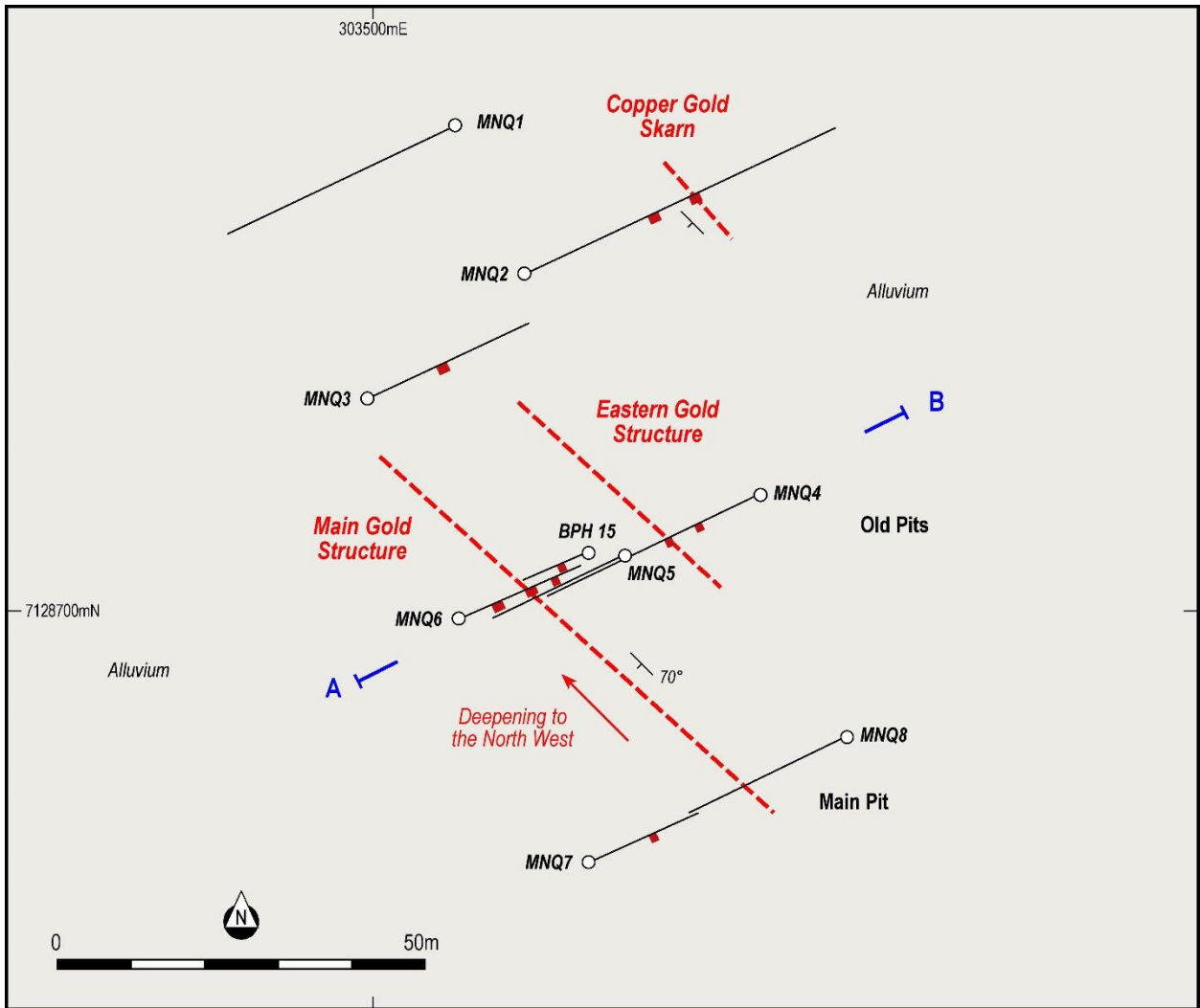


Figure 6: Drill and trench location plan showing lode intercepts at May Queen. (after IronRidge)

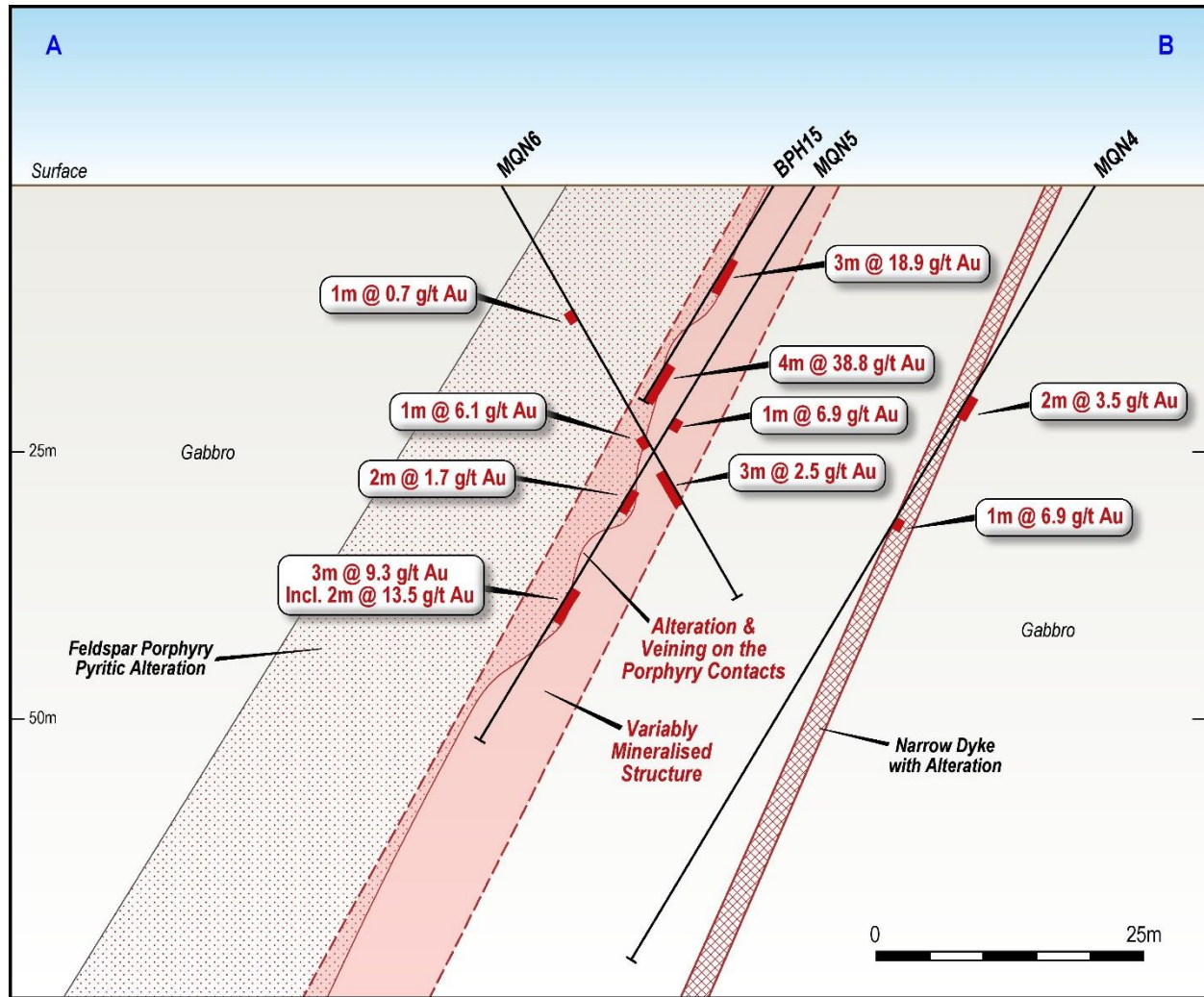


Figure 7: Interpreted cross section AB. (after IronRidge)

### 2.1.6 Exploration Targets

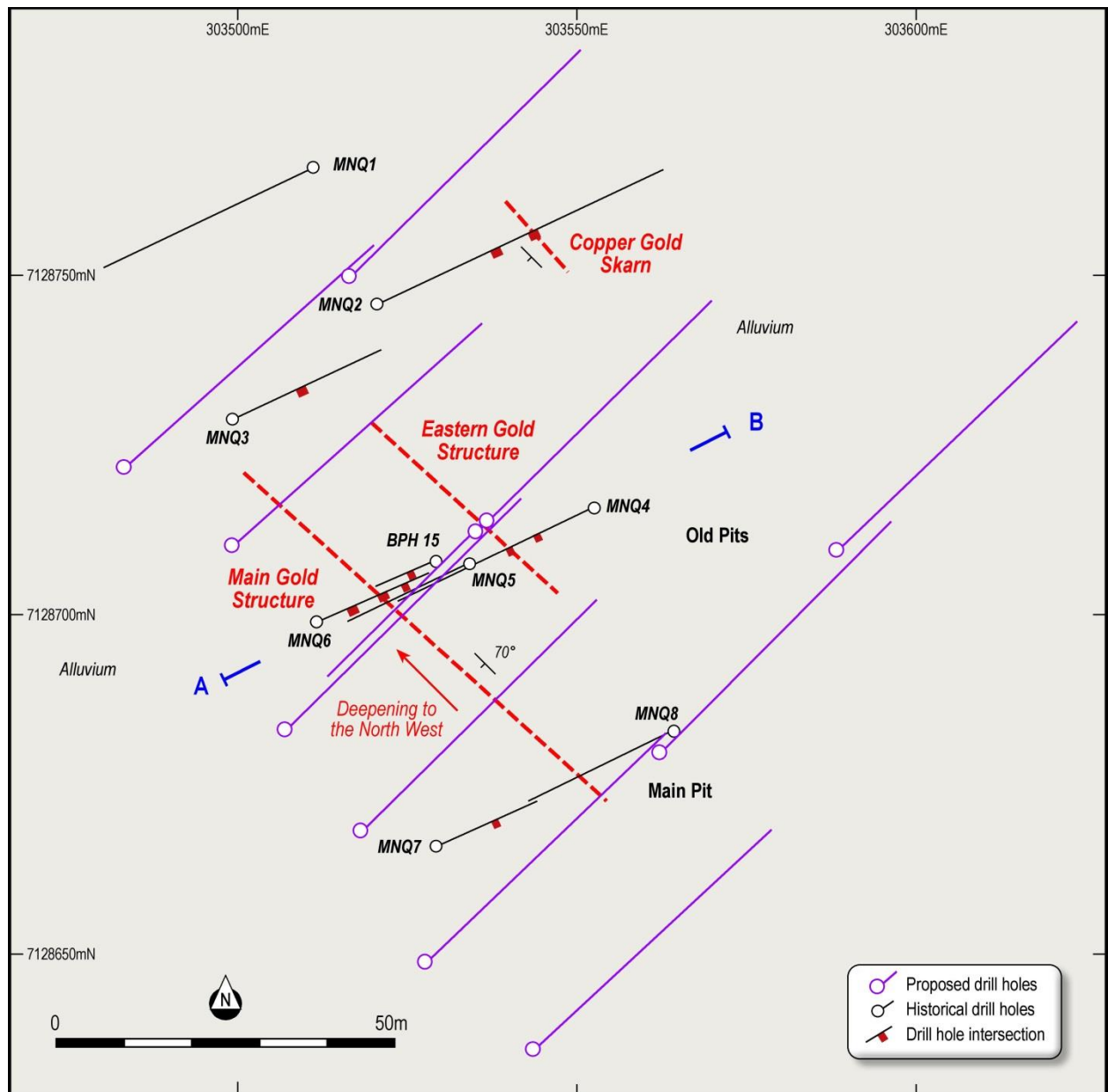
A feature of the May Queen Project is that the majority of the area is covered by barren Tertiary sediment cover. The only window through these sediments where the target geology outcrops is along the deeper valleys, most notably around the historic May Queen workings.

The immediate exploration target is in the vicinity of the May Queen mine (Figure 6 and Figure 7) where there is no Tertiary cover and drilling completed to date has intersected significant intersections of high grade gold mineralisation (Table 6). Most of the historic drilling intercepts with high grades are less than 50 m vertically from the surface. The first focus of the future exploration will be validation of the previous drilling, including some twinning of selected historical holes, as well as stepping back to test the down dip extensions of the shallow high grade gold mineralisation (Figure 8) as well as drilling along strike in an effort to establish a JORC Code (2012) compliant resource estimate.

The verification drilling will be focused on previous high grade intercepts including 4 m at 38.8 g/t in BPH15 from 21 m (Table 4). This first phase of verification and resource extension drilling will amount to approximately 1,200 m of diamond drilling. The diamond core will be oriented to provide extra structural information on the mineralisation. This drilling will be performed under the supervision of a qualified geologist following current best drilling, sampling and QA/QC practices. If the verification



drilling assays compare well with the original drill data the historical drill database can be confidently used to establish a JORC Code (2012) compliant resource estimate report.



**Figure 8 Proposed drilling at May Queen Gold Project.**

Cadarga Creek, May Queen and Bat Cave occur along a northwest striking aeromagnetic structure over a strike length of 1.3 km (Figure 9). Most of the historical drilling has been at May Queen while anomalous rock chip samples have been taken in Bat Cave. This newly identified potentially mineralised structure will be followed up with geological and structural mapping and a grid soil sampling geochemical survey to determine its prospectivity.

Potential also exists for additional zones of high-grade gold mineralisation similar to May Queen at untested aeromagnetic anomalies of similar dimensions and intensity as May Queen on EPM 27746 application, below the Late Triassic-Middle Jurassic sediment cover, as shown in Figure 9. These magnetic features could be linked to magnetite-bearing skarns. This exploration will entail deep RC

drilling aimed at the magnetic anomalies through the overlying sediments. Detailed field mapping and sampling is also recommended along the southern magnetic anomalies to ascertain if there are any surface expressions to assist in targeting this drilling. Additional 30 line kilometres of ground magnetic and Induced Polarisation (IP) geophysical surveys are planned to better define these targets.

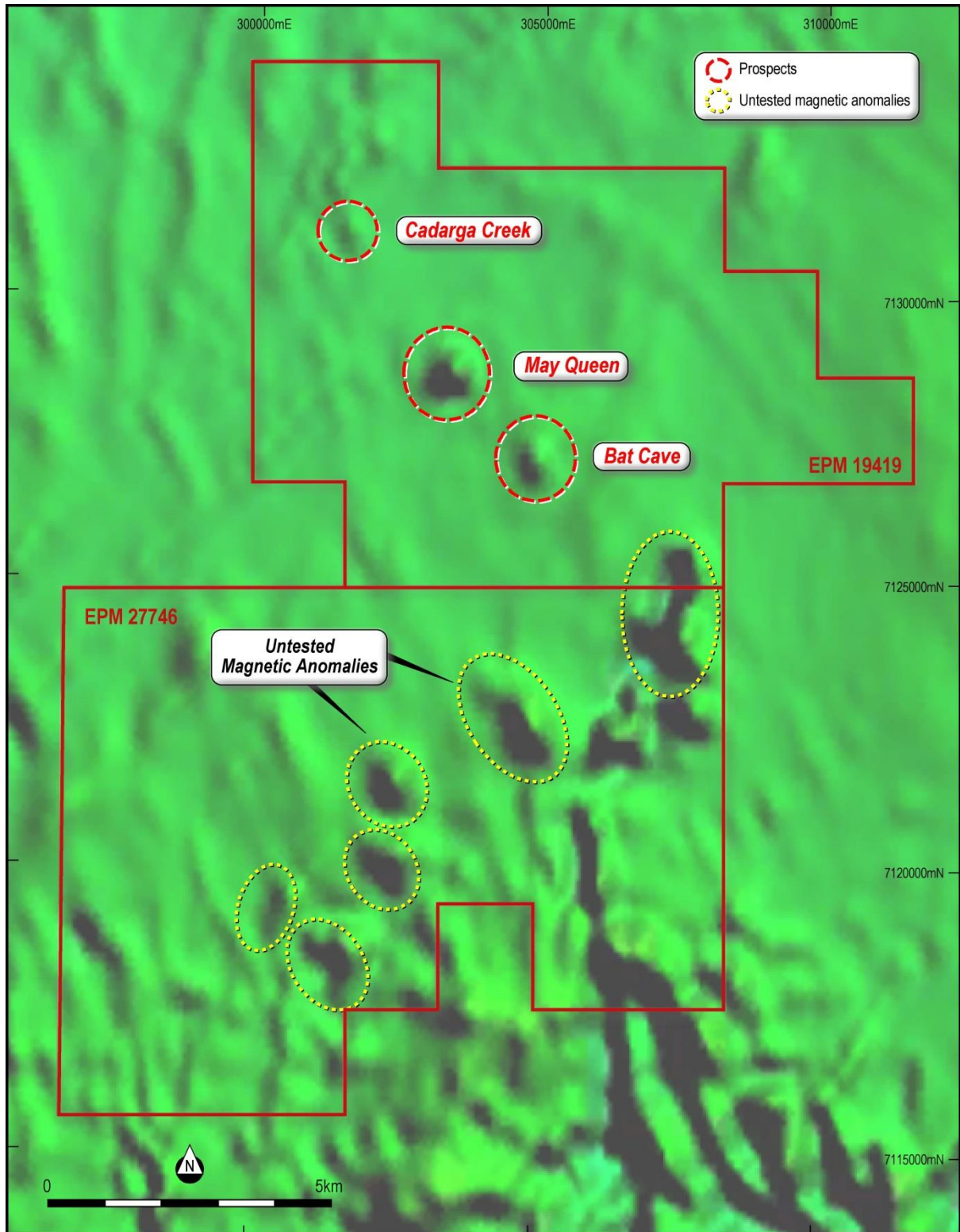


Figure 9: Aeromagnetics at May Queen.



## 2.2 Mt Clermont

### 2.2.1 Location and Tenure

The Clermont Project, EPM 14116 (Figure 10) is located in the southern part of the Drummond Basin in Central Queensland, approximately 60 km by road north-west of the town at Emerald and 330 km from the nearest regional port at Rockhampton (Figure 11).

**Table 7: Mt Clermont tenement summary.**

Asset	Holder	State	Interest (%)	Status <sup>(1)</sup>	Licence expiry date <sup>(2)</sup>	Licence area (km <sup>2</sup> )	Comments
Mt Clermont EPM 14116	Drummond West Pty Ltd	Queensland	100	Exploration	22 October 2025	69.6	Gold exploration

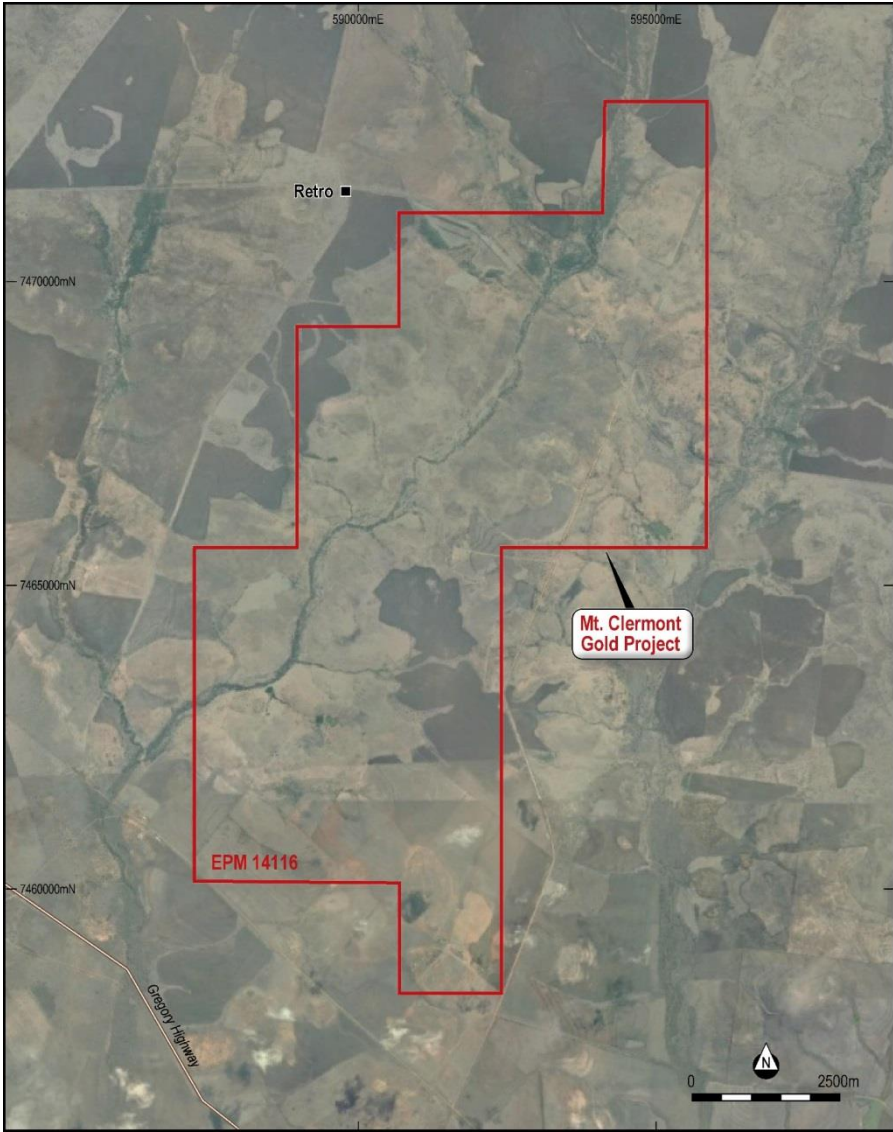


Figure 10: Mt Clermont tenement - EPM 14116. (after GoogleEarth)

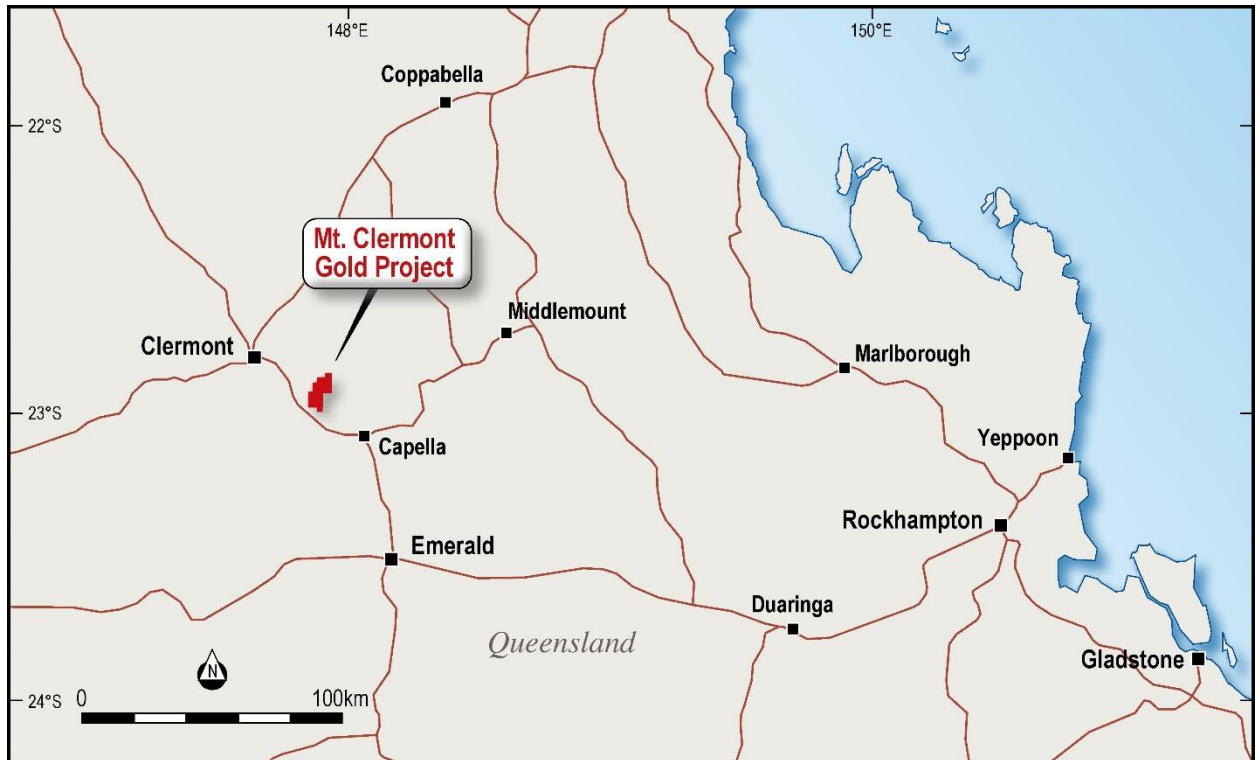


Figure 11: Mt Clermont location.

The Mt Clermont tenement is accessible by well-maintained gravel tracks leading off the nearby bitumen Gregory Highway linking Clermont to Emerald. Access is possible all year except after occasional summer tropical storms when roads may be blocked due to flooding for short periods.

### 2.2.2 Physiography and Climate

The Clermont region that includes the project area comprises a mature continental landscape composed of eroded rounded hills and plains. The climate is subtropical without a distinct dry season, although most rain falls during the summer. The average annual rainfall is about 640 mm (Bureau of Meteorology, 2014).

The Mt Clermont tenement covers predominantly flat, cleared pastoral land dissected by Retro Creek. The district was part of the Brigalow Development Scheme in the 1960s with large-scale clearing of the brigalow scrub by mechanical means. The large new farming blocks opened up by the clearing of the brigalow lent itself to the broad land growing of grain and cereal crops, particularly sunflower and sorghum.

Emerald, 60 km to the southeast, has a humid subtropical climate with hot, relatively wet summers and mild, dry winters. Maximum temperatures range from 34 °C in January to 22 °C in July, while minimums range from 22 °C to 7 °C. The average annual rainfall is 641 mm. The wettest year on record was 1407.2 mm in 1956. Extremes of temperature have ranged from 48.6 °C to -5.6 °C, while the wettest 24 hours on record was 182.0 mm on 25 February 1975.

**Table 8: Summary climate data for Emerald (~60 km south-east of Mt Clermont project)**

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Record high °C	48.6	44.8	42.9	38.1	33.5	31.7	32.8	38.2	39.7	41.7	44.6	46.2	48.6
Average high °C	34.2	33.2	32	29.4	25.7	22.7	22.4	24.8	28.3	31.6	33.7	34.8	29.4
Average low °C	21.7	21	19.4	15.7	11.5	8.4	6.9	8.1	11.8	16	18.9	20.4	15
Record low °C	7.8	6.7	7.2	0	-1.2	-3.9	-5.6	-3.6	-2.2	2.2	1.8	7.2	-5.6
Average rainfall mm	103.4	99.7	69.3	35.9	35.2	33.9	28.8	20.7	25.3	39.2	58.8	91	641.2
Average rainy days	8.3	7.7	6.1	3.8	3.7	3.3	3.2	2.8	2.8	4.6	5.8	7.4	59.5

Source: Australian Bureau of Meteorology (colour coded to represent intensity)

### 2.2.3 Regional Geology

The Clermont Project lies within the Anakie Province of the Drummond Basin of central Queensland which is composed of a sequence of Devonian to Carboniferous volcanics and sediments.

The Anakie Province contains predominantly metamorphic rocks of Neoproterozoic – early Palaeozoic age that are assigned to the Anakie Metamorphic Group (Figure 12).

The Anakie Metamorphic Group includes mica schist, quartzite, meta-arenite and greenstone. Three major deformations and subsequent minor folding events have affected the metamorphic rocks. The first deformation produced a strong foliation parallel to relict bedding. Bedding is best preserved in the thinly bedded quartzite units, which are deformed by tight asymmetric second-generation folds. Within metapelites, the first-generation fabric is strongly overprinted by a second-generation layer differentiated crenulation cleavage that is axial planar to tight second-generation folds. The third period of deformation produced north-east-trending upright folds that are overprinted by later more open east-trending regional folds and some south-east-trending folds. Metamorphism was of the low pressure-high temperature type, accompanied the first and second deformations, and ranged from greenschist to amphibolite facies. The depositional age of the Anakie Metamorphic Group is uncertain although K–Ar age dating suggests that the rocks were deformed and metamorphosed at ~510 Ma (Withnall & others, 1996).

The metamorphic rocks of the Anakie Province are intruded by a large composite assemblage of Middle – Late Devonian mainly I-type granitoids of the Retreat Batholith. Rock types range in composition from diorite through monzodiorite and granodiorite to granite. Rb-Sr ages range from 366 Ma to 385 Ma.

Volcanic rocks consisting predominantly of mafic lavas and lesser volcanoclastics assigned to the Theresa Creek Volcanics unconformably overlie the Anakie Metamorphic Group (Figure 14). The Theresa Creek Volcanics are unconformably overlain by the Silver Hills Volcanics (the basal sequence of the Drummond Basin). Geochemical studies of the Theresa Creek Volcanics and Retreat Batholith indicate that they are genetically related.

The Drummond Basin is considered prospective for both precious and base metals and is well known for hosting epithermal mineralisation, sinters and widespread alteration systems.

Typically gold mineralisation in the Drummond Basin is associated with epithermal centres and appears to be lithologically and structurally controlled (Figure 13). The gold mineralisation occurs in a well-defined stratigraphic position, often associated with sinters. The mineralisation is fault controlled and has been found using various geochemical techniques. There appears to be two phases of mineralisation, an earlier phase related to epithermal mineralisation and a later economically less

significant phase that overprints the epithermal gold mineralisation related to Carboniferous granite intrusion.

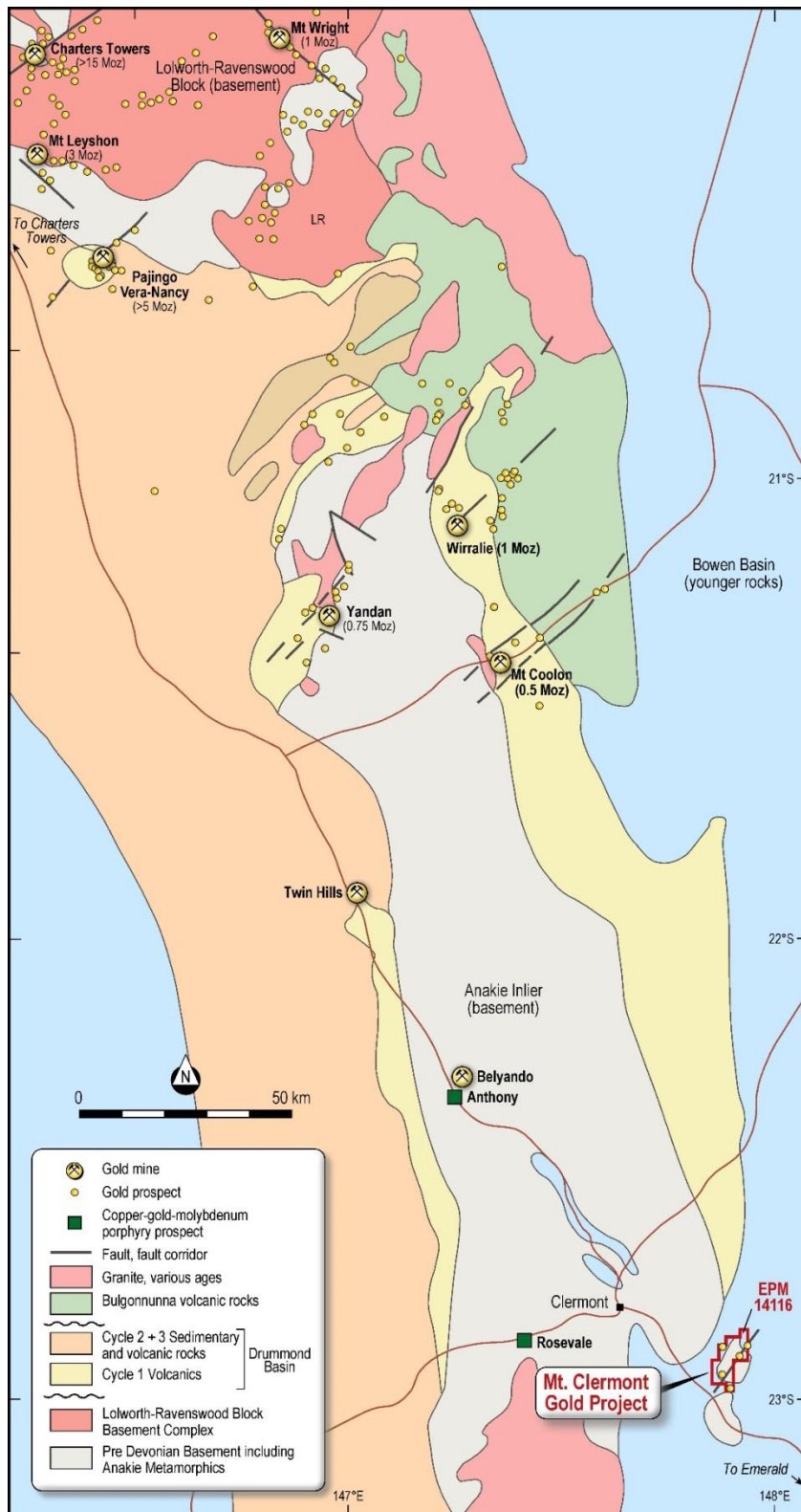
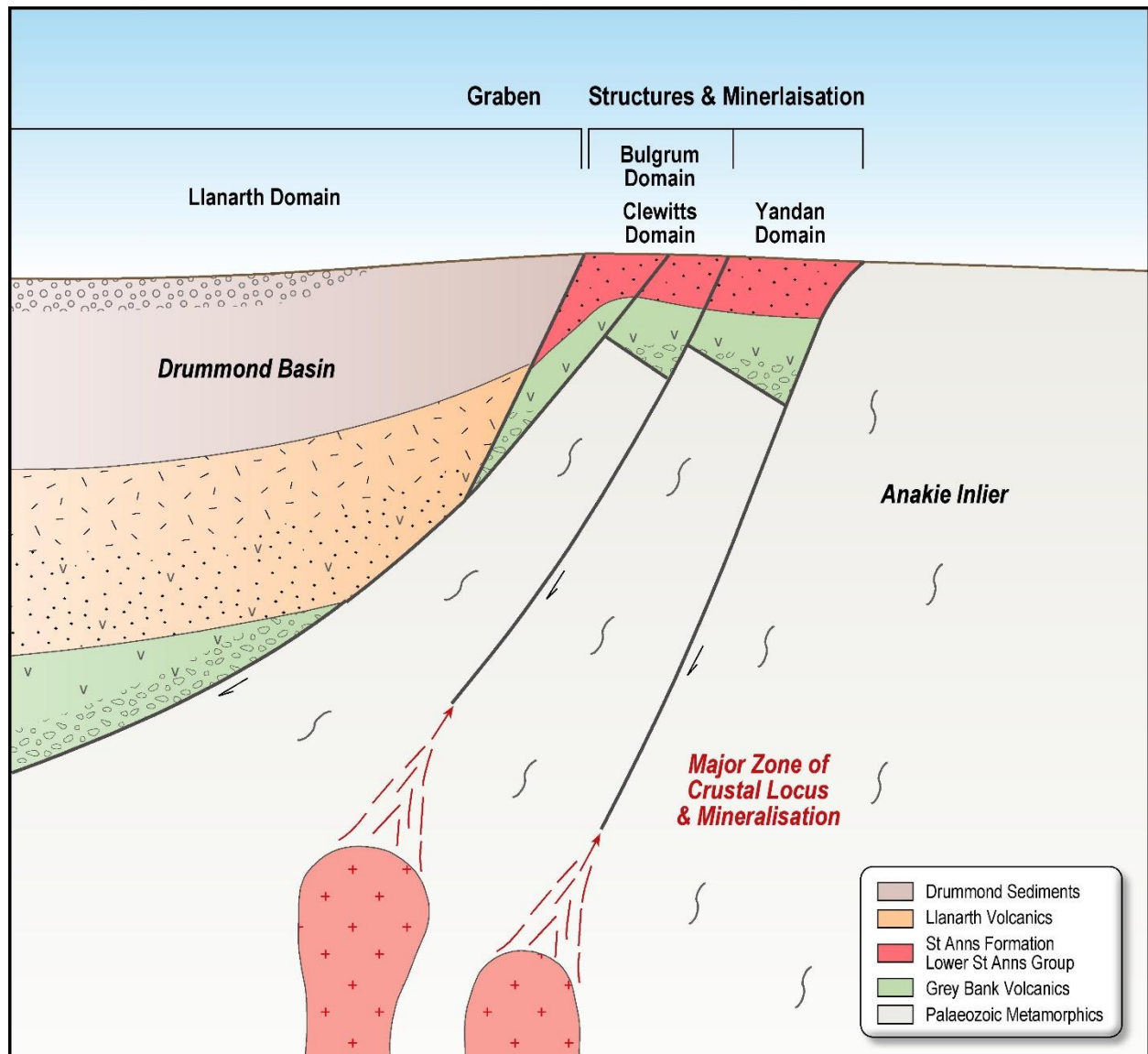


Figure 12: Mt Clermont regional geology – Anakie Province/Drummond Basin. (after Withnall & Cranfield 2013)





**Figure 13: Drummond Basin Epithermal Gold Deposit Model.**

### **2.2.4 Local Geology**

The Mt Clermont Project is located within a prolific epithermal-intrusion related gold-silver belt in central Queensland, host to world class gold deposits such as Pajingo (Vera-Nancy), Mt Leyshon and Mt Wright (Figure 12)

Approximately one third of the Mt Clermont tenement area is interpreted to be underlain by the prospective Cycle 1 Volcanics, beneath a cover of younger Tertiary volcanics and regolith (Figure 14). This cover has hindered previous conventional soil geochemistry surveys although some targets were identified with anomalous gold values.

A 2 km long target zone for high grade shoots of epithermal gold-silver-base metal mineralisation was identified by Impact Minerals Limited in 2018-2019. This target was identified from a pattern of strong metal zonation typical of epithermal deposits in drill hole assay data over at least 4 km of strike along the Retro Fault Zone and a high grade gold-silver-base metals intercept at the southern edge of the target (Figure 15).

The metal zonation is characteristic of epithermal mineralisation directly related to magmatic fluids released from a porphyry intrusion of intermediate composition. In addition, the vein system has a strong structural control and the focus of future drilling will be to identify thicker high grade shoots along this Retro Fault Zone.

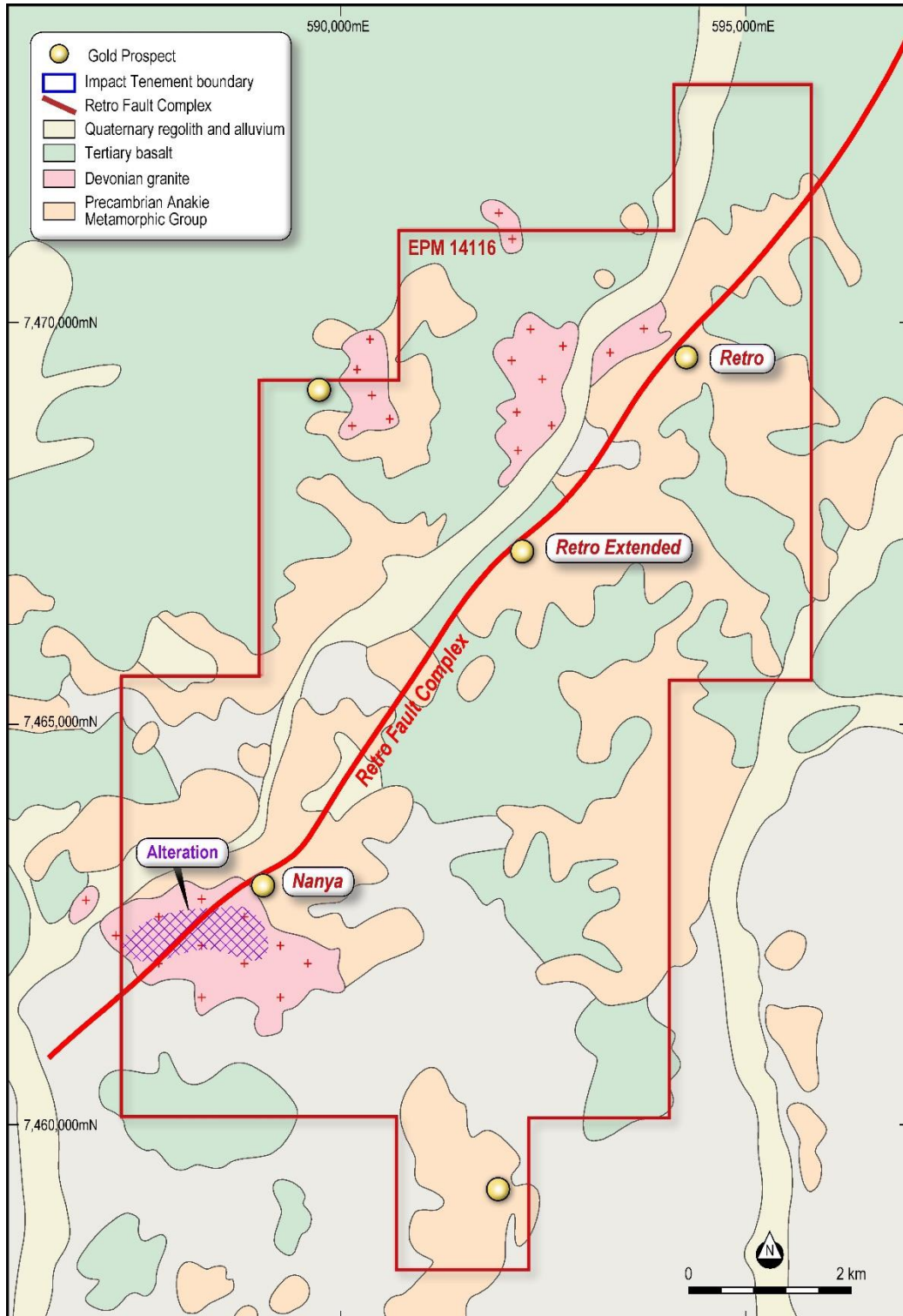


Figure 14: Mt Clermont local surface geology. (after Impact, 2018)

### **2.2.5 Historical Exploration**

Invictus Gold and Impact Minerals carried out exploration at Mt Clermont between 2016 and 2019. This work included mapping and collecting grab samples, RC drilling and an IP geophysical survey along the Retro Fault System to confirm the potential for epithermal mineralisation over its 10 km of strike length (Figure 14 and Figure 15).

At Retro Extended is a gold-bearing quartz reef/vein system. A mineralised vein system was defined by this drilling over 200 m of strike and 75 m depth (Figure 16).

Impact in 2018 and 2019 drilled 17 RC and one diamond hole for a total of 2,843.5 m along the Retro Fault System as well as rock chip and soil geochemistry and IP resistivity and conductivity geophysical surveys. This work extended the total strike of mineralisation at Retro Extended up to 1,200 m and up to 125 m below the surface.

### **2.2.6 Exploration Targets**

Further mapping, drilling including oriented diamond holes and reinterpreting the geophysics over the entire 10 km Retro Faulting system may lead to a better understanding of the structural controls and identify dilation jogs that may widen and increase the grade of the mineralised lodes with more massive sulphide lenses.

The key target area for future exploration lies in the very poorly drilled area between Retro and Retro Extended including Retro South with a total strike length of 2 kilometres (Figure 15).

The exploration challenge is to find thicker shoots of coherent high grade mineralisation within this target area. It is well known in epithermal veins systems that even subtle changes in dip and strike of the host fault of as little as 5 degrees are enough to cause significant increases in thickness and grade of the ore shoots.

A detailed structural re-interpretation of the available IP resistivity and conductivity data is planned to identify specific targets for follow up drilling. This work will focus on identifying changes in dip and strike of the host structure which may be a focus for high grade ore shoots.

A follow up drill programme will be designed based on this work. It is likely that close spaced drilling at a maximum of 50 metres between sections will be required along the target area.

At Retro, drilling already completed has located significant gold mineralisation so further drilling, both diamond and RC, is required to help understand its geometry and to test the limits of this mineralisation. To date the mineralization intersected by the drilling has been narrow lode style however pitch and swell structures are quite normal in such a geological environment.

At the Nanya Prospect (Figure 14), located 5 km southwest of Retro Extended at the southern end of the Retro Fault System, a large east trending sericite-pyrite alteration zone with many geological characteristics similar to those at the large Anthony porphyry molybdenum deposit located 100 km to the northwest. This alteration zone on the northern margin of the Retreat Granite is mapped as being at least 1.5 km by 300 m. Grab samples by previous explorers have returned anomalous assays for molybdenum, silver, copper, lead and zinc in the granite as well as in laminated and bladed-textured gossanous quartz veins in sericite altered granite. Gold values were less than 100 ppb. These grab sample results demonstrate this deposit's potential for large tonnage, porphyry style mineralisation with grid RC drilling planned to determine this deposit's grade and dimensions.



Preliminary metallurgical test work was conducted on a Clermont composite samples by Straits Salt Pty Ltd in 2004, which indicated that cyanidation time leach test work established rapid gold dissolution, with a 0.0156g/t Au leach residue from a 2.78 g/t Au calculated head, equating to 48-hour gold extraction of 94.39% (AMMTEC Limited Report No A9327, 2004).

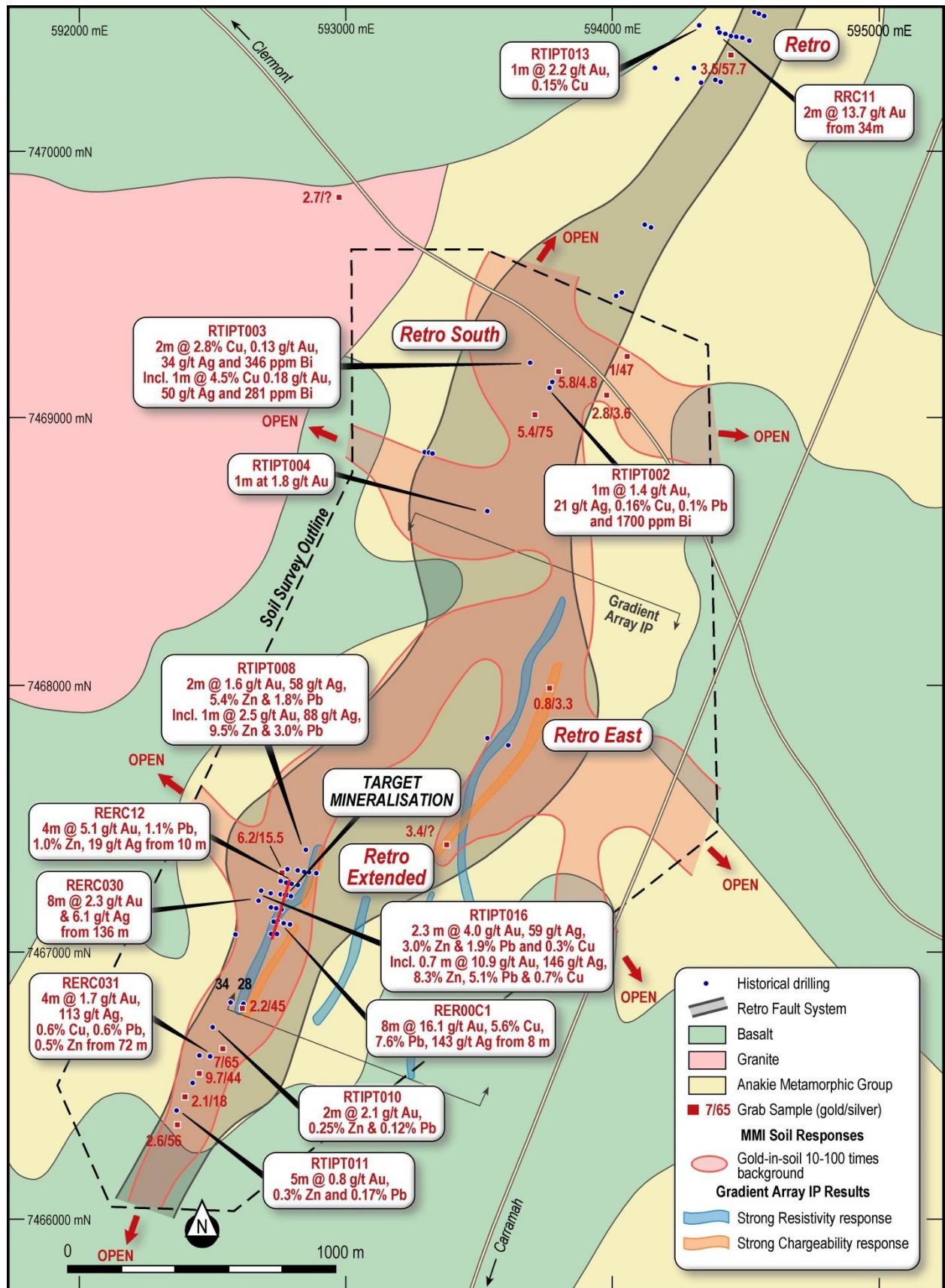


Figure 15: Geology and exploration results for the Retro-Retro Extended Prospects. (after Impact, 2019)

All drill collars in Figure 15 shown without intersection highlights failed to intersect mineralisation >0.5 g/t Au and are therefore not considered to be material for this report.

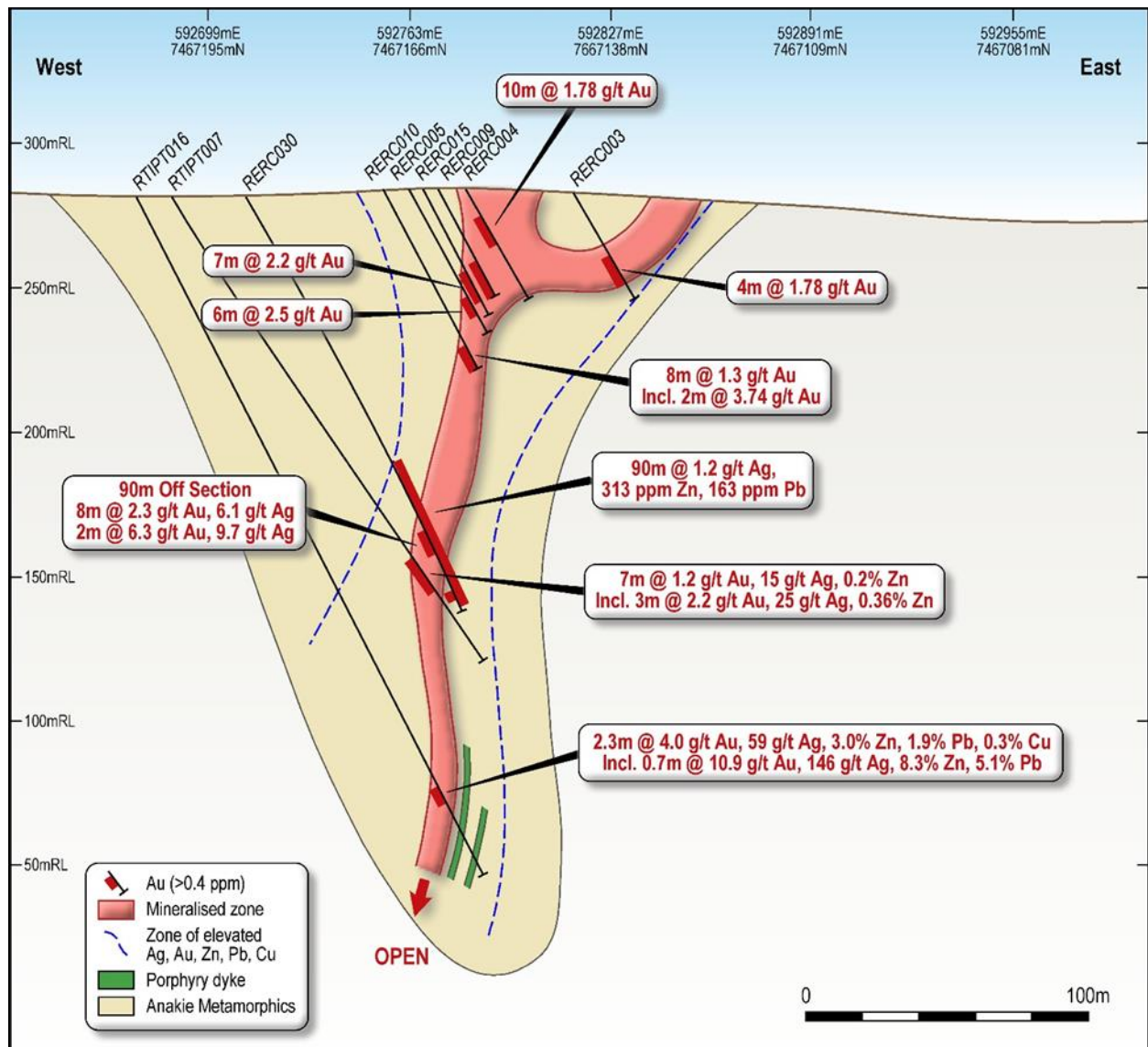


Figure 16: Section 7,467,200N. Geology and drill hole assays. (after Impact, 2019)

## 2.3 Fairview

### 2.3.1 Location and Tenure

The Fairview gold project, application for tenement E 08/3248 (Figure 17), is located on Wyloo cattle station within the Pilbara district of Western Australia approximately 200 km by road south-east of the nearest regional town at Onslow and approximately 345 km by road from the major port at Karratha (Figure 18).

Table 9: Fairview tenement summary.



Asset	Holder	State	Interest (%)	Status <sup>(1)</sup>	Licence expiry date <sup>(2)</sup>	Licence area (km <sup>2</sup> )	Comments
Fairview E08/3248	Pure Mining Pty Ltd	Western Australia	100	Exploration	Application Pending	38	Gold exploration

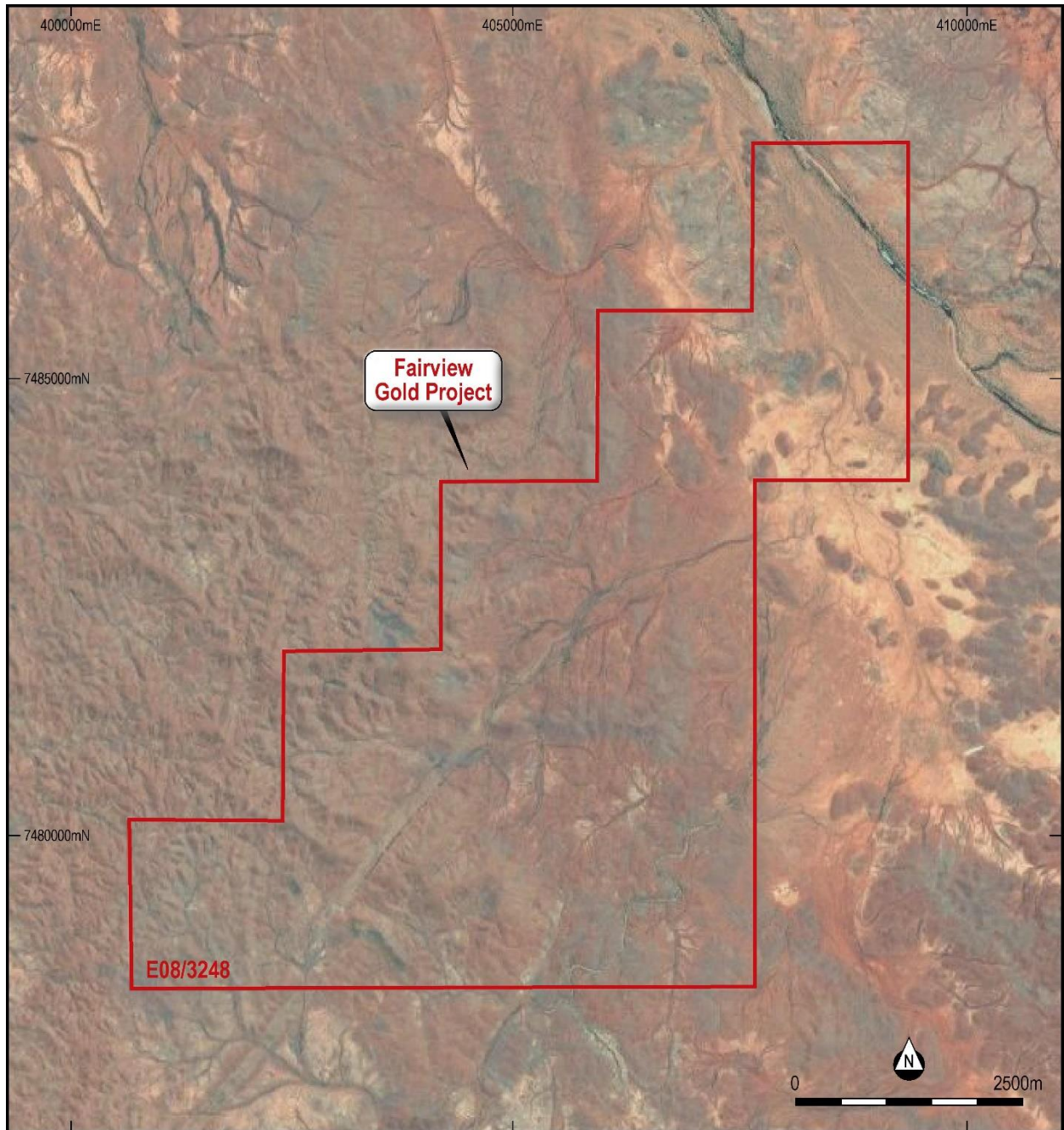


Figure 17: Fairview tenement – E 08/3248. (after GoogleEarth)



Figure 18: Fairview project location.

The Fairview tenement application is accessible by gravel station tracks leading off the nearby bitumen Nanutarra-Paraburdoo Road. Access is possible all year except after occasional summer tropical storms when roads may be blocked due to flooding for short periods.

**2.3.2 Physiography and climate**

The Wyloo region that includes the project area comprises a landscape of prominent hills, incised valleys and plains. The climate is semi-arid, similar to Newman to the east, with very hot summers and mild winters. The temperature reaches or exceeds 38 °C for many days in the summer.

Precipitation is sparse, but the influx of monsoonal moisture in the summer, which generally begins in December and lasts until April, raises humidity levels and can cause occasional heavy storms. Winter months are mild to warm, with daily high temperatures ranging from the 20 °C to 26 °C, and low (night time) temperatures rarely dipping below 6 °C.

Table 10: Summary climate data for Newman (~380 km east of Fairview)

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Record high °C	47	46	45	40.9	35.5	33	31.4	34	38	43	44	46.7	47
Average high °C	39	37	35	32.1	27.2	23	23	26	31	35	37	39.2	32.1
Average low °C	25	24	22	17.6	11.9	7.4	6.4	7.9	12	18	21	24	16.4
Record low °C	16	15	9	6	1	-1.1	-2.0	-2.0	1	6	12	15.2	-2.0
Average precipitation mm	67	70	43	21.4	18.6	16.2	14.2	6.6	3.8	5.9	13	35.5	329.5
Average precipitation days	6.9	6.8	4.7	3.2	2.7	3	2.6	1.3	0.8	1.6	2.8	5	41.4

Source: Australian Bureau of Meteorology (colour coded to represent intensity)

### 2.3.3 Regional Geology

The oldest rocks on the Wyloo 1:250,000 scale geology map are exposed in the core of the Wyloo Dome (Figure 19). These are a metamorphosed sequence of mafic volcanics, dolerite, gabbro, and minor chert that have been intruded by the Metawandy Granite. These basement rocks are generally schistose and in part unconformably overlain by rocks of the Wyloo Group which underlay the Fairview tenement.

The Wyloo Group comprises a sequence of interbedded sandstones, mudstones, conglomerates, siltstones, dolostones, mafic and felsic volcanics and volcanoclastic rocks, banded iron formation and cherts. The Wyloo Group is subdivided into a lower succession consisting of the Beasley River Quartzite and the overlying Cheela Springs Basalt, and an upper succession comprising the Mount McGrath Formation, Duck Creek Dolomite, June Hill Volcanics and Ashburton Formation. The Fairview tenement application is located in this upper succession.

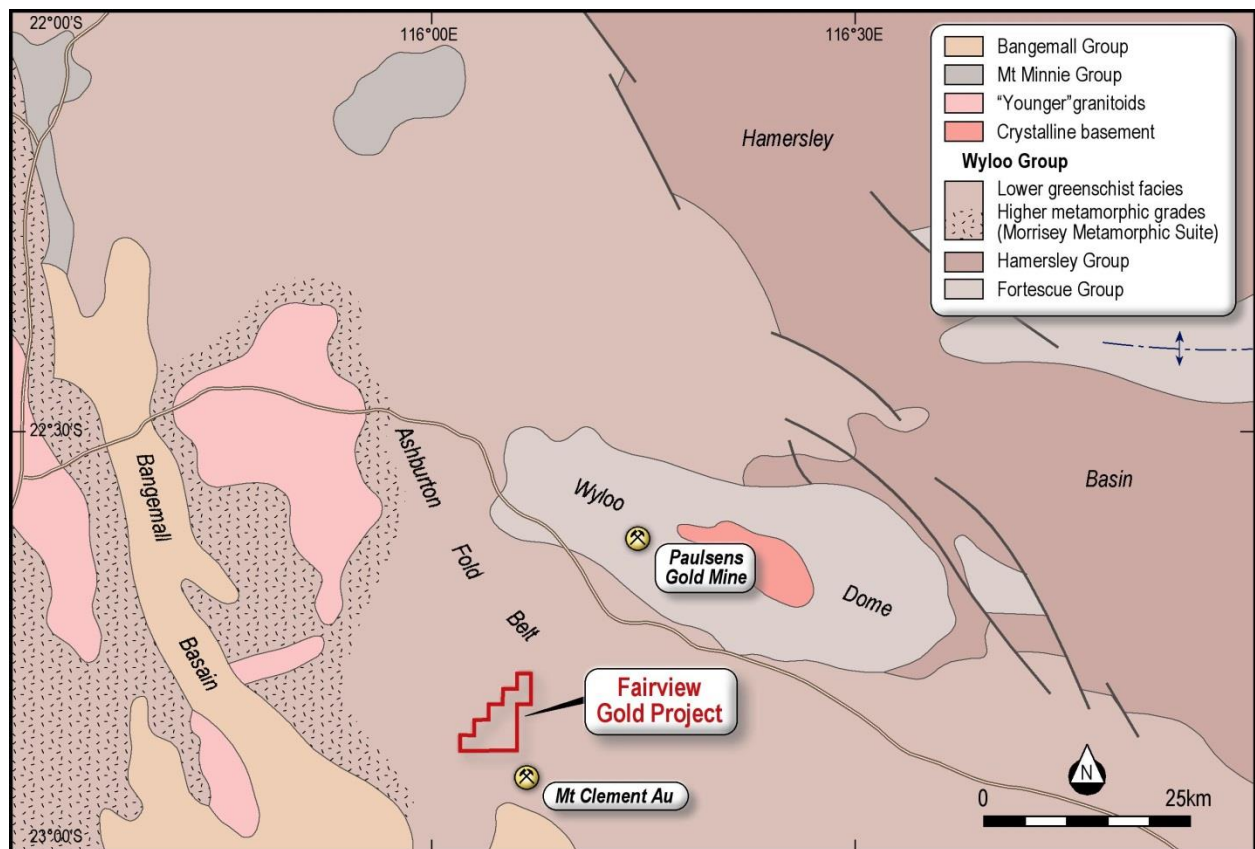


Figure 19: Fairview regional geology. (after GSWA, Wyloo 1:250,000 sheet)

### 2.3.4 Local Geology

The majority of the Fairview tenement application is composed of sediments from the Upper Wyloo Group called the Ashburton Formation, a sequence of submarine-fan and associated basin-plain sediments that are composed of conglomerates, wackes, mudstones, ferruginous mudstones with minor cherts. A small patch of older Duck Creek Dolomites outcrops in the northern end of the tenement.

These units both host gold and base metal deposits throughout the district including the nearby Paulsens Gold Mine and Mt Clermont gold, silver and antimony deposits.

A northwest-southeast striking narrow dolerite dyke cuts across the axis of the tenement following a shear zone that previous explorers have determined to host anomalous gold and base metal mineralisation.



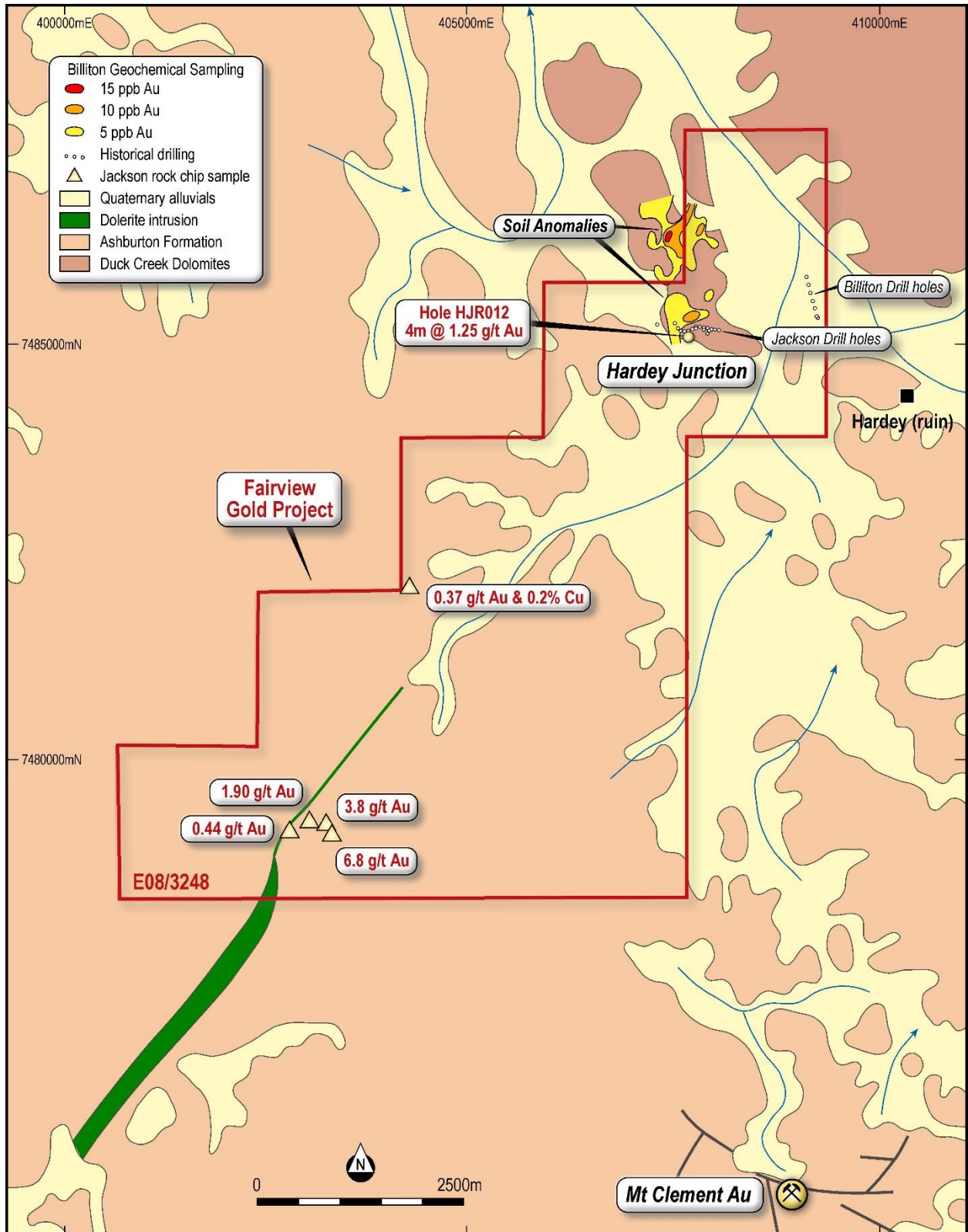


Figure 20: Fairview local geology. (modified after GSWA, Wyloo 1:250,000 sheet)

All drill hole collars in Figure 20 shown without intersection highlights failed to intersect mineralisation >0.5 g/t Au and are therefore not considered to be material for this report.



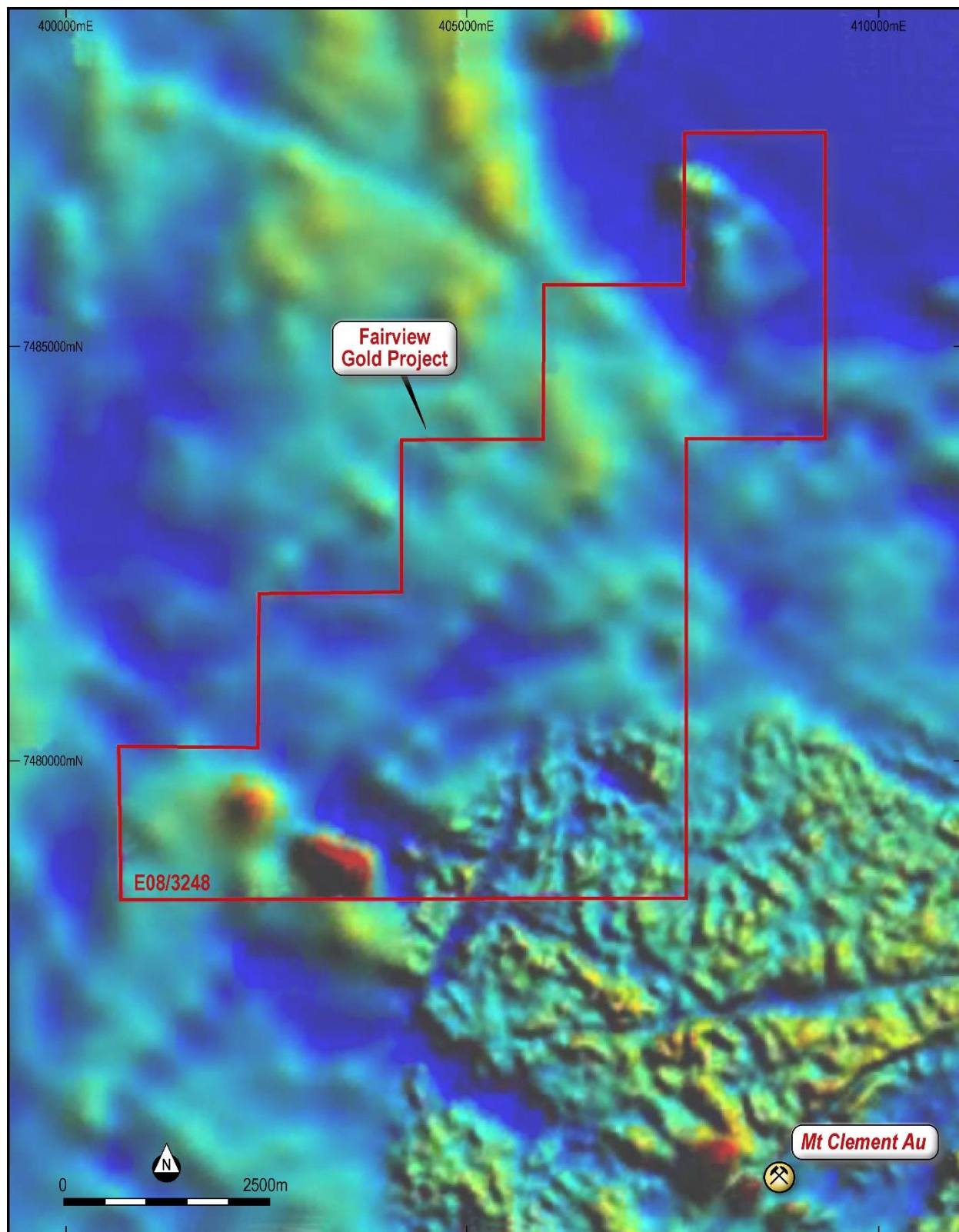


Figure 21: RTP aeromagnetics at Fairview.

*Other Nearby Deposits*

The Artemis (ASX: ARV) Mt Clement project, also within the Ashburton Formation, is located approximately 3.5 km southeast of the Fairview project. In 2020 Northern Star Resources (ASX: NST)

executed an agreement with joint venture (JV) partner Artemis Resources to buy the Mt Clement gold project in Western Australia. The Mt Clement project includes multiple known precious and base metal prospects.

The main prospect at Mount Clement lies within a lens of oxidized and silicified siliciclastic and chemical rocks which are generally conformably confined within the Ashburton Formation. The Main prospect is interpreted as a sediment-hosted, deep-marine, hot-spring deposit. The Eastern prospect at Mount Clement is a sulphide bearing fracture filling formed as a result of dextral wrenching after the deposition of the Ashburton Formation. It is characterised by anomalous levels of silver, arsenic and gold which may have been derived, in part by leaching of wall rocks.

Northern Star Resources Ltd Paulsens Gold Mine with mothballed plant is approximately 30 km to the northeast of Fairview and located in the Fortescue Group sediments within the Lower Wyloo Group (Figure 19).

### ***2.3.5 Historical Exploration***

The following are selected notes on past exploration sourced from the Geological Survey of Western Australia (GSWA) WAMEX website:

#### ***Noranda Australia Ltd – (WAMEX A7703, A7796)***

Noranda's Mount Clement Project gold/copper-lead-zinc exploration covered a much larger area than the Fairview EL application but included much of the southern portion of the Fairview tenement application.

Noranda conducted an investigation between 1977 and 1979 into the potential for gold and base metals within the Lower Proterozoic shale, dolomite and banded iron formation. Geochemical and geophysical results indicated a zone of weak base metal sulphide. Approximately 150 stream sediment and channel chip samples were taken. Six of chip samples within the Fairview tenement application produced anomalous gold results with three above 1.0 g/t Au; i.e. 6.8, 3.8 and 1.9 g/t Au (Figure 20). This sampling was carried out prior to JORC Code (2012) reporting of exploration results and so these results are provided as an indicative guide only as they cannot be independently verified. This mapping was done using a local grid and distorted aerial photos so the actual locations of the drilling and mapping are only approximate and will need to be checked in the field.

#### ***Aberfoyle Resources Ltd – (WAMEX A34723)***

Aberfoyle Resource's Yandi Well Gold Project also covered a much larger area than the Fairview EL application but included much of the Fairview tenement application. Reconnaissance exploration for gold was concentrated immediately west of the Mount Clement deposit within the Ashburton Formation arenites and pelites between 1991 and 1992.

A total of 74 stream sediment samples were collected producing a weak 1.2 ppb Au anomaly which was not followed up. Approximately 9 rock chip samples were also taken with one rock chip from an altered and gossanous quartz vein contained 0.1% As.

#### ***Billiton Australia Pty Ltd – (WAMEX A26616)***

During 1987 to 1991 Billiton Australia conducted gold and base metal exploration over an area which included the north eastern edge of the Fairview tenement application. Gold mineralisation was being sought in the Lower Proterozoic Wyloo Group, especially within the Duck Creek Dolomite and the Mt

McGrath Formation. Reconnaissance exploration activities included geological mapping, interpretation of Landsat data, rock chip sampling and BLEG stream sediment sampling. Follow-up exploration comprised ground magnetics, soil sampling, trenching and percussion drilling. It would seem that Billiton's main exploration focus was testing intersecting lineaments and faults.

Stream BLEG sampling by Billiton delineated two anomalous zones that straddle the Fairview tenement application (Figure 20). These anomalies were followed up by Billiton with ground magnetics, trenching, soil sampling and percussion drilling.

A total of 35 RC holes were drilled for 1,540 m to test trench anomalies (>0.1g/t Au over 2m) on their Woolshed grid and a 40 ppb Au soil anomaly on their Western grid. Of these holes 7 were within the Fairview tenement and were targeting intersecting lineaments (Figure 20). The only anomalous sample was 2 m @ 0.19 g/t Au in MCP31 but it is noted that only 3 (MCP30, MCP31 and MCP32) of the 7 holes were effective and penetrated the surficial Quaternary alluvials to reach the target bedrock below leaving the target not properly tested. This sampling was carried out prior to JORC Code (2012) and so the results are provided as an indicative guide only as these results cannot be independently verified

The project subsequently changed ownership several times to ACM Gold Ltd and Australian Ores & Minerals Ltd. Minor additional stream sediment sampling and rock chipping was undertaken by these companies but they failed to identify any significant anomalies.

#### ***Adelaide Prospecting Pty Ltd – (WAMEX A63471)***

Exploration by Adelaide included only the northern half of the Australasian tenement application and comprised compiling and interpretation of all available historical geological, geochemical and geophysical data sets.

Their JV partner Goldfields Exploration Pty Ltd proposed an RC drilling program but the full program was not completed. Following Goldfields' withdrawal, survey work, drill hole re-logging and further prospecting was subsequently completed by Adelaide Prospecting. During the 2000-2001 they reported on their rock chip and soil sampling and drilling.

Their mapping within Australasia's E08/3248 included a number of outcrops with galena (indicating lead mineralisation) and gossans (indicating weathered sulphide mineralisation) and vertical RAB hole HJR012 produced 4m @ 1.25 g/t Au at 18-22 m depth (Figure 20). This mapping was done using a local grid and distorted aerial photos so the actual locations of the drilling and mapping are only approximate and will need to be checked in the field. This drilling was carried out prior to JORC Code (2012) and so the results are provided as an indicative guide only as these results cannot be independently verified.

#### ***Jackson Minerals Limited – (WAMEX A79573)***

Exploration by Jackson over their exploration licence comprised a review of historic exploration, a literature review, rock chip sampling and processing of airborne geophysical data. During the 2007-2008 Jackson collected seven rock-chip samples within the Fairview tenement with peak results of 0.37 ppm Au and 1890 ppm Cu (Figure 20).

### **2.3.6 Exploration Targets**

The main exploration focus at Fairview will be along the deep northeast striking structure along which a dolerite intruded that passes through the extent of the Fairview tenement application. This feature is visible as a magnetic low in the regional aeromagnetics (Figure 21).

Of special note are the two magnetic high nodes at the southern end of the tenement application, either side of the dolerite. The eastern node is in the vicinity of the anomalous Noranda rock chips (Figure 20). Despite these anomalous samples, this area has not been drilled to date.

A re-interpretation by Marquee Resources of their Mt Clement project, recently acquired from Artemis Resources Ltd, indicates that the Mt Clement deposit is associated with discrete magnetic highs within a broader magnetic low zone. Their interpretation is that the low-magnetic zones may represent granitic intrusions at depth, a potential fluid source for mineralisation, while the discrete magnetic highs represent hypogene and supergene alteration (forming iron-oxides) of the metasedimentary host rocks hosting the Mt Clement style mineralisation. The magnetic high nodes at Fairview are potentially similar to the Mt Clement mineralisation.

Australasian believe that the Billiton soil sampling anomalies and Adelaide's mapping of galena and gossans in outcrops at the northern end of the Fairview tenement application have not been properly tested by the previous explorers providing immediate exploration targets for Australasian.

Once the tenement has been granted, Australasian plan to carry out stream sediment sampling along the numerous ephemeral streams found throughout the tenement. This sampling will then be followed up with gridded soil sampling at an appropriate spacing in targeted areas. Any anomalous soil sampling will then be followed up with RAB the RC drilling.

### 3 TENURE AND ENVIRONMENTAL OBLIGATIONS

Based on advice from their solicitors, Australasian has advised Phil Jones that all consents, licences, approvals or authorisations of, or registrations, filings or similar formalities with any state or federal governmental, judicial, regulatory or other authority or agency in Queensland, Western Australia and Australia, which are required by Queensland, Western Australia, and Australian law are in order, as detailed in the solicitors report included in the Prospectus.

All the Australasian tenements are licences for exploration only and do not permit mining. Mining Leases are required before mining can commence. This conversion to Mining Lease is generally procedural if a mineable resource is found and all the fees, rents, environmental and social requirements are met.

If mining commenced on the Company's tenements the Company would be required to pay an annual levy to the Queensland Department of Natural Resources and Mines and/or Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) under their Mining Rehabilitation Fund for any non-rehabilitated land within the Company's tenements.

The Company's drilling and exploration programs will require short-term rehabilitation as they progress. The Company's sites may be periodically inspected, and as necessary corrective actions are sometimes required to a higher standard of site rehabilitation after the inspection.

As with all tenements in Queensland and Western Australia, the Company pays annual Rents to the state governments and annual rates to the local governments.

Native title rights of Aboriginal Australians may exist on the Australasian tenements. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected and payments to the Native Title holders may be required.

## 4 RISKS

The risks described in this Section are not an exhaustive list of the risks faced by the Company or by investors in the Company. It should be considered in conjunction with other information in this Prospectus. The risk described in, and others not specifically referred to, this Section may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus. The risks described in this Section also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

A key risk, common to all exploration companies, is that the expected mineralisation may not be present or that it may be too small to warrant commercial exploitation.

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the author at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond the author's control and that the author cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the proposed operations, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

The data included in this report and the basis of the interpretations herein have been derived from a compilation of data included in annual technical reports sourced from the Queensland Mines Department website and Western Australian mineral exploration reports (WAMEX reports) compiled by way of historical tenement database searches.

In most cases the historical exploration reports do not include or discuss the use of quality assurance and quality control (QAQC) procedures as part of the sampling programs, this data frequently not reported. Therefore, it is difficult to determine the validity of much of the historical samples, even where original assays are reported.

There are no Mineral Resource estimates reported within the projects that are in accordance with the 2012 JORC Code.

At May Queen and Mt Clermont many of the exploration targets have no surface expression as they are masked by being buried below younger sediments and volcanics of uncertain thickness. Exploration of these targets relies largely on interpretation geophysical data rather than geological mapping and geochemical sampling of surficial outcrops potentially making exploration more expensive and less productive.

Mineral exploration, by its very nature has significant risks, especially for early stage projects and additional challenges occur in areas of historical mining. Based on the industry wide exploration success rates it is likely that, that no significant economic mineralisation will be located within the projects. Even in the event significant mineralisation does exist within the projects, factors both in and out of the control of Australasian may prevent the location of such mineralisation.

This may include, but is not limited to, factors such as community consultation and agreements, metallurgical, mining and environmental considerations, availability and suitability of processing facilities or capital to build appropriate facilities, regulatory guidelines and restrictions, ability to develop infrastructure appropriately, and mine closure processes. In addition, variations in commodity prices, saleability of commodities and other factors outside the control of the Company may have either negative or positive impacts on the projects that may be defined.

Within the projects there are registered heritage sites which may impact potential exploration activities.

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond the author's control and that the author cannot anticipate. These factors include, but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.



## 5 PROPOSED BUDGET AND USE OF FUNDS

Australasian has developed an exploration budget, based on its minimum subscription of \$4.5 M with a provisional budget should the maximum subscription of \$6 million is obtained, and carrying out exploration predominately on its granted Queensland exploration licences at May Queen and Mt Clermont, with limited non-intrusive exploration proposed on Fairview prior to grant.

The author expects that the Fairview licence will be granted in due course. Should this happen, Australasian has developed a provisional exploration budget for exploration at Fairview. Both exploration budgets are based on staged expenditure and will be dependent on exploration success in the early stages.

Australasian's three projects are all prospective for gold and other minerals as described in this report. All three projects have undergone previous mineral exploration including geological mapping, geochem sampling and drilling by previous owners. The Queensland projects at May Queen and Mt Clermont are the most advanced, having been the subject of numerous exploration campaigns. Australasian intend to expand on this previous work by conducting drilling along strike and below previously tested targets with the aim of defining a maiden resource estimate as quickly as possible. Besides drilling, Australasian will continue with supportive geological mapping, geochemical sampling and geophysical surveys.

**Table 11: Proposed expenditure for Australasian. (Source: Australasian)**

Activities	Minimum Subscription (\$4.5m)			Maximum Subscription (\$6m)		
	Year 1	Year 2*	Total	Year 1	Year 2*	Total
<b>May Queen Project (refer Section 2.1.6 for details)</b>						
Data Compilation & Access costs	\$25,000		<b>\$25,000</b>	\$25,000		<b>\$25,000</b>
Geochem, geophysics and mapping	\$225,000	\$250,000	<b>\$475,000</b>	\$275,000	\$275,000	<b>\$550,000</b>
Drilling & Assay	\$400,000	\$500,000	<b>\$900,000</b>	\$500,000	\$700,000	<b>\$1,200,000</b>
Resource Modelling			<b>\$0</b>		\$50,000	<b>\$50,000</b>
<b>Total May Queen</b>	<b>\$650,000</b>	<b>\$750,000</b>	<b>\$1,400,000</b>	<b>\$800,000</b>	<b>\$1,025,000</b>	<b>\$1,825,000</b>
<b>Mt Clermont Project (refer Section 2.2.6 for details)</b>						
Data Compilation & Access costs	\$25,000		<b>\$25,000</b>	\$25,000		<b>\$25,000</b>
Geochem, geophysics and mapping	\$225,000	\$50,000	<b>\$275,000</b>	\$225,000	\$150,000	<b>\$375,000</b>
Drilling & Assay	\$300,000	\$425,000	<b>\$725,000</b>	\$350,000	\$500,000	<b>\$850,000</b>
Resource Modelling			<b>\$0</b>		\$50,000	<b>\$50,000</b>
<b>Total Mt Clermont</b>	<b>\$550,000</b>	<b>\$475,000</b>	<b>\$1,025,000</b>	<b>\$600,000</b>	<b>\$700,000</b>	<b>\$1,300,000</b>
<b>Fairview Project** (refer Section 2.3.6 for details)</b>						
Data Compilation & Access costs	\$25,000		<b>\$25,000</b>	\$25,000		<b>\$25,000</b>
Geochem, geophysics and mapping*	\$75,000	\$75,000	<b>\$150,000</b>	\$75,000	\$125,000	<b>\$200,000</b>
Drilling & Assay*		\$150,000	<b>\$150,000</b>		\$250,000	<b>\$250,000</b>
<b>Total Fairview*</b>	<b>\$100,000</b>	<b>\$225,000</b>	<b>\$325,000</b>	<b>\$100,000</b>	<b>\$375,000</b>	<b>\$475,000</b>
<b>TOTAL EXPLORATION EXPENDITURE</b>			<b>\$2,750,000</b>			<b>\$3,600,000</b>



*\* Contingent on the success of the first year's exploration. \*\*Dependent on EL application being granted.*

All the costs are shown as all-in inclusive costs. All costs are included in Australian dollars (A\$).

As with all exploration budgets, planned exploration work is progressive with the extent of work on any project over time depending on the success of the earlier work. The proposed budgets for the second year therefore is contingent on the success of the first year's exploration work and will actually vary accordingly.

The proposed exploration budget is sufficient to carry out meaningful exploration on all three projects and meet the statutory minimum exploration expenditure on these tenements.

In the author's opinion the proposed exploration budget and work programs are valid, consistent with the exploration potential within Australasia's projects and broadly in-line with the current exploration costs in Australia.

## **5.1 Discussion**

The Australasian tenement portfolio includes a range of projects from "grass-roots" exploration projects to more advanced exploration projects previously tested by drilling and been previously mined at a small scale. The Queensland projects at May Queen and Mt Clermont are well advanced with extensive work completed by earlier explorers. May Queen and Mt Clermont both have granted exploration tenements while one of the tenements at May Queen and at Fairview the exploration tenements are pending approval from their respective mining authorities. These approvals are expected to be procedural.

The substantial amount of exploration and exploratory drilling by previous tenement holders has provided Australasian with well-defined targets and a strong basis for planning future work at these projects.

The author is of the opinion that the proposed budget of \$2.75 million (minimum) or \$3.6 million (maximum) for the recommended exploration program is reasonable to achieve Australasian' planned exploration activities discussed in this report and the planned work is technically sound.

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### ASX Announcements

#### Artemis Resources Ltd

Mt Clement Review Reveals Significant Antimony Exploration Target, 16 January 2013

Antimony mineralisation extends west at Eastern Hills, 6 November 2013

35.7% Sb – Highest antimony result to date at Eastern Hills, 12 November 2013

Maiden JORC Resource achieved at Eastern Hills, 29 November 2013

Mt Clement-Paulsen's Gold Project, Commencement of Exploration and Metallurgical Test work, 14 November 2016

#### Impact Minerals Ltd

Exploration Update: Clermont Gold Project, Queensland IP Geophysical Survey Nearing Completion Commonwealth Project, New South Wales Drill Programme to Commence by Late June, 15 May 2018

Two Kilometre Long Target For High Grade Gold-Silver-Base Metal Mineralisation Identified at Clermont Gold Project, Queensland, 1 April 2019

#### IronRidge Resources Ltd

Significant Gold Mineralisation Intersected in Drilling at May Queen, Australia, 4 November 2016

#### Marquee Resources Ltd

Mount Clement Gold-Antimony Project, 6 January 2021

### Western Australia Mines Department

WAMEX reports

***Noranda Australia Ltd – (WAMEX A7703, A7796)***

***Aberfoyle Resources Ltd – (WAMEX A34723)***

***Billiton Australia Pty Ltd – (WAMEX A26616)***

***Adelaide Prospecting Pty Ltd – (WAMEX A63471)***

***Jackson Minerals Limited – (WAMEX A79573)***

### Queensland Mines Department

1:100,000 scale geology maps = Auburn, Barakula, Boonooma, Mundubbera

1:250,000 scale geology maps = Mundubbera, Chinchilla, Clermont

Queensland Regional RTP aeromagnetics

### Wikipedia

[https://en.wikipedia.org/wiki/Capella,\\_Queensland](https://en.wikipedia.org/wiki/Capella,_Queensland)

[https://en.wikipedia.org/wiki/Emerald,\\_Queensland](https://en.wikipedia.org/wiki/Emerald,_Queensland)

<https://en.wikipedia.org/wiki/Kingaroy>

[https://en.wikipedia.org/wiki/Newman,\\_Western\\_Australia](https://en.wikipedia.org/wiki/Newman,_Western_Australia)

## 7 GLOSSARY

For further information or for terms that are not described here, please refer to internet sources such as

- Wikipedia [www.wikipedia.org](http://www.wikipedia.org)
- Geological Society of U K  
<https://www.geolsoc.org.uk/ks3/gsl/education/resources/rockcycle/page3451.html>
- Geology.com <https://geology.com/dictionary/glossary-a.shtml>

## 8 APPENDIX 1: SUMMARY OF LEASES AS AT 31 JANUARY 2021

No.	Country	Region	Project Name	Tenement Code	Registered Holder	Australasian Interest (%)	Status	Licence Expiry Date	Licence Area km <sup>2</sup>	Comment
1	Australia	Queensland	May Queen	EPM19419	Pure Mining Pty Ltd	100	Live	24 August 2022	74.1	Tenement transfer completed.
2	Australia	Queensland	May Queen	EPM27746	Pure Mining Pty Ltd	100	Application Pending	Not Applicable	92.6	Application by Australasian subsidiary
3	Australia	Queensland	Mt Clermont	EPM14116	Drummond West Pty Ltd	100	Live	22 October 2025	69.6	Under purchase agreement
4	Australia	Pilbara, Western Australia	Fairview	E08/3248	Pure Mining Pty Ltd	100	Application Pending	Not applicable	38	Application by Australasian subsidiary

## **9 APPENDIX 2: JORC CODE TABLE 1 FOR EXPLORATION RESULTS**

### **JORC Code, 2012 Edition – Table 1**

## 9.1 This section refers to MAY QUEEN only

### Historic data by Black Swan and Paradigm Gold not previously reported compliant with the JORC Code (2012).

Section 1 Sampling Techniques and Data – (Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>• <b>Rock chip samples</b> Random grab samples were taken at surface which represented favourable geology and alteration to known mineralisation in the region. Samples are variably weathered.</li> <li>• <b>Soil Samples</b> Soil were taken at an unknown depth below surface.</li> <li>• <b>RC Drilling</b> Reverse Circulation (RC) percussion drilling was used to produce 1m samples (~25kg) which were collected in plastic bags and representative 1m split samples (nominally 3kg) were collected using a splitter and placed in calico bags.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>• RC drilling accounts for 100% of the drilling.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• The recovery of the RC drilling samples was not reported by the operators.</li> <li>• No sample bias has been established.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• The RC drilling was geologically logged.</li> <li>• All logging is quantitative, based on visual field estimates.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• RC samples were split using a riffle splitter.</li> <li>• Company procedures were followed to ensure sub-sampling adequacy and consistency.</li> <li>• Laboratory QC procedures for rock sample assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. The QC procedure for historical RC samples is unknown but considered immaterial.</li> <li>• The samples sizes at May Queen and Fairview are considered appropriate at this stage.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• Industry standard assay techniques were used for gold and for base metals and silver.</li> <li>• The quality of historical drill sample assays is unknown, however Australasian intend to twin a selection of historic drill holes to confirm the accuracy and reliability of this drilling.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• The historic drilling has not yet been verified by independent or alternative companies.</li> <li>• No significant adjustments to the assay data have been required.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• The drill holes have been reported as being located by hand-held GPS. Historical drill holes and mine shafts have been verified by GPS.</li> <li>• The grid datum for May Queen is MGA_GDA94, Zone 55 and for Fairview MGA_GDA94, Zone 50.</li> <li>• Government topographic maps have been used for topographic validation. The GPS is considered sufficiently accurate for elevation data.</li> <li>• For the RC drill holes, down hole dip surveys were taken at approximately 30m intervals and at the bottom of the hole.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Drill spacing of drill holes ranges between 10 and 50 m which is considered adequate for Exploration Results.</li> <li>• Length weighting of drill samples has been applied for quoting drill composite results only.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• Drilling is oriented sub-perpendicular to the mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation. Intersection widths will therefore be longer than true widths.</li> <li>• No significant sample bias has been identified from drilling due to the optimum drill</li> </ul>

Criteria	Commentary
	orientation described above. Where present, sample bias will be reported.
<i>Sample security</i>	<ul style="list-style-type: none"> <li>There are no reports available relating to sample security at both projects.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>There has been no review of the sampling techniques and data.</li> </ul>

Historic data by IronRidge reported to London Stock Exchange AIM and NOT previously reported compliant with the JORC Code (2012).

### Section 1 Sampling Techniques and Data – (Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li><b>RC Drilling</b> Reverse Circulation (RC) percussion drilling was used to produce 1m bulk samples (~25kg) which was collected in plastic bags and representative 1m split samples (nominally 3kg) were collected using a splitter and placed in calico bags.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>RC drilling accounts for 100% of the drilling.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>The recovery of the RC drilling samples was not reported by the operators.</li> <li>No sample bias has been established.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>The RC drilling was geologically logged.</li> <li>All logging is quantitative, based on visual field estimates.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>RC samples were split using a riffle splitter.</li> <li>Company procedures were followed to ensure sub-sampling adequacy and consistency.</li> <li>Laboratory QC procedures for rock sample assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. The QC procedure for historical RC samples is unknown but considered immaterial.</li> <li>The samples sizes at May Queen and Fairview are considered appropriate at this stage.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>Industry standard assay techniques were used for gold and for base metals and silver.</li> <li>The quality of historical drill sample assays is unknown, however Australasian intend to twin a selection of historic drill holes to confirm the accuracy and reliability of this drilling.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>The historic drilling has not yet been verified by independent or alternative companies.</li> <li>Primary assay data for rock chips has been entered into standard Excel templates for plotting. All historical drill data has been entered digitally by previous explorers and verified internally by Australasian.</li> <li>No significant adjustments to the assay data have been required.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>The drill holes have been reported as being located by hand-held GPS. Historical drill holes and mine shafts have been verified by GPS.</li> <li>The grid datum for May Queen is MGA_GDA94, Zone 55.</li> <li>Government topographic maps have been used for topographic validation. The GPS is considered sufficiently accurate for elevation data.</li> <li>For the RC drill holes, down hole dip surveys were taken at approximately 30m intervals and at the bottom of the hole.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>Drill spacing of drill holes ranges between 10 and 50 m which is considered adequate for reporting Exploration Results.</li> <li>Length weighting of drill samples has been applied for quoting drill composite results only.</li> </ul>
<i>Orientation of data in relation</i>	<ul style="list-style-type: none"> <li>Drilling is oriented sub-perpendicular to the mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation. Intersection</li> </ul>



Criteria	Commentary
<i>to geological structure</i>	widths will therefore be longer than true widths. <ul style="list-style-type: none"> <li>No significant sample bias has been identified from drilling due to the optimum drill orientation described above. Where present, sample bias will be reported.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>There are no reports available relating to sample security at both projects.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>There has been no review of the sampling techniques and data.</li> </ul>

Section 2 Reporting of Exploration Results – (Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li><b>May Queen</b> The May Queen Project currently comprises one exploration licence covering 74.1 km<sup>2</sup>. The tenement is held 100% by Australian Gold Limited.</li> </ul> <p>No aboriginal sites or places have been declared or recorded in areas where Australasian intend exploring. There are no national parks over the license area. Before substantial exploration can proceed, a survey will be required to ensure there are no aboriginal sites are located in areas where Australasian intend exploring. There are no national parks over the license area.</p> <ul style="list-style-type: none"> <li>Australasia have assured the author that the tenements are in good standing with no known impediments. A legal opinion on the status of the tenements is provided in the Legal section of this prospectus.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>The May Queen deposit has been drilled by several previous owners. This drilling has not been previously reported compliant with the JORC Code (2012) for reporting exploration results and Mineral Resources.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>The May Queen lies within the Brovinia goldfield in Queensland. This goldfield is located in the northern part of the Surat Basin with the tenement mostly covered by Early to Late Jurassic sediments that unconformably overlay outcropping Late Devonian – Mississippian volcanoclastic sedimentary rocks hosting the structurally controlled May Queen gold mineralisation.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>Drill hole details are tabulated in the body of this report.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>All reported assays have been length weighted. No top cuts have been applied. A nominal lower cut -off of approximately 0.5 g/t Au has been applied when reporting significant results.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>The majority of drill holes to date have been sub-perpendicular to the mineralised trend and stratigraphy so interval widths are longer than true widths unless otherwise stated.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Please refer to Figures in body of text.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>All results reported are representative.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Assessment of other substantive exploration data is not yet complete however considered immaterial at this stage.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>Follow up work programmes will be subject to interpretation of recent and historic results which is ongoing.</li> </ul>

## Section 3 Estimation and Reporting of Mineral Resources

(No Mineral Resource estimates are included in this report for May Queen)

9.2 This section refers to Mt Clermont only

**Historic data by Impact Minerals and previously reported compliant with the JORC Code (2012).**

Section 1 Sampling Techniques and Data – (Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>• RC Drilling Reverse Circulation (RC) percussion drilling was used to produce a 1m bulk sample (~25kg) which was collected in plastic bags. 1m split samples (nominally 3kg) were collected using a riffle splitter and placed in a calico bag. The cyclone was cleaned out with compressed air at the end of each hole and periodically during the drilling. Holes were drilled to optimally intercept interpreted mineralised zones. The 1m bulk samples were spear sampled using standard techniques to produce a 4 metre composite for assay. Anomalous zones were reassayed using the 1 m split samples.</li> <li>• Diamond drilling Diamond drilling was used to produce drill core with a diameter of 47.6 mm (NQ). A handheld XRF instrument was used to analyse the drill core at 50 cm intervals. This data is not reported here and is used only as a guide to general understanding of the system.</li> <li>• Drill Samples Sample representivity was ensured by a combination of quality control (QC) and quality assurance/testing (QA) procedures including daily workplace and equipment inspections, drilling and sampling procedures collection of “field duplicates”, the use of certified standards and blank samples approximately every 50 samples.</li> <li>• RC and Diamond Core Samples RC and diamond core samples were submitted to ALS Laboratories Townsville for ME-MS61 48 element 4 acid digest with ICP-MS finish and AA24 Fire Assay technique for gold. Sample preparation involved: sample crushed to 70% less than 2mm, riffle split off 1 kg, pulverise split to &gt;85% passing 75 microns.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>• RC drilling using 4-inch face sampling hammer.</li> <li>• Diamond drill core was oriented.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• RC samples were visually checked for recovery, moisture and contamination.</li> <li>• Diamond core recoveries are logged and recorded. Recoveries are estimated to be &gt;97% and no significant core loss related to mineralisation is noted.</li> <li>• RC drilling The RC samples were collected by plastic bag directly from the rig-mounted cyclone and laid directly on the ground in rows of 10. The drill cyclone and sample buckets are cleaned between rod-changes and after each hole to minimise down-hole and/or cross contamination.</li> <li>• Diamond drilling Diamond core was assembled into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth given on the core blocks and rod counts are routinely carried out by the driller.</li> <li>• No sample bias has been established.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• Geological logging of samples followed company and industry common practice for all drill holes. Qualitative logging of samples included (but not limited to); lithology, mineralogy, alteration, veining and weathering. Diamond core logging includes additional fields such as structure and geotechnical parameters.</li> <li>• Magnetic Susceptibility measurements were taken by Invictus Gold for each 1m RC sample.</li> <li>• All logging was quantitative, based on visual field estimates. Chip trays with representative 1m RC samples were collected and photographed then stored for</li> </ul>

Criteria	Commentary
	<p>future reference.</p> <ul style="list-style-type: none"> <li>All RC chips samples were geologically logged by on-site geologists.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>RC samples were split using a riffle splitter.</li> <li>Company procedures were followed to ensure sub-sampling adequacy and consistency.</li> <li>Laboratory QC procedures for rock sample assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. Impact used field duplicates and standards for every 1 in 50 samples and blanks every 1 in 100 samples.</li> <li>All QA/QC results were reported by Impact as being within acceptable levels of +/- 15-20%.</li> <li>The samples sizes at Mt Clermont are considered appropriate for reporting Exploration Results.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>RC and diamond drill samples Industry standard fire assay and 4 acid digest analytical techniques were used. Both techniques are considered to be almost a total digest apart from certain refractory minerals not relevant to exploration at Clermont.</li> <li>Drill Assay Data Field duplicates: 1 in every 50 samples. Standards 1 in 50 samples. Blanks 1 in 100 samples. In addition standards, duplicates and blanks were inserted by the analytical laboratory at industry standard intervals.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>The historic drilling has not yet been verified by independent or alternative companies.</li> <li>All historical drill data had been entered by Impact and verified internally against the original reports.</li> <li>No significant adjustments to the assay data have been required.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>The drill holes have been reported as being located by hand-held GPS.</li> <li>The grid datum for May Queen is MGA_GDA94, Zone 55.</li> <li>Government topographic maps were used for topographic validation. The hand held GPS is considered sufficiently accurate for elevation data at this stage of exploration. For the Impact and Invictus RC drill holes, down hole dip surveys were taken at approximately 30m intervals and at the bottom of the hole. For previous RC drill holes down hole surveys were not taken.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>Drill spacing of drill holes is widely variable given the reconnaissance nature of the program to date.</li> <li>Length weighting of drill samples has been applied for quoting drill composite results.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>Drilling is oriented sub-perpendicular to the mineralised trend and stratigraphic contacts as determined by field data and cross section interpretation. Intersection widths will therefore be longer than true widths.</li> <li>No significant sample bias has been identified from drilling due to the optimum drill orientation described above. Where present, sample bias will be reported.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>Chain of custody for all samples was managed by Impact Minerals Ltd. Samples for Clermont are delivered by Impact Minerals Ltd personnel via courier service to ALS in Townsville, Qld or to SGS Brisbane, or to ALS in Perth, for prep and assay. Whilst in storage, they are kept in a locked yard. Tracking sheets have been set up to track the progress of batches of samples.</li> <li>Security of historic drill samples is unknown.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>There has been no review of the sampling techniques and data.</li> </ul>

*Section 2 Reporting of Exploration Results (Criteria listed in the preceding section also apply to this section.)*

Criteria	Commentary
<i>Mineral tenement and land tenure</i>	<ul style="list-style-type: none"> <li>The Mt Clermont Project currently comprises 1 exploration licence covering 66 km<sup>2</sup>. The tenement is held 100% by Drummond West Pty Ltd, a subsidiary company of Impact Minerals Limited.</li> </ul>

Criteria	Commentary
<i>status</i>	<ul style="list-style-type: none"> <li>No aboriginal sites or places have been declared or recorded in areas where Impact had explored.. There are no national parks over the license area.</li> <li>Australasia have assured the author that the tenements are in good standing with no known impediments. A legal opinion on the status of the tenements is provided in the Legal section of this prospectus.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>A total of 19 drill holes at Retro, and 27 drill holes at Retro extended have been completed at the Clermont Project by previous explorers prior to Impact Minerals.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>The Retro and Retro Extended deposits in the Clermont Project are low-sulphidation, epithermal high grade gold-silver deposits that occur along the Retro Fault Complex over approximately 10 km strike length.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>Drill hole details are tabulated in the body of this report.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>All reported assays have been length weighted. No top cuts have been applied. A nominal lower cut -off of approximately 0.5 g/t Au has been applied.</li> <li>High grade gold intervals internal to broader zones of lower grade mineralisation are reported as included intervals.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>The majority of drill holes to date have been sub-perpendicular to the mineralised trend and stratigraphy so intervals are slightly longer than true width unless otherwise stated.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Please refer to Figures in body of text.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>All results reported are representative.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Interpretation of Drill Hole Assay Data A simple Z-score was calculated by Impact for all elements and simple additive indices of the scores are used to identify zonation. Z scores are a standard statistical calculation of the number of standard deviations a raw data (assay) value is from the mean of the data, for example a z score of 2 indicates a value 2 standard deviations above the mean. It is a method of normalising data so that statistically meaningful associations between datasets can be made.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>Follow up work programmes will be subject to interpretation of recent and historic results which is ongoing.</li> </ul>

### Section 3 Estimation and Reporting of Mineral Resources

(No Mineral Resource estimate is included in this report for Mt Clermont)

### 9.3 This section refers to Fairview only

#### **Only historic data available for this project that is not previously reported compliant with the JORC Code (2012).**

*Section 1 Sampling Techniques and Data – (Criteria in this section apply to all succeeding sections.)*

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>• <b>Rock chip samples</b> Selected grab samples were taken at surface outcrops which represented favourable geology and alteration to known mineralisation in the region. Samples are variably weathered.</li> <li>• <b>Soil Samples</b> No details in reports on how samples were collected.</li> <li>• <b>Stream sediment samples</b> No details in reports on how samples were collected.</li> <li>• <b>Percussion Drilling</b> Reverse Circulation (RC) percussion drilling was used to produce a 1m bulk sample (~25kg) which was collected in plastic bags and representative 1m split samples (nominally 3kg) were collected using a splitter and placed in a calico bag.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>• RC drilling accounts for 100% of the drilling.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• The recovery of the RC drilling samples was not reported by the operators.</li> <li>• No sample bias has been established.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>• The RC drilling was geologically logged.</li> <li>• All logging is quantitative, based on visual field estimates.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• RC samples were split using a riffle splitter.</li> <li>• Company procedures were followed to ensure sub-sampling adequacy and consistency.</li> <li>• Laboratory QC procedures for rock sample assays involve the use of internal certified reference material as assay standards, along with blanks, duplicates and replicates. The QC procedure for historical RC samples is unknown but considered immaterial.</li> <li>• The samples sizes at Fairview are considered appropriate reporting exploration results.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• Industry standard assay techniques were used for gold and for base metals and silver.</li> <li>• The quality of historical drill sample assays is unknown, however Australasian intend to twin a selection of historic drill holes to confirm the accuracy and reliability of this drilling.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• The historic drilling has not yet been verified by independent parties.</li> <li>• No significant adjustments to the assay data have been required.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• The drill holes have been reported as being located on distorted aerial photographs and transferred to maps in local grid. These coordinates were translated to AMG grid by using best fit on GoogleEarth satellite imagery</li> <li>• The grid datum for Fairview MGA_GDA94, Zone 50.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Drill spacing of drill holes ranges between 10 and 50 m along lines being tested which is considered adequate for Exploration Results.</li> <li>• Length weighting of drill samples has been applied for quoting drill composite results only.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• Drill orientation with respect to mineralisation is unknown but would be longer than true width.</li> <li>• No significant sample bias has been identified from drilling.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• There are no reports available relating to sample security.</li> </ul>

Criteria	Commentary
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>There has been no independent review of the sampling techniques and data.</li> </ul>

**Section 2 Reporting of Exploration Results – THIS SECTION REFERS TO THE AUSTRALASIAN 2018 RC DRILLING PROGRAM ONLY**

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<p>The Fairview Project currently comprises one exploration licence covering 38 km<sup>2</sup>. The tenement is held 100% by Pure Mining Pty Ltd.</p> <p>Before substantial exploration can proceed, a survey will be required to ensure there are no aboriginal sites are located in areas where Australasian intend exploring. There are no national parks over the license area.</p> <ul style="list-style-type: none"> <li>Australasia have assured the author that the tenements are in good standing with no known impediments. A legal opinion on the status of the tenements is provided in the Legal section of this prospectus.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>The Fairview project has been explored by several previous owners. The exploration results have not been previously reported compliant with the JORC Code (2012) for reporting exploration results and Mineral Resources.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>The majority of the Fairview tenement is composed of sediments from the Upper Wyloo Group called the Ashburton Formation, a sequence of submarine-fan and associated basin-plain sediments that are composed of conglomerates, wackes, mudstones, ferruginous mudstones with minor cherts. The exploration target is structures similar to the Mt Clement deposit less than 5 km to the south-east.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>Drill hole details are plotted on plans included in the body of this report.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>All reported assays have been length weighted. No top cuts have been applied. A nominal lower cut -off of approximately 0.5 g/t Au has been applied.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>The relationship between the drilling to the mineralised trends and stratigraphy are unknown so reported intervals can be assumed to be longer than the true width unless otherwise stated.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Please refer to Figures in body of text.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>All results reported are representative.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>All the available exploration data considered material has been discussed in the report..</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>Follow up work programmes will be subject to interpretation of recent and historic results which is ongoing.</li> </ul>

**Section 3 Estimation and Reporting of Mineral Resources**

(No Mineral Resource estimates are included in this report for either May Queen or Fairview)





25 February 2021

## Confidential

Australasian Gold Pty Ltd  
c/- Atkinson Corporate Lawyers  
By email: [julian@atkinsonlaw.com.au](mailto:julian@atkinsonlaw.com.au)

## Solicitor's Tenement Report – Australasian Gold Pty Ltd

This Report has been prepared for inclusion in a prospectus to be issued by Australasian Gold Ltd (**AG**) and its wholly owned subsidiaries (together the **Company**) for an initial public offering comprising the issue of between 22,500,000 shares and 30,000,000 shares at \$0.20 per share to raise \$4.5m to \$6m (before costs) (**Prospectus**).

This report (**Report**) relates to the following exploration tenements in QLD:

- EPM 14116;
- EPM 19419; and
- EPM 27746.

(together the **Tenements**).

This Report considers the standing of the Tenements, the requirements for the Company to carry out its proposed exploration programs on the Tenements as well as providing commentary on the operation of the *Mineral Resources Act 1989* (Qld) (**MRA**), native title and Aboriginal cultural heritage laws in Queensland.

The searches we have undertaken (**Searches**) as well as the scope, qualifications and assumptions in this Report are set out in section 13 below.

### 1. Rights of holder of an EPM

The holder of an 'exploration permit mineral' or 'EPM' obtains a right to explore for the minerals to which the EPM applies in the area of the EPM.

An EPM does not authorise mining. A mining lease or 'ML' is required before mining may occur.

Under the MRA 'explore' means to take action to determine the existence, quality and quantity of minerals on, in or under land or in the waters or sea above land by:

*(a) prospecting;*

*(b) using instruments, equipment and techniques appropriate to determine the existence of any mineral;*

*(c) extracting and removing from land for sampling and testing an amount of material, mineral or other substance in each case reasonably necessary to determine its mineral bearing capacity or its properties as an indication of mineralisation;*

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*(d) doing anything else prescribed under a regulation.*

## **2. Ownership**

We confirm that:

- EPM 14116 is in force and is held by Drummond West Pty Ltd.
- EPM 19419 is in force and is held by Pure Mining Pty Ltd.
- EPM 27746 is in force and is held by Pure Mining Pty Ltd.

Our instructions in preparing this Report are that:

- Pure Mining Pty Ltd is a wholly owned subsidiary of AG; and
- Drummond West Pty Ltd is a party to a sale and purchase agreement under which Drummond West has agreed to sell, and AG has agreed to purchase, EPM 14116 and that the material terms of the sale and purchase agreement will be summarised in the Prospectus.

A summary of the title searches for each of the EPMs are in Schedule 1 to this Report.

## **3. Mortgages, caveats and associated agreements**

The Searches do not reveal any mortgages, caveats or associated agreements registered against the Tenements.

## **4. Term and renewal of EPMs**

EPM 14116 was first granted on 23 October 2003 and is currently subject to a 5-year term expiring on 22 October 2025.

EPM 19419 was first granted on 26 August 2014 and is currently subject to a 3-year term expiring on 25 August 2022.

EPM 27746 was first granted on 16 February 2021 and is currently subject to a 5-year term expiring on 15 February 2026.

Unless determined by the Minister, or a lesser term is applied for, EPMs are granted for an initial term of 5 years.

The holder of an EPM can apply for a renewal in the approved form in the window of time between 6 months and 3 months before expiry of the EPM.

There is no right to a renewal of an EPM under the MRA and accordingly there is a risk that a renewal may not be granted in the future. We have not sighted anything that would preclude the further renewals of the Tenements.

## **5. Relinquishment**

EPMs are subject to rules regarding relinquishment of the area to which they apply on a periodic basis unless one of the limited exceptions apply. In practical terms this means that the area of an EPM will be reduced over its initial term and subsequent renewals.

Under section 139(1) of the MRA an EPM:

- must be reduced by 50% by the day that is 5 years after the grant of the EPM; and

- 
- by 50% of the remaining area by the day that is 10 years after the grant of the EPM.

The Searches reveal that:

EPM 14116 presently covers 22 sub blocks, and there is no future relinquishment requirement recorded for the balance of its term. Our instructions are that a 50% relinquishment of 11 sub-blocks will be required on any renewal in 2025.

EPM 19419 presently covers 24 sub blocks, and there is no future relinquishment requirement recorded for the balance of its term. Our instructions are that a 50% relinquishment of 12 sub-blocks will be required on any renewal in 2027.

EPM 27746 presently covers 30 sub blocks. The next relinquishment due date is 16 February 2026. The relinquishment requirement is 15 sub blocks (i.e., 50% on renewal).

It is beyond the scope of this Report to comment on the impact of any relinquishment requirement for the Tenements. Our instructions are that the relinquishment requirements for the Tenements will not impact the planned exploration program.

## 6. Access to land

The holder of an EPM does not automatically obtain access to all of the land the subject of the EPM for exploration.

Access to the land to undertake the majority of the activities authorised by an EPM must occur in accordance with the land access provisions of the *Mineral and Energy Resources (Common Provisions) Act 2014* (Qld) (**MERCPA**).

MERCPA distinguishes between preliminary activities and advanced activities. In addition, it distinguishes between public land and private land.

Preliminary activities (activities that will have no impact or only a minor impact) on the business or land use activities of the owner or occupier of the land can typically proceed following giving of an entry notice.

Advanced activities (all other authorised activities) can only proceed on private land in accordance with a conduct and compensation agreement with each owner and occupier of the land, subject to limited exceptions.

Compliance with MERCPA and entry into conduct and compensation agreement with landowners is a standard business practice for mineral exploration. Failure to reach agreement accordingly presents a risk to the planned exploration activities.

We have not reviewed any conduct and compensation agreements in the preparation of this Report. Our instructions are that:

- conduct and compensation agreements are presently held with key landholders for the planned exploration program;
- further conduct and compensation agreement will be obtained as required in the ordinary course of the conduct of the exploration program; and
- it is not expected that there will be no difficulties in procuring the necessary land access agreements.

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## 7. Restricted land

Under MERCPA the holder of an EPM may not undertake 'prescribed activities' on restricted land without the written consent of the owner. This protection afforded to landholder operates in addition to the requirement for access mentioned above.

Subject to limited exceptions, prescribed activities under section 67 of MERCPA generally means activities that are carried out on the surface of the land or below the surface of the land in a way that is likely to cause an impact on the surface of the land.

Restricted land means:

- (a) land within 200m laterally of any of the following—*
  - (i) a permanent building used for any of the following purposes—*
    - (A) a residence;*
    - (B) a childcare centre, hospital or library;*
    - (C) a community, sporting or recreational purpose or as a place of worship;*
    - (D) a business;*
  - (ii) an area used for any of the following purposes—*
    - (A) a school;*
    - (B) a prescribed ERA, under the Environmental Protection Act, that is aquaculture, intensive animal feedlotting, pig keeping or poultry farming;*
  - (iii) an area, building or structure prescribed by regulation; or*
- (b) land within 50m laterally of any of the following—*
  - (i) an area used for any of the following purposes—*
    - (A) an artesian well, bore, dam or water storage facility;*
    - (B) a principal stockyard;*
    - (C) a cemetery or burial place;*
  - (ii) an area, building or structure prescribed by regulation.*

It is beyond the scope of this report to investigate whether and if to any extent there is restricted land within the area of the Tenements. Our instructions are that:

- restricted land will be avoided to the extent that it is possible for the conduct of the planned exploration program; and
- to the extent that restricted land cannot be avoided, the necessary consents will be obtained.

## 8. Compensation

Compensation is payable by the holder of an EPM to each owner and occupier of private land and public land within the area of an EPM for any compensable effect. Compensable effect is defined in section 81 of MERCPA as follows:

- (a) any of the following caused by the holder, or a person authorised by the holder, carrying out authorised activities on the eligible claimant's land—*

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(i) deprivation of possession of the land's surface;

(ii) diminution of the land's value;

(iii) diminution of the use made, or that may be made, of the land or any improvement on it;

(iv) severance of any part of the land from other parts of the land or from other land that the eligible claimant owns;

(v) any cost, damage or loss arising from the carrying out of activities under the resource authority on the land; and

(b) consequential loss incurred by the eligible claimant arising out of a matter mentioned in paragraph (a).

Compensation is typically agreed in a conduct and compensation agreement as part of organising access to the underlying land with the landholder.

## 9. Environmental authorities (Qld)

In Queensland, exploration under an EPM must occur in accordance with an environmental authority granted under the *Environment Protection Act 1994* (Qld). Our Searches reveal that:

- Drummond West Pty Ltd hold EA – EPSX00891813 in relation to EPM141116;
- Ironridge Resources Limited hold EA – EPSX01589413 in relation to EPM19419; and
- No environmental authority was recorded for EPM27746.

Our instructions are that the Register of Environmental Authorities Register maintained by the Qld Department of Environment and Science is out of date. We have accordingly been provided with the following documents by UTM Global Pty Ltd the 'Authorised Holder Representative' for the Tenements:

- Environmental Authority EPSX01589413 for EPM 19419 in the name of Pure Mining Pty Ltd and dated 12 January 2021; and
- Environmental Authority EA0002609 for EPM 27746 in the name of Pure Mining Pty Ltd. Our instructions are this environment authority took effect on 16 February 2021 on grant of EPM 27746.

We have reviewed a copy of each of the above environment authorities and confirm that they are on standard terms and conditions for exploration permits of this type.

## 10. Commonwealth approvals

The *Environment Protection and Biodiversity Conservation Act 1999* (Cth) is the principal Commonwealth law regulating the impact of 'actions' on matters of national environmental significance.

To the extent the EPBC Act applies, and approval would be required, it would be in addition to an environmental authority under the *Environment Protection Act 1994* (Qld). In certain circumstances a single environmental impact assessment may be undertaken.

We have not assessed whether and if to any extent approval under the EPBC Act is required for exploration on the Tenements. Our instructions are that the planned exploration program does not require referral or approval under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). We note that it is relatively uncommon for exploration to require EPBC Act approval but much more common where there is an application for a mining lease.

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## 11. Native title

Schedule 2 sets out the native title status of the Tenements from the Searches.

Under the *Native Title Act 1993* (Cth) (**NTA**), the grant of an EPM is required to comply with the NTA where the EPM covers land where native title exists.

Native title can exist by itself or co-exist with private interests notwithstanding that it has not been formally recognised by the Federal Court. Compliance with the NTA is important as non-compliance with the NTA may mean the grant is invalid. The information reviewed suggests compliance with the NTA (we have not verified this). In summary:

- EPM 14116 was granted with all land subject to native title excluded from the EPM. This means that the Queensland Government were of the view that less than 10% of the EPM was land subject to native title. If exploration on the native title land is required to be undertaken, the land will first be required to be included in the MRA. Such an application will likely trigger a native title future act process under the NTA which will have in addition to the risk of the process, cost and time implications. Our instructions are that no exploration is planned for the land excluded from EPM 14116.
- EPM 19419 was granted with the 'native title protection conditions' included in the tenement following the use of the 'expedited procedure' under the NTA.
- EPM 27746 was granted with all land subject to native title excluded from the EPM. This means that the Queensland Government were of the view that less than 10% of the EPM was land subject to native title. If exploration on the native title land is required to be undertaken, the land will first be required to be included in the MRA. Such an application will likely trigger a native title future act process under the NTA which will have in addition to the risk of the process, cost and time implications. Our instructions are that no exploration is planned for the land excluded from EPM 27746.

As each of the Tenements has land subject to native title within the outer boundaries of the EPM (allowing for exclusions discussed above), if a mining lease is sought in the future in relation to an area subject to native title it will trigger a 'future act' process in the NTA. This will have time, cost and risk implications for the grant of the mining lease.

## 12. Aboriginal cultural heritage

In Queensland under the *Aboriginal Cultural Heritage Act 2003* (Qld) (**ACH Act**) a statutory duty of care is placed on all persons such that 'A person who carries out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal cultural heritage (see section 23(1)). Failure to comply with the duty of care and any resulting unlawful damage to Aboriginal cultural heritage is an offence and may be subject to a prosecution, fine or Ministerial stop work order.

A proponent can generally discharge their duty of care through a number of means, including:

- an agreement entered into with the 'Aboriginal party' for the relevant area;
- an approved cultural heritage management plan with the Aboriginal party;
- a native title agreement such as an indigenous land use agreement or ILUA;
- the Duty of Care Guidelines; and
- the native title protection conditions.

The results of our search of the Aboriginal and Torres Strait Islander Cultural Heritage Database and Register dated 27.1.21 reveal that:

- 
- EPM 14116 does not have any recorded Aboriginal cultural heritage sites or cultural heritage management plans;
  - EPM 19419 has two recorded Aboriginal cultural heritage sites, both paintings, and no cultural heritage management plans; and
  - EPM 27746 has one recorded Aboriginal cultural heritage site (an artefact scatter) and no cultural heritage management plans.

Aboriginal cultural heritage is protected under the ACH Act whether or not it is registered.

The existence of Aboriginal cultural heritage sites on the Tenements means that care will need to be taken in undertaking any exploration activities or future development activities to ensure compliance with the ACH Act.

Registered Aboriginal cultural heritage sites comprising paintings are not common and may be significant and accordingly may constrain future exploration and mining in their vicinity.

Our instructions are:

- the proposed exploration program has been designed to avoid the registered Aboriginal cultural heritage sites; and
- exploration occurs in accordance with the ACH Act and in accordance with either the 'native title protections conditions' (EPM 19419) or the 'Duty of Care Guidelines' (EPM 14116 and EPM 27746).

### **13. Searches, qualifications and assumptions**

Unless expressly stated, this Report has been prepared solely on the following searches (**Searches**):

- Resource Authority Public Reports dated 17 February 2021 provided by the 'Business Queensland' web page;
- Searches of the National Native Title Register, Register of Native Title Claims, Register of Indigenous Land Use Agreements maintained by the National Native Title Tribunal (**NNTT**) dated 27 January 2021;
- Searches of the Register of Environmental Authorities Register maintained by the Qld Department of Environment and Science on 17 February .21; and
- Searches of the Aboriginal and Torres Strait Islander Cultural Heritage Database and Register dated 27 January 2021.

Except as stated elsewhere in this Report, the scope of this Report is set out below including the assumptions and qualifications on which it has been prepared.

**Compliance.** We have not expressed an opinion on whether the holder of the Tenements is in compliance with their conditions or whether any activities undertaken pursuant to the Tenements was done in accordance with all applicable laws.

**Future approvals.** Depending on the nature of the exploration activities proposed to be undertaken and where they are to occur further approvals may be required. For example, an approval under the EPBC Act discussed above. It is beyond the scope of this report to identify what (if any) additional approvals are required to undertake exploration activities authorised by the Tenements.

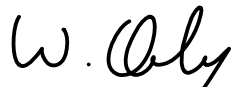
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Mining. The Tenements do not authorise mining. in order to undertake productive mining a mining lease and other approvals will be required. We express no opinion on whether a mining lease can be applied for or will be granted.

Assumptions. We have assumed that the information in the Searches is both current and accurate. We have not independently verified the results of the Searches.

Currency. This Report has been prepared based upon information provided by government departments at the date of the Searches. We relied upon the information in the Searches being accurate complete and up to date. The Report does not cover any changes after the date of the Searches.

Yours faithfully

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

William Oxby

Principal

**M** +61 (409) 269480

[william.oxby@oxbylegal.com](mailto:william.oxby@oxbylegal.com)



## Schedule 1

No	Tenement	Status	Term / Expiry	Holder / Interest	Minerals	Caveat / Mortgage	Conditions / exclusions recorded
1	EPM14116	Granted	22.10.25	Drummond West Pty Ltd (100%)	All minerals other than coal	Nil recorded	<p>Conditions: The permit is subject to the conditions outlined in the Mineral Resources Act 1989 and Mineral Resources Regulation 2013. The permit is also subject to the following specific conditions: You are required to carry out your work program and comply with the permit's conditions throughout the permit term.</p> <p>Exclusions: 1. Any current Mining Claims, Mineral Development Licences or Mining Leases at the time of lodgement of this permit pursuant to section 132 of the Mineral Resources Act 1989. 2. Land subject to native title.</p>
2	EPM19419	Granted	25.8.22	Pure Mining Pty Ltd (100%)	All minerals other than coal	Nil recorded	<p>Conditions: Native title protection conditions.</p> <p>Exclusions: Nil recorded.</p>
3	EPM 27746	Granted	15.2.26	Pure Mining Pty Ltd (100%)	All minerals other than coal	Nil recorded	<p>Conditions: Nil recorded.</p> <p>Exclusions: Land subject to Native Title.</p>

## Schedule 2

No	Tenement	RAPR Status	NNTT Search Result	Cultural heritage Search results
1	EPM 14116	Predominantly exclusive land	Clermont-Belyando Area Native Title Claim QC2004/006 (33% overlap) Western Kangoulu People QC2013/002 (66% overlap) No relevant ILUAs	<b>Cultural heritage sites</b> Nil <b>Cultural heritage management plan</b> Nil
2	EPM 19419	Expedited. Granted with native title protection conditions.	Auburn Hawkwood People Determination QCD2019/006 (22% overlap) No relevant ILUAs	<b>Cultural heritage sites</b> JD: A13 – Painting JD: A29 – Painting <b>Cultural heritage management plan</b> Nil
3	EPM 27746	Predominantly exclusive land	Auburn Hawkwood People Determination QCD2019/006 (0.1% overlap) No relevant ILUAs	<b>Cultural heritage sites</b> JD: A52 – Artefact scatter <b>Cultural heritage management plan</b> Nil

2 March 2021

The Directors  
Australasian Gold Limited  
Level 8, 99 St Georges Terrace  
Perth WA 6000

Dear Sirs

## SOLICITOR'S REPORT

### 1. Introduction

This report is prepared for inclusion in a prospectus (**Prospectus**) to be dated on or about 4 March 2021 for issue by Australasian Gold Limited ACN 625 744 907 (**Australasian Gold**) of up to 30,000,000 shares at an issue price of \$0.20 per share to raise up to \$6 million.

The report relates to Western Australian mining tenements (**Tenements**) in which Australasian Gold holds an interest. The attached Tenement Schedule (**Schedule**) and notes to the Schedule, contain an overview of the Tenements. Sections 8 and 12 of the Prospectus, which does not form part of this report, set out respectively technical information and summaries of material contracts that relate to Australasian Gold's interest in the Tenements.

### 2. Opinion

Based on our searches and enquiries and subject to the assumptions and qualifications set out below, we confirm that as at 2 March 2021:

- (a) the details of the Tenements referred to in the Schedule are accurate as to the status and registered holders of those Tenements;
- (b) unless otherwise specified in this report, the Tenements are in good standing and all applicable rents have been paid;
- (c) none of the Tenements are subject to any unusual conditions or authorisations, approvals, permissions or consents (**Authorisation**) of a material nature other than as disclosed in the Schedule;

- (d) this report provides accurate statements as to third party interests, including encumbrances in relation to the Tenements ascertainable from our searches and the information provided to us; and
- (e) subject to the comments below relating to standard, administrative authorisations (which are normally applied for only at the time of finalising the details of individual exploration plans), or as otherwise detailed in the Schedule or the Prospectus, there are no legal, regulatory or contractual impediments to Australasian Gold being granted, and undertaking exploration on, the Tenements.

### 3. Searches

For the purpose of this report, we have conducted the following searches and enquiries on 2 March 2021:

- (a) searches of the Tenements in the mining tenement register (**DMIRS Register**) maintained by the Department of Mines, Industry Regulation and Safety of Western Australia (**DMIRS**) pursuant to the Mining Act 1978 (WA) and Mining Regulations 1981 (WA) (**Mining Act**); and
- (b) quick appraisal searches of the Tenements summarising information obtained online from the 'TENGRAPH' system maintained by the DMIRS;
- (c) searches of the Aboriginal Heritage Inquiry System of the Department of Planning, Lands and Heritage (**DPLH**) for both "Registered Aboriginal Sites" and "Other Heritage Places".

### 4. Assumptions and qualifications

In preparing this Report:

- (a) we are instructed that Pure Mining Pty Limited (**Pure Mining**) is a wholly owned subsidiary of Australasian Gold.
- (b) we have assumed the accuracy and completeness of results of the searches of the DMIRS Register and other information obtained from the DMIRS and DPLH;
- (c) we have assumed all contracts, agreements or arrangements have been supplied to us and were within the capacity and powers of, and were validly authorised, executed and delivered by and binding on each party to them, and where applicable, duly stamped;
- (d) where any agreement, dealing or act (including disturbing the land for exploration or mining) affecting the Tenements requires an Authorisation under the Mining Act,

or any other relevant legislation, we have assumed that Authorisation has been or will be granted in due course;

- (e) where any dealing in the Tenements has been lodged for registration but is not yet registered, we express no opinion as to whether the registration will be effected, or the consequences of non-registration;
- (f) we have assumed that Australasian Gold has complied with all applicable provisions of the Mining Act and all other legislation relating to the Tenements, and from our searches and enquiries there is nothing to indicate that this is not the case;
- (g) we have not researched the underlying land tenure in respect of the Tenements to determine if native title rights have or have not been extinguished, or the extent of any extinguishment, other than as disclosed in the “quick appraisal” searches referred to in paragraph 3(b) above, and from our searches and enquiries there is nothing to indicate that this is not the case; and
- (h) other than as can be ascertained from the database maintained by the DPLH (as set out in paragraph 3(c) above, we have not researched the area of the Tenements to determine if there are any additional or unregistered sites of significance to aboriginal people within the area, and from our searches and enquiries there is nothing to indicate that this is not the case.

The Schedule sets out a brief description of the Tenements and a summary of any encumbrances, conditions and endorsements on title. In relation to the Schedule, we make the following comments:

- (a) references to the areas of the Tenements are taken from the details shown on the tenement searches, it is not possible to verify those areas without conducting a survey which has not been undertaken;
- (b) the area of the Tenements, as shown in the Schedule, might be reduced by the existence of pre-existing mining tenements situated within the boundaries of the relevant Tenement resulting in the area of the earlier mining tenement being excised from the grant of the Tenement; and
- (c) the rights of a holder of a mining tenement are subject to compliance by that holder with the terms and conditions attached to each Tenement and generally under the Mining Act and other relevant legislation.

## **5. Western Australia Tenements**

Mining tenements in Western Australia comprise prospecting licences (prefixed “P”), exploration licences (prefixed “E”) and mining leases (prefixed “M”) granted pursuant to the Mining Act as well as certain ancillary titles.

In accordance with the Mining Act, the holder of a mining tenement is permitted to explore for all minerals including oil shale, but excluding sand or clay occurring on private land. Exploration or mining for iron is also excluded unless it has been authorised by the responsible Minister and endorsed on the mining tenement title. Under the Petroleum and Geothermal Energy Resources Act 1987 (WA), petroleum and geothermal energy resources are also excluded from the grant of a mining tenement.

In addition to the Authorisations and approvals described below, it is a requirement that any ground disturbing work carried out on a mining tenement has been approved by the DMIRS. Such approvals may involve referral by the DMIRS to other Government agencies and any approvals given may be subject to special conditions. Approvals are generally required for an exploration program to be undertaken and are submitted to the DMIRS for approval at an administrative level.

Australasian Gold, through Pure Mining, has applied for only one Exploration Licence in Western Australia.

(a) **Exploration Licences**

An Exploration Licence may be applied for by an individual or company who is able to show it has the technical and financial ability to undertake exploration. In this instance, Pure Mining's application for E08/3248 has been recommended for approval indicating that the DMIRS is satisfied as to the financial and technical ability of the applicant.

The application for Exploration Licence is being processed by the DMIRS through the "Expedited Procedures" provisions of the Native Title Act, as more fully described in Part 8 (Native Title) below.

An exploration licence, when granted, permits the holder to explore over land up to a maximum 200 graticular blocks in designated areas of Western Australia and a maximum of 70 graticular blocks elsewhere. Graticular blocks comprise one minute of longitude by one minute of latitude and therefore range in area from approximately 2.8km<sup>2</sup> to 3.3 km<sup>2</sup>. There is no limit to the number of exploration licences which may be held by any one person.

An exploration licence authorises the holder to enter land using vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land.

Exploration licences are granted with five year terms which may be extended by one period of five years and then by further two year periods if the Minister is satisfied that a 'prescribed ground' for extension exists.

'Prescribed grounds' for extension include circumstances when the holder experienced difficulties or delays arising from governmental, legal, climatic or heritage reasons, where work carried out justifies further prospecting, or where the Minister considers the land has been unworkable for whole or a considerable part of any year of the term.

Exploration licences are subject to a requirement that the holder relinquishes 40% of the tenement area at the end of the initial five year period. The Minister may defer the relinquishment requirement for one further year if satisfied that a prescribed ground for deferral exists. No exemption from the relinquishment requirement is available.

During the first year of grant of an exploration licence, a legal or equitable interest in or affecting the exploration licence cannot be transferred or otherwise dealt with, whether directly or indirectly, without the prior written consent of the Minister. A transfer after the first anniversary of the grant of an exploration licence requires no such approval.

During the term of an exploration licence, the holder may apply for and have granted subject to the Mining Act, one or more mining leases over any part of land subject to the exploration licence. Where an application for a mining lease is made, and the term of the exploration licence is due to expire prior to the mining lease application being determined, the exploration licence will continue in force over the land subject to the mining lease application pending the outcome of that mining lease application.

Annual rent and shire rates are payable in respect of exploration licences. Exploration licences are subject to minimum annual expenditure requirements which are set out in the Schedule. The holder of an exploration licence may apply for exemption from compliance with minimum expenditure requirements on certain grounds set out in the Mining Act or at the discretion of the Minister. A failure to comply with expenditure requirements, unless exempted, renders the exploration licence liable to forfeiture.

### ***Forfeiture of Exploration Licences***

The Minister may make an order for the forfeiture of an exploration licence for any of the following reasons:

- (i) failure to pay rent or royalty;
- (ii) non-compliance with conditions of an exploration licence such as lodgment of a report as required by the Mining Act;

- (iii) failure to comply with certain provisions of the Mining Act;
- (iv) failure to satisfy minimum expenditure conditions; or
- (v) if the holder is convicted of an offence under the Mining Act.

A third party may also make an application to have an exploration licence forfeited due to a failure by the holder to comply with the terms of the exploration licence (most commonly, a failure to meet statutory minimum expenditure requirements). Such application for forfeiture in respect of expenditure conditions must be made during the tenement year in which there is non-compliance, or within eight months thereafter.

The Minister may only make an order for forfeiture if the Minister is satisfied that non-compliance is of sufficient gravity to justify the forfeiture of the exploration licence.

The Minister may impose a penalty instead of forfeiting the exploration licence. The penalty must not exceed \$10,000 in a case where minimum expenditure conditions have not been complied with, and not exceed \$50,000 in any other case.

**(b) Mining Leases**

There are no mining leases applied for or held by Australasian Gold. A mining lease, if applied for, will authorise the holder to work and mine the land, and take and remove from the land any minerals and dispose of them, and to do all acts and things necessary to effectually carry out mining operations in, on, or under the land subject to the mining lease.

A mining lease may only be granted if the application is accompanied by either a mining proposal or a 'statement' setting out information about the mining operations that are likely to be carried out on the mining lease together with a mineralisation report prepared by a qualified person. If a statement and mineralisation report are lodged, the Director, Geological Survey must be satisfied that there is significant mineralisation in, on, or under the land to which an application for a mining lease relates. For the purposes of the Mining Act 'significant mineralisation' is defined as a deposit of minerals where exploration results indicate that there is a reasonable prospect of minerals being obtained by mining operations.

Every granted mining lease is subject to a condition requiring the lessee, before carrying out mining operations of a prescribed kind on any part of the land the subject of the lease (including open-cut, underground, quarrying, dredging, harvesting, scraping, leaching and tailing treatment operations together with incidental construction activities), to lodge (and have approved) a mining proposal.



Mining proposals are required to detail all matters relating to the environmental management of a proposed project including mine closure and rehabilitation.

A mining lease is granted for a term of 21 years and may be renewed for successive terms upon application to the Minister. A term of renewal must not exceed 21 years.

Annual rent and shire rates are payable in respect to mining leases and the holder of a mining lease must expend or cause to be expended \$100 per hectare (with a minimum of \$10,000) annually during each year of the term of the lease. If the mining lease does not exceed 5 hectares the minimum annual expenditure will be \$5,000.

### ***Forfeiture of Mining Leases***

The Minister may forfeit a mining lease in the same manner and for the same reasons as apply to an exploration licence (described above).

## **6. Royalties**

Tenement holders must pay royalties on minerals (including material containing minerals) obtained from a mining tenement to the state government. Royalties are payable quarterly and must be accompanied by a royalty return in an approved form. The holder of a mining tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement. Royalty rates and methods of calculation differ depending on the type of mineral produced or obtained from a mining tenement.

## **7. Rehabilitation levies or securities**

In Western Australia a mining rehabilitation levy system applies which requires a tenement holder to pay a levy based on the area it has disturbed on a tenement (and on the estimate of the cost of rehabilitation of such area). In certain circumstances, a tenement holder may also be required to lodge a bank guaranteed performance bond to secure the performance of a tenement holder's rehabilitation obligations on a mining tenement.

A tenement holder may also be liable to pay a safety levy based on the number of hours spent working on a group of tenements (including all employees or contractors).

## **8. Native Title**

Native Title or claims for native title exist over large areas of Western Australia and will likely affect new mining tenements. The Schedule sets out relevant native title claims (if any) affecting the Tenements. The existence of a lodged claim does not necessarily mean

that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists in an area. The existence of native title will be established pursuant to the determination of claims by the Federal Court.

The grant of a mining tenement is a 'Future Act' for the purposes of the *Native Title Act 1993* (Cth) (**NTA**). A Future Act is an activity or development on land or waters that affects native title. Native title claimants' gain the 'right to negotiate' in relation to the grant of certain mining tenements if their native title claim is registered at the time the government issues a notice (known as a section 29 notice), stating it intends to do the act (ie grant the mining tenement), or if their claim becomes registered within four months after that notice. The right to negotiate might apply to the grant of any type of mining tenement, but in practice, it applies predominantly to the grant of a mining lease. The right to negotiate describes a process whereby the tenement applicant and native title claimant must negotiate in good faith to attempt to resolve any potential concerns the native title claimants may have arising from the mining lease application or its grant.

In some cases (predominantly in respect of exploration or prospecting licences) the Western Australia State Government applies a 'fast track' procedure (the 'expedited procedure') in place of the right to negotiate process. If the proposed grant of a mining tenement is advertised under the expedited procedure, native title parties can lodge an objection to the use of the expedited procedure for the grant of the mining tenement. If there is no objection lodged, the mining tenement can be granted. If an objection is lodged, the parties may either negotiate and reach agreement, or apply to the National Native Title Tribunal (**NNTT**) for a determination of the matter.

It is a policy of the DMIRS to apply the expedited procedure to the grant of exploration and prospecting licences where the applicant has executed a Regional Standard Heritage Agreement (**RSHA**) or has an existing Alternative Heritage Agreement (**AHA**) in place. In the absence of such an agreement, applications will be subject to the right to negotiate procedure.

A RSHA or AHA is intended to address potential Aboriginal heritage concerns with respect to work on the area subject to a mining tenement. The agreements generally provide for a native title party to withdraw their objection to the expedited procedure and consent to the grant of the mining tenement upon the terms of the agreement. Agreements commonly include a procedure for the carrying out of surveys ahead of ground disturbing activities to determine if any sites or objects of significance to Aboriginal people exist in the area. Other terms such as compensation payable to the native title party might be included.

## 9. Validity of titles

### (a) Right to Negotiate Procedure

Mining tenements granted after 23 December 1996 that affect native title will be valid only if the applicable processes of the NTA have been complied with. Under the right to negotiate procedures, parties are required to negotiate in relation to the grant of the proposed Future Act, eg the grant of a mining tenement. Negotiations are initiated to obtain the agreement of the relevant native title parties to the carrying out of the proposed Future Act. The right to negotiate procedure consists of a statutory minimum six month period of negotiation between the relevant government party, the native title party and the grantee, during which time the parties must negotiate in good faith with a view to reaching agreement about the doing of the Future Act.

If parties cannot reach agreement as to the terms of grant, a negotiation party may apply to the NNTT (as the arbitral body) to make a determination as to whether the grant may proceed (and if so, on what conditions).

### (b) Compensation

The Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement. If the existence of native title is proven over any of the land subject to the Tenements, and the native title holders make an application to the Federal Court for compensation, the tenement holder may be liable to pay any compensation awarded.

### (c) Conversion to Mining Lease

In relation to the tenements in Western Australia undergoing a conversion from an exploration licence or prospecting licence to a mining lease over an area where native title claims are lodged and registered, the mining lease will be subject to the right to negotiate process, unless Australasian Gold has earlier entered into an agreement with the claimants that permits such conversion.

## 10. Aboriginal Heritage

### (a) Commonwealth

The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant

Aboriginal areas or objects, which can affect exploration activities. Compensation is payable by the Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation.

(b) **Western Australia**

Holders of mining tenements in Western Australia are subject to the Aboriginal Heritage Act 1972 (WA) (**WA Heritage Act**), which protects sites that may be of spiritual, cultural or heritage significance to Aboriginal people (**Aboriginal Site**). The Western Australia Department of Planning, Land and Heritage (which incorporates the former Department of Aboriginal Affairs) maintains a register of Aboriginal Sites but registration of an Aboriginal Site is not required by the WA Heritage Act.

To alter or damage an Aboriginal Site without approval is an offence under the WA Heritage Act that can lead to prosecution. Any party disturbing an area of the State has an obligation to avoid interfering with an Aboriginal Site. To satisfy this obligation, tenement holders commonly undertake Aboriginal heritage surveys which involve the relevant traditional owners and as necessary, an archaeologist or anthropologist walking the land identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

Surveys to identify sites and objects of significance to Aboriginal people are commonly carried out in accordance with terms set out in an RSHA or AHA (both described in Part 8 above). Where native title has been determined to exist, the obligation to carry out such survey, and the terms by which they must be carried out, may instead be set out in an “indigenous Land Use Agreement” (**ILUA**). ILUA’s range from very detailed agreements negotiated by the State and the relevant native title holders to cover entire native title areas to agreements between individual companies and the native title holders. The National Native Title Tribunal maintains a register of ILUA’s.

There are various ILUA’s affecting the Tenements however we are instructed that neither the Company or the current holders of the Tenements (as specified in Schedule 1 of this Report) are parties to the ILUAs relating to the Tenements (see Schedule 1). Nothing in our enquiries suggests that the ILUAs will impact the Tenements or the Company’s proposed activities in respect of the Tenements.

The Government of Western Australia has released the Aboriginal Cultural Heritage Bill 2020 for public consultation. Whilst the new Bill (if passed in its current form) fundamentally changes the way Aboriginal Cultural Heritage is managed in Western Australia, the practice described above, being the conduct of surveys to identify

areas that may contain or constitute areas of Aboriginal Cultural Heritage before conducting exploration, will likely continue under the new Bill.

(c) **Aboriginal Sites within the Tenements**

Other than the search of the DPLH register described in part 3(c) of this report, we have not undertaken any searches or investigations as to whether there are or may be any sites protected by the Commonwealth Heritage Act or the WA Heritage Act within the area of the Tenements. It is common practice for an explorer to undertake heritage surveys only over areas about to be disturbed and only when work is imminent.

**11. Consent**

This report is given on 3 March 2021 and unless specified to the contrary, speaks only to the laws in force on that date. House Legal has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included and has not withdrawn that consent before the lodgement of the Prospectus with ASIC.

**12. Disclosure of Interest**

House Legal will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully



**Stuart House**  
Principal

**SCHEDULE 1 TENEMENTS**

Tenement	Holder	Status	Area	Application Date	Grant Date	Expiry Date	Required Expenditure	Notes
<b>Fairview Gold Project</b>								
E08/3248	Pure	Pending	12 blocks	21/08/2020	N/A	N/A	N/A	1 to 5

**Holders**

Pure Mining Pty Ltd ACN 627 691 721

**Notes**

1. Pure Mining Pty Ltd ACN 627 691 721 is a wholly owned subsidiary of Australasian Gold.
2. This tenement is subject to the Puutu Kuntj Kurrama People and Pinikura People #1 and #2 determined native title claim (WAD6007/2001) as to 40.46% of the area and the Thudgari People determined native title claim (WAD6212/1998) as to 19.25% of the area.
3. This tenement was recommended for grant on 7 October 2020.
4. This tenement encroaches upon Registered Aboriginal Site 8298 "Deep Pool" for "artifacts, scatter and engraving. The encroachment is approximately 1% of the area of the tenement and affects only the western edge of the site.
5. This tenement overlies the Wyloo Pastoral Lease.

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## **10 FINANCIAL INFORMATION FOR THE GROUP**

Investors should be aware that past performance is not an indication of future performance. There are no forecasts included in this financial information section.

### **10.1 Introduction**

The financial information of the Group contained in this Section 10 includes the:

- (a) Audited historical consolidated statement of profit or loss and other comprehensive income for the financial period from the date of incorporation (23 April 2018) to 30 June 2019 and for the year ended 30 June 2020;
- (b) Audited historical consolidated statement of cash flows for the period ended 30 June 2019 and the year ended 30 June 2020;
- (c) Audited historical consolidated statement of financial position as at 30 June 2020; and
- (d) Pro forma consolidated historical statement of financial position as at 30 June 2020 (referred to as the “Pro Forma Historical Financial Information”).

(items a - c are together referred to as the “Historical Financial Information - the Group”)

All amounts disclosed in this section are presented in Australian dollars. The Group has a June year end.

### **10.2 Financial information**

The financial information included in this section 10 was prepared by management and was adopted by the Directors. The Directors are responsible for the inclusion of all financial information in this Prospectus. The basis of preparation are identified in the relevant sections.

### **10.3 Basis of preparation of the Historical Financial Information**

The Historical Financial Information included in this section has been prepared in accordance with the measurement and recognition criteria (but not the disclosure requirements) of Australian Accounting Standards (AAS) and the summary of significant accounting policies outlined in section 10.7. The financial information is presented in an abbreviated form in so far as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with AAS and the Corporations Act.

The Historical and Pro Forma Historical Financial Information has been prepared for the purpose of the Offer.

The Historical Financial Information of the Group has been extracted from the audited financial statements for the period ended 30 June 2019 and for the year ended 30 June 2020 which were audited by HLB Mann Judd (VIC Partnership). An unmodified audit opinion was issued on the Group’s 30 June 2019 and 2020 financial

reports. Both audit reports contained an emphasis of matter paragraph related to the application of the going concern basis of accounting.

The Pro Forma Historical Financial Information has been reviewed by HLB Mann Judd Corporate Finance Pty Ltd as set out in the Investigating Accountant's Report (IAR) in section 11. Investors should note the scope and limitations of the IAR.

#### 10.4 General factors affecting the operating results of the Group

Below is a discussion of the main factors which affected the Group's operations and relative financial performance for the period ended 30 June 2019 and the year ended 30 June 2020 which the Group expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Group's historical operating and financial performance, nor everything which may affect the Group's operations and financial performance in the future. The information in this section should also be read in conjunction with the risk factors set out in the section 'Risk Factors', and the other information contained in this Prospectus.

(a) Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

The table below presents the Consolidated Historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2019 and for the year ended 30 June 2020.

	Year ended 30 June 2020	Period ended 30 June 2019
	\$	\$
Other revenue	-	-
Other expenses	(60,899)	(433,143)
	(60,899)	(433,143)
Finance income	182	361
Finance costs	(3,321)	(3,918)
Loss before income tax	(64,038)	(436,700)
Income tax benefit	-	-
Loss for the period after income tax	(64,038)	(436,700)
Total other comprehensive income	-	-
Total comprehensive (loss) for the period	(64,038)	(436,700)

#### Revenue

Apart from the immaterial amount of interest revenue, there was no other revenue generated for the period ended 30 June 2019 and the year ended 30 June 2020. It is likely that interest will be earned on cash balances after the capital raising.

#### Expenses



Expenditure is largely comprised of professional services fees in respect of director fees, other service providers and other expenditure which did not satisfy the recognition criteria under the exploration for and evaluation of mineral resources accounting standard and therefore has been expensed over the historical period. Other than these transactions, the Group has had a limited operating history.

(b) Historical Consolidated Statement of cash flows

The table below presents the Consolidated Historical Statement of Cash Flows for the period ended 30 June 2019 and for the year ended 30 June 2020.

	Note	Year ended 30 June 2020	Period ended 30 June 2019
		\$	\$
Cash flows from operating activities			
Interest income received		182	361
Payments to suppliers and employees		(29,547)	(390,022)
Net cash (used in) operating activities		(29,365)	(389,661)
Cash flow from financing activities			
Repayment of leasing liabilities		(3,000)	-
Issue of shares, net of costs		-	594,555
Net cash provided by/(used in) financing activities		(3,000)	594,555
Net (decrease)/increase in cash held		(32,365)	204,894
Cash at the beginning of the period		204,894	-
Cash at the end of the period		172,529	204,894

During the period ended 30 June 2019 and the year ended 30 June 2020, the Group's cash flow activities were limited to the following:

- (i) Payment of operating expenditure as well as expenditure incurred in relation to marketing activities and the identification of new acquisition opportunities.
- (ii) The Company raised funds (net of costs) from the issue of 6,000,000 Shares totalling \$600,000, before costs.

(c) Historical Consolidated Statement of Financial Position

The table below presents the Consolidated Historical Statement of Financial Position as at 30 June 2020.

	Note	2020
		\$
ASSETS		
Current assets		
Cash and cash equivalents		172,529
Trade and other receivables		15,681

Prepayment		2,542
Total		190,752
Non-Current assets		
Right of use assets		35,444
Total		35,444
Total assets		226,196
LIABILITIES		
Current liabilities		
Trade and other payables		94,174
Lease liability		26,290
Total		120,464
Non-current liabilities		
Lease liability		11,915
Total		11,915
Total liabilities		132,379
Net assets		93,817
EQUITY		
Issued capital		594,555
Accumulated losses		(500,738)
Total equity		93,817

During the year ended 30 June 2020, the following factors impacted the Group's financial position:

- (i) operational expenditures and costs of searching for new acquisition opportunities, leading to the loss of \$64,038 for the year ended 30 June 2020; and
- (ii) Recognition of right of use assets of \$35,444 and lease liability \$38,205 in applying the requirements of AASB 16.

## 10.5 Pro forma historical financial information

### (a) Proforma transactions

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 30 June 2020 and are set out below:

- (i) On 1 July 2020, the Group re-negotiated a lease agreement with its landlord (being a related party to Dr Qingtao Zeng), which resulted in the value of property, plant & equipment and the lease liability reducing by \$18,934.
- (ii) In August 2020, the Group paid \$5,000 and issued 500,000 shares at 10 cents per Share to Geosmart Consulting Pty Ltd for reimbursement of

exploration expenses incurred and consideration for services provided for the Group's tenement application E 08/3248 (known as Fairview), including withdrawing a prior application over the same ground. See section 12.4 for details.

- (iii) In August 2020, the Company issued 2 million shares to Dr Qingtao Zeng in the Company in recognition of services rendered to the Group.
- (iv) The Group entered into a Sale and Purchase Agreement for the May Queen Gold Project on 9 September 2020 under which it agreed to issue 4.5 million Shares at a deemed issue price of \$0.10 per Share to IronRidge Resources Limited (IronRidge) as consideration. In turn, IronRidge also agreed to subscribe for 1 million Shares at \$0.10 per Share. Completion of the purchase and subscription occurred on 8 February 2021. See section 12.1 for details.
- (v) The Group raised \$200,000 via the issue of 2 million Shares at 10 cents per Share before costs during November and December 2020.
- (vi) Dr Qingtao Zeng was appointed as Managing Director on 31 October 2020 with a monthly fee of \$10,000 which will increase to \$20,000 upon when the Group is listed on the ASX. The initial term is 24 months from the date the group listed on the ASX. Per the Managing Director Service agreement, it provided for the issuance of 3,500,000 Performance Rights, 2,000,000 Options (exercisable at 30 cents per Option) and 700,000 Shares (which has been assessed to have a value of \$481,861 for financial reporting purposes). See section 12.5 for details.
- (vii) The Group also entered into a Sale and Purchase Agreement for the Mt Clermont Gold project on 25 November 2020 under which it agreed to issue 1 million Shares at a deemed issue price of \$0.10 per Share as consideration to Drummond West Pty Ltd. Completion will occur once certain procedural steps are completed under the Mineral Resources Act 1989 (Qld), which is expected to occur prior to the Company listing on ASX. See section 12.3 for details.
- (viii) On 29 January 2021 the Company issued 300,000 Shares and 1 million Options (exercisable at 30 cents per Option) to non-executive Directors Messrs. McGoldrick and Fraser. The Shares and options were assessed to have a value of \$140,000 for accounting purposes.
- (ix) Issuing a minimum of 22.5 million Shares at \$0.20 to raise \$4.5 million before costs.
- (x) The total expenses associated with the offer consist of cash and equity settled components, estimated as follows:

Cost (\$)	Minimum Subscription	Maximum Subscription
Independent Technical Consultant	9,000	9,000
Investigating accountants	12,500	12,500
Legal fees	35,000	35,000
ASIC and ASX fees	70,000	80,000
Brokers' fees <sup>1</sup>	349,200	439,200
IPO compliance and company secretary fees	110,000	110,000
Share registry and other costs	5,000	5,000
Total	590,700	690,700
Deferred tax asset expensed	(177,210)	(207,210)
Total estimated expense of the offer (net of tax)	413,490	483,490
Settlement of the expense of the offer is estimated below:		
Cash	341,500	441,500
Issue of options	249,200	249,200
Total	590,700	690,700

<sup>1</sup> This assumes that Hartleys procure applications for \$2,500,000 (Minimum Subscription) and \$4,000,000 (Maximum Subscription) and is paid a 5% fee on this amount.

The pro forma consolidated historical Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus or at the conclusion of the Offer.

(b) Pro forma consolidated historical statement of financial position as at 30 June 2020

The pro forma consolidated historical statement of financial position as at 30 June 2020, set out below, has been prepared to illustrate the financial position of the Group, following completion of the Offer and the transactions outlined in section 10.5(a).

	Note	The Group 30-Jun-20 Audited	Sub-total of proforma transactions	Impact of Offer		Total Proforma	
				Min (\$)	Max (\$)	Min (\$)	Max (\$)
Current assets							
Cash and cash equivalents	1	172,529	295,000	4,158,500	5,558,500	4,626,029	6,026,029
Trade and other receivables		15,681				15,681	15,681
Prepayments		2,542		-	-	2,542	2,542
Total current assets		190,752	295,000	4,158,500	5,558,500	4,644,252	6,044,252
Non-current assets							
Exploration & evaluation expenditure	2	-	605,000			605,000	605,000

Right of use asset	3	35,444	(18,934)	-	-	16,510	16,510
Total non-current assets		35,444	586,066	-	-	621,510	621,510
Total assets		226,196	881,066	4,158,500	5,560,500	5,265,762	6,665,762
Current liabilities							
Trade and other payables		94,174	-	-	-	94,174	94,174
Lease liability	4a	26,290	(12,994)	-	-	13,296	13,296
Total current liabilities		120,464	(12,994)	-	-	107,470	107,470
Non-current liabilities							
Lease liability	4b	11,915	(5,940)	-	-	5,975	5,975
Total non-current liabilities		11,915	(5,940)	-	-	5,975	5,975
Total liabilities		132,379	(18,934)	-	-	113,445	113,445
Net assets		93,817	900,000	4,158,500	5,560,500	5,152,317	6,554,317
Equity							
Issued capital	5	594,555	1,101,000	4,086,510	5,516,510	5,782,065	7,212,065
Reserves	6	-	421,861	249,200	249,200	671,061	671,061
Retained Earnings / (Accumulated losses)	7	(500,738)	(622,861)	(177,210)	(207,210)	(1,300,809)	(1,330,809)
Total equity		93,817	900,000	4,158,500	5,558,500	5,152,317	6,552,317

#### Note 1 - Cash and cash equivalents

	Min (\$)	Max (\$)
Balance as at 30 June 2020	172,529	172,529
Acquisition of Fairview	(5,000)	(5,000)
Issue of shares - subscription	200,000	200,000
Issue of shares - subscription by Ironbridge	100,000	100,000
Pro-forma transaction subtotal	295,000	295,000
Proceeds from shares issued under the offer	4,500,000	6,000,000
Cash payments for offer costs	(341,500)	(441,500)
Impact of offer subtotal	4,158,500	5,558,500
Total proforma balance	4,626,029	6,026,029

#### Note 2 - Exploration & evaluation expenditure

	Min (\$)	Max (\$)
Balance as at 30 June 2020	-	-
Issue of shares - acquisition of Fairview	55,000	55,000
Issue of shares - acquisition of May Queen Gold Project	450,000	450,000

Issue of shares - acquisition of Mt Clermont Gold Project	100,000	100,000
Pro-forma transaction subtotal	605,000	605,000
Impact of offer subtotal	-	-
Total proforma balance	605,000	605,000

### Note 3 - Right of use assets

	Min (\$)	Max (\$)
Balance as at 30 June 2020	35,444	35,444
Re-negotiation of lease agreement	(18,934)	(18,934)
Pro-forma transaction subtotal	(18,934)	(18,934)
Impact of offer subtotal	-	-
Total proforma balance	16,510	16,510

### Note 4a & b - Leases

	Min (\$)	Max (\$)
4a		
Balance as at 30 June 2020	26,290	26,290
Re-negotiation of lease agreement	(12,994)	(12,994)
Pro-forma transaction subtotal	(12,994)	(12,994)
Impact of offer subtotal	-	-
Total proforma balance	13,296	13,296
4b		
Balance as at 30 June 2020	11,915	11,915
Re-negotiation of lease agreement	(5,940)	(5,940)
Pro-forma transaction subtotal	(5,940)	(5,940)
Impact of offer subtotal	-	-
Total proforma balance	5,975	5,975

### Note 5 - Issued capital

	Min (\$)	Max (\$)
Balance as at 30 June 2020	594,555	594,555
Issue of shares - acquisition of Fairview	50,000	50,000
Issue of share - remuneration of Mr Qingtao Zeng	1,000	1,000
Issue of shares - subscription	200,000	200,000
Issue of shares - execution of service agreement	140,000	140,000
Issue of shares - acquisition of May Queen Gold Project	450,000	450,000
Issue of shares - subscription by Ironridge	100,000	100,000
Issue of shares - acquisition of Mt Clermont Gold Project	100,000	100,000
Issue of shares to directors	60,000	60,000
Pro-forma transaction subtotal	1,101,000	1,101,000
Issue of shares, net of costs and tax effect	4,086,510	5,516,510
Impact of offer subtotal	4,086,510	5,516,510
Total proforma balance	5,782,065	7,212,065

### Note 6 - Reserve

	Min (\$)	Max (\$)
Balance as at 30 June 2020	-	-

Issue of performance rights & options - execution of service agreement	341,861	341,861
Issue of options to directors	80,000	80,000
Pro-forma transaction subtotal	421,861	421,861
Issue of options	249,200	249,200
Impact of offer subtotal	249,200	249,200
Total proforma balance	671,061	671,061

#### Note 7 - Retained Earnings / (Accumulated losses)

	Min (\$)	Max (\$)
Balance as at 30 June 2020	(500,738)	(500,738)
Issue of share - remuneration of Mr Qingtao Zeng	(1,000)	(1,000)
Issue of performance rights & options - execution of service agreement	(481,861)	(481,861)
Issue of shares to directors	(60,000)	(60,000)
Issue of options to directors	(80,000)	(80,000)
Pro-forma transaction subtotal	(622,861)	(622,861)
Expensing of DTA on listing costs	(177,210)	(206,610)
Impact of offer subtotal	(177,210)	(206,610)
Total proforma balance	(1,300,809)	(1,330,209)
Reconciliation of the issued capital is set out below:		
	Min	Max
Shares on issue as at 30 June 2020	6,000,001	6,000,001
Issue of shares - acquisition of Fairview	500,000	500,000
Issue of share - remuneration of Mr Qingtao Zeng	2,000,000	2,000,000
Issue of shares - subscription	2,000,000	2,000,000
Issue of shares - execution of service agreement	700,000	700,000
Issue of shares - acquisition of May Queen Gold Project	4,500,000	4,500,000
Issue of shares - subscription by Ironridge	1,000,000	1,000,000
Issue of shares - acquisition of Mt Clermont Gold Project	1,000,000	1,000,000
Issue of shares to directors	300,000	300,000
Pro-forma transaction subtotal	18,000,001	8,000,001
Issue of shares, net of costs and tax effect	22,500,000	30,000,000
Impact of offer subtotal	22,500,000	30,000,000
Total proforma balance	40,500,001	48,000,001

## 10.6 Subsequent events

Other than the following, the Directors are not aware of any significant events since the end of the reporting period.

- (a) The transactions described in section 10.5(a)(i) to 10.5(a)(viii) occurred between 1 July 2020 to the date of this prospectus, and have been reflected in the pro forma as outlined in section 10.5(a).
- (b) Between 1 July 2020 to 31 January 2021, the Group used its cash reserve to pay operating costs totaling \$42,761 and costs associated with the offer

totaling \$108,648. The Group's unaudited cash balance was \$317,574 as at 17 February 2021.

- (c) During the year ended 30 June 2020, the COVID-19 was declared a pandemic by the World Health Organisation (WHO). The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Since its outbreak, governments worldwide have set up measures to contain the pandemic. Many countries have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. Monetary and fiscal stimulus packages have also been introduced in some countries. As the COVID-19 outbreak continues to evolve, the estimated financial impact cannot be reasonably determined at this juncture.

The Group has taking steps to proactively manage the business and take the necessary actions to ensure that the Group's long-term business prospects remain stable.

## 10.7 Summary of Significant Accounting Policies

A summary of significant accounting policies which have been adopted in the preparation of the Historical and Pro Forma Historical Financial Information, and which has been adopted to prepare the annual financial statements of the Group for the year ended 30 June 2020 and subsequent years, is set out as follows:

- (a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### Historical cost convention

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

- (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at period end and the results of its subsidiary for the period then ended. The Company and its subsidiary



together are referred to in these financial statements as the 'Group' or 'the consolidated entity'.

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting, unless it is an acquisition involving entities or businesses under common control. For common control acquisitions the excess of the purchase price over the identifiable fair value of net assets acquired, is recognised in equity as a reserve.

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

(c) Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(d) Foreign currency transactions

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

(e) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net

settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(f) Trade and other receivables

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

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

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(g) Investments and other financial assets

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

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

(h) Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

(i) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance

depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(j) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from

the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(k) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

*Plant and equipment*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to section 10.7 (k) for details of impairment).

(l) Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

- Class of Fixed Asset: Useful life
- Office equipment: 5 years
- Leasehold improvements: Shorter of the remaining term of the lease or the life of the improvement

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(m) Right of use assets and lease liabilities

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

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

*Lease liability*

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is

made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(n) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(o) Employee Benefits

*Short-term employee benefits*

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

*Other long-term employee benefits*

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates

determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(p) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position

(r) Other income recognition

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

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

All income is stated net of the amount of goods and services tax.

(s) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.



(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(u) Exploration and evaluation expenditure

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

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(v) Share based payments

Equity settled share based payments in return for goods and services are measured at the fair value of the goods and services received, except when the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instrument.

(w) Going concern

As at 30 June 2020, the group has accumulated losses of \$500,738 and net operating cash outflow for the year of \$32,365.

In spite of the above, the directors are satisfied with the group's current financial position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- (i) The group is in the process of completing its initial public offering on the Australian Securities Exchange (ASX) and is seeking to raise a minimum of \$4.5 million before costs, with the process progressing as planned; and
- (ii) Should the group not succeed with its planned IPO, the directors are able to selectively manage and reduce the group's cash outflow to manage the group's cash position, as well as consider alternative fund-raising arrangements to provide the group with the necessary cashflow required.



5 March 2021

The Board of Directors  
Australasian Gold Limited  
C/- Minerva Corporate  
Level 8, 99 St George Terrace  
**PERTH WA 6000**

Dear Board members,

**Independent Limited Assurance Report on Australasian Gold Limited's historical and pro forma historical financial information**

**11.1 Introduction**

We have been engaged by Australasian Gold Limited ("the Company") and its controlled entity ("the Group") to report on the historical financial information and the pro forma historical financial information of the Group for inclusion in the prospectus ("the Prospectus") dated on or about 5 March 2021 and relating to the issue of a minimum of 22.5 million ordinary shares and a maximum of 30 million ordinary shares at an application price of \$0.20 per share in the Company and listing on the Australian Securities Exchange ("the ASX") ("the Offer").

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

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License under the *Corporations Act 2001*. HLB Mann Judd Corporate Finance Pty Ltd ("HLB Mann Judd") holds an appropriate Australian Financial Services License (AFS License Number 240988) under the *Corporations Act 2001*. Refer to our Financial Services Guide included as part 2 of this report.

**11.2 Scope**

**11.2.1 Historical Financial Information**

You have requested HLB Mann Judd to review the Historical Financial Information, as set out in Sections 10.4 (a) to 10.4 (c) of the Prospectus comprising:

- The historical consolidated statement of profit or loss and other comprehensive income for the period from the date of incorporation (23 April 2018) to 30 June 2019 and the year ended 30 June 2020;
- The historical consolidated statement of cash flows for the period from the date of incorporation (23 April 2018) to 30 June 2019 and the year ended 30 June 2020; and
- The historical consolidated statement of financial position as at 30 June 2020.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS") and the Group's adopted accounting policies as outlined in section 10.7 of the prospectus. The Historical Financial Information of the Group has been extracted from the audited

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd Corporate Finance Pty Ltd ABN 49 097 176 139 Australian Financial Services Licence No 240988**

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financial reports for the period ended 30 June 2019 and the year ended 30 June 2020. HLB Mann Judd (Vic Partnership) performed the audits and issued unmodified audit reports on the Group's financial statements, for the financial period ended 30 June 2019 and the year ended 30 June 2020, with both audit reports containing an emphasis of matter paragraph related to the application of the going concern basis of accounting. The historical financial information is presented in the Prospectus in an abbreviated form, in so far as it does not include all of the presentation and disclosure required by AAS and other regulatory professional reporting requirements appropriate to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

#### **11.2.2 Pro Forma historical financial information**

You have requested HLB Mann Judd to review the pro forma consolidated historical statement of financial position as at 30 June 2020 included in Section 10.5 (b) of the Prospectus, referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of the Group, after adjusting for the effects of pro forma adjustments described in section 10.5.(a) of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in AAS applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 10.5 (a) of the Prospectus, as if those event(s) or transaction(s) had occurred as at 30 June 2020. Due to its nature, the pro forma historical financial information does not represent the Group's actual or prospective financial position and financial performance.

#### **11.3 Directors' responsibility**

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

#### **11.4 Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement *ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the historical and pro forma historical financial information.

## **11.5 Conclusions**

### **11.5.1 Historical financial information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in sections 10.4 (a) to 10.4 (c) of the Prospectus, comprising:

- The historical consolidated statement of profit or loss and other comprehensive income for the period from the date of incorporation to 30 June 2019 and the year ended 30 June 2020;
- The historical consolidated statement of cash flows for the period from the date of incorporation to 30 June 2019 and the year ended 30 June 2020; and
- The historical consolidated statement of financial position as at 30 June 2020.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 10.3 of the Prospectus.

### **11.5.2 Pro Forma historical financial information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information as outlined in section 10.5 (b) of the Prospectus, being the proforma consolidated historical statement of financial position as at 30 June 2020 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 10.3 of the Prospectus.

## **11.6 Restriction on Use**

Without modifying our conclusions, we draw attention to sections 10.1 to 10.3 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

We disclaim any responsibility for any reliance on the report or the financial information to which it relates for any purpose other than that for which it was prepared. This report should be read in conjunction with the full Prospectus.

## **11.7 Consent**

HLB Mann Judd has consented to the inclusion of this assurance report in the Prospectus in the form and context which it is included. At the date of this report, this consent has not been withdrawn.

## **11.8 Disclosure of Interests**

HLB Mann Judd has no financial or other interest that could reasonably be regarded as affecting our ability to give an unbiased conclusion on the matters that are subject of this report for which normal professional fees will be received. No director of HLB Mann Judd or any individuals involved with the preparation of this report have any interest in the outcome of the Offer other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Our associated entities, HLB Mann Judd (Vic Partnership) which acts as the auditors of the Group and HLB Mann (VIC) Pty Ltd, from time to time, provides the Group with certain professional services where it is considered that our independence is not affected for which normal professional fees are received.

### **11.9 Liability**

The liability of HLB Mann Judd is limited to the inclusion of this report in the Prospectus. Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB Mann Judd was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB Mann Judd makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.

### **11.10 Financial Services Guide**

We have included our Financial Services Guide as part 2 of this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

**HLB Mann Judd Corporate Finance Pty Ltd**



**Jude Lau**  
**Director**

## Part 2 Financial Services Guide

### What is the purpose of this Financial Services Guide?

This Financial Services Guide (FSG) provides you with information about us to help you decide whether to use the services that we offer.

It explains:

- The services offered by us;
- How instructions may be provided to us;
- How we are remunerated; and
- The details of our internal and external complaints handling procedures and how you can access them.

This FSG is provided by HLB Mann Judd Corporate Finance Pty Ltd (AFSL: 240988). In this FSG, each of the companies is referred to as "we", "our" or "us", and collectively referred to as "HLB Mann Judd"

### What Services can we provide?

Under our AFS licence authorisation, we may carry on a financial services business to provide:

- financial product advice on basic deposit products, securities, derivatives limited to old law securities options contracts and warrants, and
- dealing services in respect of the above financial products.

Collectively these are referred to as "Services". HLB Mann Judd provides corporate finance services including valuations and merger and acquisition advice. This includes capital raising, strategic option analysis and financial modelling.

### Will you provide me with advice which is suitable to my needs and financial circumstances?

We provide general financial product advice only, not personal financial product advice because the advice has been prepared without taking into consideration your personal objectives, financial situation or needs. You should consider the appropriateness of the advice, having regards to your objectives, financial situation and needs before acting on the advice.

We are authorised to provide you with personal advice in relation to basic deposit products, securities and derivatives limited to old law securities options contracts and warrants. We may not provide advice of any kind in relation to any other interest, financial products or other investments.

Generally, if personal advice is given – that is, the advice that takes into account your particular circumstances, financial situation and needs, you would be provided with a Statement of Advice (SOA) / Statement of Additional Advice (SOAA) in accordance with the requirements of the Corporations Act. The SOA/SOAA would contain the advice, the basis on which it is given and the information about fees, commissions and associations which may have influenced the provision of the advice.

In some circumstances, SOA or SOAA is not required to be given. In this case, a Record of Advice (ROA) documenting the personal advice is to be given. You may request a copy of the ROA from your adviser up to 7 years after the advice has been given.

If a recommendation to acquire a particular financial product is made, you would be provided with a Product Disclosure Statement containing information about the particular product, which will enable you to make an informed decision in relation to purchasing that product.

### How do I give information to HLB Mann Judd?

You can give us information by telephone, post, fax or email, using the details provided below. In some cases, however, you will need to complete and return certain documents, such as application form and client identification form.

### How does HLB Mann Judd get paid for its Services?

HLB Mann Judd payments come from fees generated from the provision of Services.

The fees will vary depending on the services provided, the complexity and nature of the services and other factors such as the size of the transaction. The fees will be negotiated on a case by case basis and will be clearly disclosed to you in our engagement letter.

Our staff are paid a salary and may be entitled to receive bonuses or non-monetary benefits. These bonus payments are not an additional cost to you.

The fees and charges that you pay to us may ultimately benefit our employees, directors or other associates of our authorising licensee or its authorised representatives.

### What fee does the person who referred me receive?

We do not currently pay a fee to any person who refers you to use our Services. However, we may enter into referral arrangements with such parties in the future. Any fees or commissions payable for the referral will be disclosed to you. Furthermore, we may receive payments for referring you to other service providers or product issuers.

### Disclosure of Interest

We may provide services in relation to products and services provided by other product issuers or invest in those products ourselves. To the extent permitted by law, we may receive fees and other benefits from these product issuers as a result of you investing in one of their products or using one of their services. We may pay to, or receive fees or commissions from, third parties to the extent permitted by law.

Except as disclosed in this FSG, we do not have any relationships or associations which might reasonably be expected to be capable of influencing the way we provide our Services to you.

### Compensation Arrangements

We are covered by our professional indemnity insurance in place that complies with section 912B of the Corporations Act and ASIC Regulatory Guide 126.

### Who can I complain to if I have a complaint about the Services provided to me?

If you have a complaint about the Services provided to you, you should take the following steps:

1. Contact us and tell us your complaint.  
If your complaint is not satisfactorily resolved within seven days, please call our complaints Manager on (03) 9606 3888.
2. Alternatively, you can put your complaint in writing and forward it to:  
The Complaints Manager  
HLB Mann Judd Corporate Finance  
Level 9, 575 Bourke Street, Melbourne VIC 3000  
Tel: (03) 9606 3888  
Fax: (03) 9606 3800  
Email: [jreidy@hlbvic.com.au](mailto:jreidy@hlbvic.com.au)
3. We will endeavour to investigate and resolve your complaint and communicate our decision to you within 45 days. If you still do not get a satisfactory outcome, you may be able to lodge a complaint with The Financial Ombudsman Service (FOS). You can write to FOS at GPO Box 3, Melbourne VIC 3001 or call them on 1300 780 808 or visit [www.fos.or.au](http://www.fos.or.au)

HLB Mann Judd Corporate Finance Pty Ltd (AFS Licence 240988)  
Level 9, 575 Bourke Street, Melbourne VIC 3000  
Tel: (03) 9606 3888  
Fax: (03) 9606 3800  
Email: [jreidy@hlbvic.com.au](mailto:jreidy@hlbvic.com.au)

**Date Issued: 5 March 2021**



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## 12 MATERIAL CONTRACTS

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

### 12.1 Sale and purchase agreement in relation to May Queen project

On 11 September 2020 IronRidge Resources Limited (IRR) as seller, Pure Mining Pty Ltd (**Pure Mining**) as buyer and the Company entered into a sale and purchase agreement (**May Queen Sale Agreement**). IRR is not related to Pure Mining or the Company.

Under the agreement, IRR agreed to sell and Pure Mining agrees to buy the sale interest consisting of:

- (a) a 100% interest in exploration permit for minerals 19419;
- (b) related environmental authorization; and
- (c) information in respect of the operation on or otherwise relating to the tenement, analysis and reports conducted or prepared concerning the tenement, etc.

Consideration for the sale of the May Queen project was 4,500,000 Shares issued by the Company at a deemed issue price of \$0.10 per Share for a total issue price of \$450,000.

Completion of the sale and purchase was conditional upon the Company, IRR and Geosmart Consulting Pty Ltd and Woodsouth Asset Management Pty Ltd entering into a shareholder agreement in relation to the Company (**Shareholder Agreement**) and relevant Minister approvals.

The agreement includes warranties typical for a transaction of this nature.

Completion under the sale and purchase agreement occurred on 11 January 2021 and Pure Mining now holds 100% of the May Queen project.

### 12.2 Shareholder Agreement in relation to the Company

On 11 September 2020 the Company, IRR and Geosmart Consulting Pty Ltd and Woodsouth Asset Management Pty Ltd entered into a shareholder agreement. On 20 November 2020 Drummond West signed a deed of accession to be bound by the Shareholder Agreement.

The Shareholder Agreement was subject to the May Queen Sale Agreement being freed of all conditions within 3 months after the date of the Shareholder agreement. This occurred on 11 January 2021 and the Shareholder Agreement became effective on that date.

Upon completion of the May Queen Sale Agreement, IRR agreed to subscribe for 1,000,000 Shares for \$100,000. This occurred and the Company issued IRR the subscription Shares on 8 February 2021.

The Shareholder Agreement requires the parties to use all reasonable endeavors to cause and procure the happening of a listing event; being either the Company being acquired by a company listed on a Recognized Exchange or the Company obtaining approval for listing of its Shares on a Recognized Exchange (Listing Event). A Recognised Exchange is defined to include ASX, AIM and other internationally recognised exchanges.

The Shareholder Agreement provides IRR with the following anti-dilution and top up rights, which apply up to a Listing Event, after which its application is subject to approval by the Recognised Exchange or the listed company (if the Listing Event is a back-door listing):

(a) Where IRR (by itself, its parent or a wholly-owned subsidiary of IRR or its parent) hold at least 10% of the shares after a Listing Event has occurred, the listed company issues any equity securities:

- (i) for cash (Further Raising); or
- (ii) pursuant to a transaction, for a non-cash consideration (Other Transaction),

then the Company will provide IRR with the opportunity to subscribe for so many shares (in the case of a Further Raising, limited to the number of Shares in that Further Raising) (New Issue) so that following the relevant transaction IRR maintains its percentage of the shares on issue as it held immediately prior to the relevant transaction.

(b) Where IRR (by itself, its parent or a wholly-owned subsidiary of IRR or its parent) hold more than 10% of the Shares after a Listing Event has occurred, then the Company shall only be obligated to provide IRR with the opportunity to subscribe for so many Shares in that Further Raising or the New Issue so that following the relevant transaction IRR would hold 10% of the shares on issue.

(c) IRR's anti-dilution and top up rights under section 12.2(a) cease if at any time before the Further Raising or the Other Transaction, as the case may be, IRR (by itself, its parent or a wholly-owned subsidiary of IRR or its parent) holds less than 10% of the shares either because:

- (i) it has failed to take part in a Further Raising or a New Issue, as the case may be, previously undertaken (subject to the Company complying with its obligations under section 12.2(a)); or
- (ii) it has sold some of the shares it previously held.

(d) Subject to section 12.2(e), if at the beginning of each six month period following the Listing Event and ending upon the business day 24 months after the completion under the May Queen Sale Agreement (Completion Date) (the first of which six month periods is to commence on the day immediately following the completion) (each a Relevant Period), IRR (by itself, its parent

or a wholly-owned subsidiary of IRR or its parent) holds at least 10% of the shares, and the Company then subsequently during the Relevant Period allots and issues equity securities either:

- (i) as part of an employee/officer share or options scheme;
  - (ii) as the result of the conversion of debt (including the exercise of convertible notes); or
  - (iii) upon the exercise of options over unissued shares,
- (each a Top Up Event),

then IRR will be entitled at the same time or immediately following the Top Up Event, to subscribe for so many further shares at an issue price determined in accordance with section 12.2(f) (the Top Up Shares) so that following the issue of those Top Up Shares, IRR holds the same percentage of the shares on issue as it held immediately prior to the Top Up Event (Top Up).

(e) If IRR:

- (i) has been issued convertible notes or options during a Relevant Period and those notes or options may be converted or exercised, it shall first convert those convertible notes or exercise those options (as the case may be) in order to Top Up, and if the resulting number of Shares issued to it after having done so is insufficient to Top Up, then IRR may subscribe for the Top Up Shares at an issue price determined in accordance with section 12.2(f)); and
- (ii) at any time after the Completion Date but before the Top Up Event has (by itself, its parent or a wholly-owned subsidiary of IRR or its parent) held less than 10% of the shares either because:
  - (A) it has failed to take part in a Further Raising previously undertaken (subject to the Company complying with its obligations under section 12.2(a)); or
  - (B) it has sold some of the shares it previously held,

then IRR shall have no further rights under, nor the Company any further obligations under section 12.2(d).

(f) The issue price of:

- (i) Top Up Shares issued pursuant to sections 12.2(d) and 12.2(e) shall be the higher of:
  - (A) the conversion price of the last convertible notes converted or the exercise price of the last options exercised during the Relevant Period;
  - (B) the ten day VWAP on the Recognised Exchange calculated as at the date of issue of the Top Up Shares; and

- (C) the highest subscription price at which a bona fide independent third party offers in writing to subscribe for Shares representing not less than 5% of the issued share capital of the Company during or at the end of the Relevant Period (Subscription Offer), on terms acceptable to and capable of acceptance by the Company where:
- the Subscription Offer is a cash offer;
  - the Subscription Offer is made no more than 2 months prior to the end of the Relevant Period; and
  - a copy of the Subscription Offer has been provided to IRR;
- (ii) shares issued under the New Issue shall be the ten day VWAP on the Recognised Exchange calculated as at the date 10 business days after completion of the Other Transaction; and
- (iii) shares issued under the Further Raising shall be the cash price of the shares issued in that Further Raising.

The provisions in section 12.2(a) shall not apply to an allotment or issue of equity securities that would, apart from any renunciation or assignment of the right to their allotment, be held under an employee/officer share or options scheme.

The Shareholder Agreement terminates, among other things, upon a Listing Event.

The Shareholder Agreement otherwise includes terms typical for a transaction of this nature.

### 12.3 Sale and purchase agreement in relation to the Clermont project

A sale and purchase agreement (**Clermont Sale Agreement**) was entered into among Drummond West Pty Ltd (**Drummond West**) (a wholly owned subsidiary of Impact Minerals Limited) as seller, Pure Mining as buyer and Australasian Gold Limited (**Australasian Gold** or the **Company**) on 25 November 2020. Drummond West is not related to Pure Mining or the Company.

Under the Clermont Sale Agreement, Drummond West agrees to sell and Pure Mining agrees to buy the sale interest consisting of:

- (a) the tenement, being the exploration permit for minerals 14116;
- (b) related environmental authorisation; and
- (c) information in respect of the operation on or otherwise relating to the tenement, analysis and reports conducted or prepared concerning the tenement etc.

Consideration for the sale of the Clermont project consists of 1,000,000 Shares issued by Australasian Gold at a deemed issue price of \$0.10 per Share for a total issue price of \$100,000.

Completion of the sale and purchase is conditional upon certain conditions precedent, including Drummond West executing a deed of accession to agree to be bound by a shareholders agreement and relevant Minister approvals.

The completion under the Clermont Sale Agreement is anticipated in March 2021. The Company now holds a 100% contractual right to the Clermont project, and completing the acquisition is a condition to the Offer.

#### **12.4 Agreement with respect to the Fairview Project**

On 11 August 2020 the Company's Directors (other than Dr Zeng) resolved that, in consideration for Dr Zeng assisting with the Company's application of E 08/3248 (known as the Fairview project), including withdrawing a prior application over the ground the subject to the Company's application, to issue Dr Zeng or his nominee 500,000 Shares and reimburse Dr Zeng and his controlled entities \$5,000 for costs incurred by Dr Zeng in the withdrawn application.

The Company's Directors (other than Dr Zeng) considered the payment to be reasonable and on arm's length terms so that shareholder approval was not required under Chapter 2E of the Corporations Act.

The parties have fully performed their obligations under this agreement.

#### **12.5 Executive Service Agreement with Dr Zeng**

See section 7.5 for a summary of the terms.

#### **12.6 Non-Executive Service Agreement**

Rory McGoldrick and Graeme Fraser have entered into appointment letters with the Company to act in the capacity of non-executive directors. These Directors will receive the remuneration set out in section 7.4.

#### **12.7 Broker Mandate**

The Company and Euroz Hartleys are parties to a broker mandate, the material terms of which are as follows:

- (a) Euroz Hartleys will facilitate part of the Offer on a best endeavours basis.
- (b) The Company will pay Euroz Hartleys:
  - (i) a management fee of 1% on all amounts raised under the Offer;
  - (ii) an equity raising fee of 5% on all amounts raised under the Offer, other than from investors introduced by the Company;
  - (iii) a coordination cash fee of \$10,000 for coordinating the Offer and administration duties;
  - (iv) 2 million Options to Euroz Hartleys (or its nominees); and
  - (v) certain disbursements incurred by Euroz Hartleys.

- (c) Subject to the Offer successfully closing, the Company grants Euroz Hartleys the right to act as joint lead manager (if desired by Euroz Hartleys) in relation to all equity capital raisings, for the period of 12 months following the Offer.
- (d) The mandate includes warranties and indemnities customarily found in an agreement of this nature.

#### **12.8 Minerva Corporate mandate**

The Company and Minerva Corporate are parties to an agreement under which Minerva Corporate will provide company secretary, compliance and related services for the Company's listing on ASX, as well as ongoing company secretarial services. The Company will pay Minerva Corporate \$30,000 (excluding GST) and issue 1 million Options to Minerva Corporate (or its nominees).

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## **13 DETAILS OF THE PUBLIC OFFER**

### **13.1 Shares offered for subscription under the Offer**

By this Prospectus the Company offers 22,500,000 Shares at an issue price of \$0.20 to raise \$4.5 million, before costs. Oversubscriptions of up to a further 7,500,000 Shares to raise up to a further \$1.5 million, before costs, may be accepted for subscription.

All Shares offered under this Prospectus will rank equally with existing Shares on issue. The rights and liabilities of the Shares offered under this Prospectus are summarised at section 14.1.

The details of how to apply for Shares under the Offer are set out at section 13.4.

The Company has received firm commitments to subscribe for 9,635,000 Shares from a number of high net worth investors.

### **13.2 Conditions of the Offer, including Minimum Subscription**

The Offer is conditional upon the Company:

- (a) complying with the admission requirements for admission to ASX;
- (b) completing the acquisition of the Mt Clermont project; and
- (c) raising the Minimum Subscription.

The Company will not issue any Shares pursuant to the Offer until these conditions are satisfied.

Should the above conditions not be reached within 4 months from the date of this Prospectus, the Company will either repay the application moneys to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and be repaid their application moneys. No interest will be paid on these moneys.

### **13.3 Opening and Closing Dates**

The Opening Date of the Offer will (subject to any extension of the exposure period) be 11 March 2021 and the Closing Date will be 1 April 2021, subject to the reserving the right to close the Offer early or extending the Closing Date (as the case may be), should it be considered by them necessary to do so.

### **13.4 Application for Shares**

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the Shares offered by this Prospectus before deciding to apply for Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

An Application for Shares under the Offer can be made using the:

- (a) Online: online Application Form at [www.australasianipo.thereachagency.com](http://www.australasianipo.thereachagency.com) and paying the application monies electronically using BPAY; or
- (b) Post: completing the Application Form contained at the back of this Prospectus and posting a cheque to Australasian Gold Limited:

C/- Computershare Investor Services Pty Limited  
Level 11, 172 St George Terrace,  
Perth WA 6000

Applications must be for a minimum of 10,000 Shares (being a minimum application of \$2,000), and thereafter in multiples of 2,500 Shares (\$500).

We encourage applicants to use the online Application Form because it is fast and reduces the potential for processing errors. You do not need to return any documents if you have made payment via BPAY. If using the Application Form a BPAY reference number will be quoted upon completion of application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY should be aware of their financial institutions cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the Offer.

The Application Form must be accompanied by a cheque in Australian dollars, for the full amount of your application moneys. Cheques must be made payable to **'Australasian Gold Limited - Share Offer Account'** and should be crossed **'Not Negotiable'**.

Application Forms must not be circulated to prospective investors unless accompanied by a copy of this Prospectus.

Completed Application Forms and accompanying cheques must be received by no later than 5.00pm (AEDT) on the Closing Date.

The Company reserves the right to extend the Offer or close the Offer early without notice. Applicants are therefore urged to lodge their Application Form as soon as possible.

An original, completed and lodged Application Form, together with a cheque for the application moneys, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

If the Application Form is not completed correctly, or if the accompanying payment of the application moneys is for the wrong amount, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant



will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application moneys.

No brokerage or stamp duty is payable by Applicants in respect of Applications for Shares under this Prospectus.

### **13.5 Applicants outside Australia**

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

The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

### **13.6 Foreign selling restrictions**

No action has been taken to register or qualify Shares that are subject to the Offer or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

### **13.7 Application money held in trust**

All application moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application moneys returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

### **13.8 Allocation and allotment of Shares**

The Company reserves the right to reject any Application or to allocate to any Applicant fewer Shares than the number applied for. The Company also reserves the right to reject or aggregate multiple applications in determining final allocations.

In the event an Application is not accepted or accepted in part only, the relevant portion of the application moneys will be returned to Applicants, without interest.

The Company reserves the right not to proceed with the Offer or any part of it at any time before the allocation of the Shares to Applicants. If the Offer or any part of it is cancelled, all application moneys, or the relevant application moneys will be refunded.

The Company also reserves the right to close the Offer or any part of it early, or extend the Offer or any part of it, or accept late Applications Forms either generally or in particular cases.

The allotment of Shares to Applicants will occur as soon as practicable after Application Forms and application moneys have been received for the minimum subscription of Shares being offered and all other conditions satisfied, following which statements of shareholding will be dispatched. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their statement of shareholding will do so at their own risk.

### **13.9 CHESS**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company will not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASPL will send a CHESS statement.

The Company will also operate an issuer sponsored sub-register.

### **13.10 Restricted securities**

The ASX may classify certain securities as being subject to the restricted securities provisions of the Listing Rules. In particular, Directors, other related parties and promoters may receive escrow on securities held by them for up to 24 months from the date of quotation of the Company's Shares on ASX.

None of the Shares offered under the Offer will be treated as restricted securities and will be freely transferable from their date of allotment.

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## 14 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 14.1 Shares

The Shares to be issued under this Prospectus will rank equally in all respects with existing Shares in the Company.

Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to the Company's Shares:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her.

A poll may be demanded by the chairman of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares of all those Shareholders having the right to vote on the resolution.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

Shareholders are entitled to dividends as a result of ownership of their Shares in accordance with the Constitution.

(c) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(d) Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(e) Liquidation rights

The Company has only issued one class of shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Company's Shareholders vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

(f) Shareholder liability

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

(g) Alteration to the Constitution

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

(h) Listing Rules

If the Company is admitted to the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## 14.2 Options

The terms of the Options is as follows:

- (a) Each Option entitles the holder to, upon exercise, be issued one Share.
- (b) The exercise price of the Options is \$0.30 each.

- (c) The expiry date of an Option is 24 months from issue.
- (d) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.
- (e) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (f) The holder of an Option may not exercise less than 1,666 Options at any one time unless the holder has less than 1,666 Options in which event the Holder must exercise all of the Options together.
- (g) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Share Registry to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (h) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (i) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
  - (i) the exercise price of the Option; or
  - (ii) period of exercise of the Option; or
  - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (j) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (k) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise

entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.

- (l) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.
- (m) Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the Options.

### **14.3 Performance Rights**

The terms of the Performance Rights are as follows:

- (a) The Performance Rights will be issued for no consideration.
- (b) Each Performance Right entitles the holder to be issued one Share upon satisfaction of the applicable vesting condition.
- (c) The expiry date of the Performance Rights is as set out in the offer of the Performance Rights.
- (d) The vesting conditions for the Performance Rights are as set out in the offer.
- (e) The Performance Rights will not be quoted and are not transferable except with the prior consent of the Board.
- (f) The Company will upon satisfaction of the relevant vesting condition issue that number of Shares equal to the Performance Shares vesting.
- (g) All Shares issued upon vesting of Performance Rights will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX within 7 business days after the date of issue of all Shares pursuant to the vesting of Performance Rights to be admitted to quotation and comply with section 708A(5) or section 708A(11) of the Corporations Act so that the Shares can be offered for sale without disclosure.
- (h) There are no participating rights or entitlements inherent in the Performance Rights and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Performance Rights.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Performance Rights holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

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## **15 ADDITIONAL INFORMATION**

### **15.1 No prospective financial forecasts**

The Directors have considered the matters outlined in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings because the proposed future operations of the Company do not have an operating history from which reliable forecasts can be made. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Notwithstanding the above, this Prospectus includes, or may include, forward looking statements including, without limitation, forward looking statements regarding the Company's financial position, business strategy, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward looking statements. These statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

### **15.2 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

An applicant has an entitlement to gain access to the information the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

If you do not provide the information required on the Application Form, the Company

may not be able to accept or process your Application.

### **15.3 Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to taxation and any other consequences of investing in the Company.

### **15.4 Interests of experts and advisors**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Mr Phil Jones has prepared the Independent Technical Report for inclusion in prospectus. The Company will pay Mr Jones \$9,000 (excluding GST) for these services. Mr Jones has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus.

Atkinson Corporate Lawyers has acted as legal adviser to the Company in connection with this prospectus. The Company will pay Atkinson Corporate Lawyers approximately \$31,000 (excluding GST) for these services. Atkinson Corporate Lawyers has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus.

Oxby Legal has prepared the legal opinion with respect to the Company's Queensland projects for inclusion in this prospectus. The Company will pay Oxby Legal \$2,500 (excluding GST) for these services. Oxby Legal has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus.

House Legal has prepared the legal opinion with respect to the Company's Western Australian project for inclusion in this prospectus. The Company will pay House Legal \$1,500 (excluding GST) for these services. House Legal has not received any other fees for services to the Company in the 2 years prior to the date of this Prospectus.

HLB Mann Judd Corporate Finance Pty Limited has prepared the Investigating



Accountant's Report in this Prospectus. The Company will pay HLB Mann Judd approximately \$12,500 (excluding GST) for these services. HLB Mann Judd Corporate Finance Pty Limited has not received any other fees for providing fees for services to the Company in the 2 years prior to the date of this Prospectus.

HLB Mann Judd (VIC Partnership), a related entity of HLB Mann Judd Corporate Finance Pty Ltd, acts as the Group's auditors. HLB Mann Judd (VIC Partnership) has been paid \$13,100 (excluding GST) for auditing the Group's financial statements for the 2 years prior to the date of this Prospectus. HLB Mann Judd (Victoria Partnership) has not received any other fees for providing fees for services to the Company in the 2 years prior to the date of this Prospectus.

Euroz Hartleys is acting as broker to the Offer. The material terms of the appointment are set out in section 12.7. Euroz Hartleys has not received any other fees for services to the Company or been issued any securities by the Company in the 2 years prior to the date of this Prospectus.

Minerva Corporate is providing compliance and company secretarial services to the Company, including in connection with the Offer. Minerva Corporate will be paid \$30,000 (excluding GST) and issued 1 million Options for providing such services. Minerva Corporate has not received any other fees for providing fees for services to the Company or been issued any securities by the Company in the 2 years prior to the date of this Prospectus.

## 15.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgment of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role	Statement/Report
HLB Mann Judd Corporate Finance Pty Limited	Investigating Accountant	Investigating Accountant's Report, section 11
HLB Mann Judd (Victoria Partnership)	Auditor	
Atkinson Corporate Lawyers	Solicitors to the Offer	Nil
Oxby Legal	Queensland title lawyers	Queensland Tenement Title Report
House Legal	Western Australian title lawyers	Western Australian Tenement Title Report
IronRidge Resources Limited	-	Exploration results for the May Queen project as set out in the Independent Technical Report
Impact Minerals Limited	-	Exploration results for the Mt Clermont project as set out in the Independent Technical Report
Phil Jones MAusIMM, MAIG	Independent Technical Consultant	Independent Technical Report, section 8
Euroz Hartleys	Broker	Nil
Computershare Investor Services Pty Limited	Share Registry	Nil

This Prospectus includes historical exploration statements taken from geological reports attributable to third parties. The Company relies on ASIC Corporations (Consents to Statements) Instrument 2016/72 to include these statements without the relevant third parties' consent.

## 15.6 Expenses of the Offer

The total cash expenses of this Prospectus are estimated to be between approximately \$341,500 and \$441,500, consisting of the following:

Cash cost (\$)	Minimum Subscription	Maximum Subscription
Independent Technical Consultant	9,000	9,000
Investigating accountants	12,500	12,500
Legal fees	35,000	35,000
ASIC and ASX fees	70,000	80,000
Brokers' and other selling fees <sup>1</sup>	180,000	270,000
Company secretary fees <sup>1</sup>	30,000	30,000
Share registry and other costs	5,000	5,000
<b>Total</b>	<b>341,500</b>	<b>441,500</b>

<sup>1</sup> The Company will also issue 2 million Options to Euroz Hartleys or its nominees and 1 million options to Minerva Corporate or its nominees.

These expenses have or will be paid by the Company.

#### **15.7 Offer of Options to Euroz Hartleys or its nominees**

In consideration for services provided under a broker mandate (the terms of which are summarized in section 12.7), the Company offers under this prospectus to Euroz Hartleys or its nominees 2,000,000 Options. The offer is conditional upon the Offer closing and may be accepted by completing a personalised offer and acceptance form that accompanies this prospectus.

#### **15.8 Offer of Options to Minerva Corporate or its nominees**

In consideration for company secretary and compliance services provided under a corporate and compliance services agreement (the terms of which are summarized in section 12.8), the Company offers under this prospectus to Minerva Corporate or its nominees 1,000,000 Options. The offer is conditional upon the Offer closing and may be accepted by completing a personalised offer and acceptance form that accompanies this prospectus.

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**16 DIRECTORS' RESPONSIBILITY AND CONSENT**

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive. In respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, and those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgment of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of the Shares pursuant to this Prospectus.

Each Director has consented to the lodgment of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 5 March 2021

Signed for and on behalf of  
Australasian Gold Limited by



Dr Qingtao Zeng  
Managing Director

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## 17 GLOSSARY

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

\$ or A\$	Australian dollars unless otherwise stated.
AEDT	Australian Eastern Daylight-Saving Time.
Applicant	a person who submits a valid Application Form pursuant to this Prospectus.
Application	a valid application made on an Application Form to subscribe for Shares pursuant to this Prospectus.
Application Form	the application form attached to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited or the Australia Securities Exchange (as the context requires).
Board	the Board of Directors of the Company.
Chairperson	the chair of the Company.
Closing Date	the closing date for receipt of Application Forms under this Prospectus, estimated to be 5.00pm AEDT on 1 April 2021 or an amended time as set by the Board.
Company or Australasian Gold	Australasian Gold Limited ACN 625 744 907
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Incentive Plan	means the employee incentive plan adopted by the Company, the terms of which are summarised in section 7.7.
Independent Limited Assurance Report	the investigating accountant's report prepared by HLB Mann Judd which includes information derived from the audit reviewed financial report of the Company for the year ended 30 June 2020, a copy of which is included in section 11 of the Prospectus.

Listing Rules	the listing rules of ASX.
Maximum Subscription	\$6 million.
Minimum Subscription	\$4.5 million.
Offer	the offer under this Prospectus of up to 30,000,000 Shares at an issue price of \$0.20 per Share.
Official List	the official list of the ASX.
Opening Date	13 March 2021, unless extended to comply with the Corporations Act.
Option	an option to be issued a Share on the terms in section 14.2.
Performance Right	means the right to be issued a Share, subject to relevant vesting conditions being satisfied and otherwise on the terms in section 14.3.
Queensland Tenement Title Report	means the tenement title report appearing in this Prospectus concerning the Company's Queensland Tenements.
Prospectus	this prospectus and includes the electronic prospectus.
Share	a fully paid ordinary share in the capital of the Company.
Share Registry	Computershare Investor Services Pty Limited.
Shareholder	a registered holder of Shares in the Company.
Tenements	means the Company's tenements as set out in the Queensland Tenement Title Report and the Western Australian Tenement Title Report
Western Australian Tenement Report	means the tenement title report appearing in this Prospectus concerning the Company's Western Australian Tenements.