



ACN: 645 324 992

PROSPECTUS

For an offer of 30,000,000 Shares at an issue price of \$0.20 each to raise \$6,000,000 (before costs) (Offer).

It is proposed that the Offer will close at 5:00pm (WST) on 25 June 2021. The Directors reserve the right to close the Offer earlier or to extend this date without notice.

Applications must be received before that time.

IMPORTANT INFORMATION

THIS IS AN IMPORTANT DOCUMENT. YOU SHOULD READ THIS DOCUMENT IN ITS ENTIRETY TO ASSIST IN DECIDING WHETHER OR NOT TO INVEST IN THE COMPANY.

THIS PROSPECTUS CONTAINS AN INDEPENDENT EXPERT'S REPORT ON WHETHER THE PERFORMANCE SECURITIES PROPOSED TO BE ISSUED BY THE COMPANY AT LISTING ARE FAIR AND REASONABLE TO THE NON-PARTICIPATING SECURITY HOLDERS AT LISTING. THE INDEPENDENT EXPERT'S REPORT IS CONTAINED IN SECTION 12 AND SETS OUT THE ADVANTAGES AND DISADVANTAGES OF THE ISSUE OF THE PERFORMANCE SECURITIES. THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE PROPOSED ISSUE OF THE PERFORMANCE SECURITIES AT LISTING IS NOT FAIR BUT REASONABLE TO THE NON-PARTICIPATING SECURITY HOLDERS AT LISTING. YOU SHOULD READ THIS INDEPENDENT EXPERT'S REPORT IN FULL BEFORE DECIDING WHETHER TO INVEST IN THE COMPANY.

YOU SHOULD ALSO CONSULT YOUR PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE COMPANY. THIS OFFER DOES NOT TAKE INTO ACCOUNT YOUR INVESTMENT OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS IN PART D OF SECTION 5 AND SECTION 8 IN LIGHT OF YOUR CIRCUMSTANCES.

INVESTMENT IN THE SHARES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED AS HIGHLY SPECULATIVE IN NATURE AND INVESTORS SHOULD BE AWARE THAT THEY MAY LOSE SOME OR ALL OF THEIR INVESTMENT.



Lead Manager to the Offer

Legal Adviser

TABLE OF CONTENTS

| | | |
|-----|---|-----|
| 1. | CORPORATE DIRECTORY | 2 |
| 2. | IMPORTANT NOTICE..... | 3 |
| 3. | KEY DATES AND OFFER INFORMATION | 9 |
| 4. | CHAIRMAN'S LETTER TO INVESTORS | 12 |
| 5. | INVESTMENT OVERVIEW | 13 |
| 6. | DETAILS OF THE OFFER..... | 40 |
| 7. | COMPANY AND PROJECT OVERVIEW..... | 54 |
| 8. | RISK FACTORS..... | 61 |
| 9. | BOARD, MANAGEMENT AND CORPORATE GOVERNANCE..... | 70 |
| 10. | INDEPENDENT TECHNICAL ASSESSMENT REPORT..... | 82 |
| 11. | INDEPENDENT LIMITED ASSURANCE REPORT | 143 |
| 12. | INDEPENDENT EXPERT'S REPORT | 172 |
| 13. | SOLICITORS' REPORT ON TENEMENTS..... | 199 |
| 14. | MATERIAL CONTRACTS | 221 |
| 15. | ADDITIONAL INFORMATION | 228 |
| 16. | GLOSSARY..... | 245 |
| 17. | DIRECTORS' AUTHORISATION AND CONSENT | 249 |

1. CORPORATE DIRECTORY

Directors

Gary Powell
Chief Executive Officer and Managing Director

Bryan Dixon
Non-Executive Chairman

Jeffrey Brill
Non-Executive Director

Company Secretary

Lisa Wynne

Legal Adviser

Cardinals Lawyers and Consultants
60 Havelock Street
WEST PERTH Western Australia 6005

Author of Independent Limited Assurance Report *

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, London House
216 St Georges Terrace
PERTH Western Australia 6000

Registered Office

60 Havelock Street
WEST PERTH
Western Australia 6005
Telephone: +61 8 9213 3000

Author of Independent Expert's Report

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
SUBIACO Western Australia 6008

Contact Details

Telephone: +61 8 9322 6283
Email: admin@burleyminerals.com.au
Website: www.burleyminerals.com.au

Author of Independent Technical Assessment Report

Felicity Repacholi-Muir
FRM Geological Services
56 London Street
NORTH PERTH Western Australia 6006

Auditor*

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, London House
216 St Georges Terrace
PERTH Western Australia 6000

Share Registry*

Advanced Share Registry Services Pty Ltd
110 Stirling Highway
NEDLANDS Western Australia 6009
Telephone: +61 8 9389 8033

Proposed ASX Code

BUR

Lead Manager to the Offer

Canaccord Genuity (Australia) Limited
Level 4, 60 Collins Street, Melbourne,
Victoria, Australia 3000
Telephone: +61 3 8688 9100

*The names of these entities are included for information purposes only and they have not been involved in the preparation or issue of this Prospectus.

2. IMPORTANT NOTICE

The Offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares (**Shares**) in Burley Minerals Limited ACN 645 324 992 (**Burley** or **Company**). This Prospectus is issued by the Company.

This Prospectus is dated 26 May 2021 and was lodged with ASIC on that date. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No person or entity is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied on as having been authorised by the Company, the Directors or the Lead Manager in connection with the Offer or this Prospectus. You should rely only on information in this Prospectus. No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to the ASX within seven (7) days after the date of this Prospectus for the admission of the Company to the Official List and official quotation of the Shares on the ASX.

THIS PROSPECTUS CONTAINS AN INDEPENDENT EXPERT'S REPORT IN SECTION 12 ON WHETHER THE PERFORMANCE SECURITIES PROPOSED TO BE ISSUED BY THE COMPANY AT LISTING ARE FAIR AND REASONABLE TO THE NON-PARTICIPATING SECURITY HOLDERS AT LISTING, AND SETS OUT THE ADVANTAGES AND DISADVANTAGES OF THE ISSUE.

IT IS IMPORTANT THAT YOU READ THIS PROSPECTUS IN ITS ENTIRETY, INCLUDING THE INDEPENDENT EXPERT'S REPORT IN SECTION 12 IN FULL, BEFORE DECIDING WHETHER TO INVEST IN THE COMPANY.

THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE PROPOSED ISSUE OF THE PERFORMANCE SECURITIES AT LISTING IS NOT FAIR BUT REASONABLE TO THE NON-PARTICIPATING SECURITY HOLDERS AT LISTING.

If after reading this Prospectus in its entirety you are in any doubt about whether to apply for Shares or have any questions, you should seek professional advice. The Shares the subject of this Prospectus should be considered as highly speculative in nature. Except as required by law and only to the extent so required, none of the Company, the Directors or any other person named in this Prospectus gives any warranty or guarantee as to the success of the Company, the Company's performance, the repayment of capital, the payment of dividends, the future value of the Shares, any return on investment made pursuant to this Prospectus or the price at which Shares will trade on the ASX, and each of those persons is unable to advise Applicants on the suitability or otherwise of an investment in the Company.

2.1 Exposure Period

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of seven (7) days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of seven (7) days.

The purpose of the exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds, which examination may result in the identification of deficiencies in the Prospectus. In that event, any application that has been received will be dealt with in accordance with section 724 of the Corporations Act.

The Corporations Act prohibits the Company from processing Applications in the exposure period. Applications for Shares under this Prospectus will not be processed by the

Company until after the exposure period. No preference will be given to applications received by the Company during the exposure period.

2.2 Electronic Prospectus and Application Forms

This Prospectus will be issued in paper form and as an electronic prospectus that may be accessed on the internet at the Company's website at www.burleyminerals.com.au.

A paper copy of this Prospectus is available free of charge to any person in Australia by calling the Share Registry on +61 8 9389 8033 from 8.30 am until 5.00 pm (WST) opening Monday to Friday during the Offer Period.

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue or transfer of shares in response to an electronic application form, subject to compliance with certain provisions. If you have received or accessed this Prospectus as an electronic Prospectus for the purpose of making an investment in the Company please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Share Registry (see the Corporate Directory in Section 1 for the Company's contact details) and the Share Registry will send you, at no cost to you, either a hard copy or a further electronic copy of this Prospectus or both during the Offer Period.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person passing an Application Form on to another person unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. 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. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

2.3 Website

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

2.4 Applicants Outside Australia

This Prospectus and the Offer do not, and are not intended to, constitute an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation, or to issue this Prospectus. No action has been taken by the Company to register or qualify the Shares the subject of this Prospectus or the Offer, or to otherwise permit a public offering of the Shares the subject of this Prospectus, in any place or jurisdiction outside of Australia.

The distribution of this Prospectus (including in electronic form) in places or jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus (including in electronic form) has been prepared for publication in Australia and may not be released or distributed in the United States, or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdiction outside Australia and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable place or jurisdiction.

This Prospectus (including in electronic form) may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares offered under this Prospectus have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of a US Person, except in a transaction exempt from or not subject to the registration requirements of the US Securities Act and any other applicable United States state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale or transfer of the Shares in any state or other jurisdiction in which such offer, solicitation, sale or transfer would be unlawful under applicable law, including the US Securities Act.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue or transfer of the Shares offered under this Prospectus, and you should consult your professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals or consents have been obtained.

Applicants outside Australia should refer to Section 6.19 for more detail on selling and distribution restrictions that apply to the Offer and sale of Shares in any place or jurisdiction outside Australia.

2.5 Financial Information

Section 11 contains the Independent Limited Assurance Report prepared by Bentleys Audit & Corporate (WA) Pty Ltd and sets out in detail the financial information referred to in this Prospectus. The basis and method of preparation of that information is set out in Section 11. All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest \$1,000 unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

The Historical Financial Information included in this Prospectus has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, adopted by the Australian Accounting Standards Board, which are consistent with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

The Financial information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Certain Financial Information included in this Prospectus is described as pro forma for the reasons described in Section 11. Unless otherwise stated, all pro forma data in this Prospectus gives effect to the pro forma adjustments referred to in Section 11.

The Financial Information in this Prospectus should be read in conjunction with, and are qualified by reference to, the information contained in Sections 9 and 11.

2.6 Disclaimer and Forward Looking Statements

This Prospectus contains forward looking statements concerning the Company's business, operations, financial performance and conditions as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition including statements of current intentions, statements of opinion and predictions as to future events. These statements can be identified by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar

expressions that are predictions of or indicate future events and future trends that involves risks and uncertainties.

You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding intentions, future events and actions that, as at the date of this Prospectus, are expected to take place. These forward-looking statements are not guarantees of future performance or development 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, which could cause these future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed, or anticipated, in this Prospectus.

Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors detailed in the in Part D of Section 5, Section 8 and other information in this Prospectus. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements. As a result, any or all of the forward-looking statements in this Prospectus may turn out to be inaccurate.

These forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update, revise or review forward-looking statements, or may not 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. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with ASX after the date of this Prospectus.

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

2.7 Past Performance

This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

2.8 Contract Summaries

Summaries of contracts detailed in this Prospectus are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

2.9 Photographs and Diagrams

Photographs used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Any diagram appearing in this Prospectus is illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in graphs, charts and tables is based on information available on or before the date of this Prospectus.

2.10 Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "\$" or "A\$" are references to Australian dollars.

2.11 Time

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

2.12 Suitability of Investment and General Risk Factors - Note to Applicants

The information in this Prospectus is not financial product advice. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products. The Offer contained in this Prospectus does not take into account the investment objectives, financial situation and particular needs (including tax issues) of individual investors. This Prospectus provides information to help potential investors decide whether they wish to invest in the Company. Before deciding to invest in the Company, it is important that potential investors read this entire Prospectus carefully, and in particular the risk factors that could affect the future performance, business, financial condition and results of operations of the Company as set out in Part D of Section 5 and Section 8. Potential investors should carefully consider these risks, and any other risk factors in addition to these, together with the assumptions underlying the financial information, in light of their personal circumstances (including financial and tax issues) and seek professional guidance from a stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Shares.

Please read the Application Form carefully. No person named in this Prospectus, nor any other person, guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. Professional advice should be sought before deciding to invest in any Shares the subject of this Prospectus.

2.13 No cooling off rights

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

2.14 Financial Services Guide

The provider of the Independent Expert's Report, on whether the Performance Securities proposed to be issued by the Company at Listing is fair and reasonable to non-participating Security holders at Listing, is required to provide Australian retail clients with a Financial Services Guide in relation to that report under the Corporations Act. The Independent Expert's Report and accompanying Financial Services Guide is provided in Section 12.

IT IS IMPORTANT THAT YOU READ THIS PROSPECTUS IN ITS ENTIRETY, INCLUDING THE INDEPENDENT EXPERT'S REPORT IN SECTION 12 IN FULL, BEFORE DECIDING WHETHER TO INVEST IN THE COMPANY.

THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE PROPOSED ISSUE OF THE PERFORMANCE SECURITIES AT LISTING IS NOT FAIR BUT REASONABLE TO THE NON-PARTICIPATING SECURITY HOLDERS AT LISTING.

2.15 Definitions

Throughout this Prospectus abbreviations and defined terms are used. Defined terms are generally identifiable by the use of an upper-case first letter. Those relevant to mineral exploration are contained in the Independent Technical Assessment Report in Section 10, and other abbreviations and defined terms are contained in the Glossary in Section 16.

2.16 Competent Persons statement

The information contained in Section 7 and Section 10 relates to exploration results or any related assessments and interpretations is based on information compiled on behalf of the

Company by Felicity Repacholi-Muir of FRM Geological Services. Ms Repacholi-Muir is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the styles of mineralisation under consideration and to the activity which she has undertaken to qualify as a Competent Person as defined in the JORC Code.

Ms Repacholi-Muir consents to the inclusion in this Prospectus of Section 10, and in Section 7 to the extent that the matters are based on the information compiled on behalf of the Company by Ms Repacholi-Muir, in the form and context in which it appears. The Company is not aware of any new information or data that materially affects the information in this Prospectus.

3. KEY DATES AND OFFER INFORMATION

Important Dates*

| | |
|--------------------------------------|--------------|
| Lodgement of Prospectus with ASIC | 26 May 2021 |
| Offer Opening Date | 3 June 2021 |
| Offer Closing Date 5.00pm (WST) on | 25 June 2021 |
| Issue Date of Shares under the Offer | 2 July 2021 |
| Despatch of holding statements | 5 July 2021 |
| Expected date for Quotation on ASX | 9 July 2021 |

Dates May Change

The above dates are indicative only and may change without notice subject to the Corporations Act, ASX Listing Rules and other applicable laws. The Company, in consultation with the Lead Manager, reserves the right to amend any or all of the above dates without notice to potential investors including to extend the closing date of the Offer or close the Offer early without notice, which may have a consequential effect on other dates set out above. The Company, in consultation with the Lead Manager, also reserves the right to accept late Applications, either generally or in particular cases and to also not proceed with the Offer at any time before the issue of Shares by the Company to Applicants, in which case, all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

How to Invest

Applications for Shares can only be made by completing and lodging the Application Form (other than as expressly provided in this Prospectus).

Instructions on how to apply for Shares are set out in Section 6.8 and on the back of the Application Form.

Questions

If you have any questions in relation to the Offer, contact the Share Registry on +61 8 9389 8033 between 8.30am and 5.00pm (EST), Monday to Friday.

If you are unclear in relation to any matter, or uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest

Key Offer Information

| Pro forma capital structure | |
|--|---|
| Offer price per Share | \$0.20 |
| Shares offered for subscription | 30,000,000 |
| Total Shares on issue as at the date of this Prospectus | 11,000,001 |
| Maximum Number of Shares to be issued to Vendors under Acquisition Agreement at Completion ¹ | 20,500,000 |
| Total Shares on issue after Completion ¹ | 61,500,001 |
| Total Proceeds under the Offer | \$6,000,000 |
| Market Capitalisation at the Offer Price ² | \$12,300,000 |
| Pro-forma Net Cash (after costs) ³ | \$5,733,083 |
| Total Options on issue as at the date of this Prospectus ⁴ | 8,500,000 |
| Number of Options to be issued to Lead Manager at Completion ⁵ | 1,500,000 |
| Total Options on issue as at Completion | 10,000,000 |
| Performance Securities under Acquisition Agreement⁶ 30,000,000 Shares is the maximum number of Shares that can be issued to the Vendors pursuant to the Performance Securities (Deferred Payments) under the Acquisition Agreement upon achievement of the agreed milestones. | For the issue of up to 30,000,000 Shares |

THIS PROSPECTUS CONTAINS AN INDEPENDENT EXPERT'S REPORT ON WHETHER THE PERFORMANCE SECURITIES PROPOSED TO BE ISSUED BY THE COMPANY AT LISTING ARE FAIR AND REASONABLE TO THE NON-PARTICIPATING SECURITY HOLDERS AT LISTING. THE INDEPENDENT EXPERT'S REPORT IS CONTAINED IN SECTION 12 AND SETS OUT THE ADVANTAGES AND DISADVANTAGES OF THE ISSUE OF THE PERFORMANCE SECURITIES.

YOU SHOULD READ THIS INDEPENDENT EXPERT'S REPORT IN FULL BEFORE DECIDING WHETHER TO INVEST IN THE COMPANY.

THE INDEPENDENT EXPERT HAS CONCLUDED THAT THE PROPOSED ISSUE OF THE PERFORMANCE SECURITIES AT LISTING IS NOT FAIR BUT REASONABLE TO THE NON-PARTICIPATING SECURITY HOLDERS AT LISTING.

1. The total number of Shares on issue following Completion will be the sum of the total number of Shares on issue at the date of this Prospectus, the Shares issued under the Offer, and the number of Shares issued to the Vendors on or before Completion. It is assumed that 500,000 Shares could be issued to the Vendors to satisfy the \$100,000 cash payment due to Vendors at Completion. Refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement.
2. Market capitalisation at Completion is the number of Shares on issue at Completion multiplied by the Offer Price of \$0.20. The price at which Shares trade on ASX may be above or below this amount.
3. This is the Company's cash position after the effects of the Offer and other adjustments. The Pro Forma Financial Information incorporates the adjustments set out in the Independent Limited Assurance Report contained in Section 11. Certain Financial Information included in this Prospectus is described as pro forma for the reasons described in Section 11.
4. Consisting of 6,500,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission and 2,000,000 Options exercisable at \$0.45 per Share on or

before the date that is three (3) years from Admission. Full terms and conditions of the Options are listed at Section 15.5(b).

5. 1,500,000 Options will be issued to the Lead Manager on Completion (refer to Section 14.2 for a summary of the material terms and conditions of the Lead Manager Mandate) exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. Full terms and conditions of the Options are listed at Section 15.5(b). The Options issued to the Lead Manager will equate to 1.5% of the share capital of the Company on a fully diluted basis at Listing.
6. Performance Securities (in the form of the Deferred Payments) have been agreed to be issued to the Vendors as deferred consideration under the Acquisition Agreement for the acquisition of a 70% interest in the total issued share capital of Novarange, and are payable upon the achievement of defined milestones regarding the Yerecoin Project, which is 100% owned by Novarange. The reasons for their issue are explained, and their terms and conditions are set out, in in Section 15.5(c). Refer to Section 14.3 for further details of the Acquisition Agreement. The Independent Expert's Report contained in section 12 sets out the advantages and disadvantages of the proposed issue of the Performance Securities. The Independent Expert has concluded the proposed issue of the Performance Securities is not fair but reasonable to the non-participating Security holders at Listing. **Refer to the Independent Expert's Report in Section 12.**

Please refer to Sections 6.14 and 6.15 for further details relating to the current capital structure and proposed capital structure of the Company.

4. CHAIRMAN'S LETTER TO INVESTORS

Dear Investor

On behalf of the directors of Burley Minerals Ltd (the **Company** or **Burley**), I am pleased to present this Prospectus for the Company's initial public offer of 30,000,000 Shares to raise \$6,000,000 (before costs) and am delighted to invite you to become a shareholder in the Company.

Burley was incorporated in Western Australia with the purpose of identifying, evaluating and, if warranted, acquiring resource projects and assets in Australia and/or overseas that are considered by the Board to add potential Shareholder value.

Burley has secured an option to acquire 70% of the issued capital of Novarange Pty Ltd (**Novarange**) which owns 100% of the Yerecoin Project near New Norcia, Western Australia (**Yerecoin Project**). The option will be exercised and acquisition will be completed by Burley upon its admission to the official list of ASX. Exploration activities have defined significant JORC 2012 compliant magnetite resources within the Project (incorporating the Main and South zones) totalling **247 Mt @ 29.9% Fe (68.1% Fe concentrate grade, 32.1% DTR)** (refer to the Independent Technical Assessment Report in Section 10). A number of historical studies have also been completed and the potential for economic mining established.

The Directors believe this is a favourable time for Burley to embark on an initial public offering and ASX listing with iron ore prices rising to record highs during May 2021, on the back of increased world steel production induced by global government investment stimulus and continued Brazilian supply issues.

Furthermore, following the recent success of Chalice Gold Mines Limited (**Chalice**) at Julimar in the region, a re-evaluation of the drill database has highlighted the presence of a very large ultramafic intrusion which has the potential to host similar style Ni-Cu-PGE mineralisation.

Burley's exploration and development strategy is two-fold for the Yerecoin Project. The principal focus is on evaluating and completing feasibility studies on the Yerecoin Project's magnetite deposits, and the second focus is on exploration of the prospective ultramafic rocks with the potential to host Ni-Cu-PGE mineralisation.

Burley has an experienced and highly credentialed board of directors and management team, with exploration, development, corporate, fund raising, merger and acquisition and operations experience.

This Prospectus contains detailed information about the Offer and the Company. However all investors should be aware of the highly speculative nature of mineral exploration and mining and the inherent risks it carries through events and circumstances which cannot all be foreseen or mitigated. Please read this Prospectus in its entirety carefully, especially the key risk factors in Part D of the Investment Overview in Section 5 and the risk factors in Section 8, and seek professional advice if necessary prior to making your informed decision to invest.

On behalf of the Directors I am pleased to present this investment opportunity to you and look forward to welcoming you as a Shareholder to share in what we believe are prospective times for Burley.

Yours sincerely



Bryan Dixon
CHAIRMAN
26 May 2021

5. INVESTMENT OVERVIEW

The information contained in this Section 5 is a summary only of the information contained in this Prospectus and is not intended to provide comprehensive details of the Offer. You should read and carefully consider this Prospectus in full including the Independent Technical Assessment Report in Section 10, the Independent Limited Assurance Report in Section 11, the Independent Expert's Report in Section 12 and the Solicitors' Report on Tenements in Section 13 and, if in any doubt, you should consult with your professional advisers before deciding whether to apply for Shares.

Burley is a mineral exploration company and you should consider that an investment in the Company is highly speculative.

| Topic | Summary | More Information |
|--|---|-----------------------------|
| A. COMPANY | | |
| Who is the issuer of this Prospectus? | Burley Minerals Ltd (ACN 645 324 992). | Section 7.1 |
| What is the Company and what does it do? | <p>Burley was incorporated in Western Australia on 29 October 2020 as a public company limited by shares with the purpose of identifying, evaluating and, if warranted, acquiring resource projects and assets in Australia and/or overseas that are considered by the Board to add potential Shareholder value.</p> <p>In October 2020 the Company secured a binding option with the Vendors to acquire 70% of the total issued capital in Novarange under a heads of agreement that, in April 2021, was superseded by the more formal binding Acquisition Agreement. Novarange owns 100% of the Yerecoin Project in Western Australia. Upon completion of the Acquisition the Company's business will involve conducting exploration and preliminary feasibility on the Yerecoin Project for (amongst other commodities) iron ore and Cu-Ni-PGE mineralisation, with a view for proposed development of mining of any ore.</p> <p>A summary of the material terms and conditions of the Acquisition Agreement and other agreements associated with Novarange, the Vendors or the Yerecoin Project is set out in Section 14.3 to 14.5.</p> <p>Once the Company lists on the ASX it may acquire interests (whether directly or indirectly) in additional resource projects and assets in Australia and/or overseas which contain, or are prospective for minerals including other than iron ore, copper, nickel and platinum group elements consistent with its objectives (although no such new projects have been identified as at the date of this Prospectus).</p> <p>Other than as disclosed in this Prospectus, the Company presently has no business operations other than by virtue of the option to acquire 70% of the total issued capital in Novarange under the Acquisition Agreement, and the proposed exploration</p> | Sections 7.1, 14.3 and 14.5 |

| | | |
|--|---|---|
| | of the Yerecoin Project once the Acquisition completes. Completion of the Acquisition is conditional on, amongst other things, the Company receiving conditional approval from the ASX for Admission on conditions reasonably acceptable to it. | |
| What is the Company's interest in the Project and the Tenements? | <p>The Company has secured an option to acquire 70% of the issued capital of Novarange, which owns 100% of the Yerecoin Project near New Norcia, Western Australia. The Yerecoin Project is comprised of the following tenements applied for and granted under the Mining Act:</p> <ul style="list-style-type: none"> • Exploration licence 70/2733-I; and • Exploration licence 70/2784-I. <p>Exploration activities on the Yerecoin Project have defined significant JORC Code compliant magnetite resources within the Project (incorporating the main and south zones) totalling approximately 247 Mt @ 29.9% Fe producing a 68.1% Fe concentrate (32.1% DTR). A number of historical feasibility studies have also been completed and the potential for economic mining established. Completion by the Company of the Acquisition is conditional upon the satisfaction of a number of conditions precedent including the Company receiving conditional approval from the ASX for Admission on conditions reasonably acceptable to it.</p> <p>A summary of material terms and conditions of the Acquisition Agreement and other agreements associated with Novarange and the Yerecoin Project (including any royalties payable) is set out in Section 14.3 to 14.5.</p> <p>Refer to the Solicitors' Report on Tenements in Section 13 for further detailed information on the Tenements. More detailed information relating to the technical aspects of the Tenements is contained in the Independent Technical Assessment Report in Section 10.</p> | Sections 7.1, 10, 13, 14.3, 14.4 and 14.5 |
| Why is the Company seeking to raise funds? | <p>The Board believes that the Company's current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its objectives as detailed in this Prospectus.</p> <p>The purpose of the Offer under this Prospectus is to:</p> <ol style="list-style-type: none"> facilitate the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; enable the Company to exercise the option it has secured under the Acquisition Agreement and satisfy a condition precedent to completion in the Acquisition Agreement (being the Company receiving conditional approval from ASX to be admitted to the Official List on conditions reasonably acceptable to the Company); provide a liquid market for Shares and to enable access to capital markets; provide the Company with additional funding: | |

| | | |
|--|---|---------------------------|
| | <ul style="list-style-type: none"> (i) to conduct exploration activities on the Tenements; (ii) for considering acquisition opportunities that may be presented to the Board from time to time; (iii) to meet the expenses of the Offer; and (iv) to fund administration costs and working capital, <p>so as to position the Company to achieve its objectives as detailed in this Prospectus.</p> | |
| B. BUSINESS MODEL – COMPANY AND INDUSTRY OVERVIEW | | |
| What is the Company's business model? | <p>The Company is a highly speculative mineral exploration company. The Company aims to add Shareholder value through the discovery and development of valuable mineral deposits.</p> <p>Following completion of the of the acquisition of the Yerecoin Project and the Offer, the Company's proposed business model will be to explore and develop deposits located within the Tenements which have the potential to be developed into production.</p> <p>Section 7.5 contains a summary of the Company's proposed exploration programs and the proposed expenditure on such exploration programs for the first two years following the Listing Date.</p> <p>The Company will consider, where appropriate, acquiring interests (whether directly or indirectly) in additional resource projects and assets in Australia and/or overseas which contain, or are prospective for minerals including minerals other than iron ore, copper, nickel and platinum group elements consistent with its objectives (although no such new projects have been identified as at the date of this Prospectus).</p> <p>A detailed explanation of the Company's business model is provided in Section 7.3.</p> | Sections 7.3, 7.4 and 7.5 |
| What are the Company's key business objectives? | <p>After achieving Listing, Burley's exploration and development strategy is two-fold for the Yerecoin Project. The principal focus is on evaluating and completing feasibility studies on the Yerecoin Project's magnetite deposits, and the second focus on exploration of the prospective ultramafic rocks with the potential to host Ni-Cu-PGE mineralisation.</p> <p>Over the medium to long term the Company's objective is to develop mining operations on its projects. Continuing work programmes and projects will be subject to initial and/or ongoing results and funds may be diverted to other prospective existing and/or new resources projects acquired by the Company if the Board considers it to be warranted.</p> <p>A detailed explanation of the Company's business objectives is provided in Section 7.3.</p> <p>On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.</p> | Sections 7.2, 7.3 and 7.5 |

| | | |
|---|--|--------------------|
| <p>What is the proposed programme of works?</p> | <p>The proposed work programme and exploration budget for the Project is set out in the Independent Technical Assessment Report in Section 10 and reflects the initial focus for the Company upon successful completion of the Acquisition, Offer and Listing.</p> <p>In summary, the first phase of exploration at the Yerecoin Project will include conducting the following programs for the Yerecoin magnetite deposits:</p> <ul style="list-style-type: none"> • RC/diamond drilling to upgrade the JORC Code Inferred Resources that are likely to have the potential to be upgraded to Indicated Resources in accordance with the JORC Code and therefore provide a larger resource base for feasibility studies; • Metallurgical testwork on existing and future drill core obtained from various parts of the Yerecoin Main and Yerecoin South deposits, to provide suitable samples for variability testwork, process options; • Feasibility studies with the aim of defining Ore Reserves in accordance with the JORC Code with a life of mine plan; and • The Company intends to complete a preliminary feasibility study on the Project within 18 months of Listing. <p>In conjunction with the above work program on the magnetite deposits, the Company will assess the existing drill core that intercepted the ultramafic rocks as well as the other unexplored magnetic rocks underlying the project. Burley is proposing to further evaluate the potential for the ultramafic rocks to host economic concentrations of Ni-Cu-PGE mineralisation, including (but not limited to) geophysics (e.g. airborne electromagnetic surveys), regolith mapping, soil geochemistry, reverse circulation drilling and diamond drilling and petrology.</p> | <p>Section 7.5</p> |
| <p>What are the key dependencies of the Company's business model?</p> | <p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> • successfully applying for admission to the official list of the ASX; • completion of the Acquisition; • maintaining title to the Tenements; • retaining and recruiting key personnel skilled in the mining and resources sector; • maintaining access to the Tenements as necessary to conduct exploration activities; • having access to capital to fund exploration and evaluation activities at the Project and to develop the Project; • there being sufficient worldwide demand for iron ore, copper, nickel and/or platinum group elements; • the market price of iron ore, copper, nickel and/or platinum group elements remaining higher than the Company's costs of any future production; and • the ability to mitigate key risk factors set out in Part D below and in Section 8. | <p>Section 8</p> |

| | | |
|---|--|-----------------------|
| What is the Company's growth strategy? | <p>The Company, through Novarange, will focus on conducting exploration and evaluation activities on the Project after completion of the Acquisition takes place. If Novarange's exploration activities are successful and it identifies mineral deposits that are commercially viable to develop and mine, it will develop these deposits and commence mining activities.</p> <p>The Company may consider, where appropriate, acquiring additional resource assets or interests in Australia and/or overseas by way of direct project acquisition, farm in, joint venture or direct equity in the project owners, and may include minerals or prospectivity for minerals other than iron ore, copper, nickel and platinum group elements. No such new resource assets or interests have been identified as the date of this Prospectus.</p> | Section 7.3 |
| What is the outlook for the industry in which the Company proposes to operate? | <p>The Directors believe this is a favourable time for the Company to be embarking on the Offer and Listing. Iron ore prices have risen to record highs during May 2021. Copper has also rallied over the last year to hit an all-time high on the London Metal Exchange on 10 May 2021. Nickel prices have shown significant strength over the last year. Precious metals prices have also shown strength over the past 3 years.</p> <p>The Company is embarking on its exploration programmes with a view to the discovery of new supplies of Ni-Cu-PGE minerals at a time of rising battery minerals commodity prices.</p> <p>Potential investors should note the Commodity Risk as a key risk to the Company as set out in Part D below of this Section 5 and Section 8.16.</p> | Sections 7.3 and 8.16 |
| C. KEY STRENGTHS/INVESTMENT HIGHLIGHTS | | |
| | <p>This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered under this Prospectus.</p> <p>This Prospectus should be read and considered in its entirety.</p> | |
| What are the key strengths of the Company and key advantages of an investment in the Company? | <p>Upon completion of the Offer and the Acquisition, the Directors are of the view that an investment in the Company provides the following non-exclusive list of advantages:</p> <ul style="list-style-type: none"> (a) As a new and advanced exploration-focussed company, the Company will immediately be able to focus on progressing the Yerecoin Project through exploration, evaluation and preliminary feasibility studies on the Tenements. (b) Experienced and highly credentialed Board and management with exploration, development, corporate. fund raising merger and acquisition and operations experience. (c) The Company will have a strong financial position, with a pro forma net cash balance of approximately \$5,733,083 to carry out its objectives. | Sections 6.12 and 7 |

| D. KEY RISKS | | |
|---|--|-------------|
| | <p>This section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus.</p> <p>This Prospectus should be read and considered in its entirety</p> | |
| What are the key risks of an investment in the Company? | <p>You should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks to the business, assets and operations of the Company that potentially influence the operating and financial performance of the Company.</p> <p>You should read this Prospectus in its entirety and, in particular, consider the key risk factors affecting the Company set out below and the Risk Factors in Section 8 before deciding whether to apply for Shares under this Prospectus.</p> <p>You are urged to consider those risks carefully and, if necessary, to also consult your professional advisers with any questions before deciding whether to invest in the Company.</p> <p>Some risks can be mitigated by the use of appropriate safeguards and appropriate systems and controls by the Company, however some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited or not possible.</p> <p>Set out below is a non-exhaustive list of key and specific risks to which the Company is exposed to and that may have a direct influence on the Company and its activities or assets, therefore affecting the value of an investment in the Company. Further information about these risks, together with information regarding general industry risks, is set out in Section 8.</p> | Section 8 |
| Exploration Costs Risk | <p>The exploration costs of the Company (summarised in Section 6.13) are based on certain assumptions with respect to the method and timing of exploration. By their nature these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's operating and financial performance and the value of the Shares.</p> | Section 8.2 |
| Title Risk | <p>The Company's title to its tenements will require the Company to continue to comply with conditions of grant. The Company may lose title to, or interests in, its tenements (including at the Yerecoin Project), including (for example) if the conditions to which those tenements are subject are not satisfied, if a third party fails to fulfil its obligations under a relevant agreement in relation to those tenements, if any necessary third party contractual consents to transfers of those tenements are not able to be obtained or the obligation to obtain them waived, or if insufficient funds are available to meet expenditure commitments on the tenements.</p> | Section 8.3 |

| | | |
|---|--|--------------|
| | <p>Further, tenements, once granted, are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority and may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. There is a risk that the Tenements may not be renewed or that any additional tenements applied for from time to time by the Company may not be granted. Both of the Tenements which comprise the Yerecoin Project expire within 12 months of the date of this Prospectus. Novarange will need to obtain a renewal of those Tenements or apply to have all or part of the Project area converted to mining leases to maintain its Project tenure. There can be no guarantee that such renewal or conversion will be approved. If Novarange is unable to secure the renewal or conversion of one or both of the Tenements this will impact its exploration plans for the Project and may adversely impact the Company and/or the value of Shares.</p> | |
| Exploration and appraisal risks | <p>Exploration is a high-risk undertaking. The Company does not give any assurance that exploration of the Project or any future projects the Company may acquire an interest in will result in exploration success. Exploration programmes may or may not be successful, may cause harm to employees or contractors, and may incur cost overruns if not carefully managed. There is a significant risk for the Company of the proposed exploration activity being unsuccessful and not resulting in the discovery of a viable mineral resource. Mineral exploration by its nature is a high-risk activity and there can be no guarantee of success in the areas where the Company holds interests in tenements. Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.</p> | Section 8.4 |
| Nature of mineral exploration and mining | <p>The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond the Company's control. There can be no assurances that exploration and development at the Project, or any other projects in which the Company may acquire an interest in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.</p> | Section 8.5 |
| No Profit to Date and Limited Operating History | <p>Having been incorporated on 29 October 2020, the Company has limited operating history. The Company has incurred operating losses since its incorporation and does not have a significant history of business operations. It is therefore not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will</p> | Section 8.6. |

| | | |
|-------------------|---|-------------|
| | achieve commercial viability through the successful exploration and/or mining of the Yerecoin Project, or any tenements which are subsequently applied for or acquired by the Company. | |
| Contractual Risk | <p>The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company. The operations of the Company also require the involvement of a number of third parties, including consultants, contractors and suppliers. For example, the Company relies on third parties to perform contractual obligations, such as pursuant to the Acquisition Agreement and Shareholders Agreement. There are risks of non-performance by counterparties or by the Company (or its subsidiaries) in relation to contractual obligations and the possibility of future disputes, any of which may adversely impact the Company and the value of Shares. Financial failure, default or contractual non-compliance on the part of third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict, or protect the Company against, all such risks.</p> <p>As at the date of this Prospectus, Burley will not acquire an interest in the Project (by way of obtaining an interest in Novarange) until all of the relevant conditions precedent in the Acquisition Agreement have been satisfied, which includes Burley receiving conditional approval for its admission to the Official List. As such Burley has not yet acquired an interest in Novarange, which 100% owns the Yerecoin Project, as at the date of this Prospectus. Burley is not the registered owner of the Tenements comprising the Project, details of which are set out in Section 7 and the Solicitors' Report on Tenements in Section 10, which will continue to be held by Novarange, the total issued capital of which the Company will acquire a 70% interest in, under the Acquisition Agreement.</p> | Section 8.7 |
| Operational Risks | <p>The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration, development or mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company.</p> | Section 8.8 |

| | | |
|---|--|--------------|
| Land Access Risk | <p>The Tenements overlie private land. The Company requires access agreements to be agreed and executed with respective landowners in order to perform work on the Tenements. Inability to agree on an access agreement with a landowner on a Tenement will inhibit the Company's ability to execute its exploration program, or delay the timing of the Company's exploration program. Novarange has agreed to be bound by access agreements entered into by previous owners of the Tenements.</p> | Section 8.9 |
| Native Title and Aboriginal Heritage Risk | <p>The Tenements are subject to native title and may be subject to future native title applications. This may preclude or delay granting of exploration and mining tenements or the ability of the Company to explore, develop and/or commercialise the Tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation agreements reached in settled native title claims lodged over any mining tenements held or acquired by the Company.</p> <p>In addition, determined native title holders may seek compensation under the Native Title Act for the impacts of acts affecting native title rights and interests after the commencement of the <i>Racial Discrimination Act 1975</i> (Cth) on 31 October 1975. The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the Mining Act onto mining tenement holders pursuant to section 125A of the Mining Act. Outstanding compensation liability will lie with the current holder of the tenements at the time of any award of compensation pursuant to section 125A of the Mining Act or, in the event there is no holder at that time, the immediate past holder of the relevant tenement(s).</p> <p>Compensation liability may be determined by the Federal Court or settled by agreement with native title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force). At this stage, the Company is not able to quantify any potential compensation payments, if any.</p> <p>The presence of Aboriginal sacred sites and cultural heritage artefacts on the Tenements is protected by Western Australian and Commonwealth laws. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for the Company in obtaining clearances.</p> | Section 8.10 |
| Equity Market Conditions | <p>Shares listed on ASX, or any other securities market, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Shares regardless of the Company's operating performance.</p> | Section 8.11 |
| Environmental risks | <p>The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever-present risk. The operations and proposed activities of the Company are subject to State and Federal laws, regulations and permits concerning the environment. If such laws</p> | Section 8.12 |

| | | |
|--|--|--------------|
| | are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities. | |
| Climate change risks | The activities and operations of the Company are subject to laws and regulations (and any changes to them) related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on the mining industry that may adversely impact on the Company, its financial performance and the value of Shares. There can be no guarantee that the Company will not be impacted by these matters. Climate change may also cause certain physical or environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifts in climate patterns. All of these risks associated with climate change may significantly change the mining industry in which the Company operates. | Section 8.13 |
| Reliance on Key Personnel | The Company's key personnel consists of two non-executive Directors, a Managing Director and a Company Secretary. Responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel leave the Company. | Section 8.14 |
| Future Capital Requirements | Mineral exploration companies do not generally generate cash revenue. Accordingly, the Company may be required to raise new equity capital or access debt funding. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company to explore and develop the Yerecoin Project or otherwise for the Company to undertake its business. No assurance can be given that the Company will be able to procure sufficient funding at the relevant times on terms acceptable to it. Any additional equity financing will dilute the holding of the existing Shareholders at that time, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. | Section 8.15 |
| Commodity Prices and Exchange Rates Risk | Commodity prices (including Iron Ore, Copper, Nickel and PGE) are influenced by physical and investment demand. Fluctuations in commodity prices relevant to the Company may influence the exploration and development activity of the Company. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the capital raising pursuant to the Offer and expenditure of the Company are, and will be, taken into account in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. | Section 8.16 |
| No Dividends | The Company has never paid a dividend and does not currently intend to pay any dividends while it has no income. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. | Section 8.17 |

| | | |
|------------------------------------|--|--------------|
| Regulation Risk | Adverse changes in Western Australian or Commonwealth government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, state border access and mining and exploration activities of the Company. The current system of exploration and mining permitted in Western Australia may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for the Company and may have an adverse effect on the Company's business, results, financial condition and prospects. | Section 8.18 |
| Litigation Risk | Legal proceedings may arise from time to time in the course of the Company's activities from parties such as suppliers, native title parties, pastoralists and other landholders, contractors, joint venture parties, customers, regulatory agencies, environmental groups and/or investors. | Section 8.19 |
| New Projects and Acquisitions Risk | The Company may make acquisitions in the future as part of future growth plans (although no such new projects have been identified as at the date of this Prospectus). There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in the use of the Company's cash resources and/or the issuance of equity securities, which will dilute Share holdings. | Section 8.20 |
| Liquidity Risk | A portion of the current Shares on issue prior to the completion of the Offer (which current Shares constitutes approximately 18% of the total Shares on issue on completion of the Offer on an undiluted basis) are likely to be classified as restricted securities by the ASX and therefore be escrowed. The Company expects that there will be 4,200,000 Shares at completion of the Offer that will be subject to escrow for a period of 12 months from the date of issue of those Shares, being 11 November 2020 and 22,850,000 Shares that will be escrowed for 24 months from the date of Quotation. On an undiluted basis at Completion, the Shares escrowed for 12 months from the date of issue, being 11 November 2020, will represent 6.8% of the total Shares on issue and the Shares that will be escrowed for 24 months from the date of Quotation will represent 37.1% of the total Shares on issue. This may cause a liquidity risk for the Shares given a large percentage of the Shares may not be traded for up to 24 months from Quotation. Furthermore, there is no guarantee that there will be an ongoing liquid market for Shares. | Section 8.21 |
| COVID-19 risks | The global economic outlook is facing continuing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. The likelihood and severity of any potential impacts are however very difficult to predict. To date, the COVID-19 pandemic has not had any impact on the Company's operations, however, any infections on site or otherwise affecting the Company could result in delays or suspensions of the Company's operations. Governmental measures in Australia and overseas to limit the transmission of the virus (such as travel bans and quarantining) | Section 8.22 |

| | | |
|--|--|------------------------|
| | may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations. | |
| Dilution Risk from Options and Performance Securities | There will be 10,000,000 Options on issue at Completion as well as Performance Securities on issue at Completion that could convert into up to 30,000,000 Shares on a fully diluted basis. This would mean the Shares offered under this Prospectus at Completion would represent only 29.6% of the fully diluted Shares on issue at Completion rather than 48.8% on an undiluted basis at Completion. Potential investors should consider this dilution risk before deciding whether to invest in the Company. | Sections 6.15 and 8.23 |
| E. DIRECTORS AND KEY MANAGEMENT PERSONNEL | | |
| Who are the Directors and Key Management Personnel? | <p>The Board is comprised of:</p> <ul style="list-style-type: none"> • Gary Powell (Chief Executive Officer and Managing Director); • Bryan Dixon (Non-Executive Chairman); and • Jeffrey Brill (Non-Executive Director). <p>Lisa Wynne is the Company Secretary.</p> | Section 9.1 |
| What experience do the Directors and other Key Management Personnel of the Company have? | <p>Gary Powell <i>Chief Executive Officer and Managing Director</i> Mr Powell is an experienced geologist and mining executive with more than 35 years' extensive experience in the mineral resources industry, ranging from grass roots exploration, feasibility studies and mining operations.</p> <p>Bryan Dixon <i>Non-Executive Chairman</i> Mr Dixon has over 20 years' experience in the mining and exploration sector. Mr Dixon is a Chartered Accountant and Chartered Secretary and has extensive experience in the management of public and listed companies. Mr Dixon specialises in mergers and acquisitions, feasibility, development, financing and operations of mining projects.</p> <p>Jeffrey Brill <i>Non-Executive Director</i> Mr Brill is a project manager well experienced in the mining and oil & gas sectors having executed projects in remote locations and operated in a variety of roles including Project Manager, Project Engineer, General Manager and Managing Director. Mr Brill has built project teams from the ground up to successfully execute a variety of projects and is an owner of engineering consultancy Avora Pty Ltd.</p> <p>Lisa Wynne <i>Company Secretary</i> Ms Wynne has a Bachelor Business and is a Fellow of the Governance Institute of Australia and a Member of the Institute</p> | Section 9.1 |

| | <p>of Chartered Accountants. Her experience includes over 15 years of board level experience across the commercial sector with a particular focus on the finance, accounting, corporate services, technology, and resources industries across ASX and TSX listed companies.</p> <p>Further information about the prior experience of each of the Directors and Key Management Personnel is set out in Section 9.1.</p> | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|---|---|---|---|---|--------------------------|-----------|-----------|-----------|-------|------|--------------------------|---------|-----------|-----|------|------|----------------------------|---------|-----------|-----|------|------|-------------|
| F. SIGNIFICANT INTERESTS OF KEY PEOPLE AND RELATED PARTY TRANSACTIONS | | | | | | | | | | | | | | | | | | | | | | | | | | |
| What significant benefits are being paid to the Directors and other persons connected with the Company or the Offer? | <p>The Directors are entitled to the following annual director fees inclusive of mandatory superannuation contributions but excluding GST from Listing:</p> <ul style="list-style-type: none">• Gary Powell - \$250,000 plus GST.• Bryan Dixon – \$70,000 plus GST.• Jeffrey Brill - \$40,000 plus GST. <p>Directors are entitled to remuneration and fees, and are entitled to and have been issued Shares and Options as remuneration, on terms as detailed in Sections 9.5.</p> <p>Advisers and other service providers are entitled to fees for services and other interests as detailed in Section 15.8.</p> | Section 9.5 | | | | | | | | | | | | | | | | | | | | | | | | |
| What are the Directors' interests in the Company? | <p>At the date of this Prospectus and at completion of the Offer, each Director has a Relevant Interest in the following Securities:</p> <table><tr><th>Director</th><th>No. of Shares⁴</th><th>No. of Options \$0.30 exercise price⁵</th><th>No. of Options \$0.45 exercise price⁵</th><th>Percentage of Shares Held at Date of Prospectus</th><th>Percentage of Shares Held at Completion</th></tr><tr><td>Gary Powell¹</td><td>1,144,532</td><td>2,250,000</td><td>2,000,000</td><td>10.4%</td><td>1.9%</td></tr><tr><td>Bryan Dixon²</td><td>932,422</td><td>2,000,000</td><td>Nil</td><td>8.5%</td><td>1.5%</td></tr><tr><td>Jeffrey Brill³</td><td>594,531</td><td>1,250,000</td><td>Nil</td><td>5.4%</td><td>1.0%</td></tr></table> <p>¹ Mr Gary Powell directly holds Shares and Options. Mr Powell holds 2,250,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission and 2,000,000 Options exercisable at \$0.45 per Share on or before the date that is three (3) years from Admission. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.</p> <p>² Mr Bryan Dixon holds Shares and Options through Warrior Strategic Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as trustee for the Warrior Strategic Trust and Shares in the Company through Warrior Finance Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as for trustee of the Warrior Super Fund. The Options are exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.</p> <p>³ Mr Jeffrey Brill holds Shares and Options as trustee for the Minx Super Fund. The Options are exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. Refer to Section 9.5 for the number and</p> | Director | No. of Shares ⁴ | No. of Options \$0.30 exercise price ⁵ | No. of Options \$0.45 exercise price ⁵ | Percentage of Shares Held at Date of Prospectus | Percentage of Shares Held at Completion | Gary Powell ¹ | 1,144,532 | 2,250,000 | 2,000,000 | 10.4% | 1.9% | Bryan Dixon ² | 932,422 | 2,000,000 | Nil | 8.5% | 1.5% | Jeffrey Brill ³ | 594,531 | 1,250,000 | Nil | 5.4% | 1.0% | Section 9.3 |
| Director | No. of Shares ⁴ | No. of Options \$0.30 exercise price ⁵ | No. of Options \$0.45 exercise price ⁵ | Percentage of Shares Held at Date of Prospectus | Percentage of Shares Held at Completion | | | | | | | | | | | | | | | | | | | | | |
| Gary Powell ¹ | 1,144,532 | 2,250,000 | 2,000,000 | 10.4% | 1.9% | | | | | | | | | | | | | | | | | | | | | |
| Bryan Dixon ² | 932,422 | 2,000,000 | Nil | 8.5% | 1.5% | | | | | | | | | | | | | | | | | | | | | |
| Jeffrey Brill ³ | 594,531 | 1,250,000 | Nil | 5.4% | 1.0% | | | | | | | | | | | | | | | | | | | | | |

| | <p>allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.</p> <p>⁴ Refer to section 15.5(a) for a summary of the material rights and liabilities attaching to Shares.</p> <p>⁵ Refer to Section 15.5(b) for the terms and conditions of the Options.</p> <p>The above table assumes that no existing Director or any associate subscribes for and is allotted additional Shares pursuant to the Offer and that none of the Options will have been exercised at completion of the Offer.</p> | | | | | | | | | | | | | | | | |
|---|--|-------------------------------------|---|-------------------------------------|---|-----------------------------|--------------------------------|-----|----|-----------|-------|---|-----|----|-----------|-------|--------------|
| What related party agreements are the Company a party to? | <p>The Company has entered into the following related party transactions:</p> <ul style="list-style-type: none">• Executive Agreement with Mr Gary Powell;• Non-Executive Director Agreements with Mr Bryan Dixon and Mr Jeffrey Brill;• Indemnity, Insurance and Access Deeds with the Directors;• Deeds of Notifiable Interests with the Directors; and• Consultancy Agreement with Warrior Strategic Pty Ltd, an associated entity of Mr Bryan Dixon. | Section 9.5 | | | | | | | | | | | | | | | |
| Who will the substantial shareholders of the Company be? | <p>Set out in the table below are the Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus or at Completion on an undiluted basis. The table below assumes that:</p> <ul style="list-style-type: none">• no existing substantial Shareholder or an associate subscribes for and is issued additional Shares pursuant to the Offer;• none of the Options on issue at the date of this Prospectus, including the Options to be issued to the Lead Manager at Completion, are exercised;• 500,000 Shares will be issued to the Vendors to satisfy the \$100,000 cash payment due to Vendors under the Acquisition Agreement at Completion (refer to Section 14.3 for further details); and• no milestone under the Performance Securities is achieved and therefore no Performance Securities are converted into Shares. <p>The undiluted capital structure of the Company at the date of this Prospectus is 11,000,001 Shares, and at Completion is up to 61,500,001 Shares.</p> <table><tr><th>Substantial Shareholder Names</th><th>Shares Held at date of Prospectus</th><th>% at Date of Prospectus (Undiluted)</th><th>Maximum Number of Shares Held at Completion</th><th>% at Completion (Undiluted)</th></tr><tr><td>Gurravembi Investments Pty Ltd</td><td>Nil</td><td>0%</td><td>4,612,500</td><td>7.50%</td></tr><tr><td>Kingsreef Pty Ltd as trustee for the NB & DL Family Trust</td><td>Nil</td><td>0%</td><td>4,612,500</td><td>7.50%</td></tr></table> | Substantial Shareholder Names | Shares Held at date of Prospectus | % at Date of Prospectus (Undiluted) | Maximum Number of Shares Held at Completion | % at Completion (Undiluted) | Gurravembi Investments Pty Ltd | Nil | 0% | 4,612,500 | 7.50% | Kingsreef Pty Ltd as trustee for the NB & DL Family Trust | Nil | 0% | 4,612,500 | 7.50% | Section 6.15 |
| Substantial Shareholder Names | Shares Held at date of Prospectus | % at Date of Prospectus (Undiluted) | Maximum Number of Shares Held at Completion | % at Completion (Undiluted) | | | | | | | | | | | | | |
| Gurravembi Investments Pty Ltd | Nil | 0% | 4,612,500 | 7.50% | | | | | | | | | | | | | |
| Kingsreef Pty Ltd as trustee for the NB & DL Family Trust | Nil | 0% | 4,612,500 | 7.50% | | | | | | | | | | | | | |

| | Maximum Number of Shares Held at Completion | | | |
|--|---|-----------------------------------|-------------------------------------|-----------------------------|
| | Substantial Shareholder Names | Shares Held at date of Prospectus | % at Date of Prospectus (Undiluted) | % at Completion (Undiluted) |
| | Rocket Science Pty Ltd as trustee for the Trojan Capital Fund | Nil | 0% | 4,612,500 7.50% |
| | Widerange Corporation Pty Ltd as trustee for the Alyse Investment Trust | Nil | 0% | 4,612,500 7.50% |
| | Lorraine Bahen | 1,734,375 | 15.77% | 1,734,375 2.82% |
| | Victoria Bahen | 1,734,375 | 15.77% | 1,734,375 2.82% |
| | Gary Powell ^{1,4} | 1,144,532 | 10.40% | 1,144,532 1.86% |
| | Bryan Dixon ^{2,4} | 932,531 | 8.48% | 932,531 1.52% |
| | Jeffrey Brill ^{3,4} | 594,531 | 5.40% | 594,531 0.97% |
| | <p>¹ Mr Powell directly holds Shares and Options. Mr Powell holds 2,250,000 Options with a \$0.30 exercise price with a 2 year term from Admission and 2,000,000 Options with a \$0.45 exercise price with a 3 year term from Admission.</p> <p>² Mr Dixon holds Shares and Options through Warrior Strategic Pty Ltd as trustee for the Warrior Strategic Trust, an entity in which Mr Dixon is a director and shareholder and Shares through Warrior Finance Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as trustee for the Warrior Super Fund an entity for which Mr Dixon is a director and shareholder of the trustee.</p> <p>³ Mr Brill holds Shares and Options as trustee for the Minx Super Fund an entity in which Mr Brill is the trustee.</p> <p>⁴ Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.</p> <p>Set out in the table below are the Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus or at Completion on a fully diluted basis. The table below assumes that:</p> <ul style="list-style-type: none"> no existing substantial Shareholder or an associate subscribes for and is issued additional Shares pursuant to the Offer; all Options on issue, and to be issued to the Lead Manager at Completion, are exercised into Shares; 500,000 Shares will be issued to the Vendors to satisfy the \$100,000 cash payment due to Vendors under the Acquisition Agreement at Completion (refer to Section 14.3 for further details); and | | | |

- each and every milestone under their Performance Securities is achieved and they are all converted into 30,000,000 Shares at the floor price of \$0.15, being the maximum number of Shares the Performance Securities can be converted into (refer to Section 15.5(c) for the terms and conditions of the Performance Securities).

The fully diluted capital structure of the Company at the date of this Prospectus is 19,500,001 Shares and at Completion is 101,500,001 Shares. For more information concerning the holding of each substantial Shareholder on a fully diluted basis please see Section 6.15.

| Substantial Shareholder Names | % at Date of Prospectus (Fully Diluted) | % at Completion (Fully Diluted) |
|---|---|---------------------------------|
| Gurravambi Investments Pty Ltd | Nil | 11.2% |
| Kingsreef Pty Ltd as trustee for the NB & DL Family Trust | Nil | 11.2% |
| Rocket Science Pty Ltd as trustee for the Trojan Capital Fund | Nil | 11.2% |
| Widerange Corporation Pty Ltd as trustee for the Alyse Investment Trust | Nil | 11.2% |
| Gary Powell ¹ | 27.7% | 5.31% |
| Bryan Dixon ² | 15.0% | 2.89% |
| Jeffrey Brill ³ | 9.5% | 1.82% |
| Lorraine Bahen | 8.9% | 1.71% |
| Victoria Bahen | 8.9% | 1.71% |

¹ Mr Powell is the Chief Executive Officer and Managing Director and directly holds Shares and Options. He holds 4,250,000 Options consisting of 2,250,000 Options exercisable each at \$0.30 per Share on or before the date that is two (2) years from Admission and 2,000,000 Options exercisable per Share at \$0.45 each on or before the date that is three (3) years from Admission. Full Options terms and conditions are listed at Section 15.5(b). Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

² Mr Dixon holds Shares and Options through Warrior Strategic Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as trustee for the Warrior Strategic Trust, and Shares through Warrior Finance Pty Ltd, an entity of which Mr Dixon is a director and shareholder, as the trustee for the Warrior Super Fund.

³ Mr Brill holds Shares and Options as trustee for the Minx Super Fund, an entity of which Mr Brill is the trustee.

⁴ Refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement under which the Shares and the Performance Securities will be issued to the Vendors on or before completion of the Offer.

| | | |
|---|--|---------------------|
| | <p>Refer to Section 15.5(c) for the terms and conditions of the Performance Securities.</p> <p>The Company will announce to the ASX details of its top 20 Shareholders after completion of the Offer and prior to the Shares commencing trading on the ASX.</p> | |
| <p>Will any Shares be subject to restrictions on disposal following Completion?</p> | <p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>However, generally, Securities on issue at the date of this Prospectus that were issued to promoters or Related Parties will be escrowed for a period of 24 months from the date of Quotation. It is expected that the Shares and Performance Securities issued to the Vendors or nominees under the Acquisition Agreements, and Shares and Options issued to or acquired by Related Parties will be escrowed for 24 months from the date of Quotation. It is also expected that a percentage of the Shares issued to non-Related Party Shareholders who participated in the capital raising at \$0.08 per Share in November 2020 (prior to the date of this Prospectus) will be subject to a 12 month escrow (from the date of the issue of those Shares) for a portion of their Shareholdings. During the period in which these Securities are prohibited from being transferred, assigned or otherwise disposed of, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.</p> <p>As at the date of this Prospectus, the Company expects the following Securities to be subject to ASX imposed escrow:</p> <ul style="list-style-type: none"> (a) 2,350,000 Shares issued to or acquired by Directors and Key Management Personnel – 24 months from date of Quotation; (b) Up to 20,500,000 Shares to be issued to the Vendors or nominees under the Acquisition Agreements – 24 months from the date of Quotation; (c) 8,500,000 Options issued to or acquired to Directors, Key Management Personnel and Consultants – 24 months from the date of Quotation; (d) 1,500,000 Options issued to the Lead Manager – 24 months from the date of Quotation; (e) 4,200,000 Shares issued to non-Related Party investors under a capital raising conducted by the Company in November 2020 – 12 months from the date of issue of such Shares; and (f) All of the Performance Securities to be issued to the Vendors under the Acquisition Agreement and up to 30,000,000 Shares issued under the Performance Securities, being the maximum number of Shares the Performance Securities can be converted into – 24 months from the date of Quotation. <p>The Company will announce to ASX details of the number and duration of the Shares, Options and Performance Securities that the ASX require to be held in escrow prior to the Shares commencing trading on the ASX (which admission is subject to ASX's discretion and approval).</p> | <p>Section 6.22</p> |

| G. FINANCIAL INFORMATION | | |
|--|---|----------------------|
| What is the Company's financial position? | <p>Having been incorporated on 29 October 2020, the Company does not have any operating history on which an evaluation of its prospects can be made and has limited historical financial performance. The Company will only commence its own detailed exploration activities on the Project once it has completed the Acquisition and been admitted to the Official List. Accordingly, the Company is not able to disclose any key financial ratios.</p> <p>Historical financial information of the Company and pro forma financial information of the Company is included in the Independent Limited Assurance Report contained in Section 11. Potential investors should read the Independent Limited Assurance Report in full.</p> <p>The audited financial statements for the Company for the period from incorporation to 31 March 2021 were signed on 20 May 2021. The Company will give a copy of these statements to any person who requests one during the Offer Period, free of charge.</p> | Section 11 |
| What is the financial outlook for the Company? | <p>Given the current status of the Project and the speculative nature of the Company's business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>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 on a reasonable basis.</p> | Section 15.12 |
| H. SUMMARY OF THE OFFER | | |
| What is being offered? | <p>The Offer is for 30,000,000 Shares at an offer price of \$0.20 per Share to raise \$6,000,000 (before costs). The Offer is not underwritten.</p> <p>The Shares issued under this Prospectus are new Shares which will rank equally with the Shares already on issue.</p> <p>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives.</p> | Sections 6.1 and 6.2 |
| What is the Minimum Subscription? | <p>The minimum amount to be raised under the Offer is \$6,000,000 (before costs) by the issue of 30,000,000 Shares at an issue price of \$0.20 per Share.</p> <p>No oversubscriptions in addition to the Minimum Subscription will be accepted.</p> | Section 6.3 |
| What is the purpose of the Offer? | <p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> (a) facilitate the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List; (b) enable the Company to exercise the option it has secured under the Acquisition Agreement and satisfy a condition precedent to completion in the Acquisition Agreement (being the Company receiving conditional approval from ASX to be admitted to the Official List on | Section 6.1 |

| | | |
|--|--|--------------|
| | <p>conditions reasonably acceptable to the Company);</p> <p>(c) provide a liquid market for Shares and to enable access to capital markets;</p> <p>(d) provide the Company with additional funding:</p> <p>(i) to conduct exploration activities on the Tenements;</p> <p>(ii) for considering acquisition opportunities that may be presented to the Board from time to time;</p> <p>(iii) to meet the expenses of the Offer;</p> <p>(iv) to fund administration costs and working capital,</p> <p>so as to position the Company to achieve the objectives set out in this Prospectus.</p> <p>The Company intends on applying the funds raised under the Offer together with its existing cash reserves in manner detailed in Section 6.13.</p> <p>The Board believes that on completion of the Offer the Company will have sufficient working capital to achieve its objectives.</p> | |
| Is the Offer underwritten? | The Offer is not underwritten. | Section 6.6 |
| Who is eligible to participate in the Offer? | <p>The Offer is open to all investors resident in Australia.</p> <p>This Prospectus and the Offer do not, and are not intended to constitute, an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation, or to issue this Prospectus.</p> | Section 6.19 |
| How do I apply for Shares under the Offer? | Applications for Shares under the Offer must be made by completing the Application Form attached to or accompanying this Prospectus in accordance with the instructions set out in the Application Form. | Section 6.8 |
| What is the allocation policy for the Offer? | <p>The final allocation of Shares under the Offer remains at the sole discretion of the Directors, in consultation with the Lead Manager to ensure the Company has an appropriate Shareholder base on admission to the Official List. The Directors reserve the right to issue Shares in full for any Application or any lesser number or to decline any Application. Any decision on allocation will be made after the Exposure Period.</p> <p>The Company gives no assurance that any Applicant will be allocated the Shares applied for by that Applicant.</p> | Section 6.11 |
| What is the effect of the Offer on the capital structure of the Company? | <p>If the Minimum Subscription is raised the Shares issued under the Offer will represent 48.8% of the undiluted share capital of the Company immediately following completion of the Offer.</p> <p>At the date of this Prospectus the Company has on issue a total of 11,000,001 Shares and 8,500,000 Options. A total of 30,000,000 Shares are available under the Offer.</p> <p>At Completion 1,500,000 Options will be issued to the Lead Manager under the Lead Manager Mandate (a summary of the material terms and conditions of which is set out in Section 14.2).</p> | Section 6.15 |

At Completion the Performance Securities will issue and can convert into a maximum of 30,000,000 Shares on the achievement of defined milestones (refer also to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement). The terms and conditions of the Performance Securities are set out in Section 15.5(c).

The undiluted and fully diluted capital structure of the Company at the date of this Prospectus and following completion of the Offer is summarised below:

| | Number of Securities | Percentage of Shares (Undiluted) | Percentage of Shares (Fully Diluted) |
|--|----------------------|----------------------------------|--------------------------------------|
| Shares on issue at date of Prospectus | 11,000,001 | 17.9% | 10.8% |
| Shares to be issued under the Offer | 30,000,000 | 48.8% | 29.6% |
| Shares to be issued to Vendors under Acquisition Agreement on Completion ¹ | Up to 20,500,000 | 33.3% | 20.2% |
| Total Shares on issue at Completion (undiluted)² | 61,500,001 | 100% | 60.6% |
| Options on issue at date of Prospectus ³ | 8,500,000 | | |
| Options to be issued to Lead Manager ⁴ | 1,500,000 | | |
| Total Options on issue at Completion | 10,000,000 | | 9.8% |
| Maximum total Shares and Options at Completion | 71,500,001 | | |
| Shares to be issued to Vendors on conversion of Performance Securities on issue at Completion ⁵ | Up to 30,000,000 | | 29.6% |
| Maximum Securities to be issued | 101,500,001 | 100% | 100% |

¹ Assumes 500,000 Shares are issued instead of a \$100,000 cash payment due to Vendors at Completion. Refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement.

² Refer to Section 15.5(a) for a summary of the material rights and liabilities attaching to the Shares.

| | | |
|---|---|---------------|
| | <p>³ Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.</p> <p>⁴ Options exercisable at \$0.30 per Share on before the date that is two (2) years from Admission, to be issued under the Lead Manager Mandate. Refer to Section 14.2 for a summary of the material terms and conditions of the Lead Manager Mandate.</p> <p>⁵ The Performance Securities are the Deferred Payments to be made to Vendors under the Acquisition Agreement. Refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement. The maximum number of Shares to be potentially issued to Vendors pursuant to milestone targets under the Performance Securities at the floor price of \$0.15 is 30,000,000 Shares (refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement). The actual price used to convert these Performance Securities may be higher but not lower than the floor price of \$0.15. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.</p> <p>The Shares offered under this Prospectus will represent approximately 48.8% of the Shares on issue at Completion (on an undiluted basis) and 29.6% on a fully diluted basis. The remaining Shares will be held by the existing Shareholders or the Vendors.</p> <p>The Company's Pro Forma Statement of Financial Position following Completion, including details of the pro forma adjustments, is detailed in the Independent Limited Assurance Report contained in Section 11.</p> <p>At Completion, the number of the Securities on issue that will be subject to escrow arrangements is detailed in Section 6.22.</p> <p>In the opinion of the Company, the free float of Shares at the time of Completion will not be less than 20% of the Shares on issue at that time.</p> <p>The Company reserves the right to issue further securities from time to time, such as (without limitation) to raise further capital.</p> | |
| What is the cost of the Offer? | The expenses of the Offer (including ASX listing fees) are estimated to be approximately A\$664,215. | Section 15.10 |
| What are the terms and conditions of the Shares offered under the Offer and the terms of the Company's other securities on issue or to be issued? | <p>A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 15.5(a).</p> <p>The terms and conditions of the Options on issue or to be issued are set out in Section 15.5(b).</p> <p>The terms and conditions of the Performance Securities to be issued at Admission under the Acquisition Agreement are set out in Section 15.5(c).</p> | Section 15.5 |

| | | | | |
|--|---|--|--|-----------------|
| What are the Performance Securities being issued to the Vendors of Novarange? | <p>The Company has agreed to issue the vendors of a 70% interest in the total issued share capital of Novarange deferred consideration in the form of Performance Securities that convert into Shares upon the achievement of agreed Milestones. These Performance Securities are in the form of Deferred Payments that total \$4,500,000 which can only be satisfied by the issue of Shares by dividing the amount of the corresponding Deferred Payment by the higher of the volume weighted average price for Shares traded on the ASX over the 15 trading days prior to the date on which the payment becomes due and payable or a floor price of \$0.15. Section 12 contains the Independent Expert's Report on the proposed issue of the Performance Securities. Potential investors should read this report in full.</p> <p>The Independent Expert has opined that the proposed issue is not fair but reasonable to non-participating Security holders.</p> <p>The Independent Expert has set out the respective advantages and disadvantages of the proposed issue of the Performance Securities which are summarised below:</p> <table><tr><td><p>ADVANTAGES</p><p>Achievement of each of the Milestones is likely to be value accretive to Burley</p><p>The Deferred Payments (the Performance Securities) payable upon meeting a Milestone is structured in such a way as to align the interests of Security holders, Burley, and the Vendors</p><p>The Deferred Payments are in the form of equity, allowing Burley to preserve cash raised under the Offer to progress the Yerecoin Project</p><p>The Deferred Payments are calculated using a disclosed conversion formula which caps the maximum issue of the Performance Securities at 30,000,000</p><p>Agreement on the Deferred Payments results in exposure to a potentially economically viable project</p></td><td><p>DISADVANTAGES</p><p>Potential dilution of Shareholders' interests if a Milestone is met and Performance Securities issued</p><p>The Vendors have a free-carried interest in the Yerecoin Project</p></td></tr></table> | <p>ADVANTAGES</p> <p>Achievement of each of the Milestones is likely to be value accretive to Burley</p> <p>The Deferred Payments (the Performance Securities) payable upon meeting a Milestone is structured in such a way as to align the interests of Security holders, Burley, and the Vendors</p> <p>The Deferred Payments are in the form of equity, allowing Burley to preserve cash raised under the Offer to progress the Yerecoin Project</p> <p>The Deferred Payments are calculated using a disclosed conversion formula which caps the maximum issue of the Performance Securities at 30,000,000</p> <p>Agreement on the Deferred Payments results in exposure to a potentially economically viable project</p> | <p>DISADVANTAGES</p> <p>Potential dilution of Shareholders' interests if a Milestone is met and Performance Securities issued</p> <p>The Vendors have a free-carried interest in the Yerecoin Project</p> | Section 15.5(c) |
| <p>ADVANTAGES</p> <p>Achievement of each of the Milestones is likely to be value accretive to Burley</p> <p>The Deferred Payments (the Performance Securities) payable upon meeting a Milestone is structured in such a way as to align the interests of Security holders, Burley, and the Vendors</p> <p>The Deferred Payments are in the form of equity, allowing Burley to preserve cash raised under the Offer to progress the Yerecoin Project</p> <p>The Deferred Payments are calculated using a disclosed conversion formula which caps the maximum issue of the Performance Securities at 30,000,000</p> <p>Agreement on the Deferred Payments results in exposure to a potentially economically viable project</p> | <p>DISADVANTAGES</p> <p>Potential dilution of Shareholders' interests if a Milestone is met and Performance Securities issued</p> <p>The Vendors have a free-carried interest in the Yerecoin Project</p> | | | |

| | | | | | | |
|--|--|------------------|--|--------------------------------|--------------|--|
| Who are the current Shareholders and Option holders of the Company and on what terms and conditions were their Shares and Options issued? | The Shareholders and Option holders of the Company as at the date of this Prospectus are as follows: | | | | Section 6.14 | |
| | | Number of Shares | Issue Price per share or Exercise Price per Option | Number of Options ⁵ | | Percentage of Shareholding at date of Prospectus |
| | Founder Share ¹ | 1 | \$1.00 | | | 0.0% |
| | Directors and Key Management remuneration ² | 1,750,000 | non-cash | 8,500,000 | | 15.9% |
| | Capital Raising ³ | 8,000,000 | \$0.08 | Nil | | 72.7% |
| | Capital Raising ⁴ | 1,250,000 | \$0.16 | Nil | | 11.4% |
| | Total Shares and Options on issue on date of Prospectus | 11,000,001 | | 8,500,000 | | 100.0% |
| Notes: | | | | | | |
| 1. Issued to Mr Gary Powell. | | | | | | |
| 2. Issued as part of the Company's remuneration for services of the Chief Executive Officer and Managing Director Mr Gary Powell under the Executive Agreement, Mr Jeffrey Brill a Non-Executive Director under his Non-Executive Director Agreement and under the Consultancy Agreement to Warrior Strategic Pty Ltd, an associated entity of Mr Bryan Dixon, as trustee for the Warrior Strategic Trust. The Company also Shares and Options to former Director, Mr George Bauk, who resigned from office on 23 April 2021, or his associated entity under his Non-Executive Director Agreement. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity. | | | | | | |
| 3. Issued pursuant to a capital raising conducted by the Company in November 2020. | | | | | | |
| 4. Issued pursuant to a capital raising conducted by the Company in April 2021. | | | | | | |
| 5. Consisting of 6,500,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission and, as only issued to the Managing Director, 2,000,000 Options exercisable at \$0.45 per Share on or before the date that is three (3) years from Admission. Full terms and conditions of the Options are set out in Section 15.5(b). | | | | | | |

| Will the Shares issued under the Offer be Quoted? | <p>The Company will make an application to ASX for the admission of the Company to the Official List and official quotation of the Shares on the ASX within seven (7) days of the date of this Prospectus. Quotation of the Shares on ASX is expected to be under the ASX code "BUR".</p> <p>It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p> <p>Completion is conditional on ASX approving the Company's application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>No Application will be made for official quotation of the Options or the Performance Securities by the ASX in accordance with the Listing Rules.</p> | Section 6.18 | | | | | | | | | | | | |
|--|--|---------------------|----|---------------------|---------------------------------------|---------|------|--|-----------|-------|------------------------------|------------------|---------------|--------------|
| What are the key dates of the Offer? | The key dates of the Offer are set out in the "Important Dates" in Section 3 and may be varied by the Company in consultation with the Lead Manager. | Section 3 | | | | | | | | | | | | |
| What is the minimum investment size under the Offer? | Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$200 worth of Shares (1,000 Shares). | Section 6.4 | | | | | | | | | | | | |
| Are there any conditions to the Offer? | The Offer is conditional upon the Company achieving the Minimum Subscription and receiving ASX approval for official quotation of the Shares. No Shares will be issued if these conditions are not satisfied. | Section 6.5 | | | | | | | | | | | | |
| I. USE OF PROCEEDS | | | | | | | | | | | | | | |
| How will the proceeds of the Offer be used? | <p>The Board believes that its current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its objectives as stated in this Prospectus.</p> <p>The Company intends to apply its existing cash reserves and the funds raised from the Offer over the first two (2) years after Listing as follows:</p> <table border="1"> <thead> <tr> <th>Funds Available</th><th>\$</th><th>Percentage of Funds</th></tr> </thead> <tbody> <tr> <td>Existing cash reserves of the Company</td><td>468,838</td><td>7.2%</td></tr> <tr> <td>Proceeds from the Offer (before costs)</td><td>6,000,000</td><td>92.8%</td></tr> <tr> <td>Total Funds Available</td><td>6,468,838</td><td>100.0%</td></tr> </tbody> </table> | Funds Available | \$ | Percentage of Funds | Existing cash reserves of the Company | 468,838 | 7.2% | Proceeds from the Offer (before costs) | 6,000,000 | 92.8% | Total Funds Available | 6,468,838 | 100.0% | Section 6.13 |
| Funds Available | \$ | Percentage of Funds | | | | | | | | | | | | |
| Existing cash reserves of the Company | 468,838 | 7.2% | | | | | | | | | | | | |
| Proceeds from the Offer (before costs) | 6,000,000 | 92.8% | | | | | | | | | | | | |
| Total Funds Available | 6,468,838 | 100.0% | | | | | | | | | | | | |

| | <table><tr><th colspan="5">Indicative Allocation of Funds</th></tr><tr><th>Indicative Allocation of Funds</th><th>Allocation of Funds Year 1 \$</th><th>Allocation of Funds Year 2 \$</th><th>Total Allocation \$</th><th>Percentage of Funds</th></tr><tr><td>Yerecoin magnetite deposits</td><td>1,460,700</td><td>805,500</td><td>2,266,200</td><td>35.0%</td></tr><tr><td>Yerecoin Ni-Cu-PGE Project</td><td>411,000</td><td>516,350</td><td>927,350</td><td>14.3%</td></tr><tr><td>Acquisition & stamp duty</td><td>536,815</td><td>-</td><td>536,815</td><td>8.3%</td></tr><tr><td>General working capital⁵</td><td>1,037,129</td><td>1,037,129</td><td>2,074,258</td><td>32.1%</td></tr><tr><td>Estimated expenses of the Offer⁶</td><td>664,215</td><td></td><td>664,215</td><td>10.3%</td></tr><tr><td>Total Allocation</td><td>\$4,109,859</td><td>\$2,358,979</td><td>\$6,468,838</td><td>100.0%</td></tr></table> <p>Further details on the application of the funds raised from the Offer are set out in Sections 6.13 and 7.5.</p> | Indicative Allocation of Funds | | | | | Indicative Allocation of Funds | Allocation of Funds Year 1 \$ | Allocation of Funds Year 2 \$ | Total Allocation \$ | Percentage of Funds | Yerecoin magnetite deposits | 1,460,700 | 805,500 | 2,266,200 | 35.0% | Yerecoin Ni-Cu-PGE Project | 411,000 | 516,350 | 927,350 | 14.3% | Acquisition & stamp duty | 536,815 | - | 536,815 | 8.3% | General working capital ⁵ | 1,037,129 | 1,037,129 | 2,074,258 | 32.1% | Estimated expenses of the Offer ⁶ | 664,215 | | 664,215 | 10.3% | Total Allocation | \$4,109,859 | \$2,358,979 | \$6,468,838 | 100.0% | |
|--|---|--------------------------------|---------------------|---------------------|--|--|--------------------------------|-------------------------------|-------------------------------|---------------------|---------------------|-----------------------------|-----------|---------|-----------|-------|----------------------------|---------|---------|---------|-------|--------------------------|---------|---|---------|------|--------------------------------------|-----------|-----------|-----------|-------|--|---------|--|---------|-------|-------------------------|--------------------|--------------------|--------------------|---------------|--|
| Indicative Allocation of Funds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indicative Allocation of Funds | Allocation of Funds Year 1 \$ | Allocation of Funds Year 2 \$ | Total Allocation \$ | Percentage of Funds | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Yerecoin magnetite deposits | 1,460,700 | 805,500 | 2,266,200 | 35.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Yerecoin Ni-Cu-PGE Project | 411,000 | 516,350 | 927,350 | 14.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Acquisition & stamp duty | 536,815 | - | 536,815 | 8.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General working capital ⁵ | 1,037,129 | 1,037,129 | 2,074,258 | 32.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Estimated expenses of the Offer ⁶ | 664,215 | | 664,215 | 10.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Allocation | \$4,109,859 | \$2,358,979 | \$6,468,838 | 100.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Will the Company be adequately funded after completion of the Offer? | The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| J. ADDITIONAL INFORMATION | | |
|--|--|--------------|
| Is there a Lead Manager to the Offer? | Canaccord Genuity (Australia) Limited (ACN 075 071 466) (Canaccord or Lead Manager) has been appointed as the lead manager to the Offer. A summary of the material terms and conditions of its appointment under the Lead Manager Mandate is summarised in Section 14.2. | Section 14.2 |
| What fees are payable to the Lead Manager? | <p>In consideration for acting as Lead Manager, the Lead Manager will receive the following fees:</p> <ul style="list-style-type: none">• Management Fee: \$60,000;• Lead Manager Fee: \$120,000; and• Capital Raising Fee¹: \$240,000, <p>for a total fee of up to \$420,000.</p> <p>¹ This is the maximum Capital Raising Fee payable to the Lead Manager.</p> <p>In addition to the fee described above, at completion of the Offer the Lead Manager will be granted 1,500,000 Options.</p> | Section 14.2 |

| | | |
|---|---|----------------------|
| What are the terms and conditions of the Lead Manager Options that will be granted to the Lead Manager? | The Options to be issued to the Lead Manager are exercisable at \$0.30 per Share on before the date that is two (2) years from Admission. The terms and conditions of the Lead Manager Options are set out in Section 15.5(b). The Lead Manager Options will represent 1.50% of the capital of the Company on a fully diluted basis as at the date the Company is admitted to the Official List. | Section 15.5(b) |
| Is there any brokerage, commission or stamp duty payable by applicants? | No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer. The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian Financial Services licensee in respect of applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. | Section 6.20 |
| Can the Offer be withdrawn? | The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded (without interest). | Section 6.11 |
| What is the Company's dividend policy? | The Company has not declared a dividend since its incorporation and, at the date of this Prospectus, does not expect to pay any dividends in the two-year period following the date of this Prospectus. During this period the Board expects to incur significant expenditure on the exploration and development of the Project and in identifying, evaluating and, if warranted, acquiring other resource projects or assets in Australia and/or overseas that have the potential to add Shareholder value. The extent, timing and payment of dividends by the Company in the future will be at the discretion of the Directors and will depend on a number of factors including future earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends, or the franking credits attached to such dividends, can be given. | Section 7.7 |
| What are the tax implications of investing in Shares? | Dividends on Shares may be subject to Australian tax and possibly capital gains tax on a future disposal of Shares issued under this Prospectus. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus. | Section 6.23 |
| What are the corporate governance principles of the Company? | To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (Recommendations). The Company's main corporate governance policies and charters as at the date of this Prospectus are outlined in Section 9.6 and the Company's compliance and departures from the Recommendations are set out in Section 9.7. In addition, the | Sections 9.6 and 9.7 |

| | | |
|------------------------------------|--|--|
| | <p>Company's full Corporate Governance Plan and copies of its charters and policies are available from the Company's website (www.burleyminerals.com.au).</p> <p>The Company has adopted corporate governance charters and policies that reflect the Recommendations to the extent appropriate having regard to the circumstances of the Company.</p> | |
| Where can I find more information? | <ul style="list-style-type: none"> • By speaking to your stockbroker, solicitor, accountant or other independent professional adviser. • By contacting the Company Secretary on +61 (08) 9322 6283. • By contacting the Share Registry on (08) 9389 8033. | |

6. DETAILS OF THE OFFER

6.1 Introduction

The information set out in this Section 6 is not comprehensive and should be read together with the other information in this Prospectus.

6.2 Shares offered for Subscription

Under this Prospectus the Offer is an invitation to apply for an initial public offer of 30,000,000 Shares at an offer price of \$0.20 per Share to raise a total of \$6,000,000 (before costs).

The Shares offered under this Prospectus will represent approximately 48.8% of the Shares on issue on Completion.

The Shares offered under this Prospectus are new Shares which will rank equally with the existing Shares on issue. The material rights and liabilities attaching to the Shares are summarised in Section 15.5(a).

The Offer is made on the terms, and is subject to the conditions, detailed in this Prospectus. Refer to Section 6.8 on how to apply for Shares under the Offer.

6.3 Minimum Subscription

The minimum subscription to be raised under this Prospectus is the full subscription of \$6,000,000 (**Minimum Subscription**). If the Minimum Subscription is not reached within four (4) months after the date of this Prospectus the Company will thereafter either repay all Application Monies received or will issue a supplementary prospectus or replacement prospectus and allow Applicants one (1) month to withdraw their Applications and be repaid their Application Monies. No interest will be paid on these Application Monies.

6.4 No Oversubscriptions

No oversubscriptions to the Offer will be accepted.

6.5 Conditions of the Offer

The Offer is conditional upon the Company achieving the Minimum Subscription and receiving ASX approval for official quotation of the Shares. No Shares will be issued if these conditions are not satisfied.

6.6 Offer Not Underwritten

The Offer is not underwritten.

6.7 Lead Manager

Canaccord has agreed to act as lead manager to the Offer. A summary of the material terms and conditions of the Lead Manager Mandate agreement between the Company and Canaccord is set out in Section 14.2.

6.8 How to Apply for Shares

Applications for Shares offered under this Prospectus must be made using the Application Form attached to or accompanying this Prospectus.

Payment for the Shares must be made in full at the offer price of \$0.20 per Share. Applications must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares.

Applicants in Australia may apply for Shares by applying online at:

<https://www.advancedshare.com.au/IPO-Offers>

An Applicant must comply with the instructions on the website. An Applicant paying by BPAY® or EFT must follow the instructions on the Application Form. An Applicant paying the Application Monies by BPAY® must use the unique BPAY® Customer Reference Number provided. A unique reference number will be quoted upon completion of the Application Form. 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® or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by the Applicant's financial institution on or before the day prior to the Closing Date. It is your responsibility to ensure that your BPAY® or EFT payment is received by no later than 5.00pm (WST) on the Closing Date.

Applicants may also apply for Shares by post using the Application Form which is attached to this Prospectus. Completed Applications and accompanying cheques must be mailed to:

Burley Minerals Ltd
c/- Advanced Share Registry Services Pty Ltd
PO Box 1156
NEDLANDS WA 6909

or delivered to:

Advanced Share Registry Services Pty Ltd
110 Stirling Highway
NEDLANDS Western Australia 6009

or delivered by email to:

admin@advancedshare.com.au

along with confirmation that funds have been paid to the Burley Minerals Ltd – IPO Account BSB No. – 086-420 and Account No. 336 936 953.

Cheques should be made payable to **"Burley Minerals Ltd – IPO Account"** and crossed "Not Negotiable". Completed Applications with payment in cleared funds must reach one of the above addresses by no later than the Closing Date. Detailed instructions on how to complete the Applications are set out on the reverse of those forms.

By making an Application, you declare that you were given access to this Prospectus (or any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus. To the extent permitted by law, an Application by an Applicant is irrevocable.

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

If you require assistance in completing any of the Applications, please contact the Share Registry on +61 8 9389 8033.

The Company, in consultation with the Lead Manager, reserves the right to close the Offer early without notice.

6.9 Allocation Policy

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

No applicant under the Offer has any assurance of being allocated all or any Shares applied for.

The Company will not be liable to any person not allocated Shares or not allocated the full amount of Shares applied for.

6.10 Issue of Shares

Subject to the Minimum Subscription being reached and the ASX granting conditional approval for the Company to be admitted to the Official List, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Following issue, statements of Share holdings will be dispatched to successful Applicants. It is your responsibility to determine your allocation prior to trading in Shares. If you sell Shares before receiving your holding statement you do so at your own risk.

Prior to issue all Application Monies shall be held by the Company on trust for the Applicants in a separate bank account as required by the Corporations Act. The Company will retain any interest earned on the Application Monies irrespective of whether the issue of Shares takes place.

The Directors reserve the right to issue Shares in full for any Application or to issue any lesser number of Shares or to decline any Application. Where the number of Shares issued is less than the number applied for, or where no issue is made, the surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the issue date. No refunds pursuant solely to rounding will be provided.

It is your responsibility to ensure that your BPAY® payment or electronic funds transfer payment is received by the Share Registry by no later than 5.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

6.11 Discretion regarding the Offer

The key dates, including details of the Offer Period, are set out in the "Important Dates" in Section 3 (which may be varied by the Company in consultation with the Lead Manager). The timetable is indicative only and may change. Unless otherwise stated, all times are stated in AWST.

The Company may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

The Company, in consultation with the Lead Manager, also reserves the right to close the Offer early, extend the Offer, accept late Applications either generally or in particular cases, reject any Application or allocate to any Applicant fewer Shares than the number applied for.

6.12 Purpose of the Offer

The purpose of the Offer is to:

- (a) facilitate the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for admission to the Official List;
- (b) enable the Company to exercise the option it has secured under the Acquisition Agreement and satisfy a condition precedent to completion in the Acquisition Agreement (being the Company receiving conditional approval from ASX to be admitted to the Official List on conditions reasonably acceptable to the Company);
- (c) provide a liquid market for Shares and to enable access to capital markets;
- (d) provide the Company with additional funding:

- (i) to conduct exploration activities on the Tenements;
- (ii) for considering acquisition opportunities that may be presented to the Board from time to time;
- (iii) to meet the expenses of the Offer;
- (iv) to fund administration costs and working capital,

so as to position the Company to achieve the objectives set out in Section 7.4.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in manner detailed in Section 6.13.

6.13 Use of Funds

The Board believes that its current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its objectives as stated in this Prospectus.

The Company intends to apply its existing cash reserves and the funds raised from the Offer over the first two (2) years after Listing as follows:

| Funds Available | \$ | Percentage of Funds |
|--|------------------|----------------------------|
| Existing cash reserves of the Company ¹ | 468,838 | 7.2% |
| Proceeds from the Offer (before costs) | 6,000,000 | 92.8% |
| Total Funds Available | 6,468,838 | 100.0% |

Indicative Allocation of Funds

| Indicative Allocation of Funds | Allocation of Funds Year 1 \$ | Allocation of Funds Year 2 \$ | Total Allocation \$ | Percentage of Funds |
|--|--|--|--------------------------------|----------------------------|
| Yerecoin magnetite deposits ^{2,3} | 1,460,700 | 805,500 | 2,266,200 | 35.0% |
| Yerecoin Ni-Cu-PGE Project ² | 411,000 | 516,350 | 927,350 | 14.3% |
| Acquisition & stamp duty | 536,815 | - | 536,815 | 8.3% |
| General working capital ⁴ | 1,037,129 | 1,037,129 | 2,074,258 | 32.1% |
| Estimated expenses of the Offer ⁴ | 664,215 | - | 664,215 | 10.3% |
| Total Allocation | \$4,109,859 | \$2,358,979 | \$6,468,838 | 100.0% |

¹ Refer to the Independent Limited Assurance Report contained in Section 11 for further information. Some of the Year 1 costs have already been paid or incurred from this amount as at the date of this Prospectus.

² Refer to Section 7.5 and the Independent Technical Assessment Report contained in Section 10 for further information on planned exploration activities and expenditure budgets for the Project, and the budget summary in Section 7.5.

³ The Company will need to make applications for renewal of the Tenements upon satisfying the conditions required for their renewal as exploration licences and/or successful conversion into mining lease(s) or retention licenses upon application(s). These costs have been included within the Yerecoin magnetite deposits budget.

⁴ These expenses include wages and superannuation of employees and Directors, office rent and outgoings, accounting fees, legal fees, ASX listing fees, auditing fees, insurance, Share Registry fees, travel expenses, professional consultants' fees, compliance and regulatory costs associated with operating Burley as an ASX listed company and all other items of a general administrative nature. To the extent that the Company's exploration activities warrant further exploration activities or the Company is presented with additional acquisition opportunities, the Company's working capital will fund such further exploration and acquisition costs. Any amounts not so expended will be applied toward administration costs for the initial 2-year period after Listing.

⁴ Refer to Section 15.10 for further details.

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

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, they will be subject to modification on an ongoing basis and intervening events including exploration results, market conditions, new circumstances and/or any number of other factors (including the risk factors outlined in Part D of Section 5 and described in Section 8) have the potential to significantly affect the actual use of funds. In particular, an ongoing assessment of the Project means exploration expenditure will also be reviewed on an ongoing basis depending on the nature of the results from work programmes. The Board reserves the right to alter the way funds are applied in the future and may lead to increased or decreased levels of expenditure on the Project, reflecting a change in emphasis in whole or in part. The Company may raise additional funds within two years after listing on the ASX to the extent required to increase and accelerate the exploration programmes on the Project, or to acquire or invest in suitable additional projects and assets in the resources sector in Australia and/or overseas, as determined by the Board. Accordingly, the Company may require additional capital, which will likely involve the use of additional equity funding.

6.14 Current Capital Structure

The Shareholders and Option holders of the Company as at the date of this Prospectus are as follows:

| | Number of Shares | Issue Price per Share or Exercise Price per Option | Number of Options ⁵ | Percentage of Shareholding at date of Prospectus |
|--|-------------------|--|--------------------------------|--|
| Founder Share¹ | 1 | \$1.00 | | 0.0% |
| Directors and Key Management remuneration² | 1,750,000 | non-cash | 8,500,000 | 15.9% |
| Capital Raising³ | 8,000,000 | \$0.08 | Nil | 72.7% |
| Capital Raising⁴ | 1,250,000 | \$0.16 | Nil | 11.4% |
| Total Shares and Options on issue on date of Prospectus | 11,000,001 | | 8,500,000 | 100.0% |

Notes:

¹ Issued to Mr Gary Powell.

² Issued as part of the Company's remuneration for services of the Chief Executive Officer and Managing Director Mr Gary Powell under the Executive Agreement, Mr Jeffrey Brill a Non-Executive Director under his Non-Executive Director Agreement and under the Consultancy Agreement to Warrior Strategic Pty Ltd, an associated entity of Mr Bryan Dixon, as trustee for the Warrior Strategic Trust. Also issued to former Director, Mr George Bauk, who resigned from office on 23 April 2021, under his Non-Executive Director Agreement. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

³ Issued pursuant to a capital raising conducted by the Company in November 2020.

⁴ Issued pursuant to a capital raising conducted by the Company in April 2021.

⁵ Consisting of 6,500,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission and, as only issued to the Managing Director, 2,000,000 Options exercisable at \$0.45 per Share on or before the date that is three (3) years from Admission. Full terms and conditions of the Options are set out in Section 15.5(b).

6.15 Pro Forma Capital Structure

If the Minimum Subscription is raised the Shares issued under the Offer will represent 48.8% of the undiluted share capital of the Company immediately following completion of the Offer.

At the date of this Prospectus the Company has on issue a total of 11,000,001 Shares and 8,500,000 Options. A total of 30,000,000 Shares are available under the Offer. At Completion 1,500,000 Options will be issued to the Lead Manager under the Lead Manager Mandate (a summary of the material terms and conditions of which is set out in Section 14.2). At Completion the Performance Securities will issue and can convert into a maximum of 30,000,000 Shares on the achievement of defined milestones (refer also to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement). The terms and conditions of the Performance Securities are set out in Section 15.5(c)

The undiluted and fully diluted capital structure of the Company at the date of this Prospectus and following completion of the Offer is summarised below:

| | Number of Securities | Percentage of Shares (Undiluted) | Percentage of Shares (Fully Diluted) |
|--|----------------------|----------------------------------|--------------------------------------|
| Shares on issue at date of Prospectus | 11,000,001 | 17.9% | 10.8% |
| Shares to be issued under the Offer | 30,000,000 | 48.8% | 29.6% |
| Shares to be issued to Vendors under Acquisition Agreement on Completion ¹ | Up to 20,500,000 | 33.3% | 20.2% |
| Total Shares on issue at Completion (undiluted)² | 61,500,001 | 100% | 60.6% |
| Options on issue at date of Prospectus ³ | 8,500,000 | | |
| Options to be issued to Lead Manager ⁴ | 1,500,000 | | |
| Total Options on issue at Completion | 10,000,000 | | 9.8% |
| Maximum total Shares and Options at Completion | 71,500,001 | | |
| Shares to be issued to Vendors on conversion of Performance Securities on issue at Completion ⁵ | Up to 30,000,000 | | 29.6% |
| Maximum Securities to be issued | 101,500,001 | 100% | 100% |

¹ Assumes 500,000 Shares are issued instead of a \$100,000 cash payment due to Vendors at Completion. Refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement.

² Refer to Section 15.5(a) for a summary of the material rights and liabilities attaching to the Shares.

³ Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

⁴ The maximum number of Shares to be potentially issued to Vendors pursuant to milestone targets under the Performance Securities at the floor price of \$0.15 is 30,000,000 Shares (refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement). The actual price used to convert these Performance Securities may be higher but not lower than the floor price of \$0.15. Refer

to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

The Shares offered under this Prospectus will represent approximately 48.8% of the Shares on issue at Completion (on an undiluted basis) and 29.6% on a fully diluted basis. The remaining Shares will be held by the existing Shareholders or the Vendors.

The Company's Pro Forma Statement of Financial Position following Completion, including details of the pro forma adjustments, is detailed in the Independent Limited Assurance Report contained in Section 11.

At Completion, the number of the Securities on issue that will be subject to escrow arrangements is detailed in Section 6.22.

In the opinion of the Company, the free float of Shares at the time of Completion will not be less than 20% of the Shares on issue at that time.

(b) Options

| Options | Number | Percentage of Shares (Fully Diluted) ³ |
|---|-------------------|---|
| Options on issue at date of Prospectus ¹ | 8,500,000 | 8.4% |
| Options to be issued to Lead Manager at Completion ² | 1,500,000 | 1.5% |
| Options offered under Prospectus | Nil | Nil |
| Total Options on issue at Completion | 10,000,000 | 9.9% |

¹ Consisting of 6,500,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission and 2,000,000 Options exercisable at \$0.45 per Share on or before the date that is three (3) years from Admission. Full Options terms and conditions are listed at Section 15.5(b).

² 1,500,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. Full Options terms and conditions are listed at Section 15.5(b).

³ Percentages assume all Options are exercised and all Performance Securities vest and are converted into the maximum number of Shares, 30,000,000, at the floor price of \$0.15 per Share (refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement).

The Options to be issued to the Lead Manager will represent approximately 2.4% of the Shares on issue at Completion (undiluted) and 1.5% (fully diluted).

No application will be made for official quotation of the Options by the ASX in accordance with the Listing Rules.

(c) Performance Securities

| Performance Securities | Number | Percentage of Shares (Fully Diluted) ¹ |
|---|------------|---|
| Performance Securities on issue at date of Prospectus | Nil | Nil |
| Performance Securities offered under Prospectus | Nil | Nil |
| Maximum Number of Shares that can be converted under the Performance Securities | 30,000,000 | 29.6% |

¹ Percentages assume all Options are exercised and all Performance Securities vest and are converted into the maximum number of Shares, 30,000,000, at the floor price of \$0.15 per Share. Refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement and Section 15.3(c) for the terms and conditions of the Performance Securities.

The Performance Securities will be issued to the Vendors as deferred consideration under the Acquisition Agreement, if the Company completes its purchase of a 70% interest in the total issued capital of Novarange, which wholly owns the Yerecoin Project. The Performance Securities are being issued under the Acquisition Agreement (refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement) proportionately to the ownership interests of the Vendors in Novarange as follows:

| Name of Vendor and Holder of Performance Securities | Maximum number of shares into which the Performance Securities can convert at \$0.15 Floor Price¹ | Percentage of Total Performance Securities (%) |
|---|---|---|
| Gurravembi Investments Pty Ltd | 6,750,000 | 22.5% |
| Kingsreef Pty Ltd as trustee for the NB & DL Family Trust | 6,750,000 | 22.5% |
| Rocket Science Pty Ltd as trustee for the Trojan Capital Fund | 6,750,000 | 22.5% |
| Widerange Corporation Pty Ltd as trustee for the Alyse Investment Trust | 6,750,000 | 22.5% |
| Seamist Enterprises Pty Ltd | 3,000,000 | 10.00% |
| TOTAL | 30,000,000 | 100% |

¹ Assumes the Performance Securities (representing aggregate Deferred Payments of \$4,500,000) held by the Vendors are all converted into a total 30,000,000 Shares at the floor price of \$0.15 i.e. the maximum number of Shares into which all Performance Securities can be converted. Refer to Section 15.5(c) for the terms and conditions of the Performance Securities.

The Company has applied to ASX for, and ASX has granted the Company, in principle approval to have the Performance Securities on issue at Listing, subject to complying with certain conditions imposed by ASX.

Full terms and conditions of the Performance Securities are contained in Section 15.5(c) which also contains an explanation of:

- (i) why the Performance Securities are being issued to the Vendors, including the commercial goals the Company is trying to achieve, and the risks it is trying to manage, by imposing the relevant performance milestones;
- (ii) details of how the Company determined the number of Performance Securities to be issued to the Vendors and why it considers that number to be appropriate and equitable; and
- (iii) any relationship the recipient of the Performance Securities or an associate of the recipient has with the Company.

No application will be made for official quotation of the Performance Securities by the ASX in accordance with the Listing Rules.

6.16 Substantial Shareholders

Set out in the table below are the Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus or at Completion on an undiluted basis. The table below assumes that:

- no existing substantial Shareholder or an associate subscribes for and is issued additional Shares pursuant to the Offer;
- none of the Options on issue at the date of this Prospectus, including the Options to be issued to the Lead Manager at Completion, are exercised;
- 500,000 Shares will be issued to the Vendors to satisfy the \$100,000 cash payment due to Vendors under the Acquisition Agreement at Completion (refer to Section 14.3 for further details); and
- no milestone under the Performance Securities is achieved and therefore no Performance Securities are converted into Shares.

The undiluted capital structure of the Company at the date of this Prospectus is 11,000,001 Shares, and at Completion is up to 61,500,001 Shares.

| Substantial Shareholder Names | Shares Held at date of Prospectus | % at Date of Prospectus (Undiluted) | Maximum Number of Shares Held at Completion | % at Completion (Undiluted) |
|---|-----------------------------------|-------------------------------------|---|-----------------------------|
| Gurravembi Investments Pty Ltd | Nil | 0% | 4,612,500 | 7.50% |
| Kingsreef Pty Ltd as trustee for the NB & DL Family Trust | Nil | 0% | 4,612,500 | 7.50% |
| Rocket Science Pty Ltd as trustee for the Trojan Capital Fund | Nil | 0% | 4,612,500 | 7.50% |
| Widerange Corporation Pty Ltd as trustee for the Alyse Investment Trust | Nil | 0% | 4,612,500 | 7.50% |
| Lorraine Bahen | 1,734,375 | 15.77% | 1,734,375 | 2.82% |
| Victoria Bahen | 1,734,375 | 15.77% | 1,734,375 | 2.82% |
| Gary Powell ^{1,4} | 1,144,532 | 10.40% | 1,144,532 | 1.86% |
| Bryan Dixon ^{2,4} | 932,531 | 8.48% | 932,531 | 1.52% |
| Jeffrey Brill ^{3,4} | 594,531 | 5.40% | 594,531 | 0.97% |

¹ Mr Powell directly holds Shares and Options. Mr Powell holds 2,250,000 Options with a \$0.30 exercise price with a 2 year term from Admission and 2,000,000 Options with a \$0.45 exercise price with a 3 year term from Admission.

² Mr Dixon holds Shares and Options through Warrior Strategic Pty Ltd as trustee for the Warrior Strategic Trust, an entity in which Mr Dixon is a director and shareholder and Shares through Warrior Finance Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as trustee for the Warrior Super Fund.

³ Mr Brill holds Shares and Options as trustee for the Minx Super Fund, an entity in which Mr Brill is the trustee.

⁴ Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

Set out in the table below are the Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus or at Completion on a fully diluted basis. The table below assumes that:

- no existing substantial Shareholder or an associate subscribes for and is issued additional Shares pursuant to the Offer;
- all Options on issue, and to be issued to the Lead Manager at Completion, are exercised into Shares;
- 500,000 Shares will be issued to the Vendors to satisfy the \$100,000 cash payment due to Vendors under the Acquisition Agreement at Completion (refer to Section 14.3 for further details); and
- each and every milestone under their Performance Securities is achieved and they are all converted into 30,000,000 Shares at the floor price of \$0.15, being the maximum number of Shares the Performance Securities can be converted into (refer to Section 15.5(c) for the terms and conditions of the Performance Securities).

The fully diluted capital structure of the Company at the date of this Prospectus is 19,500,001 Shares and at Completion is 101,500,001 Shares.

| Substantial Shareholder Names | Shares Held at date of Prospectus | Number of Options and Shares on Exercise of Options | % at Date of Prospectus (Fully Diluted) | Number of Shares Held at Completion ² | Maximum Number of Shares to be issued under the Performance Securities ⁴ | Maximum Number of Shares Held at Completion | % at Completion (Fully Diluted) |
|---|-----------------------------------|---|---|--|---|---|---------------------------------|
| Gurravembi Investments Pty Ltd | Nil | Nil | Nil | 4,612,500 | 6,750,000 | 11,362,500 | 11.2% |
| Kingsreef Pty Ltd as trustee for the NB & DL Family Trust | Nil | Nil | Nil | 4,612,500 | 6,750,000 | 11,362,500 | 11.2% |
| Rocket Science Pty Ltd as trustee for the Trojan Capital Fund | Nil | Nil | Nil | 4,612,500 | 6,750,000 | 11,362,500 | 11.2% |
| Widerange Corporation Pty Ltd as trustee for the Alyse Investment Trust | Nil | Nil | Nil | 4,612,500 | 6,750,000 | 11,362,500 | 11.2% |
| Gary Powell ¹ | 1,144,532 | 5,394,532 | 27.7% | 5,394,532 | Nil | 5,394,532 | 5.31% |
| Bryan Dixon ² | 932,422 | 2,932,422 | 15.0% | 932,422 | Nil | 2,932,422 | 2.89% |
| Jeffrey Brill ³ | 594,531 | 1,844,531 | 9.5% | 594,531 | Nil | 1,844,531 | 1.82% |
| Lorraine Bahen | 1,734,375 | 1,734,375 | 8.9% | 1,734,375 | Nil | 1,734,375 | 1.71% |
| Victoria Bahen | 1,734,375 | 1,734,375 | 8.9% | 1,734,375 | Nil | 1,734,375 | 1.71% |

¹ Mr Powell is the Chief Executive Officer and Managing Director and directly holds Shares and Options. He holds 4,250,000 Options consisting of 2,250,000 Options exercisable each at \$0.30 per Share on or before the date that is two (2) years from Admission and 2,000,000 Options exercisable per Share at \$0.45 each on or before the date that is three (3) years from Admission. Full Options terms and conditions are listed at Section 15.5(b). Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

² Mr Dixon holds Shares and Options through Warrior Strategic Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as trustee for the Warrior Strategic Trust, and Shares through Warrior Finance Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as the trustee for the Warrior Super Fund.

³ Mr Brill holds Shares and Options as trustee for the Minx Super Fund, an entity of which Mr Brill is the trustee.

⁴ Refer to Section 14.3 for a summary of the material terms and conditions of the Acquisition Agreement under which the Shares and the Performance Securities will be issued to the Vendors on or before completion of the Offer. Refer to Section 15.5(c) for the terms and conditions of the Performance Securities.

The Company will announce to the ASX details of its top 20 Shareholders after completion of the Offer and prior to the Shares commencing trading on the ASX.

6.17 Control Implications of the Offer

The Directors do not expect any Shareholder will:

- (a) control (as defined by section 50AA of the Corporations Act) the Company on Completion; or
- (b) acquire a Relevant Interest in the issued voting shares of the Company which will result in their voting power in the Company increasing:
 - (i) from 20% or below to more than 20%; or
 - (ii) from a starting point that is above 20% and below 90%,

on Completion.

At Completion, the number and percentage of Shares that will be subject to compulsory escrow arrangements is detailed in Section 6.22.

6.18 ASX Listing

The Company will apply to the ASX within seven (7) days after the date of this Prospectus for admission to the Official List and for quotation of the Shares offered under this Prospectus (apart from any Shares that may be designated by ASX as restricted securities). If the ASX does not grant permission for Quotation within three (3) months after the date of this Prospectus, or such longer period as is varied by ASIC, the Company will not issue any Shares offered under this Prospectus and will repay (without interest) all Application Monies received as soon as practicable thereafter, or within the time prescribed under the Corporations Act. The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may grant Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

6.19 Applicants outside Australia – Restrictions on Distribution

This Prospectus and the Offer do not, and are not intended to constitute, an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation, or to issue this Prospectus. No action has been taken by the Company to register or qualify the Shares that are the subject of this Prospectus or the Offer, or otherwise to permit a public offering of the Shares the subject of this Prospectus, in any place or jurisdiction outside Australia.

The distribution of this Prospectus (including in electronic form) in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares offered under this Prospectus, and you should consult your professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals or consents have been obtained.

This Prospectus (including in electronic form) may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the place or jurisdiction outside Australia and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable place or jurisdiction. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

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

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable US securities laws;
- (b) it is not in the United States;
- (c) it has not sent and will not send the Prospectus or any other material relating to the offer to any person in the United States; and
- (d) it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction which Shares are offered and sold.

6.20 Commissions Payable

No brokerage, commission or duty is payable by Applicants on an acquisition of Shares under the Offer. See Section 14.2 for details of various fees payable by the Company to the Lead Manager and by the Lead Manager to certain brokers. The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian Financial Services licensee in respect of applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.

6.21 Risk Factors

This Prospectus should be read in its entirety.

You should be aware that subscribing for Shares the subject of this Prospectus involves a number of risks. The key risks are set out in Part D of the Investment Overview in Section 5 and other risk factors are set out in Section 8. Potential investors are urged to consider those risks carefully and if necessary, consult their professional advisers before deciding whether to invest in the Company. The risk factors set out in Part D of the Investment Overview in Section 5 and Section 8, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company.

6.22 Restricted Securities

None of the Shares issued under the Offer will be subject to escrow.

However, generally, Securities on issue at the date of this Prospectus that were issued to promoters or Related Parties will be escrowed for a period of 24 months from the date of Quotation. It is expected that the Shares and Performance Securities issued to the Vendors or nominees under the Acquisition Agreements, and Shares and Options issued to or acquired by Related Parties will be escrowed for 24 months from the date of Quotation. It is also expected that a percentage of the Shares issued to non-Related Party Shareholders

who participated in the capital raising at \$0.08 per Share in November 2020 (prior to the date of this Prospectus) will be subject to a 12 month escrow for a portion of their Shareholdings. During the period in which these Securities are prohibited from being transferred, assigned or otherwise disposed of, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

As at the date of this Prospectus, the Company expects the following Securities to be subject to ASX imposed escrow:

- (a) 2,350,000 Shares issued to or acquired by Directors and Key Management Personnel – 24 months from date of Quotation;
- (b) Up to 20,500,000 Shares to be issued to the Vendors or nominees under the Acquisition Agreements – 24 months from the date of Quotation;
- (c) 8,500,000 Options issued to or acquired to Directors, Key Management Personnel and Consultants – 24 months from the date of Quotation;
- (d) 1,500,000 Options issued to the Lead Manager – 24 months from the date of Quotation-
- (e) 4,200,000 Shares issued to non-Related Party investors under a capital raising conducted by the Company in November 2020 – 12 months from the date of issue of such Shares; and
- (f) All of the Performance Securities to be issued to the Vendors under the Acquisition Agreement and up to 30,000,000 Shares issued under the Performance Securities, being the maximum number of Shares the Performance Securities can be converted into – 24 months from the date of Quotation.

The Company will announce to ASX details of the number and duration of the Shares, Options and Performance Securities that the ASX require to be held in escrow prior to the Shares commencing trading on the 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.

At Completion the Company expects that:

- (a) the Shares escrowed for 12 months will represent 6.8%, and
- (b) the Shares escrowed for 24 months will represent 37.1%,

of the Shares on issue at completion of the Offer.

6.23 Taxation

The acquisition and disposal of Shares will have tax consequences which will differ depending upon the individual financial affairs of each investor. You are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, the Lead Manager and each of their respective officers and advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

6.24 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the applicable Application Form to investors upon request and free of charge. Requests for a paper copy from Australian resident investors should be directed to the Share Registry on +61 89389 8033 for further details.

6.25 Withdrawal of Offer

The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).

6.26 Queries

This Prospectus provides information to assist potential investors to decide if they wish to invest in the Company and should be read in its entirety. If you have any questions about investing in the Company after reading this Prospectus, please contact your sharebroker, financial planner, accountant, lawyer or independent financial adviser. Enquiries from Australian resident investors relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to the Share Registry +61 89389 8033.

7. COMPANY AND PROJECT OVERVIEW

7.1 Background

The Company was incorporated on 29 October 2020 and Novarange was incorporated on 7 July 2016. After the Company exercises its option and completes its acquisition of a 70% interest in Novarange under the Acquisition Agreement, the Company's business will involve the exploration of and carrying out preliminary feasibility studies on, its exploration and mining tenements for (amongst other commodities) iron ore and Cu-Ni-PGE mineralisation, in Western Australia with a view for proposed development of mining of the ore.

Novarange owns 100% of the Yerecoin Project near New Norcia, Western Australia. Exploration activities carried out on the Project to date on the Project have defined significant JORC 2012 compliant magnetite resources within the Project (incorporating the main and south zones) totalling **247 Mt @ 29.9% Fe producing a 68.1% Fe concentrate (32.1% DTR)** (refer to Section 10 for the Independent Technical Assessment Report). A number of historical studies have also been completed and the potential for economic mining has been established.

The acquisition of a 70% interest in Novarange will be completed upon the Company's admission to the official list of the ASX.

The material terms and conditions of the Acquisition Agreement are summarised in Section 14.3.

7.2 Yerecoin Project

The Yerecoin Project is located approximately 120km to the northeast of Perth, Western Australian, around and between the wheatbelt towns of Yerecoin and Calingiri. The Project comprises two granted Exploration Licences, namely E70/2733-I and E70/2784-I, covering an area of 105.5km².

The Yerecoin Project lies within the Jimperding Metamorphic Belt on the western margin of the Archaean Yilgarn Craton. The Jimperding Metamorphic Belt is characterised by the association of banded iron formations, quartzite, biotite schist, and quartz-feldspar-biotite gneiss. It is margined by migmatites and enclosed by texturally variable granitoids. The metamorphic grade of the belt is variable, and generally increases progressively eastward from lower amphibolite to granulite facies and consists of a complex folded series of quartzites, with rare cross-bedding, and lenses of ultramafic rocks. Amphibolite and sillimanite schists are commonly found adjacent to the banded ironstones.

Exploration to date has focused on the two magnetite iron deposits within the Project, namely Yerecoin Main and Yerecoin South. These banded iron formation (**BIF**) deposits at Yerecoin were formed during the Archaean by sedimentary processes inter-depositing layers of chert and magnetite. The banding is diagnostic of the BIF units with the magnetite present in neat mesobands, blebby microbands, and less often in small coarse-grained patches.

To date, the Yerecoin Project has been tested by 119 reverse circulation (**RC**) drill holes and 54 diamond drill holes for a total of 24,046 metres of drilling. Metallurgical testwork has been completed on five samples from the Yerecoin Main deposit and the testwork demonstrated that a suitable quality



Figure 1: Yerecoin Project Location

concentrate could be produced at a grind size of 80% passing (P80) 106 µm. The concentrate product is characterised by high iron content (68% Fe), and low in phosphorus, alumina and other impurities, which means it could be positioned as a high-quality iron ore source to the steel making industry.

In 2014, Radar Iron Limited (now known as Weebit Nano Ltd) estimated a total combined JORC 2012 compliant Mineral Resource of 246.7Mt at an average grade of 29.9% Fe, with the capability of producing a concentrate at >68% Fe. Various studies have been completed by previous operators of the Tenements, under various production scenarios as well as evaluation of infrastructure solutions.

In addition to the development potential of the magnetite deposits at the Yerecoin Project (known as Yerecoin Main and Yerecoin South), the Ni-Cu-PGE exploration potential at Yerecoin has yet to have been evaluated. The Jimperding Metamorphic Belt is an emerging Ni-Cu-PGE province; with the recent discovery by Chalice Mining Limited's (Chalice, ASX:CHN) of their Julimar Nickel-Copper-PGE Project and the reappraisal of the Yarawindah Brook Ni-Cu-PGE mineralisation by Cassini Resources Limited (ASX:CZI now delisted) and Caspin Resources Limited (ASX:CPN), located some 20km to the west.

The recent Julimar Ni-Cu-PGE discovery and the associated increased activity within the Jimperding Metamorphic Belt led to the current Yerecoin Project holder, Novarange, conducting a review of the extensive Yerecoin database. This work highlighted the presence of an extensive, thick ultramafic intrusive sequence at the footwall position of the Yerecoin South magnetite deposit. Initial positive factors for the Ni-Cu-PGE potential of the Project include its location adjacent to Banded Iron Formation, evidence for crustal contamination and Ni depletion, the presence of Co bearing Ni sulphides and the scale of the intrusion.

Burley believes the geological setting and prospectivity of the Yerecoin Project is analogous to

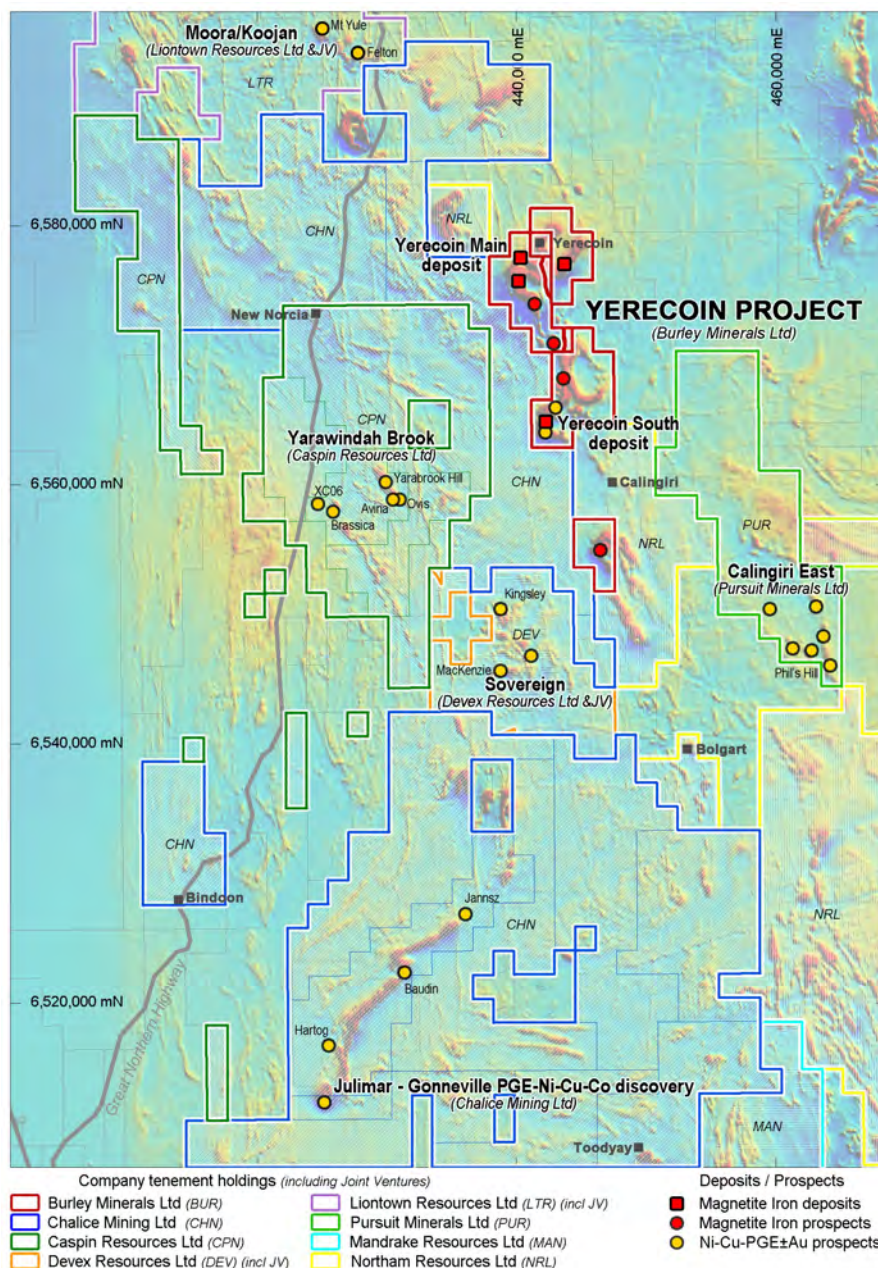


Figure 2: Burley's Yerecoin Project overlying airborne magnetics (RTP) in relation to Chalice Mining Limited's Julimar Project and Caspin Resources Limited's Yarawindah Brook Project.

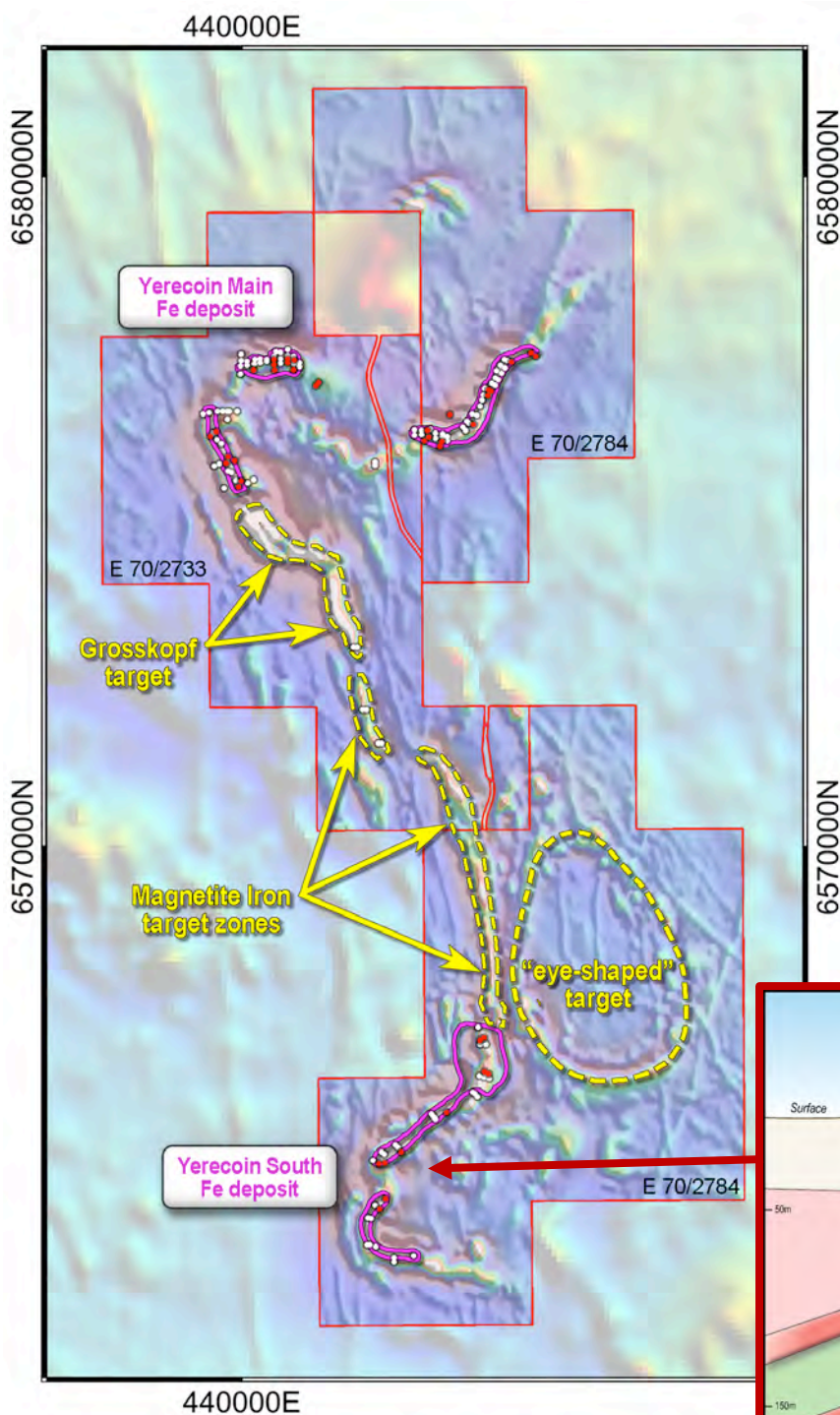
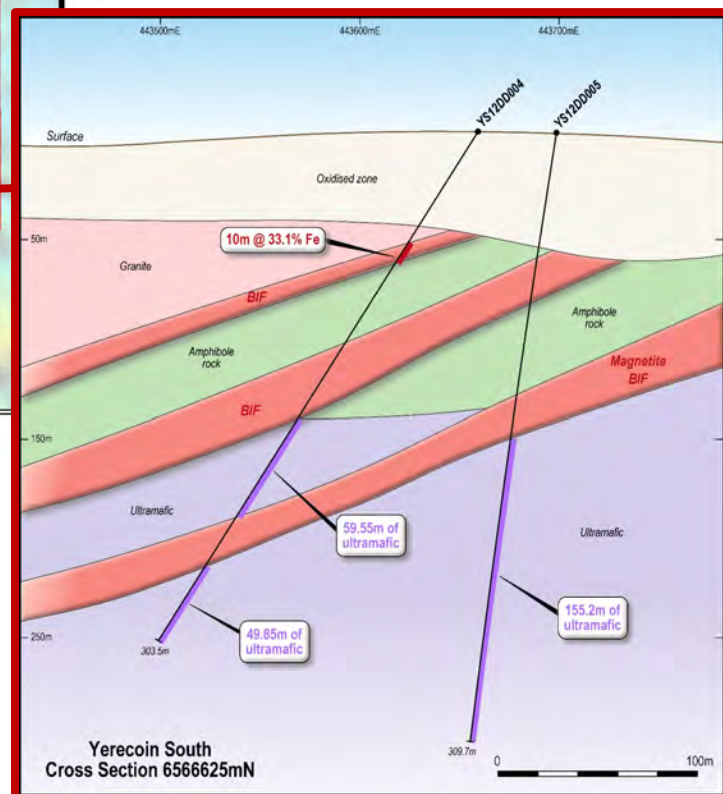


Figure 4: Yerecoin South - cross section 6566625mN showing ultramafic units



the Julimar discovery setting. Ultramafic rock units, with similarities to those encountered at the Julimar discovery (e.g. Iherzolite, harzburgite), have been identified in drill core obtained within the tenements and historical petrology work on diamond drill core identified cobalt-bearing nickel sulphide minerals such as pentlandite (Fe-Ni-S) and millerite (Ni-S).

Burley's exploration and development strategy is two-fold; with the main focus on evaluating and completing feasibility studies on the Yerecoin magnetite deposits, and the second focus on exploration of the prospective ultramafic rocks with the potential to host Ni-Cu-PGE mineralisation.

Figure 3: Yerecoin Project Magnetic (RTP) imagery illustrating, plan view representation of resource zones, exploration targets and cross section locations

In summary, the iron ore resources:

- Total approximately 247Mt high grade coarse grained magnetite;
- Are well located adjacent to existing rail infrastructure with excess capacity linking to ports and high voltage power;
- Have detailed metallurgical studies confirming a premium coarse-grained magnetite product as direct sinter plant feed;
- Produce a highly marketable product grading 68% Fe concentrate with favourable product specifications;
- Scoping studies completed and logistics & value engineering studies conducted by previous owners of the Project; and
- Several development options studied including large tonnage and smaller tonnage scenarios.

7.3 Overview of the Iron Ore and Ni-Cu-PGE Markets

The Directors believe this is a favourable time for the Company to be embarking on the Offer and Listing. Iron ore prices have risen to record highs during May 2021 on the back of increased world steel production induced by global government investment stimulus and continued Brazilian supply issues. Iron ore 62% Fines CFR closed at US\$216.50 per tonne as at 20 May 2021.

Copper has also rallied over the last year to hit an all-time high of \$10,724 per tonne on the London Metal Exchange on 10 May 2021, beating the previous record seen in February 2011. On 21 May 2021, the copper price was close to its all time highs at US\$10,086 per tonne.

Nickel prices have shown significant strength over the last year with the price being US\$17,047 per tonne as at 20 May 2021.

Precious metals prices have also shown strength over the past 3 years with platinum at US\$1,199 per ounce and palladium at US\$2,870 per ounce, respectively on 20 May 2021.

The Company is embarking on its exploration programmes with a view to the discovery of new supplies of Ni-Cu-PGE minerals at a time of rising battery minerals commodity prices.

Potential investors should note the commodity prices and exchange rates risks as a key risk to the Company as set out in Part D of Section 5 and Section 8.16.

7.4 Business Model

The Company is a highly speculative mineral exploration company.

The Company's immediate business plan upon successful completion of the Acquisition, Offer and Listing is two-fold, with the main focus on evaluating and completing feasibility studies on the Yerecoin magnetite deposits (Yerecoin Main and Yerecoin South), and the second focus on exploration of the prospective ultramafic rocks with the potential to host Ni-Cu-PGE mineralisation.

On completion of its immediate objectives, the Company's longer-term goals over the next two to four years following Listing are to:

- continue with exploration activities on the Tenements;
- complete further feasibility studies on the Project; and
- investigate logistic options for export of iron ore.

Refer to Section 10 (Independent Technical Assessment Report) and Section 13 (Solicitors' Report on Tenements) of this Prospectus for further and supplementary information in relation to the Yerecoin Project.

The Company also intends to continue to identify, evaluate and, if warranted, acquire additional resource projects and assets in Australia and/or overseas if the Board considers that they have the potential to add Shareholder value. The Company will consider acquiring these additional interests by way of direct project acquisition, farm in, joint venture or direct equity in the project owners, and may include minerals or prospectivity for minerals other than iron ore, copper, nickel and platinum group elements.

Over the medium to long term the Company's objective is to develop mining operations on its projects. Continuing work programmes and developing the projects will be subject to initial results and funds may be diverted to other prospective existing or additional projects if the Board considers it to be warranted. In the medium to long term the Company also intends to continue to identify and evaluate potential additional resource projects and assets in Australia and/or overseas.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.

7.5 Exploration Work Programmes and Budgets

The proposed work programme and exploration budget for the Project is set out in the Independent Technical Assessment Report in Section 10 and the table below. and reflects the initial focus for the Company upon a successful completion of the Offer and Listing.

In summary, the first phase of exploration at the Project will include conducting the following programs for the Yerecoin magnetite deposits:

- RC/diamond drilling to upgrade the JORC Code Inferred Resources that are likely to have the potential to be upgraded to JORC Code Indicated Resources, and therefore provide a larger resource base for feasibility studies.
- Metallurgical testwork on existing and future drill core obtained from various parts of the Yerecoin Main and Yerecoin South deposits, to provide suitable samples for variability testwork, process options;
- Feasibility studies with the aim of defining Ore Reserves in accordance with the JORC Code and life of mine plan; and
- The Company intends to complete a preliminary feasibility study on the Project within 18 months of Listing.

In conjunction with the above work program on the magnetite, the Company will assess the existing drill core that intercepted the ultramafic rocks as well as the other unexplored magnetic rocks underlying the project. Burley is proposing to further evaluate the potential for the ultramafic rocks to host economic concentrations of Ni-Cu-PGE mineralisation, including (but not limited to) geophysics (e.g. airborne electromagnetic surveys), regolith mapping, soil geochemistry, RC drilling and Diamond drilling and petrology.

The Directors estimate expenditure for the first two years of operations for the Project to complete the proposed preliminary program will be approximately \$1,871,700 (year 1) and \$1,321,850 (year 2) for a total of \$3,193,550 (see table below).

The suggested work to be undertaken on the Yerecoin Project will take place in multiple phases and will be subject to review based on results, interpretations, development of exploration targets and models and target prioritisation. This is an iterative process and will be driven by a number of factors including success of prior stages of exploration. As such, some flexibility in changes to the programmes and budgetary requirements will be required as results are received.

The proposed budget for the Project for the first two years after Listing is considered reasonable for the first two years after Listing consistent with the Company's stated objectives in this Prospectus and exploration is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of mineralisation.

Summary of proposed use of funds

| | Year 1 | Year 2 | TOTAL |
|---------------------------------------|--------------------|--------------------|--------------------|
| YERECOAIN MAGNETITE | | | |
| Mapping/Geochemistry | \$67,500 | \$19,800 | \$87,300 |
| Drilling (RC & DD) | \$622,800 | \$264,600 | \$887,400 |
| Feasibility Studies (incl metallurgy) | \$429,300 | \$247,500 | \$676,800 |
| Geologists / Field Staff | \$168,300 | \$111,600 | \$279,900 |
| Land access, Rent & Rates | \$172,800 | \$162,000 | \$334,800 |
| Sub-Total | \$1,460,700 | \$805,500 | \$2,266,200 |
| YERECOAIN NI-CU-PGE | | | |
| Mapping/Geochemistry | \$39,950 | \$31,450 | \$71,400 |
| Geophysics | \$105,000 | \$35,000 | \$140,000 |
| Drilling (RC & DD) | \$159,800 | \$353,000 | \$512,800 |
| Geologists / Field Staff | \$106,250 | \$96,900 | \$203,150 |
| Sub-Total | \$411,000 | \$516,350 | \$927,350 |
| TOTAL | \$1,871,700 | \$1,321,850 | \$3,193,550 |

The Company proposes to fund its intended Project activities as outlined in the tables above from the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken. This will involve an ongoing assessment of the Company's project interests and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. Subject to the above, the expenditure set out above is proposed.

7.6 Financial Information

Having been incorporated on 29 October 2020, the Company does not have any operating history on which an evaluation of its prospects can be made and has limited historical financial performance. The Company will only commence its own detailed exploration activities on its Tenements upon completion of the Offer and completion of the acquisition of a 70% interest in Novarange under the Acquisition Agreement. Accordingly the Company is not able to disclose any key financial ratios.

Historical financial information of the Company is included in the Independent Limited Assurance Report contained in Section 11. Potential investors should read this report in full. The audited reviewed financial statements for the Company for the period from incorporation to 31 March 2021 were signed on 20 May 2021. The Company will give a copy of these statements to any person who requests one during the Offer Period, free of charge.

7.7 Dividend Policy

The Company has not declared a dividend since its incorporation and, at the date of this Prospectus, does not expect to pay any dividends in the two- year period following the date of this Prospectus. During this period the Board expects to incur significant expenditure on the exploration and development of the Project and in identifying, evaluating and, if warranted, acquiring other resource projects or assets in Australia and/or overseas that have the potential to add Shareholder value. The extent, timing and payment of dividends by the Company in the future will be at the discretion of the Directors and will depend on a number of factors including future earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered

relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

7.8 Additional Information

Potential investors should refer and read in their entirety the following reports included in this Prospectus:

- (a) the Independent Technical Assessment Report in Section 10 for further details about the geology, location and mineral potential of the Yerecoin Project;
- (b) the Independent Limited Assurance Report in Section 11 for further details in respect Company's financial history;
- (c) the Independent Expert's Report on the Performance Securities to be issued for the Acquisition under the Acquisition Agreement in Section 12 for further details in respect to the Company's interests in the Claims; and
- (d) the Solicitors' Report on Tenements in Section 13 for further details in respect for further details in respect to the Company's interests in the Tenements.

8. RISK FACTORS

8.1 Introduction

Subscribing for Shares involves a number of risks. Prospective investors in the Company should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for the Shares offered under this Prospectus.

Burley is an exploration company and you should consider that an investment in the Company is highly speculative. You should consult your professional advisers before deciding whether to apply for Shares offered under this Prospectus.

The risk factors set out below and others not specifically referred to below must not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

These risk factors may materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Accordingly the Shares offered under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Some risks can be mitigated by the use of appropriate safeguards and appropriate systems and controls by the Company, however some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited or not possible.

None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares the subject of the Offer or the market price at which the Shares will trade.

KEY RISKS SPECIFIC TO THE COMPANY

The key risks which the Directors consider are associated with an investment in the Company are:

8.2 Exploration Costs Risk

The exploration costs of the Company (summarised in Section 6.13) are based on certain assumptions with respect to the method and timing of exploration. By their nature these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's operating and financial performance and the value of the Shares.

8.3 Title Risk

The Company's title to its tenements will require the Company to continue to comply with conditions of grant. The Company may lose title to, or interests in, its tenements (including at the Yerecoin Project), including (for example) if the conditions to which those tenements are subject are not satisfied, if a third party fails to fulfil its obligations under a relevant agreement in relation to those tenements, if any necessary third party contractual consents to transfers of those tenements are not able to be obtained or the obligation to obtain them waived, or if insufficient funds are available to meet expenditure commitments on the tenements. In the jurisdictions in which the Company operates or will operate in the future, both the conduct of operations and the steps involved in acquiring title to, or interests in, tenements involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements, nor is it always clear whether requirements have been properly completed, or possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken or cause loss of title to tenure.

Further, tenements, once granted, are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority and may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. There is a risk that Tenements may not be renewed or that any additional tenements applied for from time to time by the Company may not be granted. Both of the Tenements which comprise the Yerecoin Project expire within 12 months of the date of this Prospectus. Novarange will need to obtain a renewal of those Tenements or apply to have all or part of the Project area converted to mining leases to maintain its Project tenure. There can be no guarantee that such renewal or conversion will be approved. If Novarange is unable to secure the renewal or conversion of one or both of the Tenements which will impact its exploration plans for the Project and may adversely impact the Company and/or the value of Shares.

8.4 Exploration and Appraisal Risk

Exploration is a high-risk undertaking. The Company does not give any assurance that exploration of the Project or any future projects the Company may acquire an interest in will result in exploration success. Exploration programmes may or may not be successful, may cause harm to employees or contractors, and may incur cost overruns if not carefully managed. There is a significant risk for the Company of the proposed exploration activity being unsuccessful and not resulting in the discovery of a viable mineral resource. Mineral exploration by its nature is a high-risk activity and there can be no guarantee of success in the project areas where the Company holds interests in tenements. Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.

The Company is engaged in early-stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all. Whether positive income flows ultimately result from exploration and development expenditure incurred by the Company is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

8.5 Nature of Mineral Exploration and Mining

The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond the Company's control. There can be no assurances that exploration and development at the Project, or any other projects in which the Company may acquire an interest in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its tenements.

8.6 No Profit to Date and Limited Operating History

Having been incorporated on 29 October 2020, the Company has limited operating history. The Company has incurred operating losses since its incorporation and does not have a significant history of business operations. It is therefore not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Yerecoin Project, or any tenements which are subsequently applied for or acquired by the Company. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. There can be no certainty that the Company will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

8.7 Contractual Risk

The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company. The operations of the Company also require the involvement of a number of third parties, including consultants, contractors and suppliers. For example, the Company relies on third parties to perform contractual obligations, such as pursuant to the Acquisition Agreement and Shareholders Agreement. There are risks of non-performance or breach by counterparties or by the Company (or its subsidiaries) in relation to contractual obligations and the possibility of future disputes, any of which may adversely impact the Company and the value of Shares. Financial failure, default or contractual non-compliance on the part of third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict, or protect the Company against, all such risks.

As at the date of this Prospectus, Burley will not acquire an interest in the Project (by way of obtaining an interest in Novarange) until all of the relevant conditions precedent in the Acquisition Agreement have been satisfied, which includes Burley receiving conditional approval for its admission to the Official List. As such Burley has not yet acquired an interest in Novarange, which 100% owns the Yerecoin Project, as at the date of this Prospectus. Burley is not the registered owner of the Tenements comprising the Project, details of which are set out in Section 7 and the Solicitors' Report on Tenements in Section 10, which will continue to be held by Novarange, the total issued capital of which the Company will acquire a 70% interest in, under the Acquisition Agreement. The Acquisition Agreement must be lodged with the Western Australian Office of State Revenue for the assessment of duty and stamping.

The Company's ability to achieve its objectives and maintain its interest in the Project and the Tenements, and in any tenements in which Burley may acquire an interest in the future, is dependent upon it (or where Burley is not the registered owner of those tenements, the holder of the relevant tenements) complying with all the terms and conditions of the Tenements or of the future tenements it may acquire and any other relevant legislation. Any failure to comply with these obligations may result in the Company not being able to maintain an interest in the Tenements which may have a material adverse effect on the Company's operations and performance and the value of the Shares.

The Company has no current reason to believe that the registered owner of the Yerecoin Project, and the Vendors, will not meet and satisfy their obligations under the Acquisition Agreement or the Shareholders Agreement.

8.8 Operational Risks

The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration, development or mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated

metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company.

8.9 Land Access Risk

The Tenements overlie private land. The Company requires access agreements to be agreed and executed with respective landowners in order to perform work on the Tenements. Inability to agree on an access agreement with a landowner on a Tenement will inhibit the Company's ability to execute its exploration program, or delay the timing of the Company's exploration program. Novarange has agreed to be bound by access agreements entered into by previous owners of the Tenements. However, in the event that access is not obtainable at any particular location, the Company will redirect exploration expenditures to areas where access is available.

8.10 Native Title and Aboriginal Heritage Risk

The Tenements are subject to native title and may be subject to future native title applications. This may preclude or delay granting of exploration and mining tenements or the ability of the Company to explore, develop and/or commercialise the Tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation agreements reached in settling native title claims lodged over any of the mining tenements held or acquired by the Company.

In addition, determined native title holders may seek compensation under the Native Title Act for the impacts of acts affecting native title rights and interests after the commencement of the *Racial Discrimination Act 1975* (Cth) on 31 October 1975.

The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the Mining Act onto mining tenement holders pursuant to section 125A of the Mining Act. Outstanding compensation liability will lie with the current holder of the Tenements at the time of any award of compensation pursuant to section 125A of the Mining Act or, in the event there is no holder at that time, the immediate past holder of the relevant Tenement(s).

Compensation liability may be determined by the Federal Court or settled by agreement with native title holders, including through ILUAs (which have statutory force) and common law agreements (which do not have statutory force). At this stage, the Company is not able to quantify any potential compensation payments, if any.

The presence of Aboriginal sacred sites and cultural heritage artefacts on the Tenements is protected by Western Australian and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and court injunctions. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for the Company in obtaining clearances. However, in the event that access is not obtainable at any particular location, the Company will redirect exploration expenditures to areas of the Projects where access is available.

8.11 Equity Market Conditions

Shares listed on ASX, or any other securities market, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Shares regardless of the Company's operating performance.

8.12 Environmental Risks

The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever-present risk. The operations and proposed activities of the Company are subject to State and Federal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities. As with most exploration operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to an appropriate standard of environmental obligation, including in compliance in all material respects with relevant environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability. The cost and complexity in complying with the applicable environmental laws and regulations may affect the viability of potential developments of the Company's projects, and consequently the value of those projects, and the value of the Company's assets. It may be required for the Company to conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised wherever possible. Whilst the Company is not aware of any endangered species of flora or fauna at this point, only limited studies have been done to date, and such a discovery could prevent exploration and mining activity in certain areas.

8.13 Climate Change Risks

The activities and operations of the Company are subject to laws and regulations (and any changes to them) related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on the mining industry that may adversely impact on the Company, its financial performance and the value of Shares. There can be no guarantee that the Company will not be impacted by these matters. Climate change may also cause certain physical or environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifts in climate patterns. All of these risks associated with climate change may significantly change the mining industry in which the Company operates.

8.14 Reliance on Key Personnel

The Company's key personnel consists of two non-executive Directors, a Managing Director and a Company Secretary. Responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel leave the Company.

8.15 Future Capital Requirements

Mineral exploration companies do not generally generate cash revenue. Accordingly, the Company may be required to raise new equity capital or access debt funding. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company to explore and develop the Yerecoin Project or otherwise for the Company to undertake its business. No assurance can be given that the Company will be able to procure sufficient funding at the relevant times on terms acceptable to it. Any additional equity financing will dilute the holdings of the existing Shareholders at that time, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on favourable terms.

8.16 Commodity Prices and Exchange Rates Risks

Commodity prices (including Iron Ore, Copper, Nickel and PGE) are influenced by physical and investment demand. Fluctuations in commodity prices relevant to the Company may influence the exploration and development activity of the Company. If the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale

of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Fluctuating commodity prices may impact the Company's project development plans and activities, including its ability to fund those activities. The Company cannot provide any assurance as to the prices it will achieve for any mineral commodities it produces (if any). Any substantial decline in the price of those commodities or substantial rise in transport or distribution costs may have a material adverse effect on the Company and the value of the Shares. Furthermore, international prices of various commodities are denominated in United States dollars, whereas the capital raising pursuant to the Offer and expenditure of the Company are, and will be, taken into account in Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

8.17 No Dividends

The Company has never paid a dividend and does not currently intend to pay any dividends while it has no income. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. Furthermore, the Company may be subject to contractual restrictions on, or prohibitions against, the payment of dividends from time to time.

8.18 Regulation Risk

Adverse changes in Western Australian or Commonwealth government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, state border access and mining and exploration activities of the Company. The current system of exploration and mining permitted in Western Australia may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for the Company and may have an adverse effect on the Company's business, results, financial condition and prospects.

8.19 Litigation Risk

Legal proceedings may arise from time to time in the course of the Company's activities from parties such as suppliers, native title parties, pastoralists and other landholders, contractors, joint venture parties, customers, regulatory agencies, environmental groups and/or investors. There have been a number of cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Directors cannot preclude that such litigation may be brought against the Company or one of its subsidiaries in the future from time to time.

8.20 New Projects and Acquisitions Risk

The Company may make acquisitions in the future as part of future growth plans (although no such new projects have been identified as at the date of this Prospectus). There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in the use of the Company's cash resources and/or the issuance of equity securities, which will dilute Share holdings.

8.21 Liquidity Risk

A portion of the current Shares on issue prior to the completion of the Offer (which current Shares constitutes approximately 18% of the total Shares on issue on completion of the Offer on an undiluted basis) are likely to be classified as restricted securities by the ASX and therefore be escrowed. The Company expects that there will be 4,200,000 Shares at completion of the Offer that will be subject to escrow for a period of 12 months from the date of issue of those Shares, being 11 November 2020, and 22,850,000 Shares that will be escrowed for 24 months from the date of Quotation. On an undiluted basis at Completion,

the Shares escrowed for 12 months will represent 6.8% of the total Shares on issue and the Shares that will be escrowed for 24 months from the date of Quotation will represent 37.1% of the total Shares on issue.

This may cause a liquidity risk for the Shares given a large percentage of the Shares may not be traded for up to 24 months from Quotation. Furthermore, there is no guarantee that there will be an ongoing liquid market for Shares.

8.22 COVID-19 Risks

The global economic outlook is facing continuing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. The likelihood and severity of any potential impacts are however very difficult to predict. To date, the COVID-19 pandemic has not had any impact on the Company's operations, however, any infections on site or otherwise affecting the Company could result in delays or suspensions of the Company's operations. Governmental measures in Australia and overseas to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations.

8.23 Dilution Risk from Options and Performance Securities

There will be 10,000,000 Options on issue at Completion as well as Performance Securities on issue at Completion that could convert into up to 30,000,000 Shares on a fully diluted basis. This would mean the Shares offered under this Prospectus at Completion would represent only 29.6% of the fully diluted Shares on issue at Completion rather than 48.8% on an undiluted basis at Completion. **Potential investors should consider this dilution risk before deciding whether to invest in Company.**

GENERAL RISKS

The general risks which the Directors consider are associated with an investment in the Company are:

8.24 Commercial Risk

The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered by the Company on the Project, or future projects it may acquire an interest in, a profitable market will exist for sales of such minerals. There can be no assurance that the quality of any such minerals will be such that they can be mined economically.

8.25 Insurance Risks

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

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 or not adequate to cover all claims.

8.26 Access to Infrastructure

If the Company progresses to production there is no guarantee that appropriate and affordable road, rail and or port capacity will be available, which could have an adverse effect on the Company. In the event of production the Company will also require the use of both power and water infrastructure. In the event that there is high demand for and limited access to power and water access there is a risk that the Company may not be able to procure such access which could have an adverse effect on the Company.

8.27 General Economic Conditions

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect. Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company and on the Company's exploration, development and possible production activities, as well as on its ability to fund those activities both in Australia and overseas. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but not are but not limited to:

- (a) general economic conditions;
- (b) the general level of activity within the resources industry.
- (c) changes in/introduction of Government policies, taxation and other laws;
- (d) the strength of the equity and share markets in Australia and throughout the world;
- (e) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (f) industrial disputes in Australia and overseas;
- (g) changes in investor sentiment toward particular market sectors;
- (h) increases in expenses (including the cost of goods and services used by the Company);
- (i) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (j) natural disasters, social upheaval or war.

8.28 Share 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:

- (a) general economic outlook;
- (b) the introduction of tax reform or other new legislation (such as royalties);
- (c) interest rates and inflation rates;
- (d) currency fluctuations;
- (e) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the exploration industry or iron ore, copper, nickel and/or platinum group elements sector within that industry);
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular, which influences are beyond the Company's control and which are unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company or the Shares and subsequently any return on an

investment in the Company. Shareholders who decide to sell their Shares after the Listing Date may not receive the entire amount of their original investment.

8.29 Volatility in Global Credit and Investment Markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

8.30 Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been considered in this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

8.31 Accounting Standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

8.32 Taxation Risk

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers, and its advisers accept no liability or responsibility with respect to any tax consequences of applying for or being allotted, Shares offered under this Prospectus.

9. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

9.1 Directors

Gary Powell B App Sci (Geology), AIG, AusIMM

Chief Executive Officer and Managing Director

Mr Powell was appointed to the Board of Directors upon incorporation on 29 October 2020.

Mr Powell is an experienced geologist and mining executive with more than 35 years' extensive experience in the mineral resources industry, ranging from grass roots exploration, feasibility studies and mining operations.

Mr Powell is a member of the Australian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists and has worked for various companies with properties in Australia, Southeast Asia and Central Asia. Early successes include leading the team in the discovery of the Genesis and New Holland gold deposits in the early 1990s, which mines are currently operated by Gold Fields' Agnew operations.

Mr Powell was a co-founder and director of LSE: AIM listed company Metals Exploration plc, overseeing the development of the Runruno Gold Project located in the Philippines from exploration through to successful completion of a scoping study and is now an operating mine. Since 2010, Mr Powell was a non-executive director of Medusa Mining Ltd and more recently a non-executive director of Strickland Resources Ltd. Until recently, he provided business development services to ASX listed Red 5 Ltd which is in the process of developing the large +4Mtpa King of the Hills gold mine in the Eastern Goldfields of WA.

Mr Powell does not expect that his roles with other companies or other business activities will interfere with his ability to act as Managing Director.

Mr Bryan Dixon BCom CA AGIA ACG

Non-Executive Chairman

Mr Dixon has over 20 years' experience in the mining sector and was Managing Director of Blackham Resources Ltd (now Wiluna Mining Corporation Ltd), a West Australian Gold Producer, until May 2019. Mr Dixon has extensive experience in the management of public listed companies, emerging resource companies and has been employed by an international accounting firm, Resolute Limited, and Archipelago Resources Plc. Mr Dixon specialises in mergers and acquisitions, feasibility, development, financing and operations of mining projects.

Mr Dixon is a Member both of the Governance Institute of Australia and the Institute of Chartered Accountants, has been with the Company since incorporation on 29 October 2020 and was appointed to the Board of Directors on 1 April 2021.

Mr Dixon does not expect that his roles with other companies or other business activities will interfere with his ability to act as Non-Executive Chairman.

Jeffrey Brill BEng (Hons)

Non-Executive Director

Mr Brill was appointed to the Board of Directors upon incorporation on 29 October 2020.

Mr Brill is a project manager well experienced in the mining and oil & gas sectors having executed projects in remote locations and operated in a variety of roles including Project Manager, Project Engineer, General Manager and Managing Director. Mr Brill has built project teams from the ground up to successfully execute a variety of projects and is an owner of engineering consultancy Avora Pty Ltd and environmental consultancy Ecologia Environmental Consultants Pty Ltd.

Mr Brill was previously Managing Director of Engenium, where he delivered numerous studies, project management, detailed design engineering and full EPCM services to the mining industry. Engenium's client list included Atlas Iron and BC Iron as they fast-tracked themselves into production, as well as blue chip miners including BHP, Rio Tinto and FMG.

Mr Brill does not expect that his roles with other companies or other business activities will interfere with his ability to act as Non-Executive Director.

9.2 Company Secretary

Lisa Wynne BBus CAANZ FGIA ACG

Ms Wynne has a Bachelor Business and is a Fellow of the Governance Institute of Australia and a Member of the Institute of Chartered Accountants. Her experience includes over 15 years of board level experience across the commercial sector with a particular focus on the finance, accounting, corporate services, technology, and resources industries across ASX and TSX listed companies. Her background includes roles as a Non-Executive Director for Dempsey Minerals Limited responsible for strategic governance and operational planning, and as Director and Owner of Blue Horse Corporate and Sila Consulting.

9.3 Disclosure of Directors' Interests

Directors are not required under the Constitution to hold any Securities. As at the date of this Prospectus and as at Completion, the Directors have Relevant Interests in Securities as follows:

| Director | No. of Shares ⁴ | No. of Options \$0.30 exercise price ⁵ | No. of Options \$0.45 exercise price ⁵ | Percentage of Shares Held at Date of Prospectus | Percentage of Shares Held at Completion |
|----------------------------|----------------------------|---|---|---|---|
| Gary Powell ¹ | 1,144,532 | 2,250,000 | 2,000,000 | 10.4% | 1.9% |
| Bryan Dixon ² | 932,422 | 2,000,000 | Nil | 8.5% | 1.5% |
| Jeffrey Brill ³ | 594,531 | 1,250,000 | Nil | 5.4% | 1.0% |

¹ Mr Gary Powell directly holds Shares and Options. Mr Powell holds 2,250,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission and 2,000,000 Options exercisable at \$0.45 per Share on or before the date that is three (3) years from Admission. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

² Mr Bryan Dixon holds Shares and Options through Warrior Strategic Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as trustee for the Warrior Strategic Trust and Shares in the Company through Warrior Finance Pty Ltd, an entity in which Mr Dixon is a director and shareholder, as for trustee of the Warrior Super Fund. The Options are exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

³ Mr Jeffrey Brill holds Shares and Options as trustee for the Minx Super Fund. The Options are exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. Refer to Section 9.5 for the number and allocation of Shares and Options issued as remuneration to, or subscribed for or acquired by, each Director or their associated entity.

⁴ Refer to section 15.5(a) for a summary of the material rights and liabilities attaching to Shares.

⁵ Refer to Section 15.5(b) for the terms and conditions of the Options.

The above table assumes that no existing Director or any associate subscribes for and is allotted additional Shares pursuant to the Offer and that none of the Options will have been exercised at completion of the Offer.

Former Director, Mr George Bauk (who resigned from office on 23 April 2021), or his associated entity currently holds 244,531 Shares and 250,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. 500,000 Shares and 1,000,000 Options were issued to him as part of his Non-Executive Directors' Agreement and 144,531 Shares subscribed for in capital raisings undertaken by the Company prior to

the date of this Prospectus, on terms identical to other Shareholders who participated in those capital raisings. During April 2021, Mr Bauk's associated entity sold 400,000 Shares and 750,000 Options to the current Directors.

9.4 Director Disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years, which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

9.5 Agreements with Directors or other Related Parties

Details of agreements between the Company and related parties of the Company are set out below. The Board considers that the agreements between the Company and each Director under which the Directors or their associated entities receive remuneration including Shares and Options for their services to the Company as an officer, employee or consultant did not require Shareholder approval as such remuneration is reasonable in the parties' circumstances in accordance with section 211 of the Corporations Act. Shareholder approval was not sought prior to entering into the agreements with the related parties of the Company as the Board considered that the benefits under the agreements were reasonable in the circumstances if the parties were dealing at arms' length in accordance with section 210 of the Corporations Act. Each Director is also entitled to reimbursement for reasonable expenses properly incurred whilst undertaking their respective duties. Directors are subject to the provisions of the Constitution relating to retirement by rotation and re-election of directors.

A part of the Directors' holdings of Securities were issued to them as part of their remuneration agreements as set out below. In addition, each Director applied for and was issued or acquired Shares in capital raisings conducted by the Company prior to the date of this Prospectus in November 2020 and April 2021 by the placement of Shares at \$0.08 and \$0.16 per Share respectively. The Shares were subscribed for and issued or acquired by the Directors on terms identical to other Shareholders who participated in those capital raisings. Accordingly, the Board considered that the issue of the Shares to Directors would be reasonable in the circumstances if the parties were dealing at arms' length in accordance with section 210 of the Corporations Act. Each Director acquired 250,000 Options (exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission), and both Mr Dixon and Mr Brill's associated entities acquired 200,000 Shares each from former Director, Mr George Bauk, during April 2021. Refer to this Section 9.5 below for further details of Directors' interests. Please refer to Section 15.2(a) for a summary of the material rights and liabilities attaching to Shares and Section 15.2(b) for the full terms and conditions of the Options.

The Board considers there are no additional risks to the Company as a result of the Director and related party agreements described in this Section 9.5.

The Company has a Code of Conduct it observes when entering into related party transactions, a summary of which is set out in Section 9.6(e). The Company's policy in respect of related party arrangements is:

- take all reasonable steps to avoid actual, potential or perceived conflicts of interest;
- disclose any conflicts of interest which may exist or might reasonably be thought to exist to the Chairman or Company Secretary; and
- abstain from participating in any discussion or voting on matters in which they have a material personal interest, except as permitted by the Constitution of the Company or by the Corporations Act.

CEO and Managing Director Executive Agreement

The Company has entered into an agreement with Mr Gary Powell with respect to his position as Chief Executive Officer and Managing Director of the Company (**Executive Agreement**). The Agreement will commence on the date of Listing.

The Executive Agreement contains terms and conditions considered standard for an agreement of this nature. The material terms and conditions of the Executive Agreement are as follows:

- (a) Mr Powell will be responsible for performing all duties consistent with those of a Chief Executive Officer and Managing Director of a publicly listed company.
- (b) Mr Powell's annual remuneration package under the Executive Agreement is \$250,000 (excluding GST and inclusive of mandatory superannuation contributions). In addition Mr Powell is entitled to and has been issued the following Shares and Options:
 - 1,000,000 Shares;
 - 2,000,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission; and
 - 2,000,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission.
- (c) The Company will review the remuneration payable to Mr Powell under the Executive Agreement on a six monthly basis.
- (d) There are express provisions protecting the Company's confidential information and intellectual property;
- (e) Mr Powell may terminate the Executive Agreement by providing:
 - written notice of one month to the Company if the Company is subject to a takeover bid made under Chapter 6 or a scheme of arrangement under Part 5.1 of the Corporations Act;
 - by giving the Company not less than two (2) weeks' prior written notice at any time within the six (6) month period following the occurrence of a material diminution in duties, upon such termination, be entitled to payment in lieu of six months' notice, subject always to any applicable laws including any limitations under the Corporations Act or the Listing Rules of ASX; or
 - otherwise, written notice of three months to the Company.
- (f) The Company may terminate the Executive Agreement by as follows:
 - (i) If Burley provides notice within three months of a change in control, a six month notice period will apply, subject always to any applicable laws including any limitations under the Corporations Act 2001 (Cth) ("Corporations Act") or the Listing Rules of ASX;
 - (ii) Without notice or payment in lieu of notice if Mr Powell engages in any conduct that warrants summary dismissal by the Company pursuant to the terms and conditions of the Executive Agreement; or
 - (iii) Otherwise, written notice of three months or payment in lieu to Mr Powell.

Non-Executive Director Agreements

The Company has entered into agreements with each of Mr Bryan Dixon (as Non-Executive Chairman) and Mr Jeffrey Brill (as Non-Executive Director) (each a **Non-Executive Director**), in relation to their provision of services to the Company (**Non-Executive Director Agreements**). The Non-Executive Director Agreements contain terms and conditions considered standard for agreements of this nature, including in relation to confidential information, intellectual property and disclosure of interests.

An annual fee inclusive of mandatory superannuation contributions but excluding GST will be paid to each of the Non-Executive Directors as follows:

- 30,000 per annum payable to Mr Dixon from 1 April 2021 increasing to \$70,000 per annum from the Listing Date; and
- \$20,000 per annum from 1 December 2020 payable to Mr Brill increasing to \$40,000 per annum from the Listing Date.

In addition the Non-Executive Directors are entitled to and have been issued the following Shares, Options and one off fees:

- Mr Brill - 250,000 Shares and 1,000,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission.
- Mr Dixon - a fee of \$50,000 plus GST to be paid three (3) months after the Listing Date. An associated entity of Mr Dixon, Warrior, is entitled to and has been issued, as partial payment for services, 2,500,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission.

No additional retirement or termination payment will be made on termination of the Non-Executive Director Agreements.

In the 24 months preceding the date of this Prospectus, former Director Mr George Bauk or his associated entities has received Director fees of \$7,500 including mandatory superannuation contributions.

Consultancy Agreement

In November 2020, the Company engaged Warrior Strategic Pty Ltd (**Warrior**) an associated entity of Director, Mr Bryan Dixon, to provide company secretarial, financial and investor relations services to the Company (**Consultancy Agreement**). Warrior provides consulting services to junior exploration and mining companies. For these services the Company has agreed to pay a total of \$65,000 until the end of February 2021 and thereafter a fee of \$5,000 per month. Additional fees may be charged by Warrior to the Company for any additional services at normal commercial rates. Company Secretary, Ms Lisa Wynne, provides company secretarial services to the Company under this Consultancy Agreement.

The Company or Warrior may terminate the engagement on one month's written notice.

Under its engagement by the Company, Warrior (or its nominees) is entitled to and has been issued, as partial payment for services provided, 2,500,000 Options exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission.

The Company agrees not to make any claim against Warrior or its directors, employees or agents arising out of the Consultancy Agreement (except where arising from gross negligence or wilful misconduct) and indemnifies Warrior for losses suffered in carrying out the Consultancy Agreement (except where there has been gross negligence or wilful misconduct).

Directors' and Officers' indemnity, insurance and access deeds

The Company has entered into an indemnity, insurance and access deed (**Deed**) with each Director and the Company Secretary under which the Company indemnifies each Director and the Company Secretary to the extent permitted by law against any liability arising as a result of the Director or the Company Secretary acting in their capacity as an officer of the Company (**Officer**). Until the later of seven (7) years after the date the Officer ceases to be an Officer or the date all claims commenced before that seven (7) year period have been finally resolved and no appeal is possible (**Access Period**) the Company must maintain insurance policies insuring the Directors against liability incurred in connection with their office to the maximum extent permitted by law on terms considered reasonable by the Company. During the Access Period the Company must maintain and provide the Officer with access to certain documents.

Shareholder approval was not sought prior to entering into each Deed as the Board considered that the Deed confers benefits that are reasonable in the circumstances of the parties in accordance with section 211 of the Corporations Act. The Board considers that there are no additional risks to the Company as a result of each Deed.

The Deed also contains additional provisions which are considered usual in agreements of this type.

Directors' Deeds of Notifiable Interests

The Company must disclose to ASX at certain times details of Directors' interests in Securities and in contracts relevant to Securities. The Company is also obliged to make arrangements with its Directors to ensure that Directors disclose to it all relevant information in a timely manner. The Company has entered into a Deed of Notifiable Interests with each of the Directors under which each of the Directors agree to provide such information to the Company in a timely manner.

9.6 Corporate Governance

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company. The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Board has adopted the corporate governance policies summarised below. Copies of the policies are available in full on the Company's website at www.burleyminerals.com.au. As the Company's activities increase in size, scope and/or nature, the Company's corporate governance policies will be reviewed by the Board and amended as appropriate.

(a) Board of Directors

To the extent they are appropriate, having regard to the Company's circumstances, the Company has adopted the *Corporate Governance Principles and Recommendations (4th Edition)* as published by the ASX Corporate Governance Council (**Recommendations**).

The responsibilities of the Board include:

- protection and enhancement of Shareholder value;
- formulation, review and approval of the objectives and strategic direction of the Company;
- monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results;
- approving all significant business transactions including acquisitions, divestments and capital expenditure;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of executive Directors and key staff;
- the establishment and maintenance of appropriate ethical standards; and
- evaluating and, where appropriate, adopting with or without modification the Corporate Governance Principles and Recommendations.

The Company has considered the Recommendations to determine an appropriate system of control and accountability to best fit its business and operations commensurate with those guidelines.

The Company seeks to follow the Recommendations where appropriate for its size and operations. In cases where the Company determines it would be inappropriate to follow

the Recommendations due to its circumstances, the Company will provide reasons for that in its annual report.

The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's circumstances including its nature of operations and size.

(b) **Board Charter**

A written charter has been adopted by the Board (Charter) to provide a framework for the effective operation of the Board. The Charter dictates the Board's composition, role and responsibilities. The Charter also governs the relationship between the Board, management and persons to whom the Board has delegated its authority.

The Charter, which among other things, requires the Board to:

- **(budgets and expenditure)**: approve, evaluate and monitor major capital expenditure, capital management, budgets and all major transactions, including the issue of Securities;
- **(disclosures)**: oversee the Company's continuous disclosure process and compliance with the Company's Continuous Disclosure Policy;
- **(leadership)**: provide leadership to the Company and set strategic objectives or direction;
- **(performance)**: oversee the Company's performance, including management's implementation of the strategic objectives set by the Board;
- **(appointment of executives)**: attend to and manage the appointment of a Chairman, CEO and senior executives of the Company;
- **(remuneration)**: review and approve the Company's remuneration framework;
- **(risk management)**: ensure that the Company has adopted an appropriate risk management framework;
- **(accounting)**: oversee the integrity of the Company's accounting and corporate reporting systems, including all external audits;
- **(governance policies)**: adopt, review and evaluate the Company's governance policies and procedures; and
- **(dividends)**: determine the Company's dividend policy, including the amount and timing of all dividend payments.

The CEO will conduct or otherwise oversee the management function as directed by the Board. Management must promptly supply the Board with all required information that is in a form and of a quality to allow the Board to effectively discharge its duties. The Board collectively, and any individual Director (with the Chairman's approval), is permitted to seek independent professional advice, at the Company's expense.

(c) **Director Selection Procedure**

The Board will ensure that it has the appropriate range and expertise to properly fulfil its responsibilities having regard to the Board Skills Matrix.

(d) **Board Committees**

From time to time, the Board may establish committees to which the Board may delegate its responsibilities. The Board does not currently have any committees but proposes to establish both an Audit and Risk Committee, and a Remuneration and Nomination Committee, at such time as the Board determines, having regard to the size of the Company and the nature of its operations. The Board will appoint members to the committees based on the needs of the Company, any regulatory or statutory requirements and the knowledge, skill and experience of the members.

Having regard to the ASX Listing Rules and other relevant laws, the Board has adopted committee charters for the Audit and Risk Committee, and the Remuneration and Nomination Committee, pursuant to which the Board will carry out the functions and responsibilities of each of those committees until such time as they are established. These charters are summarised as follows:

Audit and Risk Committee Charter

This charter sets out the role, authority, responsibilities, composition and procedural requirements of the Audit and Risk Committee. The committee's functions are to assist the Board in fulfilling its responsibilities with respect to the Company's:

- financial reports;
- financial reporting systems and processes;
- risk management, including preparation of a risk management framework;
- compliance processes, including development of a compliance framework;
- internal controls; and
- internal and external audit processes.

The charter sets out the procedural requirements for the committee and requires the committee to be of sufficient size, independence and technical expertise to discharge its functions effectively. The committee, in carrying out its functions, has the power to conduct investigations and retain expert advisers.

Remuneration and Nomination Committee Charter

This charter sets out the role, authority, responsibilities, composition and procedural requirements of the Remuneration and Nomination Committee. The committee's functions are to assist the Board in fulfilling its responsibilities by reviewing and making recommendations with respect to:

- remuneration of executive directors, and the Company's senior executives;
- remuneration of non-executive Directors;
- remuneration of employees generally;
- executive and employee performance evaluation;
- the nomination and appointment of Directors; and
- policies to promote diversity of representation and contribution to the Company, professional development and personnel management.

The charter sets out the procedural requirements for the committee and requires the committee to be of sufficient size, independence and technical expertise to discharge its functions effectively. The committee, in exercising its functions, has the power to retain expert advisers and conduct or authorise enquiries into any matters, including conducting checks of a candidate's character.

(e) Corporate governance policies

The Company has adopted each of the policies that are summarised below, which have been prepared having regard to the ASX Recommendations. These policies are available on the Company's website: www.burleyminerals.com.au

Code of Conduct

The Company values the importance of observing high standards of ethical corporate practice and business conduct, and accordingly, has adopted a formal code of conduct (**Code of Conduct**). The Code of Conduct must be adhered to by all Directors, advisors, officers, employees, consultants and contractors of the Company (**Personnel**). The Code of Conduct also sets out the consequences for breach of the code, including the possibility of disciplinary action or termination of employment.

The Code of Conduct requires as follows:

- **(compliance with laws):** Personnel must always comply with all laws and regulations;
- **(integrity):** all Personnel must act honestly, fairly, reasonably, respectfully and in good faith at all times and in the best interests of the Company;
- **(diversity):** Personnel must not engage in any form of discrimination, bullying, harassment, vilification and victimisation against other Personnel, shareholders, customers, clients, suppliers and competitors of the Company;
- **(assets and confidential information):** Personnel must ensure that the Company's confidential information remains confidential and is not used improperly. Employees must also ensure that the assets of the Company are used only for legitimate business purposes;
- **(conflicts of interest):** Personnel must avoid entering into any arrangement or participating in any activity that would conflict with the Company's best interests or would be likely to negatively affect the Company's reputation; and
- **(anti-bribery):** Personnel must comply with laws against bribery and corruption.

Securities Trading Policy

This policy is aimed to impose restrictions on Directors, officers, senior executives and employees (collectively, **Restricted Persons**) of the Company dealing in the Company's Securities. Ultimately, this policy aims to:

- minimise risk of Restricted Persons contravening the laws against insider trading;
- ensure that the Company meets its reporting obligations under the ASX Listing Rules; and
- ensure transparency with respect to any trading of Shares by the Company's Restricted Persons.

The policy requires that Restricted Persons should only deal in Shares if:

- they do not possess any price-sensitive information that is not available to the general public; and
- they have notified the Chairman, Board or Company Secretary (as applicable) that they intend to deal in the Shares and, in response to such notification, they do not receive any indication of any impediment to them doing so.

Restricted Persons will generally not be permitted to deal in Shares where there is price-sensitive information that has not yet been disclosed to the public due to an exception to the ASX Listing Rules.

All trading in Shares by Restricted Persons must be in accordance with this policy and generally will only be permitted during specified trading windows.

In certain circumstances (including circumstances of financial hardship of the Restricted Persons), the Chairman or CEO may waive the restrictions that ordinarily would apply to the Restricted Persons and allow them to deal in Shares outside of the trading windows, on the condition that the Restricted Persons do not possess any price-sensitive information not available to the general public. Restricted Persons must:

- not communicate any price-sensitive information to a person who might deal in Shares, nor should they recommend or otherwise suggest to any person the buying or selling of Shares;
- not, at any time, engage in short-term trading in Shares; and
- not disclose confidential information of the Company to any unauthorised party.

The Company Secretary and Chairman must be notified immediately of any Restricted Persons buying or selling any Shares. If any person to whom this policy applies contravenes the policy, they may face disciplinary action, including summary dismissal.

Continuous Disclosure Policy

The Company has adopted a Continuous Disclosure Policy to ensure that it complies with its obligations under the Listing Rules and the Corporations Act and which sets out the requirements for notification and the procedures for disclosure. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to, and communicating with, the ASX. All relevant information provided to the ASX will be posted on the Company's website once the ASX confirms the announcement has been made, to ensure that the information is easily accessible.

Shareholder Communication Policy

The Company has adopted a Shareholder Communication Policy which outlines the processes through which the Company will endeavour to ensure effective communication with Shareholders and provide timely and accurate information to all Shareholders about the Company and its corporate strategies.

The Company supports Shareholder participation in general meetings. Mechanisms for enabling Shareholder participation will be reviewed regularly to encourage the highest level of Shareholder participation.

Risk Management Policy

The Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal controls. The Company's process of risk management and internal compliance and control includes continuously identifying and reacting to risks that might impact upon the achievement of the Company's goals, formulating risk management strategies to manage identified risks and monitoring the performance of risk management systems and internal compliance and controls. A risk management register has been developed and provides a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Performance Evaluation Practices

The Board has established processes to review its performance and the performance of individual Directors and committees of the Board annually. As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by Shareholders. The Board also conducts an annual review of the Board which considers such factors as the appropriate criteria for Board membership collectively, interactions between the Board and management and particular goals and objectives of the Board for the next year.

Diversity Policy

The Board has adopted a Diversity Policy which sets out the Company's commitment to ensuring a diverse mix of skills and talent exists amongst its Directors, officers and employees, to contribute to the achievement of its corporate objectives. The Company considers diversity includes, but is not limited to, gender, age, experience, ethnicity and cultural background. The Company is committed to setting measurable objectives for attracting and engaging women at the Board level, in senior management and across the whole organisation. The Board is responsible for developing measurable objectives and strategies to meet its diversity objectives, and the Diversity Policy sets out the Company's diversity strategies. The Board is also responsible for implementing, monitoring and reporting on the measurable objectives annually.

Privacy Policy

The Board appreciates the seriousness of ensuring personal information belonging to individuals is handled, stored and dealt with correctly to ensure it is properly protected. The Company has adopted a privacy policy, which sets out the manner in which the Company must collect, use and manage the personal information of individuals.

Under this policy, the Company has committed to not selling, trading or otherwise disclosing personal information, other than:

- to third parties as might be reasonably expected by the individual at the time of providing their personal information to the Company;
- with the consent of the individual; or
- as otherwise required by law.

Anti-Bribery and Corruption Policy

The Company is committed to maintaining a high standard of integrity and corporate governance. This policy outlines the responsibilities of the Company's executive and non-executive Directors, officers, executives, employees, consultants, contractors and advisors in observing and upholding the Company's position against bribery and corruption.

The policy sets out how the Company must deal with the following matters:

- donations, gifts, corporate hospitality, political and charitable contributions;
- investigations or enquiries into a suspected act of bribery or corruption related to the Company, false reports and investigations;
- improper or unethical conduct;
- dealings with government officials; and
- consequences for breach of the policy.

Whistleblower Protection Policy

The Company is committed to the protection of individuals who disclose information concerning misconduct or an improper state of affairs or circumstances within the Company.

The Board has adopted a policy to protect whistleblowers, and to provide a safe and confidential environment for whistleblowers to raise concerns, without fear of reprisal and detrimental treatment. This policy dictates:

- the persons eligible for protection as a whistleblower;
- the protections that a whistleblower is entitled to; and
- how disclosures made by whistleblowers will be handled by the Company.

Related Party Transactions and Conflicts of Interest Policy

This policy establishes a protocol for Directors and key management personnel (collectively, **Key Management Personnel**) of the Company, which aims to avoid and minimise potential issues arising when Key Management Personnel are negotiating and entering into transactions with their related parties.

This policy requires:

- Key Management Personnel to disclose all proposed or potential related party transactions to the Board before they are entered into;
- related party transactions to be undertaken and negotiated on arm's length terms or otherwise in compliance with Chapter 2E of the Corporations Act and the ASX Listing Rules;

- where necessary, require an independent committee made up of the independent members of the Board to supervise negotiations and approve the related party transactions before they are entered into;
- ensure the related party transaction is in the best interests of the existing shareholders of the Company; and
- the negotiated terms of any related party transaction to be fair, reasonable and thoroughly documented.

Under the Corporations Act and the Company's Code of Conduct, Key Management Personnel must avoid situations where their interests and the interests of the Company conflict. Amongst other requirements, Key Management Personnel are required to comply with the following:

- take all reasonable steps to avoid actual, potential or perceived conflicts of interest;
- disclose any conflicts of interest which may exist or might reasonably be thought to exist to the Chairman or Company Secretary; and
- abstain from participating in any discussion or voting on matters in which they have a material personal interest, except as permitted by the Constitution of the Company or by the Corporations Act.

9.7 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 be announced to the ASX prior to the Company's commencement of trading on ASX.

10. INDEPENDENT TECHNICAL ASSESSMENT REPORT



E felicity@frmgeo.com.au T (+61) 409 997 879
56 London St, North Perth, WA, 6006
ABN: 72 823 685 882

INDEPENDENT TECHNICAL ASSESSMENT REPORT

Prepared for

BURLEY MINERALS LIMITED

Prepared by:

F Repacholi-Muir

BSc (Geol & Soil Sc), GradCertAppFin, MAIG

May 2021

1.0 INTRODUCTION

FRM Geological Services (FRM) was engaged by Burley Minerals Limited (Burley or the Company) to provide an Independent Technical Assessment Report (ITAR or the Report) on the Yerecoin Project.

FRM understands that this Report is intended to be included in a prospectus (Prospectus) to be lodged by Burley with the Australian Securities and Investments Commission (ASIC) in support of an initial public offer (IPO) of 30,000,000 shares at A\$0.20 per share, to raise a total of A\$6 million (before costs associated with the issue) to facilitate a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of the exploration and evaluation of Burley's Yerecoin Project and for working capital purposes.

This ITAR has been prepared in accordance with the rules and guidelines issued by such bodies as the ASIC and the ASX. Where exploration results, mineral resources or ore reserves have been referred to in this ITAR, the classifications are consistent with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012; as well as the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, 2015 Edition (The VALMIN Code).

The Competent Person for preparation of the report is Ms Felicity Repacholi-Muir; BSc (Geol & Soil Sc), GradCertAppFin. Ms Repacholi-Muir is a Member of the Australian Institute of Geoscientists (MAIG #3417) with over 15 years of experience and has extensive professional experience with the geology of and has worked extensively in Western Australia. Ms Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined by the 2012 JORC Code as incorporated in the ASX Listing Rules.

This Report has been prepared by FRM strictly in the role of an independent expert. FRM does not, or have previously had, any material interest in Burley or the mineral properties in which Burley is acquiring an interest. FRM's relationship with Burley is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based on agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. Payment of fees is in no way contingent upon the conclusions of this Report.

Burley has agreed to indemnify FRM for any liability arising as a result of or in connection with the information provided by or on behalf of Burley being incomplete, incorrect or misleading in any material respect. Burley has confirmed in writing to FRM that, to its knowledge, the information provided by it (when provided) was complete and not incorrect or misleading in any material respect. FRM has no reason to believe that any material facts have been withheld and Burley has confirmed in writing to FRM that it believes it has provided all material information available to it.

In preparing this report, FRM was reliant on relevant data collated and provided by Burley as well as publicly available information regarding geology and previous exploration. The principal source of information regarding Burley's assets were statutory reports prepared by previous tenement holders and its consultants and submitted to the Department of Mines, Industry Regulation and Safety (DMIRS) of Western Australia. FRM does not doubt the authenticity or substance of previous investigating reports. FRM has not however, carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary. A draft of this Report was provided to Burley to identify and address any factual errors or omissions prior to finalisation of the report.

The current ownership and legal standing of Burley's Projects is subject to a separate Solicitor's Report which is set out in the Prospectus and these matters have not been independently verified by FRM. The present status of tenements listed in this Report is based on information provided by Burley and the Report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation and development.

The author of this report is not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the Western Australian Mining Acts. FRM has interrogated the websites of the DMIRS to confirm the validity of the tenements and aspects relating to the compliance with the various Government Acts and Regulations. This search has confirmed that the tenements are reported as being in good standing and that all tenement matters including annual reports and rents. As FRM is not an expert in the Mining Acts, no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

The Yerecoin Mineral Resource estimate of 246.7Mt @ 32.1% DTR Fe (68.1% Concentrate Fe) based on historical drilling by Giralda Resources NL and Cliffs Magnetite Holdings Pty Ltd, was reported by Radar Iron Limited under the 2012 JORC Code in September 2014. The combined Magnetite Iron Resource comprises Indicated Resources of 31.0Mt @ 37.4% DTR Fe (67.7% Concentrate Fe) and Inferred Resources of 215.7Mt @ 31.3% DTR Fe (68.1% Concentrate Fe). More detailed explanation of these Mineral Resource estimates can be found in the respective section of the report. FRM confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the data in the relevant market announcement continue to apply and have not materially changed.

FRM is of the opinion that Burley has satisfactory and clearly defined exploration and expenditure programs which are reasonable having regard to the stated objectives of the Company. Burley's exploration programs are included in the report, they may be altered in view of results gained which could revise the emphasis of current priorities. Burley's Yerecoin Project is considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by Burley.

This report has an Effective Date of the 19th May 2021, this being the most recent date on which Burley made material in its possession available to FRM and FRM is unaware of any material change since this date. FRM consents to the distribution of this Report in the form and content in which it appears.

2.0 EXECUTIVE SUMMARY

This report covers the Yerecoin Project. The general location of this Project is shown in Figure 1 and Table 1 details the tenement schedule. All geochemical and drill results with respect to previous exploration on the Project are set out within Tables within the body of the Report or in Annexure A.

The Yerecoin Project is located approximately 120km to the northeast of Perth, Western Australian, around and between the wheatbelt towns of Yerecoin and Calingiri. The Project comprises two granted Exploration Licences, namely E70/2733 and E70/2784, covering an area of 105.5km².

The Yerecoin Project lies within the Jimperding Metamorphic Belt on the western margin of the Archaean Yilgarn Craton. The Jimperding Metamorphic Belt is characterised by the association of banded iron formations, quartzite, biotite schist, and quartz-feldspar-biotite gneiss. It is margined by migmatites and enclosed by texturally variable granitoids. The metamorphic grade of the belt is variable, and generally increases progressively eastward from lower amphibolite to granulite facies and consists of a complex folded series of quartzites, with rare cross-bedding, and lenses of ultramafic rocks. Amphibolite and sillimanite schists are commonly found adjacent to the banded ironstones.

Exploration to date has focused on the two magnetite iron deposits within the Project, namely Yerecoin Main and Yerecoin South. These banded iron formation (BIF) deposits at Yerecoin were formed during the Archaean by sedimentary processes inter-depositing layers of chert and magnetite. The banding is diagnostic of the BIF units with the magnetite present in neat mesobands, blebby microbands, and less often in small coarse-grained patches.

To date, the Yerecoin Project has been tested by 119 Reverse Circulation (RC) drill holes and 54 diamond drill holes for a total of 24,046 metres of drilling. Metallurgical testwork has been completed on five samples from the Yerecoin Main deposit and the testwork demonstrated that a suitable quality concentrate could be produced at a grind size of 80% passing (P₈₀) 106 µm. The concentrate product is characterised by high iron content (68% Fe), and low in phosphorus, alumina and other impurities, which means it could be positioned as a high-quality iron ore source to the steel making industry.

In 2014, Radar Iron Limited (now known as Weebit Nano Ltd) estimated a total combined JORC 2012 compliant Mineral Resource of 246.7Mt at an average grade of 29.9% Fe, with the capability of producing a concentrate at >68% Fe. Various feasibility studies have been completed by previous tenement operators, under various production scenarios as well as evaluation of infrastructure solutions.

In addition to the development potential of the Yerecoin Magnetite deposits, the Ni-Cu-PGE exploration potential at Yerecoin has yet to have been evaluated. The Jimperding Metamorphic Belt is an emerging Ni-Cu-PGE province; with the recent discovery by Chalice Mining Limited's (Chalice, ASX: CHN) of its Julimar Nickel-Copper-PGE Project and the reappraisal of the Yarrawindah Brook Ni-Cu-PGE mineralisation by Cassini Resources Limited (ASX:CZI) and Caspin Resources Limited (ASX: CPN), located some 20km to the west.

The recent Julimar Ni-Cu-PGE discovery and the associated increased activity within the Jimperding Metamorphic Belt led to the current Yerecoin Project holder conducting a review of the extensive Yerecoin database. This work highlighted the presence of an extensive, thick ultramafic intrusive sequence at the footwall position of the Yerecoin South magnetite deposit. Initial positive factors for the Ni-Cu-PGE potential of the Project include its location adjacent to Banded Iron Formation, evidence for crustal contamination and Ni depletion, the presence of Co bearing Ni sulphides and the scale of the intrusion.

Burley believes the geological setting and prospectivity of the Yerecoin Project is analogous to the Julimar discovery setting. Ultramafic rock units, with similarities to those encountered at the Julimar

discovery (e.g. Iherzolite, harzburgite), have been identified in drill core obtained within the tenements and historical petrology work on diamond drill core identified cobalt-bearing nickel sulphide minerals such as pentlandite (Fe-Ni-S) and millerite (Ni-S).

Burley's exploration and development strategy is two-fold; with the main focus on evaluating and completing feasibility studies on the Yerecoin Magnetite Deposits, and the second focus on exploration of the prospective ultramafic rocks with the potential to host Ni-Cu-PGE mineralisation.

Burley intends on conducting the following programs over the next two years for the Yerecoin magnetite deposits:

- RC and diamond drilling to upgrade the Inferred Resources that are likely to be upgraded to Indicated Resources, and therefore provide a larger resource base for feasibility studies and ultimately define Ore Reserves;
- Metallurgical testwork on existing and future drill core obtained from various parts of the Yerecoin Main and Yerecoin South deposits, to provide suitable samples for variability testwork, process options; and
- Feasibility studies with the aim of defining Ore Reserves with a proven processing train and Life of Mine plan.



Figure 1: Yerecoin Project Location

Further work is required to assess the existing drill core that intercepted the ultramafic rocks as well as the other unexplored magnetic rocks underlying the project. Burley is proposing to further evaluate the potential for the ultramafic rocks to host economic concentrations of Ni-Cu-PGE mineralisation, including geophysics (e.g. airborne electromagnetic (AEM)), regolith mapping, soil geochemistry, RC drilling and Diamond drilling, petrology, and so forth. Burley recently commissioned an AEM survey, which was completed at the end of March 2021. The raw data is yet to be processed and interpreted, anticipated to be completed after listing.

Exploration Budget

Burley have provided to FRM Geological Services (FRM) its proposed exploration expenditure for the two-year period following the capital raising with \$3,193,550 of direct exploration expenditure

which is detailed in Table 5. This is the primary use of funds in the proposed capital raising.

Burley is intending have a two-fold exploration focus with the primary focus being on the magnetite resources and secondly on the Ni-Cu-PGE potential. FRM has reviewed Burley's proposed exploration activities and is of the opinion that the funds raised will be sufficient for the proposed program, in line with the current costs of exploration and that the programs are appropriate for the mineral potential and status of the Yerecoin Project.

TABLE OF CONTENTS

| | |
|---|-------|
| 1.0 INTRODUCTION..... | 2 |
| 2.0 EXECUTIVE SUMMARY | 4 |
| 3.0 TENURE | 9 |
| 4.0 YERECOAIN PROJECT | 10 |
| 4.1 LOCATION & ACCESS..... | 10 |
| 4.2 GEOLOGY AND MINERALISATION | 10 |
| Regional Setting..... | 10 |
| Project Geology | 12 |
| Alteration..... | 13 |
| 4.3 EXPLORATION HISTORY..... | 13 |
| 4.4 EXPLORATION BY BURLEY MINERALS LTD | 17 |
| 4.5 MAGNETITE MINERALISATION..... | 17 |
| 4.6 MINERAL RESOURCES | 20 |
| Metallurgical Results..... | 21 |
| Studies | 22 |
| 4.7 NICKEL-COPPER-PGE POTENTIAL..... | 23 |
| 5.0 PROPOSED EXPLORATION AND USE OF FUNDS..... | 26 |
| 6.0 DECLARATION | 27 |
| 7.0 PRINCIPAL SOURCES OF INFORMATION | 29 |
| 8.0 GLOSSARY..... | 31 |
| 9.0 ABBREVIATIONS AND UNITS OF MEASUREMENT..... | 36 |
| Table 1: Burley Minerals Limited Tenement Schedule as at 19 th May 2021..... | 9 |
| Table 2: Yerecoin Drilling Summary | 20 |
| Table 3: Yerecoin Mineral Resource Statement | 21 |
| Table 4: Yerecoin Main Deposit - Concentrate Chemical Specifications | 22 |
| Table 5: Summary of proposed use of funds | 27 |

| | |
|---|----|
| Figure 1: Yerecoin Project Location | 5 |
| Figure 2: Yerecoin Project Tenure (as at 19 th May 2021)..... | 9 |
| Figure 3: Yerecoin Project Regional Geological Setting, Modified after Wilde (1996)..... | 11 |
| Figure 4: Location of drill collars completed to date at the Yerecoin Project and cross section locations..... | 14 |
| Figure 5: Yerecoin Project Magnetic (RTP) imagery illustrating, plan view representation of resource zones, exploration targets and cross section locations | 18 |
| Figure 9: Yerecoin South Deposit – cross section 6564615mN | 19 |
| Figure 8: Yerecoin Main Deposit - cross section 6577100mN | 19 |
| Figure 7: Yerecoin Main Deposit - cross section 440500mE..... | 19 |
| Figure 6: Yerecoin Main Deposit- cross section 6576150mN | 19 |
| Figure 10: Yerecoin South – cross section 6566625mN showing ultramafic units..... | 24 |
| Figure 11: Burley’s Yerecoin Project overlying airborne magnetics (RTP) in relation to Chalice Mining Limited’s Julimar Project and Caspin Resources Limited’s Yarawindah Brook Project. | 25 |
| ANNEXURE A: Significant Drillhole Intercepts | |
| ANNEXURE B: JORC Code Table 1, Sections 1 & 2 | |

3.0 TENURE

Details of the Burley Minerals Limited tenements are included in Table 1 and the Yerecoin Project tenure is shown in Figure 2.

Table 1: Burley Minerals Limited Tenement Schedule as at 19th May 2021

| Licence | Registered Holder | Application Date | Grant Date | Expiry Date ² | Expenditure Commitment | Area (km ²) |
|-----------|-------------------|------------------|------------|--------------------------|------------------------|-------------------------|
| E 70/2733 | NOVA ¹ | 12/11/2004 | 5/12/2005 | 04/12/2021 | \$70,000.00 | 32.0 |
| E 70/2784 | NOVA ¹ | 02/05/2005 | 15/11/2006 | 14/11/2021 | \$75,000.00 | 73.5 |

Notes:

¹ Novarange Pty Ltd

² Extension of Term applications can be lodged to extend the Expiry Date beyond that shown in the above table.

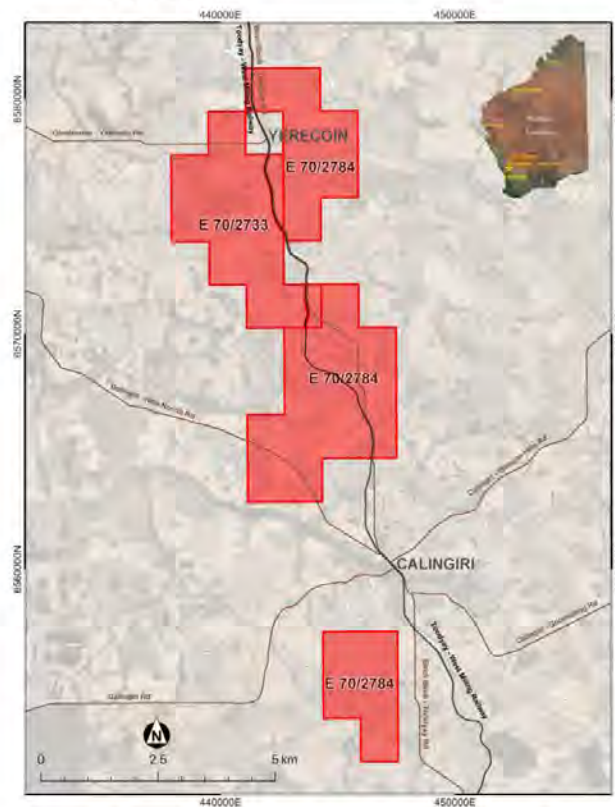


Figure 2: Yerecoin Project Tenure (as at 19th May 2021)

The **Yerecoin Project** comprises two granted Exploration Licences, namely E70/2733 and E70/2784. The licences cover an area of 105.5km². Novarange Pty Ltd is the registered holder. Burley has entered into a term sheet with Novarange Pty Ltd, the Registered Holder, to acquire a 70% shareholding in Novarange and therefore 70% beneficial interest in both tenements.

The Project area predominately overlies freehold titles associated predominantly with active farming properties (cereal crops, hay and livestock). Under the Mining Act (1978) freehold titles require the negotiation for land access and compensation agreements with the registered landholders prior to conducting of on-ground activities. There are several land access and compensation agreements currently in place allowing access for exploration activities.

FRM Geological Services has not independently validated mineral tenures, the status of access agreements and applicable royalty of Joint Venture Agreements.

These aspects are dealt with in the relevant section of the Prospectus. FRM has made all reasonable enquiries regarding the status of these tenements and confirms that to the best of FRM's knowledge these tenements remain in good standing with all statutory filings, reports and documentation, including renewals have been supplied to the various government departments. The present status of tenements, agreement and legislation in this report is based on information provided by Burley. The Report has been prepared on the assumption that exploration and future development of the Project will prove to be lawfully accessible for evaluation and development. Refer to the Solicitors Report within the Prospectus for additional details.

4.0 YERECOIN PROJECT

4.1 LOCATION & ACCESS

The Yerecoin Project is centred approximately 115km to the north-northeast of Perth, in the Wheatbelt Region of Western Australia. The Project is located within the South West Mineral Field and lies on the Moora (SH50-10) and Perth (SH50-14) 1:250,000 map sheets and the Moora (2136) and Chittering (2135) 1:100,000 map sheets.

Located between the towns of Yerecoin and Calingiri the tenements can be accessed via a number of sealed roads. From Perth, access is initially via the Great Northern Highway to New Norcia. The Project area can then be accessed south of New Norcia, via the West Calingiri Road (southern access) or north of New Norcia via the Glentromie-Yerecoin Road (northern access). Various sealed and unsealed gazetted roads and farm tracks provide additional access throughout the tenements.

The Yerecoin Project is within close proximity to existing open-access, multi-user rail infrastructure, controlled by Arc Infrastructure (subsidiary of Brookfield Infrastructure Partners L.P.) under a long-term lease with the WA State Government. Central to the Arc Infrastructure Rail network is the Eastern Goldfields Railway (EGR) which consists of dual gauge/dual track between Kwinana and Avon Yard, Northam, via Toodyay, and then a single standard gauge track from Avon Yard to Kalgoorlie and Esperance. Yerecoin is located some 80km to the north of Toodyay and is accessed from the EGR via the narrow-gauge Tier 2 Miling Line.

The topography of the Property can be described as relatively flat to moderately undulating or "hilly", largely cleared agricultural land with a slight fall to the southwest, punctuated by occasional remnants of eucalyptus forests. Low ridges represent some of the iron formations. Total elevation relief is approximately 50m.

The Yerecoin area has a Mediterranean-type climate with hot, dry summers and cool, wet winters. The long-term average rainfall is approximately 390mm. Most of the rainfall, approximately 300mm, occurs between May and October. June and July are the "wettest" months with rainfall averaging about 70mm. The remainder occurs in the summer months and is normally associated with local thunderstorms or the southward movements of the remnants of tropical cyclones. The operating season is all year round.

4.2 GEOLOGY AND MINERALISATION

Regional Setting

The Yerecoin Project lies within the western part of the Archaean Yilgarn Craton, a large craton formed by the accretion, in several phases, of a host of techno-stratigraphic terranes of existing continental crust. The tenement area lies across two Geological Survey of Western Australia (GSWA) 1:250 000 scale geological maps; the Perth and Moora sheets.

The four Archaean terranes that make up the southwestern Yilgarn Craton are the Balingup, Boddington, Lake Grace and Murchison Terranes. The Yerecoin Project is located within the Jimperding Metamorphic Belt, which straddles the Lake Grace and Boddington Terrane boundaries (Figure 3).

The Jimperding Metamorphic Belt is up to 70 km wide, trends in a north-northwest direction and is bounded by the Darling Fault to the west and younger Archaean rocks to the east. The Jimperding Metamorphic Belt is characterised by the association of banded iron formations (BIF), quartzite, biotite schist, and quartz-feldspar-biotite gneiss. It is margined by migmatites and enclosed by texturally variable granitoids. The metamorphic grade of the belt increases progressively eastward from lower amphibolite to granulite facies, and consists of a complex folded series of quartzites, with rare cross-bedding, lenses of ultramafic rocks, and lens shaped bodies of amphibolite and sillimanite schists commonly found adjacent to the banded ironstone. The nature of the sequence suggests original estuarine sedimentation with material derived from a felsic source followed by intrusion of mafic, ultramafic and granite magmas.

Banded iron formations are present throughout the Jimperding Metamorphic Belt and the units are generally less than 30 metres thick and make good marker horizons. Intense minor folding is a characteristic feature of the bands (Wilde et al, 1978). The iron formations targeted within the Project are upper amphibolite to granulite facies, metamorphic remnant slivers or rafts of very old (greater than three billion years) greenstone belts within the Jimperding Metamorphic Belt of the Yilgarn craton (Gole, 1981, Bosch et al., 1996).

The Geological Survey of Western Australia describes four variations of iron formation lithology within the tenement area to include: magnetite-bearing quartzite, quartz-magnetite-grunerite, quartz-magnetite-hypersthene, and quartz-gamet-silicate-magnetite (Wilde, 1974). A diagrammatic cross-section through the Northam area from Perth (SH50-14, 1:250,000 sheet) shows magnetite-bearing iron formations dipping steeply to the east.



Figure 3: Yerecoin Project Regional Geological Setting, Modified after Wilde (1996)

Project Geology

The Project area is predominantly covered by soils, typically 1-2m thick, overlying the saprolitic weathered remains of bedrock. The rocks have experienced complex, localised folding. Below the weathered profile, the main rock types intersected by drilling are:

Intermediate gneiss - one of the main rock types intercepted on the Yerecoin prospects. It is formed in high grade metamorphic conditions upon an igneous or sedimentary protolith. The gneiss is a grey-green rock, composed mostly of fine-grained quartz, feldspar, mica, and chlorite. The gneiss can also contain garnet, traces of amphiboles (grunerite, actinolite). Foliation is nearly always clearly visible.

Amphibolite - another major metamorphic rock type encountered on the project. It is composed of medium size (1-5mm) grey-green amphiboles (actinolite, tremolite) with vitreous lustre, chlorite, garnets, and biotite. It can contain disseminated magnetite, sulphides (mostly pyrite). The foliation in the rock is identified by the orientation of the amphibole crystals. In some instances, the banded amphibolite is also present in a quartzite matrix, with disseminated magnetite localised to the amphibole bands.

Quartzite - a metamorphic rock with more than 90% of quartz, it is a very common rock at Yerecoin. It is massive, has dull to glassy diaphaneity and white-grey to grey green colouration. Foliation, when visible, is observed in mica and chlorite crystal orientation. Minor minerals found in the quartzite in Yerecoin are fine sized amphiboles, chlorite, or micas. The rock can also be rich in garnets and be altered by chlorite or biotite.

Banded Iron Formations - the banded iron formation deposits comprise intercalating layers of chert/quartzite and magnetite. The banding is a diagnostic characteristic and bears complexity with respect to scale; macrobands, mesobands and some microbands of magnetite and silica are observed. These formations have since experienced varying degrees of deformation and metamorphism. The magnetite is present in neat mesobands, blebby microbands, and less often in small coarse-grained patches. Some small intervals of massive magnetite are occasionally observed. Traces of sulphides, mainly pyrite and pyrrhotite, are visible near or associated with the BIF zones.

Petrological work on diamond drill core samples from holes RDY002 & RDY004, by Pathfinder Exploration Pty Ltd concluded that the current quartz+magnetite±amphibole±pyroxene BIFs are the result of prograde upper greenschist to amphibolite facies metamorphism of BIFs and iron-rich psammite units.

Granite - is an igneous rock composed of quartz, feldspar and mica. The granites at Yerecoin vary in colour from grey white to pink (dependant on the presence of plagioclase/orthoclase feldspars), are mostly massive and have a granular texture. Traces of magnetite dissemination have been observed close to the BIF zones. Granite is the main rock type observed in the Yerecoin and Yerecoin South prospects.

Felsic intrusive - Felsic intrusives intersected at Yerecoin are mainly composed of quartz often alongside feldspar, epidote and mica. The grain size ranges from fine to very coarse (pegmatitic) and a foliation is occasionally visible. Some of these intrusions are more compositionally and texturally granitic than others.

Mafic intrusive - Mafic intrusives intersected at Yerecoin contain dark, green-grey coloured minerals. They bear a massive texture and are mostly composed of fine-grained chlorite and omnipresent disseminated magnetite.

Dolerite - Dolerite is a grey-green mafic rock mainly composed of chlorite, feldspar, pyroxene, amphibole and olivine. The rock is slightly magnetic in areas containing magnetite. The grain size is medium and the texture mostly massive.

Ultramafic rocks - Drilling at the Yerecoin South Prospect intercepted abundant serpentinised ultramafic rocks with variable grades of magnetite. The rocks are mostly composed of pyroxene, serpentine, olivine, chlorite, and magnetite. They exhibit altered zones, some with traces of talc and epidote alteration.

Sulphides - Throughout the iron prospects, disseminated (and occasional massive) sulphides were encountered in the units. Pyrite is the most common and is often present near or within the banded iron formations. Other sulphides noted include pyrrhotite, chalcopyrite and minor arsenopyrite whilst chalcopyrite, and cobalt-bearing pentlandite and millerite were observed within ultramafic lithologies.

Alteration

Chlorite alteration of varying degree is prevalent in rocks across the Yerecoin Prospects. It is noted in trace amounts in most of the core; however moderate to strong chloritic alteration has been identified where the rock is more fractured allowing fluids to circulate. Occasionally a strong biotite alteration is observed in association with the chlorite. Within the BIF units, chlorite alteration is controlled by the banding, with chloritic bands interbedded with bands of magnetite and siliceous chert.

Disseminated pyrite is often present in zones of chloritic alteration. The sulphides are transported by hydrothermal fluids and precipitate with the chlorite.

Some weak to moderate epidote and talc alteration is visible in the ultramafic rocks at Yerecoin South.

4.3 EXPLORATION HISTORY

Exploration for iron deposits within the Jimperding Metamorphic Belt of the Yilgarn Craton first commenced in the search for lateritised banded iron formations (high-grade limonite) at Clackline (75km south of the Yerecoin Project). Production of iron ore started in 1899 and finished in 1907 (Wilde & Low, 1978). More recently, several companies have conducted exploration activities across the project area. The earliest publicly available reports of exploration in the Yerecoin area can be traced back to exploration in the 1970s.

The following is a synopsis of exploration completed to date. The extent of exploration data acquired, and a summary of significant results are depicted in Figure 4. Significant drill intersections for all drilling completed within the Yerecoin Project are tabulated in Appendix A.

Throughout the 1970s and early 1980s, outcrops of iron formation north of the Yerecoin Project were the subject of several exploration studies. Of particular interest was the Waddington Prospect (also known as Morgan's, Walebing or Batty's Bog), located 15km to the northwest of Yerecoin townsite. **Luke Prospecting Pty Ltd** conducted the initial iron ore exploration in 1970. The exploration consisted of a reconnaissance survey, sampling and a geological report. During the 1980s, **Shell Australia** (Shell) conducted detailed mapping of prospects whilst exploring for gold and base metals. Shell interpreted the iron rich horizons at Yerecoin North as exhalative units and explored for VMS poly-metallic base metal deposits, with minimal success. The area was again examined in 2005 by **Rio Tinto Exploration Pty Limited** (Rio). Rio mapped two adjacent hematite bodies (the Waddington Prospect) and conducted downhole gamma and magnetometer surveys on four RC drillholes that had previously been drilled by a landowner. There has been no further exploration work conducted in recent years on the Waddington Prospect due to landholder access restrictions. *WAMEX Reports A006163, A069873*

During 2006, E70/2784 was granted to **Polaris Metals NL** (Polaris) following Polaris purchasing the licence application from Heron Resources Ltd and Ochre Resources Ltd. Polaris completed a literature

review relating to previous exploration, geological reconnaissance and geological/geophysical target generation documenting the magnetite potential and regional geology of the area. Three targets were identified, two of which are located within the current project area, namely:

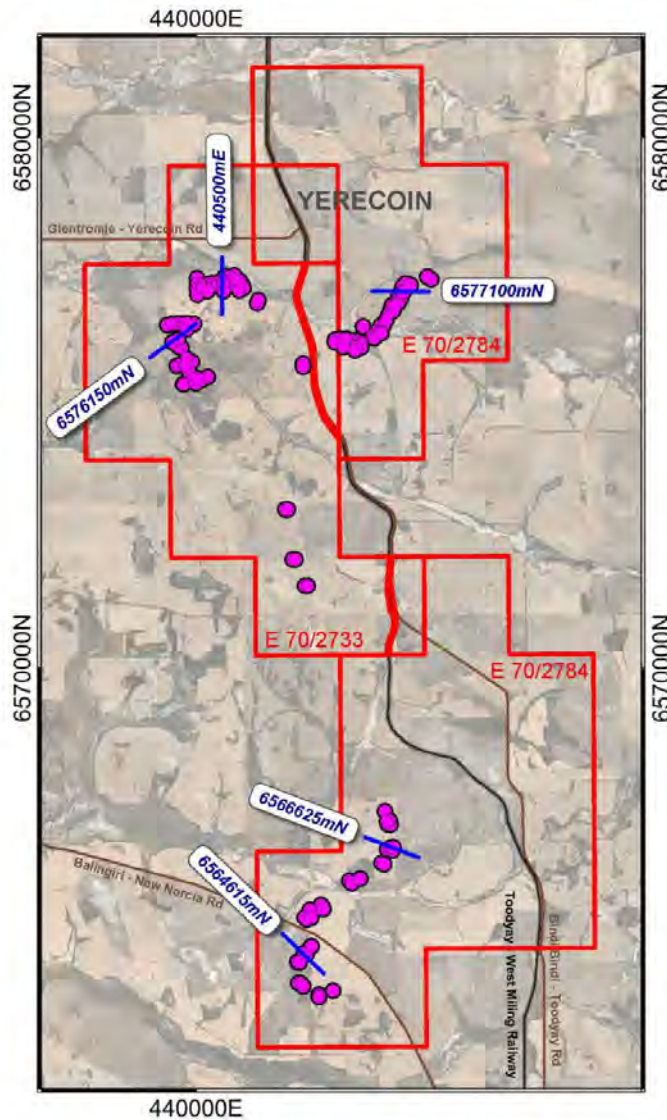


Figure 4: Location of drill collars completed to date at the Yerecoin Project and cross section locations

Target 1 (Yerecoin South) - located approximately 6 km northwest of Calingiri. In this location several magnetic anomalies correspond with mapped BIF outcrop over significant strike lengths (>2 km). Polaris interpreted that the widths of the BIF's may vary between 10m to 50m.

Target 2 (Yerecoin Main) - located approximately 4 km southwest of Yerecoin. This target area was outside of Polaris' tenure, now covered by E70/2733. Polaris identified 1.8km of outcropping BIF occurring coincident with a 4 km long magnetic anomaly. WAMEX Reports A077309, A080939

During 2004, **Giralia Resources NL** (Giralia) applied for exploration licence E70/2733 with the aim of exploring for iron ore resources close to existing road and rail infrastructure. Exploration work was initially non-ground disturbing surface reconnaissance exploration; including geophysical surveying, field reconnaissance, rock chip sampling, botanical surveying and aeromagnetic interpretation. Giralia increased its project footprint in mid-2009, purchasing three exploration licences, including E70/2784 from Polaris.

In early 2009, Giralia completed its maiden drilling program. Giralia drilled twenty-one (21) reverse circulation (RC) drillholes for a total of 1,524m and two (2) diamond drill (DD) holes for a total of 519.49m

at Yerecoin Main. The drilling targeted magnetite BIF outcrops associated with magnetic anomalies, to test the subsurface grade and thickness of the iron formations and provide fresh material for metallurgical testwork. The program focused on the elongated NNW-SSE outcrop located southwest of Yerecoin and possible covered extensions indicated by magnetics to the north. Five (5) lines of drill holes were completed: lines 1 and 2 tested the outcrop zone, line 3 tested a probable extension to the north, and lines 4 and 5 tested another possible extension further north. A southern line was planned; however, access was unable to be obtained at that time.

Drilling intersected magnetite BIF in the majority of holes. Better intersections included 56m @ 35.7% Fe (RCY001 from 24m), 52.44m @ 31.55% Fe (RDY002 from 188.64m), 50.6m @ 30.2% Fe (RDY017 from 60m), 36.48m @ 30.5% Fe (RDY004 from 100m), and 36m @ 29.6% Fe (RCY016 from 24m). Refer to Appendix A, Table 1 for full results. Giralia were encouraged by the results of the drilling program, which confirmed the reliability of using magnetics as a targeting tool for indicating the presence of non-outcropping magnetite BIF in the region.

The drilling indicated that the magnetite mineralisation to be consistent along the tested outcrop area and open to the north, south and at depth. The magnetite BIF zone generally strikes 330° to 350° and dips 70° to the east. A true thickness of 25m to 40m was inferred in this area from drill section interpretations.

Results from drillhole RDY017 indicated to Giralia that significant iron mineralisation may also exist at the northern end of the drilled region, in a zone devoid of outcrop but displaying magnetic anomalism. Interpretation of drill sections and structural measurements obtained from drill core implied the magnetite BIF zone strikes about 075° and dips 50° to the south.

Selected samples from the drilling of magnetite-bearing intersections were tested by the Davis Tube Recovery (DTR) method to estimate potential magnetite concentrate recoveries. The results were highly encouraging, with mineralised intersections showing high DTR Fe grades (\approx 71%) and high weight recovery ratios ($>$ 20%) using a sieve mesh size of 45 μ m.

Metallurgical test work was conducted on selected samples from Yerecoin Main diamond drillhole RDY002 (201-215m); referred to as sample YM001. Specific Gravity and Bond Abrasion Index measurements were completed by AMMTEC Ltd. Petrological and mineragraphical analysis was conducted on specific core samples from drillholes RDY002, RDY004 and RDY017.

CSA Global Pty Ltd (CSA) was commissioned by Giralia in 2010 to complete a maiden Mineral Resource estimate for the Yerecoin magnetite deposit. Methodology, procedure and parameters used for the JORC 2004 mineral resource estimate are attached to Giralia's announcement to the ASX dated 7th July 2010.

During 2010, Giralia completed a further fifty-three (53) RC drillholes for a total of 6,228m and six (6) diamond drillholes for a total of 1,877.38m (comprising 1,32.68m NQ2 core and 555.7m RC). Drill holes were designed to test magnetic anomalies coincident with BIF outcrops in addition to extending previously delineated mineralised zones.

Drilling results show that the previously drilled northwest-southeast Yerecoin Main ore zone extends further to the north with the ore direction striking slightly more westward and dip becoming slightly steeper. The infill drilling also extended the mineralisation zone to the east; however, a granitic intrusion appears to have constrained its extent to both the north and south. The dip is consistent at approximately 50° to the south and strike is globally east-west.

A substantial mineralised zone was defined at Yerecoin South during this program; described as a crescent shaped northeast-southwest to east-west trending magnetite-bearing BIF unit, approximately 1500m in strike, with a thickness between 30m to 70m; open to the northeast and to the west. Granitic

intrusions appear to have assimilated the BIF units in a few areas and thus boundaries are sharp at these contacts.

Early in 2011, Giralda drilled an additional forty-eight (48) RC drillholes for a total of 5845.4m and nine (9) diamond drillholes for a total of 1,211.4m (comprising 1,127.4m NQ2 core and 84m RC). The drilling was aimed at infilling the existing drilling to upgrade the confidence of the resource and to conduct further metallurgical studies. The majority of the diamond drilling wasn't analysed due to a corporate takeover of the company by **Atlas Iron Limited** (Atlas) in early 2011. *WAMEX Reports A074741, A077919, A080165, A085237, A085241, A085352, A085358, A088452, A088625, A092527*

Atlas did not conduct any activities on the Yerecoin Project and subsequently sold the project to **Cliffs Magnetite Holdings Pty Ltd** (Cliffs), a subsidiary of Cliffs Natural Resources. Cliffs completed the purchase of the project from Atlas in February 2012 and the Gunnel Joint Venture (Gunnel JV) was formed between Cliffs (Cliffs 60%) and subsidiary companies of Nippon Steel Corporation & Sumitomo Metals Corporation (NSSMC 20%) and Sojitz Corporation (Sojitz 20%).

During 2012, the Gunnel JV completed thirty-one (31) diamond drillholes totalling 7,394.9m at the Yerecoin Main and Yerecoin South Prospects. The drilling program was designed to obtain drill core samples to test the magnetite sinter feed potential of the Yerecoin mineralisation and to enable an updated resource calculation.

Drilling at Yerecoin Main intersected several steep dipping lenses of coarse grained, magnetite mineralisation up to 60 metres thick (true thickness). A single metallurgical test hole was drilled down-dip to assess the transition zone through the weathering profile.

Drilling at Yerecoin South intercepted several steep, sub-continuous, predominantly east-dipping units of banded magnetite mineralisation. The units are structurally deformed with evidence of faulting and complex folding.

Following the completion of drilling in August 2012, Cliffs engaged Terra Tech Australia Pty Ltd (Terra Tech) to complete mineral resource estimates of the Yerecoin deposits. Further drilling was recommended to bring the individual prospects from inferred JORC status to indicated JORC status. Variography indicated that a drilling density of 200m x 50m would be required to substantiate an Indicated JORC 2012 resource and programs were planned accordingly. Access negotiations continued for the southern-most property encompassing the southern extensions to the Yerecoin Main deposit for future exploration activities.

During 2013, the Gunnel JV completed broad-scale analysis of potential mining scenarios, based on the defined resources and those deemed implied to exist on the basis of magnetic signatures, both within the tenements covered by this report as well as the surrounding tenure controlled by Cliffs and related parties at that time. This work was not completed and required further work.

The Gunnel JV also completed a Scoping Study indicating the project had potential but did not meet its criteria for development, and Cliffs then decided to divest the Gunnel Project. *WAMEX Reports A096869, A100991*

Radar Iron Limited (now known as Weebit Nano Ltd) (Radar) purchased the Yerecoin Project from Cliffs in April 2014 and commenced several studies including an updated mineral resource estimate and a Scoping Study (refer Section 4.4 Resource).

Radar initiated a mine optimisation study using the new resource to establish the optimal area within the resource to commence mining. Engineering consultants Engenium Pty Ltd, carried out additional studies for Radar on the metallurgical and transport options associated with near term development. A gap analysis was completed to better define metallurgical parameters that required further work prior to initial designs of a processing plant.

A transport study was completed, investigating combinations of rail and road transport from site to the ports of Geraldton and Fremantle. This study led to the identification of several priority areas for further work. A review of the approvals process is also required for all aspects necessary to commence mining operations, including environmental surveys, water requirements, land-owner negotiation, etc.

Following the recognition of the presence of extensive ultramafic intrusions within the Yerecoin South Prospect and **Burley Minerals Limited** acquiring the rights to the Yerecoin Project for the purposes of the Initial Public Offering, Burley engaged Geopotential Consulting and Southern Geoscience Consultants to assist in the planning and engagement of UTS Geophysics to conduct a low level, airborne electromagnetic survey over the entire project area. The survey is scheduled to commence immediately following successful listing on the ASX and will comprise ~612-line kilometres, spaced at 200 metres and flown at low altitude at ~30 metres above ground level.

There has been no drilling conducted within Yerecoin Project's tenements since the last program completed by Cliffs in August 2012.

4.4 EXPLORATION BY BURLEY MINERALS LTD

Since executing a share purchase agreement with Novarange Pty Ltd, Burley Minerals Ltd has completed an airborne electromagnetic (AEM) survey over the northern tenement areas of the Yerecoin Project. UTS Geophysics Pty Ltd were contracted to fly a helicopter-borne geophysical survey using Geotech Ltd's Versatile Time-Domain Electromagnetic (VTEM™ Max) geophysical system. A total of 160 line kilometres were flown at 200 metre line spacings on east-west traverses. The helicopter maintained an elevation of approximately 65 metres above the surface with the loop suspended approximately 30 metres above the surface.

The geophysical data obtained by the AEM survey is currently in the process of being validated and made ready for processing and interpretation. The results of the processing and interpretation of the survey data are anticipated to be ready for review by the Company shortly after listing on the ASX.

4.5 MAGNETITE MINERALISATION

Iron ore mineralisation comprises magnetite, a ferromagnetic mineral with the chemical formula Fe_3O_4 . It occurs as fine to coarse grains ranging from $35\mu\text{m}$ to greater than 5mm in size. The magnetite in the project area occurs primarily within banded iron formations; however, it has also been identified to a lesser degree in amphibolites and disseminated through the ultramafic suite.

Exploration has focused on two areas within the Project, referred to as the Yerecoin Main and Yerecoin South Prospects. Yerecoin Main lies within tenements E70/2733 and E70/2784 and has been subject to the most exploration to date. Yerecoin South lies solely within tenement E70/2784. Figure 5 shows the location of the two deposits within the Yerecoin Project tenements and the exploration targets.

Simplified sections of the mineralised units at Yerecoin Main are depicted in Figures 6, 7 and 8. Figure 6 shows the magnetite BIF intercepted on the western margin of the Yerecoin Main Prospect. Here the unit is subvertical, trends north-south, is approximately 50 metres thick and open at depth. Figure 9 shows the mineralised units at Yerecoin South.

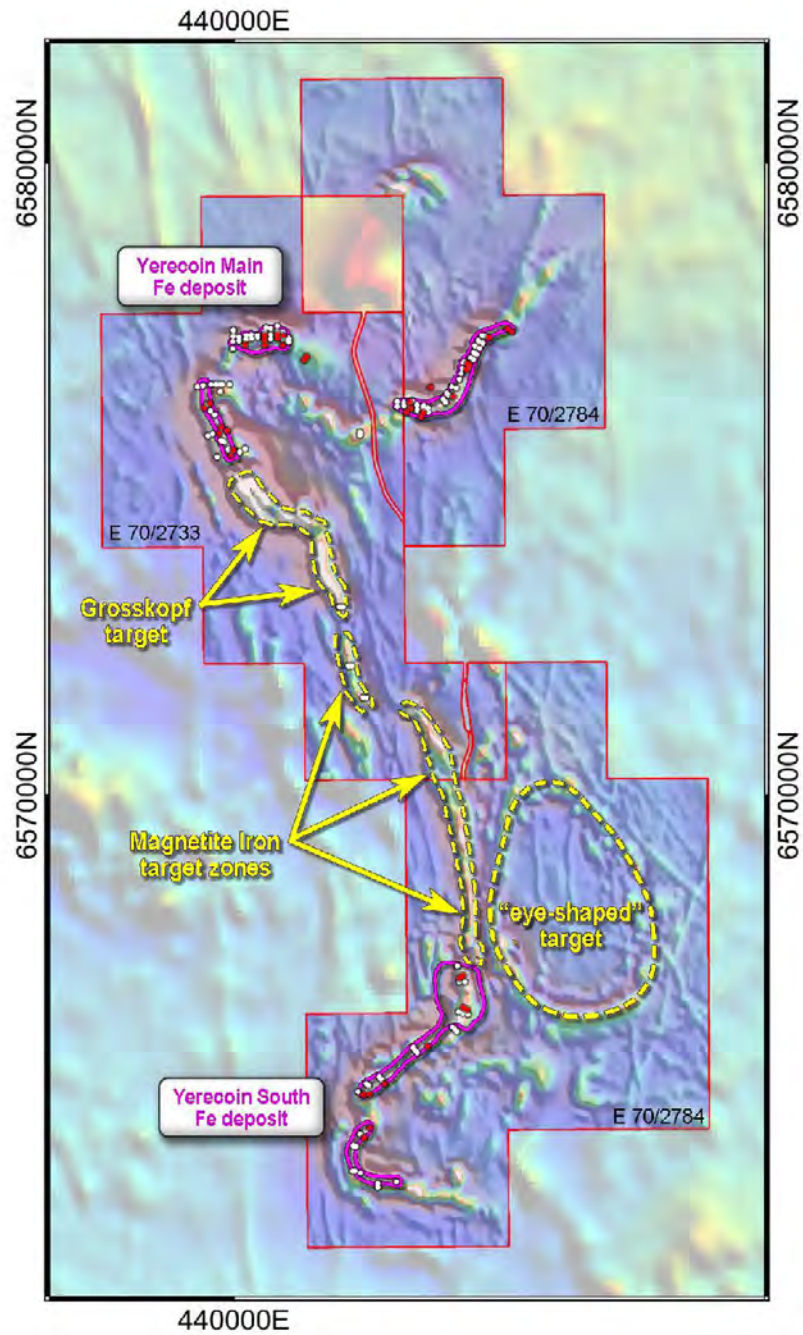


Figure 5: Yerecoin Project Magnetic (RTP) imagery illustrating, plan view representation of resource zones, exploration targets and cross section locations

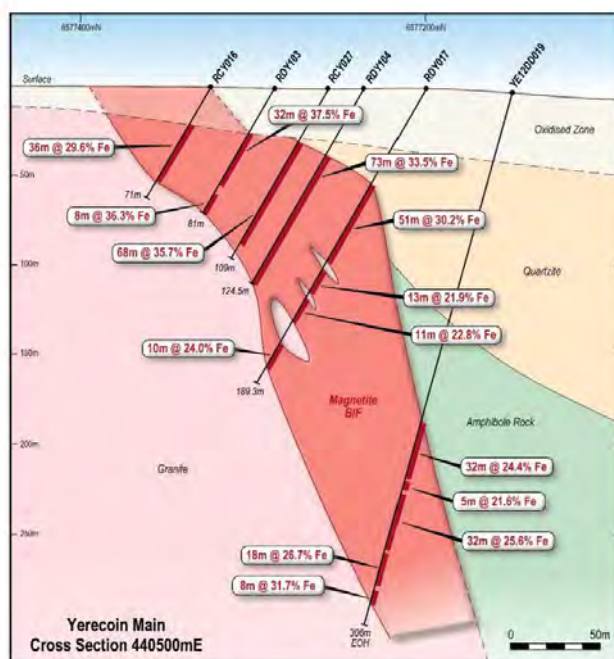


Figure 8: Yerecoin Main Deposit - cross section 440500mE

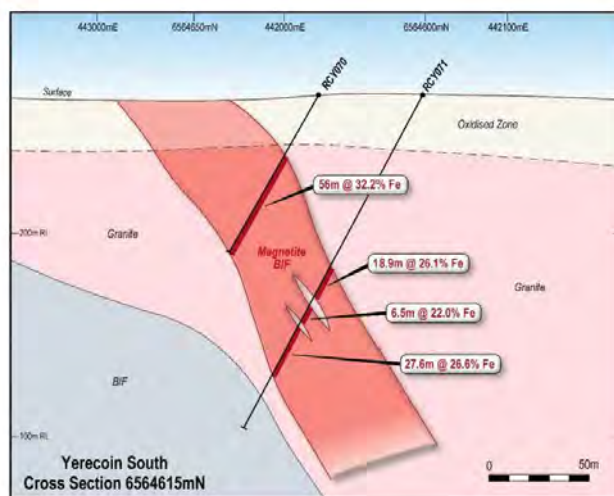


Figure 6: Yerecoin South Deposit - cross section 6564615mN

4.6 MINERAL RESOURCES

The Yerecoin Main Resource lies within tenements E70/2733 and E70/2784 and has been the subject of a total of thirty-six (36) diamond drillholes totalling 7,364m and a total of ninety-five (95) RC holes totalling 9,865m have been completed at Yerecoin Main. Approximately 94% of the diamond drilling metres has targeted the Yerecoin mineralisation. Thirteen (13) of the RC holes for 1,327m were not sampled.

The Yerecoin South Resource lies solely within tenement E70/2784 and has been the subject of a total of eighteen (18) diamond drillholes totalling 3,743m and a total of twenty-four (24) RC holes totalling 3,074m have been completed within the boundary of the property.

Table 2: Yerecoin Drilling Summary

| Resource | Hole Type | Holes | Metres |
|----------------|-----------|------------|---------------|
| YERECOIN MAIN | RC | 95 | 9,865 |
| | DDH | 36 | 7,386 |
| | Sub-Total | 131 | 17,229 |
| YERECOIN SOUTH | RC | 24 | 3,074 |
| | DDH | 18 | 3,743 |
| | Sub-Total | 42 | 6,817 |
| Total | | 173 | 24,046 |

To date, the Yerecoin Project has been tested by 119 RC drillholes and 54 diamond drillholes. The composite samples (4m) of the mineralised material have all undergone extensive Liberation Index Specification and Davis Tube weight recovery (DTR) testing. These tests derive likely magnetite yields and concentrate grades.

Consultant group Tetra Tech was requested by Cliffs to complete an independent assessment of the resources of iron mineralisation within its Yerecoin Project during 2012. The Resource comprised three areas, Yerecoin North (not part of Burley's Yerecoin Project), Yerecoin Main and Yerecoin South.

Cadre Geology and Mining Pty Ltd (Cadre) was contracted by Radar to complete a re-estimation of the Yerecoin Main Resource during 2014. The estimate for the Yerecoin South deposit remained unchanged. During Radar's re-estimation an additional ninety-five (95) pre-existing RC drillholes, not previously used, were incorporated, resulting in greater data density and hence greater confidence in the output. This allowed a partial upgrade in the JORC 2012 classification from Inferred to Indicated category.

Both resources were estimated by ordinary kriging and verified using other estimation methods. A threshold of DTR 15% was applied to all resources respectively. The total Mineral Resource (Indicated and Inferred) for the Yerecoin Project is 246.7Mt @ 32.1% DTR Fe (68.1% Fe concentrate grade), refer Table 3.

Table 3: Yerecoin Mineral Resource Statement

| Resource | Category | Tonnes (Mt) | DTR (%) | In-situ Fe (%) | Conc Fe (%) | Al ₂ O ₃ (%) | SiO ₂ (%) | P (%) | S (%) |
|--------------------|--------------|----------------|-------------|-------------------|----------------|---------------------------------------|-------------------------|-------------|-------------|
| MAIN ¹ | Indicated | 31.0 | 37.4 | 31.4 | 67.7 | 0.15 | 6.01 | 0.01 | 0.03 |
| | Inferred | 99.8 | 35.1 | 29.6 | 68.4 | 0.20 | 5.40 | 0.01 | 0.04 |
| | Sub-Total | 130.8 | 35.7 | 29.7 | 68.0 | 0.18 | 5.95 | 0.01 | 0.03 |
| SOUTH ² | Inferred | 115.9 | 28.1 | 29.8 | 67.9 | 0.41 | 4.20 | 0.01 | 0.75 |
| TOTAL | Indicated | 31.0 | 37.4 | 31.4 | 67.7 | 0.15 | 6.01 | 0.01 | 0.03 |
| | Inferred | 215.7 | 31.3 | 29.7 | 68.1 | 0.31 | 4.75 | 0.01 | 0.42 |
| | Total | 246.7 | 32.1 | 29.9 | 68.1 | 0.29 | 4.91 | 0.01 | 0.37 |

Notes:

1. The Yerecoin Main Mineral Resource Estimate was established in 2014. This information was reported under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Mineral Resource Estimate was detailed in ASX:RAD announcement dated 8th September 2014 "Resource Upgrade for Yerecoin Project"
2. The Yerecoin South Mineral Resource Estimate was established in 2014. This information was reported under the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Mineral Resource Estimate was detailed in ASX:RAD announcement dated 24th April 2014 "Major Project Acquisition"
3. Tonnes and grades have been rounded to reflect the relative uncertainty of the estimate, thus sum of columns may not equal.
4. DTR is the acronym for Davis Tube Recovery (weight %). A Davis Tube is a laboratory instrument designed to separate small samples of strongly magnetic ores into strongly magnetic and weakly magnetic fractions.
5. Grade interpolated using Ordinary Kriging and reported at 15% DTR low cut-off for 68% passing (P₆₈) 75µm (Yerecoin Main deposit) and 85% passing (P₈₅) 75µm (Yerecoin South deposit).
6. FRM confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the data in the relevant market announcement continue to apply and have not materially changed.
7. There is a low level of geological confidence associate with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

Significant potential lies in further expanding the existing resources. Aeromagnetic data indicates that the approximate 6km long zone between the Yerecoin Main and Yerecoin South deposits hosts the continuation of the banded iron formations between the two. This zone has yet to be drill tested and includes the Grosskopf target area, south of the Western Limb at Yerecoin Main deposit (refer Figure 5).

Metallurgical Results

Metallurgical testing has been completed on five samples from the Yerecoin Main deposit by Giralia and Cliffs. Four of the samples were selected as being representative of the deposit, with one of the samples being rejected as not being representative.

Metallurgical studies completed as part of the Scoping Study indicated Yerecoin Main is capable of producing a high-grade concentrate (68.6% Fe) with low deleterious content, coarse particle size and

low impurity levels. Test work shows that a suitable quality concentrate could be produced at a relatively coarse grind size of 80% passing (P_{80}) 106 μm . The product is characterised by high iron, and low in phosphorus, alumina and other contaminants, as shown in Table 4.

Table 4: Yerecoin Main Deposit – Concentrate Chemical Specifications

| Fe | SiO ₂ | Al ₂ O ₃ | CaO | MgO | P | S | Zn | Mn | TiO ₂ | Na ₂ O | K ₂ O | LOI |
|------|------------------|--------------------------------|------|------|-------|-------|-------|-------|------------------|-------------------|------------------|------|
| 68.6 | 4.3 | 0.12 | 0.17 | 0.28 | 0.014 | 0.008 | 0.002 | 0.057 | 0.027 | 0.005 | 0.007 | 3.13 |

All values in %

Source: ASX:RAD announcement dated 8th September 2014 “Resource Upgrade for Yerecoin Project”

Studies

Various studies have been completed on the Yerecoin Project by previous operators: including scoping studies, engineering investigations, transport logistic studies and magnetite plant concept studies.

During 2012, the Gunnel JV completed a detailed Scoping Study for its Yerecoin Project. The Scoping Study was based on a minimum 5Mtpa of annual concentrate production, rail and port logistics. This was based on the existing open-access, multi-user rail infrastructure and progressed port access at the Port of Kwinana.

Broad-scale analysis of potential mining scenarios was completed, based on the defined resources and those deemed inferred (not used in the JORC sense) to exist on the basis of magnetic signatures, both within the tenure covered by Burley’s Yerecoin Project as well as the surrounding tenure which was previously controlled by Cliffs and related parties.

While the Scoping Study demonstrated a strong production potential and a feasible infrastructure solution, the overall outcomes were inconsistent with the Joint Venture Parties’ production criteria (5-10mtpa concentrate production) and their strategic objectives.

During 2014, Radar contracted engineering group Engenium Pty Ltd (Engenium) to complete a Scoping Study on the Yerecoin Project. The Scoping Study was based on the Yerecoin Inferred Resource and on low level technical and economic assessments. The key findings of the Scoping Study¹ were:

- The Yerecoin Project is economically and technically viable.
- The Yerecoin Project is substantially de-risked as relatively low levels of capital are required initially while the concentrate production process is optimised.
- The Yerecoin Main deposit should be the initial focus of mining.
- The existing rail line adjacent to Yerecoin can handle approximately 750,000tpa of Fe concentrate prior to any substantial upgrade capital requirement.
- That a staged development plan which minimises initial capital and hence project risk is an appropriate development strategy.
- That further project development is justified.

Key aspects of the Yerecoin deposits which formed the basis for conducting the Scoping Study, include:

- Contains a coarse grained easily processed magnetite with excellent metallurgical properties;
- Concentrate at >68% Fe with very low contaminant levels – increasingly sought after on world

¹ ASX:RAD announcement dated 10th June 2014 “Yerecoin Scoping Study Results”

markets;

- 105 (µm) micron grind – economical to produce and transport and can be direct fed to sinter plants similar to DSO fine ores.
- The location of the deposit directly adjacent to a WA Government owned rail line enabling transport to the port of Kwinana for relatively low cost.

The scoping study referred to in Radar's announcement is based purely on the Yerecoin Main deposit Inferred Resource and on low level technical and economic assessments and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. It does however highlight the potential for low cost development of the project.

Radar's business model centred on initially producing approximately 250,000t of high-quality Fe concentrate per annum using a small-scale production plant. Radar continued its studies, including initiating a mine optimisation study using the new resource to establish the optimal area within the resource to commence mining. Engenium carried out additional studies for Radar on the metallurgical and transport issue associated with near term development. For the metallurgical information, a gap analysis was completed to define parameters that require further work to ensure the priorities are understood prior to the initial designs of a processing plant.

A transport study was completed looking a combination of rail and road transport from site to the ports of Geraldton and Fremantle. This study led to the identification of several priority areas for further work. A review of the approvals process was also completed identifying all aspects necessary to commence mining operations, including environmental surveys, water requirements, land-owner and local stakeholder engagement, etc.

4.7 NICKEL-COPPER-PGE POTENTIAL

The Yerecoin Project lies approximately 60km north-northeast of the recent discovery of Chalice Mining Limited's (Chalice, ASX:CHN) Julimar Nickel-Copper-PGE Project and 20km northeast of the Yarrawindah Brook Ni-PGE mineralisation that has been reappraised by Cassini Resources Limited (Cassini, ASX:CZI, now held by Caspin Resources Limited, ASX: CPN, following a demerger of assets).

The recent Julimar Ni-Cu-PGE discovery and the associated increased interest within the Jimpending Metamorphic Belt led to the Yerecoin Project tenement holder conducting a review of the extensive Yerecoin database. This work revealed the presence of an extensive, thick ultramafic intrusive in the vicinity of the Yerecoin South iron ore deposit.

Previous exploration within the Yerecoin Project tenements has focused on evaluating the region for iron mineralisation, with little to no exploration for nickel-copper and platinum group elements having taken place. Previous drilling by Giralia and Cliffs at Yerecoin South intercepted abundant serpentinised ultramafic rocks in several holes over the entire drilled extent of the deposit (approximately 3km). The ultramafic exists at the bottom of the hole in several of the drillholes and substantial thicknesses of the unit have been intersected in various drillholes as illustrated in Figure 10; including 155.2m in drillhole YS12DD05 (154.5 to 309.7m), 92.7m in drillhole YS12DD01 (117.2m to 209.9m) and 94.05m in drillhole YS12DD09 (90.55m to 184.60m).

Regional work conducted by Harrison (1986) suggested that some of the mafic and ultramafic bodies within the terrane may be the remnants of larger layered intrusives, providing exploration targets for platinum group elements (PGEs) mineralisation. The Julimar results to date appear to support this assessment. The historic Yerecoin drillholes showing elevated nickel and copper values were not assayed for PGEs.

Giralia and Cliffs each completed petrographic studies on a combined total of 33 samples from diamond drill core. Petrographic studies confirmed that the ultramafic rocks are variably serpentinised harzburgite and lherzolite pyroxenites; indicative of large, layered intrusions. Traces of chalcopyrite and cobalt-bearing pentlandite (Fe-Ni sulphide) and millerite (Ni sulphide) were also identified during the petrographic studies, further indicating the mineralisation potential of the intrusion.

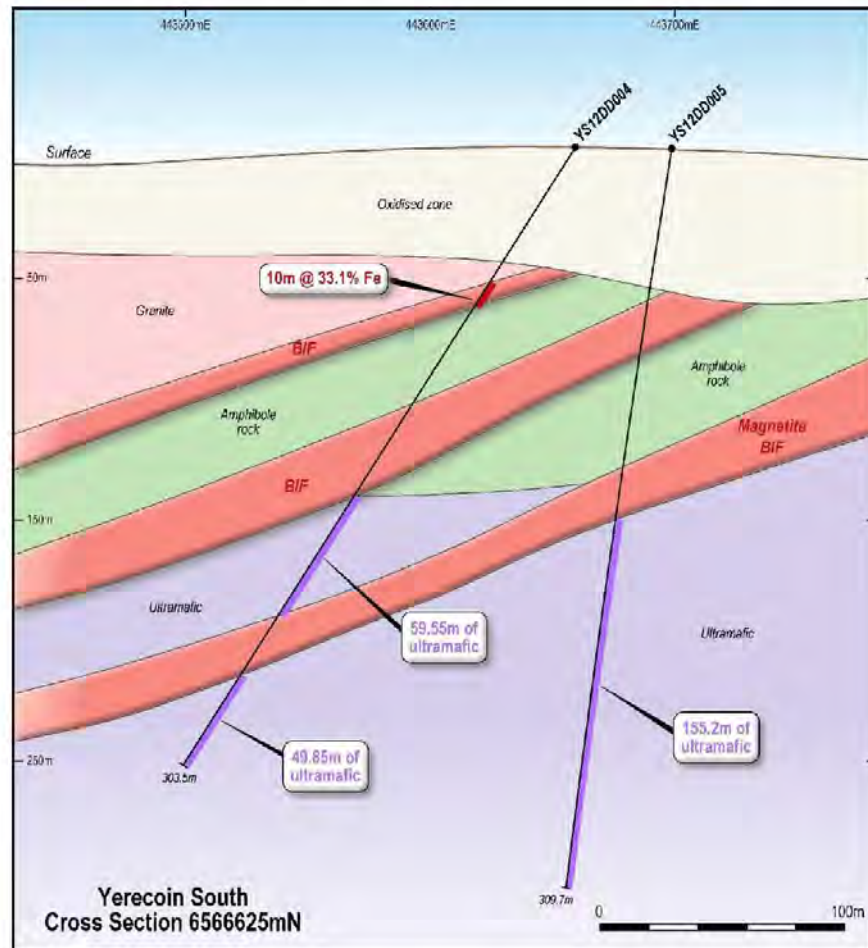


Figure 10: Yerecoin South - cross section 6566625mN showing ultramafic units

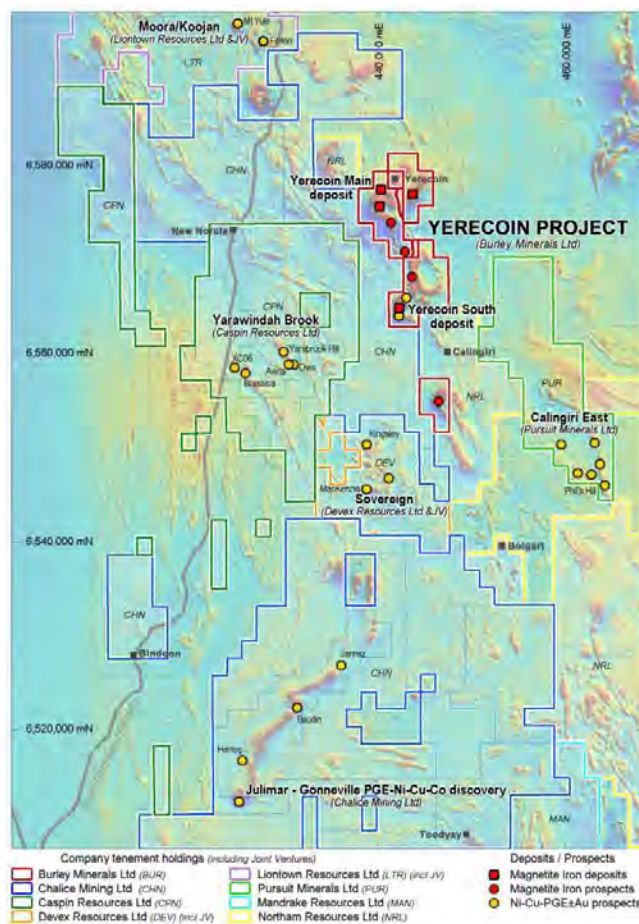


Figure 11: Burley's Yerecoin Project overlying airborne magnetics (RTP) in relation to Chalice Mining Limited's Julimar Project and Caspin Resources Limited's Yarawindah Brook Project.

Cliffs completed a preliminary review of the nickel sulphide potential of the Project's ultramafics, concluding that the positive factors were the lithological association with the banded iron formation and some evidence for crustal contamination. It was recommended that the harzburgite samples with identified pentlandite be analysed for platinum (Pt) and palladium (Pd) however this work was not carried out.

Further work is required to assess the known drill intersections of the intrusion as well as the other unexplored magnetic rocks underlying the project. Figure 5 shows the extent of strongly magnetic rocks which lie largely unexposed including a significant, large unexplained "eye-shaped" magnetic anomaly (measuring ~5km x ~3km) lying under cover to the immediate northeast of Yerecoin South and the known ultramafic intrusive. This magnetic feature may represent further banded iron formation or another large, related ultramafic intrusion. The airborne electromagnetic (AEM) survey recently completed is

expected to provide additional information to assist in determining the cause of the "eye-shaped" magnetic feature and possible exploration drill targets for magnetite BIF and Ni-Cu-PGE mineralisation.

There have been some very recent exploration successes within the Jimpending Metamorphic Belt, including Chalice Mining Limited's Gonneville discovery, Caspin Resources Limited's Yarabrook Hill prospect, DevEx Resources Limited's Sovereign Project and Pursuit Minerals Limited's Phil's Hill prospect. Given these recent exploration successes, and the knowledge that the Yerecoin Project has identified Co-bearing Ni-Cu sulphides within ultramafic host rocks, Burley believes the geological setting and prospectivity of the Yerecoin Project are analogous to the Julimar discovery setting and represent an opportunity for the discovery of Ni-Cu-PGE mineralisation within its Project. Ultramafic units, with similarities to those encountered at the Julimar discovery (e.g. Iherzolite, harzburgite, gabbro etc.), are present within the tenements and historical petrological work identified cobalt-bearing nickel sulphide minerals such as pentlandite (Fe-Ni-S) and millerite (Ni-S). This prospectivity has only

just been realised and is evidence of the potential for magmatic PGE and nickel-copper sulphide mineralisation.

5.0 PROPOSED EXPLORATION AND USE OF FUNDS

It is the opinion of the author that Burley's Yerecoin Project warrants further investigation. Burley's strategy is two-fold; advancing resource definition, scoping and feasibility studies on the potential development of the magnetite iron resources and initiating exploration to investigate the potential for orthomagmatic Ni-Cu-PGE mineralisation.

Magnetite Iron Ore Exploration & Feasibility Studies

Feasibility study work is planned to commence post ASX listing, including investigating:

- the latest in comminution and beneficiation technologies
- current and future power and transport infrastructure (local and regional)
- concentrate production vs pelletisation
- over-land and shipping logistic requirements
- potential marketing off-take arrangements

Drilling is planned to extend and upgrade resources at Yerecoin Main and Yerecoin South. The Yerecoin Main deposit remains open at depth and may have significant continuity along strike to the south into the Grosskopf target area. To date no drilling has been undertaken to the south of the known mineralisation within this area due to restricted land access at that time. Yerecoin South also remains open at depth and may have strike continuity to the north and east.

Nickel-Copper-PGE Exploration

Previous exploration within the Yerecoin Project tenements has focused on evaluating the region for iron mineralisation, and little to no exploration for nickel-copper and platinum group elements has taken place. The terrane is well suited to using electromagnetic surveying techniques which have proven to be effective elsewhere in the region, such as that recently at Chalice's Julimar discovery, for defining conductive sulphide bodies. Although effective it is noted that not all sulphide systems are conductive or suited to AEM style exploration. The recently completed AEM VTEM™ MAX survey, initiated by Burley over the northern block of tenements, was commissioned with the view of enabling identification of EM conductive anomalies for drill testing. The data will be processed and interpretations are expected shortly after listing. Follow up electromagnetic techniques such as fixed surface loop electromagnetic (FLEM) surveys may be carried out over the higher priority targets identified in the AEM. A regolith mapping and soil geochemistry program may also be completed over the untested magnetic anomalies to further assess the precious and base metal mineralisation prospectivity.

Final targets generated will then be tested using reverse circulation (RC) and diamond drilling.

Expenditure

Burley have provided to FRM Geological Services (**FRM**) its proposed exploration expenditure for the two-year period following the capital raising with \$6,000,000 of direct exploration expenditure which is detailed in Table 5. Burley is intending to focus its expenditure on developmental studies (including metallurgical testwork), geophysical and geochemical surveys and drilling.

All costs are shown as an all-in inclusive cost, which includes the cost of drilling, sampling, assaying, personnel and other relevant costs. The proposed exploration budget and work programs are broadly

26

in-line with the current exploration costs in Western Australia. FRM notes that exploration budget is sufficient to exceed Burley's minimum statutory expenditure obligations for the Project.

Burley's commitments to exploration activities satisfy the requirements of ASX Listing Rules 1.3.2(b) and 1.3.3(b). FRM also understands that Burley will have sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX listing Rules 1.3.3(a), following the minimum capital raising contemplated.

Burley has indicated to FRM that they will undertake a systematic, staged approach with respect to its exploration program on its Yerecoin Project, with prudent monitoring, assessing and refocusing of the exploration programs as necessary. FRM considers that the exploration strategy proposed by Burley is consistent with the mineral potential and status of the Project.

FRM has reviewed Burley's proposed exploration activities and is of the opinion that the funds raised will be sufficient for the proposed program and that the programs are appropriate for the mineral potential and status of the Yerecoin Project. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration activities as they progress.

Table 5: Summary of proposed use of funds

| Total Subscription (\$6M) | | | |
|---------------------------------------|--------------------|--------------------|--------------------|
| | Year 1 | Year 2 | TOTAL |
| YERECOA MAGNETITE | | | |
| Mapping/Geochemistry | \$67,500 | \$19,800 | \$87,300 |
| Drilling (RC & DD) | \$622,800 | \$264,600 | \$887,400 |
| Feasibility Studies (incl metallurgy) | \$429,300 | \$247,500 | \$676,800 |
| Geologists / Field Staff | \$168,300 | \$111,600 | \$279,900 |
| Land access, Rent & Rates | \$172,800 | \$162,000 | \$334,800 |
| Sub-Total | \$1,460,700 | \$805,500 | \$2,266,200 |
| YERECOA NI-CU-PGE | | | |
| Mapping/Geochemistry | \$39,950 | \$31,450 | \$71,400 |
| Geophysics | \$105,000 | \$35,000 | \$140,000 |
| Drilling (RC & DD) | \$159,800 | \$353,000 | \$512,800 |
| Geologists / Field Staff | \$106,250 | \$96,900 | \$203,150 |
| Sub-Total | \$411,000 | \$516,350 | \$927,350 |
| TOTAL | \$1,871,700 | \$1,321,850 | \$3,193,550 |

6.0 DECLARATION

FRM Geological Services (**FRM**) will receive a professional fee based on standard rates plus reimbursement of out of pocket expenses for the preparation of this report. The payment of these fees is not contingent upon the success or otherwise of the proposed capital raising pursuant to the prospectus within which this report is contained. FRM does not have any pecuniary or other interests which could be reasonably regarded as being capable of affecting the ability of FRM to provide an unbiased opinion in relation to the assets and the assumptions included in the various technical studies completed by Burley, relied upon by FRM and reported herein.

The Competent Person for preparation of the report is Ms Felicity Repacholi-Muir, BSc (Geol & Soil Sc), GradCertAppFin. Ms Repacholi-Muir is a Member of the Australian Institute of Geoscientists (MAIG #3417) with over 15 years of experience and has extensive professional experience with the geology of Western Australia and has worked extensively throughout Western Australia.

Ms Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined by the in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Ms Repacholi-Muir consents to the inclusion in the report of the matters on her information in the form and context in which it appears.

This report has an Effective Date of 19th May 2021 this being the most recent date on which Burley made material in its possession available to FRM and FRM is unaware of any material change since this date. FRM consents to the distribution of this Report in the form and content in which it appears.



Felicity Repacholi-Muir

BSc (Geol & Soil Sc)
GradCertAppFin
MAIG #3417

7.0 PRINCIPAL SOURCES OF INFORMATION

The principal information sources used are listed below.

Begg, G.C., Hronsky, J.A.M., Arndt, N.T., Griffin, W.L., O'Reilly, S.Y., and Hayward, N., 2010. Lithospheric, cratonic and geodynamic setting of Ni-Cu-PGE sulphide deposits. *Econ. Geol.* 105, 1057-1070.

Bosch, D., Bruguier, O., and Pidgeon, R.T., 1996, Evolution of an Archean Metamorphic Belt: A Conventional and SHRIMP U-Pb Study of Accessory Minerals from the Jimperding Metamorphic Belt, Yilgarn Craton, West Australia; *Journal of Geology*, v. 104

Carter, J.D., and Lipple, S.L., 1982, Moora Western Australia 1:250,000 Geological Series – Sheet SH50-10 International Index; Geological Survey of Western Australia Explanatory Notes

Cassidy, K.F., Champion, D.C., Krapez, B., Barley, M.E., Brown, S.J., Blewett, R.S., Groenewald, P.B. and Tyler, I.M., 2006/8. A revised geological framework for the Yilgarn Craton, Western Australia. Geological Survey of Western Australia

Eckstrand, O.R., 1975, The Dumont Serpentinite: A model for control of nickeliferous opaque assemblages by alteration products in ultramafic rocks. *Econ. Geol.* 70, 183-201.

Gole, M.J. 1981, Archean Banded Iron-Formations, Yilgarn Block, Western Australia; *Economic Geology* vol. 76 no. 7

Hastie, C., Warries, H. and Heame, J., 2010, Independent Technical Review and Mining Study, Yerecoin Magnetite Project. Unpublished report (MINEWPER00831AA) prepared by Coffey Mining Pty Ltd for Giralia Resources NL

Harrison, P.H. 1986, Professional Papers for 1984. Rep 19. Geol Survey of WA

Huxtable, P., Dale, R., and Fox, G., 2012, Yerecoin Resource Estimates (Western Australia). Unpublished report (C5591-0000-GE-RP-003 Rev 2 (2)) prepared by ProMet Engineers Pty Ltd and TetraTech Australia Pty Ltd for Cliffs Magnetite Holdings Pty Ltd.

Huxtable, P., Dale, R., and C. S., 2014, Yerecoin Resource Estimates, Western Australia. Unpublished report (1400410100-REP-R0001-00) prepared by TetraTech Australia Pty Ltd for Radar Iron Ltd.

Louw, G., 2010, Mineral Resource Estimate, Yerecoin Magnetite Project. Unpublished report (R248.2010) prepared by CSA Global Pty Ltd for Giralia Resources NL

Naldrett, A.J., 2010, Secular variation of magmatic sulphide deposits and their source magmas. *Econ. Geol.* 105, 669-688.

Pollard, B., 2014, Yerecoin Magnetite Project, Mineral Resource Report. Unpublished report prepared by Cadre Geology and Mining Pty Ltd for Radar Iron Ltd.

ProMet Engineers, 2010, Yerecoin Iron Ore Project, Scoping Study. Unpublished report (C5430-RP-001) prepared by ProMet Engineers Pty Ltd for Giralia Resources NL.

The JORC Code 2012 Edition, Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, [online http://jorc.org/docs/JORC_code_2012.pdf].

The VALMIN Code 2015 Edition, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists [online http://valmin.org/docs/VALMIN_Code_2015_final.pdf].

- Wilde, S.A., 1974, Explanatory Notes on the Archean Rocks of the Perth 1:250,000 Geological Sheet, Western Australia; Geological Survey of Western Australia Record No. 1974/15
- Wilde, S.A., 1994, Crustal Evolution of the South-Western Yilgarn Craton. Geological Society of Western Australia. Excursion Guidebook No.7
- Wilde, S.A., 2001, Jimperding and Chittering Metamorphic Belts, South-Western Yilgarn Craton, Western Australia – A Field Guide. Geological Survey of Western Australia Record No. 2001/12
- Wilde, S.A., and Low, G.H., 1978, Perth Western Australia 1:250,000 Geological Series – Sheet SH50-14 International Index; Geological Survey of Western Australia Explanatory Notes
- Wilde, S.A., and Nelson, D.R., 2001, Geology of the Western Yilgarn Craton and Leeuwin Complex, Western Australia – A Field Guide. Geological Survey of Western Australia Record No. 2001/15

7.1 YERECOA PROJECT WAMEX REFERENCES

The following exploration reports were sourced from the Western Australian Department of Mines Industry Regulation and Safety's WAMEX database

- WAMEX Report A006163, Luke Prospecting Pty Ltd, 1970.
- WAMEX Report A069873, Rio Tinto Exploration Pty Limited, 2005.
- WAMEX Report A074741, Giralia Resources NL, 2006.
- WAMEX Report A077309, Polaris Metals NL, 2007.
- WAMEX Report A077919, Giralia Resources NL, 2008.
- WAMEX Report A080165, Giralia Resources NL, 2008.
- WAMEX Report A080939, Polaris Metals NL, 2009.
- WAMEX Report A085237, Giralia Resources NL, 2009.
- WAMEX Report A085241, Giralia Resources NL, 2009.
- WAMEX Report A085352, Giralia Resources NL, 2009.
- WAMEX Report A085358, Giralia Resources NL, 2010.
- WAMEX Report A088452, Giralia Resources NL, 2010.
- WAMEX Report A088625, Giralia Resources NL, 2010.
- WAMEX Report A092527, Atlas Iron Ltd, 2012.
- WAMEX Report A096869, Cliffs Magnetite Holdings Pty Ltd, 2013.
- WAMEX Report A100991, Cliffs Magnetite Holdings Pty Ltd, 2014.

8.0 GLOSSARY

Below are brief descriptions for some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia.

Aeolian Relating to wind-formed surficial deposits, typically composed of fine sand and sediment.

Aeromagnetics Airborne measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

Aircore Drilling (AC) Drilling Rotary drilling technique employed to drill in poorly consolidation rocks, where the sample is returned to the surface inside the drill rods under the influence of applied air pressure.

Alluvium A general term for unconsolidated material deposited during comparatively recent geological time by a stream or other form of running water.

Alteration halo zone of chemical alteration surrounding mineralisation. May be used as a 'pathfinder' to the primary mineralisation.

Amphibolite A metamorphic rock composed mainly of amphibole, a family of minerals in which the silica molecules are bound together in parallel chains.

Anomalous Having statistically significantly higher or lower values than the norm.

Anomaly A portion of an area surveyed that is different in appearance from the area surveyed in general or containing higher or lower values than considered normal.

Archaean The oldest rocks of the Earth's crust— older than 2,400 million years.

Assay An examination of a sample to determine by measurement certain of its ingredients.

Auriferous Containing gold.

Banded Iron Formation Iron formation that shows marked banding, generally of iron-rich minerals and chert or fine-grained quartz.

Basalt A fine-grained, dark igneous rock, generally extrusive, composed of half feldspar and half mafic materials.

Basement The igneous or metamorphic rock that exist below the oldest sedimentary cover. In some areas such as shields the basement rocks may be exposed at surface

Basic A descriptive term applied to igneous rocks (basalt and gabbro) with silica (SiO₂) between 44% and 52%.

Breccia A coarse-grained clastic rock composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.

Calcrete A surficial form of carbonate, usually formed during weathering processes.

Caldera The Spanish word for cauldron, a basin-shaped volcanic depression; by definition, at least a mile in diameter. Such large depressions are typically formed by the subsidence of volcanoes.

Carbonate Rock of sedimentary or hydrothermal origin, composed primarily of CO₃

Chert A hard, extremely dense or compact, dull to semivitreous, microcrystalline or cryptocrystalline rock consisting of interlocking crystals of quartz less than about 30 microns in diameter.

Chlorite A dark replacement mineral related to mica.

Clastic Sediments derived from erosion of pre-existing rocks.

Country Rocks The rock intruded by and surrounding an igneous intrusion.

Craton A craton is an old and stable part of the continental crust that has survived the merging and splitting of continents and supercontinents for at least 500 million years.

Deformation Process by which rocks are folded or faulted.

Deposition The precipitation of mineral matter from solution.

Diamond (Core) Drilling The most expensive method of drilling. It is designed for resource exploration drilling, its main benefit being that it provides core of the strata for accurate assessments and gives the most accurate indication of depth from which the sample is derived.

Disseminated Mineral grains scattered throughout host rock.

Dolerite A medium-grained mafic intrusive rock composed mainly of pyroxene and plagioclase; crystalline basalt.

Dyke A tabular igneous intrusion cutting across the bedding or other planar structures in the country rocks.

Electromagnetic Survey Traverses carried out along equally spaced lines that input an electrical field to the ground, and measure the changes in the earth's magnetic field at different times after the application of the electrical field.

Exploration Projecting, sampling, mapping, drilling and other work involved in the search for mineralisation.

Fault A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally; this may provide a channel for the passage of mineral-bearing solutions.

Felsic Descriptive of light-coloured, fine-grained igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

Ferruginous Pertaining to or containing iron; red-coloured rocks in which the iron content has been oxidised.

Fluvial Produced by the action of flowing water.

Formation A body of rock identified by lithic characteristics and stratigraphic position and is mappable at the earth's surface or traceable in the subsurface.

Gabbro Coarse-grained, dark igneous rock of similar composition to basic volcanics.

Geochemical anomaly A concentration of one or more elements in rock, soil, water or vegetation that differs significantly from the normal concentration.

Geochemical surveys The application of methods and techniques of geochemistry, such as soil and rock sampling, in the search for minerals.

Geophysical survey The exploration of an area in which physical properties (for example, resistivity, conductivity, magnetic properties) unique to the rocks in the area are quantitatively measured by one or more geophysical methods.

Grade Quantity of gold or other metal per unit weight of host rock or sample.

Granite Coarse-grained igneous crystalline rock with a high silica content.

Granitoid Pertaining to or composed of granite.

Greenstone Term for any fine-grained mafic igneous rock.

Grid Systematic array of points or lines along which field observations are made.

Ground magnetics Ground based measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

Hematite An iron oxide mineral with the general formula Fe_2O_3 .

Host rock Rock containing mineralisation.

Igneous Formed by solidification from the molten state.

Induced Polarisation (IP) The production of a double layer of charge at a mineral interface, or production of charges in double-layer density of charge, brought about by application of an electric or magnetic field.

Intermediate A descriptive term applied to igneous rocks that are transitional between basic and acidic with silica (SiO_2) between 54% and 65%.

Intrusion The process of emplacement of magma in pre-existing rock. Also, the term refers to igneous rock mass so formed within the surrounding rock.

Laterite Iron-rich residual surface rock capping formed by weathering in tropical conditions.

Mafic Referring to igneous rocks composed dominantly of iron and magnesium minerals.

Magma Naturally occurring molten and mobile rock material, generated within the Earth and capable of intrusion or extrusion, from which igneous rocks are thought to have been derived through solidification and related processes.

Magnetic anomaly magnetic values above or below the norm for a particular rock.

Magnetite A mineral; magnetic oxide of iron.

Massive sulphide Sulphide mineralisation where a large number of sulphide grains are in contact with each other.

Metamorphism The mineralogical, chemical and structural adjustment of solid rocks to physical and chemical conditions which have generally been imposed at depth under increased temperature and pressure below the surface zones of weathering, and which differ from the conditions under which the rocks in question originated.

Metamorphic Alteration and re-crystallisation of rocks because of heating or application of pressure or both.

Metabasalt Partly metamorphosed basalt rocks.

Mineralisation The concentration of metals and their chemical compounds within a body of rock.

- Monzogranite** The name of a subdivision of granite rocks.
- Nickel** Silvery-white metal used in alloys.
- Ounce** Troy ounce equivalent to 31.10348g.
- Outcrop** An exposure of bedrock at the surface, projecting through the overlying soil cover.
- Oxidised** Near-surface decomposition by exposure to the atmosphere and groundwater.
- Percussion drilling** A method of drilling which utilises a hammering action under rotation to penetrate rock while the cuttings are forced to the surface by compressed air returning outside the drill rods.
- PreCambrian** All geologic time from the beginning of Earth history to 545 million years ago.
- Project** An area including a group of tenements that constitute a logical working unit.
- Proterozoic** A geological period of time from 2500 Ma – 545 Ma.
- Prospect** Any mine workings not yet valued; an area to be examined for minerals.
- Pyrite** Magnetic iron sulphide mineral.
- Pyroxene** A dark silicate mineral common in mafic rocks.
- Pyrrhotite** Magnetic iron sulphide mineral.
- Quartz** A very common mineral composed of silica.
- Regolith** All the material at the earth's surface that lies above fresh, unweathered rocks.
- Rotary air blast (RAB) drilling** A technique whereby the cuttings are returned to the surface outside the drill stem by compressed air and are thus liable to contamination from the wall rocks.
- Reverse circulation (RC) drilling** A technique in which the cuttings are recovered through the drill rods, thereby minimising sample losses and contamination.
- Regolith** Weathered portion of the land surface down to bedrock.
- Sampling** Taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).
- Schist** Type of fine-grained metamorphic rock with a laminated fabric similar to slate.
- Sediment** Formed by the deposition of solid fragmental or chemical material that originates from the weathering of rocks.
- Sedimentary Basin** A low area in the earth's crust, of tectonic origin, in which sediments have accumulated.
- Shear** A fracture in rock that is similar to a fault; zone in which rocks have been deformed by lateral movement along innumerable parallel planes.
- Silicified** Referring to rocks in which a significant proportion of the original constituent minerals have been replaced by silica.
- Sill** Intrusive igneous rock horizontally or sub-horizontally emplaced.
- Stratigraphic** Pertaining to the composition, sequence and correlation of stratified rocks.
- Stratigraphy** The study of stratified rocks, especially their age, correlation and character.

Structure The sum total of the structural features of an area.

Sulphides Minerals comprising a chemical combination of sulphur and metals.

Tenement Area of land defined by a government authority over which an applicant may conduct exploration or mining activity, aka 'Mineral Property'. eg Mining Lease, Exploration Licence or Prospecting Licence.

Thrust fault A fault with a dip of 45 degrees or less over much of its extent with overriding movement of one crustal unit over another.

Ultramafic Referring to an igneous rock composed essentially of dark-coloured iron and magnesium minerals.

Unconformity A substantial break or gap in the geologic record where a rock unit is overlain by another that is not next in stratigraphic succession, such as an interruption in the continuity of a depositional sequence of sedimentary rocks or a break between eroded igneous rocks and younger sedimentary strata.

Vein A narrow, dyke-like intrusion of mineral traversing a rock mass of different material.

Volcanic Class of igneous rocks that have flowed out or have been ejected at or near the Earth's surface, as from a volcano.

Versatile Time-Domain Electromagnetic (VTEM) Survey used to detect conductive substances at shallow depths in the Earth's crust.

Weathering The set of all processes that decay and break up bedrock by physical fracturing or chemical decomposition.

9.0 ABBREVIATIONS AND UNITS OF MEASUREMENT

| | |
|--------------------------------|---|
| ° | degrees |
| °C | degrees Celsius |
| 4WD | four-wheel drive |
| A\$ | Australian dollars |
| AEM | airborne electromagnetic |
| Ag | silver |
| AI | Abrasion Index |
| AG | Australian Institute of Geoscientists |
| Al | aluminium |
| Al ₂ O ₃ | alumina |
| As | arsenic |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Securities Exchange |
| Au | gold |
| AusIMM | Australasian Institute of Mining and Metallurgy |
| BaO | barium oxide |
| Bi | bismuth |
| BLEG | Bulk Leach Extractable Gold |
| Cd | cadmium |
| cm | centimetre(s) |
| Co | cobalt |
| Cu | copper |
| DD | diamond drill |
| DMIRS | Department of Mines, Industry Regulation and Safety |
| Fe | iron |
| Fe ₂ O ₃ | hematite |
| FRM | FRM Geological Services |
| g/t | grams per tonne |
| GPS | global positioning system |
| ha | hectares |
| ICP-AES | inductively coupled plasma-atomic emission spectroscopy |
| ICP-MS | inductively coupled plasma-mass spectrometry |
| ITAR | Independent Technical Assessment Report |
| IP | induced polarisation |
| ITAR | Independent Technical Assessment |
| kg | kilogram(s) |
| km, km ² | kilometres, square kilometres |
| LOI | loss on ignition |
| Ma | million of years before the present time |
| m | metre(s) |
| MgO | magnesium oxide |
| ML | million litres |
| MLEM | moving-loop electromagnetic |
| mm | millimetres |
| MnO | manganese oxide |
| Mo | molybdenum |
| Mt | million tonnes |
| Ni | nickel |
| NSI | No Significant Intercept |
| oz | ounce(s) |
| Pb | lead |
| Pd | palladium |

| | |
|------------------|---------------------------------------|
| PGE | platinum group element |
| ppb | parts per billion |
| ppm | parts per million |
| Pt | platinum |
| QAQC | quality assurance/quality control |
| RAB | rotary air blast |
| RC | reverse circulation |
| REE | Rare Earth Elements |
| S | sulphur |
| Sb | antimony |
| Si | silicon |
| SiO ₂ | silicon dioxide |
| t | tonne(s) |
| TEM | transient electromagnetic |
| TiO ₂ | titanium dioxide |
| U | uranium |
| VMS | Volcanogenic Massive Sulphide |
| VTEM | Versatile Time-Domain Electromagnetic |
| XRF | x-ray fluorescence |
| Zn | zinc |
| Zr | zirconium |

APPENDIX A

Yerecoin Project – Significant Drill Intercepts

Table 1: Yerecoin Project – Iron Mineralisation – Significant Drill Intercepts

Weighted averages for Yerecoin Project mineralisation were calculated using parameters of:

- 20% Fe lower cut-off;
- 3m minimum reporting length;
- 6m maximum length of consecutive sub-grade intervals (internal dilution), and
- minimum grade for the final composite of 20% Fe

| HOLE ID | FROM m | TO m | INTERVAL m | Fe % | SiO ₂ % | P % | S % | Al ₂ O ₃ % | LOI 950 % |
|----------------------|-----------|---------|---------------|---------|-----------------------|--------|--------|-------------------------------------|--------------|
| Yerecoin Main | | | | | | | | | |
| RCY001 | 4.0 | 16.0 | 12.0 | 25.87 | 27.09 | 0.005 | 0.02 | 23.61 | NA |
| | 24.0 | 80.0 | 56.0 | 35.70 | 42.16 | 0.034 | 0.02 | 2.23 | NA |
| | 88.0 | 96.0 | 8.0 | 25.33 | 50.96 | 0.028 | 0.10 | 7.40 | NA |
| RCY003 | 0.0 | 4.0 | 4.0 | 21.82 | 18.38 | 0.013 | 0.01 | 34.77 | NA |
| | 12.0 | 16.0 | 4.0 | 20.03 | 59.21 | 0.012 | 0.02 | 5.78 | NA |
| | 32.0 | 48.0 | 16.0 | 29.10 | 48.20 | 0.025 | 0.01 | 0.78 | NA |
| RCY008 | 0.0 | 24.0 | 24.0 | 29.51 | 38.59 | 0.015 | 0.05 | 9.80 | NA |
| RCY010 | 36.0 | 60.0 | 24.0 | 27.02 | 49.37 | 0.021 | 0.04 | 6.88 | NA |
| RCY012 | 36.0 | 72.0 | 36.0 | 23.83 | 39.43 | 0.043 | 0.10 | 9.51 | NA |
| RCY013 | 72.0 | 84.0 | 12.0 | 21.58 | 50.15 | 0.034 | 0.40 | 7.92 | NA |
| RCY015 | 24.0 | 32.0 | 8.0 | 24.87 | 50.90 | 0.037 | 0.02 | 5.81 | NA |
| RCY016 | 24.0 | 60.0 | 36.0 | 29.56 | 45.41 | 0.061 | 0.02 | 4.48 | NA |
| RCY020 | 12.0 | 28.0 | 16.0 | 33.23 | 40.32 | 0.038 | 0.02 | 5.05 | NA |
| RCY021 | 0.0 | 4.0 | 4.0 | 20.25 | 24.39 | 0.010 | 0.02 | 32.70 | NA |
| | 52.0 | 65.0 | 13.0 | 31.39 | 39.31 | 0.014 | 0.01 | 7.26 | NA |
| RCY022 | 0.0 | 42.0 | 42.0 | 25.96 | 46.13 | 0.044 | 0.04 | 8.21 | NA |
| RCY023 | 0.0 | 18.0 | 18.0 | 22.49 | 27.75 | 0.011 | 0.02 | 25.87 | NA |
| | 42.0 | 60.0 | 18.0 | 34.96 | 43.05 | 0.038 | 0.18 | 1.11 | NA |
| RCY024 | 20.0 | 116.0 | 96.0 | 34.77 | 45.94 | 0.037 | 0.04 | 1.06 | NA |
| RCY027 | 33.0 | 101.0 | 68.0 | 35.66 | 44.41 | 0.043 | 0.06 | 1.01 | NA |
| RCY028 | 75.0 | 81.0 | 6.0 | 20.41 | 58.16 | 0.038 | 0.08 | 5.78 | NA |
| RCY029 | 88.0 | 96.0 | 8.0 | 22.57 | 42.09 | 0.028 | 0.93 | 13.74 | NA |
| | 104.0 | 132.0 | 28.0 | 27.46 | 47.78 | 0.023 | 0.09 | 6.10 | NA |
| | 141.0 | 154.0 | 13.0 | 21.82 | 26.64 | 0.024 | 0.04 | 1.08 | NA |
| RCY030 | 30.0 | 73.0 | 43.0 | 30.28 | 47.35 | 0.033 | 0.05 | 4.03 | NA |
| RCY031 | 86.0 | 150.0 | 64.0 | 33.16 | 45.63 | 0.026 | 0.04 | 2.99 | NA |
| RCY032 | 35.0 | 108.0 | 73.0 | 33.41 | 46.10 | 0.039 | 0.13 | 1.13 | NA |
| RCY033 | 71.0 | 153.0 | 82.0 | 32.99 | 42.62 | 0.042 | 0.14 | 1.85 | NA |
| RCY034 | 22.0 | 65.0 | 43.0 | 35.22 | 43.61 | 0.067 | 0.10 | 2.28 | NA |

| HOLE ID | FROM m | TO m | INTERVAL m | Fe % | SiO ₂ % | P % | S % | Al ₂ O ₃ % | LOI 950 % |
|---------|-----------|---------|---------------|---------|-----------------------|--------|--------|-------------------------------------|--------------|
| RCY036 | 11.0 | 42.0 | 31.0 | 28.37 | 50.28 | 0.035 | 0.14 | 4.18 | NA |
| RCY037 | 36.0 | 39.0 | 3.0 | 20.15 | 55.98 | 0.079 | 0.01 | 7.47 | NA |
| RCY038 | 81.0 | 120.0 | 39.0 | 35.41 | 44.64 | 0.039 | 0.05 | 1.47 | NA |
| RCY039 | 35.0 | 67.0 | 32.0 | 33.04 | 45.94 | 0.045 | 0.11 | 2.66 | NA |
| RCY040 | 73.0 | 101.0 | 28.0 | 33.69 | 43.89 | 0.022 | 0.06 | 3.32 | NA |
| RCY044 | 57.0 | 60.0 | 3.0 | 23.46 | 52.35 | 0.069 | 0.47 | 5.18 | NA |
| | 62.0 | 66.0 | 4.0 | 20.92 | 43.96 | 0.042 | 0.14 | 8.65 | NA |
| | 69.0 | 74.0 | 5.0 | 29.22 | 46.13 | 0.031 | 0.19 | 3.44 | NA |
| RCY045 | 52.0 | 72.0 | 20.0 | 21.60 | 38.94 | 0.036 | 0.27 | 3.88 | NA |
| | 87.0 | 100.0 | 13.0 | 21.22 | 36.83 | 0.030 | 0.11 | 4.23 | NA |
| RCY046 | 0.0 | 12.0 | 12.0 | 23.48 | 44.38 | 0.008 | 0.02 | 13.46 | NA |
| | 46.0 | 54.0 | 8.0 | 23.67 | 49.62 | 0.023 | 0.15 | 10.55 | NA |
| | 66.0 | 70.0 | 4.0 | 28.77 | 47.48 | 0.029 | 0.02 | 6.37 | NA |
| RCY047 | 4.0 | 12.0 | 8.0 | 25.15 | 42.51 | 0.008 | 0.03 | 12.83 | NA |
| RCY047 | 70.0 | 136.0 | 66.0 | 28.71 | 47.87 | 0.022 | 0.09 | 5.72 | NA |
| RCY049 | 51.0 | 64.0 | 13.0 | 31.92 | 46.00 | 0.043 | 0.61 | 2.64 | NA |
| | 71.0 | 83.0 | 12.0 | 22.39 | 50.44 | 0.036 | 0.42 | 7.71 | NA |
| | 98.0 | 113.0 | 15.0 | 28.19 | 47.25 | 0.055 | 0.56 | 5.02 | NA |
| RCY050 | 30.0 | 37.0 | 7.0 | 35.11 | 44.27 | 0.053 | 0.02 | 1.13 | NA |
| | 48.0 | 53.0 | 5.0 | 23.89 | 53.96 | 0.029 | 0.55 | 4.54 | NA |
| RCY052 | 53.0 | 57.0 | 4.0 | 33.26 | 45.32 | 0.065 | 0.20 | 2.95 | NA |
| RCY054 | 30.0 | 65.0 | 35.0 | 34.12 | 44.95 | 0.067 | 0.13 | 1.33 | NA |
| RCY081 | 44.0 | 52.0 | 8.0 | 23.39 | 50.34 | 0.029 | 0.17 | 9.39 | NA |
| | 71.0 | 76.0 | 5.0 | 21.38 | 52.10 | 0.042 | 0.06 | 7.20 | NA |
| RCY082 | 61.0 | 70.0 | 9.0 | 34.88 | 45.41 | 0.035 | 0.09 | 1.58 | NA |
| RCY085 | 112.0 | 179.0 | 67.0 | 28.43 | 49.70 | 0.057 | 0.10 | 4.21 | NA |
| RCY086 | 124.0 | 162.0 | 38.0 | 26.36 | 50.05 | 0.041 | 0.09 | 6.16 | NA |
| RCY087 | 50.0 | 59.0 | 9.0 | 28.39 | 49.02 | 0.023 | 0.04 | 5.77 | NA |
| | 67.0 | 89.0 | 22.0 | 33.13 | 46.83 | 0.034 | 0.08 | 2.61 | NA |
| RCY088 | 53.0 | 65.0 | 12.0 | 21.99 | 50.01 | 0.030 | 0.03 | 8.34 | NA |
| RCY089 | 43.0 | 76.0 | 33.0 | 28.95 | 50.40 | 0.049 | 0.07 | 4.00 | NA |
| RCY090 | 84.0 | 102.0 | 18.0 | 23.50 | 53.79 | 0.036 | 0.11 | 6.67 | NA |
| RCY091 | 44.0 | 78.0 | 34.0 | 24.32 | 41.40 | 0.050 | 0.23 | 3.65 | NA |
| | 84.0 | 111.0 | 27.0 | 28.66 | 50.26 | 0.046 | 0.16 | 3.52 | NA |
| | 119.0 | 129.0 | 10.0 | 25.73 | 56.42 | 0.041 | 0.09 | 3.70 | NA |
| RCY093 | 48.0 | 53.0 | 5.0 | 24.78 | 50.60 | 0.027 | 0.07 | 6.44 | NA |
| | 83.0 | 107.0 | 24.0 | 23.09 | 55.12 | 0.034 | 0.06 | 5.80 | NA |
| | 111.0 | 119.0 | 8.0 | 25.34 | 53.72 | 0.047 | 0.07 | 3.39 | NA |
| RCY094 | 67.0 | 75.0 | 8.0 | 24.49 | 51.49 | 0.040 | 0.41 | 5.31 | NA |
| | 83.0 | 126.0 | 43.0 | 26.23 | 52.33 | 0.025 | 0.19 | 3.24 | NA |
| RCY100 | 22.0 | 36.0 | 14.0 | 35.28 | 43.28 | 0.065 | 0.03 | 3.03 | NA |

| HOLE ID | FROM m | TO m | INTERVAL m | Fe % | SiO ₂ % | P % | S % | Al ₂ O ₃ % | LOI 950 % |
|---------|-----------|---------|---------------|---------|-----------------------|--------|--------|-------------------------------------|--------------|
| RCY102 | 28.0 | 49.0 | 21.0 | 34.19 | 44.52 | 0.066 | 0.07 | 2.84 | NA |
| RCY105 | 64.0 | 71.0 | 7.0 | 33.30 | 45.07 | 0.057 | 0.02 | 3.19 | NA |
| RCY106 | 54.0 | 102.0 | 48.0 | 34.59 | 43.56 | 0.039 | 0.14 | 1.33 | NA |
| | 114.0 | 117.0 | 3.0 | 31.28 | 46.04 | 0.028 | 0.14 | 4.62 | NA |
| RCY107 | 70.0 | 78.0 | 8.0 | 32.35 | 45.29 | 0.031 | 0.07 | 2.66 | NA |
| RCY110 | 57.0 | 60.0 | 3.0 | 26.81 | 56.83 | 0.030 | 0.14 | 0.50 | NA |
| | 107.0 | 123.0 | 16.0 | 36.17 | 41.67 | 0.028 | 0.06 | 0.70 | NA |
| RCY112 | 77.0 | 92.0 | 15.0 | 26.46 | 46.58 | 0.074 | 0.08 | 5.42 | NA |
| | 96.0 | 107.0 | 11.0 | 23.61 | 51.43 | 0.049 | 0.11 | 6.36 | NA |
| | 155.0 | 159.0 | 4.0 | 20.51 | 54.85 | 0.033 | 0.06 | 6.82 | NA |
| RCY113 | 34.0 | 52.0 | 18.0 | 28.60 | 49.63 | 0.038 | 0.11 | 3.84 | NA |
| RCY114 | 35.0 | 38.0 | 3.0 | 31.03 | 49.71 | 0.008 | 0.01 | 3.77 | NA |
| | 51.0 | 55.0 | 4.0 | 21.79 | 52.89 | 0.038 | 0.08 | 7.50 | NA |
| | 73.0 | 87.0 | 14.0 | 25.81 | 55.00 | 0.036 | 0.06 | 3.42 | NA |
| RCY115 | 34.0 | 40.0 | 6.0 | 23.36 | 53.01 | 0.037 | 0.08 | 6.89 | NA |
| RCY116 | 70.0 | 77.0 | 7.0 | 24.45 | 51.68 | 0.029 | 0.12 | 7.57 | NA |
| RCY119 | 37.0 | 83.0 | 46.0 | 34.29 | 46.30 | 0.032 | 0.03 | 1.46 | NA |
| RCY120 | 25.0 | 113.0 | 88.0 | 35.14 | 44.55 | 0.031 | 0.03 | 1.97 | NA |
| RCY121 | 53.0 | 156.0 | 103.0 | 32.90 | 45.59 | 0.039 | 0.06 | 2.62 | NA |
| RCY122 | 119.0 | 186.0 | 67.0 | 28.45 | 48.80 | 0.036 | 0.05 | 4.17 | NA |
| RCY125 | 80.0 | 141.0 | 61.0 | 30.04 | 48.28 | 0.074 | 0.22 | 2.59 | NA |
| RCY131 | 45.0 | 53.0 | 8.0 | 34.03 | 44.83 | 0.072 | 0.03 | 2.87 | NA |
| RCY135 | 58.0 | 90.0 | 32.0 | 25.12 | 55.82 | 0.055 | 0.08 | 3.64 | NA |
| RCY136 | 97.0 | 133.0 | 36.0 | 29.43 | 47.64 | 0.033 | 0.05 | 4.66 | NA |
| RCY137 | 25.0 | 41.0 | 16.0 | 32.99 | 46.18 | 0.049 | 0.02 | 2.22 | NA |
| | 53.0 | 57.0 | 4.0 | 23.98 | 50.93 | 0.035 | 0.09 | 6.57 | NA |
| RCY138 | 20.0 | 48.0 | 28.0 | 33.18 | 47.89 | 0.044 | 0.03 | 1.70 | NA |
| | 56.0 | 60.0 | 4.0 | 20.32 | 58.32 | 0.040 | 0.36 | 5.86 | NA |
| RDY002 | 0.0 | 24.0 | 24.0 | 24.69 | 29.74 | 0.016 | 0.01 | 20.09 | NA |
| | 28.0 | 32.0 | 4.0 | 21.23 | 32.75 | 0.095 | 0.01 | 19.19 | NA |
| | 188.64 | 241.08 | 52.44 | 31.55 | 42.98 | 0.035 | 0.15 | 2.57 | NA |
| RDY004 | 8.0 | 12.0 | 4.0 | 20.39 | 31.65 | 0.001 | 0.10 | 22.08 | NA |
| | 100.00 | 136.48 | 36.48 | 30.46 | 45.84 | 0.039 | 0.06 | 2.28 | NA |
| RDY017 | 20.0 | 24.0 | 4.0 | 20.00 | 42.81 | 0.029 | 0.01 | 13.88 | NA |
| | 60.00 | 110.60 | 50.60 | 30.18 | 45.68 | 0.039 | 0.05 | 4.56 | NA |
| | 126.40 | 139.36 | 12.96 | 21.90 | 53.01 | 0.036 | 0.33 | 7.97 | NA |
| | 143.70 | 154.60 | 10.90 | 22.82 | 52.46 | 0.031 | 0.05 | 7.55 | NA |
| | 166.46 | 176.26 | 9.80 | 24.02 | 49.26 | 0.084 | 0.05 | 5.73 | NA |
| RDY025 | 66.00 | 152.60 | 86.60 | 31.31 | 47.94 | 0.033 | 0.05 | 1.86 | NA |
| RDY041 | 113.50 | 125.00 | 11.50 | 27.27 | 36.70 | 0.047 | 0.10 | 1.62 | NA |
| | 131.50 | 143.87 | 12.37 | 24.29 | 36.20 | 0.039 | 0.11 | 1.71 | NA |

| HOLE ID | FROM m | TO m | INTERVAL m | Fe % | SiO ₂ % | P % | S % | Al ₂ O ₃ % | LOI 950 % |
|-----------|-----------|---------|---------------|---------|-----------------------|--------|--------|-------------------------------------|--------------|
| RDY048 | 129.00 | 159.00 | 30.00 | 25.16 | 49.54 | 0.029 | 0.27 | 6.26 | NA |
| | 163.00 | 288.13 | 125.13 | 32.41 | 43.49 | 0.035 | 0.10 | 2.43 | NA |
| RDY083 | 52.40 | 63.40 | 11.00 | 25.56 | 47.81 | 0.044 | 0.15 | 6.82 | 0.40 |
| | 66.30 | 159.00 | 92.70 | 30.91 | 46.73 | 0.044 | 0.05 | 3.27 | -0.41 |
| RDY084 | 162.00 | 207.50 | 45.50 | 25.68 | 51.06 | 0.042 | 0.12 | 5.74 | NA |
| RDY092 | 35.60 | 64.90 | 29.30 | 33.43 | 42.09 | 0.031 | 0.05 | 0.90 | 0.73 |
| | 96.10 | 123.85 | 27.75 | 35.24 | 42.56 | 0.065 | 0.07 | 1.27 | -1.15 |
| RDY095 | 47.30 | 77.45 | 30.15 | 32.84 | 38.83 | 0.043 | 0.05 | 1.72 | -1.10 |
| RDY098 | 37.15 | 91.75 | 54.60 | 32.94 | 41.61 | 0.041 | 0.03 | 0.96 | -1.03 |
| | 92.10 | 132.10 | 40.00 | 35.60 | 44.03 | 0.039 | 0.02 | 0.77 | -1.00 |
| RDY099 | 111.70 | 191.39 | 79.69 | 33.27 | 43.57 | 0.042 | 0.23 | 2.18 | NA |
| RDY103 | 28.90 | 60.95 | 32.05 | 37.46 | 39.55 | 0.050 | 0.01 | 0.34 | 0.93 |
| | 69.00 | 77.45 | 8.45 | 36.27 | 42.69 | 0.045 | 0.03 | 0.80 | -0.83 |
| RDY104 | 44.95 | 118.20 | 73.25 | 33.48 | 44.84 | 0.042 | 0.05 | 2.16 | 0.37 |
| RDY108 | 180.0 | 204.0 | 24.0 | 25.65 | 48.86 | 0.037 | 0.12 | 5.99 | NA |
| | 208.00 | 234.70 | 26.70 | 26.44 | 49.69 | 0.043 | 0.07 | 5.47 | NA |
| RDY109 | 115.0 | 175.0 | 60.0 | 30.96 | 47.27 | 0.035 | 0.05 | 3.64 | NA |
| RDY111 | 44.60 | 100.90 | 56.30 | 33.35 | 44.48 | 0.040 | 0.09 | 2.20 | -0.82 |
| YE12DD001 | 73.60 | 82.60 | 9.00 | 34.31 | 44.80 | 0.044 | 0.07 | 2.57 | -0.92 |
| | 88.55 | 101.35 | 12.80 | 34.55 | 41.22 | 0.067 | 0.23 | 3.31 | 0.24 |
| YE12DD002 | 100.90 | 128.20 | 27.30 | 29.43 | 47.77 | 0.057 | 0.18 | 3.74 | -0.30 |
| YE12DD003 | 109.05 | 118.95 | 9.90 | 21.21 | 54.70 | 0.046 | 0.14 | 6.08 | 0.05 |
| | 124.45 | 139.25 | 14.80 | 27.42 | 50.46 | 0.040 | 0.09 | 4.02 | -0.58 |
| | 142.45 | 146.55 | 4.10 | 21.67 | 55.99 | 0.041 | 0.04 | 6.05 | -0.31 |
| YE12DD004 | 192.70 | 224.25 | 31.55 | 27.32 | 50.20 | 0.066 | 0.07 | 5.03 | 0.15 |
| YE12DD005 | 108.60 | 129.90 | 21.30 | 27.50 | 47.61 | 0.075 | 0.06 | 5.82 | 0.06 |
| YE12DD006 | 118.00 | 179.00 | 61.00 | 26.89 | 49.74 | 0.029 | 0.10 | 5.22 | 0.34 |
| | 180.60 | 184.35 | 3.75 | 30.31 | 46.94 | 0.033 | 0.02 | 3.54 | -0.23 |
| | 210.00 | 214.50 | 4.50 | 24.03 | 39.94 | 0.046 | 0.22 | 11.01 | 3.56 |
| YE12DD007 | 154.90 | 200.40 | 45.50 | 35.97 | 43.60 | 0.043 | 0.04 | 1.42 | -1.31 |
| YE12DD008 | 93.45 | 134.75 | 41.30 | 35.52 | 43.26 | 0.051 | 0.01 | 2.17 | 1.12 |
| YE12DD009 | 200.45 | 233.65 | 33.20 | 37.10 | 42.12 | 0.062 | 0.05 | 2.20 | -0.97 |
| YE12DD010 | 110.80 | 164.45 | 53.65 | 29.33 | 47.51 | 0.039 | 0.05 | 4.10 | -0.13 |
| | 166.15 | 216.40 | 50.25 | 33.54 | 45.45 | 0.040 | 0.08 | 1.94 | -0.79 |
| YE12DD013 | 107.80 | 114.90 | 7.10 | 22.32 | 51.24 | 0.025 | 0.33 | 9.37 | 1.63 |
| | 125.00 | 144.80 | 19.80 | 23.81 | 50.10 | 0.029 | 0.10 | 6.62 | 0.19 |
| | 153.65 | 158.10 | 4.45 | 21.03 | 50.10 | 0.184 | 0.18 | 9.03 | 0.17 |
| | 171.80 | 176.60 | 4.80 | 28.01 | 47.73 | 0.089 | 0.08 | 5.21 | -0.09 |
| | 183.70 | 191.80 | 8.10 | 26.79 | 48.74 | 0.069 | 0.10 | 5.20 | 0.03 |
| YE12DD014 | 131.40 | 153.80 | 22.40 | 26.47 | 49.64 | 0.036 | 0.09 | 5.65 | -0.06 |
| | 201.65 | 208.55 | 6.90 | 30.62 | 45.56 | 0.172 | 0.05 | 3.71 | -0.19 |

| HOLE ID | FROM m | TO m | INTERVAL m | Fe % | SiO ₂ % | P % | S % | Al ₂ O ₃ % | LOI 950 % |
|-----------------------|-----------|---------|---------------|---------|-----------------------|--------|--------|-------------------------------------|--------------|
| | 230.60 | 240.30 | 9.70 | 27.71 | 49.41 | 0.058 | 0.08 | 4.49 | -0.35 |
| YE12DD016 | 165.55 | 190.80 | 25.25 | 34.79 | 44.26 | 0.053 | 0.19 | 1.22 | -0.83 |
| YE12DD017 | 0.00 | 10.10 | 10.10 | 21.05 | 24.64 | 0.006 | 0.02 | 8.21 | 5.08 |
| | 19.10 | 25.10 | 6.00 | 21.37 | 55.21 | 0.008 | 0.01 | 7.78 | 3.40 |
| | 35.30 | 189.80 | 154.50 | 29.57 | 46.73 | 0.027 | 0.09 | 4.74 | 0.40 |
| YE12DD019 | 130.50 | 134.40 | 3.90 | 23.47 | 51.40 | 0.056 | 1.87 | 8.66 | 1.82 |
| | 174.70 | 206.30 | 31.60 | 24.37 | 51.04 | 0.029 | 0.29 | 7.17 | 0.71 |
| | 207.90 | 212.80 | 4.90 | 21.62 | 50.56 | 0.034 | 0.43 | 9.96 | 1.14 |
| | 220.65 | 252.80 | 32.15 | 25.60 | 49.61 | 0.044 | 0.12 | 6.09 | 0.76 |
| | 253.70 | 272.10 | 18.40 | 26.73 | 47.68 | 0.038 | 0.07 | 4.48 | -0.32 |
| | 282.35 | 290.80 | 8.45 | 31.68 | 46.31 | 0.065 | 0.03 | 2.32 | -1.01 |
| Yerecoin South | | | | | | | | | |
| RCY055 | 40.0 | 90.0 | 50.0 | 34.62 | 44.71 | 0.074 | 0.14 | 1.93 | NA |
| RCY056 | 13.0 | 26.0 | 13.0 | 38.12 | 40.98 | 0.049 | 0.02 | 1.39 | NA |
| | 103.0 | 123.0 | 20.0 | 28.14 | 51.72 | 0.040 | 1.88 | 2.83 | NA |
| RCY057 | 56.0 | 59.0 | 3.0 | 30.81 | 31.02 | NA7 | 0.28 | 4.97 | NA |
| | 90.0 | 126.0 | 36.0 | 25.97 | 48.40 | 0.033 | 0.27 | 4.02 | NA |
| RCY058 | 74.0 | 91.0 | 17.0 | 21.51 | 38.76 | 0.022 | 0.39 | 2.28 | NA |
| RCY059 | 53.0 | 79.0 | 26.0 | 31.85 | 43.96 | 0.063 | 0.15 | 3.42 | NA |
| RCY060 | 62.0 | 72.0 | 10.0 | 31.39 | 40.88 | 0.061 | 0.09 | 4.02 | NA |
| | 82.0 | 88.0 | 6.0 | 42.46 | 24.17 | 0.048 | 0.10 | 7.55 | NA |
| RCY061 | 63.0 | 81.0 | 18.0 | 25.60 | 56.56 | 0.036 | 0.20 | 2.89 | NA |
| RCY062 | 57.0 | 69.0 | 12.0 | 24.15 | 36.14 | 0.040 | 0.08 | 3.94 | NA |
| | 92.0 | 112.0 | 20.0 | 23.59 | 57.47 | 0.026 | 0.13 | 3.60 | NA |
| RCY063 | 53.0 | 65.0 | 12.0 | 35.96 | 38.32 | 0.084 | 0.30 | 1.86 | NA |
| | 79.0 | 87.0 | 8.0 | 23.67 | 47.28 | 0.043 | 0.23 | 5.39 | NA |
| RCY064 | 102.0 | 110.0 | 8.0 | 20.68 | 53.84 | 0.093 | 0.41 | 5.63 | NA |
| RCY065 | 10.0 | 13.0 | 3.0 | 53.60 | 8.87 | 0.039 | 0.02 | 7.10 | NA |
| | 50.0 | 57.0 | 7.0 | 30.52 | 40.93 | 0.014 | 0.28 | 3.08 | NA |
| RCY066 | 66.0 | 126.0 | 60.0 | 28.39 | 50.60 | 0.047 | 0.53 | 2.63 | NA |
| | 142.0 | 145.0 | 3.0 | 31.51 | 47.20 | 0.040 | 0.54 | 1.73 | NA |
| RCY067 | 111.0 | 115.0 | 4.0 | 30.99 | 43.61 | 0.051 | 1.19 | 3.20 | NA |
| | 140.0 | 146.0 | 6.0 | 22.63 | 52.92 | 0.041 | 0.35 | 6.28 | NA |
| | 149.0 | 176.0 | 27.0 | 22.75 | 50.63 | 0.042 | 0.24 | 2.87 | NA |
| RCY068 | 145.0 | 148.0 | 3.0 | 29.06 | 51.58 | 0.038 | 0.38 | 2.01 | NA |
| RCY070 | 36.0 | 92.0 | 56.0 | 32.13 | 44.41 | 0.047 | 0.53 | 3.02 | NA |
| RCY072 | 70.0 | 74.0 | 4.0 | 23.99 | 53.28 | 0.029 | 0.48 | 3.71 | NA |
| | 84.0 | 101.0 | 17.0 | 32.25 | 44.47 | 0.053 | 0.97 | 3.25 | NA |
| RCY073 | 89.0 | 105.0 | 16.0 | 28.82 | 46.63 | 0.116 | 0.22 | 3.60 | NA |
| RCY074 | 55.0 | 79.0 | 24.0 | 31.08 | 46.83 | 0.061 | 0.35 | 1.75 | NA |
| RCY075 | 102.0 | 125.0 | 23.0 | 28.62 | 47.96 | 0.094 | 0.63 | 3.66 | NA |

| HOLE ID | FROM m | TO m | INTERVAL m | Fe % | SiO ₂ % | P % | S % | Al ₂ O ₃ % | LOI 950 % |
|-----------|-----------|---------|---------------|---------|-----------------------|--------|--------|-------------------------------------|--------------|
| | 134.0 | 137.0 | 3.0 | 22.52 | 55.15 | 0.037 | 1.02 | 6.81 | NA |
| RCY076 | 42.0 | 53.0 | 11.0 | 21.18 | 32.28 | 0.034 | 0.41 | 3.23 | NA |
| | 61.0 | 70.0 | 9.0 | 31.28 | 47.93 | 0.051 | 1.00 | 1.91 | NA |
| RCY077 | 61.0 | 89.0 | 28.0 | 22.59 | 49.73 | 0.031 | 0.56 | 3.44 | NA |
| | 99.0 | 149.0 | 50.0 | 27.24 | 46.04 | 0.039 | 0.64 | 2.76 | NA |
| RCY078 | 75.0 | 97.0 | 22.0 | 26.11 | 39.52 | 0.049 | 0.62 | 2.89 | NA |
| | 101.0 | 104.0 | 3.0 | 29.44 | 47.93 | 0.056 | 0.59 | 3.96 | NA |
| | 110.0 | 116.0 | 6.0 | 28.13 | 54.14 | 0.035 | 0.32 | 3.06 | NA |
| RCY079 | 34.0 | 39.0 | 5.0 | 31.46 | 44.43 | 0.055 | 0.68 | 2.34 | NA |
| RCY080 | 36.0 | 40.0 | 4.0 | 30.08 | 45.23 | 0.073 | 0.87 | 3.88 | NA |
| | 60.0 | 77.0 | 17.0 | 31.93 | 41.73 | 0.057 | 0.77 | 4.57 | NA |
| RDY069 | 52.0 | 61.0 | 9.0 | 28.15 | 46.11 | 0.030 | 0.34 | 3.52 | NA |
| | 162.85 | 165.90 | 3.05 | 29.17 | 48.07 | 0.044 | 0.35 | 2.99 | NA |
| | 185.00 | 188.05 | 3.05 | 32.03 | 44.89 | 0.045 | 0.74 | 2.01 | NA |
| RDY069 | 227.52 | 238.43 | 10.91 | 28.30 | 45.05 | 0.061 | 0.79 | 3.66 | NA |
| RDY071 | 96.00 | 114.90 | 18.90 | 26.08 | 37.39 | 0.054 | 0.13 | 1.05 | NA |
| | 120.86 | 127.40 | 6.54 | 21.95 | 36.61 | 0.025 | 0.06 | 0.47 | NA |
| | 129.83 | 157.40 | 27.57 | 26.57 | 43.58 | 0.057 | 0.87 | 3.63 | NA |
| YS12DD001 | 102.10 | 106.80 | 4.70 | 29.38 | 44.42 | 0.060 | 0.70 | 3.45 | 0.23 |
| | 212.00 | 230.90 | 18.90 | 27.47 | 49.03 | 0.051 | 0.24 | 3.78 | -0.28 |
| YS12DD002 | 61.40 | 71.15 | 9.75 | 21.02 | 47.24 | 0.032 | 0.27 | 6.74 | 1.31 |
| | 102.25 | 105.30 | 3.05 | 31.98 | 46.60 | 0.070 | 1.15 | 2.05 | 0.30 |
| | 216.00 | 252.60 | 36.60 | 27.26 | 49.97 | 0.042 | 0.17 | 4.62 | -0.65 |
| | 266.25 | 272.00 | 5.75 | 27.53 | 48.22 | 0.047 | 0.55 | 4.18 | -0.44 |
| | 293.10 | 298.65 | 5.55 | 26.28 | 51.22 | 0.039 | 0.23 | 3.97 | 0.30 |
| YS12DD003 | 32.00 | 51.20 | 19.20 | 22.85 | 50.62 | 0.115 | 0.56 | 6.09 | 1.07 |
| | 52.20 | 60.05 | 7.85 | 28.54 | 45.35 | 0.068 | 0.75 | 4.47 | 0.53 |
| | 84.10 | 91.10 | 7.00 | 27.39 | 45.03 | 0.050 | 2.78 | 4.68 | 2.56 |
| | 104.00 | 107.80 | 3.80 | 22.90 | 52.08 | 0.047 | 1.22 | 5.42 | 0.31 |
| YS12DD004 | 67.80 | 77.90 | 10.10 | 33.08 | 26.77 | 0.040 | 0.10 | 3.22 | 5.05 |
| | 125.10 | 130.45 | 5.35 | 20.63 | 49.39 | 0.047 | 0.54 | 6.94 | 1.08 |
| | 135.20 | 157.10 | 21.90 | 23.66 | 55.24 | 0.032 | 1.15 | 2.61 | 0.88 |
| | 164.45 | 169.85 | 5.40 | 29.02 | 47.64 | 0.051 | 0.26 | 3.62 | 0.30 |
| | 229.40 | 253.65 | 24.25 | 44.94 | 20.80 | 0.086 | 0.02 | 5.42 | 0.62 |
| YS12DD005 | 62.85 | 67.00 | 4.15 | 30.75 | 41.56 | 0.083 | 0.29 | 5.89 | 3.58 |
| | 125.00 | 154.50 | 29.50 | 32.99 | 40.90 | 0.073 | 0.95 | 3.11 | -0.25 |
| YS12DD006 | 41.65 | 55.60 | 13.95 | 23.53 | 43.90 | 0.018 | 0.04 | 9.67 | 4.31 |
| | 70.75 | 77.40 | 6.65 | 31.11 | 51.82 | 0.038 | 0.03 | 0.32 | 1.14 |
| | 134.00 | 154.50 | 20.50 | 31.10 | 47.11 | 0.064 | 0.42 | 2.73 | -0.57 |
| | 188.35 | 220.80 | 32.45 | 29.69 | 44.37 | 0.069 | 1.19 | 3.82 | 0.11 |
| | 235.00 | 245.40 | 10.40 | 23.82 | 48.85 | 0.024 | 0.71 | 6.75 | -0.34 |
| | 250.60 | 259.30 | 8.70 | 24.65 | 51.60 | 0.040 | 0.84 | 6.01 | -0.32 |

| HOLE ID | FROM m | TO m | INTERVAL m | Fe % | SiO ₂ % | P % | S % | Al ₂ O ₃ % | LOI 950 % |
|-----------|-----------|---------|---------------|---------|-----------------------|--------|--------|-------------------------------------|--------------|
| YS12DD007 | 23.0 | 32.0 | 9.00 | 33.18 | 42.62 | 0.024 | 0.01 | 5.45 | 3.15 |
| | 77.30 | 82.30 | 5.00 | 38.59 | 42.11 | 0.041 | 0.04 | 0.96 | -1.29 |
| | 105.40 | 122.40 | 17.00 | 23.37 | 51.78 | 0.043 | 1.47 | 6.01 | 0.76 |
| | 189.85 | 199.80 | 9.95 | 24.66 | 49.62 | 0.044 | 0.57 | 6.09 | -0.26 |
| | 206.60 | 219.20 | 12.60 | 32.64 | 47.12 | 0.050 | 0.09 | 2.00 | -1.75 |
| | 237.00 | 254.40 | 17.40 | 31.21 | 48.53 | 0.062 | 0.37 | 2.19 | 2.01 |
| YS12DD008 | 14.00 | 24.80 | 10.80 | 34.90 | 43.09 | NA8 | 0.01 | 1.82 | 0.94 |
| | 74.90 | 89.60 | 14.70 | 24.47 | 51.06 | 0.038 | 2.98 | 4.08 | 3.15 |
| | 139.70 | 145.50 | 5.80 | 22.32 | 51.66 | 0.047 | 0.73 | 5.62 | 0.22 |
| YS12DD009 | 33.50 | 50.05 | 16.55 | 24.92 | 57.16 | 0.012 | 0.38 | 2.30 | -0.56 |
| | 70.35 | 75.15 | 4.80 | 32.37 | 44.75 | 0.054 | 0.54 | 2.43 | -0.64 |
| YS12DD010 | 57.40 | 71.80 | 14.40 | 22.19 | 49.93 | 0.046 | 0.38 | 7.50 | 0.65 |
| | 98.35 | 109.00 | 10.65 | 28.51 | 55.20 | 0.033 | 0.05 | 0.52 | -0.96 |
| YS12DD011 | 62.10 | 75.00 | 12.90 | 24.01 | 52.07 | 0.040 | 0.51 | 4.45 | 4.90 |
| | 79.70 | 106.70 | 27.00 | 32.00 | 47.01 | 0.065 | 0.32 | 2.48 | -0.89 |
| YS12DD012 | 62.60 | 68.10 | 5.50 | 23.85 | 54.37 | 0.036 | 0.40 | 4.12 | 1.71 |
| | 87.10 | 92.55 | 5.45 | 23.92 | 50.80 | 0.036 | 1.36 | 6.02 | 0.36 |
| | 95.30 | 104.65 | 9.35 | 20.14 | 58.77 | 0.044 | 0.35 | 5.16 | 0.12 |
| YS12DD013 | 35.30 | 47.60 | 12.30 | 21.02 | 53.90 | 0.073 | 0.98 | 6.81 | 0.83 |
| | 48.85 | 75.00 | 26.15 | 28.21 | 48.32 | 0.073 | 0.98 | 4.49 | -0.21 |
| | 91.00 | 112.00 | 21.00 | 26.74 | 48.57 | 0.054 | 1.01 | 4.49 | 0.32 |
| | 130.80 | 134.05 | 3.25 | 24.71 | 51.42 | 0.041 | 1.19 | 5.40 | 0.48 |
| YS12DD016 | 81.10 | 89.10 | 8.00 | 30.58 | 47.25 | 0.071 | 0.37 | 3.29 | -0.38 |
| | 137.70 | 152.00 | 14.30 | 35.90 | 31.11 | 0.117 | 1.01 | 5.99 | 2.61 |
| YS12DD017 | 32.85 | 45.15 | 12.30 | 24.38 | 41.17 | 0.034 | 0.01 | 4.81 | 4.97 |
| | 96.15 | 101.65 | 5.50 | 34.76 | 44.80 | 0.053 | 0.13 | 1.30 | -0.84 |
| YS12DD018 | 16.00 | 49.00 | 33.00 | 35.01 | 39.85 | 0.052 | 0.04 | 3.56 | 4.43 |
| | 65.50 | 121.40 | 55.90 | 34.01 | 44.26 | 0.069 | 0.26 | 2.09 | 0.34 |

Table 2: Yerecoin Project – Base Metal Mineralisation

Weighted averages for Yerecoin Project mineralisation were calculated using parameters of:

- 0.1% Ni or Cu lower cut-off;
- no minimum reporting length;
- no maximum length of consecutive sub-grade intervals (internal dilution), and
- minimum grade for the final composite of 0.1% Ni or Cu

| HOLE ID | FROM m | TO m | INTERVAL m | Ni % | Cu % | Co % |
|----------------------|-----------|---------|---------------|---------|---------|---------|
| Yerecoin Main | | | | | | |
| RCY012 | 60.00 | 64.00 | 4.00 | 0.163 | NA | 0.000 |
| RCY089 | 70.00 | 73.00 | 3.00 | 0.265 | 0.003 | 0.000 |
| RCY090 | 84.00 | 88.00 | 4.00 | 0.115 | 0.004 | 0.000 |

| HOLE ID | FROM m | TO m | INTERVAL m | Ni % | Cu % | Co % |
|-----------------------|-----------|---------|---------------|---------|---------|---------|
| RCY091 | 56.00 | 59.00 | 3.00 | 0.167 | 0.002 | 0.000 |
| RDY048 | 147.00 | 149.00 | 2.00 | 0.002 | 0.448 | 0.000 |
| RDY083 | 54.00 | 56.00 | 2.00 | 0.006 | 0.512 | 0.003 |
| RDY104 | 44.00 | 46.00 | 2.00 | 0.002 | 0.191 | 0.001 |
| YE12DD001 | 72.40 | 74.25 | 1.85 | 0.001 | 0.118 | 0.001 |
| Yeracain South | | | | | | |
| RCY058 | 103.00 | 118.00 | 15.00 | 0.130 | 0.000 | 0.000 |
| RCY063 | 87.00 | 95.00 | 8.00 | 0.105 | 0.003 | 0.000 |
| RCY066 | 130.00 | 142.00 | 12.00 | 0.135 | 0.002 | 0.000 |
| RCY067 | 62.00 | 67.00 | 5.00 | 0.121 | 0.002 | 0.000 |
| | 79.00 | 81.00 | 2.00 | 0.128 | 0.005 | 0.000 |
| | 105.00 | 107.00 | 2.00 | 0.129 | 0.004 | 0.000 |
| | 125.00 | 127.00 | 2.00 | 0.161 | -0.001 | 0.000 |
| RCY068 | 64.00 | 120.00 | 56.00 | 0.184 | 0.000 | 0.000 |
| | 156.00 | 159.00 | 3.00 | 0.105 | NA | 0.000 |
| RCY074 | 83.00 | 95.00 | 12.00 | 0.167 | NA | 0.000 |
| RCY075 | 140.00 | 155.00 | 15.00 | 0.101 | 0.004 | 0.000 |
| RCY079 | 44.00 | 48.00 | 4.00 | 0.176 | 0.002 | 0.000 |
| RDY069 | 78.00 | 162.85 | 84.85 | 0.160 | 0.001 | 0.000 |
| | 215.66 | 225.50 | 9.84 | 0.135 | 0.003 | 0.000 |
| YS12DD001 | 93.45 | 94.45 | 1.00 | 0.015 | 0.325 | 0.004 |
| | 118.00 | 209.00 | 91.00 | 0.154 | 0.002 | 0.011 |
| YS12DD002 | 105.60 | 129.50 | 23.90 | 0.113 | 0.006 | 0.009 |
| | 137.00 | 173.50 | 36.50 | 0.100 | 0.000 | 0.007 |
| | 175.45 | 214.00 | 38.55 | 0.131 | 0.000 | 0.010 |
| | 283.70 | 292.80 | 9.10 | 0.120 | 0.002 | 0.008 |
| YS12DD003 | 106.00 | 107.00 | 1.00 | 0.008 | 0.132 | 0.003 |
| | 108.90 | 112.00 | 3.10 | 0.182 | 0.000 | 0.008 |
| | 149.70 | 165.40 | 15.70 | 0.182 | 0.000 | 0.008 |
| YS12DD004 | 172.60 | 191.15 | 18.55 | 0.104 | 0.003 | 0.008 |
| | 194.70 | 196.85 | 2.15 | 0.136 | 0.006 | 0.012 |
| | 199.30 | 215.60 | 16.30 | 0.111 | 0.004 | 0.008 |
| | 219.80 | 222.55 | 2.75 | 0.133 | 0.004 | 0.011 |
| | 253.65 | 303.00 | 49.35 | 0.160 | 0.003 | 0.011 |
| YS12DD005 | 155.50 | 309.70 | 154.20 | 0.182 | 0.004 | 0.013 |
| YS12DD006 | 190.00 | 191.00 | 1.00 | 0.017 | 0.201 | 0.005 |
| | 220.80 | 229.00 | 8.20 | 0.143 | 0.004 | 0.010 |
| | 259.80 | 264.25 | 4.45 | 0.115 | 0.003 | 0.009 |
| | 276.50 | 284.50 | 8.00 | 0.117 | 0.001 | 0.011 |
| | 289.50 | 291.30 | 1.80 | 0.155 | 0.000 | 0.012 |
| YS12DD007 | 138.10 | 139.10 | 1.00 | 0.102 | 0.007 | 0.011 |

| HOLE ID | FROM m | TO m | INTERVAL m | Ni % | Cu % | Co % |
|-----------|-----------|---------|---------------|---------|---------|---------|
| | 140.30 | 142.30 | 2.00 | 0.110 | 0.002 | 0.010 |
| | 148.90 | 187.85 | 38.95 | 0.120 | 0.006 | 0.010 |
| | 200.85 | 204.85 | 4.00 | 0.114 | 0.004 | 0.011 |
| | 255.50 | 258.50 | 3.00 | 0.120 | 0.001 | 0.009 |
| | 260.10 | 262.00 | 1.90 | 0.114 | 0.000 | 0.010 |
| YS12DD008 | 104.20 | 105.40 | 1.20 | 0.132 | 0.006 | 0.010 |
| | 121.70 | 124.30 | 2.60 | 0.119 | 0.012 | 0.011 |
| | 166.05 | 212.25 | 46.20 | 0.159 | 0.002 | 0.010 |
| YS12DD009 | 84.65 | 87.00 | 2.35 | 0.020 | 0.115 | 0.007 |
| | 89.90 | 99.30 | 9.40 | 0.137 | 0.000 | 0.008 |
| | 105.35 | 177.80 | 72.45 | 0.151 | 0.000 | 0.011 |
| YS12DD013 | 112.00 | 113.25 | 1.25 | 0.121 | 0.007 | 0.010 |
| | 145.60 | 155.00 | 9.40 | 0.176 | 0.000 | 0.010 |
| YS12DD016 | 149.70 | 150.70 | 1.00 | 0.040 | 0.166 | 0.010 |
| | 152.00 | 177.20 | 25.20 | 0.168 | 0.002 | 0.011 |

Table 3: Yerecoin Project – Historical Drillhole location details

| HOLE ID | DRILL TYPE ¹ | EAST ² m | NORTH ² m | RL ³ m | DEPTH m | AZ/MUTH ⁴ ° | DIP ° | COMPANY |
|----------------------|----------------------------|------------------------|-------------------------|----------------------|------------|---------------------------|----------|---------|
| Yerecoin Main | | | | | | | | |
| RCY001 | RC | 439764 | 6575714 | 280 | 113.00 | 250.00 | -60.00 | Giralia |
| RCY003 | RC | 440102 | 6575448 | 277 | 101.00 | 250.00 | -60.00 | Giralia |
| RCY005 | RC | 439732 | 6575354 | 306 | 41.00 | 250.00 | -60.00 | Giralia |
| RCY006 | RC | 439742 | 6575358 | 306 | 59.00 | 70.00 | -55.00 | Giralia |
| RCY007 | RC | 439614 | 6575705 | 288 | 65.00 | 100.00 | -55.00 | Giralia |
| RCY008 | RC | 439662 | 6575718 | 290 | 77.00 | 280.00 | -60.00 | Giralia |
| RCY009 | RC | 439437 | 6576474 | 250 | 47.00 | 270.00 | -60.00 | Giralia |
| RCY010 | RC | 439522 | 6576495 | 252 | 83.00 | 270.00 | -60.00 | Giralia |
| RCY011 | RC | 439647 | 6576505 | 254 | 89.00 | 270.00 | -60.00 | Giralia |
| RCY012 | RC | 439740 | 6576500 | 255 | 89.00 | 270.00 | -60.00 | Giralia |
| RCY013 | RC | 439838 | 6576496 | 259 | 89.00 | 270.00 | -60.00 | Giralia |
| RCY014 | RC | 439939 | 6576496 | 262 | 77.00 | 270.00 | -60.00 | Giralia |
| RCY015 | RC | 440524 | 6577399 | 255 | 59.00 | 0.00 | -60.00 | Giralia |
| RCY016 | RC | 440499 | 6577315 | 257 | 71.00 | 0.00 | -60.00 | Giralia |
| RCY018 | RC | 439997 | 6577356 | 256 | 41.00 | 0.00 | -60.00 | Giralia |
| RCY019 | RC | 439998 | 6577254 | 260 | 101.00 | 358.00 | -60.00 | Giralia |
| RCY020 | RC | 439998 | 6577159 | 263 | 37.00 | 4.00 | -60.00 | Giralia |
| RCY021 | RC | 440198 | 6575497 | 268 | 65.00 | 251.00 | -60.00 | Giralia |
| RCY022 | RC | 440002 | 6577162 | 263 | 60.00 | 180.00 | -80.00 | Giralia |
| RCY023 | RC | 439764 | 6575710 | 281 | 60.00 | 0.00 | -90.00 | Giralia |
| RCY024 | RC | 440698 | 6577352 | 250 | 132.00 | 0.00 | -60.00 | Giralia |

| HOLE ID | DRILL TYPE ¹ | EAST ² m | NORTH ³ m | RL ³ m | DEPTH m | AZ/MUTH ⁴ ° | DIP ° | COMPANY |
|---------|-------------------------|------------------------|-------------------------|----------------------|------------|---------------------------|----------|---------|
| RCY027 | RC | 440494 | 6577250 | 258 | 109.00 | 0.00 | -60.00 | Giralia |
| RCY028 | RC | 440200 | 6577250 | 264 | 96.00 | 0.00 | -60.00 | Giralia |
| RCY029 | RC | 440198 | 6577150 | 263 | 168.00 | 0.00 | -60.00 | Giralia |
| RCY030 | RC | 443845 | 6577096 | 270 | 90.00 | 270.00 | -60.00 | Giralia |
| RCY031 | RC | 443894 | 6577097 | 266 | 150.00 | 270.00 | -60.00 | Giralia |
| RCY032 | RC | 443678 | 6576852 | 265 | 120.00 | 304.00 | -60.00 | Giralia |
| RCY033 | RC | 443721 | 6576829 | 265 | 153.00 | 304.00 | -60.00 | Giralia |
| RCY034 | RC | 443470 | 6576471 | 260 | 84.00 | 273.00 | -60.00 | Giralia |
| RCY035 | RC | 443516 | 6576469 | 255 | 132.00 | 274.00 | -60.00 | Giralia |
| RCY036 | RC | 442996 | 6576188 | 256 | 72.00 | 0.00 | -60.00 | Giralia |
| RCY037 | RC | 443000 | 6576140 | 257 | 102.00 | 0.00 | -60.00 | Giralia |
| RCY038 | RC | 443003 | 6576088 | 257 | 132.00 | 0.00 | -60.00 | Giralia |
| RCY039 | RC | 442807 | 6576220 | 257 | 90.00 | 0.00 | -60.00 | Giralia |
| RCY040 | RC | 442802 | 6576168 | 258 | 120.00 | 0.00 | -60.00 | Giralia |
| RCY042 | RC | 441999 | 6575746 | 271 | 96.00 | 4.00 | -60.00 | Giralia |
| RCY043 | RC | 442000 | 6575688 | 274 | 60.00 | 3.00 | -60.00 | Giralia |
| RCY044 | RC | 439800 | 6576504 | 257 | 96.00 | 1.00 | -60.00 | Giralia |
| RCY045 | RC | 439795 | 6576391 | 256 | 108.00 | 2.00 | -60.00 | Giralia |
| RCY046 | RC | 439547 | 6576155 | 255 | 120.00 | 243.00 | -60.00 | Giralia |
| RCY047 | RC | 439593 | 6576178 | 252 | 144.00 | 244.00 | -60.00 | Giralia |
| RCY049 | RC | 441663 | 6572994 | 291 | 114.00 | 266.00 | -60.00 | Giralia |
| RCY050 | RC | 441709 | 6572995 | 290 | 144.00 | 269.00 | -60.00 | Giralia |
| RCY051 | RC | 441801 | 6572049 | 297 | 48.00 | 267.00 | -60.00 | Giralia |
| RCY052 | RC | 441852 | 6572050 | 298 | 72.00 | 266.00 | -60.00 | Giralia |
| RCY053 | RC | 442035 | 6571553 | 300 | 96.00 | 282.00 | -60.00 | Giralia |
| RCY054 | RC | 442082 | 6571553 | 300 | 96.00 | 265.00 | -60.00 | Giralia |
| RCY081 | RC | 440003 | 6577047 | 270 | 120.00 | 5.00 | -60.00 | Giralia |
| RCY082 | RC | 440700 | 6577411 | 250 | 90.00 | 350.00 | -60.00 | Giralia |
| RCY085 | RC | 443980 | 6577249 | 262 | 186.00 | 300.00 | -60.00 | Giralia |
| RCY086 | RC | 443928 | 6577178 | 264 | 174.00 | 300.00 | -60.00 | Giralia |
| RCY087 | RC | 443801 | 6576993 | 266 | 96.00 | 290.00 | -60.00 | Giralia |
| RCY088 | RC | 443844 | 6576977 | 267 | 156.00 | 290.00 | -60.00 | Giralia |
| RCY089 | RC | 443756 | 6576918 | 267 | 90.00 | 300.00 | -60.00 | Giralia |
| RCY090 | RC | 443793 | 6576891 | 266 | 168.00 | 300.00 | -60.00 | Giralia |
| RCY091 | RC | 443937 | 6577264 | 262 | 138.00 | 290.00 | -60.00 | Giralia |
| RCY093 | RC | 443876 | 6577194 | 266 | 126.00 | 290.00 | -60.00 | Giralia |
| RCY094 | RC | 443651 | 6576756 | 262 | 126.00 | 290.00 | -60.00 | Giralia |
| RCY096 | RC | 443608 | 6576660 | 260 | 120.00 | 290.00 | -60.00 | Giralia |
| RCY097 | RC | 443568 | 6576572 | 258 | 102.00 | 290.00 | -60.00 | Giralia |
| RCY100 | RC | 443388 | 6576359 | 255 | 78.00 | 300.00 | -60.00 | Giralia |
| RCY101 | RC | 443424 | 6576334 | 255 | 96.00 | 300.00 | -60.00 | Giralia |

| HOLE ID | DRILL TYPE ¹ | EAST ² m | NORTH ² m | RL ³ m | DEPTH m | AZIMUTH ⁴ ° | DIP ° | COMPANY |
|---------|-------------------------|------------------------|-------------------------|----------------------|------------|---------------------------|----------|---------|
| RCY102 | RC | 443312 | 6576272 | 255 | 60.00 | 315.00 | -60.00 | Giralia |
| RCY105 | RC | 443340 | 6576225 | 255 | 108.00 | 315.00 | -60.00 | Giralia |
| RCY106 | RC | 439844 | 6575596 | 287 | 132.00 | 250.00 | -60.00 | Giralia |
| RCY107 | RC | 439920 | 6575470 | 296 | 173.00 | 250.00 | -60.00 | Giralia |
| RCY109 | RC | 439805 | 6575835 | 271 | 114.00 | 250.00 | -60.00 | Giralia |
| RCY110 | RC | 439703 | 6576037 | 262 | 165.00 | 250.00 | -60.00 | Giralia |
| RCY112 | RC | 439641 | 6576070 | 261 | 180.00 | 250.00 | -50.00 | Giralia |
| RCY113 | RC | 440095 | 6577209 | 262 | 60.00 | 0.00 | -60.00 | Giralia |
| RCY114 | RC | 440096 | 6577161 | 264 | 96.00 | 0.00 | -60.00 | Giralia |
| RCY115 | RC | 440287 | 6577268 | 256 | 78.00 | 0.00 | -60.00 | Giralia |
| RCY116 | RC | 440287 | 6577220 | 258 | 90.00 | 0.00 | -60.00 | Giralia |
| RCY117 | RC | 440390 | 6577276 | 256 | 96.00 | 0.00 | -60.00 | Giralia |
| RCY118 | RC | 440390 | 6577230 | 258 | 78.00 | 0.00 | -60.00 | Giralia |
| RCY119 | RC | 440598 | 6577372 | 252 | 90.00 | 0.00 | -60.00 | Giralia |
| RCY120 | RC | 440598 | 6577330 | 253 | 120.00 | 0.00 | -60.00 | Giralia |
| RCY121 | RC | 440600 | 6577272 | 255 | 160.00 | 0.00 | -60.00 | Giralia |
| RCY122 | RC | 440601 | 6577224 | 256 | 186.00 | 0.00 | -60.00 | Giralia |
| RCY123 | RC | 440799 | 6577311 | 251 | 126.00 | 0.00 | -60.00 | Giralia |
| RCY125 | RC | 440797 | 6577214 | 254 | 156.00 | 0.00 | -60.00 | Giralia |
| RCY126 | RC | 440863 | 6577213 | 252 | 114.00 | 0.00 | -60.00 | Giralia |
| RCY127 | RC | 440869 | 6577169 | 253 | 114.00 | 0.00 | 60.00 | Giralia |
| RCY128 | RC | 443099 | 6576148 | 256 | 96.00 | 0.00 | -60.00 | Giralia |
| RCY129 | RC | 443100 | 6576101 | 257 | 96.00 | 0.00 | 60.00 | Giralia |
| RCY130 | RC | 443095 | 6576051 | 257 | 96.00 | 0.00 | 60.00 | Giralia |
| RCY131 | RC | 442897 | 6576186 | 256 | 84.00 | 0.00 | 60.00 | Giralia |
| RCY132 | RC | 442898 | 6576133 | 258 | 132.00 | 0.00 | 60.00 | Giralia |
| RCY133 | RC | 442901 | 6576086 | 258 | 66.00 | 0.00 | 60.00 | Giralia |
| RCY134 | RC | 442698 | 6576218 | 258 | 66.00 | 0.00 | -60.00 | Giralia |
| RCY135 | RC | 442698 | 6576166 | 260 | 102.00 | 0.00 | -60.00 | Giralia |
| RCY136 | RC | 442698 | 6576123 | 261 | 138.00 | 0.00 | -60.00 | Giralia |
| RCY137 | RC | 442602 | 6576199 | 262 | 78.00 | 0.00 | -60.00 | Giralia |
| RCY138 | RC | 442597 | 6576152 | 263 | 66.00 | 0.00 | -60.00 | Giralia |
| RCY139 | RC | 442908 | 6576081 | 258 | 115.00 | 0.00 | -60.00 | Giralia |
| RDY002 | DD | 439897 | 6575781 | 268 | 274.00 | 250.00 | -60.00 | Giralia |
| RDY004 | DD | 439974 | 6575372 | 294 | 156.20 | 250.00 | -60.00 | Giralia |
| RDY017 | DD | 440498 | 6577197 | 259 | 189.30 | 358.00 | -60.00 | Giralia |
| RDY025 | DD | 440700 | 6577300 | 257 | 171.50 | 0.00 | -60.00 | Giralia |
| RDY026 | DD | 440700 | 6577246 | 256 | 240.40 | 0.00 | -60.00 | Giralia |
| RDY041 | DD | 442794 | 6576114 | 259 | 150.60 | 3.00 | -60.00 | Giralia |
| RDY048 | DD | 439638 | 6576198 | 251 | 318.30 | 242.00 | -60.00 | Giralia |
| RDY083 | DD | 443866 | 6577098 | 266 | 162.40 | 270.00 | 60.00 | Giralia |

| HOLE ID | DRILL TYPE ¹ | EAST ² m | NORTH ² m | RL ¹ m | DEPTH m | AZIMUTH ⁴ ° | DIP ° | COMPANY |
|-----------------------|-------------------------|------------------------|-------------------------|----------------------|------------|---------------------------|----------|---------|
| RDY084 | DD | 444029 | 6577229 | 264 | 219.50 | 300.00 | -60.00 | Giralia |
| RDY092 | DD | 443696 | 6576841 | 265 | 127.80 | 300.00 | -60.00 | Giralia |
| RDY095 | DD | 442794 | 6576203 | 257 | 81.30 | 0.00 | -60.00 | Giralia |
| RDY098 | DD | 440699 | 6577328 | 253 | 135.20 | 0.00 | -60.00 | Giralia |
| RDY099 | DD | 443697 | 6576739 | 262 | 194.10 | 290.00 | -60.00 | Giralia |
| RDY103 | DD | 440495 | 6577279 | 256 | 81.10 | 0.00 | -60.00 | Giralia |
| RDY104 | DD | 440495 | 6577231 | 257 | 124.80 | 0.00 | -60.00 | Giralia |
| RDY108 | DD | 440002 | 6575474 | 286 | 240.70 | 250.00 | -60.00 | Giralia |
| RDY109 | DD | 439808 | 6575836 | 270 | 207.80 | 250.00 | -60.00 | Giralia |
| RDY111 | DD | 439782 | 6575734 | 278 | 120.10 | 250.00 | -60.00 | Giralia |
| RDY124 | DD | 440798 | 6577262 | 252 | 171.20 | 0.00 | -60.00 | Giralia |
| WBY001 | DD | 443130 | 6576449 | 254 | 36.00 | 0.00 | -90.00 | Giralia |
| YE12DD001 | DD | 443473 | 6576321 | 255 | 154.20 | 306.75 | -56.72 | Cliffs |
| YE12DD002 | DD | 443472 | 6576322 | 255 | 171.60 | 309.05 | -79.91 | Cliffs |
| YE12DD003 | DD | 443729 | 6576831 | 265 | 285.50 | 325.98 | -74.93 | Cliffs |
| YE12DD004 | DD | 444413 | 6577338 | 266 | 273.40 | 296.28 | -55.94 | Cliffs |
| YE12DD005 | DD | 444341 | 6577385 | 263 | 180.50 | 302.06 | -54.22 | Cliffs |
| YE12DD006 | DD | 439633 | 6576201 | 251 | 268.20 | 240.60 | -57.08 | Cliffs |
| YE12DD007 | DD | 442759 | 6576058 | 260 | 219.20 | 6.50 | -76.01 | Cliffs |
| YE12DD008 | DD | 442998 | 6576059 | 258 | 171.65 | 27.71 | -64.11 | Cliffs |
| YE12DD009 | DD | 442978 | 6575999 | 259 | 255.60 | 30.76 | -80.00 | Cliffs |
| YE12DD010 | DD | 443897 | 6577101 | 266 | 260.00 | 277.30 | -79.59 | Cliffs |
| YE12DD011 | DD | 441133 | 6576887 | 256 | 189.45 | 28.06 | -74.53 | Cliffs |
| YE12DD012 | DD | 441155 | 6576941 | 254 | 225.20 | 27.52 | -55.05 | Cliffs |
| YE12DD013 | DD | 440197 | 6577122 | 263 | 228.50 | 0.79 | -56.14 | Cliffs |
| YE12DD014 | DD | 440197 | 6577121 | 263 | 282.50 | 335.15 | -80.39 | Cliffs |
| YE12DD016 | DD | 440793 | 6577126 | 256 | 211.20 | 39.88 | -55.12 | Cliffs |
| YE12DD017 | DD | 439537 | 6576152 | 254 | 189.80 | 49.34 | -79.83 | Cliffs |
| YE12DD019 | DD | 440497 | 6577117 | 261 | 306.45 | 6.18 | -75.14 | Cliffs |
| Yerecoin South | | | | | | | | |
| RCY055 | RC | 443599 | 6567055 | 260 | 108.00 | 270.00 | -60.00 | Giralia |
| RCY056 | RC | 443649 | 6567050 | 258 | 144.00 | 273.00 | -60.00 | Giralia |
| RCY057 | RC | 443544 | 6567300 | 266 | 126.00 | 268.00 | -60.00 | Giralia |
| RCY058 | RC | 443586 | 6566580 | 253 | 120.00 | 280.00 | -60.00 | Giralia |
| RCY059 | RC | 443637 | 6566570 | 253 | 104.00 | 278.00 | -60.00 | Giralia |
| RCY060 | RC | 443685 | 6566562 | 254 | 120.00 | 283.00 | -60.00 | Giralia |
| RCY061 | RC | 443482 | 6566325 | 252 | 99.00 | 301.00 | -60.00 | Giralia |
| RCY062 | RC | 443526 | 6566300 | 252 | 120.00 | 300.00 | -60.00 | Giralia |
| RCY063 | RC | 442871 | 6565988 | 241 | 114.00 | 317.00 | -60.00 | Giralia |
| RCY064 | RC | 442896 | 6565968 | 242 | 132.00 | 319.00 | -60.00 | Giralia |
| RCY065 | RC | 442920 | 6565941 | 241 | 112.00 | 317.00 | -60.00 | Giralia |

| HOLE ID | DRILL TYPE ¹ | EAST ² m | NORTH ² m | RL ³ m | DEPTH m | AZIMUTH ⁴ ° | DIP ° | COMPANY |
|-----------|-------------------------|------------------------|-------------------------|----------------------|------------|---------------------------|----------|---------|
| RCY066 | RC | 442128 | 6565440 | 253 | 156.00 | 315.00 | -60.00 | Giralia |
| RCY067 | RC | 442171 | 6565411 | 254 | 186.00 | 300.00 | 60.00 | Giralia |
| RCY068 | RC | 442026 | 6565293 | 253 | 162.00 | 326.00 | -60.00 | Giralia |
| RCY070 | RC | 442019 | 6564626 | 270 | 113.00 | 296.00 | -60.00 | Giralia |
| RCY072 | RC | 441892 | 6564460 | 275 | 120.00 | 293.00 | -60.00 | Giralia |
| RCY073 | RC | 441928 | 6564447 | 276 | 132.00 | 291.00 | -60.00 | Giralia |
| RCY074 | RC | 441908 | 6564056 | 272 | 114.00 | 266.00 | -60.00 | Giralia |
| RCY075 | RC | 441952 | 6564053 | 269 | 168.00 | 270.00 | 60.00 | Giralia |
| RCY076 | RC | 442336 | 6565534 | 252 | 132.00 | 317.00 | -62.00 | Giralia |
| RCY077 | RC | 442362 | 6565507 | 253 | 162.00 | 316.00 | -60.00 | Giralia |
| RCY078 | RC | 442298 | 6563839 | 257 | 126.00 | 358.00 | -60.00 | Giralia |
| RCY079 | RC | 442297 | 6563800 | 255 | 54.00 | 3.00 | -60.00 | Giralia |
| RCY080 | RC | 442300 | 6563794 | 255 | 150.00 | 1.00 | -60.00 | Giralia |
| RDY069 | DD | 442065 | 6565255 | 255 | 252.40 | 323.00 | -60.00 | Giralia |
| RDY071 | DD | 442060 | 6564595 | 271 | 188.40 | 298.00 | -60.00 | Giralia |
| YS12DD001 | DD | 443075 | 6566028 | 247 | 252.30 | 343.81 | -54.88 | Cliffs |
| YS12DD002 | DD | 443076 | 6566027 | 247 | 346.70 | 344.06 | -74.80 | Cliffs |
| YS12DD003 | DD | 442563 | 6563911 | 260 | 165.50 | 179.31 | -55.90 | Cliffs |
| YS12DD004 | DD | 443659 | 6566619 | 254 | 303.50 | 273.89 | -58.45 | Cliffs |
| YS12DD005 | DD | 443700 | 6566621 | 254 | 309.70 | 275.38 | -80.50 | Cliffs |
| YS12DD006 | DD | 442379 | 6565450 | 254 | 291.30 | 334.65 | -54.66 | Cliffs |
| YS12DD007 | DD | 443628 | 6567127 | 260 | 279.10 | 279.18 | -55.39 | Cliffs |
| YS12DD008 | DD | 443627 | 6567127 | 261 | 225.40 | 259.93 | -75.21 | Cliffs |
| YS12DD009 | DD | 441999 | 6563999 | 266 | 184.60 | 230.22 | -55.02 | Cliffs |
| YS12DD010 | DD | 442377 | 6565450 | 254 | 183.70 | 333.23 | -74.86 | Cliffs |
| YS12DD011 | DD | 442146 | 6565289 | 257 | 147.50 | 329.63 | -55.43 | Cliffs |
| YS12DD012 | DD | 442146 | 6565288 | 257 | 150.50 | 328.78 | -75.31 | Cliffs |
| YS12DD013 | DD | 442563 | 6563912 | 260 | 168.70 | 179.74 | -74.90 | Cliffs |
| YS12DD016 | DD | 442155 | 6564749 | 265 | 177.20 | 281.01 | -55.70 | Cliffs |
| YS12DD017 | DD | 442156 | 6564749 | 265 | 167.50 | 279.58 | -75.30 | Cliffs |
| YS12DD018 | DD | 443581 | 6567109 | 262 | 125.50 | 274.58 | -55.15 | Cliffs |

Notes:

- ¹ RC = Reverse Circulation Drillhole; DD = Diamond Drillhole
- ² Easting and Northing Coordinate System = UTM GDA94 Zone 50
- ³ RL = Elevation relative to Australian Height Datum (AHD)
- ⁴ Azimuth relative to true north

APPENDIX B

JORC Code – Table 1 Report

Exploration Results and Mineral Resource Estimate – Yerecoin Project

The following tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of the Exploration Results at the Yerecoin Project

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

| Criteria | JORC Code explanation | Commentary |
|---------------------|--|--|
| Sampling techniques | <p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p> | <p>Samples taken via 1/4 of NQ-2 and/or HQ core and reverse circulation chips. Industry standard drilling techniques used.</p> <p>Resources are based on diamond drill core samples and reverse circulation samples together with their geological logging information.</p> <p>Drill core and RC chips were logged by qualified geologists familiar with project and deposit type. The inherited database provided sufficient evidence for the logging detail that these geologists provided, all necessary items were recorded to a satisfactory level of detail. Logging was qualitative. All core was photographed wet and dry.</p> <p>Samples were then submitted to Ultra Trace laboratories for sample preparation and analysis by Standard XRF techniques.</p> <p>Quartered core and reverse circulation chips were crushed, ground and split and subsampled for analysis under laboratory conditions which include introduction of laboratory standards and repeats. As an independent measure for quality control, commercial standards are included with the samples submitted together with regular duplicates and replicates.</p> <p>Once head assay results and logging data had been assessed, samples were combined for approximately 4m composite samples and submitted to AmdeI laboratories for Davis Tube and LIS analysis to determine the recoverable magnetite and associated concentrations of silica, sulphur, alumina, and phosphorous in the Davis tube concentrate.</p> |
| Drilling techniques | <p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i></p> | <p>Diamond core samples – NQ size. All cores drilled in approximately 3m intervals.</p> <p>Core is then laid in run lengths using a core barrel with wire-line recovery method.</p> <p>At end of drilling run, the core is marked for orientation via a core orientation tool to identify the bottom of the hole and top of next run.</p> <p>Core is laid out in core trays for logging and data collection purposes.</p> <p>RC samples are bagged in both calico (for assay submission) and green plastic bags (excess not required for assay). Sub samples of the excess spoils are taken for geological logging.</p> |

| Criteria | JORC Code explanation | Commentary |
|--|---|--|
| Drill sample recovery | <p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p> | <p>All core was metre-marked and oriented by field staff under the supervision of the site geologist, the core recovery was monitored throughout.</p> <p>If any issues arose with drill core or RC recovery or quality in general, discussions were held with the drilling contractor to remedy the issues.</p> <p>Core recoveries were close to 100% for close to 100% of the core drilled. Diamond Drill Core was preferentially drilled by Cliffs to ensure that adequate metallurgical tests and analyses could be carried out. Given that a sinter feed product was required solid core being provided to the lab was the best option for determining a grind specific resource. No issues were identified at the time of drilling or in subsequent analysis that would indicate any sampling bias. RC samples were drilled dry and were of constant mass, commensurate with the sampling interval.</p> |
| Logging | <p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p> | <p>A geologist familiar with the project logged samples on-site and recorded the data digitally. Completed logs were submitted electronically for assimilation into an SQL database.</p> <p>All relevant items such as interval, lithology, structure, texture, grain-size, alteration, oxidation, mineralisation, quartz percentage, sulphide types and percentages were recorded in the geological logs.</p> <p>The drill logs recorded major lithological units, alteration, oxidation, some minor structure, mineralisation, veining, textures and minor lithological units as well and the sample intervals. All core was oriented to enable collection of structural data.</p> <p>All relevant date and intervals were recorded.</p> <p>Logging is appropriate for the stage of the project and sufficiently detailed to support further studies.</p> |
| Sub-sampling techniques and sample preparation | <p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p> | <p>Quartered core is crushed, ground and split and subsampled for analysis under laboratory conditions which include introduction of laboratory standards and repeats. As an independent measure for quality control, commercial standards are included with the samples submitted together with regular duplicates and replicates.</p> <p>NQ/HQ size quartered diamond drill core produced by core saw. The core was halved and one half was halved again to provide quarter core for sampling for head assays at approximately 1m intervals down the hole, depending on lithological and mineralisation boundaries determined during the logging process.</p> <p>Samples were then submitted by to Ultra Trace laboratories for industry standard sample preparation and analysis by XRF techniques.</p> <p>QA/QC samples (standard and repeats) were introduced at regular intervals into the sample stream. Subsequent review of results provided no indication of bias in the sampling or assaying process.</p> <p>Once head assay results and logging data have been assessed the other quarter core samples were combined for approximately 4m composite samples and submitted to Amel laboratories for Davis Tube and LIS analysis to determine the recoverable magnetite and associated concentrations of silica.</p> |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| | | <p>sulphur, alumina, and phosphorous in the Davis tube concentrate.</p> <p>The material and sample sizes are considered appropriate given the style of mineralisation being targeted.</p> |
| Quality of assay data and laboratory tests | <p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p> | <p>Total assay techniques applied – standard XRF methods.</p> <p>As an independent measure for quality control, commercial standards are included with the samples submitted together with regular duplicates and replicates. For the LIS & Davis Tube test work, Amdel was instructed by cliffs inserted a number of commercial blanks and replicates into the sample stream.</p> <p>Samples were crushed, ground, split and sub sampled for analysis under laboratory conditions which include introduction of laboratory standards and repeats. As an independent measure for quality control, commercial standards are included with the samples submitted together with regular duplicates and replicates.</p> <p>QA/QC samples were introduced at regular intervals into the sample stream in the laboratory to complement those added at the sampling stage. Subsequent review of results during the resource estimation process provided no indication of bias in the sampling or assaying process.</p> <p>Hand held assay devices have not been reported.</p> <p>Industry practice is assumed for historical drilling.</p> |
| Verification of sampling and assaying | <p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p> | <p>Previous workers (Tetra Tech) carried out several internal validations of drill hole data against the original drill logs and assay certificates. The validation of assay files against the certificates was carried out on all of the holes equating to 82% of the diamond drilled part of the database. For the entire 3,752 assay (DTC XRF) records checked there was a 99% match between the database records and the certificates. For the 1% that did not match exactly the differences were minimal and were fixed prior to the final estimations being completed (stemming from data entry errors).</p> <p>At least 10% of the LIS/Davis Tube data was verified against official lab certificates.</p> <p>Data verification was completed on collar co-ordinates, end-of-hole depths, down-hole survey measurements, from and to intervals, measurements of assay sampling intervals and iron and deleterious grades for nearly 100% of the database provided and no major issues were found.</p> <p>When the data tables were imported the modeling software error checking routines were applied, and there were minimal overlapping interval issues in the assay and lithology tables which were corrected at the time of importing the data.</p> <p>Tetra Tech and ProMet Engineers personnel verified and validated the LIS Davis tube test work data, which was used as the primary assay data source for the resource estimate. Any erroneous data was flagged with and corrected. This work was reviewed by Cadre and deemed acceptable.</p> <p>Tetra Tech and Cadre completed site visits, including a visit to the core yard at Calingiri, during which several</p> |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | cores were examined. |
| Location of data points | <p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p> | <p>A sufficient topography model exists to ensure adequate topographical control. All hole collars were reliably surveyed by a licensed surveyor.</p> <p>Azimuths were set out using a hand-held GPS. The dip was set by the driller using a clinometer and was typically confirmed by the Geologist or Field staff onsite at the time to ensure quality control was maintained.</p> <p>Down-hole surveys were collected at approximately 20m intervals using a gyroscopic down-hole surveying tool.</p> <p>The grid system for the Yerecoin Project is Map Grid of Australia GDA 94, Zone 50.</p> <p>Topographic data obtained from the relevant 1:100,000 map gives a satisfactory control over the topography. The area is predominately flat.</p> |
| Data spacing and distribution | <p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p> | <p>Iron (DTC and Head), DT_WR%, silica, sulphur, alumina and phosphorous concentrate values were composited at 4m down hole intervals honoring the interpreted geological solids. A 4m composite length was selected as a majority of the assays are in the 4m range for length.</p> |
| Orientation of data in relation to geological structure | <p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p> | <p>Drilling orientation was based on geological understanding following surface mapping and geophysical surveying. Drilling was mostly orthogonal to the strike and dip of the BIF mineralisation. The angled core holes adequately tested the mineralisation without introducing sampling bias.</p> |
| Sample security | <i>The measures taken to ensure sample security.</i> | <p>The company maintained the core once drilled in a fenced and locked core facility. The core and sub-samples remain in the possession of company personnel or approved contractors until submission to the assay laboratory.</p> <p>At all stages after drilling of holes, core samples are handled by contract personnel and analysed in the Ultra Trace laboratory in Canning Vale, WA under normal security conditions. Ultra Trace, under its affiliation with AMDEL and Bureau Veritas, is accredited under ISO9001:2000 for all sample preparation and analysis activities, including XRF (X-Ray Fluorescence Spectrometry) analyses.</p> <p>No sample security issues were identified during any of the review processes.</p> |
| Audits or reviews | <i>The results of any audits or reviews of sampling techniques and data.</i> | <p>The authors are not aware of any external audits or reviews of the sampling techniques and data.</p> <p>QAQC reviews were completed as part of the resource estimation processes by previous workers (Tetra Tech) and reviewed by Cadre. QAQC is bolstered by historic metallurgical bulk sampling programs.</p> <p>A total of 139 repeat sample assays were done on about every 50th sample by the Amdel Laboratory.</p> <p>The conclusion was that the CP was satisfied that the sample preparation, security and analytical procedures were adequate and that any minor variability outside</p> |

| Criteria | JORC Code explanation | Commentary |
|----------|-----------------------|---|
| | | the standard limits for the QAQC data did not indicate any significant bias in the laboratory analysis. |

Section 2: Reporting of Exploration Results

(Criteria in this section apply to all succeeding sections)

| Criteria | JORC Code explanation | Commentary |
|---|---|--|
| Mineral tenement and land tenure status | <p>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <p>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</p> | <p>The Yerecoin Magnetite Iron Ore Deposits are located within exploration licences E70/2733 and E70/2784, all of which are held by Novarange Pty Ltd. Burley Minerals Ltd has a 70% beneficial interest in the tenements, through a share purchase agreement with Novarange.</p> <p>Refer to the Solicitor's Report for royalties payable.</p> <p>Private, freehold farmland will require the negotiation of individual access and compensation agreements respective landholders prior to on-ground activities can commence.</p> <p>The area is covered by a native title claim but only over a small part of the resource as the freehold titles have largely extinguished native title.</p> |
| Exploration done by other parties | Acknowledgment and appraisal of exploration by other parties. | Giralia Resource Ltd and Cliffs Natural Resources Pty Ltd were previous owners who discovered the deposit and completed the significant resource definition work to date. |
| Geology | Deposit type, geological setting and style of mineralisation. | <p>The Yerecoin iron deposit is contained in an enclave of metamorphosed banded iron formation (BIF) completely enclosed by migmatites within the Lake Grace terrane of the south-western Archean Yilgarn Craton, which consists predominantly of metamorphosed shelf sediments, including thin units of orthoquartzite, arkosic paragneiss and BIF, interlayered with garnetiferous orthogneiss and ultra-mafic units, all of which is bound and, to some extent intruded, by granitoids.</p> <p>Locally, the BIFs are inter-bedded with mafic gneiss, ultra-mafics (mainly in the south) and intruded by both mafic and felsic intrusives. Granitoid plutons locally intrude and bound the sequences described above. All of which has reached a peak metamorphic grade of granulite facies, as evidenced from the presence of andradite garnet in the drill core.</p> |
| Drill hole information | <p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p> | <p>All hole collar locations, depths, azimuths and dips are provided within this Report (Appendix A).</p> <p>All relevant information has been included.</p> |

| Criteria | JORC Code explanation | Commentary |
|--|---|--|
| Data aggregation methods | <p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p> | <p>For the reporting of significant intercepts, 20% Fe lower cut-off, 3m minimum reporting length, 6m maximum length of consecutive interval waste and the minimum grade for the final composite of 20% Fe.</p> <p>The calculated assay data was examined to assess the amount of metal at risk from high-grade assays, which mainly occurred where the iron values were greater than the stoichiometric maximum of 72.4% Fe; the maximum possible for Fe in magnetite. Checks were also done to ensure that for each sample the sum of the iron, silica, sulphur, alumina and phosphorous concentrate components did not add up to more than a maximum of 103%. Samples with components summing to greater than 103% (3 in total) were shown to be spurious and were omitted for estimation.</p> <p>No metal equivalent values are currently being used for reporting exploration results.</p> |
| Relationship between mineralisation widths and intercept lengths | <p><i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></p> | <p>Drilling orientation was based on geological understanding following surface mapping and geophysical surveying. Angled drill holes adequately test mineralisation bias and reinforce geological assumptions held from surface and geophysical observations.</p> |
| Diagrams | <p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p> | <p>Refer to Figures in body of text.</p> |
| Balanced reporting | <p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></p> | <p>All representative results have been reported.</p> |
| Other substantive exploration data | <p><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p> | <p>A total of 498 samples were tested for Specific Gravity (SG) from 34 drill holes, of which 456 of these samples were coincident with mineralised intervals used in the resource estimation process, and the other 39 samples were within the envelope of the area of interest. 491 of the 498 samples came from the Fresh rock zone, four from the Transitional zone and three from the Oxide zone. An SG factor of 3.35 for the Fresh and Transitional mineralised zones and 2.70 for the Oxide zone for the mineral resource estimate. The standard immersion method was used to determine all SGs for the Property. All SGs were determined from the 4m composites used for LIS and Davis tube analyses.</p> <p>Metallurgical testing was performed on five samples from Yerecoin Main. No samples from Yerecoin South have had metallurgical testing completed on them. Samples were chosen due to availability and location. The test work was carried out by ALS Ammetec Limited in Malaga and consisted of:</p> <p>Liberation Index Specification (LIS) (at Amdel laboratories)</p> <ul style="list-style-type: none"> Unconfined Compressive Strength (UCS); Crushing Work Index (CWi); Abrasion Index (AI); Bond Work Index (BWI). |

| Criteria | JORC Code explanation | Commentary |
|--------------|--|---|
| | | <ul style="list-style-type: none"> ◦ Rod (RWI) ◦ Ball (BWI) • Dry liberation test work; • Optimum grind test work; • Bulk sample testing to produce a sinter sample <p>The results were the basis for defining the optimum grind size for liberating the Fe from SiO₂ to produce a high quality concentrate.</p> |
| Further work | <p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p> | <p>A follow up exploration work program has been proposed and is outlined in the Report. Future work will largely be focused on geophysical acquisition and interpretation and the subsequent drilling of targets.</p> <p>All relevant diagrams and inferences have been illustrated in this report.</p> <p>The deposits comprising the Yerecoin Project (Main, and South) all have potential for extension. Further drilling is planned to both increase the category of Resource to test for extensions</p> |

Section 3: Estimation and Reporting of Mineral Resources

(Criteria listed in Section 1, and where relevant in Section 2, also apply to this section)

| Criteria | JORC Code explanation | Commentary |
|--------------------|--|--|
| Database integrity | <p><i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i></p> <p><i>Data validation procedures used.</i></p> | <p>The data for the Yerecoin Main resource estimate was provided to Cadre by Radar. Cadre has reviewed and noted all past verification but has not verified the data independently other than the usual checks employed in manipulating and utilising the data for estimation of resources.</p> <p>Tetra Tech completed the previous resource estimate on Yerecoin Main and Yerecoin South. Tetra Tech carried out several internal validations of the diamond drill hole data against the original drill logs and assay certificates. The validation of assay files against the certificates was carried out on all of the holes equating to 82% of the diamond drilled part of the database. For the entire 3,752 assay (DTC XRF) records checked there was a 99% match between the database records and the certificates. For the 1% that did not match exactly the differences were minimal and were fixed prior to the final estimations being completed (stemming from data entry errors).</p> <p>At least 10% of the LIS/Davis Tube data was verified against official lab certificates. No inadvertent or keying errors were found during or after data import into the Vulcan software. All relevant tables were checked by internal Vulcan routines and no erroneous data was identified.</p> <p>Data verification was completed on collar co-ordinates, end-of-hole depths, down-hole survey measurements, from and to intervals, measurements of assay sampling intervals and iron and deleterious grades for nearly 100% of the database provided and no major issues were found.</p> <p>When the data tables were imported the modeling software error checking routines were applied, and there were minimal overlapping interval issues in the</p> |

| Criteria | JORC Code explanation | Commentary |
|---------------------------|--|---|
| | | <p>assay and lithology tables which were corrected at the time of importing the data</p> <p>Tetra Tech and ProMet Engineers personnel verified and validated the LIS Davis tube test work data, which was used as the primary assay data source for the resource estimate. Any erroneous data was flagged with and corrected</p> <p>Tetra Tech carried out several internal validations of the diamond drill hole data against the original drill logs and assay certificates. The validation of assay files against the certificates was carried out on all of the holes equating to 82% of the diamond drilled part of the database. For the entire 3,752 assay (DTC XRF) records checked there was a 99% match between the database records and the certificates. For the 1% that did not match exactly the differences were minimal and were fixed prior to the final estimations being completed (stemming from data entry errors).</p> <p>Data verification was completed on collar co-ordinates, end-of-hole depths, down-hole survey measurements, from and to intervals, measurements of assay sampling intervals and iron and deleterious grades for nearly 100% of the database provided and no major issues were found.</p> <p>When the data tables were imported the modeling software error checking routines were applied, and there were minimal overlapping interval issues in the assay and lithology tables which were corrected at the time of importing the data</p> <p>Tetra Tech and ProMet Engineers personnel verified and validated the LIS Davis tube test work data, which was used as the primary assay data source for the resource estimate. Any erroneous data was flagged with and corrected</p> |
| Site visits | <p><i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></p> <p><i>If no site visits have been undertaken indicate why this is the case.</i></p> | <p>A site visit was conducted by Cadre. This included a visit to the Cliffs Core yard at Calingiri. A tour was then conducted across part of the tenement area via public roads to appreciate the nature of surface conditions, in terms of topography, outcrop and vegetated areas.</p> |
| Geological Interpretation | <p><i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i></p> <p><i>Nature of the data used and of any assumptions made.</i></p> <p><i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></p> <p><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></p> <p><i>The factors affecting continuity both of grade and geology.</i></p> | <p>Sufficient information was available from both diamond and RC drilling data as well as airborne magnetometer surveys to provide clear structural interpretation of the mineralised zones. Adequate information was also provided to ensure sufficient interpretation of the weathering surfaces. There is adequate uniformity in the iron bearing mineralisation to confirm continuity between sections where appropriate. Geological continuity is therefore strong.</p> <p>Geological solid modeling using Gemcom Surpac software resulted in the zones of mineralisation interpreted for each area were generally contiguous, reinforcing interpretation</p> |
| Dimensions | <p><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></p> | <p>The Yerecoin mineralised zones are substantially folded, and have a general NW/SE trend, which the aeromagnetic data suggests has a combined strike length of nearly 20km, with a plan width of about 25 - 50m, depending on the amount of structural thickening. The mineralisation commences at a depth of about 25m and has been tested to a maximum depth of about 300m below surface.</p> |

| Criteria | JORC Code explanation | Commentary |
|--------------------------------------|---|--|
| Estimation and modelling techniques | <p><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></p> <p><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></p> <p><i>The assumptions made regarding recovery of by-products.</i></p> <p><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></p> <p><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></p> <p><i>Any assumptions behind modelling of selective mining units.</i></p> <p><i>Any assumptions about correlation between variables.</i></p> <p><i>Description of how the geological interpretation was used to control the resource estimates.</i></p> <p><i>Discussion of basis for using or not using grade capping.</i></p> <p><i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></p> | <p>A block size of 40x40x10m was deemed appropriate given the drill spacings and the folded nature of the mineralisation envelopes. All digital interpretations were done on vertical sections orthogonal to the mineralisation trends, and wireframed together in Surpac software. Extensive variography was carried out to determine the search ranges, and Quantitative Kriging Neighborhood Analysis was employed to optimise the min and max number samples, discretisations and max samples per hole to be used for a block estimate.</p> <p>The DT_WR% and Fe Head% values were weighted by length and all concentrate grades were weighted by the DT_WR% and length values to maintain compositional constraints. All interpolations were completed using Ordinary Kriging. The Davis tube concentrate values for Fe were estimated along with Silica, Sulphur, Alumina and Phosphorous, to ensure that the deleterious elements were sufficiently considered. Validations were done to compare the block estimates with the drill data in three ways, visually in Surpac, global mean statistics comparisons and swath plots. Estimates were done based on three estimation passes.</p> |
| Moisture | <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> | Rock moisture has been assumed to be immaterial to the Mineral Resource and so has not been accounted for. |
| Cut-off parameters | <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> | A 15% DT_WR was adopted based Radars requests, which are in turn based on historic work completed on the project and comparisons to other WMA magnetite deposits. Fe_C values beyond the stoichiometric maximum of 72.4% Fe were capped. |
| Mining factors or assumptions | <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i> | Open cut mining seems to be the most appropriate mining method given the depth from surface and thickness. |
| Metallurgical factors or assumptions | <i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous.</i> | The LIS/Davis Tube test work that provided the basis for the estimations suggests that at least the Yerecoin main resource is appropriate for a sinter feed product. |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <i>Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i> | |
| Environmental factors or assumptions | <i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i> | Sufficient space is available on the tenements to provide space for waste storage facilities from both mining and processing |
| Bulk density | <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i> <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i> <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i> | Sufficient immersion method density data was provided by Cliffs to enable a sufficiently accurate density determination for the mineralised resources and the surrounding country rock. |
| Classification | <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> | The current drill spacings, the bulk nature of the resource in question, combined with variography data and the demonstrated level of geological and grade continuity is sufficient to support Inferred Indicated Resource categories for Yerecoin Main. |
| Audits or reviews | <i>The results of any audits or reviews of Mineral Resource estimates.</i> | Previous Yerecoin Resource models were peer reviewed by the Tetra Tech Chief Geologist, and all final wireframes were reviewed with Cliffs personnel. The Cadre model was reviewed and discussed with Radar executives. |
| Discussion of relative accuracy / confidence | <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the</i> | Validations were done to compare the block estimates with the drill data in three ways, visually in Surpac, global mean statistics comparisons and swath plots. Cadre believed the estimate to be sufficiently accurate, based on these validation routines and the bulk style of the commodity in question. Data on which this Estimate is based is sufficient to support the applied Resource categories of Indicated and Inferred. |

| Criteria | JORC Code explanation | Commentary |
|----------|---|------------|
| | <p><i>procedures used.</i></p> <p><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p> | |

11. INDEPENDENT LIMITED ASSURANCE REPORT



25 May 2021

The Board of Directors
Burley Minerals Ltd
60 Havelock Street
WEST PERTH WA 6005

Dear Board of Directors

Independent Limited Assurance Report on Burley Minerals Ltd

Historical and Pro forma Financial Information

We have been engaged by Burley Minerals Ltd ("Burley" or "the Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of Burley for inclusion in the Prospectus.

The Prospectus (or "the document") is issued for the purposes of raising \$6,000,000 from the issue of 30,000,000 shares at an issue price of \$0.20.

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

Scope

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

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

You have requested Bentleys to review the following historical financial information (together the "Historical Financial Information") of Burley and Novarange Pty Ltd ("Novarange") included in the Prospectus:

Bentleys Audit & Corporate
(WA) Pty Ltd
London House
Level 3,
218 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500

F +61 8 9226 4300

bentleys.com.au



A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that make up Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in Partnership. Liability limited by a scheme approved under Professional Standards Legislation.



Historical Financial Information

- The historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the period ended 31 March 2021 for Novarange and the period ended 31 March 2021 for Burley;
- The historical Statement of Financial Position as at 30 June 2018, 30 June 2019, 30 June 2020 and 31 March 2021 for Novarange and as at 31 March 2021 for Burley; and
- The historical Statement of Cash Flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the period ended 31 March 2021 for Novarange and for the period ended 31 March 2021 for Burley.

The Historical Financial Information has been extracted from the financial reports for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the period ended 31 March 2021 for Novarange Pty Ltd and the period ended 31 March 2021 for Burley Minerals Ltd. The financial reports were audited by Bentleys in accordance with Australian Auditing Standards. Unqualified audit opinions with material uncertainty related to going concern paragraphs were issued for each period.

Pro Forma historical financial information

You have requested Bentleys to review the pro forma historical Statement of Financial Position as at 31 March 2021 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of Burley, and Novarange after adjusting for the effects of the subsequent events and pro forma adjustments described in note 2 of section 11.8 of the document. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in note 2 of section 11.8 of the document, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position or financial performance.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Burley and Novarange as at 31 March 2021 to reflect the financial effects of the subsequent events which have occurred since 31 March 2021 as disclosed in note 2 of section 11.8 and the pro forma transactions which are yet to occur, but are proposed to occur immediately or following completion of the capital raising as disclosed in note 2 of section 11.8.

Directors' Responsibility

The directors of Burley 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.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical 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*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in 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 financial information.

Historical Financial Information

Conclusions

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 comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the period ended 31 March 2021 for Novarange and the period ended 31 March 2021 for Burley;
- The historical Statement of Financial Position as at 30 June 2018, 30 June 2019, 30 June 2020 and 31 March 2021 for Novarange and as at 31 March 2021 for Burley; and
- The historical Statement of Cash Flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the period ended 31 March 2021 for Novarange and for the period ended 31 March 2021 for Burley.

are not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 11.3 of the document.

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 comprising the Statement of Financial Position as at 31 March 2021 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 11.3 of the document.

Restriction on Use

Without modifying our conclusions, we draw attention to section 11.2 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.

Consent

Bentleys has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Bentleys makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Bentleys Audit & Corporate (WA) Pty Ltd is limited to the inclusion of this report in the Prospectus. Bentleys Audit & Corporate (WA) Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Bentleys Audit & Corporate (WA) Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Bentleys Audit & Corporate (WA) Pty Ltd will receive normal professional fees for the preparation of the report.

Yours Faithfully,



DOUG BELL CA
Partner

11.1 Financial Information

11.2 Introduction

This section sets out the historical financial information of Burley Minerals Ltd and Novarange Pty Ltd. The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Initial Public Offering ("IPO") of Burley Minerals Ltd. Bentleys Audit & Corporate (WA) Pty Ltd ("Bentleys") has prepared an Independent Limited Assurance Report in respect to the historical financial information and the pro forma financial information. A copy of this report, within which an explanation of the scope and limitation of Bentleys' work is set out in Section 11.

All information present in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Section 11.

11.3 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by Burley Minerals Ltd and Novarange Pty Ltd as detailed in note 1 of Section 11.8. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of section 11.8 as if those adjustments had occurred as at 31 March 2021.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations.

Burley Minerals Ltd was incorporated on 29 October 2020. Reference to the period ended for Burley Minerals Limited is 29 October 2020 to 31 March 2021. Reference to the period ended for Novarange Pty Ltd is the period from 1 July 200 to 31 March 2021. Accordingly, the Historical Financial Information comprises the following (collectively referred to as the **Historical Financial Information**):

- The historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2018, 30 June 2019 and 30 June 2020, and the period ended 31 March 2021 for Novarange Pty Ltd and the period ended 31 March 2021 for Burley Minerals Ltd;
- The historical Statement of Financial Position as at June 2018, 30 June 2019 and 30 June 2020 of Novarange Pty Ltd and as at 31 March 2021 for Novarange Pty Ltd and Burley Minerals Limited; and
- The historical Statement of Cash Flows for the years ended 30 June 2018, 30 June 2019 and 30 June 2020, and the period ended 31 March 2021 for Novarange Pty Ltd and the period ended 31 March 2021 for Burley Minerals Ltd;

The pro forma financial information comprises (collectively referred to as the **Pro Forma Financial Information**):

- The pro forma statement of financial position as at 31 March 2021, prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 of section 11.8 had occurred as at 31 March 2021; and
- the notes to the pro forma financial information,

(the Historical Financial Information and Pro Forma Financial Information are collectively referred to as the **Financial Information**).

The Historical Financial Information of Novarange Pty Ltd has been extracted from the audited historical financial statements for 30 June 2018, 30 June 2019 and 30 June 2020 and the period ending 31 March 2021. The financial reports of Novarange Pty Ltd were audited by Bentleys in accordance with Australian Auditing Standards. An unqualified audit opinion was issued for 30 June 2018, 30 June 2019, 30 June 2020 and the period ending 31 March 2021 with a material uncertainty surrounding the ability of the entity to continue as a going concern.

The financial report of Burley Minerals Ltd for the period from incorporation 29 October 2020 to 31 March 2021 was audited by Bentleys. An unqualified audit opinion was issued with a material uncertainty surrounding the ability of the entity to continue as a going concern.

11.4 Historical statement of profit or loss and other comprehensive income

| Burley Minerals Limited | Audited* Period ended 31 March 2021** \$ |
|--|---|
| Revenue from continuing operations | 17 |
| Professional Fees | (151,639) |
| Professional Fees – Equity based payments | (19,097) |
| Administrative expenses | (5,554) |
| Directors Fees | (21,667) |
| Directors Fees - Equity based payments | (188,825) |
| Compliance and regulatory expenses | (6,088) |
| Other expenses | (5,238) |
| Profit/(Loss) before income tax expense | (398,091) |
| Income tax expense | - |
| Profit/(Loss) for the period | (398,091) |
| Other comprehensive income, net of income tax | - |
| Total comprehensive loss for the period | (398,091) |

* Please refer to Section 11.3 with respect to the audit opinions issued by Bentleys on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 11.8 and the Independent Limited Assurance Report in Section 11.

**Period from 29 October 2020 to 31 March 2021.

11.4 Historical statement of profit or loss and other comprehensive income

| Novarange Pty Ltd | Audited* Period ended 31 March 2021** \$ | Audited* year 30 June 2020 \$ | Audited* year 30 June 2019 \$ | Audited* year 30 June 2018 \$ |
|---|---|---|---|---|
| Other revenue | - | - | - | 50,000 |
| Administration expenses | (5,082) | (5,387) | - | (254) |
| Other expenses | (10,985) | (17,033) | (582) | (4,050) |
| Profit/(Loss) before income tax expense | (16,067) | (22,420) | (582) | 45,696 |
| Income tax expense | - | - | - | (11,268) |
| Profit/(Loss) for the period | (16,067) | (22,420) | (582) | 34,428 |
| Other comprehensive income, net of income tax | - | - | - | - |
| Total comprehensive profit/(loss) for the period | (16,067) | (22,420) | (582) | 34,428 |

* Please refer to Section 11.3 with respect to the audit opinions issued by Bentleys on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 11.8 and the Independent Limited Assurance Report in Section 11.

**Period from 1 July 2020 to 31 March 2021.

11.5 Historical statement of financial position

| Burley Minerals Limited | Audited* |
|-----------------------------------|-----------------|
| | As at |
| | 31 March |
| | 2021 |
| | \$ |
| Current assets | |
| Cash and cash equivalents | 257,288 |
| Trade and other receivables | 36,915 |
| Total current assets | 294,203 |
| Non-current assets | |
| Exploration and evaluation assets | 65,000 |
| Loan receivable | 174,337 |
| Total non-current assets | 239,337 |
| Total assets | 533,540 |
| Current liabilities | |
| Trade and other payables | 90,908 |
| Total current liabilities | 90,908 |
| Total liabilities | 90,908 |
| Net assets | 442,632 |
| Equity | |
| Issued capital | 772,801 |
| Reserves | 67,922 |
| Accumulated losses | (398,091) |
| Total equity | 442,632 |

* Please refer to Section 11.3 with respect to the audit opinions issued by Bentleys on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 11.8 and the Independent Limited Assurance Report in Section 11.

11.5 Historical statement of financial position

| Novarange Pty Ltd | Audited* As at 31 March 2021 \$ | Audited* As at 30 June 2020 \$ | Audited* As at 30 June 2019 \$ | Audited* As at 30 June 2018 \$ |
|--|--|---|---|---|
| Current assets | | | | |
| Cash and cash equivalents | 11,550 | 1,940 | 7,041 | 7,655 |
| Trade and other receivables | - | 562 | - | - |
| Total current assets | 11,550 | 2,502 | 7,041 | 7,655 |
| Non-current assets | | | | |
| Exploration and evaluation assets | 270,054 | 100,000 | 100,000 | 100,000 |
| Total non-current assets | 270,054 | 100,000 | 100,000 | 100,000 |
| Total assets | 281,604 | 102,502 | 107,041 | 107,655 |
| Current liabilities | | | | |
| Trade and other payables | - | 3,885 | 4,721 | 4,753 |
| Borrowings | 285,039 | 95,985 | 66,000 | 66,000 |
| Current tax liability | - | - | 11,268 | 11,268 |
| Total current liabilities | 285,039 | 99,870 | 81,989 | 82,021 |
| Total liabilities | 285,039 | 99,870 | 81,989 | 82,021 |
| Net assets/(deficiency) | (3,435) | 2,632 | 25,052 | 25,634 |
| Equity | | | | |
| Issued capital | 11,000 | 1,000 | 1,000 | 1,000 |
| (Accumulated losses)/Retained earnings | (14,435) | 1,632 | 24,052 | 24,634 |
| Total equity | (3,435) | 2,632 | 25,052 | 25,634 |

* Please refer to Section 11.3 with respect to the audit opinions issued by Bentleys on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 11.8 and the Independent Limited Assurance Report in Section 11.

11.6 Historical statement of cash flows

| Burley Minerals Limited | |
|---|------------------|
| Audited* Period ended 31 March 2021** \$ | |
| Cash flows from operating activities | |
| Interest received | 17 |
| Payments to suppliers and employees | (136,193) |
| Net cash provided by/(used) in operating activities | (136,176) |
| Cash flows from investing activities | |
| Purchase of exploration projects | (65,000) |
| Loan payments made to related parties | (174,337) |
| Net cash provided by/(used) in investing activities | (239,337) |
| Cash flows from financing activities | |
| Proceeds from the issue of shares | 640,001 |
| Payments for costs of issue of securities | (7,200) |
| Net cash provided by/(used) in financing activities | 632,801 |
| Net increase in cash and cash equivalents | 257,288 |
| Cash and cash equivalents at the beginning of the year | - |
| Cash and cash equivalents at the end of the year | 257,288 |

* Please refer to Section 11.3 with respect to the audit opinions issued by Bentleys on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 11.8 and the Independent Limited Assurance Report in Section 11.

**Period from 29 October 2020 to 31 March 2021.

11.6 Historical statement of cash flows

| Novarange Pty Ltd | Audited* | | | |
|--|--------------------|-----------------|-----------------|-----------------|
| | Period | Audited* | Audited* | Audited* |
| | ended | year ended | year ended | year ended |
| | 31 March 2021** | 30 June 2020 | 30 June 2019 | 30 June 2018 |
| | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | |
| Receipts from customers | - | - | - | 55,000 |
| Payments to suppliers and employees | (15,107) | (23,818) | (614) | (4,551) |
| Income tax paid | - | (11,268) | - | - |
| Net cash provided by/(used) in operating activities | (15,107) | (35,086) | (614) | 50,449 |
| Cash flows from investing activities | | | | |
| Purchase of exploration projects | (170,054) | - | - | 10,000 |
| Net cash provided by/(used) in investing activities | (170,054) | | - | 10,000 |
| Cash flows from financing activities | | | | |
| Proceeds from the issue of shares | 10,000 | - | - | - |
| Proceeds from borrowings – related parties | 14,629 | 29,985 | - | - |
| Proceeds from borrowings – other | 170,142 | - | - | - |
| Repayment of borrowings – related parties | - | - | - | (54,000) |
| Net cash provided by/(used) in financing activities | 194,771 | 29,985 | - | (54,000) |
| Net increase in cash and cash equivalents | 9,610 | (5,101) | (614) | 6,449 |
| Cash and cash equivalents at the beginning of the year | 1,940 | 7,041 | 7,655 | 1,206 |
| Cash and cash equivalents at the end of the year | 11,550 | 1,940 | 7,041 | 7,655 |

* Please refer to Section 11.3 with respect to the audit opinions issued by Bentleys on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 11.8 and the Independent Limited Assurance Report in Section 11.

**Period from 1 July 2020 to 31 March 2021

11.7 Historical and Pro forma statement of financial position

The table below sets out the pro-forma statement of financial position of Burley as at 31 March 2021, on the basis that the Company raises \$6,000,000 under the Offer. The pro forma statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position:

| | | Audited Burley Minerals Ltd 31 March 2021 \$ | Audited Novarange Pty Ltd 31 March 2021 \$ | Subsequent Events \$ | Pro forma adjustments \$ | Pro forma after offers \$ |
|---|----|---|---|-------------------------------------|---|--|
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 3 | 257,288 | 11,550 | 200,000 | 5,264,245 | 5,733,083 |
| Trade and other receivables | | 36,915 | - | - | - | 36,915 |
| Total current assets | | 294,203 | 11,550 | 200,000 | 5,264,245 | 5,769,998 |
| Non-current assets | | | | | | |
| Exploration and evaluation assets | 4 | 65,000 | 270,054 | - | 3,992,733 | 4,327,787 |
| Loan receivable | 5 | 174,337 | - | - | (174,337) | - |
| Total non-current assets | | 239,337 | 270,054 | - | 3,818,396 | 4,327,787 |
| Total assets | | 533,540 | 281,604 | 200,000 | 9,082,641 | 10,097,785 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 6 | 90,908 | - | - | (7,938) | 82,970 |
| Borrowings | 7 | - | 285,039 | - | (285,039) | - |
| Total current liabilities | | 90,908 | 285,039 | - | (292,977) | 82,970 |
| Total liabilities | | 90,908 | 285,039 | - | (292,977) | 82,970 |
| Net assets | | 442,632 | (3,435) | 200,000 | 9,375,618 | 10,014,815 |
| Equity | | | | | | |
| Issued capital | 8 | 772,801 | 11,000 | 200,000 | 9,403,250 | 10,387,051 |
| Reserves | 9 | 67,922 | - | - | 86,491 | 154,413 |
| Accumulated losses | 10 | (398,091) | (14,435) | - | (143,003) | (555,529) |
| Equity attributable to the owners of Burley Minerals Limited | | 442,632 | (3,435) | 200,000 | 9,346,738 | 9,985,935 |
| Non-controlling interest | | - | - | - | 28,880 | 28,880 |
| Equity | | 442,632 | (3,435) | 200,000 | 9,375,618 | 10,014,815 |

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies

Basis of Preparation

The Historical Financial Information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The pro forma statement of financial position as at 31 March 2021 represents the audited financial position and adjusted for the transactions discussed in Note 2 to this report. The statement of financial position should be read in conjunction with the notes set out in this report.

a. 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 for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
 - is not a business combination; and
 - at the time of the transaction, affects neither accounting profit nor taxable profit (tax 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.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

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: (i) a legally enforceable right of set-off exists; and (ii) 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.

b. Fair Value of Assets and Liabilities

The Company 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 Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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 (ie 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 (ie 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 instruments, 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.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

c. 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.

d. Exploration, Evaluation and Development Expenditure

Costs incurred during exploration and evaluations relating to an area of interest are accumulated. Costs are carried forward to the extent they are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not yet reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

Accumulated costs carried forward in respect of an area of interest that is abandoned are written off in full against profit 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 will be 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 of interest.

Costs of site restoration are provided 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 clauses of the mining permits. Such costs have been estimated of future costs, current legal requirements and technology on an undiscounted basis.

e. Leases (the Company as Lessee)

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset. The Company does not act as a lessor in relation to lease contracts.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of AASB 15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (if not designated as at fair value through profit or loss and not arising from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

amortised cost;

- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the Company elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables; and
- loan commitments that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

g. Impairment of Assets

At the end of each reporting period, the company 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, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. 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 (eg 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h. Employee Benefits

Short-term employee benefits

Provision is made for the Company'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, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as 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 part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company 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.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

i. Provisions

Provisions are recognised when the Company 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 at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity 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.

Trade and other payables are initially measured their fair value and subsequently measured at amortised cost using the effective interest method.

l. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

m. 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.

n. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies (cont'd)

o. Critical Accounting Estimates and Judgements

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

Key estimates

Impairment

The Company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Company that may be indicative of impairment triggers.

Note 2: Actual and Proposed Transactions to Arrive at the Pro Forma Financial Information

The Pro Forma Financial Information has been prepared by adjusting the statement of financial position of Burley Minerals Ltd and Novarange Pty Ltd as at 31 March 2021 to reflect the financial effects of the following subsequent events which have occurred since 31 March 2021:

- a) On 13 April 2021 the Company issued 1,250,000 new ordinary fully paid shares in the capital of the Company at an issue price of \$0.16 to raise a total of \$200,000. The shares were issued to existing shareholders and sophisticated investors.

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- b) The Offer is for an issue of 30,000,000 Shares at an issue price of \$0.20 per Share to raise \$6,000,000 before costs of \$664,215. At 31 March 2021 costs paid (\$28,460) and accrued of (\$57,938) have been recognised to date.
- c) Pursuant to deeds of release, the vendors agreed to forgive outstanding loans to Novarange Pty Ltd of \$110,702.
- d) Payment of Vendor Consideration by way of the issue of 20,000,000 Shares at an issue price of \$0.20 (\$4,000,000) in addition to the payment of \$100,000 in cash in relation to the acquisition of a 70% interest in Novarange Pty Ltd.
- e) Elimination of inter-entity loans on consolidation.
- f) The proposed issue of 1,500,000 Lead Manager Options exercisable at \$0.30, with an expiry date that is 2 years from date on which Burley is admitted to ASX's Official List, to the Lead Manager ('Lead Manager Options'). The Lead Manager Options have been valued at \$86,491 using the Black Scholes option pricing model.
- g) On successful ASX Admission of the Company, the Chairman/Non-Executive Director will be entitled to a fee of \$50,000 to be paid 3 months after Listing.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information (cont'd)

- h) The following deferred consideration (**Deferred Payments**) is also payable to the existing Shareholders by Burley meeting the following milestones in relation to the Project:
- i. a total payment of \$1,000,000 to the Vendors (and/or their nominees) within 30 Business Days after the completion by Burley of a successful Preliminary Feasibility Study (as defined in the Acquisition Agreement) that demonstrates extraction of minerals from the Tenements to be viable under reasonable financial assumptions (**First Deferred Payment**);
 - ii. a total payment of \$1,000,000 to the Vendors (and/or their nominees) within 30 Business Days after the grant of a mining lease under the Mining Act over all of the iron ore resource identified within the Tenement area as at as at 29 October 2020 (**Second Deferred Payment**); and
 - iii. a total payment to the Vendors (and/or their nominees) of \$2,500,000 within 30 Business Days after the first occasion of commercial iron ore production from the Tenements provided always that if this production milestone is achieved within two (2) years of the date of Admission, this payment will only be payable 30 Business Days after the expiration of that two (2) year period (**Third Deferred Payment**).

The Deferred Payments which may become due and payable pursuant to any of the above milestones must only be satisfied by the issue and allotment of Shares to each Vendor (and/or its nominee(s)).

The number of Shares to be issued under the Acquisition Agreement to satisfy any of the Deferred Payments will be calculated by dividing the amount of the corresponding Deferred Payment by the higher of:

- a) the volume weighted average price for the Shares traded on the ASX over the 15 trading days prior to the date on which the payment becomes due and payable; and
- b) the floor price, being \$0.15.

No value has been attributed to the deferred consideration as the Directors do not currently have reasonable grounds on which to assess the likelihood of these non-market vesting conditions being met.

11.8 Notes to and Forming Part of the Historical Financial Information

Note 3: Cash & Cash equivalents

| | Pro forma after offer \$ |
|--|--------------------------------|
| Cash and cash equivalents | 5,733,083 |
| Audited balance of Burley Minerals Ltd at 31 March 2021 | 257,288 |
| Audited balance of Novarange Pty Ltd at 31 March 2021 | 11,550 |
| <i>Subsequent events</i> | |
| Seed Capital Issue April 2021 | 200,000 |
| | 200,000 |
| <i>Pro-forma adjustments:</i> | |
| Offer | 6,000,000 |
| Costs of the offer (net of those accrued and paid as at 31 March 2021) | (635,755) |
| Acquisition of 70% of Novarange Pty Ltd | (100,000) |
| Total | 5,264,245 |
| Pro-forma balance | 5,733,083 |

11.8 Notes to and Forming Part of the Historical Financial Information

Note 4: Exploration and evaluation assets

| | Pro forma after offer \$ |
|---|--------------------------------|
| Exploration and evaluation assets | 4,327,787 |
| Audited balance of Burley Minerals Ltd at 31 March 2021 | 65,000 |
| Audited balance of Novarange Pty Ltd at 31 March 2021 | 270,054 |
| <i>Pro-forma adjustments:</i> | |
| Acquisition of 70% of Novarange Pty Ltd (i) | 3,992,733 |
| Total | 3,992,733 |
| Pro-forma balance | 4,327,787 |

Burley has secured a binding option agreement to acquire 70% of the Capital of Novarange which owns 100% of the Yerecoin Project near New Norcia, Western Australia (**Project**) by paying the Vendors \$100,000 and issuing 20,000,000 Shares Listing (Acquisition).

The Vendors will have a free carried interest in the Project until the completion of a Bankable Feasibility Study, at which time each party will need to fund their proportionate expenditure.

The deferred consideration is also payable, which is in the form of the Deferred Payments detailed in note 2 (h) above.

(i) Acquisition of 70% of Novarange Pty Ltd

| | Carrying value amount before acquisition \$ |
|--|--|
| Fair value of shares issued | 4,000,000 |
| Cash | 100,000 |
| Consideration | 4,100,000 |
| Assets acquired | 281,604 |
| Liabilities assumed | (174,337) |
| Net assets acquired | 107,267 |
| Amount recognised as exploration and evaluation expenditure on acquisition | 3,992,733 |

11.8 Notes to and Forming Part of the Historical Financial Information

Note 5: Loan receivable

| | Pro forma after offer \$ |
|---|--------------------------------|
| Loan receivable | - |
| Audited balance of Burley Minerals Ltd at 31 March 2021 | 174,337 |
| Audited balance of Novarange Pty Ltd at 31 March 2021 | - |
| <i>Pro-forma adjustments:</i> | |
| Elimination of intercompany loan | (174,337) |
| Total | (174,337) |
| Pro-forma balance | - |

Note 6: Trade and other payables

| | Pro forma after offer \$ |
|---|--------------------------------|
| Trade and other payables | 82,970 |
| Audited balance of Burley Minerals Ltd at 31 March 2021 | 90,908 |
| Audited balance of Novarange Pty Ltd at 31 March 2021 | - |
| <i>Pro-forma adjustments:</i> | |
| Costs of the offer (accrued as at 31 March 2021) | (57,938) |
| Bonus payable on ASX listing | 50,000 |
| Total | (7,938) |
| Pro-forma balance | 82,970 |

11.8 Notes to and Forming Part of the Historical Financial Information

Note 7: Borrowings

| | Pro forma after offer \$ |
|---|--------------------------------|
| Borrowings | - |
| Audited balance of Burley Minerals Ltd at 31 March 2021 | - |
| Audited balance of Novarange Pty Ltd at 31 March 2021 | 285,039 |
| <i>Pro-forma adjustments:</i> | |
| Elimination of intercompany loan | (174,337) |
| Forgiveness of loans by vendors | (110,702) |
| Total | (285,039) |
| Pro-forma balance | - |

Note 8: Issued capital

| | Pro forma after offer \$ |
|----------------|--------------------------------|
| Issued capital | 10,387,051 |

| | Number of shares | \$ |
|---|---------------------|-----------|
| Fully paid ordinary shares of Burley Minerals Ltd as at 31 March 2021 | 9,750,001 | 772,801 |
| Fully paid ordinary shares of Novarange Pty Ltd as at 31 March 2021 | 10,000 | 11,000 |
| <i>Subsequent events</i> | | |
| Seed Shares issued April 2021 | 1,250,000 | 200,000 |
| Total | 1,250,000 | 200,000 |
| <i>Pro-forma adjustments:</i> | | |
| Offer | 30,000,000 | 6,000,000 |
| Cash costs of the offer | - | (499,259) |
| Acquisition of 70% of Novarange Pty Ltd | 20,000,000 | 4,000,000 |

11.8 Notes to and Forming Part of the Historical Financial Information

| | | |
|--|------------|------------|
| Elimination of Novarange Pty Ltd issued capital on acquisition | (10,000) | (11,000) |
| Options issued to Lead Manager | - | (86,491) |
| Total | 49,990,000 | 9,403,250 |
| Pro-forma balance | 61,000,001 | 10,387,051 |

Note 9: Reserves

| | Pro forma after offer \$ |
|---|-----------------------------|
| Share-based payments reserve | 154,413 |
| Audited balance of Burley Minerals Ltd at 31 March 2021 | 67,922 |
| Audited balance of Novarange Pty Ltd at 31 March 2021 | - |
| <i>Pro-forma adjustments:</i> | |
| Options issued to Lead Manager (i) | 86,491 |
| | 86,491 |
| Pro-forma balance | 154,413 |

- (i) The following share-based payment arrangement is to be issued and has been valued using the Black-scholes valuation model.

| | Lead Manager |
|-----------------------------|--------------|
| Options granted | 1,500,000 |
| Grant date | 31 May 2021 |
| Dividend yield (%) | Nil |
| Expected Volatility (%) | 75 |
| Risk-free interest rate (%) | 0.01 |
| Expected life of options | 2 years |
| Exercise price | \$0.30 |
| Share price at grant date | \$0.20 |
| Value of options granted | \$86,491 |

11.8 Notes to and Forming Part of the Historical Financial Information

Note 10: Accumulated losses

| | Pro forma after offer \$ |
|--|--------------------------------|
| Accumulated losses | 555,529 |
| Audited balance of Burley Minerals Ltd at 31 March 2021 | 398,091 |
| Audited balance of Novarange Pty Ltd at 31 March 2021 | 14,435 |
| <i>Pro-forma adjustments:</i> | |
| Forgiveness of loans by vendors | (110,702) |
| Elimination of Novarange pre-acquisition profits | 96,267 |
| Elimination of minority interest on consolidation | 28,880 |
| Costs of the offer (net of those accrued and paid as at 31 March 2021) | 78,558 |
| Bonus payable on ASX listing | 50,000 |
| | 143,003 |
| Pro-forma balance | 555,529 |

Note 11: Related Parties

Refer to Section 9 of the Prospectus for the Board and Management Interests.

Note 12: Commitments and Contingent Liabilities

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus. Refer Section 14 Material Contracts.

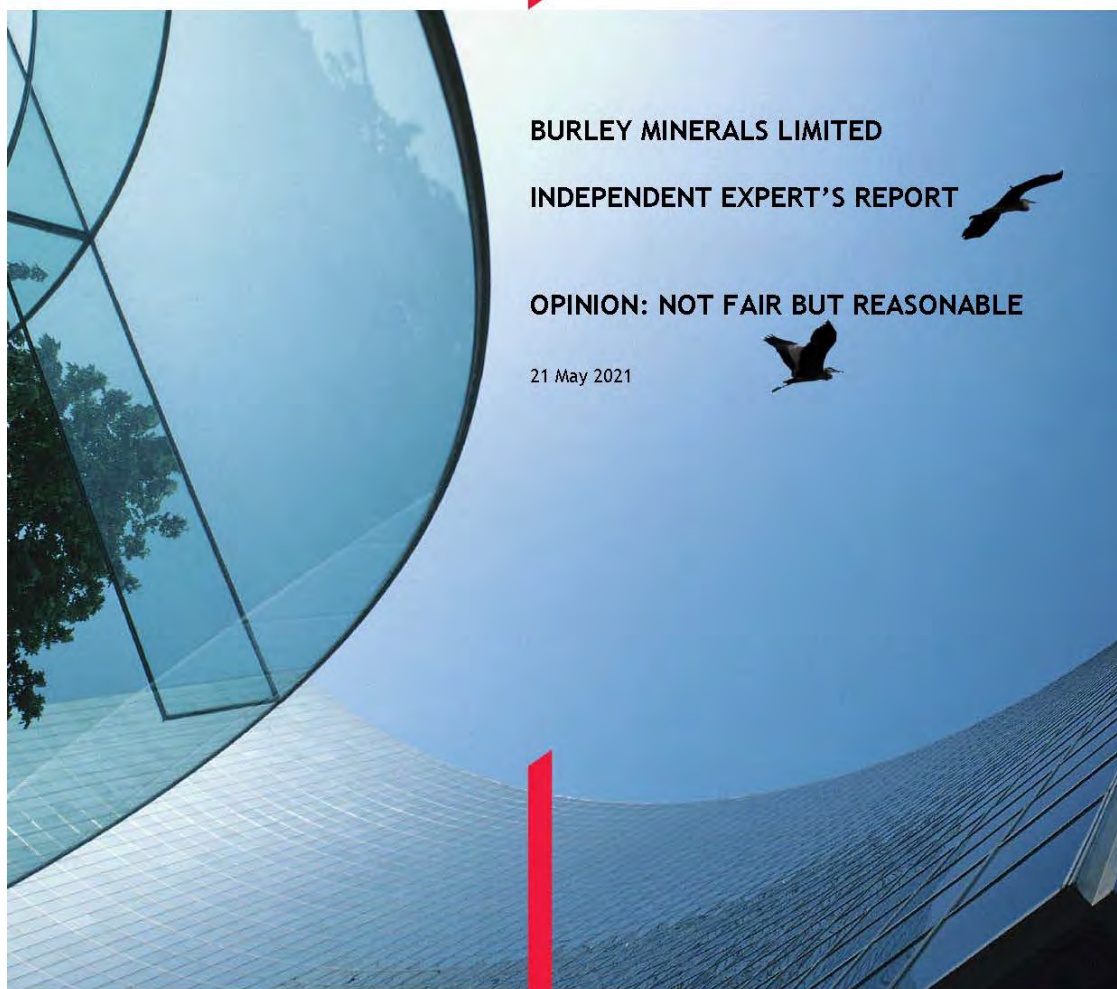
Note 13: Subsequent Events

Subsequent to 31 March 2021 the following events have occurred which have been reflected in the pro forma adjustments:

- On 13 April 2021 the Company issued 1,250,000 new ordinary fully paid shares in the capital of the Company at an issue price of \$0.16 to raise a total of \$200,000. The shares were issued to existing shareholders and sophisticated investors.

Other than disclosed above there have been no material events subsequent to balance date that we are aware of, other than those disclosed in this Prospectus.

12. INDEPENDENT EXPERT'S REPORT





Financial Services Guide

21 May 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Burley Minerals Limited ('Burley' or 'the Company') to provide an independent expert's report on the issue of performance securities on the meeting of stated milestones as set out in the Company's prospectus ('Prospectus'). The Australian Securities Exchange Guidance Note 19 Performance Securities, requires our report to be attached to the Burley Prospectus to assist in understanding whether the issue of performance securities is fair and reasonable.

You are being provided with our report because you have been provided with a copy of the Prospectus and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Financial Services Guide

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

This FSG includes information about:

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

Information about us

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

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

Financial services we are licensed to provide

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

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

General Financial Product Advice

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

BDO CORPORATE FINANCE (WA) PTY LTD

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$30,000.

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

Remuneration or other benefits received by our employees

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

Referrals

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

Complaints resolution***Internal complaints resolution process***

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

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

Referral to External Dispute Resolution Scheme

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

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

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

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

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



TABLE OF CONTENTS

| | | |
|-----|---|----|
| 1. | Introduction | 1 |
| 2. | Summary and Opinion | 3 |
| 3. | Scope of the Report | 5 |
| 4. | Outline of the Proposed Issue of Performance Securities | 7 |
| 5. | Valuation approach adopted | 11 |
| 6. | Is the Proposed Issue fair? | 14 |
| 7. | Are the Proposed Issues reasonable? | 14 |
| 8. | Conclusion | 16 |
| 9. | Sources of information | 17 |
| 10. | Independence | 17 |
| 11. | Qualifications | 17 |
| 12. | Disclaimers and consents | 18 |
| | Appendix 1 - Glossary of Terms & Copyright Notice | 20 |
| | Appendix 2 - Valuation Methodologies | 22 |

© 2021 BDO Corporate Finance (WA) Pty Ltd



Tel: +61 8 6382 11600
Fax: +61 8 6382 4601
www.bdo.com.au

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

21 May 2021

The Directors
Burley Minerals Limited
60 Havelock Street
West Perth, WA 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

The directors of Burley Minerals Limited ('Burley' or the 'Company') have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion on whether an issue of securities as deferred consideration under an acquisition agreement with Novarange Pty Ltd ('Novarange') is fair and reasonable to the non-participating security holders of Burley ('Security Holders').

Our Report has been prepared to accompany the Burley Initial Public Offering Prospectus ('IPO' or the 'Prospectus') for the issue of 30,000,000 shares at \$0.20 per share to raise \$6,000,000 ('the Offer').

Full details of the terms of the Novarange agreement are detailed within the Prospectus. A summary of terms relevant to our Report follows.

Novarange Acquisition Agreement

In October 2020, Burley entered into an option ('Option') by way of a non-binding Heads of Agreement with Novarange to acquire 70% of the issued share capital of Novarange. In April 2021 the Novarange Shareholders signed a Share Sale and Purchase Agreement, and Shareholder Agreement with Burley ('Novarange Acquisition Agreements').

The sole asset of Novarange is 100% of the Yerecoin Project ('Yerecoin') which comprises two exploration licences, 70/2733 and 70/2784 ('Yerecoin Tenement Area'). The licences cover a 105.5 square kilometres ('km²') area near New Norcia in Western Australia. Yerecoin is further detailed by Burley and FRM Geological Services ('FRM') in the Prospectus and Technical Assessment Report ('ITAR').

Upon exercise of the Option by Burley, the consideration payable to the Novarange vendors ('Novarange Vendors'), excluding the \$65,000 (excluding GST) Option fee and monthly fee of \$10,000 (excluding GST) under the Option terms and conditions, is as follows:

- 20,000,000 fully paid ordinary shares in Burley at a deemed issue price of \$0.20 per share ('Consideration Shares'); and
- \$100,000 ('Cash Consideration') or if otherwise required, 500,000 shares in Burley at a deemed issue price of \$0.20 per share.

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



In addition, deferred consideration is also payable to the Novarange Vendors on meeting, within five years of the execution of the Novarange Share Sale and Purchase Agreement (being October 2025), the following milestones:

- \$1,000,000 ('**First Deferred Payment**') within 30 business days after the completion by Burley of a successful Preliminary Feasibility Study ('PFS') that demonstrates extraction of minerals from the tenements to be viable under reasonable financial assumptions ('**First Milestone**');
\$1,000,000 ('**Second Deferred Payment**') within 30 business days after the grant of a mining lease under the Mining Act over all of the Iron Ore resource identified within the Yerecoin Tenement Area ('**Second Milestone**'); and
- \$2,500,000 ('**Third Deferred Payment**') within 30 business days after the first occasion of commercial iron ore production from the Yerecoin Tenement Area, provided if this milestone is achieved within two years of Burley's admission to the ASX this payment will be made after the expiry of the two years ('**Third Milestone**'). (The First Deferred Payment, Second Deferred Payment, and Third Deferred Payment are collectively referred to as the '**Deferred Payments**').

(The First Milestone, Second Milestone, and Third Milestone are collectively referred to as the '**Milestones**')

The Consideration Shares, Cash Consideration, and Performance Securities are subject to conditional approval for the admission of Burley to the Australian Securities Exchange Limited ('ASX').

In the event that any of the Milestones are met, the Deferred Payments will be satisfied by the allotment and issue of Burley shares to the Novarange Vendors or their nominees ('**Performance Securities**'). The number of shares, under the Performance Securities to be issued within 30 business days after meeting a Milestone, will be based on the following formula:

Number of Burley Performance Securities issued = Deferred Payment Value / the higher of the 15-day VWAP of Burley shares, or the Floor Price

VWAP is the Volume Weighted Average Price of Burley shares over a 15 day period.

The Floor Price is \$0.15 per share and has the effect of capping the total number of Performance Securities to be issued at 30,000,000.

By way of example, on meeting the First Milestone, the number of Burley shares to be issued under the Performance Securities issued to the Novarange Vendors will be:

1. $\$1,000,000 / \text{the VWAP of Burley shares on the 15 trading days before the date on which the First Milestone Payment becomes due and payable}$

Or, if the VWAP is less than \$0.15

2. $\$1,000,000 / \$0.15 = 6,666,666 \text{ Burley Performance Securities}$

Any Performance Securities issued in satisfaction of Deferred Consideration are classified as Performance Securities under ASX Guidance Note 19 'Performance Securities' ('**ASX GN 19**').

The Novarange Acquisition Agreements also allow for Novarange to have a free carried interest in Yerecoin until completion of a Bankable Feasibility Study ('BFS') by Burley at which time each party will need to fund their proportionate expenditure or, for the Novarange Vendors, have their interest converted to a 1.5% net smelter return royalty.



The Novarange Vendors are set out under Section 4 of this Report along with their approximate proposed holdings in Burley on admission to the ASX.

All currencies in the Report are quoted in Australian Dollars unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Burley have requested that BDO prepare an independent expert's report ('our Report') to express an opinion on whether the issue of the Performance Securities as deferred consideration on meeting each of the Milestones is fair and reasonable to Security Holders. The Security Holders are the holders of shares and options.

Our Report is required to meet the requirements of ASX GN 19 and be included in the Burley Prospectus.

2.2 Approach

Our Report has been prepared having regard to ASX GN 19 and Australian Securities and Investments Commission ('ASIC') Regulatory Guides 111 '*Content of Expert's Reports*' ('RG 111'), 112 '*Independence of Experts*' ('RG 112') and 170 '*Prospective Financial Information*' ('RG 170') and Information Sheet 214: '*Mining and Resources: Forward-looking Statements*' ('IS 214').

In arriving at our opinion, we have assessed the Milestones and terms of the Performance Securities and considered:

- Whether there is sufficient reasonable grounds on which to assess the value of a Burley share prior to and after meeting a Milestone. If so, how the value of a share in Burley prior to each of the Milestones compares to the value of a share in Burley within 30 days after meeting the relevant Milestone, or two years from the IPO for the Third Milestone;
- Other factors which we consider to be relevant to Security Holders in their assessment of the Performance Securities; and
- The position of Security Holders should the Milestones not be met and the Performance Securities not be issued.

2.3 Opinion

We have considered the terms of the Performance Securities as outlined in our Report and have concluded that the issue of Performance Securities under each Milestone is not fair but reasonable to the non-participating Security Holders.

While we are not able to conclude that the issue of Performance Securities is fair we are of the opinion that the advantages of meeting the Milestones and issuing the Performance Securities outweigh the disadvantages. That is, we regard it as being in the interests of the entity and non-participating Security Holders to proceed with the issues on meeting the relevant Milestones (Section 13. ASX GN 19).

A summary of our reasons follows. Greater detail is contained under sections 6 and 7 of Our Report.

2.4 Fairness

In our opinion, as detailed in Section 6, and having regard to the guidance set out in ASX GN 19, RG 111, RG 170, and IS 214 the Performance Securities are not fair because we are unable to opine on the value of



a Burley share before or after a Milestone has been met. This is because we are not able to obtain a sufficiently robust valuation under all valuation assumptions on which we can rely to assess the future value of a Burley share, and as such, we do not have reasonable grounds to do so.

Given we are unable to opine on the value of a Burley share either before or after the meeting of a Milestone, by default, the issue of Performance Securities is considered to be not fair to Security Holders.

2.5 Reasonableness

We undertook the analysis on Reasonableness as set out in Section 7 of this report in terms of both:

- advantages and disadvantages of the issue of the Performance Securities; and
- other considerations, including:
 - the position of Security Holders should the Milestones not be met and the Performance Securities not be issued, and
 - the uncertain nature of the number of Shares to be issued if a Milestone is met.

Following these considerations, it is our opinion that on balance, the advantages of meeting a Milestone and issuing the Performance Securities are greater to Security Holders than the disadvantages.

Accordingly, in the absence of any other relevant information, we believe that the issue of Performance Securities is reasonable for Security Holders.

The respective advantages and disadvantages considered are summarised below:

| ADVANTAGES AND DISADVANTAGES | | | |
|------------------------------|--|---------|---|
| Section | Advantages | Section | Disadvantages |
| 7.2 | Achievement of each of the Milestones is likely to be value accretive to Burley | 7.3 | Potential dilution of shareholders' interests if a Milestone is met and Performance Securities issued |
| 7.2 | The Deferred Consideration (the Performance Securities) payable upon meeting a Milestone is structured in such a way as to align the interests of security holders, Burley, and the vendors of Novarange | 7.3 | The Novarange vendors have a free-carried interest in the Yerecoin Project |
| 7.2 | The Deferred Consideration is in the form of equity, allowing Burley to preserve cash raised under the Offer to progress Yerecoin | | |
| 7.2 | The Deferred Payments are calculated using a disclosed conversion formula which caps the maximum issue of Performance Securities at 30,000,000 | | |



ADVANTAGES AND DISADVANTAGES

| Section | Advantages | Section | Disadvantages |
|---------|--|---------|---------------|
| 7.2 | Agreement on the Deferred Consideration results in exposure to a potentially economically viable project | | |

Other key matters we have considered include:

| Section | Description |
|---------|--|
| 7.4 | The Novarange Acquisition Agreements are a direct controlling interest in Novarange not the Yerecoin Project |
| 7.4 | Should the Milestones not be met the Performance Securities will not convert into shares |

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 6.1 requires that the terms that apply to each class of equity securities must, in ASX's opinion, be appropriate and equitable. ASX GN 19 requires an expert to be commissioned to prepare an independent expert's report that complies with RG 111, and to express an opinion on whether the issue of Performance Shares as deferred consideration is fair and reasonable.

Relevantly, under GN 19 the requirement for an independent expert report arises if:

- The entity is applying for quotation on the ASX, **and**
- It has or proposes to have performance securities on issue at the date of its admission to quotation, **and**
- The number of ordinary shares into which those performance securities will convert in aggregate if the applicable milestone is achieved, is greater than 10% of the number of ordinary shares the entity proposes to have on issue at the date of its admission to quotation (taking into account any ordinary shares that the entity may be issuing in connection with its listing).

The Directors of Burley have engaged BDO as an independent expert as the issue of the Performance Securities on the admission of Burley to the ASX may represent in excess of 10% of the issued capital at the date of admission (see Section 4).

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the issue of Performance Securities is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an



independent expert should consider to assist security holders to make informed decisions about transactions.

One of the matters to be considered under RG 111 is whether a proposed issue constitutes a control transaction. In circumstances where a transaction is considered a control transaction, RG 111 requires the expert to consider the value inclusive of a control premium.

We have also been required to have regard to ASX GN 19 which states:

"in determining their opinion on fairness and reasonableness, ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances."

...

ASX would have no objection to an independent expert expressing a broader view on an issue of performance securities, for example, a statement that while the expert is not able to conclude that the issue is fair or reasonable (as applicable), they regard it as being in the interests of the entity and non-participating security holders to proceed with the issue."

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer.

In order to conduct this assessment, we are required to compare the value of a Burley share before meeting a Milestone with the value of a Burley share after meeting the Milestone. This comparison should be made assuming a knowledgeable and willing, but not anxious buyer and a knowledgeable and willing, but not anxious seller acting at arm's length.

In the case of the Performance Securities, the consideration is the Deferred Payments on meeting a Milestone. That is \$1,000,000, \$1,000,000, and \$2,500,000 for the First, Second and Third Milestones respectively. The Deferred Payments will be converted into Performance Securities on the basis of the higher of either a 15 day VWAP calculated on the 15 trading days prior to the date the Deferred Consideration is payable, or \$0.15 per share.

We have not assessed the Deferred Consideration as a component of an asset acquisition under RG111 because regardless of whether a Milestone is met Burley will continue to retain its 70% interest in Novarange.

RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO sought to conduct this comparison in two parts:

- A comparison between the value of a Burley share prior to the issue of Performance Securities and the value of a Burley share within 30 days after meeting a Milestone, or two years from IPO for the Third Milestone (fairness - see Section 6 'Is the Proposed Issue Fair?'), and



- An investigation into other significant factors to which Security Holders might give consideration, after reference to the value derived above (reasonableness – see Section 7 ‘Is the Proposed Issue Reasonable?’).

We have determined that there is no alternative approach to assessing fairness as all methodologies rely on the value created by a future event, which is meeting a Milestone. As stated, there is insufficient grounds on which the assumptions to be made to meet each Milestone could be considered reliable. Any best estimates would also be contrived and therefore not reliable (RG 170.42).

The scope of this assignment qualifies it as a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 ‘**Valuation Services**’ (‘APES 225’).

A Valuation Engagement is defined by APES 225 as follows:

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

4. Outline of the Proposed Issue of Performance Securities

In April 2021, Burley entered into the last of the Novarange Acquisition Agreements to acquire 70% of the issued capital of Novarange.

Under these agreements, Burley will hold 70% of Novarange. Burley will also pay the following consideration to the Novarange Vendors:

- 20,000,000 Burley Consideration Shares;
- \$100,000 Cash Consideration or if otherwise required 500,000 shares in Burley at a deemed issue price of \$0.20 per share;
- First Milestone Performance Securities;
- Second Milestone Performance Securities, and
- Third Milestone Performance Securities.

The Novarange Vendors will have a free carried interest in Yerecoin until the completion of a BFS, at which time each party will need to fund their proportionate expenditure or for the Novarange Vendors, have their interest converted to a 1.5% net smelter return royalty.

The Novarange Acquisition Agreements require Burley to pay the shareholders of Novarange a fee of \$65,000 (excluding GST) upon the signing of the Novarange Acquisition Agreement plus a monthly fee of \$10,000 (excluding GST) from April 2021 to the earlier of 29 October 2021 or completion of the sale and purchase.

The approximate maximum proposed holdings of the Novarange Vendors in Burley on quotation of the Company on the ASX and *prior to* any issue of Performance Securities is set out below:



| Entity | Controlling Entity | Approx. interest in Burley on ASX Quotation* | Current Shareholding in Novarange |
|--|--------------------|--|-----------------------------------|
| Kingsreef Pty Ltd (ATF NB & DL Family Trust) | Nathan McMahon | 7.50 | 22.50 |
| Widerange Corporation Pty Ltd (ATF The Alyse Investment Trust) | Clive Jones | 7.50 | 22.50 |
| Rocket Science Pty Ltd (ATF The Trojan Capital Fund) | Troy Harry | 7.50 | 22.50 |
| Gurravambi Investments Pty Ltd | Michael Buys | 7.50 | 22.50 |
| Seamist Enterprises Pty Ltd | James Bahen | 3.33 | 10.00 |
| TOTAL | | 33.33* | 100.00 |

*These holdings are based on the maximum possible holdings by the Novarange Vendors and include the existing 11,000,001 shares, the issue of 30,000,000 shares under the Burley Prospectus, and 20,000,000 shares issued as part of the Novarange Acquisition Agreements. It also assumes that the Cash Consideration of \$100,000 was paid to Novarange as shares totalling 500,000 and the Novarange Vendors have not subscribed for and been issued additional shares under the IPO.

As detailed in Section 3.1, ASX GN 19 requires an expert to be commissioned to prepare an independent expert report that complies with RG 111, expressing an opinion as to whether the issue of shares to the holder of the performance securities is fair and reasonable. This requirement arises if the entity is applying to be listed and is proposing to issue performance securities, which if converted will represent in excess of 10% of the number of ordinary shares the entity has on issue at the date of its admission to quotation (taking into account any ordinary shares that the entity may be issuing in connection with its listing assuming that the performance securities are converted to ordinary shares).

Given the contingent nature of the number of shares to be issued the following analysis assumes all Milestones have been met and Performance Securities issued at a 15-day VWAP based on the IPO price, and the Floor Price of \$0.15.

In making these assumptions we have also assumed that no further dilution has occurred as a result of the exercise of options or issue of further equity. We have however assumed the satisfaction of the Cash Consideration in shares.

As at the date of Burley's proposed admission to quotation, Burley will have 61,000,001 shares on issue comprising 11,000,001 shares already on issue, 30,000,000 shares issued under the Offer, and 20,000,000 Consideration Shares. There is also a further 500,000 if the Cash Consideration is required to be satisfied by shares.

In the event that the applicable Milestones attached to the Performance Securities are met, the number of Performance Securities issued will be determined by the following formula:

Number of Burley Performance Securities issued = Deferred Payment Value / the higher of the 15-day VWAP of Burley shares, or \$0.15

It is important to note that under this formula the maximum number of Performance Securities that can be issued to the Novarange Vendors will be 30,000,000. This is because the Deferred Payments are capped at \$1,000,000, \$1,000,000, and \$2,500,000 and the Floor Price is \$0.15.



| Description | 15 day VWAP | Floor Price ¹ |
|--|-------------------|--------------------------|
| Issued at date of our Report | 11,000,001 | 11,000,001 |
| Offer | 30,000,000 | 30,000,000 |
| Consideration Shares | 20,000,000 | 20,000,000 |
| Cash Consideration - converted to shares* | 500,000 | 500,000 |
| Number of shares on issue prior to the issue of the Performance Securities (a) | 61,500,001 | 61,500,001 |
| Assumed 15-day VWAP or Floor Price | \$0.20 | \$0.15 |
| First Milestone | | |
| Deferred Consideration value | \$1,000,000 | \$1,000,000 |
| Assumed issue under First Milestone | 5,000,000 | 6,666,667 |
| Second Milestone | | |
| Deferred Consideration value | \$1,000,000 | \$1,000,000 |
| Assumed issue under Second Milestone | 5,000,000 | 6,666,667 |
| Third Milestone | | |
| Deferred Consideration value | \$2,500,000 | \$2,500,000 |
| Assumed issue under Third Milestone | 12,500,000 | 16,666,666 |
| Number of Performance Securities (b) | 22,500,000 | 30,000,000 |
| Number of Performance Securities as a % of the number of shares that are proposed to be on issue at the date of Burley's admission to quotation (b/(a+b)) | 26.79%* | 32.79%* |

*If we assume that the Cash Consideration is not required to be converted to shares the total shares on admission to quotation will be 61,000,001 and the percentage of Performance Securities will be 26.95% at \$0.20 or 32.97% at \$0.15.

Under the assumption that the shares issued under the Performance Securities are issued at the initial public offering issue price of \$0.20, or the Floor Price of \$0.15, the number of Performance Securities equates to greater than 10% of the number of shares that are proposed to be on issue at the date of Burley's admission to quotation.

The table below sets out the impact of the maximum share issue under the Performance Securities on the percentage of issued capital held by existing shareholders and the Novarange Vendors. The maximum level of dilution to existing shareholders' interests arises at the Floor Price and with the issue of shares to satisfy the Cash Consideration of \$100,000.

| Description | Offer | Vendors of Novarange | Pre-IPO Shareholders | Total |
|---|-------------------|----------------------|----------------------|-------------------|
| Shares on issue at the date of our Report | - | - | 11,000,001 | 11,000,001 |
| Offer Shares | 30,000,000 | - | - | 30,000,000 |
| Consideration Shares | - | 20,500,000 | - | 20,500,000 |
| Number of shares on issue on Burley's admission to quotation | 30,000,000 | 20,500,000 | 11,000,001 | 61,500,001 |
| % holdings following Burley's admission to quotation | 48.78% | 33.33% | 17.89% | 100.00% |
| First Milestone Performance Securities* | - | 6,666,667 | - | 6,666,667 |

| Description | Offer | Vendors of Novarange | Pre-IPO Shareholders | Total |
|--|-------------------|----------------------|----------------------|-------------------|
| Second Milestone Performance Securities* | - | 6,666,667 | - | 6,666,667 |
| Third Milestone Performance Securities* | - | 16,666,666 | - | 16,666,666 |
| Number of shares on issue following Burley's admission to quotation and assumed issue of the Performance Securities | 30,000,000 | 50,500,000 | 11,000,001 | 91,500,001 |
| % holdings following the vesting of the Performance Securities | 32.79% | 55.19% | 12.02% | 100.00% |

*Assuming the Performance Securities are converted at the Floor Price of \$0.15

We note that as at the date of our Report, the Company has on issue 8,500,000 options comprised of 6,500,000 options exercisable at \$0.30 with an expiry date two years after listing and 2,000,000 options exercisable at \$0.45 with an expiry date three years after listing ('Existing Options'). A further 1,500,000 exercisable at \$0.30 within two years of listing will be issued to the Lead Manager following completion of the Offer ('Lead Manager Options'). Burley have confirmed that the Vendors of Novarange will not hold any of the aforementioned options. Therefore, for the purposes of the dilution calculations above, we have assumed that neither the Existing or Lead Manager Options have been exercised into Burley shares and no further shares issued between admission to the ASX and the meeting of a Milestone, in order to determine the maximum percentage holding of Burley, held by the Vendors of Novarange at IPO and assuming the conversion of the Performance Securities into ordinary shares, should they vest.

Under these assumptions, being maximum possible dilution, the Novarange Vendors will together be entitled to no greater than 55.19% of the issued capital of Novarange on admission to the ASX.

In circumstances whereby the Novarange Vendors are deemed associated the issue of Performance Securities as Deferred Consideration by Burley would be considered a control transaction for the purposes of this report. Burley has advised however, that the Novarange shareholders are not associated and therefore on issue of the maximum possible Performance Securities none of the shareholders will hold an interest greater than 19.9% of Burley.

| Entity | Controlling Entity | Approx. Interest in Burley on ASX Quotation* | Max. possible interest in Burley on issue of Perf. Securities |
|--|--------------------|--|---|
| Kingsreef Pty Ltd (ATF NB & DL Family Trust) | Nathan McMahon | 7.50 | 12.42 |
| Widerange Corporation Pty Ltd (ATF The Alyse Investment Trust) | Clive Jones | 7.50 | 12.42 |
| Rocket Science Pty Ltd (ATF The Trojan Capital Fund) | Troy Harry | 7.50 | 12.42 |
| Gurravembi Investments Pty Ltd | Michael Buys | 7.50 | 12.42 |
| Seamist Enterprises Pty Ltd | James Bahen | 3.33 | 5.52 |
| TOTAL | | 33.33 | 55.19 |



Based on the above analysis the issue of the Performance Securities is not a control transaction and therefore when considering the value of the Performance Securities we would not include a control premium. In circumstances where a transaction is considered a control transaction RG 111 requires the expert consider the value inclusive of a control premium.

5. Valuation approach adopted

As detailed in Section 1 and Section 4 of our Report, the Milestones for the issue of Performance Securities are the:

- Completion by Burley of a successful PFS that demonstrates extraction of minerals from the tenements to be viable under reasonable financial assumptions;
- Grant of a mining lease under the Mining Act over all of the Iron Ore resource identified within the Yerecoin Tenement Area, and
- First occasion of commercial iron ore production from the Yerecoin Tenement Area.

ASX GN 19 states:

“in determining their opinion on fairness and reasonableness, ASX would expect the independent expert to assume that the relevant performance milestone(s) have been met, assess the impact that would have on the value of the entity compared to the situation if the relevant performance milestone(s) were not met, and then determine whether the resulting number of ordinary shares to be issued by the entity to the holder of the performance shares is fair and reasonable in the circumstances.”

Assuming all Milestones are met on official quotation on the ASX the higher of the 15-day VWAP and the \$0.15 Floor Price would be the IPO issue price of \$0.20 per share.

Under this scenario the value of the consideration, being \$0.20, is equal to the value of the Burley shares to non-participating Security Holders who are offered the opportunity to subscribe for shares at \$0.20. Using this assessment a fair opinion could be given however, this assessment does not include the impact that meeting the Milestones may have on the value of a Burley share and therefore is not reasonably based.

Under RG 111.91, an expert's opinion should be based on reasonable grounds, with the grounds being set out in the report. Similarly, RG 111.112 states that an expert should not include forward-looking information unless there are reasonable grounds for the forward-looking information.

We note that RG 170 ordinarily relates to prospective financial information, however RG 111.114 states that RG 170 provides useful guidance for the inclusion of forward-looking information that does not fall within the definition of 'prospective financial information'. RG 170.17 states that the making of a forward-looking statement must have reasonable grounds or it will be taken to be misleading. This is further supported by IS 214 which applies the principles of RG 170 to forward-looking information in the mining and resources sector.

To assume that the relevant Milestone(s) have been met and then to assess the impact that would have on the value of the entity we are required to make a number of assumptions. Key assumptions relevant to the Milestones would include:

- Mineral Resource results and classifications sufficient to meet each Milestone;

- PFS results prepared by a person deemed competent under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Resources (JORC 2012) and sufficient to demonstrate viable mineral extraction;
- Life-of-Mine plan;
- The availability and application of funding to support commercial iron ore production;
- Renewal of the tenement licenses which expire in November and December 2021 (E 70/2784 and E 70/2733 respectively) and sufficient iron ore resources within the Yerecoin Tenement Area for the grant of a mining lease, and
- Environmental, regulatory, and landowner approvals.

To assess whether we have a reasonable basis for these assumptions we have reviewed the status of the Yerecoin Project as disclosed within the draft Prospectus and ITAR against each of the Milestones and proposed use of funds raised under the Prospectus.

Based on the above, and given the early stage of the exploration licences acquired as part of the Novarange Acquisition Agreements, we have concluded that there are insufficient reasonable grounds to rely on the IPO issue price of \$0.20 or the assumptions stated above. We do, however, have reasonable grounds to assume that the proposed use of funds under the Prospectus will be sufficient, all going as planned, to provide some assessment of progress towards the First and Second Milestones.

As such we do not have reasonable grounds for the forward-looking information required to value a Burley share.

Notwithstanding this, we have considered each of the Milestones below for illustration purposes and assessed that in the event a Milestone is satisfied, this would likely be value accretive to security Holders.

First Milestone

The First Milestone requires the completion by Burley of a successful PFS that demonstrates extraction of minerals from the tenements to be viable under reasonable financial assumptions.

As detailed within the Prospectus, in particular the ITAR, Yerecoin has two areas of exploration and development focus, the Yerecoin Magnetite Project and the NI-Cu-PGE Project. To date there has been significant work conducted on Yerecoin. This work has focussed on evaluation of the region for iron-ore mineralisation.

The Prospectus states that a number of historical feasibility studies have been conducted and that the Company intends to focus on evaluating and completing feasibility studies on the Yerecoin Magnetite Project. This will commence on admission to the ASX as funding raised under the Prospectus will be applied to conducting the studies. FRM is of the opinion that the funds to be applied will be sufficient.

Funds committed under the Prospectus to the Yerecoin Magnetite and NI-CU-PGE Projects are as follows:

| | Total Subscription (\$6m) | | |
|-----------------------------------|---------------------------|-----------|------------------|
| | Year 1 | Year 2 | Total |
| Yerecoin Magnetite Project | | | |
| Mapping/Geochemistry | \$67,500 | \$19,800 | \$87,300 |
| Drilling (RC & DD) | \$622,800 | \$264,600 | \$887,400 |

| | Total Subscription (\$6m) | | |
|--|---------------------------|--------------------|--------------------|
| | Year 1 | Year 2 | Total |
| Feasibility Studies (incl. metallurgy) | \$429,300 | \$247,500 | \$676,800 |
| Geologists/Field Staff | \$168,300 | \$111,600 | \$279,900 |
| Land access, Rent & Rates | \$172,800 | \$162,000 | \$334,800 |
| Subtotal | \$1,460,700 | \$805,500 | \$2,266,200 |
| Yerecoin NI-CU-PGE Project | | | |
| Mapping/Geochemistry | \$39,950 | \$31,450 | \$71,400 |
| Geophysics | \$105,000 | \$35,000 | \$140,000 |
| Drilling (RC & DD) | \$159,800 | \$353,000 | \$512,800 |
| Geologists/Field Staff | \$106,250 | \$96,900 | \$203,150 |
| Subtotal | \$411,000 | \$516,350 | \$927,350 |
| TOTAL | \$1,871,700 | \$1,321,850 | \$3,193,550 |

At this stage, however, the outcome of the work to be undertaken and studies is unknown although we can assume that 'a successful PFS implies that the results support a decision to advance the Yerecoin Magnetite deposits towards mine development. This is likely to require additional funding as it is not provided for under Prospectus funds.

In the event that feasibility study results meet the First Milestone, the prospects of the Company would likely increase and this would likely be value accretive to shareholders. However, given feasibility study results provided by a competent person are not available we do not have sufficient reasonable grounds on which to assess the value of a Burley share following the achievement of the First Milestone.

Based on the above, we have not provided a fairness assessment of a Burley share on meeting the First Milestone.

Second Milestone

The Second Milestone requires the granting of a mining lease(s) under the Mining Act over all of the Iron Ore resource identified within the Yerecoin Tenement.

In order for the Second Milestone to be achieved, the Burley Directors, under their fiduciary duty, must believe it is economically beneficial for the Company to progress through the process of completing the multiple requisite studies and approvals in order to apply for the granting of a mining lease. It is therefore likely that the granting of a mining lease will be value accretive to existing Security Holders, particularly as the project cannot progress to production without it. However, given the size and net present value of the project is unknown, as is the likelihood of a mining lease being granted, we do not have sufficient reasonable grounds on which to assess the value of a Burley share following the achievement of the Second Milestone.

Based on the above, we have not provided a fairness assessment of a Burley share on Meeting the Second Milestone.

Third Milestone

The Third Milestone is met on the first occasion of commercial iron ore production from the Yerecoin Tenement.



In order for the Third Milestone to be achieved, the Directors, under their fiduciary duty, must believe it is economically beneficial for the Company to progress through to the production phase on the Yerecoin Tenement Area. This decision will need to be based on sufficient work, positive results, various approvals, and sufficient funding to support production. Therefore, it is likely that the commencement of commercial iron ore production will be value accretive to existing Security Holders.

At this stage, however, the Third Milestone provides no mention of whether there is a minimum net present value a pre-feasibility study must achieve. In addition, the life-of-mine plan is essential in assessing the value of a producing mine, which is not available at the date of our Report.

Therefore, although it is likely that the commencement of commercial iron ore production would be value accretive to Security Holders, we do not have sufficient reasonable grounds to assess the exact quantum of value that would be created, therefore we do not have sufficient reasonable grounds to assess the value of a Burley share following the achievement of the Third Milestone.

Based on the above, we have not provided a fairness assessment of a Burley share on meeting the Third Milestone.

6. Is the Proposed Issue fair?

As detailed in Section 5, we do not have sufficient reasonable grounds on which to assess the future value of a Burley share prior to or after meeting a Milestone. As a result, we are unable to assess the value of a Burley share in accordance with the guidance provided by RG 111, RG 170, and IS 214.

Given we are unable to opine on the value of a Burley share either before or after meeting a Milestone, by default, the issue of Performance Securities is considered to be not fair to the non-participating Security Holders of Burley.

7. Are the Proposed Issues reasonable?

7.1 Alternative Proposal

We are unaware of any alternative consideration, option, or proposal that might offer Security Holders of Burley a premium over the value resulting from the issue of the Performance Securities to the Novarange Vendors.

7.2 Advantages of the Proposed Issue

We have considered the following advantages when assessing whether the issue of Performance Securities is reasonable. These advantages assume that one or more of the Milestones have been met as at the date of the Prospectus as required under ASX GN 19.

| Advantage | Description |
|---|---|
| Achievement of each of the Milestones is likely to be value accretive to Burley | As detailed in Section 5, the value of a Burley share on meeting one or more of the Milestones will likely be higher than the value of a Burley share prior to meeting a Milestone. This is because to meet each of the Milestones additional work will have been undertaken on Yerecoin and the directors, acting within their fiduciary duty, would have assessed that the additional |

| Advantage | Description |
|---|---|
| | work to be more likely to create rather than destroy value. Further, the meeting of each of the Milestones will advance the probability of a viable project, likely increase the prospects of the Company, and therefore increase the value of a Burley share. Security Holders will participate in this value accretion. |
| The Deferred Consideration (the Performance Securities) payable upon meeting a Milestone is structured in such a way as to align the interests of Security Holders, Burley, and the Novarange Vendors | <p>The Performance Securities are deferred consideration for the acquisition of Yerecoin. This deferred consideration is based on value accretive events. That is, the consideration paid for the Yerecoin Project is not based on an early assessment of undiscovered value. Rather consideration will be payable on achieving set milestones which if met advance the prospect of economic viability of the Yerecoin Project. This structure ensures that the interests of the Burley Security Holders and Novarange vendors are aligned and allows the Company to balance the inherent speculative nature of mining exploration with its fiduciary duty to protect Security Holders against unwarranted economic dilution.</p> <p>Therefore, all else being equal, despite the dilution arising from the issue of the Performance Securities, Security Holders will participate in the upside of holding securities in Burley.</p> |
| The Deferred Consideration is in the form of equity, allowing Burley to preserve cash raised under the Offer to progress Yerecoin. | The Deferred Consideration attached to the Yerecoin acquisition is predominately in the form of equity. Therefore, Burley will not be required to redirect funds raised under the Offer to achieve its exploration plans. |
| Agreement on the Deferred Consideration results in exposure to a potentially economically viable project | Given the Performance Securities are a component of the consideration payable under the Novarange Acquisition Agreement, Burley may not be able to acquire 70% of Novarange and in turn an interest in Yerecoin, or fund that interest in the form of exploration plans, unless further funds are raised under the Offer. The current Deferred Consideration structure exposes Security Holders to a potentially economically viable project that will only result in dilution on pre-determined positive results. This dilution will then be part off-set by value accretion. |

7.3 Disadvantages of the Proposed Issue

The potential disadvantages to Security Holders should the issue of Performance Securities proceed include those listed in the table below:

| Disadvantage | Description |
|---|--|
| Potential dilution of existing Shareholders' interests if a | In the event that the Milestones are met and the shares under the Performance Securities issued there will be a dilution of existing Security Holder interests. The number of shares to be issued will be dependent on the |



| Disadvantage | Description |
|--|--|
| Milestone is met and Performance Securities are issued | higher of the 15-day VWAP of Burley shares prior to the due and payable date, or \$0.15. This creates uncertainty surrounding the exact number of shares that will be issued to Novarange and the effect the issues will have on dilution. The Deferred Payments (milestone payments) and Floor Price of \$0.15 do however cap the maximum possible issue of Performance Securities at 30,000,000. |
| The Novarange Vendors have a free-carried interest in the Yerecoin Project | The issue of Performance Securities to the Novarange Vendors on meeting the Milestones is a free carried interest in Burley and all its projects which may not be achieved without a deferred consideration structure. |

7.4 Other considerations

The Novarange Acquisition Agreement is for an interest in Novarange not the Yerecoin Project

The Novarange Acquisition Agreement is to acquire 70% of the issued share capital of Novarange. Currently, the sole asset of Novarange is 100% of the Yerecoin Project and Deferred Consideration is payable to the Novarange Vendors. Any future activities of Novarange, including the issue of further equity, may result in a dilution to the 70% interest held by Burley.

Should the Milestones not be met the Performance Securities will not convert into Shares and there will be no dilution of non-participating Security Holders interests in Burley.

Based on the advantages detailed above, we consider that on balance, the advantages of the issue of the Performance Securities outweigh the disadvantages to non-participating Security Holders.

8. Conclusion

We have considered the terms of the Performance Securities as outlined in our Report and have concluded that the issue of Performance Securities under each Milestone is not fair but reasonable to the non-participating Security Holders of Burley.

In our opinion, as detailed in Section 6, and having regard to the guidance set out in ASX GN 19, RG 111, RG 170, and IS 214 the Performance Securities are not fair because we are unable to opine on the value of a Burley share before or after a Milestone has been met. This is because we are not able to obtain a sufficiently robust valuation under all valuation assumptions on which we would rely to assess the future value of a Burley share, and as such, we do not have reasonable grounds to do so.

Given we are unable to opine on the value of a Burley share either before or after the meeting of a Milestone, by default, the issue of Performance Securities is considered to be not fair to non-participating Security Holders.

While we are not able to conclude that the issue of Performance Securities is fair we are of the opinion that the advantages of meeting the Milestones and issuing the Performance Securities outweigh the disadvantages. That is, we regard it as being in the interests of the entity and non-participating Security Holders to proceed with the issues on meeting the relevant Milestones (Section 13. ASX GN 19).



9. Sources of information

This report has been based on the following information:

- Draft Burley Prospectus;
- Draft Independent Geologist's Report prepared by FRM Geological Services;
- Novarange Acquisition Agreement;
- Heads of Agreement for Sale of the Shares in Novarange Pty. Ltd.;
- Application for In-principle Advice to ASX by Burley, and
- Information in the public domain.

10. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out-of-pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Burley in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Burley, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Burley and Novarange and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion, it is independent of Burley and Novarange and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Burley, or their associates, other than in connection with the preparation of this Report.

A draft of this report, including conclusions and opinion was provided to Burley and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

11. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.



BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

12. Disclaimers and consents

This report has been prepared at the request of Burley for inclusion in the Prospectus. Burley engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposal to issue Performance Securities on the meeting of stated Milestones as set out in the Company's Prospectus to which this report is attached.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Prospectus. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Prospectus other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Novarange.

BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.



With respect to taxation implications it is recommended that individual shareholders obtain their own taxation advice, in respect of the Proposed Issue, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the shareholders of Burley, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Adam Myers', written over a light blue horizontal line.

Adam Myers
Director

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written over a light blue horizontal line.

Sherif Andrawes
Director

Appendix 1 - Glossary of Terms & Copyright Notice

| Reference | Definition |
|----------------------|---|
| Act | Corporations Act 2001 (Cth) |
| AFCA | Australian Financial Complaints Authority |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Securities Exchange |
| ASX GN 19 | ASX Guidance Note 19 'Performance Securities' |
| BDO | BDO Corporate Finance (WA) Pty Ltd |
| BFS | Bankable Feasibility Study |
| Burley | Burley Minerals Limited |
| Cash Consideration | \$100,000 payable to the Novarange Vendors or, if otherwise required, 500,000 shares in Burley at a deemed issue price of \$0.20 per share. |
| Consideration Shares | 20,000,000 fully paid ordinary shares in Burley payable to the Novarange Vendors and conditional on ASX quotation |
| Deferred Payments | First Milestone Payment - \$1,000,000 Second Milestone Payment - \$1,000,000 Third Milestone Payment - \$2,500,000 |
| Existing Options | Burley options currently on issue |
| FSG | Financial Services Guide |
| IS 214 | Information Sheet 214: Mining and Resources: Forward-looking Statements |
| km ² | Kilometres squared |
| Lead Manager Options | 1,500,000 options exercisable at \$0.30 and expiring within 2 years of the admission of Burley to the ASX to be issued to Canaccord Genuity (Australia) Limited |
| Milestones | First Milestone - The completion by Burley of a successful Preliminary Feasibility Study ('PFS') that demonstrates extraction of minerals from the tenements to be viable under reasonable financial assumptions Second Milestone - The grant of a mining lease under the Mining Act over all of the Iron Ore resource identified within the Yerecoin Tenement Area Third Milestone - After the first occasion of commercial iron ore production from the Yerecoin Tenement Area, provided if this milestone is achieved within two (2) years of Burley's admission to the ASX this payment will be made after the expiry of the 2 years |
| Novarange | Novarange Pty Ltd |



| Reference | Definition |
|---------------------------------|---|
| Novarange Acquisition Agreement | the binding Heads of Agreement between Burley and Novarange and binding Acquisition Agreement dated 27 April 2021 |
| Novarange Vendors | Gurravembi Investments Pty Ltd; Kingsreef Pty Ltd as trustee for the NB & DL Family Trust; Rocket Science Pty Ltd as trustee for the Trojan Capital Fund; Seamist Enterprises Pty Ltd; and Widerange Corporation Pty Ltd as trustee for the Alyse Investment Trust. |
| Option | the option held by Burley to acquire 70% of the issued share capital of Novarange |
| Option Fee | A fee of \$65,000 (excluding GST) payable by Burley to the shareholders of Novarange upon signing the Novarange Acquisition Agreement plus a monthly fee of \$10,000 (excluding GST) from April 2021 to the earlier of 29 October 2021 or completion of the sale and purchase. |
| Our Report | This Independent Expert's Report prepared by BDO |
| Prospectus | Burley Minerals Limited's prospectus to raise \$6,000,000 and list on the ASX |
| RG 111 | Content of expert reports (March 2011) |
| RG 112 | Independence of experts (March 2011) |
| RG 170 | Regulatory Guide 170 'Prospective Financial Information' |
| Security Holders | Non-participating security holders of Burley |
| the Offer | Burley's offer included in the Prospectus to raise \$6,000,000 through the issue of 30,000,000 shares at an issue price of \$0.20 |
| Yerecoin | Novarange's Yerecoin project |

Copyright © 2021 BDO Corporate Finance (WA) Pty Ltd

All rights reserved. No part of this publication may be reproduced, published, distributed, displayed, copied or stored for public or private use in any information retrieval system, or transmitted in any form by any mechanical, photographic or electronic process, including electronically or digitally on the Internet or World Wide Web, or over any network, or local area network, without written permission of the author. No part of this publication may be modified, changed or exploited in any way used for derivative work or offered for sale without the express written permission of the author.

For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.



The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

13. SOLICITORS' REPORT ON TENEMENTS

cardinals
lawyers and consultants

Tel: +61 8 9213 3000
Fax: +61 8 9481 7479

Cardinals Corporate Pty
Ltd as trustee for the
Cardinals Corporate Trust
trading as
Cardinals Lawyers and
Consultants
ABN 57 245 735 267
60 Havelock Street
West Perth WA 6005
PO Box 1957
West Perth WA 6872

26 May 2021

The Directors
Burley Minerals Ltd
Level 3
30 Richardson Street
WEST PERTH WA 6005

Dear Sirs

Solicitors' Report on Tenements – Burley Minerals Ltd ACN 645 324 992

This report (**Report**) is prepared for inclusion in a prospectus (**Prospectus**) to be dated on or about 26 May 2021 by Burley Minerals Ltd ACN 645 324 992 (**Company**) for an offer to the public by the Company of 30,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of AUD\$0.20 per Share to raise AUD\$6,000,000 (before costs) which is the minimum subscription.

This Report is on the mining tenement interests to which the Company is entitled or has acquired. It has been prepared at the request of the directors of the Company (**Directors**). This Report is subject to the assumptions and qualifications set out in section 11 of this Report.

1. TENEMENT INTERESTS

The Schedule of Tenements at the end of this Report (**Schedule**) sets details of all of the mining tenements in Western Australia in which the Company or its subsidiaries have an interest (**Tenements**) as at the date of this Report. The Schedule forms an essential part of this Report.

As at the date of this Report, the Company's interests in tenements are all held by Novarange Pty Ltd ACN 645 324 992 (**Novarange**). The Company has entered into a binding option, share sale and purchase agreement to acquire 70% of the issued capital of Novarange (**Acquisition Agreement**), details of which are set out in section 14.3 of the Prospectus. The Company's interests under the Acquisition Agreement are contractual in nature and depend on the parties fulfilling its terms.

2. SEARCHES

(a) Title Searches

For the purposes of this Report we have made and considered searches in respect of the Tenements of the Register maintained by the Department of Mines, Industry Regulation and Safety Perth, Western Australia (**DMIRS**) dated 26 May 2021 (**DMIRS Searches**) and DMIRS Tengraph searches (**Tengraph Searches**).

(b) Aboriginal Heritage Searches

We have made and considered searches of the online register of Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage in Western Australia (**DPLH**) to search for any registered Aboriginal sites on the register of Aboriginal sites maintained under the *Aboriginal Heritage Act 1972* (WA) (**Aboriginal Heritage Act**) on 26 May 2021 (**DPLH Searches**).

(c) National Native Title Tribunal Searches

We have considered searches of the registers maintained by the National Native Title Tribunal (NNTT) on 19 May 2021 (NNTT Searches).

3. OPINION

As a result of our searches and enquiries detailed above, but subject to the assumptions and qualifications set out in this Report, we are of the opinion that, as at the date of the relevant searches:

- (a) This Report provides an accurate statement of the status and the details of the registered holders of the Tenements, and the Company's interest in the Tenements.
- (b) Unless otherwise specified in this Report, the Tenements are validly granted and in good standing.
- (c) 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 Prospectus, there are no legal, regulatory or contractual impediments to the Company undertaking the proposed exploration on the Tenements as detailed elsewhere in the Prospectus.
- (d) This Report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements as apparent from our searches and information provided to us.

4. AGREEMENT REVIEW

We have examined the material agreements identified and provided to us by the Company that relate to the Tenements. Summaries of those agreements are set out in sections 14.3 to 14.5 of the Prospectus. Details of the relevant material agreements relating to the rights, interests and obligations of the Company in relation to the Tenements, including any royalties to private persons in connection with the Tenements, are also set out in the Schedule to this Report.

5. MINING TENEMENTS UNDER THE MINING ACT

5.1 Tenements Generally

Tenements granted under the Mining Act are subject to various conditions. Those conditions may be statutory conditions and relate to rent, minimum expenditure or reporting requirements. As the Tenements the subject of this Report are granted exploration licences under the Mining Act, the summary below is limited to those grants in particular. The endorsements, conditions, current encumbrances, native title claims, registered sites and material contracts applicable to the Tenements are mentioned in the notes to the Schedule.

Holders of exploration licences are obliged to pay an annual rent and to meet annual expenditure requirements. Failure to meet such requirements may mean that the exploration licence is vulnerable to an order for forfeiture. The rent and expenditure obligations for the Tenements are summarised in the Schedule.

Conditions are imposed on the grant of mining tenements pursuant to the Mining Act and may be imposed also under the Native Title Act. These include conditions relating to the environment and include a standard schedule of general exclusions and conditions established pursuant to

the Mining Act. Endorsements and conditions affecting the Tenements are also summarised in the Schedule.

5.2 Exploration Licences under the Mining Act

Grant of Exploration Licences

The grant of an exploration licence (prefixed "E") under the Mining Act lies with the Minister following recommendation by the Mining Registrar or the Mining Warden. The holder of an exploration licence is authorised to enter the land the subject of the exploration licence to explore for minerals with vehicles, machinery and equipment as may be necessary or expedient for the purpose of exploring for minerals in, on or under the land. Generally, an exploration licence confers title to explore for all minerals except iron. Under section 111 of the Mining Act the Minister may, by instrument authorise the holder of an exploration licence, to explore for iron on the land the subject of that tenement. Authorisation for the exploration for iron on the Tenements has been sought and obtained.

Area of Exploration Licences

Exploration licenses are described by graticular blocks, with individual graticular blocks ranging in area from approximately 2.8km² to 3.3km² depending on where a block is located within the State. One exploration licence may include up to a maximum of 70 graticular blocks, or in certain circumstances, 200 graticular blocks.

Any agreement made in contemplation of a dealing or other transaction of an exploration licence is valid provided the agreement expressly provides that Ministerial consent is to be obtained as a condition of the dealing or other transaction.

The registered holder of an exploration licence may, as of right, while the exploration licence continues in force, apply for and, subject to the Mining Act and any conditions on which the exploration licence is held, have granted one or more mining leases or retention licences over any part or parts of the land the subject of the exploration licence. Where an application for a mining lease or retention licence is made and the term of the exploration licence expires prior to the grant of the mining lease or retention licence, the exploration licence will continue in force in respect to the land the subject of the application for a mining lease until the application for a mining lease or retention licence is determined.

Annual Rent

Annual rent for an exploration licence applied for on or after 1 July 1999 is \$141 per block for years one to three of the term of the licence, \$238 per block for years four and five of the term of the licence, \$325 per block for years six and seven of the term of the licence and \$615 per block for year eight and each subsequent year of the term of the licence (based on rental rates set out in the *Mining Regulations 1981* (WA) (**Mining Regulations**) as at 1 July 2020). Where there is only one block, annual rent for an exploration licence applied for on or after 1 July 1999 is \$369.

Minimum Annual Expenditure

Exploration licences are subject to minimum annual expenditure requirements which are calculated at:

- (a) not less than \$1,000 per block for years one to three of the term of the licence (subject to minimums of \$10,000 for licences of one block only, \$15,000 for licences of two to five blocks and \$20,000 for licences of six to 20 blocks);
- (b) not less than \$1,500 per block for years four and five of the term of the licence (subject to minimums of \$10,000 for licences of one block only, \$20,000 for licences of two to five blocks and \$30,000 for licences of six to 20 blocks);
- (c) not less than \$2,000 per block for years six and seven of the term of the licence (subject to minimums of \$15,000 for licences of one block only, \$30,000 for licences of two to five blocks and \$50,000 for licences of six to 25 blocks); and
- (d) not less than \$3,000 per block for years eight and each subsequent year of the term of the licence (subject to minimums of \$20,000 for licences of one block only, \$50,000 for licences of two to five blocks and \$70,000 for licences of six to 23 blocks),

(based on expenditure requirements set out in the Mining Regulations as at 1 July 2020).

Term of an Exploration Licence

An exploration licence granted before 10 February 2006 will remain in force for an initial period of five (5) years from the date of grant, after which the Minister may extend the term for one (1) period of one (1) or two (2) years, then one (1) further period of one (1) or two (2) years in each case where prescribed grounds for extension exist. In exceptional circumstances the exploration licence may then be extended by a further period of one (1) year.

Prescribed grounds for the extension of an exploration licence include where the Minister believes that government, legal, climatic or heritage issues have caused difficulties or delays in carrying out work on the licence, or where the land has been unworkable for a significant part of any year of the term of the exploration licence, or where the Minister considers that work carried out justifies further exploration on the licence.

The holder of an exploration licence granted or applied for before 10 February 2006 must relinquish not less than half of the blocks comprising the licence at the end of the third year. A further relinquishment of not less than half of the remaining blocks is required at the end of the fourth year.

Exploration licences are subject to standard conditions that must be complied with, including rent payments, annual expenditure requirements and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder obtain the consent of an officer of DMIRS prior to conducting any ground disturbing work, basic environmental rehabilitation conditions (i.e. the removal of waste, capping of drill holes etc) and prohibitions or restrictions on disturbing existing infrastructure such as roads, powerlines, aerial landing ground, airstrips and geodetic survey stations. We are not aware of any non-compliance with such conditions.

The Mining Act provides that during the first year of grant of an exploration licence, no legal or equitable interest in or affecting an exploration licence, may be transferred or dealt with whether directly or indirectly, without the consent in writing of the Minister. After that first year there is no restriction on such dealings.

5.3 Mining Leases under the Mining Act

Application

Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

Rights

The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

Term

A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions

Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. These standard conditions are not detailed in this Report.

Transfer

The consent of the Minister is required to transfer a mining lease.

5.4 Retention Licences under the Mining Act

Application

The holder of an exploration licence granted or applied for before 10 February 2006 may apply for a retention licence over the land the subject of that licence where there is an identified mineral resource on the land, the mining of which is impracticable for

Rights

A retention licence authorises the holder to enter on the subject land for further exploration and to carry out such works as are necessary, which includes digging pits, holes and trenches, excavating, extracting and removing mineral bearing substances not in excess of 1,000 tonnes.

Term

The maximum term of a retention licence is five years, after which it may be renewed for further periods not exceeding five years.

Conditions

Retention licences are granted subject to various standard conditions, including conditions relating to the use of ground disturbing equipment, minimum expenditure (if any), observance of environmental protection and reporting requirements.

Transfer

The consent of the Minister is required to transfer a retention licence.

6. INFORMATION IN RELATION TO NATIVE TITLE

6.1 Native Title Generally

In June 1992 the High Court of Australia held in *Mabo v Queensland (No 2)* that the common law of Australia recognised that Aboriginal and Torres Strait Islander people are entitled to rights called "native title" in relation to their traditional lands and waters.

In general terms, these native title rights to land and water will be recognised where the claimants can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since British settlement in 1788 and where the native title rights have not been lawfully extinguished.

The High Court held that native title could be extinguished by the valid exercise of governmental powers provided there was a clear and plain intention to do so. For such extinguishment to be lawful it must adhere to the obligations imposed by the *Racial Discrimination Act 1975* (Cth) which came into operation on 31 October 1975.

On 1 January 1994 the *Native Title Act 1993* (Cth) (**Native Title Act**) enacted by the Commonwealth parliament came into operation. The Native Title Act was substantially amended in 1998.

By way of summary, the Native Title Act:

- (a) provides for recognition and protection of native title;
- (b) establishes the mechanism by which claims are filed and dealt with and determined in the Federal Court of Australia;
- (c) establishes the position of a Native Title Registrar with responsibility to consider whether claims filed pass the requirements of the so-called registration test, maintain registers of native title claims, proven native title and Indigenous Land Use Agreements, and provide mediation services to parties to native title claims; and
- (d) establishes the National Native Title Tribunal (NNTT) with responsibility to assist the Native Title Registrar and provide services and support to parties to native title claims.

6.2 Native Title Claims

(a) Lodging a Claim

The Native Title Act provides for procedures where a claimant may lodge an application for a determination of native title with the Federal Court. These procedures require the Federal Court to refer a native title claim to the Native Title Registrar who must apply the registration test as set out in the Native Title Act.

(b) Registration Test

If the Native Title Registrar considers a claim satisfies the registration test, the claim is entered on the Register of Native Title Claims maintained by the NNTT. If a claim fails to meet the registration test it may still be entered on the Register at a later date if additional information is provided by the native title claimants which satisfies the registration test. Both registered and unregistered native title claims proceed through the mediation and determination process in the Federal Court. However claimants on unregistered claims do not usually have rights of notification or rights to negotiate under

the Native Title Act in relation to activities such as the grant of mining tenements on the land the subject of their unregistered claim.

(c) The Future Act Regime under the Native Title Act

The Native Title Act provides procedures for the benefit of native title claimants that are collectively known as the "future act regime". After registration of their native title claim, registered native title claimants will be entitled to the "right to negotiate" with respect to certain "acts" that may affect native title. The grant of a mining tenement in Western Australia is an act that may "affect" native title.

In Western Australia the State can give notice that it intends to proceed with the grant of a under the so-called "expedited procedure" or under the so-called "right to negotiate" procedures operated by DMIRS.

(i) The Expedited Procedure

(A) If a proposed future act is not likely to:

- interfere directly with the carrying on of the communal or social activities of the registered native title party;
- interfere with areas or sites of significance to the registered native title party; or
- involve major disturbance to the land or waters within the area of a registered claim,

the Future Act may qualify for what is known as the 'Expedited Procedure'. This is a form of fast-tracking. It is the policy of the Western Australian State Government that the Expedited Procedure will apply to the grant of exploration and prospecting licences located within Western Australia, provided that the applicant has executed a Regional Standard Heritage Agreement or has an existing Alternative Heritage Agreement in place. In the absence of such an agreement the applications will be processed under the right to negotiate regime (discussed above in section 6.2(c)(ii) below.

(B) Generally in relation to exploration licences the State issues a notice including a statement that the tenement should be granted under the expedited procedure. This means the tenement will be granted without negotiations with any native title claimants. Registered native title claimants may lodge an objection to this with the NNTT within 4 months of the notice issuing. The objection is not to the grant of the tenement, but rather to the assertion that the expedited procedure applies.

(C) If no objection is lodged, the NNTT does not become involved. It is then a matter for the State to proceed to grant the tenement under Mining Act procedures through the DMIRS and the relevant Minister.

(D) If one or more objections are lodged the matter is then dealt with by the NNTT. The parties may negotiate, agree that the expedited procedure may apply and consent to a determination that the expedited procedure does apply. If there is a consent determination

that the expedited procedure does apply, the State then proceeds to grant under the Mining Act.

- (E) If the parties do not reach such an agreement, the matter must be heard and determined by the NNTT. The NNTT may decide that the expedited procedure does apply, in which case the tenements may proceed to grant under the requirements of the Mining Act. Alternatively the NNTT may determine that the expedited procedure does not apply in which case the process for grant of the tenement must comply with the right to negotiate provisions of the NTA administered by DMIRS. The expedited procedure will not apply if the grant of the exploration licence is likely to interfere with the claimants' community or social activities on the land, areas or sites of significance or involve major disturbance to any area of land or waters.

(ii) The Right to Negotiate

- (A) The "right to negotiate" provisions of the NTA require the parties, that is the State of Western Australia, the company to whom tenements may be granted and the registered native title parties to negotiate in "good faith" and for a period of not less than 6 months following the publication of the State's notice that it intended to grant the tenement.
- (B) If no agreement is reached in that time the matter may be referred to the NNTT for determination as to whether, under the NTA, the tenement may be granted. If it determines that the tenement may be granted, the NNTT may impose conditions on the grant additional to those imposed under the Mining Act.
- (C) Subject to Commonwealth Ministerial intervention, either agreement between the parties or the arbitral decision of the NNTT determines whether the tenement is granted and what conditions will apply.

(d) Proving a Claim

Irrespective of whether a native title claim is registered or unregistered, the native title claimants must prove in the Federal Court that their claimed native title rights exist, in order to have their claimed native title rights formally recognised. Native title claims may be resolved through a full trial, or may be the subject of a consent determination following a successful mediation process.

We have not undertaken any investigations to determine the content of the rights claimed in any native title claim intersecting the Tenements, whether any of the claims might succeed or whether any further native title claims may be made over the relevant area.

However, if a native title claim is successfully proved, the then current holder of any mining tenement may be liable for compensation for any effect of the grant of that tenement on the native title proved to have existed. As yet, there has not been any determination of a compensation claim of this kind in Australia and very few such claims have been commenced. We are not able to predict what compensation, if any, would be payable by the tenement holder in the event that a compensation claim brought in relation to a mining tenement were successful.

(e) Native Title Claims intersecting the Tenements

Based on the results of the Tengraph Searches and the NNTT Searches it appears that the Tenements fall within the area of a registered native title claim. Details of the claim are set out in the Schedule.

(f) Validity of Tenements in relation to Native Title

Except as set out below, we have not undertaken any independent investigation as to whether the Tenements were validly granted in relation to native title considerations. With respect to the granted Tenements, we have assumed that prior to grant DMIRS was satisfied of compliance with the future act provisions of the Native Title Act. As discussed above, generally this will involve the tenement applicant entering into a regional standard heritage agreement with any registered native title claimants in relation to the grant of the tenements.

(i) Tenements granted before 1 January 1994

Tenements granted before 1 January 1994 are either valid as at the date of grant or have been validated by the Native Title Act and validating legislation contemplated by the NTA and enacted by the State of Western Australia.

According to the DMIRS Searches conducted, no Tenements were granted during this period.

(ii) Tenements granted between 1 January 1994 and 23 December 1996

Tenements granted between 1 January 1994 and 23 December 1996 are either valid as at the date of grant or invalid due to non-compliance with the provisions of the Native Title Act. If certain criteria are met, the Native Title Act and State legislation will have validated those invalid acts.

According to the DMIRS Searches conducted, no Tenements were granted during this period.

(iii) Tenements granted since 23 December 1996

Mining tenements granted since 23 December 1996 which affect native title rights and interests will be valid provided that the future act procedures set out above were followed by the relevant parties. We have not been instructed to analyse whether or not the relevant NTA procedures were followed in relation to each Tenement, but are not aware of any reason why they would be regarded as not being validly granted.

According to the DMIRS Searches conducted, all of the Tenements were granted after 23 December 1996.

We note that any tenements sought in the future in relation to the Tenements (for example conversions from the current Tenements to another type of tenure) will be required to comply with the future act regime.

7. ABORIGINAL HERITAGE

Compliance with the Aboriginal Heritage Act is a standard condition imposed on mining tenements in Western Australia. Accordingly, the Aboriginal Heritage Act applies to the

Tenements. This is in addition to, and not in lieu of, any contractual obligations under any heritage agreements to which the Company is a party (as detailed in the Schedule). The Aboriginal Heritage Act is aimed at the preservation and protection from destruction of significant Aboriginal areas and significant Aboriginal objects. An area or object found to be interfered with if it is used or treated in a manner inconsistent with Aboriginal tradition. It is an offence under the Aboriginal Heritage Act for a person to damage or in any way alter an Aboriginal site or any object on or under an Aboriginal site. The Minister of Indigenous Affairs' consent is required pursuant to section 18 of the Aboriginal Heritage Act in the event that any use of land is likely to result in the excavation, destruction, concealment of, or alteration or damage to, an Aboriginal site or object. Generally companies will consult with the relevant Aboriginal group and, if both parties think that is necessary, the company and a group of Aboriginal informants will conduct a heritage survey of the relevant area to identify any sites.

A register of Aboriginal sites is kept by the DPLH under the Aboriginal Heritage Act. However, sites and objects of significance to Aboriginal persons are protected by the Aboriginal Heritage Act whether or not those sites are registered under the Aboriginal Heritage Act. There is no requirement for a site to be registered and only a small percentage of Aboriginal sites in Western Australia are registered. Accordingly it is highly probable that there may be other, unregistered, Aboriginal sites within the area of the Tenements.

According to the DPLH Searches, there are no Aboriginal heritage sites located within the boundaries of the Tenements.

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) also applies to and protects significant Aboriginal areas and objects. Such protection is afforded by means of temporary or permanent declarations issued by the Commonwealth Minister with responsibility for Indigenous Affairs, which have the potential to delay or halt exploration activities. It is an offence to contravene a declaration made pursuant to the Commonwealth Heritage Act.

The Company should ensure that any interference with Aboriginal sites that exist on the Tenements (whether registered or otherwise) is avoided where possible. Accordingly it would be prudent for the Company to carry out heritage surveys (as is standard industry practice) to determine if any Aboriginal sites or objects exist 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. It may also be necessary for the Company to enter into separate agreements with the traditional owners of the land that is the subject of the Tenements.

8. PRIVATE LAND

Generally and subject to certain exceptions and limitations, private land which is not already subject to a mining tenement is considered open for mining under the Mining Act, and a mining tenement may be issued in relation to such land.

"Private land" for the purposes of the WA Mining Act will (generally) include freehold and leasehold land. Notably, private land does not include pastoral leases or leases for the use and benefit of Aboriginal inhabitants).

Our Tengraph Searches indicate that the Tenements overlap private land as follows:

- (a) E70/2733-I overlaps 24 parcels of land, totalling an encroachment of approximately 99.09% of the tenement; and

- (b) E70/2784-I overlaps 88 parcels of land, totalling an encroachment of 97.88% of the tenement.

Grant of Tenements Over Private Land

A tenement may not be granted in respect of private land which is:

- (a) In bona fide and regular use as a yard, stockyard, a garden, orchard, vineyard, plant nursery or plantation or is land under cultivation or within 100m of that site;
- (b) The site of a cemetery or burial ground or within 100 metres of that site;
- (c) The site of a dam, bore, well or spring or within 100 metres of that site;
- (d) On which there is erected a substantial improvement or within 100 metres of that improvement; or
- (e) A parcel of land with an area of 2,000 square metres or less.

Protected Private Land

Unless the written consent of the private landholder and any other occupier is obtained or the tenement is only granted in respect of the land below 30 metres from the surface of private land. The searches we have undertaken as detailed in this Report are not able to confirm what proportion of the area covered by the Tenements are affected by protected private land. We recommend the Company makes its own enquires in this regard.

Compensation

The owners and occupiers of any private land (including but not limited to protected private land) where mining takes place are entitled to compensation for all loss and damage suffered or likely to be suffered by them resulting or arising from the mining, whether or not lawfully carried out. The tenement holder may not commence mining on the surface or within a depth of 30 metres from the surface of any private land (not just Protected Private Land) until compensation has been agreed with the private landowner or paid in accordance with the Mining Act. Compensation may be determined by agreement between the tenement holder and private landowner or occupier, or by the warden. Compensation may be awarded for deprivation of the possession or use of the natural surface or any part of the land, damage to the land or any part of it, severance of the land or part of it from land used by the occupier or owner, loss or restriction of a right of way or other easement or right, loss of or damage to improvements, social disruption, or substantial loss of earnings, delay, loss of time and reasonable legal or other costs in connection only with land which is under cultivation in certain circumstances.

Under a Sale Deed dated 22 July 2016 Novarange purchased from Radar Iron Ltd ACN 146 455 576 (now known as Weebit Nano Ltd) (Weebit) a 100% interest in various tenements including the Tenements, and agreed to assume all obligations of Weebit under private land access agreements supplied to Novarange on or before the date of the Sale Deed. We have been instructed that Novarange will negotiate and enter into its own access agreements with the holders of the private land over the area of the Tenements.

9. MINING REHABILITATION FUND

Prior to 5 November 2012, a regime of unconditional performance bonds (also known as environmental bonds or mining security bonds) existed. These bonds were used to secure tenement holders' environmental obligations to rehabilitate mine sites. This system was reformed by the *Mining Rehabilitation Fund Act 2012 (WA)* (MRF Act) which was passed on 5

November 2012. These changes established a new Mining Rehabilitation Fund (MRF) which commenced on 1 July 2013.

Under the MRF Act and the *Mining Rehabilitation Fund Regulations 2013* (WA) (MRF Regulations), holders of tenements under the Mining Act are required to pay an annual, non-refundable amount in the MRF based upon the nature of the activity being undertaken and the area of disturbance. There is a threshold for participating and tenement holders with an annual rehabilitation liability estimate of \$50,000 or less will not be required to contribute to the MRF.

Provided certain preconditions are met and upon payment of the initial annual MRF contribution, tenement holders are generally be entitled to the return of any unconditional performance bonds lodged in respect of the relevant tenements.

Under the State Government's revised bond policy, an unconditional performance bond may still be required by Mining Act to tenement holders deemed a high risk of not completing their rehabilitation obligations.

DMIRS guidelines specify that if a tenement holder does not meet the criteria as set out in the guidelines, they will still be required to pay the levy but may not be eligible to have their bonds retired.

10. ROYALTIES UNDER THE MINING ACT

Royalties are payable to the Western Australian State Government in respect of minerals (including material containing minerals) obtained from land that is the subject of a mining lease or other mining tenement granted under the Mining Act, or that is the subject of an application for the grant of a mining lease or other mining tenement under the Mining Act. The holder or applicant for a mining tenement (as the case may be) must provide a quarterly production report to the Director General of Mines commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement or from land the subject of that application for a mining tenement. Royalties are payable quarterly to DMIRS at Perth and must be accompanied by a royalty return in an approved form setting out all relevant details for calculation of royalties. Generally, the quantity of minerals in respect of which a royalty is payable is extracted from mining lease, and not an exploration licence.

Royalty rates and methods of calculation differ depending on the type of mineral produced or obtained from a mining tenement. The rates of royalties are set out in Part V Division 5 of the Mining Regulations.

11. ASSUMPTIONS AND QUALIFICATIONS

This Report, including the Schedule, is based on, and subject to, the following assumptions and qualifications set out below and as otherwise specified elsewhere in this Report:

- (a) we have relied upon information provided by third parties, including various government departments, in response to searches made, or caused to be made, by us and have relied upon that information, including the results of searches, being accurate, complete and up to date as at the date of its receipt by us;
- (b) we have assumed that the responses to any questions which we have put to the Directors, officers, employees, advisers and agents of the Company have been true and accurate in all respects and have not contained any material omissions;

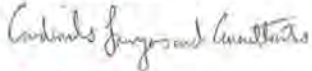
- (c) references in the Schedule are taken from details shown on the searches we have obtained from the DMIRS, DPLH and the NNTT. We have not undertaken independent surveys of the land the subject of the Tenements. Consequently we cannot verify the accuracy of the areas of the Tenements, the areas of the relevant native title claims or the location of any identified Aboriginal heritage site;
- (d) the Company has advised us that there are no agreements in place between Novarange and any registered or unregistered native title claimants allowing access to the land covered by the Tenements;
- (e) under a Sale Deed dated 22 July 2016 Novarange purchased from Radar Iron Ltd ACN 146 455 576 (now known as Weebit Nano Ltd) (**Weebit**) a 100% interest in various tenements including the Tenements and agreed to assume all obligations of Weebit under private land access agreements supplied to Novarange on or before the date of the Sale Deed. We have not been instructed to review those agreements and so give no opinion as to their legal validity or effect and we have been instructed that Novarange will negotiate and enter into its own access agreements with the holders of the private land over the area of the Tenements.
- (f) where Ministerial consent is required in relation to the transfer of any tenements, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (g) in relation to any statement relating to whether the Tenements are in good standing, such statement is only based on the information contained in the relevant search on the instruments of title for the Tenements;
- (h) where compliance with the terms and conditions of any mining tenements and the provisions of the Mining Act and the Mining Regulations including requirements necessary to maintain the tenements in good standing, or a possible claim in relation to the tenements by third parties is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (i) if any of the Tenements are subject to a claim for forfeiture, we express no opinion on the possible outcome of that claim action;
- (j) we have assumed that the registered holder of the Tenements has valid legal title to those tenements;
- (k) we have examined the Acquisition Agreement, together with the agreements referred to in section 14.4 and 14.5 of the Prospectus (**Relevant Agreements**). Unless specifically noted, the Relevant Agreements are the only material contract in relation to the Tenements of which we are aware;
- (l) we have assumed that the Relevant Agreements was within the capacity and powers of, and was validly authorised, executed, delivered by and is legally binding on and enforceable against the parties to it and comprises the entire agreement of the parties to each of them with respect to its subject matter;
- (m) we have assumed that the duty markings, seals and signatures on the Relevant Agreements are authentic;

- (n) we have assumed that the parties to the Relevant Agreements are complying with and will continue to comply with and fulfil the terms of the Relevant Agreements;
- (o) we have assumed the completeness and the conformity to original documents or all copies reviewed;
- (p) where compliance with the terms and conditions of any Tenement and the provisions of the Mining Act including requirements necessary to maintain the Tenement in good standing, or a possible claim in relation to the Tenement by third parties is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim;
- (q) the Mining Act generally provides that certain dealings in relation to tenements are of no force prior to such dealing being approved and registered by the relevant authority. Notwithstanding that the parties to a registered dealing may have performed all of their obligations so that the relevant agreement has come to an end, it is not the practice to withdraw the agreement from the register. Accordingly, in many cases there are numerous dealings registered against tenements, many of which may be purely historical;
- (r) native title may exist in the areas covered by the Tenements. In relation to native title, whilst we have conducted searches to ascertain what native title claims, if any, have been lodged in the Federal Court and intersect the areas of the Tenements, we have not conducted any historical or anthropological investigations regarding the likely existence or non-existence of native title rights and interests in respect of those areas. Further since the NTA contains no sunset provisions preventing the future lodging of additional native title claims over the area of a Tenement, we give no assurances as to whether the current claims will remain on foot in the Federal Court of Australia or whether new and additional claims may be lodged over the same area;
- (s) Aboriginal heritage sites or objects as defined in the Aboriginal Heritage Act or under the Commonwealth Heritage Act may exist in the areas covered by the Tenements and yet not appear on the Register of Aboriginal Sites maintained by the DPLH or be the subject of declaration under the Commonwealth Heritage Act. We have not conducted independent archaeological or ethnographic surveys to ascertain the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements;
- (t) we have not conducted enquiries as to the current or historical land tenure underlying the areas of land the subject of the Tenements. In this regard, we are unable to express an opinion on the likelihood of native title rights and interests having been extinguished by previous land grants affecting part or all of the land the subject of the Tenements;
- (u) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Water and Environmental Regulation; and
- (v) we have not conducted searches of the State Heritage Register maintained by the Department of Planning, Lands and Heritage under the *Heritage of Western Australia Act 1990 (WA)*.

12. CONSENT AND DISCLOSURE OF INTEREST

This Report has been prepared, and is given, solely for the benefit of the Company and the Directors in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public documents or filed with any government body or other person without our prior written consent. Cardinals Lawyers and Consultants will be paid its normal and usual professional fees for the preparation of this Report. Except in respect of its professional fees and as otherwise disclosed in the Prospectus, Cardinals Lawyers and Consultants has no interest in the promotion of the Company. Cardinals Lawyers and Consultants consents to being named in the Prospectus as the authors of this Report. Cardinals Lawyers and Consultants has given, and has not before the lodgement of this Prospectus withdrawn, its consent to the inclusion of this Report in the Prospectus.

Yours sincerely



Cardinals

Lawyers and Consultants

| Tenement | Registered Holder | Shares/ Ownership | Status | Grant Date/ (Application Date) | Expiry Date | Area* | Annual Rent (\$AUD) | Minimum Annual Expenditure Condition (\$AUD) | Registered Encumbrances | Native Title Claims | Notes |
|------------|-------------------|-------------------|--------|--------------------------------|-------------|-------|---------------------|--|---|---------------------|--|
| E70/2733-I | Novarange Pty Ltd | 100% | Live | 05/12/2005 | 04/12/2021 | 11 BL | \$6,765 | \$70,000 | Caveat 412149 in favour of Giralda Resources Pty Ltd (consent caveat) | 35, 36 | 1, 2, 3, 4, 5, 6, 7, 19, 20, 21, 22, 23, 24, 25, 26, 27, 37, 38, 39 |
| E70/2784-I | Novarange Pty Ltd | 100% | Live | 15/11/2006 | 14/11/2021 | 25 BL | \$15,375 | \$75,000 | Caveat 412151 in favour of Giralda Resources Pty Ltd (consent caveat) | 35, 36 | 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 28, 29, 30, 31, 32, 33, 34, 37, 38, 39 |

NOTES

Endorsements

- 1 The licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
- 2 The licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
- 3 The licensee pursuant to the approval of the Minister for State Development under Section 111 of the Mining Act 1978 is authorised to explore for iron.
- 4 By approval the grant of this licence is amended to include Melbourne Lots 2 on Plan 8189 and M 1730 on Diagram 7695 to a depth of 30 metres from the natural surface.

- 5 By approval the grant of this licence is amended to include Melbourne Lots M1170 & 1171 on Plan 4474; M1118 on Diagram 4809; M1733 on Diagram 7684 and Melbourne Locations M1513 & M1633 on Cert of Title 2105 folio 440 to a depth of 30 metres from the natural surface.
- 6 By approval the grant of this licence is amended to include Melbourne Lots M1170 and M1171 on plan 4474 to a depth of 30 metres from the natural surface.
- 7 The land the subject of this Licence affects a Rare Flora site (including Rare Flora Sites 105175 and 105176) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Environment and Conservation for information on the management of Declared Rare Flora (or Priority Listed Flora) present within the tenement area.
- 8 The Licensee's attention is drawn to the provisions of the:
 - Aboriginal Heritage Act 1972 and any Regulations thereunder;
 - Waterways Conservation Act 1976 and any Regulations thereunder; and
 - Water and Rivers Commission Act 1995 and any Regulations thereunder;
- 9 The licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
- 10 The land the subject of this licence affects a Rare Flora sites (including Rare Flora Sites 86821 and 86824) declared under the Wildlife Conservation Act 1950. The Licensee is advised to contact the Department of Conservation and Land Management for detailed information on the management of Declared Rare Flora present within the tenement area.
- 11 The Licensee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorised to explore for iron.
- 12 By approval the grant of this licence is amended to include Melbourne Lots 2728 on Deposited Plan 87657, M1170 & M1171 on Plan 4474, M1118 on Diagram 4809, M1733 on Diagram 7684 and Locations 1513, 1547 & 1633 on Cert of Title 2105 folio 440 to a depth of 30 metres from the natural surface.
- 13 By approval the grant of this licence is amended to include Melbourne Locations 1963, 1967, 2731, 2732 & 1964 on Cert of Title 1184 folio 718 and M2733 & M2780 on Cert of Title 1108 folio 776; Lot 2538 on Deposited Plan 87116 to a depth of 30 metres from the natural surface.
- 14 By approval the grant of this licence is amended to include Melbourne Locations 1337 & 1369 on Cert of Title 1104 folio 257 to a depth of 30 metres from the natural surface.
- 15 By approval the grant of this licence is amended to include Melbourne Location 2733 and 2780 on Certificate of Title Volume 1108 Folio 776, Lot 2538 on Deposited Plan 87116, Locations 1871, 1872, 1963, 1964, 1967 and 2732 on Certificate of Title Volume 1184 Folio 718, Lot 2722 on Plan 87291, and Lot 2779 on Deposited Plan 87650 to a depth of 30 metres from the natural surface.

- 16 By approval the grant of this licence is amended to include Melbourne Lot 1 on Diagram 71297, Melbourne Lot 2740 on Deposited Plan 87652, Melbourne Lot 2787 on Deposited Plan 163038, Melbourne Lot 2731 on Certificate of Title Volume 1184 Folio 718 to a depth of 30 metres from the natural surface.
- 17 By approval the grant of this licence is amended to include Melbourne Lot 2728 on Deposited Plan 87657 to a depth of 30 metres from the natural surface.
- 18 By approval the grant of this licence is amended to include Melbourne Lots 1 and 2 on Diagram 67315 and Lots 2 and 3 on plan 12073 to a depth of 30 metres from the natural surface.

Conditions

- 19 All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
- 20 All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Industry and Resources (DoIR). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
- 21 All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
- 22 Unless the written approval of the Environmental Officer, DoIR is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
- 23 In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (*Phytophthora* sp) to the Director, Environment, DoIR for assessment and until his written approval has been received. All exploration activities shall then comply with the commitments made in the management plan.
- 24 The prior written consent of the Minister for State Development being obtained before commencing mining on Access to Water Reserve 24894, Recreation Reserve 31411, Water Supply Reserve 31992 and Yerecoin Townsite Boundary Reserve.
- 25 No interference with Geodetic Survey Station HD 6, MOORA 174T, 175, 175T 1, 176, UA51 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 26 No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
- 27 In respect to Railway Corridor Land 96 the following shall apply:

- a. No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land (RCL No. 95 and 96) as shown in TENGRAPH.
 - b. No surface excavation approaching closer to the boundary of the Safety Zone established by Condition (9) hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer, DoCEP.
 - c. Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition (9) hereof being approved by the State Mining Engineer, DoCEP in consultation with the operator of the railway on corridor land.
 - d. No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition (9) hereof without the prior approval of the operator of the railway on corridor land.
 - e. The licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition (9) hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer, DoCEP.
 - f. No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods Safety Branch, DoCEP.
 - g. The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.
 - h. Such further conditions as may from time to time be imposed by the Minister for State Development for the purpose of protecting the rail corridor land.
- 28 The prior written consent of the Minister for State Development being obtained before commencing mining on Recreation & Agriculture Showground Reserve 20121, Recreation & Sports Ground Reserve 26577, Parkland Reserve 43769, Water Supply Reserve 26211, Water Supply Purposes Reserve 33429, Railway Purposes Reserve 44315, Public Recreation Reserve 47082 & Calingiri & Wyening Townsites.
- 29 No interference with Geodetic Survey Station PERTH 140, 141, 142 & EB 2 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
- 30 No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface.
- 31 Mining within a radius of 150 metres of any Australian Telecommunications Commission microwave repeater station being confined to below a depth of 60 metres from the natural surface.
- 32 No interference with the Australian Telecommunications Commission microwave repeater station ray-line.

- 33 In relation to Railway Corridor Land 95 & 96 the following conditions apply:
- a. No mining within 30 metres of either side of the Rail Corridor Land as shown in TENGRAPH.
 - b. No surface excavation approaching closer to the boundary of the Safety Zone established by Condition (11) hereof than a distance equal to three times the depth of the excavation without the prior written approval of the State Mining Engineer.
 - c. Mining below the surface of the Safety Zone established in Condition (11) hereof being approved by the State Mining Engineer in consultation with the operator of the railway on corridor land.
 - d. No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition (11) hereof without the prior approval of the operator of the railway on corridor land.
 - e. The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition (11) hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of the State Mining Engineer.
 - f. No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the General Manager, Dangerous Goods Safety, DoIR.
 - g. The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.
 - h. Such further conditions as may from time to time be imposed by the Minister for State Development for the purpose of protecting the rail corridor land.
- 34 Consent to mine on Water Management Area 1 given subject to the following:
- a. All Mining Act tenement activities that will result in mud, earth, gravel, litter or other matter entering any waters are prohibited.
 - b. All Mining Act tenement activities that result in the placement of visually offensive materials on land near waterways is prohibited without permission of the relevant Waterways Management Authority.
 - c. Excavation of any land in any part of the bed of any waters below high water mark, whether or not that part is then covered by water is prohibited without approval from the Department of Environment.
 - d. Construction of drainage or use of drainage that discharges directly into waters is prohibited without appropriate licensing from the Department of Environment.
 - e. Launching of any boats or other craft directly from a trailer into any waters is prohibited except from privately owned land abutting on the waters; or at a launching place for that purpose approved by the Department of Environment.

- f. Discharge or permitting the discharge of oil from any boat or craft into any waters, whether by pumping out of a bilge, or by any other means is prohibited.
- g. Written notification, where practicable, of the time frame, type and extent of proposed ground disturbing activities being forwarded to the Department of Environment Ellam Street seven days prior to commencement of those activities.
- h. Any significant waterway (flowing or not), wetland or its fringing vegetation that may exist on site not being disturbed or removed without prior written approval from the Department of Environment.
- i. The rights of ingress to and egress from the Licence being at all reasonable times preserved to officers of the Department of Environment for inspection and investigation purposes.
- j. The storage and disposal of hydrocarbons, chemicals and potentially hazardous substances being in accordance with the Department of Environment's Guidelines and Water Quality Protection Notes.
- k. Unless permission is first obtained from the Department of Environment ground breaking activities are prohibited within the floodway and within a lateral distance of:
 - A. 50 metres from a perennial waterway; and
 - B. 30 metres from a seasonal waterway.
- l. All Mining Act tenement activities that will result in mud, earth, gravel, litter or other matter entering any waters are prohibited.
- m. All Mining Act tenement activities that result in the placement of visually offensive materials on land near waterways is prohibited without permission of the relevant Waterways Management Authority.
- n. Excavation of any land in any part of the bed of any waters below high water mark, whether or not that part is then covered by water is prohibited without approval from the Department of Environment.
- o. Construction of drainage or use of drainage that discharges directly into waters is prohibited without appropriate licensing from the Department of Environment.
- p. Launching of any boats or other craft directly from a trailer into any waters is prohibited except from privately owned land abutting on the waters; or at a launching place for that purpose approved by the Department of Environment.
- q. Discharge or permitting the discharge of oil from any boat or craft into any waters, whether by pumping out of a bilge, or by any other means is prohibited.

Native Title

- 35 This tenement is intersected by the Yued application for determination of native title (WAD6192/1998) (WC1997/071). The Yued native title claim is a registered claim but has not yet been determined as at the date of this Report.

- 36 The Tenements are wholly within the area of the Yued Indigenous Land Use Agreement. On 8 June 2015, six identical Indigenous Land Use Agreements (ILUAs) were executed across the South West by the Western Australian Government and, respectively, the Yued, Whadjuk People, Gnaala Karla Booja, Ballardong People, South West Boorah #2 and Wagyl Kaip & Southern Noongar groups, and the South West Aboriginal Land and Sea Council (SWALSC). From 8 June 2015 the Department of Mines, Industry Regulation and Safety (DMIRS) in granting Mineral, Petroleum and related Access Authority tenures within the South West Settlement ILUA areas, will place a condition on these tenures requiring a heritage agreement or a NSHA before any rights can be exercised.

Agreements

- 37 A summary of the Acquisition Agreement is set out in section 14.3 of the Prospectus.
- 38 A summary of the Shareholders Agreement is set out in section 14.4 of the Prospectus.
- 39 Summaries of the agreements giving rise to royalties payable to private persons in connection with the Tenements are set out in section 14.5 of the Prospectus which also refers to the Sale Deed dated 22 July 2016 under which Novarange purchased from Radar Iron Ltd ACN 146 455 576 (now known as Weebit Nano Ltd) (Weebit) a 100% interest in various tenements including the Tenements and agreed to assume all obligations of Weebit under private land access agreements supplied to Novarange on or before the date of the Sale Deed.

14. MATERIAL CONTRACTS

The full terms and conditions of contracts to which the Company is a party that may be material in terms of the Offer or the operations of the Company or that otherwise are or may be relevant to a potential investor in the Company are not set out in this Prospectus. However summaries of these contracts are set out in Section 9.5 and this Section 14. The Directors consider that the material contracts summarised in this Section 14 are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer. This Section 14 contains a summary of the material contracts and their material terms and conditions which are not otherwise disclosed elsewhere in this Prospectus.

These summaries are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts themselves.

14.1 Agreements with Related Parties

Details of the material terms and conditions of the agreements between the Company and the Directors or other related parties of the Company are set out in Section 9.5.

14.2 Lead Manager Mandate

On 29 April 2021, Canaccord Genuity (Australia) Limited (**Canaccord** or **Lead Manager**) and the Company entered into a lead manager agreement, whereby the Lead Manager agreed to provide capital raising services in relation to the Offer in return for a fee to be paid by the Company (**Lead Manager Mandate**).

The material terms and conditions of the Lead Manager Mandate are summarised below:

Canaccord will act as lead manager to the Company in relation to the Offer.

On the date of the Company's Admission to the Official List, the Company must pay the following fees (exclusive of GST) to Canaccord:

- a management fee of A\$60,000;
- a lead manager fee of 2.0% of the proceeds of the Offer; and
- a capital raising fee of 4.0% of the proceeds of the Offer.

In addition to the fees set out above, the Company has agreed to issue 1,500,000 Options to the Lead Manager at Completion which are exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission. These Options will equate to 1.5% of the issued capital of the Company (on a fully diluted basis) at the time of the Company's admission to the Official List. The Lead Manager will pay at its own cost any capital raising fee to other participating brokers it introduces. The Company will reimburse the Lead Manager for any reasonable out of pocket and travel expenses it incurs in connection with the Lead Manager Mandate.

If the Company terminates the Lead Manager Mandate the Company must pay the Lead Manager a withdrawal fee of up to \$60,000. The Company is not required to pay a withdrawal fee if the Company terminates the Lead Manager Mandate due to negligence, recklessness, breach, wilful misconduct or fraud by the Lead Manager, or if there is a failure to achieve the Minimum Subscription under the Offer.

The Company agrees to indemnify the Lead Manager from and against all claims, liabilities or losses arising out of or in connection with:

- the Lead Manager Mandate, the Prospectus or the Offer;

- any material non-compliance by the Company with any applicable laws, any misrepresentation or non-disclosure in the Prospectus, or any material breach by the Company to observe the Lead Manager Mandate;
- any review or investigation undertaken by ASIC, ASX or other public authority; and
- any advertising or publicity in relation to the Offer made by or with the written agreement of the Company,

except to the extent that they have resulted from the fraud, gross negligence or wilful breach of the terms and conditions set out in the Lead Manager Mandate, by the Lead Manager.

The Lead Manager Mandate may be terminated by the Lead Manager or the Company by written notice at any time with or without cause upon 7 days written notice to the other party.

The Lead Manager Mandate contains other standard terms and conditions which are customary in agreements of this type.

14.3 Acquisition Agreement

Under an agreement dated 27 April 2021, Burley has secured a binding option to acquire 70% of the issued capital of Novarange (**Sale Interest**) which owns 100% of the Yerecoin Project (comprising the Tenements) near New Norcia, in Western Australia (**Acquisition Agreement**). Burley has paid an option fee of \$65,000 (excluding GST) plus a monthly fee of \$10,000 (excluding GST) to the Vendors from April 2021 until the sooner of (i) the option expiry on 29 October 2021 (ii) completion of the sale and purchase to the Vendors (**Option Period**). Burley has exclusivity to acquire the Sale Interest during the Option Period. The material terms and conditions of the Acquisition Agreement are summarised below.

Under the Acquisition Agreement Burley has provided standard representations, warranties and undertakings that are customary for option, share sale and purchase agreements of this kind.

It is a condition precedent to the completion of the sale and purchase under the Acquisition Agreement (**Novarange Acquisition Completion**) that, Burley and the Vendors enter into a shareholders agreement (summarised in Section 14.4 below) in respect of Novarange under which, amongst other things, the Vendors will have a free carried interest in the funding of Novarange until the completion of a Bankable Feasibility Study (as that term is defined in the Acquisition Agreement) in respect of the Tenements. From completion of a Bankable Feasibility Study, the Vendors will be required to fund Novarange in their respective proportionate interest or have their interest in Novarange converted into a 1.5% net smelter return royalty on terms and conditions set out in the Shareholders Agreement.

Other conditions precedent to the Novarange Acquisition Completion are, amongst other conditions, Burley receiving conditional approval from the ASX for the admission of the Company to the Official List on conditions reasonably acceptable to Burley. On the date of the Novarange Acquisition Completion Burley must provide the following consideration:

- (a) a total cash payment to the Vendors (and/or their nominees) of \$100,000 (**Completion Payment**) provided always that if a public authority prevents any portion of the Completion Payment being made in cash, the Company must satisfy the Completion Payment by the issue and allotment of 500,000 Shares, at an issue price of \$0.20 per Share, on the date of Novarange Acquisition Completion; and
- (b) the issue to the Vendors of 20,000,000 Shares (**Completion Shares**).

In addition, following Novarange Acquisition Completion, Burley is liable to the Vendors for the following deferred consideration (totalling up to \$4,500,000) if Burley achieves the following corresponding milestones in relation to the Project:

- (a) a total payment of \$1,000,000 within 30 business days after the completion by Burley of a successful Preliminary Feasibility Study (as defined in the Acquisition Agreement) that demonstrates extraction of minerals from the

Tenements to be viable under reasonable financial assumptions (**First Deferred Payment**);

- (b) a total payment of \$1,000,000 within 30 business days after the grant of a mining lease under the Mining Act over all of the iron ore resource identified within the Tenement area as at 29 October 2020 (**Commencement Date**) (**Second Deferred Payment**);
- (c) a total payment of \$2,500,000 within 30 business days after the first occasion of commercial iron ore production from the Tenements provided always that if this production milestone is achieved within two (2) years of the date that the ASX admits Burley to the Official List, this payment will only be payable 30 business days after the expiration of that two (2) year period (**Third Deferred Payment**),

and the First Deferred Payment, Second Deferred Payment and Third Deferred Payment are collectively referred to as the **Deferred Payments**.

It is a condition of each of the Deferred Payments that:

- (a) any that may become due and payable pursuant to any of the above milestones must only be satisfied by the issue and allotment of Shares
- (b) each of the Deferred Payments will only become due and payable in the event that the relevant milestone is met in respect of one or both of the Tenements within five (5) years from the Commencement Date;
- (c) each of the respective milestones that must be achieved before each of the Deferred Payments can be made must not be amended, modified or waived without the prior approval of Shareholders. The Company will also be required to seek the prior approval of the ASX;
- (d) the number of Shares to be issued to satisfy any of the Deferred Payments will be calculated by dividing the amount of the corresponding Deferred Payment by the higher of:
 - (i) the volume weighted average price for Shares traded on the ASX over the 15 trading days prior to the date on which the Deferred Payment becomes due and payable;
 - (ii) \$0.15 (**Floor Price**).

As a result of the Deferred Payments being required to be settled in Shares, the Deferred Payments are treated as “performance securities” by the ASX.

Refer to Section 15.5(c) for an explanation of why the Performance Securities are proposed to be issued by the Company for the Novarange acquisition.

Refer to Section 12 for the Independent Expert’s Report on the proposed issue of the Performance Securities by the Company, which contains the advantages and disadvantages of the proposed issue.

Accordingly the Acquisition Agreement provides that until Shares (if any) are issued by Burley to satisfy any of the Deferred Payments, the obligation to make the Deferred Payments does not confer on the Vendors:

- (a) any right to vote,
- (b) any entitlement to a dividend, whether fixed or at the discretion of the Directors;
- (c) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
- (d) any right to participate in the surplus profit or assets of Burley upon a winding up; and
- (e) any right to participate in new issues of Burley’s securities such as bonus issues or entitlement issues.

If any Shares are issued under the Acquisition Agreement to satisfy the consideration payable by Burley, including Shares issued to satisfy the Deferred Payments, are 'restricted securities' for the purposes of the Listing Rules, the issue of any Shares is subject to delivery by each Vendor of a duly executed original copy of a restriction agreement prepared by Burley in the form required by the Listing Rules (Restriction Agreement) and each Vendor must observe the requirements of the Listing Rules governing the Shares so issued.

The entitlement of each Vendor to the Performance Securities or Deferred Payments is set out below assuming a maximum conversion at the Floor Price of \$0.15 and assuming a VWAP of \$0.45.

| Name of Holder of Performance Securities | Maximum number of shares into which the Performance Securities can convert assuming a conversion price of \$0.15 - the Floor Price⁽¹⁾ | Number of shares into which the Performance Securities can convert assuming a conversion price of \$0.30 | Number of shares into which the Performance Securities can convert assuming a conversion price of \$0.45 | Percentage of Total Performance Securities (%) |
|---|---|---|---|---|
| Widerange | 6,750,000 | 3,375,000 | 2,250,000 | 22.5% |
| Kingsreef | 6,750,000 | 3,375,000 | 2,250,000 | 22.5% |
| Gurravembi | 6,750,000 | 3,375,000 | 2,250,000 | 22.5% |
| Rocket Science | 6,750,000 | 3,375,000 | 2,250,000 | 22.5% |
| Seamist | 3,000,000 | 1,500,000 | 1,000,000 | 10.0% |
| TOTAL | 30,000,000 | 15,000,000 | 10,000,000 | 100% |

(1) The Floor Price of \$0.15 is the lowest price that can be used to convert the Performance Securities into Shares.

14.4 Novarange Shareholders' Agreement

Burley, each of the Vendors and Novarange have entered into a shareholders' agreement dated 27 April 2021 (**Shareholders Agreement**) which sets out the terms and conditions under which the Shareholders regulate their rights and obligations in respect of the operation and funding of Novarange, including the development of the Project. The Shareholders' Agreement is the formal shareholders agreement referred to in the Acquisition Agreement as a condition precedent to Novarange Acquisition Completion.

The material terms and conditions of the Shareholders Agreement are summarised below.

(Commencement): The substantive obligations of the parties under the Shareholders Agreement are conditional on the Novarange Acquisition Completion.

(Shareholders Agreement Paramount): If there is any inconsistency between the Shareholders Agreement and the Novarange constitution, the Shareholders Agreement prevails and the Novarange constitution will be amended to remove any inconsistency.

(Shareholdings): The initial shareholdings in Novarange are:

| Name of Shareholder | Number of Novarange Shares held | Percentage Shareholding in Novarange |
|---------------------|---------------------------------|--------------------------------------|
| Burley | 7,000 | 70.00% |
| Widerange | 675 | 6.75% |
| Kingsreef | 675 | 6.75% |
| Gurravembi | 675 | 6.75% |
| Rocket Science | 675 | 6.75% |
| Seamist | 300 | 3.00% |
| TOTAL | 10,000 | 100% |

(Directors and Fees): Burley is entitled to appoint three (3) directors to the board of Novarange. The Vendors collectively are entitled to appoint one (1) director so long as they collectively hold greater than 10% in Novarange. The Novarange chairman will be a nominee of Burley, and will have a casting vote in addition to any deliberative vote. No Novarange directors shall be paid any fees but shall be entitled to be reimbursed for all out of pocket expenses properly incurred.

(Board Quorum): Two (2) directors (one being a nominee of Burley and the other being a nominee of the Vendors) are required to achieve a quorum.

(Board and Shareholder Resolutions): Decisions of the board and shareholders are to be made by simple majority except for certain resolutions, e.g. changing Novarange's constitution or business require a special resolution of 75% or more.

(Default): A Defaulting Party is not entitled to attend or to vote at any meeting of the board or shareholders, nor will be necessary to form a quorum at any board or shareholders meeting, until the relevant default has been remedied.

(Deadlock Provisions): In the case of a deadlock of the decisions of the board or the shareholders, any Shareholder may refer the matter the subject of the deadlock to a panel of executives of each shareholder. If the panel is unable to resolve any dispute, the Board must refer the dispute to an appropriate expert.

(New securities issues): If the Board proposes to issue shares or other securities they must first be offered to the Shareholders (who are not in default) pro rata to their existing shareholdings.

(Manager): Burley will be the manager of Novarange unless it resigns on 30 days' notice or by special resolution of the board. It can be removed if it has defaulted in a material respect due to its gross negligence or wilful default and fails to remedy the default. The manager will be entitled to recover all direct costs plus 10% for administrative overheads.

(Sole Funding Period): Burley will sole fund Novarange, and the interests of the Vendors will be free carried, until the completion of a Bankable Feasibility Study in respect of all or part of the Project area upon which Novarange makes a decision to mine.

(Programmes and Budgets): After the Sole Funding Period ends Burley as manager will propose six monthly programs and budgets for the conduct of operations and will carry out such programs as are approved by the Novarange board.

(Contributions after Sole Funding Period): After the conclusion of the Sole Funding Period, each Novarange shareholder will contribute to funding in accordance with its respective participating share. If within 60 days after a decision to mine the Vendors elect not to contribute they will be deemed to have sold their participating share in Novarange to Burley for no consideration other than a NSR Royalty (defined below). If the Vendors agree to contribute the shareholders agree to negotiate a production shareholders agreement

which will include that no dilution is permitted and a shareholder cannot elect to not contribute to any approved program and budget.

(NSR Royalty): Means a 1.5% net smelter return royalty for minerals from treating ore commercially mined from the Project area payable quarterly where the net smelter return is "Gross Revenue" reduced by the "Allowable Charges", as those terms are defined in the Shareholders Agreement.

(Drag Along): If shareholders holding at least 70% of the Novarange shares accept an offer from a third party offeror, the offeror may extend that offer to any or all other shareholders at the same price per share or can oblige them to accept the offer.

(Default Purchase Option): If a shareholder defaults under the Shareholders Agreement then the non-defaulting parties have the option to acquire all of the defaulting party's shares. If the defaulting party is Burley, the purchase price payable will be 90% of the value of its shares and If the defaulting party is the Vendors, the purchase price payable will be the NSR Royalty.

(Assignment): If any Vendor not in default and wishes to transfer all or any of its participating share, it must first offer to assign the participating share to Burley upon the same terms. Burley may assign the whole or part of its participating share to a third party by providing notice in writing to the Vendors.

14.5 Royalty Agreement Obligations

The material terms and conditions of the royalties Novarange is obliged to pay in connection with the Yerecoin Project are summarised below.

(a) **Royalty payable to Radar Iron Ltd (now known as Weebit Nano Ltd) and other assumed obligations**

Under a Sale Deed dated 22 July 2016 Novarange purchased from Radar Iron Ltd ACN 146 455 576 (now known as Weebit Nano Ltd) (**Weebit**) a 100% interest in various tenements including the Tenements. The purchase consideration for that project included an obligation by Novarange to make a one off payment of \$0.05 per tonne on reserve tonnes at the commencement of economic mining from the Tenements, or any substitution or replacement of the Tenements. Novarange also agreed to assume certain third party obligations in respect of the Tenements comprising the Giralia Royalty (defined in Section 14.4(b) below) and to indemnify Weebit for any loss it suffers with respect to that royalty. Novarange also agreed to assume all obligations of Weebit under private land access agreements supplied to Novarange on or before the date of the Sale Deed.

(b) **Royalty payable to Giralia Resources Pty Ltd ACN 009 218 204**

Under a Tenement Sale Agreement dated 23 December 2011 between Cliffs Magnetite Holdings Pty Ltd ACN 154 802 918 (**Cliffs**) and Giralia Resources Pty Ltd ACN 009 218 204 (**Giralia**) (**Giralia Sale Agreement**), as varied by a Deed of Variation dated 30 January 2012, Giralia agreed to sell and Cliffs agreed to purchase assets, which included the Tenements, for a consideration that included the Giralia Royalty (defined below).

Under the Giralia Sale Agreement Cliffs agrees to pay Giralia, within 30 days of a decision to commence mining operations on the Tenements, amounts equal to:

1. \$0.10 per tonne for each tonne of magnetite proven in a Reserve (defined below) within the Tenements or, if not proven in Reserve, mined or to be mined as a Resource (defined below), exceeding 187,000,000 tonnes; and
2. \$0.50 per tonne for each tonne of direct shipping hematite iron ore proven in a Reserve within the Tenements, or if not proven in Reserve, mined or to be mined as a Resource, exceeding 5,000,000 tonnes,

(the **Giralia Royalty**).

Giralia acknowledges and agrees that Cliffs' liability under the Giralia Royalty (now assumed by Novarange) is limited to a maximum of 200,000,000 tonnes of Reserve or tonnes mined or to be mined as a Resource. For the purposes of the Giralia Royalty the following terms are defined in the Giralia Sale Agreement:

"Reserve" has the same meaning as that given to "Probable Ore Reserve" or "Proven Ore Reserved" in JORC 2012.

"Resource" has the same meaning as that given to "Inferred Mineral Resource", "Indicated Mineral Resource" or "Measured Mineral Resource" in JORC 2012.

By an agreement dated 17 April 2014 Weebit acquired various tenements from Cliffs, which included the Tenements, and Weebit agreed to assume the obligations and liabilities of Cliffs under the Giralia Sale Agreement. By a Deed of Assumption and Consent in 2014 between Cliffs, Weebit, Giralia and others, Weebit assumed the obligations and liabilities of Cliffs and others which included the Giralia Royalty, and Giralia consented to this assumption. Under that deed Weebit agreed to indemnify Cliffs and other certain parties for any losses and liabilities that may result from, or which Cliffs or other certain parties may incur as a result of, Weebit's failure to fulfil the assumed liabilities and obligations.

By a Deed of Assumption and Consent dated on or about 8 May 2017 between Novarange, Giralia and Weebit, Novarange agreed to assume all of the obligations and liabilities of Weebit under the Giralia Sale Agreement. including the Giralia Royalty, and Giralia consented to this assumption.

15. ADDITIONAL INFORMATION

15.1 Incorporation

The Company was incorporated in Western Australia on 29 October 2020 under the Corporations Act as a public company limited by shares. The Company is taxed in Australia as a public company. The Financial Year of the Company ends on 30 June annually.

15.2 Litigation

As at the date of this Prospectus, neither the Company nor Novarange are involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company or Novarange.

15.3 Ownership Restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 15.3 contains a general description of these laws.

Foreign Acquisitions and Takeovers Act 1975 (Cth) and Commonwealth Government Foreign Investment Policy

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**).

Where a proposed acquisition of a Substantial interest or Aggregate Substantial interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Commonwealth Treasurer and the Commonwealth Treasurer has either stated that there is no objection to the proposed acquisition in terms of Australia's Foreign Investment Policy (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a Substantial interest or an Aggregate Substantial interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, have passed. Criminal offences and civil penalties can apply to failing to give notification of certain acquisitions, undertaking certain acquisitions without no objection notification or contravening a condition in a no objection notification.

In addition, in accordance with Australia's Foreign Investment Policy, proposed acquisitions of a direct investment in an Australian company by foreign government investors and their associates must be notified to the Foreign investment review Board for prior approval, irrespective of the value of the investment. According to Australia's Foreign Investment Policy, a direct investment will typically include any investment of 10% or more of the shares (or other securities or equivalent interest or voting power) in an Australian company but may also include investment of less than 10% where the investor is building a strategic stake in the target or obtains potential influence or control over the target. There are exemptions which can apply to certain acquisitions.

Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of Relevant Interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer's (or another party's) voting power in that company would increase from 20% or below to more than 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply.

The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or together with their associates.

15.4 Selling Restrictions

This Prospectus and the Offer does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation, or to issue this Prospectus. No action has been taken by the Company to register or qualify the Shares the subject of this Prospectus or the Offer, or to otherwise permit a public offering of the Shares the subject of this Prospectus, in any place or jurisdiction outside of Australia. The distribution of this Prospectus (including in electronic form) in places or jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares offered under this Prospectus, and you should consult your professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals or consents have been obtained.

Applicants outside Australia should refer to Section 6.19 for more detail on selling and distribution restrictions that apply to the Offer and sale of Shares in any place or jurisdiction outside Australia.

15.5 Rights attaching to Securities

(a) Shares and Company's Constitution

The New Shares offered for subscription under this Prospectus will rank equally with the existing issued Shares of the Company. A summary of the rights, liabilities, privileges and restrictions attaching to the Shares under the Offer, and a description of other material provisions of the Constitution, are set out below. This summary is qualified by the full terms of the Constitution and is not exhaustive nor is it a definitive statement of the rights and liabilities of Shareholders. For a Shareholder to obtain a definitive assessment of the rights, liabilities, privileges and restrictions which attach to the Shares in any specific circumstances, the Shareholder should seek independent legal advice. The rights and liabilities attaching to Shares are set out in the Constitution and in certain circumstances are regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules, other statutory law and general law. A copy of the Constitution is available for inspection at the Company's registered office during normal business hours. The summary assumes that the Company is admitted to the Official List and Quotation occurs.

(i) General meetings and Notice of Meetings

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

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

(ii) Voting rights

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

- (A) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (B) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (C) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid

Share held by him, or in respect of which he or she is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call will be ignored when calculating the proportion.

(iii) Dividend rights

Subject to the rights of persons (if any) entitled to Shares with special rights to a dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the Shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company, subject to the Corporations Act. Subject to the rights of persons (if any) entitled to Shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the Shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim. The Directors may deduct from any dividend payable to a Shareholder all sums of money (if any) presently payable by that Shareholder to the Company on account of calls or otherwise in relation to Shares.

(iv) Winding-up

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other Securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to Shareholders, Shares classified by the ASX as restricted securities (as that term is defined in the Listing Rules) at the time of the commencement of the winding up shall rank in priority after all other Shares.

(v) Transfer of Shares

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

Directors may refuse to register any transfer of Shares, other than a market transfer, where permitted or required by the Listing Rules or the ASTC Settlement Rules (superseded by the ASX Settlement Operating Rules) or where the transfer would breach the Listing Rules. Where the Directors exercise their right to refuse a transfer, they must give written notice in accordance with Listing Rules to the transferee and lodging broker (if any). Failure to give notice will not invalidate the decision of the Directors. The Company must not refuse to register or give effect to or delay or in any way interfere with the registration of a market transfer where to do so would be contrary to the Listing Rules or any of the ASX Settlement Operating Rules.

(vi) Variation of rights

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

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class, subject to sections 246B to 246E of the Corporations Act.

(vii) Shareholder Liability

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

(viii) Future Increases in Capital

The issue of any Shares is under the control of the Directors. Subject to restrictions on the issue of Shares to Directors or their associates, the ASX Listing Rules, the Constitution and the Corporations Act, the Directors may issue or otherwise dispose of Shares on such terms and condition as they see fit.

(ix) Alteration to the Constitution

In accordance with the Corporations Act, 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 to Shareholders.

(x) ASX Listing Rules

If the Company is admitted to the Official List, notwithstanding 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.

(b) Options

The Company has issued a total of 8,500,000 Options where:

- (i) 6,500,000 Options are exercisable at \$0.30 per Share on or before the date that is two (2) years from Admission; and
- (ii) 2,000,000 Options are exercisable at \$0.45 per Share on or before the date that is three (3) years from Admission.

Pursuant to the terms and conditions of the Lead Manager Mandate, the material terms and conditions of which are summarised in Section 14.3, at Completion the Company is required to issue the Lead Manager 1,500,000 Options exercisable at \$0.30 each on or before the date that is two (2) years from Admission.

No application will be made for official quotation of the Options by the ASX in accordance with the Listing Rules.

Apart from the exercise price and expiry date which have been set out above, each Option entitles the holder to subscribe for a Share on the following terms and conditions:

(i) **Entitlement**

Each Option entitles the holder to subscribe for one fully paid ordinary Share in the Company upon exercise of the Option.

(ii) **Expiry Date**

An Option not exercised before its expiry date will automatically lapse on the expiry date.

(iii) **Exercise Period**

The Options are exercisable at any time on or prior to the expiry date (**Exercise Period**).

(iv) **Notice of Exercise**

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

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

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

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

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

(vi) **Shares issued on exercise**

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

(vii) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of Options are to be changed in a manner consistent

with the Corporations Act and the Listing Rules at the time of the reconstruction.

(viii) **Participation in new issues**

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

(ix) **Change in exercise price**

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

(x) **Quotation**

The Company will not seek official quotation of the Options by the ASX in accordance with the Listing Rules.

(c) **Performance Securities (or Deferred Payments under Acquisition Agreement)**

ASX In Principle Approval

The Company has applied to ASX for, and ASX has granted the Company, in principle approval to have the Performance Securities on issue at Listing, subject to complying with certain conditions imposed by ASX.

Full terms and conditions of the Performance Securities are contained below in this Section 15.5(c) which also contains an explanation of:

- (i) why the Performance Securities are being issued to the Vendors, including the commercial goals the Company is trying to achieve, and the risks it is trying to manage, by imposing the relevant performance milestones;
- (ii) details of how the Company determined the number of Performance Securities to be issued to the Vendors and why it considers that number to be appropriate and equitable' and
- (iii) any relationship the recipient of the Performance Securities or an associate of the recipient has with the entity.

No application will be made for official quotation of the Performance Securities by the ASX in accordance with the Listing Rules.

Milestones for Deferred Payments

Following completion of the purchase of the 70% of the total issued share capital in Novarange under the Acquisition Agreement, Burley is liable to the Vendors for the following deferred consideration (totalling up to \$4,500,000) if Burley achieves the following corresponding milestones (**Milestones**) in relation to the Project:

- (a) a total payment of \$1,000,000 within 30 business days after the completion by Burley of a successful Preliminary Feasibility Study (as defined in the Acquisition Agreement) that demonstrates extraction of minerals from the Tenements to be viable under reasonable financial assumptions (**First Deferred Payment**);
- (b) a total payment of \$1,000,000 within 30 business days after the grant of a mining lease under the Mining Act over all of the iron ore resource identified within the Tenement area as at the Commencement Date (**Second Deferred Payment**);
- (c) a total payment of \$2,500,000 within 30 business days after the first occasion of commercial iron ore production from the Tenements provided always that if this production milestone is achieved within two (2) years of the date that the

ASX admits Burley to the Official List, this payment will only be payable 30 business days after the expiration of that two (2) year period (**Third Deferred Payment**),

and the First Deferred Payment, Second Deferred Payment and Third Deferred Payment are collectively referred to as the **Deferred Payments**.

As a result of the Deferred Payments being required to be settled in Shares, the Deferred Payments are treated as “performance securities” by the ASX.

Terms and Conditions of the Deferred Payments or Performance Securities

It is a condition of each of the Deferred Payments or Performance Securities that:

- (a) any Deferred Payment that may become due and payable pursuant to any of the Milestones must only be satisfied by the issue and allotment of Shares
- (b) each of the Deferred Payments will only become due and payable in the event that the relevant Milestone is met in respect of the Tenements within five (5) years from the Commencement Date;
- (c) each of the respective Milestones that must be achieved before each of the Deferred Payments can be made must not be amended, modified or waived without the prior approval of Shareholders. The Company will also be required to seek the prior approval of the ASX;
- (d) the number of Shares to be issued to satisfy any of the Deferred Payments will be calculated by dividing the amount of the corresponding Deferred Payment by the higher of:
 - (2) the volume weighted average price for Shares traded on the ASX over the 15 Trading Days prior to the date on which the Deferred Payment becomes due and payable;
 - (3) \$0.15 (**Floor Price**); and
- (e) until Shares (if any) are issued by Burley to satisfy any of the Deferred Payments, the obligation to make the Deferred Payments does not confer on the Vendors:
 - (i) any right to vote,
 - (ii) any entitlement to a dividend, whether fixed or at the discretion of the Directors;
 - (iii) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise;
 - (iv) any right to participate in the surplus profit or assets of Burley upon a winding up; and
 - (v) any right to participate in new issues of Burley’s securities such as bonus issues or entitlement issues.

Restricted securities

If any Shares are issued under the Acquisition Agreement to satisfy the consideration payable by Burley, including Shares issued to satisfy the Deferred Payments, are ‘restricted securities’ for the purposes of the Listing Rules, the issue of any Shares is subject to delivery by each Vendor of a duly executed original copy of a restriction agreement prepared by Burley in the form required by the Listing Rules and each Vendor must observe the requirements of the Listing Rules governing the Shares so issued.

Relationship of the Vendors to the Company

None of the Vendors or any of their associates are directors of the Company or are otherwise Related Parties of the Company. Furthermore, none of those persons will take part in the management of Burley other than a single representative of the Vendors will remain as a non-executive director of Novarange.

Reasons for the issue of the Performance Securities and their number

The issue of the Performance Securities is consistent with the commercial objectives of the Company disclosed in this Prospectus and the risks it seeks to manage by imposing Milestones for the conversion of the Performance Securities into Shares. The Board believes in the future potential viability of the Yerecoin Project. The Board is of the view that the general level of iron ore prices has the ability to remain strong into the near to medium term. By minimising the number of Shares on issue it can maximise the leverage and potential upside of the Project achievable from exploration success.

To minimise the risk of entering into the Acquisition Agreement and reducing the initial dilution for Shareholders at Listing, a structure incorporating a large part of the consideration payable across the achievement of three (3) Milestones should result in minimising dilution. The Company's ultimate goal from entering into the Acquisition is for commercial success through economic production from the Yerecoin Project, hence why the Milestones have been directly linked to key Project deliverables.

The Iron Ore Fines 62% Fe CFR price has varied from US\$62 per tonne to US\$216.50 per tonne as at 20 May 2021, over the last 4 years. The level of this price in the future will significantly affect the development prospects and potential future cash flow from the Project.

Each Milestone required to be achieved before each of the three (3) Deferred Payment are specific and considered milestones that genuinely test the performance of the Project, and are designed to be value accretive to Security holders.

The negotiation by the Company of a large portion (51.8%) of the total consideration in Deferred Payments with Milestones, minimises dilution and is only payable when more value is likely created for Shareholders i.e. as the respective Milestones attached to each Deferred Payment are likely to be value accretive. In particular the \$2,500,000 Third Deferred Payment comprises 55.6% of the total Deferred Payments, and is only payable on reaching commercial production within the period, as for all Milestones, of five (5) years from the Commencement Date.

If the iron ore price falls significantly or any of the Milestones are not met within five (5) years from the Commencement Date, the Vendors' total consideration will be reduced, and significantly so if the Third Deferred Payment commercial production Milestone is not achieved. This also significantly reduces the risk of dilution to shareholders. It is expected that as Milestones are achieved, the price at which the Shares trade on the ASX should also increase. If the Performance Securities convert into Shares at a higher price than the \$0.15 floor price specified in the Acquisition Agreement i.e. the volume weighted average price for Shares traded on the ASX over the 15 trading days prior to the date on which the Deferred Payment becomes due and payable then the number of Shares to be issued on conversion will reduce.

The Board believes that it that the use of performance securities is an equitable, appropriate and optimal course to acquire the Project for the benefit of the Company.

Independent Expert's Report

Section 12 contains the Independent Expert's Report on the proposed issue of the Performance Securities. Potential investors should read this report in full.

The Independent Expert has opined that the proposed issue at Listing is not fair but reasonable to non-participating Security holders at Listing.

Potential investors should read the Independent Expert's Report contained in Section 12 in full.

The Independent Expert's Report has set out the respective advantages and disadvantages of the proposed issue of the Performance Securities which are summarised below:

Advantages

Achievement of each of the Milestones is likely to be value accretive to Burley

The Deferred Payments (the **Performance Securities**) payable upon meeting a Milestone is structured in such a way as to align the interests of Security holders, Burley, and the Vendors

The Deferred Payments are in the form of equity, allowing Burley to preserve cash raised under the Offer to progress the Yerecoin Project.

The Deferred Payments are calculated using a disclosed conversion formula which caps the maximum issue of the Performance Securities at 30,000,000.

Agreement on the Deferred Payments results in exposure to a potentially economically viable project

Disadvantages

Potential dilution of Shareholders' interests if a Milestone is met and Performance Securities issued

The Vendors have a free-carried interest in the Yerecoin Project

15.6 Securities Incentive Plan

A summary of the terms and conditions of the Burley Minerals Ltd Securities Incentive Plan (**Plan**) is set out below:

(a) **(Eligible Participant):** Eligible Participant means a person that:

- (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); or
- (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.

(b) **(Purpose):** The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
- (ii) link the reward of Eligible Participants to Shareholder value creation;
- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities; and
- (i) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

(c) **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

(d) **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company.

The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (h) **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. More than one signed Notice of Exercise can be delivered by a Participant in relation to a holding of Convertible Securities from the date of a Vesting Notice until the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

- (j) **(Forfeiture or non forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest or remain non forfeited.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

Good Leaver Where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Good Leaver, unless the Board determines otherwise vested Convertible Securities that have not been exercised will continue in force and remain exercisable until the Expiry Date and unvested Convertible Securities will be forfeited unless the Board determines otherwise. A Good Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) who ceases employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where an Eligible Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

A Bad Leaver Unless the Board determines otherwise, where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Bad Leaver unvested Convertible Securities will be forfeited and vested Convertible Securities that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant in accordance with clause 10. A Bad Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Eligible Participant's employment or engagement is terminated, or the Eligible Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a Group Company and the Eligible Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Eligible Participant's contract of employment or engagement or office, or at common law; (ii) the Eligible Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Eligible Participant's employment contract; or (iii) the Eligible Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 (disqualification from managing corporations) of the Corporations Act.

Discretion The Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the

Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

- (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended

for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

15.7 Interests of Directors

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

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; and
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or a proposed Director:

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

15.8 Interests of Experts and Advisers

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

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- promoter of the Company,

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

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; and
- the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- the formation or promotion of the Company; or
- the Offer.

FRM Geological Services has acted as Independent Geologist and has prepared an Independent Technical Assessment Report on the Tenements which has been included in Section 10. The Company estimates it will pay FRM Geological Services approximately \$17,500 plus GST for these services. During the 24 months preceding lodgement of this

Prospectus with ASIC, FRM Geological Services has received no other fees from the Company.

Bentleys Audit and Corporate (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which has been included in Section 11. The Company estimates it will pay approximately \$9,500 plus GST and disbursements for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Bentleys Audit and Corporate (WA) Pty Ltd has and/or is entitled to receive other fees of \$12,500 from the Company for audit and consulting services. Further amounts may be paid to Bentleys (WA) Pty Ltd in accordance with its normal time-based charges.

BDO Corporate Finance (WA) Pty Ltd has acted as Independent Expert and has prepared an Independent Expert's Report has been included in Section 12. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd approximately \$30,000 plus GST and disbursements for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, BDO Corporate Finance (WA) Pty Ltd has received no other fees from the Company for services. Further amounts may be paid to BDO Corporate Finance (WA) Pty Ltd in accordance with its normal time-based charges.

Cardinals Lawyers and Consultants has acted as the solicitors to the Company in relation to the Offer and has prepared the Solicitors' Report on Tenements which has been included in Section 13. The Company estimates it will pay Cardinals Lawyers and Consultants approximately \$75,000 plus GST and disbursements for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Cardinals Lawyers and Consultants has received other fees of \$40,000 plus GST from the Company for legal services. Further amounts may be paid to Cardinals Lawyers and Consultants in accordance with its normal time-based charges.

Canaccord Genuity (Australia) Limited has acted as Lead Manager to the Offer and will receive those fees set out in Section 14.2 following the successful completion of the Offer for its services as the Lead Manager to the Offer. Further details in respect to the Lead Manager Mandate are summarised in Section 14.2. During the 24 months preceding lodgement of this Prospectus with the ASIC, Canaccord Genuity (Australia) Limited has not received fees from the Company for any other services.

Advanced Share Registry Services has been appointed as the Company's Share registry and will be paid for these services on normal commercial terms.

15.9 Consents

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

Each of the parties referred to in this Section:

- (a) does not make the Offer;
- (b) has not authorised or caused the issue of this Prospectus;
- (c) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statement included in or omitted from this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 15.9.

FRM Geological Services has given its written consent to being named as the Independent Geologist to the Company in this Prospectus, to the inclusion of the Independent Technical Assessment Report in Section 10 in the form and context in which the report is included and to its Competent Person's Statement in Section 2.8. FRM Geological Services has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Bentleys (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 11 in the form and context in which the report is included. Bentleys (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

BDO Corporate Finance Pty Ltd has given its written consent to being named as Independent Expert in this Prospectus and to the inclusion of the Independent Expert's Report in Section 12 in the form and context in which the report is included. BDO Corporate Finance Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Cardinals Lawyers and Consultants has given its written consent to being named as Solicitors to the Offer in this Prospectus and to the inclusion of the Solicitors' Report on Tenements in Section 13 in the form and context in which the report is included. Cardinals Lawyers and Consultants has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Canaccord Genuity (Australia) Limited has given its written consent to be named as the Lead Manager to the Offer in this Prospectus. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

15.10 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$664,215 at Full Subscription and are expected to be applied towards the items set out in the table below:

| Item of Expenditure | Amount (\$) At Full Subscription of \$6,000,000 |
|---|--|
| ASIC fees | 3,206 |
| ASX fees | 79,259 |
| Broker fees* | 360,000 |
| Lead Manager Fee | 60,000 |
| Independent Limited Assurance Report | 9,500 |
| Legal Expenses | 75,000 |
| Independent Technical Assessment Report | 17,500 |
| Independent Expert's Report | 30,000 |
| Printing, Distribution and other | 29,750 |
| TOTAL | \$664,215 |

* See Section 14.2 for details of various fees payable by the Company to the Lead Manager and by the Lead Manager to certain brokers. The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed to any licensed securities dealers or Australian Financial Services licensee in respect of applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee.

15.11 Continuous Disclosure Obligations

Following the admission of the Company to the Official List, the Company will be a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all ASX listed companies, the Company will be required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies).

Price sensitive information will be publicly released through the ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

15.12 Financial Forecasts and Cashflow Projections

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and consider that they do not have a reasonable basis to forecast future earnings for the Company. Given the speculative nature of mineral exploration and the early stage of the Project there are significant uncertainties associated with the future revenue earning potential of the Company and the timing and sustainability of the cash flow. On the basis of these inherent uncertainties, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that the Directors believe that reliable best estimate forecasts cannot be prepared and accordingly have not included forecasts or projection in this Prospectus.

15.13 Governing Law

This Prospectus and the contracts that arise from the acceptance of Applications are governed by the law applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

15.14 Privacy Statement

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

If you complete an Application Form you will be providing personal information to the Company through the Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on its behalf, and their agents and service providers may collect, hold, disclose and use that personal information to assess your Application and, if your Application is successful, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration, to facilitate distribution payments and corporate communications to you and for other purposes related to your investment listed below.

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

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public including bidders for your securities in the context of takeovers. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- (a) the Share Registry for ongoing administration of the Share register;

- (b) the Lead Manager to assess your Application;
- (c) printers, mail houses and other companies for the purposes of preparation and distribution of documents and for handling mail;
- (d) market research companies for analysing the Company's shareholder base; and
- (e) legal and accounting firms, auditors, management consultants, authorised securities brokers and other advisers for administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry, whose contact details are set out in the Corporate Directory in Section 1, if any of the details you have provided change.

The Company's Privacy Policy is available at <http://burleyminerals.com.au/privacy> and includes additional information about the way the Company handles personal information, including how to seek access or correction of your personal information, and how to complain if you believe we have breached our privacy obligations and how we will handle your complaint. For further information you may also contact our Privacy Officer by email at admin@burleyminerals.com.au or by mail to Privacy Officer, Burley Minerals, PO Box 396, West Perth WA 6872.

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

The Company will apply to participate in the Clearing House Electronic Sub-register System (**CHES**) which is the ASX electronic transfer and settlement system in Australia. CHES is operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of the ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules. CHES allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHES, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHES sub-register. The two sub-registers together will make up the Company's principal register of Shares. Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Under CHES the Company will not issue Share certificates to investors. Instead, as soon as reasonably practicable after allotment, holders of Shares or Securities will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASX Settlement Pty Ltd will send a CHES statement. This statement will also advise investors of their Holder Identification Number (HIN) in the case of a holding on the CHES sub-register. Otherwise a statement will include a Security Holder Reference Number (SRN) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to Security holders at the end of any calendar month during which their holding changes. A Security holder may request a statement at any other time however a charge may be incurred for additional statements.

It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants trading in Shares prior to receiving a holding statement do so at their own risk. To the maximum extent permitted by law, the Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.

16. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings, unless the context requires otherwise:

\$ means an Australian dollar.

Acquisition means the acquisition of 70% of the total issued share capital of Novarange under the Acquisition Agreement.

Acquisition Agreement means the agreement defined and summarised in Section 14.3.

Admission means admission of the Company to the Official List.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares under this Prospectus made pursuant to an Application Form.

Application Form means the application form so titled attached to, or accompanying this Prospectus, and any replacement prospectus (including the electronic form provided by an online application facility).

Application Monies means monies received from persons applying for Shares pursuant to the Offer under this Prospectus.

ASIC means the Australian Securities & Investments Commission.

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

ASX Settlement Operating Rules means the operating rules of the settlement facility operated by ASX Settlement Pty Ltd (ACN 008 504 532), as amended from time to time.

BDO means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

Board means the board of Directors.

Burley or Company means Burley Minerals Limited (ACN 645 324 992).

Business Day means a day other than a Saturday or a Sunday when trading banks are ordinarily open for business in Perth, Western Australia.

Canaccord means Canaccord Genuity (Australia) Ltd (ACN 075 071 466).

Chairman means the chairman of the Board.

CHESS means the clearing house electronic sub-register system.

Closing Date means the closing date of the Offer which is set out in the "Important Dates" in Section 3 and which may be varied by the Company in consultation with the Lead Manager.

Company or Burley means Burley Minerals Limited (ACN 645 324 992).

Commencement Date is defined in Section 14.3.

Completion means completion of the Offer, being the date on which Shares are issued to successful Applicants in accordance with the terms and conditions of the Offer.

Constitution means the constitution of the Company.

Corporate Governance Principles and Recommendations or **Recommendations** means *The Corporate Governance Principles and Recommendations (4th Edition)* as published by the ASX Corporate Governance Council.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations promulgated under it.

Deferred Payments is defined in Section 14.3.

Directors means the directors of the Company from time to time.

Escrowed Shares means the number of Shares which are subject of the escrow arrangements as detailed in Section 6.22.

Financial Information has the meaning given in Section 11.1.

Full Subscription means the Minimum Subscription.

GST means the same as in the A New Tax System (Goods and Services Tax) Act 1999 (Cth), and any other goods and services tax or any tax, levy, charge or impost which applies in a similar way.

Gurravembi means Gurravembi Investments Pty Ltd (ACN 063 220 333).

ILUA means an indigenous land use agreement.

Independent Expert means BDO.

Independent Expert's Report means the report of BDO contained in Section 12.

Investigating Accountant means Bentleys Audit and Corporate (WA) Pty Ltd.

Independent Limited Assurance Report means the report contained in Section 11.

JORC Code means the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition)* prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Kingsreef means Kingsreef Pty Ltd (ACN 083 553 968) in its own capacity and as trustee for the NB&DL Family Trust.

Lead Manager means Canaccord Genuity (Australia) Ltd.

Lead Manager Mandate is defined in Section 14.2 being the agreement between the Company and the Lead Manager summarised in Section 14.2.

Listing means the admission of the Company to the Official List and Quotation.

Listing Date means the date of Listing.

Listing Rules means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Managing Director means the managing director of the Company.

Milestones means the milestones of the Performance Securities required to be achieved before they can be converted into Shares, the terms and conditions of which are set out in Section 15.5(c).

Minimum Subscription is defined in Section 6.3.

Mining Act means the *Mining Act 1978* (WA) and any regulations made under it, each as amended from time to time.

Minister means the Minister referred to in section 10 of the Mining Act.

Native Title Act means the *Mining Act 1993* (Cth).

Novarange means Novarange Pty Ltd (ACN 613 521 323).

Offer means the invitation to apply for Shares under this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offer Price means \$0.20 per Share.

Official List means the official list of the ASX.

Opening Date means the date the Offer opens which is set out in the "Important Dates" in Section 3 and which may be varied by the Company in consultation with the Lead Manager.

Option means an option to subscribe for a Share on the terms and conditions set out in Section 15.5(b).

Option Holder means a holder of an Option.

Performance Securities means the performance securities issued by the Company whose terms and conditions are set out in Section 15.5(c).

Project or **Yerecoin Project** means the Yerecoin Project in Western Australia, comprised of the Tenements.

Prospectus means this prospectus dated 26 May 2020 (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation this Prospectus.

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

Related Party has the meaning given in the Corporations Act and **Related Parties** has a corresponding meaning.

Relevant Interest has the meaning given in the Corporations Act.

Rocket Science means Rocket Science Pty Ltd (ACN 074 032 21) in its own capacity and as trustee for the Trojan Capital Fund.

Seamist means Seamist Enterprises Pty Ltd (ACN 133 740 655).

Section means a section of this Prospectus.

Securities means Shares, Options and Performance Securities, or any one of them, as the context requires.

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

Share Registry means Advanced Share Registry Ltd (ACN 127 175 946).

Shareholder means a holder of a Share.

Shareholders Agreement means the agreement defined and summarised in Section 14.4.

Tenements means exploration licences 70/2733-I and 70/2784-I applied for and granted under the Mining Act, and the details of which are set out in the Solicitors' Report on Tenements in Section 13, or any one of them, as the context requires.

US Person has the meaning given in Rule 902(k) of Regulation S under the US Securities Act.

US Securities Act means the U.S. Securities Act of 1933, as amended.

Vendors means Gurravembi, Kingsreef, Rocket Science, Seamist and Widerange.

WA means Western Australia.

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

Widerange means Widerange Corporation Pty Ltd (ACN 106 692 880) in its own capacity and as trustee for the Alyse Investment Trust.

Yerecoin Project or **Project** means the Yerecoin Project in Western Australia, comprised of the Tenements.

17. DIRECTORS' AUTHORISATION AND CONSENT

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act and has not withdrawn that consent prior to this Prospectus being lodged.

Dated: 26 May 2021.



Bryan Dixon
Non-Executive Chairman
For and on behalf of
BURLEY MINERALS LTD

