



# Prospectus

**KOONENBERRY GOLD LIMITED**  
ACN 619 137 576

For an initial public offer of up to 50,000,000 Shares at an issue price of A\$0.20 each to raise up to A\$10,000,000 (before costs) **(Public Offer)**.

This Prospectus also contains a secondary offer of up to 1,990,525 Shares to Ventnor Capital (or its nominees) **(Advisor Offer)**.

It is proposed that the Public Offer and the Advisor Offer (together, **Offers**) will close at 5.00pm (WST) on Friday 30 July 2021. The Directors reserve the right to close the Offers earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

An investment in the Company under this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 9 for a summary of the key risks associated with an investment in the Shares.



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# IMPORTANT INFORMATION

## Prospectus

This Prospectus is dated, and was lodged with ASIC on, 2 July 2021 (**Prospectus Date**). Neither ASIC nor ASX (nor their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm (WST) on that date which is 13 months after the Prospectus Date. No Shares will be issued on the basis of this Prospectus after that expiry date.

Application will be made to ASX within 7 days of the Prospectus Date for Admission and Official Quotation on the ASX.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

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

## Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

## Electronic Prospectus and Application Forms

This Prospectus will generally be made available in electronic form by being posted on the Company's website at [www.koonenberrygold.com.au](http://www.koonenberrygold.com.au). Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and the relevant Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for Shares under the Public Offer should complete the Public Offer Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

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

## Offers outside Australia

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such offer or

invitation. No action has been taken to register or qualify the Shares the subject of this Prospectus, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of 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 has been prepared in accordance with the relevant corporate laws of Australia and may not be distributed to, or relied upon by, any person in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (**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 or to, or for the account or benefit of, a US person unless an exemption from the registration requirements of the US Securities Act (and, if applicable, the US state securities laws) is available.

## Speculative Investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 9 for details relating to the key risks applicable to an investment in the Shares.

## Cooling off rights

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

## Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

## Forward-Looking Statements

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

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

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

and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 9. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

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

#### **Photographs and Diagrams**

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

#### **Competent Persons Statements**

The information in this Prospectus that relates to exploration results on the Company's exploration licences is based on, and fairly represents, information and supporting documentation prepared by independent consultant Mr Jeremy Peters BSc BEng FAusIMM CP (Min, Geo) AWASM. Mr Peters is a full-time employee of Burnt Shirt Pty Ltd. He has more than 28 years' experience in exploring, mining and estimating base metal and gold deposits which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (JORC Code). Mr Peters consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

#### **Privacy**

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

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

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

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

#### **Miscellaneous**

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

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

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 16.

#### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Public Offer or how to accept the Public Offer please call the Company Secretary on +61 8 6245 9869 or the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (from outside Australia).



## CORPORATE DIRECTORY

### Directors

John Elkington	Non-Executive Chair
Anthony McIntosh	Non-Executive Director
John Hobson	Non-Executive Director

### Management

Karen O'Neill	Chief Executive Officer
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### Registered and Principal Office

Ground Floor  
16 Ord Street  
West Perth WA 6005  
Phone: +61 8 6245 9869  
Website: [www.koonenberrygold.com.au](http://www.koonenberrygold.com.au)

### Company Secretary

Ben Donovan

### Share Registry\*

Automic Pty Ltd  
Level 5, 126 Phillip Street  
Sydney, NSW 2000  
Phone (Australia): +61 2 9698 5414  
Email: [hello@automic.com.au](mailto:hello@automic.com.au)

### Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)  
Proposed ASX Code: KNB

### Corporate Advisor

Ventnor Capital Pty Ltd  
16 Ord Street  
Western Australia 6005

### Lead Manager

Ventnor Securities Pty Ltd  
16 Ord Street  
Western Australia 6005  
As Corporate Authorised Representative  
(Authorised Representative Number  
000408858) of ACNS Capital Markets Pty Ltd  
(AFSL: 279099)

### Lawyers (Australia)

Kain Lawyers Pty Ltd  
315 Wakefield Street  
Adelaide SA 5000

### Title Report

TAS Legal  
Suite G, 01A  
999 Nepean Highway  
Moorabbin  
Victoria 3189

### Investigating Accountant

Grant Thornton Corporate Finance Pty Ltd  
Central Park  
Level 43, 152-158 St George's Terrace  
Perth WA 6000

### Independent Geologist

Burnt Shirt Pty Ltd  
PO Box 314  
Northbridge  
Perth WA 6855

### Auditor\*

Grant Thornton Audit Pty Ltd  
Grant Thornton House  
Level 3, 170 Frome Street  
Adelaide, SA 5000

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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## 1. Letter from the Chair

Dear Investor

On behalf of the board of Koonenberry Gold Limited (**Koonenberry** or the **Company**), I am pleased to present this Prospectus and to invite you to become a shareholder in the Company.

The Koonenberry Gold Project is located in North-western NSW, approximately 160km northeast of the major mining and cultural centre of Broken Hill and 40km west of the opal mining town of White Cliffs. Good access is available via main roads connecting Broken Hill, White Cliffs and Tibooburra.

Koonenberry's 100% owned subsidiary company, Lasseter Gold Pty Ltd, owns a 100% interest in twelve (12) granted tenements associated with the Koonenberry Gold Project. All tenements are in good standing. This is a significant lease position of approximately 1,339 km<sup>2</sup> in an emerging major mineral province which holds excellent potential for a number of different styles of gold mineralisation.

The Project area is centred on a major gold nugget field which is sourced from outcropping nuggety quartz reefs that have had until recently been limited by land access. Koonenberry has one land access agreement in place, one in the process of being renewed and one to be negotiated.

The Board has significant expertise and experience in the mining and resources industry and will aim to ensure that funds raised through the Offer will be utilised in a cost effective manner to advance the Company's business.

Under this Prospectus the Company is seeking to raise up to \$10,000,000 (before associated costs) by the issue of up to 50,000,000 Shares at an Issue Price of \$0.20 each. The Lead Manager to the Public Offer is Ventnor Securities (see Section 13.1 for further details). Funds raised from the Public Offer will be applied primarily to systematically explore the Koonenberry Gold Project, potential future acquisition costs and ongoing working capital requirements.

This Prospectus contains detailed information about the Public Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 9).

I look forward to welcoming you as a Shareholder of Koonenberry Gold Limited. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

I would like to acknowledge the Traditional Owners of the land on which Koonenberry will be operating and I would like to pay my respects to Elders past, present and future.

Yours faithfully



**John Elkington**  
**Non-Executive Chair**

## 2. Key Details of the Offers

Key Details of the Offers <sup>1</sup>	Minimum Subscription (\$8,000,000) <sup>2</sup>	Maximum Subscription (\$10,000,000) <sup>3</sup>
Price per Share	\$0.20	\$0.20
Shares on issue	60,014,000	60,014,000
Shares offered under the Public Offer	40,000,000	50,000,000
Shares offered under the Advisor Offer	1,990,525	1,990,525
Amount to be raised under the Public Offer	\$8,000,000	\$10,000,000
Conversion Shares (in respect of conversion of Series A, Series B and Series C Notes) expected to be issued on completion of the Offers <sup>4</sup>	18,032,715	18,032,715
<b>Total Shares expected to be on issue post-Admission (undiluted)<sup>5</sup></b>	<b>120,037,240</b>	<b>130,037,240</b>
Market capitalisation post-Admission (undiluted) <sup>6</sup>	\$24,007,448	\$26,007,448
Options <sup>7</sup>	12,728,000	12,728,000
CEO Options <sup>8</sup>	250,000	250,000
Performance Rights <sup>9</sup>	5,850,000	5,850,000
<b>Total securities expected to be on issue post-Admission (fully diluted)</b>	<b>138,865,240</b>	<b>148,865,240</b>
Market capitalisation post-Admission (fully diluted) <sup>6</sup>	\$27,773,048	\$29,773,048

### Notes:

1. Please refer to Section 14.1 for further details of the current and proposed capital structure of the Company.
2. Assuming the Minimum Subscription of \$8,000,000 is achieved under the Public Offer.
3. Assuming the Maximum Subscription of \$10,000,000 is achieved under the Public Offer.
4. On the basis of the Indicative Timetable set out in Section 3. The actual number of Conversion Shares to be issued on conversion of the Notes may be higher or lower depending on the date of completion of the Offers (i.e. the actual Issue Date), and will be included as part of the disclosures to be released by the Company in connection with its Admission. Please refer to Sections 14.1(c) to 14.1(e) (inclusive) for information on the Conversion Shares.
5. Certain securities on issue post-Admission will be subject to ASX-imposed escrow. Refer to Section 5.16 for the likely escrow position.
6. Assuming a Share price of \$0.20, however, the Company notes that the Shares may trade above or below this price.
7. Please refer to Sections 14.1(b) and 14.3 for further details of these Options.
8. Please refer to Sections 14.1(f) and 14.5 for further details of these CEO Options.
9. Please refer to Sections 14.1(g) and 14.5 for further details of these Performance Rights.

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### 3. Indicative Timetable

Event	Date
Lodgement of this Prospectus with ASIC	Friday, 2 July 2021
Opening Date for the Offers	Monday, 12 July 2021
Closing Date for the Offers	Friday, 30 July 2021
Settlement Date	Monday, 23 August 2021
Issue Date	Tuesday, 24 August 2021
Despatch of holding statements	Thursday, 26 August 2021
Expected date for Official Quotation on ASX	Monday, 30 August 2021

**Note:**

The above dates are indicative only and may change without notice. The Company reserves the right to extend or bring forward the Closing Date without prior notice, which may have a consequential effect on the other dates. Investors are therefore encouraged to submit their applications as soon as possible after the Opening Date if they wish to invest in the Company.

The Company also reserves the right not to proceed with the Offers at any time before the allotment of Shares without notifying any recipient of this Prospectus. If the Offers are cancelled or withdrawn before completion of the Offers, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

## 4. Investment Overview

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More information
<b>Company</b>		
Who is the issuer of this Prospectus?	Koonenberry Gold Limited (ACN 619 137 576) ( <b>Company</b> ) is the issuer of this Prospectus.	-
Who is the Company and what does it do?	<p>The Company is an Australian public company incorporated on 16 May 2017 as a proprietary company limited by shares. The Company converted from a proprietary company limited by shares to a public company limited by shares on 4 June 2021.</p> <p>The Company is an Australian mineral exploration and development company with a focus on the Koonenberry Gold Project.</p> <p>The Company is led by a highly competent Board and experienced management team with a demonstrated track record in the mining and resources industry.</p>	Section 6.1
What are the Company's projects?	<p>The Koonenberry Gold Project is located in north western NSW, approximately 160km northeast of the major mining and cultural centre of Broken Hill and 40km west of the opal mining town of White Cliffs. The Mutawintji Nature Reserve sits just to the south of the Project area.</p> <p>The Company, via its wholly-owned subsidiary Lasseter Gold Pty Ltd, owns a 100% interest in twelve (12) exploration licences over the Koonenberry Gold Project, covering an area of approximately 1,339km<sup>2</sup>. The details of the Tenements held by Lasseter are set out in Section 6.4 and in the Solicitor's Report on Tenements in Section 8.</p>	Section 6.4
What is the financial position of the Company?	<p>The historical and pro-forma financial information about the Company is set out in Section 11.</p> <p>The Board is satisfied that, upon completion of the Public Offer, the Company will have adequate working capital to meet its stated objectives.</p> <p>Applicants should be aware that the Company is currently making a loss.</p>	Section 11

Topic	Summary	More information
What is the proposed capital structure of the Company?	Following completion of the Offers under the Prospectus, the proposed capital structure of the Company will be as set out in Section 14.1.	Section 14.1
What is the proposed use of funds raised under the Offers?	The Company proposes to use the funds raised from the Offers to systematically explore the Project, pursue further exploration and acquisition opportunities, pay for the costs of the Offers and for general working capital.	Section 5.5 and 6.5
What is the Company's strategy?	Following Admission, the Company intends to systematically explore the Koonenberry Gold Project and seek further exploration, acquisition and joint venture opportunities primarily in Australia.	Section 6.7
What is the Company's business model?	<p>The primary objective of the Company is to focus on exploration and development of the Project in accordance with the Company's intended exploration programs.</p> <p>The Company proposes to fund its exploration activities over the first two years as outlined in the use of funds table at Section 5.5 and the exploration expenditure tables at Section 6.5 .</p> <p>The Company will continue to look for complementary and synergistic exploration opportunities and may acquire additional projects in the future in the same or different commodities.</p>	Section 6.6
What are the key business objectives of the Company?	<p>The Company's main objective on completion of the Offers is to undertake a multi-disciplinary exploration strategy to provide a thorough understanding of the mineralisation potential throughout the Project. This is aimed at proving the potential for a new high-grade gold JORC Code Compliant resource at the Project.</p> <p>The plan includes:</p> <ul style="list-style-type: none"> <li>(a) comprehensive geological mapping to create a tenement scale exploration 3D model and high-resolution, local sub-models around the known prospects;</li> <li>(b) collation and extension of existing geochemical data;</li> <li>(c) definition and prioritisation of drill targets with Lucky Sevens a key prospect at this stage;</li> <li>(d) further surface exploration to be undertaken as identified through the geological mapping program;</li> <li>(e) through exploration success, evaluate opportunities for near term gold production; and</li> </ul>	Section 6

Topic	Summary	More information
	(f) seek further exploration, acquisition and joint venture opportunities in primarily in Australia.	
What are the key dependencies of the Company's business model?	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> <li>a) closing the Offers and successfully raising the Minimum Subscription;</li> <li>b) maintaining title to the Project;</li> <li>c) negotiating, agreeing and maintaining access to the Project;</li> <li>d) successfully exploring for and delineating mineral deposits on the Project and any other project interests that the Company may acquire in the future;</li> <li>e) retaining and recruiting key personnel skilled in the mining and resources sector;</li> <li>f) sufficient worldwide demand for gold;</li> <li>g) the market price for gold remaining higher than the Company's costs of future production (assuming successful exploration by the Company);</li> <li>h) raising sufficient funds to satisfy expenditure requirements for exploration and operating costs in respect of the Koonenberry Gold Project; and</li> <li>i) minimising environmental impact and complying with health and safety requirements.</li> </ul>	Section 6.6
<b>Summary of key risks</b>		
<p>Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 9, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 9 for a more detailed summary of the risks.</p>		
<b>Limited history</b>	<p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which have a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, the Project. Until the Company is able to realise value from the Project, it is likely to incur ongoing operational losses.</p>	Section 9.1a)
<b>Exploration and development risks</b>	<p>At present the Project does not host a mineral resource or reserve estimate. Mineral exploration, development and mining activities are high-risk undertakings. There can be no assurance that exploration on these Tenements, or any other claims</p>	Section 9.1b)

Topic	Summary	More information
	or leases that may be acquired in the future, will result in the determination of a resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.	
<b>Contractual risk</b>	The ability of the Company to carry out or achieve its stated objectives may be materially affected by the performance by the parties of obligations under certain agreements including those the details of which are in Section 13.6. If any party defaults in the performance of its obligations it may be necessary for the Company to commence legal proceedings to seek a remedy, which can be costly.	Section 9.1c)
<b>Title risks</b>	Mineral rights in NSW may be owned by private parties, local government, state government, federal government, or indigenous groups. Verifying the chain of title can be complex and may require that remedial steps be taken to correct any defect in title. Securing exploration and extraction rights to federally-owned mineral rights requires strict adherence to claim staking and maintenance requirements. The Company has taken reasonable steps to verify the title to the Tenements in which it has, or has a right to acquire, an interest. Although these steps are in line with market practice for exploration projects, they do not guarantee title to the Tenements nor guarantee that the Tenements are free of any third party rights or claims.	Section 9.1d)
<b>Tenement applications and license renewal</b>	The Company, via its wholly owned subsidiary Lasseter Gold Pty Ltd, owns 100% interest in twelve (12) Tenements, each of which are in good standing. The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further, the Company cannot guarantee that renewals of valid Tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into production concessions. There is a risk that these approvals may not be obtained.	Section 9.1f)
<b>Landowner Access Risk</b>	The Company will be required to negotiate access arrangements and pay compensation to landowners, local authorities and traditional land users. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company. Legal processes are available in the case of disputes, but in preference the Company has made respectful and fair land-owner interactions an integral component of its strategy.	Section 9.1g)



Topic	Summary	More information
	<p>The Tenements overlap land owned by three landholders. The status of the Company's land access arrangements is as follows:</p> <ol style="list-style-type: none"> <li>1. There is currently a land access arrangement in place for certain areas of the Kayrunnera Station.</li> <li>2. The land access arrangement for the Mutawintji Lands has expired and the Company is in the process of renegotiating the agreement.</li> <li>3. There has been no land access arrangement for the Morambie Station but there is a rental agreement in place for site accommodation.</li> </ol> <p>In addition, exploration rights to an area in the centre of the Project are held by a third party and not by the Company. The Company has no right to undertake exploration activities on this area and would be required to acquire those rights from a third party before it could undertake those activities. This tenement is approximately 17.68 square kilometres in size. It has not adversely impacted exploration undertaken by the Company to date.</p>	
<b>Exploration costs</b>	<p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>	Section 9.1h)
<b>Native title and Aboriginal Heritage</b>	<p>There is significant uncertainty associated with native title issues in Australia and this may impact on the Company's future plans.</p> <p>The Tenements overlap an area within the Barkandji Native Title Determination Area. While native title was determined to have been extinguished over the majority of this area, it was determined to exist in a small non-strategic area. The subject land parcels are stock watering places (SWP), which are a type of travelling stock reserve. The area these cover is estimated to be 8 km<sup>2</sup>.</p> <p>Although not considered critical to exploration, it is noted that the ability of the Company to gain access to those areas of the Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected.</p>	Section 9.2d)

Topic	Summary	More information
	<p>In addition, the area where native title was determined to have been extinguished is now the subject of a native title compensation claim by the Barkandji People. Depending on the outcome of that compensation claim, the Company may be required to pay compensation, or to contribute to the payment of compensation, in respect of the extinguishment of native title over those areas of the Tenements.</p>	
<p><b>Additional requirements for capital</b></p>	<p>The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Project is successfully developed and production commences. However, the Company's activities are likely to require substantial expenditure, in addition to the amounts raised under the Offers. Any additional equity financing may be dilutive to Shareholders and any debt financing (if available) may involve restrictive covenants, which may limit the Company's operations and business strategy.</p> <p>Although the Directors believe that additional capital can be obtained, there can be no assurance that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.</p>	<p>Section 9.1j)</p>
<p><b>New projects and acquisitions</b></p>	<p>From time to time, acquisition opportunities may be presented to the Company. At this time the Board will discuss and evaluate the merits of any acquisition opportunities presented to it depending on current market sentiments and the Company's current finances and appetite for additional assets.</p> <p>The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity) after only limited due diligence or prior to the completion of comprehensive due diligence.</p> <p>There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.</p> <p>If an acquisition is completed, the Directors will need to reassess at that time the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the Koonenberry Gold Project and/or raising additional capital (if available).</p>	<p>Section 9.1k)</p>

Topic	Summary	More information
	Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.	
<b>Reliance on key personnel</b>	The Company's future depends, in part, on its ability to attract and retain key personnel. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.	Section 9.1l)
<b>Environmental risks</b>	Mineral exploration activities have inherent risks and liabilities associated with safety and damage to the environment, and the disposal of waste products. The occurrence of any such safety or environmental incident could delay exploration programs. Events such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.	Section 9.2a)
<b>Infectious diseases</b>	The outbreak of the coronavirus disease (COVID-19) could have a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which may have a significant impact on capital markets. The Company's share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may also adversely impact the Company's operations and interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.	Section 9.2j)
<b>General risks</b>	The Company's activities are subject to a number of risks common to the conduct of mining exploration and the financing of mining exploration activities, including but not limited to:  (a) risks inherent in resource estimation; (b) operation and technical risks; (c) market conditions; and	Section 9.3

Topic	Summary	More information
	(d) climate change risk.	
<b>Directors, Key Management Personnel, Related Party Interests and Substantial Holders</b>		
Who are the Directors?	<p>The Board consists of:</p> <ul style="list-style-type: none"> <li>(a) John Elkington - Non-Executive Chair</li> <li>(b) Anthony McIntosh - Non-Executive Director</li> <li>(c) John Hobson - Non-Executive Director</li> </ul> <p>The profiles of each of the Directors are set out in Section 10.2.</p>	"Corporate Directory" and Sections 10.1 and 10.2
What are the benefits paid to the Directors and other key persons connected to the Company or the Public Offer?	<p>The Company has entered into a Letter of Appointment with John Elkington for his appointment as Non-Executive Director and Chair and with each of Anthony McIntosh and John Hobson for their appointment as Non-Executive Directors.</p> <p>The remuneration payable to Mr Elkington pursuant to his Letter of Appointment is \$100,000 per annum (plus statutory superannuation). The remuneration payable to each of Mr McIntosh and Mr Hobson pursuant to their Letters of Appointment is \$60,000 per annum (plus statutory superannuation). Refer to Section 13.4 for a summary of the key terms and conditions of the Letters of Appointment.</p> <p>In addition, the Company intends to issue 2,250,000 Performance Rights to Mr Elkington and 1,800,000 Performance Rights to each of Mr McIntosh and Mr Hobson prior to its Admission. Up to a further 5,650,000 Additional Performance Rights in aggregate will also be issued to the Directors in accordance with the terms of their Letters of Appointment, subject to Shareholder approval at the Company's first annual general meeting following its Admission. Refer to Section 14.1(g) for a summary of the key terms and conditions of the Performance Rights and Additional Performance Rights.</p> <p>The Company has also entered into an executive services agreement with Ms Karen O'Neill pursuant to which she will be paid a base salary of \$300,000 per annum (plus statutory superannuation). Further details in respect of Ms O'Neill's executive services agreement are set out in Section 13.3. Ms O'Neill also holds 250,000 CEO Options, details of which are set out in Section 14.1(f).</p>	Sections 10.7, 10.8, 10.9, 13.4 and 14.1(g)
What interests do the Directors have in the securities of the Company?	The Directors and their related entities hold the following interests in Securities in the Company as at the Prospectus Date:	Section 10.8

Topic	Summary	More information																																																
	<table><tr><th>Director</th><th>Shares</th><th>%<sup>1</sup></th><th>Options</th><th>%<sup>2</sup></th></tr><tr><td>John Elkington</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Anthony McIntosh</td><td>2,442,000<sup>3</sup></td><td>4.07%</td><td>703,000<sup>3,4</sup></td><td>5.52%</td></tr><tr><td>John Hobson</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> <p>Notes:</p> <ol style="list-style-type: none"><li>1. Reflects percentage of total Shares on issue as at the Prospectus Date, based on 60,014,000 Shares.</li><li>2. Reflects percentage of total Options on issue as at the Prospectus Date, based on 12,978,000 Options.</li><li>3. Mr McIntosh holds his interest indirectly through Interdale Pty Ltd. He acquired 1,850,000 of these Shares from Padlooka Investments Pty Ltd as trustee for the G &amp; K Rogers Family Trust in consideration for services provided relating to the formation and promotion of the Company.</li><li>4. Refer to Sections 14.1(b) and 14.3 for more information regarding the terms of the Options. Each of these Options are exercisable into a Share at an exercise price of \$0.23 per Share (rounded to two decimal places) at any time on or before 19 November 2022.</li></ol> <p>The Directors may participate in the Public Offer. However, based on the interests of the Directors at the Prospectus Date, the Directors and their related entities will have the following interests in Securities on Admission:</p> <table><tr><th>Director</th><th>Shares</th><th>%<sup>1</sup></th><th>Options</th><th>%<sup>2</sup></th><th>Performance Rights<sup>6</sup></th><th>%<sup>3</sup></th></tr><tr><td>John Elkington</td><td>-</td><td>-</td><td>-</td><td>-</td><td>2,250,000</td><td>38.46%</td></tr><tr><td>Anthony McIntosh</td><td>2,442,000<sup>4</sup></td><td>1.89%</td><td>703,000<sup>4,5</sup></td><td>5.52%</td><td>1,800,000</td><td>30.77%</td></tr><tr><td>John Hobson</td><td>-</td><td>-</td><td>-</td><td>-</td><td>1,800,000</td><td>30.77%</td></tr></table> <p>Notes:</p> <ol style="list-style-type: none"><li>1. Reflects percentage of expected total Shares on issue as at Admission as set out in Section 14.1(h), based on the Maximum Subscription being achieved.</li><li>2. Reflects percentage of expected total Options on issue as at Admission as set out in Section 14.1(h).</li><li>3. Reflects percentage of total Performance Rights on issue as at Admission as set out in Section 14.1(h).</li><li>4. Mr McIntosh holds his interest indirectly through Interdale Pty Ltd. He acquired 1,850,000 of these Shares from Padlooka Investments Pty Ltd as trustee for the G &amp; K Rogers Family Trust in consideration for services provided relating to the formation and promotion of the Company.</li><li>5. Refer to Sections 14.1(b) and 14.3 for more information regarding the terms of these Options. Each of these Options are exercisable into a Share at an exercise price of \$0.23 per Share (rounded to two decimal places) at any time on or before 19 November 2022.</li><li>6. Refer to Section 14.1(g) and 14.5 for more information regarding the terms of the Performance Rights.</li></ol>	Director	Shares	% <sup>1</sup>	Options	% <sup>2</sup>	John Elkington	-	-	-	-	Anthony McIntosh	2,442,000 <sup>3</sup>	4.07%	703,000 <sup>3,4</sup>	5.52%	John Hobson	-	-	-	-	Director	Shares	% <sup>1</sup>	Options	% <sup>2</sup>	Performance Rights <sup>6</sup>	% <sup>3</sup>	John Elkington	-	-	-	-	2,250,000	38.46%	Anthony McIntosh	2,442,000 <sup>4</sup>	1.89%	703,000 <sup>4,5</sup>	5.52%	1,800,000	30.77%	John Hobson	-	-	-	-	1,800,000	30.77%	
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Topic	Summary	More information																								
	<p>In accordance with the terms of their Letters of Appointment, up to 5,650,000 Additional Performance Rights in aggregate will be issued to the Directors subject to Shareholder approval at the Company's first annual general meeting following Admission. Refer to Section 13.4 for more information on the Letters of Appointment.</p> <p>See Section 10.8 for further details of the Directors' current and anticipated Security holdings.</p>																									
What related party agreements are the Company a party to?	<p>As at the Prospectus Date, the Company is a party to the following related party arrangements:</p> <ul style="list-style-type: none"> <li>Letters of Appointment with each of its Directors on standard terms;</li> <li>deeds of indemnity, insurance and access with each of its Directors on standard terms; and</li> <li>the SRG Advisory and Accounting Mandate Letter for corporate advisory and accounting support services with SRG Partners, in respect of whom George Rogers (who was a director of the Company until 30 June 2021) is a partner.</li> </ul> <p>The Company has also agreed to pay to George Rogers director fees of \$60,000 including statutory superannuation, contingent on Admission.</p> <p>Refer to Sections 13.4, 13.5 and 13.14 for further details of the related party contracts the Company has entered into.</p>	Sections 13.4, 13.5 and 13.14																								
Who will be the substantial holders of the Company?	<p>Based on information known to the Company as at the Prospectus Date, the following persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue as at the Prospectus Date:</p> <table> <tr> <th>Name</th><th>No. Shares</th><th>% (undiluted)</th></tr> <tr> <td>Mr Bartholomew Gardner<sup>1</sup></td><td>9,342,500</td><td>15.57</td></tr> <tr> <td>Mr George Rogers<sup>2</sup></td><td>7,733,000</td><td>12.89</td></tr> <tr> <td>Golden Gold Pty Ltd</td><td>6,160,500</td><td>10.27</td></tr> <tr> <td>C R &amp; E Pty Ltd</td><td>5,500,000</td><td>9.25</td></tr> <tr> <td>North Queensland Mining Pty Ltd</td><td>5,500,000</td><td>9.25</td></tr> <tr> <td>Plethora Pty Ltd</td><td>5,500,000</td><td>9.25</td></tr> <tr> <td>Alldone Pty Ltd</td><td>3,811,000</td><td>6.35</td></tr> </table>	Name	No. Shares	% (undiluted)	Mr Bartholomew Gardner <sup>1</sup>	9,342,500	15.57	Mr George Rogers <sup>2</sup>	7,733,000	12.89	Golden Gold Pty Ltd	6,160,500	10.27	C R & E Pty Ltd	5,500,000	9.25	North Queensland Mining Pty Ltd	5,500,000	9.25	Plethora Pty Ltd	5,500,000	9.25	Alldone Pty Ltd	3,811,000	6.35	Section 5.7
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Topic	Summary	More information									
	<p>Notes:</p> <p>1. Mr Gardner and his associates hold their interests directly and indirectly through Second Last Chance Investments Pty Ltd as trustee for the Second Last Chance Investments Trust.</p> <p>2. Mr Rogers is a previous director of the Company. He holds his interests as trustee of the G&amp;K Rogers Superfund and through Padlooka Investments Pty Ltd as trustee for the G &amp; K Rogers Family Trust.</p> <p>Existing Shareholders may participate in the Public Offer. However, based on information known to the Company as at the Prospectus Date, it expects that the following persons (together with their associates) will hold a relevant interest in 5% or more of the total number of Shares on issue on the date of Admission:</p> <table> <tr> <th>Name</th><th>No. Shares</th><th>% (undiluted)<sup>1</sup></th></tr> <tr> <td>Mr Bartholomew Gardner<sup>2</sup></td><td>9,342,500</td><td>7.18</td></tr> <tr> <td>Mr George Rogers<sup>3</sup></td><td>7,733,000</td><td>5.95</td></tr> </table> <p>Notes:</p> <p>1. Assuming the Maximum Subscription in the Public Offer is reached.</p> <p>2. Mr Gardner and his associates hold their interests directly and indirectly through Second Last Chance Investments Pty Ltd as trustee for the Second Last Chance Investments Trust.</p> <p>3. Mr Rogers is a previous director of the Company. He holds his interests as trustee of the G&amp;K Rogers Superfund and through Padlooka Investments Pty Ltd as trustee for the G &amp; K Rogers Family Trust.</p>	Name	No. Shares	% (undiluted) <sup>1</sup>	Mr Bartholomew Gardner <sup>2</sup>	9,342,500	7.18	Mr George Rogers <sup>3</sup>	7,733,000	5.95	
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Mr Bartholomew Gardner <sup>2</sup>	9,342,500	7.18									
Mr George Rogers <sup>3</sup>	7,733,000	5.95									
<b>Advisor Interests</b>											
What benefits are being paid to advisors in connection with the Offers?	<p>The Company has entered into a Lead Manager Mandate with Ventnor Securities pursuant to which Ventnor Securities will be engaged as lead manager to the Public Offer.</p> <p>Refer to Section 13.1 for a summary of the key terms and conditions of the Lead Manager Mandate and details regarding the fees to be paid to Ventnor Securities in connection with the Offers.</p> <p>The Company has also entered into a Corporate Advisor Mandate with Ventnor Capital pursuant to which Ventnor Capital is engaged to provide corporate advisory services in respect of the preparation of this Prospectus and ongoing company secretarial services to the Company. The Advisor Offer, being an offer of up to 1,990,525 new Shares to Ventnor Capital (or its nominees), comprises a portion of the fees payable to Ventnor Capital pursuant to this arrangement.</p>	Sections 13.1, 13.2 and 14.8									

Topic	Summary	More information
	<p>Refer to Section 13.2 for a summary of the key terms and conditions of the Ventnor Capital Mandate and details regarding the fees to be paid to Ventnor Capital in connection with the Offers.</p> <p>The Company will also be paying fees to advisors (including legal fees) in connection with the Offers, as set out in Section 14.8.</p>	
What is the Lead Manager's relevant interest in the Securities of the Company?	As at the Prospectus Date, the Lead Manager does not hold any direct or indirect interests in any Securities of the Company.	Section 14.6
<b>What are the Offers?</b>		
What are the Offers	<p>The Offers comprise two separate offers, being:</p> <ul style="list-style-type: none"> <li>• the Public Offer; and</li> <li>• the Advisor Offer.</li> </ul> <p>The Company is making both components of the Offer under this Prospectus.</p>	Sections 5.1 and 5.2
What is the Public Offer?	The Public Offer is an initial public offer of up to 50,000,000 new Shares at an Issue Price of \$0.20 per new Share to raise up to \$10,000,000 (before costs).	Section 5.1
What is the Issue Price for the Public Offer?	\$0.20 per new Share.	Section 5.1
What is the Minimum Subscription under the Public Offer?	The Minimum Subscription under the Public Offer is 40,000,000 new Shares to raise gross proceeds (before costs) of \$8,000,000. If the Company fails to raise the Minimum Subscription within four months after the Prospectus Date, the Company will repay all Application Monies received (without interest) to Applicants.	Section 5.1(b)
What is the Maximum Subscription under the Public Offer?	The Maximum Subscription under the Public Offer is 50,000,000 new Shares to raise gross proceeds (before costs) of \$10,000,000.	Section 5.1
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 5.1(b)
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 5.17



Topic	Summary	More information
What is the purpose of the Public Offer?	<p>The purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> <li>raise of a minimum of \$8,000,000 (before costs);</li> <li>assist the Company to satisfy the requirements of ASX for Admission and the Official Quotation of its Shares; and</li> <li>position the Company to seek to achieve the objectives set out in Section 6.7.</li> </ul>	Section 5.1(d)
What is the Advisor Offer and what is its purpose?	<p>The Prospectus also contains the Advisor Offer, being an offer of up to 1,990,525 new Shares to Ventnor Capital (or its nominees). The Advisor Offer is part of the consideration payable by the Company to the Corporate Advisor pursuant to the terms of the Corporate Advisor Mandate.</p> <p>The purpose of the Advisor Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued under the Advisor Offer.</p> <p>The Advisor Offer is being made to Ventnor Capital (or their nominees). You should not complete an Advisor Application Form unless specifically directed to do so by the Company.</p>	Section 5.2
Who is eligible to participate in the Offers?	<p>The Public Offer is open to all investors with a registered address in Australia and to certain Eligible Institutional Investors in other jurisdictions.</p> <p>The Advisor Offer is only open to Ventnor Capital (or their nominees).</p>	Sections 5.1 and 5.2
How do I apply for Shares under the Public Offer?	<p>Applications for Shares under the Public Offer must be made using the Public Offer Application Form accompanying this Prospectus or using the online Public Offer Application Form at <a href="https://investor.automic.com.au/#/ipo/koonenberrygold">https://investor.automic.com.au/#/ipo/koonenberrygold</a> and completing a BPAY® or EFT payment. For further information on how to complete the Public Offer Application Form, Applicants should refer to the instructions accompanying the relevant Application Form.</p>	Section 5.9
Will the Shares be quoted?	<p>The Company will apply to the ASX for Admission and the Official Quotation of its Shares within 7 days of the Prospectus Date.</p>	Section 5.11
Will any Securities be subject to escrow?	<p>Shares issued to Applicants under the Public Offer will not be subject to any escrow restrictions.</p> <p>Certain Securities on issue prior to the Public Offer are likely to be classified by the ASX as restricted securities under the Listing Rules and will be required</p>	Section 5.16

Topic	Summary	More information
	<p>to be held in escrow for up to 24 months from the date Official Quotation. The Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX. However, the Company anticipates that, upon Admission:</p> <p>(a) approximately 47,559,949 Shares including all of the Advisor Shares (comprising approximately 37% of the issued share capital on an undiluted basis, based on the Maximum Subscription being reached); and</p> <p>(b) all of the Options, CEO Options and Performance Rights,</p> <p>will be restricted securities. These Securities are held by Directors, promoters and service providers of the Company and Shareholders who provided capital or services to the Company before the Public Offer.</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p> <p>Based on information known to the Company at the Prospectus Date, it expects the Free Float on Admission will not be less than 20% of the Shares on issue at that time.</p>	
What are the key dates of the Public Offer	The key dates of the Public Offer are set out in the indicative timetable in the Key Offer Information section of this Prospectus.	Key Offer Information Section
<b>Additional information</b>		
Will the Company be adequately funded after completion of the Public Offer?	The Directors are satisfied that, on completion of the Public Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 5.5
What rights and liabilities attach to the Securities on issue?	<p>All Shares issued under the Offers will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to Shares are described in Section 14.2.</p> <p>The rights and liabilities attaching to Options, CEO Options and Performance Rights issued by the Company are described in Sections 14.3, 14.1(f) and 14.1(g) respectively.</p>	Sections 14.1, 14.2 and 14.3

Topic	Summary	More information
What is the allocation policy?	<p>The Directors, in conjunction with the Lead Manager, will allocate Shares under the Public Offer at their sole discretion (subject to regulatory requirements) to ensure the Company has an appropriate Shareholder base on admission to the Official List.</p> <p>There is no assurance that any Applicant will be allocated any Shares for which the Applicant has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.</p> <p>It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Public Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.</p>	Section 5.13
Can the Offers be withdrawn?	The Company reserves the right not to proceed with the Offers at any time and for any reason before the issue of Shares to successful Applicants. If the Offers do not proceed, Application Monies will be refunded to Applicants (without interest).	Section 5.20
When will I receive confirmation that my Application has been successful?	Holding statements confirming allocations under the Offers will be sent to successful Applicants. Holding statements are expected to be issued to Shareholders on or about 26 August 2021.	"Indicative Timetable"
What are the tax implications of investing in Securities?	<p>Holders of Securities may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.</p>	Section 5.19
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on exploration of the Project and future acquisitions.	Section 6.8
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations). The Company's full Corporate Governance Plan is available from the Company's website	Section 10.11

Topic	Summary	More information
	(www.koonenberrygold.com.au). Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.	
How can I find out more about the Prospectus or the Offers?	By speaking to your sharebroker, solicitor, accountant or other independent professional adviser or by contacting the Company Secretary on +61 8 6245 9869.	"Corporate Directory"

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## 5. Details of The Offers

### 5.1 The Public Offer

#### (a) General

This Prospectus invites investors to apply for up to 50,000,000 new Shares at an Issue Price of \$0.20 per Share to raise up to \$10,000,000 (before associated costs) (**Public Offer**). The Public Offer is open to all investors with a registered address in Australia and to certain Eligible Institutional Investors in other jurisdictions.

The Shares to be issued pursuant to the Public Offer are of the same class and will rank equally with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in Section 14.2.

Applications for Shares under the Public Offer must be made on the Public Offer Application Form accompanying this Prospectus and received by the Company on or before the Closing Date, or by following the instructions at <https://investor.automic.com.au/#/ipo/koonenberrygold> and completing a BPAY® or Electronic Funds Transfer (EFT) payment before the Closing Date. Persons wishing to apply for Shares under the Public Offer should refer to Section 5.9 for further details and instructions.

#### (b) Minimum Subscription

The minimum level of subscription for the Public Offer is 40,000,000 Shares to raise a minimum of \$8,000,000 (before costs) (**Minimum Subscription**). If the Minimum Subscription has not been achieved within four months after the Prospectus Date (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies (without interest) in accordance with the Corporations Act.

Individual applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).

#### (c) Not underwritten

The Public Offer is not underwritten.

#### (d) Purpose of the Public Offer

The purpose of the Public Offer is to:

- (i) raise a minimum of \$8,000,000 and a maximum of \$10,000,000 (before associated costs) to fund;
  - 1. exploration and development of the Project;
  - 2. general working capital requirements including possible acquisitions;
  - 3. corporate overhead and administration costs; and
  - 4. the costs of the Offers; and

- (ii) assist 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 and the Official Quotation of its Shares.

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

## **5.2 Advisor Offer**

This Prospectus also includes the Advisor Offer. The Advisor Offer is made as part consideration for services in relation to the listing and is comprised of an offer of up to 1,990,525 new Shares (**Advisor Shares**) (valued at \$398,105 based on the Issue Price of \$0.20) to Ventnor Capital (or their nominees).

The Advisor Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company. A summary of the rights and liabilities attaching to the Shares is set out in Section 14.2 of the Prospectus.

Applications for Shares under the Advisor Offer may only be made by Ventnor Capital (or their nominees) on the personalised Advisor Application Form issued to Ventnor Capital (or their nominees) together with a copy of this Prospectus and must be completed and received by the Company on or before the Closing Date. The Company will only provide Advisor Application Form to persons entitled to participate in the Advisor Offer.

No application monies are payable under the Advisor Offer.

The Company expects all Shares issued under the Advisor Offer will be escrowed for 24 months in accordance with the Listing Rules.

## **5.3 Lead Manager's interests in the Offers**

Ventnor Securities has been appointed as Lead Manager to the Public Offer. The Lead Manager mandate is summarised in Section 13.1.

### **(a) Fees payable to the Lead Manager**

The Company has or will pay to the Lead Manager (or their respective nominees) the following fees in connection with the Public Offer:

- (i) management fee of 2.0% of the funds raised under the Public Offer; and
- (ii) capital raising fee of up to 4.0% of the funds raised under the Public Offer.

in accordance with the Lead Manager mandate summarised in Section 13.1.

### **(b) Lead Manager's interest in Securities**

As at the date of this Prospectus, neither the Lead Manager nor its associates have a relevant interest in any Securities of the Company.

Based on the information available to the Company as at the Prospectus Date regarding the intentions of the Lead Manager and their associates in relation to the Public Offer and assuming neither the Lead Manager or their associates take up Shares under the Public Offer, neither the Lead Manager nor their associates will have a relevant interest in any Securities on Admission other than the Advisor Shares issued to Ventnor Capital.

**(c) Lead Manager participation in previous placements**

The Lead Manager has not participated in a placement of Securities by the Company nor received a capital raising fee in the 2 years preceding lodgement of this Prospectus.

**5.4 Conditional**

The Offers under this Prospectus are conditional upon the following events occurring:

- (i) the Company receiving sufficient applications to meet the Minimum Subscription under the Public Offer; and
- (ii) ASX granting conditional approval for the Company to be admitted to the Official List.

If these Conditions are not satisfied, the Offers will not proceed and the Company will repay all Application Monies received under the Public Offer (without interest) in accordance with the Corporations Act.

**5.5 Proposed use of funds**

The Company intends to apply funds raised from the Public Offer over the first two years following the date of Admission as follows:

	Minimum subscription (\$8,000,000)	Percentage of funds (%)	Maximum subscription (\$10,000,000)	Percentage of funds (%)
<b>Sources of funds</b>				
Existing cash reserves <sup>1</sup>	550,000	6.4%	550,000	5.2%
<b>Funds raised from the Public Offer</b>	<b>8,000,000</b>	<b>93.6%</b>	<b>10,000,000</b>	<b>94.8%</b>
<b>Total</b>	<b>8,550,000</b>	<b>100.0%</b>	<b>10,550,000</b>	<b>100.0%</b>
<b>Allocation of funds</b>				
Exploration expenditure <sup>2,3</sup>	4,700,000	55.0%	5,500,000	52.1%
Future acquisition costs <sup>3</sup>	1,000,000	11.7%	2,000,000	19.0%
Expenses of the Offers <sup>4</sup>	797,702	9.3%	919,898	8.7%
Working Capital <sup>5,6,7</sup>	2,055,298	24.0%	2,130,102	20.2%
<b>Total</b>	<b>8,550,000</b>	<b>100.0%</b>	<b>10,550,000</b>	<b>100.0%</b>

Notes:

1. Estimate as at the Prospectus Date. Refer to the financial information set out in Section 11 for further details.
2. Refer to table 5.1 of the Independent Geologist's Report at Section 7 for further details of the proposed exploration program.
3. Refer to Section 6.6 for further details. The Company has not identified any potential acquisition opportunities as at the Prospectus Date but has allocated funds to review opportunities if they are presented. To the extent no acquisitions are undertaken, the remaining funds will be allocated to exploration.
4. Refer to Section 14.8 for further details.
5. Comprising employee and Director salaries, office, accounting and audit fees, ASX listing fees and other miscellaneous costs associated with operating a listed company.
6. To the extent that: (a) the Company's exploration activities warrant further exploration activities; or (b) the Company is presented with additional acquisition opportunities, the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.
7. Mr Rogers, a former director of the Company, will receive director fees of \$60,000 including statutory superannuation contingent on Admission. In addition, SRG Partners, a firm in which Mr Rogers is a partner, will receive \$100,000 (plus GST) for the provision of outsourced accounting services provided prior to listing pursuant to the SRG Advisory and Accounting Mandate Letter. Refer to Section 13.14 for more information on the SRG Advisory and Accounting Mandate Letter.

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

On completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives and expenditure commitments necessary to satisfy the Admission requirements under the Listing Rules. It should, however, be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 9.

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

## 5.6 Capital Structure on Admission

On the basis that the Company completes the Offers on the terms in this Prospectus, the Company's capital structure will be as follows:

Key Details of the Offers <sup>1</sup>	Minimum Subscription (\$8,000,000) <sup>2</sup>	Maximum Subscription (\$10,000,000) <sup>3</sup>
Shares on issue	60,014,000	60,014,000
Shares offered under the Public Offer	40,000,000	50,000,000



<b>Key Details of the Offers<sup>1</sup></b>	<b>Minimum Subscription (\$8,000,000)<sup>2</sup></b>	<b>Maximum Subscription (\$10,000,000)<sup>3</sup></b>
Shares offered under the Advisor Offer	1,990,525	1,990,525
Amount to be raised under the Public Offer	\$8,000,000	\$10,000,000
Conversion Shares expected to be issued on completion of the Offers <sup>4</sup>	18,032,715	18,032,715
<b>Total Shares expected to be on issue post-Admission (undiluted)<sup>5</sup></b>	<b>120,037,240</b>	<b>130,037,240</b>
Options <sup>6</sup>	12,728,000	12,728,000
CEO Options <sup>7</sup>	250,000	250,000
Performance Rights <sup>8</sup>	5,850,000	5,850,000
<b>Total securities expected to be on issue post-Admission (fully diluted)</b>	<b>138,865,240</b>	<b>148,865,240</b>

**Notes:**

1. Please refer to Section 14.1 for further details of the current and proposed capital structure of the Company.
2. Assuming the Minimum Subscription of \$8,000,000 is achieved under the Public Offer.
3. Assuming the Maximum Subscription of \$10,000,000 is achieved under the Public Offer.
4. On the basis of the Indicative Timetable set out in Section 3. The actual number of Conversion Shares to be issued on conversion of the Notes may be higher or lower depending on the date of completion of the Offers (i.e. the actual Issue Date), and will be included as part of the disclosures to be released by the Company in connection with its Admission. Please refer to Sections 14.1(c) to 14.1(e) (inclusive) for information on the Conversion Shares.
5. Certain securities on issue post-Admission will be subject to ASX-imposed escrow. Refer to Section 5.16 for the likely escrow position.
6. Please refer to Section 14.1(b) and 14.3 for further details of these Options.
7. Please refer to Sections 14.1(f) and 14.5 for further details of these CEO Options.
8. Please refer to Sections 14.1(g) and 14.5 for further details of these Performance Rights.

## **5.7 Effect of the Offers on control and Substantial Shareholders**

Based on information known to the Company as at the Prospectus Date, the following persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue as at the Prospectus Date:

Shareholder	Shares	Options	Series A Notes	Series B Notes	Series C Notes	% <sup>3</sup>
Mr Bartholomew Gardner <sup>1</sup>	9,342,500	-	-	-	-	15.57
Mr George Rogers <sup>2</sup>	7,733,000	1,776,000	-	-	-	12.89
Golden Gold Pty Ltd	6,160,500	-	35	-	-	10.27
C R & E Pty Ltd	5,500,000	-	-	-	-	9.25
North Queensland Mining Pty Ltd	5,500,000	-	-	-	-	9.25
Plethora Pty Ltd	5,500,000	-	-	-	-	9.25
Alldone Pty Ltd	3,811,000	-	-	-	-	6.35

Notes:

1. Mr Gardner and his associates hold their interests directly and through Second Last Chance Investments Pty Ltd as trustee for the Second Last Chance Investments Trust.
2. Mr Rogers is a previous director of the Company. He holds his interests as trustee of the G&K Rogers Superfund and through Padlooka Investments Pty Ltd as trustee for the G & K Rogers Family Trust.
3. Representing the percentage of the undiluted Share capital of the Company.

Existing Shareholders may participate in the Public Offer. However, based on information known to the Company as at the Prospectus Date, the Directors expect that the following persons (together with their associates) will have a relevant interest in 5% or more of the total number of Shares on issue on the date of Admission:

Shareholder	Shares	Options	% <sup>1</sup>
Mr Bartholomew Gardner <sup>2</sup>	9,342,500	-	7.18
Mr George Rogers <sup>3</sup>	7,733,000	1,776,000	5.95

Notes:

1. Assuming the Maximum Subscription in the Public Offer is reached and that no existing substantial Shareholder subscribed for and receives additional Shares pursuant to the Public Offer.
2. Mr Gardner and his associates hold their interests directly and through Second Last Chance Investments Pty Ltd as trustee for the Second Last Chance Investments Trust.
3. Mr Rogers is a previous director of the Company. He holds his interests as trustee of the G&K Rogers Superfund and through Padlooka Investments Pty Ltd as trustee for the G & K Rogers Family Trust.

## 5.8 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 6.5 for further information in respect to the Company's proposed activities.

## 5.9 Applications

Applications for Shares under the Offer must be made by following the instructions at <https://investor.automic.com.au/#/ipo/koonenberrygold> and completing a BPAY® or Electronic Funds Transfer (EFT) payment. Investors will be given a BPAY® biller code and a customer reference number unique to the online Application once the online application form has been completed. Alternatively, you can contact the Company on +61 8 6245 9869 between 9.00am and 5.00pm (WST) Monday to Friday to obtain a paper copy of the Prospectus and paper version of the Application Form (free of charge).

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, investors must:

- access their participating BPAY® Australian financial institution either via telephone or internet banking;
- select to use BPAY® and follow the prompts; enter the biller code and unique customer reference number that corresponds to the online Application;
- enter the amount to be paid which corresponds to the value of Shares under the online Application;
- select which account payment is to be made from;
- schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- record and retain the BPAY® receipt number and date paid.

Applicants should confirm with their Australian financial institution:

- whether there are any limits on the investor's account that may limit the amount of any BPAY® or EFT payment; and
- the cut off time for the BPAY® or EFT payment.

If such payment is not made via BPAY® or EFT, the online Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than 3.00pm (AWST) on the Closing Date.

Applicants under the Offer are urged to lodge their Application Forms or make an online Application and BPAY® or EFT payment as soon as possible as the Offer may close early without notice.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form.

If you are in doubt as to the course of action, you should consult your professional advisor.

An original, completed and lodged Application Form, together with a payment for the Application Monies or a BPAY® or EFT payment through an online Application constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form including through an online Application. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final. However an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the payment (including a BPAY® payment) for the Application Monies.

## **5.10 CHESS and issuer sponsorship**

The Company will apply to participate in CHESS. All trading on the ASX will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

## **5.11 Admission and Official Quotation**

Within 7 days after the Prospectus Date, the Company will apply to ASX for Admission and the Official Quotation of its Shares, including those offered by this Prospectus.

If ASX does not grant permission for Admission and Official Quotation within four months after the Prospectus Date (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

## **5.12 Application Monies to be held in trust**

Application Monies will be held in trust for Applicants until the allotment of the Shares under the Public Offer. Any interest that accrues will be retained by the Company.

No allotment of Shares under this Prospectus will occur unless the Conditions set out in Section 5.4 are satisfied.

## **5.13 Allocation and issue of Shares**

The Directors, in conjunction with the Lead Manager, will allocate Shares under the Public Offer at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. The allocation of Shares will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Public Offer;
- (c) the desire for a spread of investors, including institutional investors;
- (d) the desire for an informed and active market for trading Shares following completion of the Public Offer;
- (e) the timeliness of the bid by particular Applicants;
- (f) the likelihood that particular Applicants will be long-term Shareholders;
- (g) ensuring an appropriate Shareholder base for the Company going forward; and
- (h) any other factors that the Company and the Lead Manager consider appropriate

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied. The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Subject to the matters in Section 3, Shares under the Offers are expected to be allotted on the Issue Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Public Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

## **5.14 Risks**

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 9 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

## 5.15 Overseas Applicants

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the offering of the Securities, in any jurisdiction outside of Australia.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Shares under the Public Offer may not be offered or sold, in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

### (a) Hong Kong residents

**WARNING:** This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares under the Public Offer have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

### (b) Singapore residents

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for

subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an existing holder of the Company's Shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **5.16 Escrow arrangements**

None of the Shares issued pursuant to the Public Offer are expected to be subject to any escrow arrangements or other restrictions on dealings.

However, ASX will classify certain other securities of the Company as being subject to the restricted securities provisions of the Listing Rules (**Restricted Securities**). Restricted Securities must be held in escrow for up to 24 months and are not able to be sold, mortgaged, pledged, assigned or transferred for that period without the prior approval of ASX. During the period in which these Restricted Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner.

Prior to Admission, the Company will enter into escrow arrangements with the recipients of any Restricted Securities in accordance with Chapter 9 of the Listing Rules. The Company will announce to ASX full details (quantity and duration) of any Restricted Securities required to be held in escrow. However, as at the Prospectus Date, the Company anticipates that upon Admission approximately 47,559,949 Shares (including all Advisor Shares) will be classified as Restricted Securities by the ASX, 3,033,436 of which will be subject to a 12 month escrow and 44,526,513 of which will be subject to a 24 month escrow. Based on the Maximum Subscription, this comprises approximately 37% of the issued share capital on an undiluted basis and approximately 32% on a fully diluted basis.

In addition, the Company anticipates that all of the Options, CEO Options and Performance Rights will be classified as Restricted Securities by ASX, all of which will be subject to a 24 month escrow.

Based on information known to the Company at the Prospectus Date, it expects the Free Float on Admission will not be less than 20% of the Shares on issue at that time.

## **5.17 Underwriting**

The Offers are not underwritten.

## **5.18 Commissions payable**

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

Ventnor Securities will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to Ventnor Securities under the Lead Manager Mandate. This may include payments by Ventnor Securities to SRG Partners, a firm in which George Rogers (a previous director of the Company) is a partner.

No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the Offers.

## **5.19 Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus. No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

## **5.20 Withdrawal**

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

## **5.21 Privacy disclosure**

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess Applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.



## **5.22 Paper Copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and the Public Offer Application Form to investors, or the Advisor Application Form to the Corporate Advisor, upon request and free of charge. Requests for a paper copy from should be directed to the Company Secretary at +61 8 6245 9869.

## **5.23 Enquiries**

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Questions relating to the Offers and the completion of an Application Form can be directed to the Company Secretary at +61 8 6245 9869.

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## 6. Company and Project Overview

### 6.1 Company and Business Overview

The Company was incorporated on 16 May 2017 with a focus on securing, exploring for and developing the Koonenberry Gold Project. Since incorporation, the Company has focused on pre-listing activities, including research, data mining and the digitisation of historical exploration and mining data, modelling of historical drilling, undertaking a trial resistivity tomography survey, raising seed capital and defining exploration programmes for the Project.

The Project is located in north-western NSW, approximately 160km northeast of the major mining and cultural centre of Broken Hill and 40km west of the opal mining town of White Cliffs.

The Company's Board comprises John Elkington (Non-Executive Chair), Anthony McIntosh (Non-Executive Director) and John Hobson (Non-Executive Director). The biographies for the Directors are set out in Section 10.2.

### 6.2 Capital Structure of the Company

As at the Prospectus Date, the capital structure of the Company is as follows:

Securities	No.
Shares	60,014,000
Options <sup>1</sup>	12,728,000
Series A Notes <sup>2</sup>	1,500 in respect of 11,679,070 unissued Conversion Shares
Series B Notes <sup>2</sup>	500 in respect of 3,228,645 unissued Conversion Shares
Series C Notes <sup>2</sup>	500 in respect of 3,125,000 unissued Conversion Shares
CEO Options <sup>3</sup>	250,000

Notes:

1. See Sections 14.1(b) and 14.3 for the terms of the Options
2. See Section 14.1(c) to 14.1(e) (inclusive) for the terms of the Convertible Notes. The number of unissued Shares has been calculated based on the Indicative Timetable set out in Section 3. The actual number of Conversion Shares to be issued on conversion of the Convertible Notes may be higher or lower depending on the date of completion of the Offers (i.e. the actual Issue Date), and will be included as part of the disclosures to be released by the Company in connection with its Admission.
3. See Sections 14.1(f) and 14.5 for the terms of these CEO Options.

### 6.3 Corporate Structure

The Company's corporate structure is, and will upon Admission be, as set out in the following diagram:



As detailed above, the Company owns a 100% legal and beneficial interest in Lasseter Gold Pty Ltd.

## **6.4 Overview of the Project**

### **(a) Summary**

The Project covers an area of approximately 1,339 km<sup>2</sup> comprising a total of twelve Exploration Licences. The licences are held by the Company's 100% owned subsidiary, Lasseter Gold Pty Ltd.

### **(b) Project Location**

The Project is located in north-western NSW, approximately 160km northeast of the major mining and cultural centre of Broken Hill and 40km west of the opal mining town of White Cliffs.

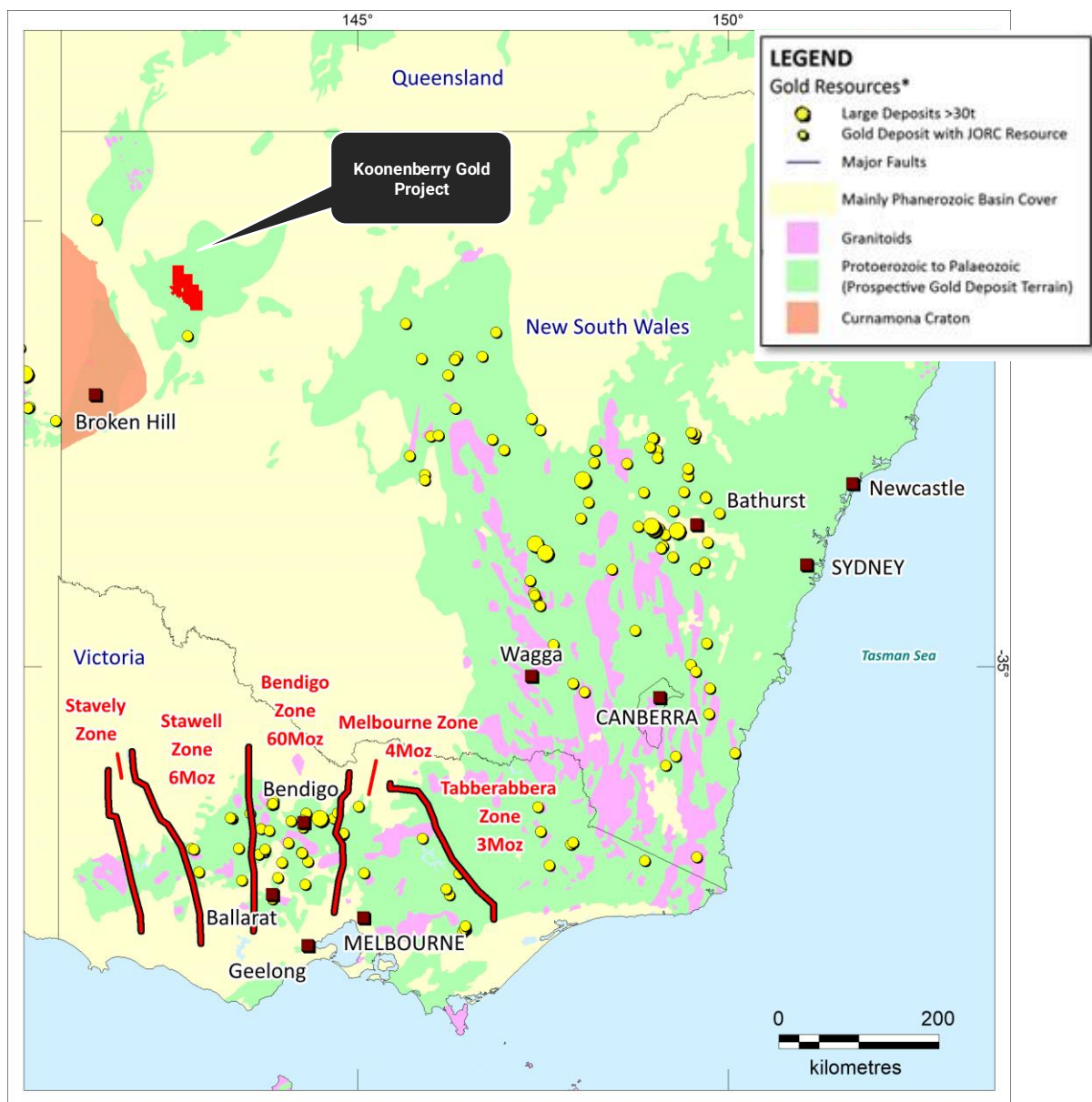


Figure 6.4.1: Koonenberry Gold Project location

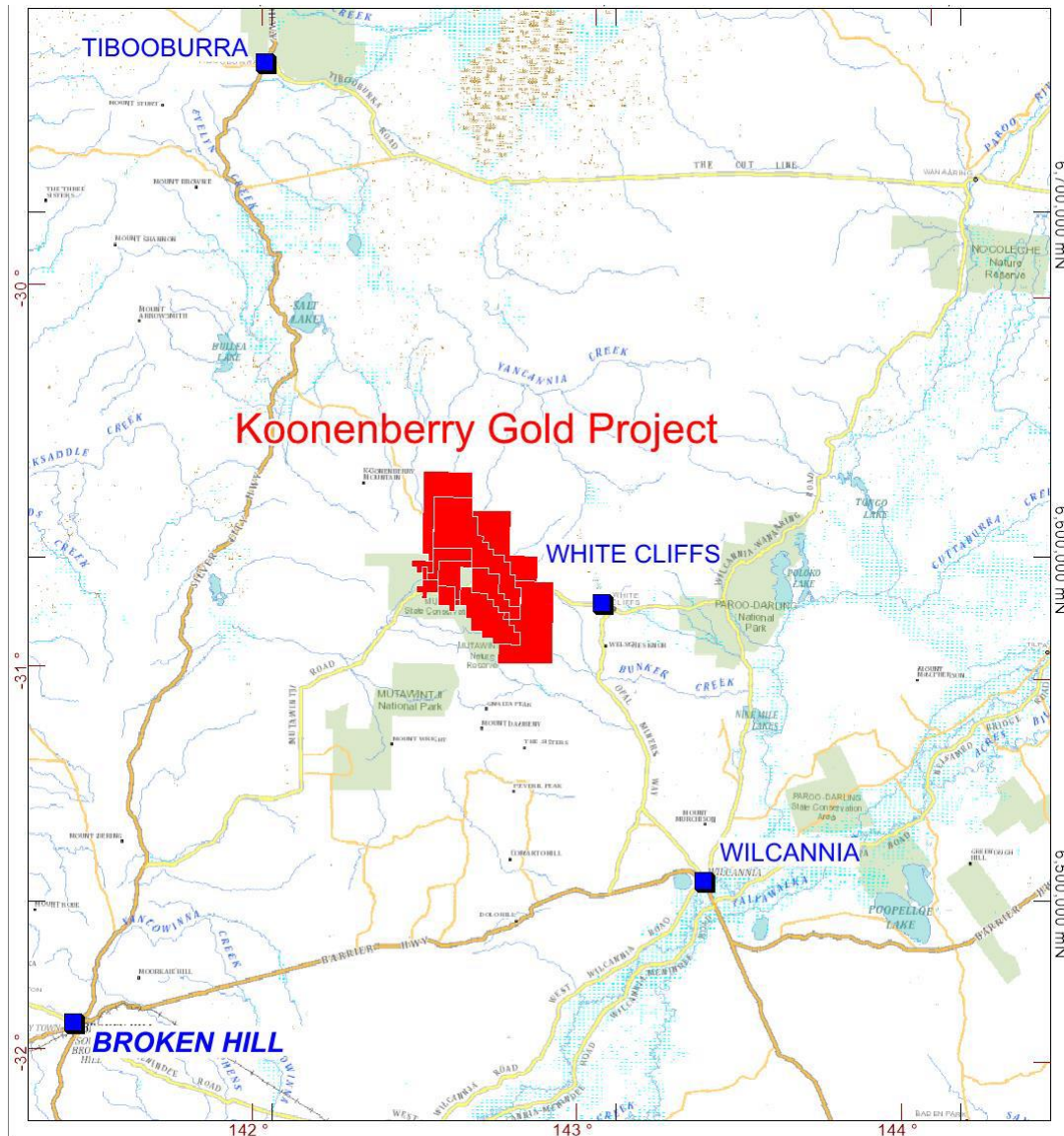


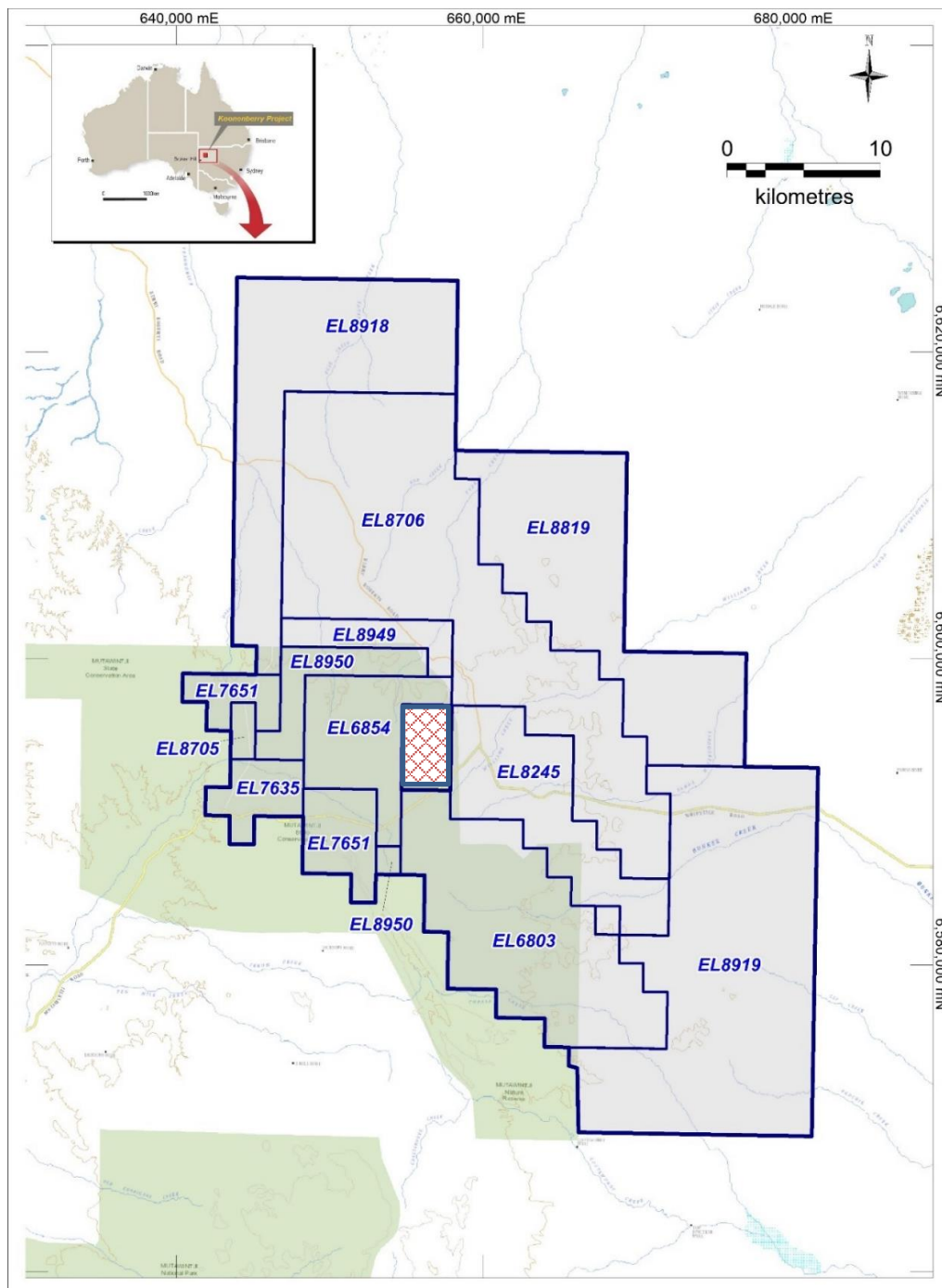
Figure 6.4.2: Koonenberry Gold Limited Project location

### (c) Project Tenements

The Company, via its wholly-owned subsidiary Lasseter Gold Pty Ltd, holds twelve (12) granted tenements comprising the Koonenberry Gold Project, all of which are in good standing. The Project covers an area of approximately 1,339km<sup>2</sup>. Details of the Tenements held by the Company are set out in the table below:

## Tenement Schedule

Licence	Area (km <sup>2</sup> )	Graticular units	Title holder	Grant date	Last renewal date	Expiry date	Minimum Expenditure (\$)
EL 6803	156.2	53	Lasseter	6 Jun 2007	6 Jun 2019	6 Jun 2022	\$121,667
EL 6854	59.0	20	Lasseter	8 Aug 2007	8 Aug 2019	8 Aug 2022	\$93,750
EL 7635	23.6	8	Lasseter	25 Oct 2010	5 Dec 2018	25 Oct 2023	\$33,750
EL 7651	47.2	16	Lasseter	6 Dec 2010	5 Dec 2018	6 Dec 2021	\$145,833
EL 8245	88.5	30	Lasseter	11 Mar 2014	23 May 2017	11 Mar 2023	\$103,333
EL 8705	5.89	2	Lasseter	5 Mar 2018	5 Mar 2021	5 Mar 2027	\$37,233
EL 8706	295.4	100	Lasseter	5 Mar 2018	5 Mar 2021	5 Mar 2027	\$121,667
EL 8819	168.4	57	Lasseter	1 Feb 2019		1 Feb 2022	\$95,000
EL 8918	162.4	55	Lasseter	5 Dec 2019		5 Dec 2023	\$79,500
EL 8919	277.0	95	Lasseter	5 Dec 2019		5 Dec 2023	\$57,333
EL 8949	23.6	8	Lasseter	4 Mar 2020		4 Mar 2023	\$45,333
EL 8950	32.4	11	Lasseter	4 Mar 2020		4 Mar 2023	\$184,667



*Figure 6.4.3: Tenements comprising Koonenberry Gold Limited Project*

Exploration rights to an area in the centre of the Project (highlighted by the hashed area in Figure 6.4.3) are held by a third party and not by the Company. The Company has no right to undertake exploration activities on this area and would be required to acquire those rights from a third party before it could undertake those activities. This tenement is approximately 17.68 square kilometres in size. It has not adversely impacted exploration undertaken by the Company to date and the Company does not envisage it impacting exploration moving forwards.

Exploration at the Project is considered to be early stage, with new exploration prospects being identified during reconnaissance mapping and soil sampling. The Projects prospects outlined in the Independent Geologists Report (see Section 7) include:

- i. Lucky Sevens: Koonenberry considers the Lucky Sevens to be the most advanced prospect, with costeans and historical drilling over a very short strike length of the >3km structure. There is visible gold in the reef at surface with a rich nugget patch. The current exploration information is concentrated around earlier RAB drilling which gave 5m @25.14g/t Au (KYRB\_032) from surface\*. Soil sampling has been effective in defining the mineralised trend of the vein system. Geophysical resistivity techniques have been partially successful in identifying the steep easterly dip of the structure, which continues to the northwest of the drilling area.
- ii. Royal Oak: early exploration has shown an outcropping reef rich in specimen nuggets, and early exploration results of rock chips to 10 g/t Au and Costean DTCOST03 1m @ 2.69 g/t Au from 46.5m\*. It appears to be an iron-rich reef system along the Royal Oak splay fault. There is no systematic historical exploration and has not been drilled.
- iii. Breakaways: this target is one of numerous prospects within the Nuntherungie Basin and has been subjected to detailed mapping, sampling, and aircore and RC drilling. There is a mineralised reef identified at surface which contains a complex array of veins and associated alteration. The Nuntherungie Basin offers the possibility of hydrothermal mineralisation associated with basin development, with remobilisation of fluids during basin shortening. This is evidenced by nuggets, stream sediment anomalism, multi-element lag sampling anomalism and sub-economic RC results.
- iv. Old Bunker Tank: this area has strong indications of mineralisation and is favourably sited for both orogenic gold and alluvial mineralisation. Mapping has revealed carbonate spotting, pyrite euhedra, and bedrock bleaching alteration. An anticlinal fold hinge has been mapped which appears to correlate with the zone of sulphide enrichment in bedrock. Mafic rocks of the Bittles Tank Volcanics are exposed along the fold hinge.

An iron-enriched quartz vein from costean BOUNCOS8 in the Old Bunker Tank area (Bouncer Reef) returned a 31.2 g/t Au\*.

- v. Lonsdale: early exploration has identified a reef trending NNW @ 1m thick along Lonsdale Fault splay and a number of discrete soil anomalies have been recorded. Mini bulk sampling results include 24.1 g/t Au and 4.95 g/t Au\*. There has been no recent exploration in this area.
- vi. Atlantis: has the largest soil anomaly defined on the project to date > 5km @ 10 ppb Au\*. There is a copper-gold association with up to 15% copper in the rock chips. It has an association with fold hinge and very strongly silicified dome within a hematitic siltstone.

\* Refer to the Independent Geologist's Report in Section 7 for full exploration results, including tables 4.2 and 4.3 and section 2 of Appendix A for details of reporting of results.



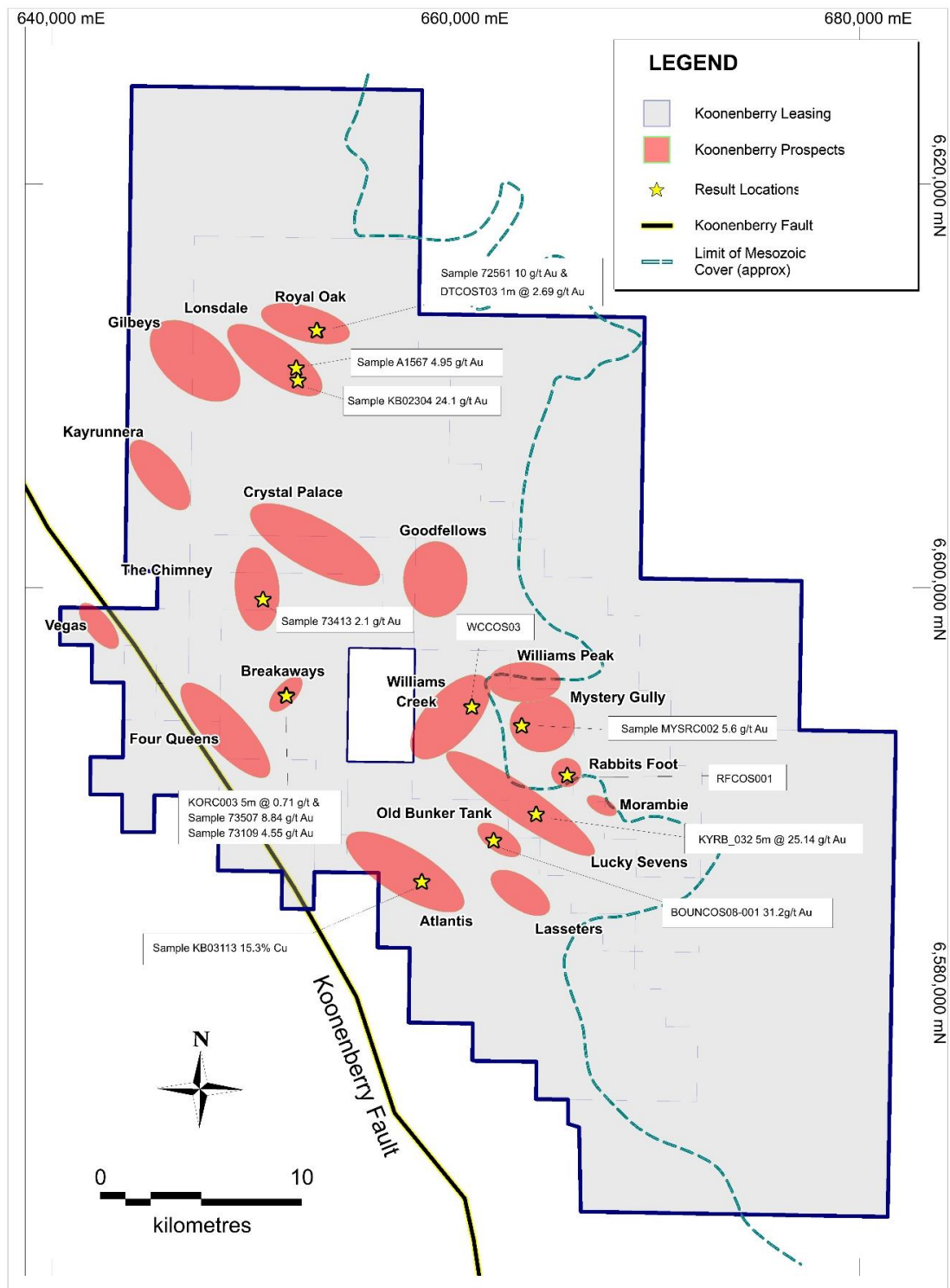


Figure 6.4.4: Koonenberry Gold Limited Project

\* Refer to the Independent Geologist's Report in Section 7 for full exploration results, including table 4.2 and 4.3, and section 2 of Appendix A for details of reporting of results.

Further details with respect to the Projects are set out below in the Independent Geologists Report set out in Section 7 and in the Solicitor's Report on Tenements set out in Section 8.

**(d) Geology and Mineralisation**

The Koonenberry Belt is an orogenic belt with the potential to become a major new mineral province. The Koonenberry Belt has been subject to uplift, sedimentation and deformation throughout the Phanerozoic, including the Benambran Orogeny, which is considered to be the main phase of gold mineralisation. It is comparable with the Stawell Zone of the Victorian Goldfields. On the western side of the Koonenberry Project is the Koonenberry Fault, which is a long-lived deep crustal structure traceable in outcrop for over 225 km. The mineralisation styles range from lode style to alluvial and deep lead mines. A more detailed description of the geology and mineralisation is detailed in the Independent Geologist's Report in Section 7.

**(e) Previous Exploration**

Prior to EMX's involvement in the project in 2011, previous licence holders in the area have done little by way of systematic exploration. From the early 1970's until recently, exploration has concentrated on diamonds, targeting Permian ultramafic and mafic breccia pipes. Regional exploration for base and precious metals has also been carried out by various companies, including BHP Limited, CRAE (now Rio Tinto), BP Australia Limited, ESSO Australia Limited, and Mithril Resources Limited, with little success. The only relevant exploration for gold was undertaken by Helix Resources Ltd (ASX: HLX) from 1998-2000 in a regional program that included stream sediment sampling, and GeoProspect Pty Ltd, who undertook stream and rock chip sampling, but were unable to reach a consensus with stakeholder negotiations and pulled out in 2014.

**(f) Exploration Potential**

The Project is an early-stage exploration project and the geological comparisons with the Stawell goldfield in Victoria are justified and may provide an indication of its potential gold endowment. The area has been under-explored due to its remoteness and past explorers have been largely ineffective in their approach.

The Koonenberry Project is at an early conceptual stage of exploration but its prospectivity is demonstrated by the presence of gold mineralisation. The project will benefit from the work by previous miners and explorers that has resulted in the identification of alluvial and lode gold mineralisation.

The Tenements have no reported mineral resources or ore reserves.

Evidence of small-scale historical 19th century workings exist within the tenure, however there are no production records available.

Further details with respect to the exploration potential are below in the Independent Geologists Report set out in Section 7 and in the Solicitor's Report on Tenements set out in Section 8.

## **6.5 Proposed Exploration Programs and Expenditure**

The Company proposes to fund its intended activities as outlined in the tables below from the proceeds of the Offers. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from the exploration undertaken. This will involve an ongoing assessment of the Project and may lead to increased or decreased levels of expenditure on certain interests reflecting a change in emphasis. Subject to the above, the following budget takes into account the proposed expenses over the next 2 years following listing:

- (a) Assuming the Minimum Subscription of \$8 million is raised, the Company proposes the following approximate exploration budget which has been estimated based upon current assessments of the exploration priorities:

Project area	Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Koonenberry	Detailed mapping	150,000	30,000	180,000
	Geochemistry and Assays	360,000	220,000	580,000
	Geophysical surveys	110,000	30,000	140,000
	Reverse circulation (RC) drilling	980,000	800,000	1,780,000
	Diamond drilling	0	500,000	500,000
Service costs	Heritage and tenement administration	150,000	150,000	300,000
	Geological services and field labour	340,000	380,000	720,000
	Administration	250,000	250,000	500,000
Total		2,340,000	2,360,000	4,700,000

- (b) Assuming the Maximum Subscription of \$10 million is raised, the Company proposes the following approximate exploration budget which has been estimated based upon current assessments of exploration priorities:

Project area	Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Koonenberry	Detailed mapping	150,000	80,000	230,000
	Geochemistry and Assays	370,000	320,000	690,000
	Geophysical surveys	150,000	30,000	180,000
	Reverse circulation (RC) drilling	1,500,000	700,000	2,200,000
	Diamond drilling	n/a	600,000	600,000
Service costs	Heritage and tenement administration	150,000	150,000	300,000
	Geological services and field labour	400,000	400,000	800,000
	Administration	250,000	250,000	500,000
Total		2,970,000	2,530,000	5,500,000

Please refer to Section 5 of the Independent Geologist's Report for further detail in respect of the Company's exploration budget.

## 6.6 Business Model

The primary objective of the Company is to focus on mineral exploration of resource opportunities that have the potential to deliver growth to the Company for the benefit of Shareholders. In order to achieve this, the Company intends to undertake the exploration and development programs described in this Section with the objective of defining a viable resource.

A key strategy of the Company will be to leverage off the experience and skills of its Directors and Senior Management who collectively have strong track records in corporate management, resource project acquisition, discovery, development and mining. In addition to its existing exploration activities, the company may make acquisitions of, or investments in, assets that the Company considers are a strategic fit to its operations.

The key dependencies of the Company's business model include:

- (a) closing the Offers and successfully raising the Minimum Subscription;
- (b) maintaining title to the Project;
- (c) negotiating, agreeing and maintaining access to the Project;
- (d) successfully exploring for and delineating mineral deposits on the Project and any other project interests that the Company may acquire in the future;
- (e) retaining and recruiting key personnel skilled in the mining and resources sector;
- (f) sufficient worldwide demand for gold;
- (g) the market price for gold remaining higher than the Company's costs of future production (assuming successful exploration by the Company);
- (h) raising sufficient funds to satisfy expenditure requirements for exploration and operating costs in respect of the Koonenberry Gold Project; and
- (i) minimising environmental impact and complying with health and safety requirements.

## **6.7 Strategy following listing**

The primary objective of the Company is to focus on exploration and development of the Project. In order to achieve this objective following listing, the Company proposes to undertake the exploration programs highlighted above and further explained in the Independent Geologist's Report in Section 7 of this Prospectus. The results of the exploration programs will determine the potential of the Project to host significant mineralisation and possible timing for the commencement of potential further testing including pre-feasibility and feasibility studies in order to assess the economic viability of the Project.

In summary, the Company's strategy and purpose of the Offers is to provide the Company with funding to:

- (a) systematically explore the Company's Project by exploring for gold through geological mapping, geophysics, surface sampling and drilling;
- (b) implement a growth strategy to seek out further exploration and acquisition opportunities; and
- (c) meet the costs of the Offers and provide working capital for the Company.

From time-to-time acquisition opportunities may be presented to the Board. At this time the Board will discuss and evaluate the merits of any acquisition opportunities presented to it depending on current market sentiments and the Company's current finances and appetite for additional assets. The Company has not identified any potential acquisition opportunities as at the Prospectus Date. In considering future acquisitions, the Company's current intention is to consider mineral exploration projects, in particular those prospective for gold and base metals, primarily within Australia.

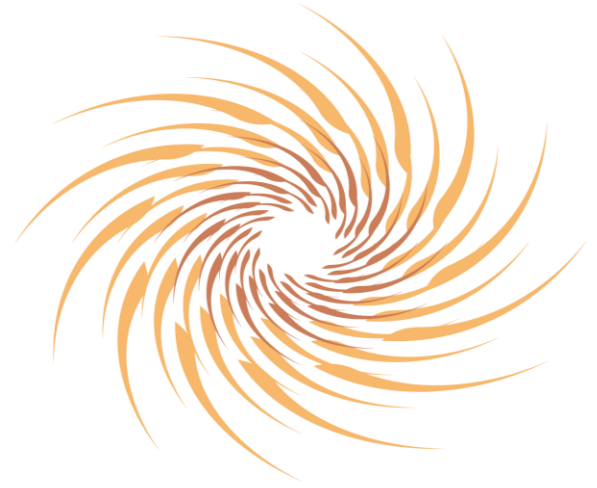
## **6.8 Dividend Policy**

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable 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 are given in relation to the payment of dividends, or that any dividends may attach franking credits.

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## **7. Independent Geologist's Report**



# KOONENBERRY GOLD LTD

## Independent Geologist's Report

### KOONENBERRY GOLD PROJECT

30 JUNE 2021

#### REPORT PREPARED FOR KOONENBERRY GOLD LTD

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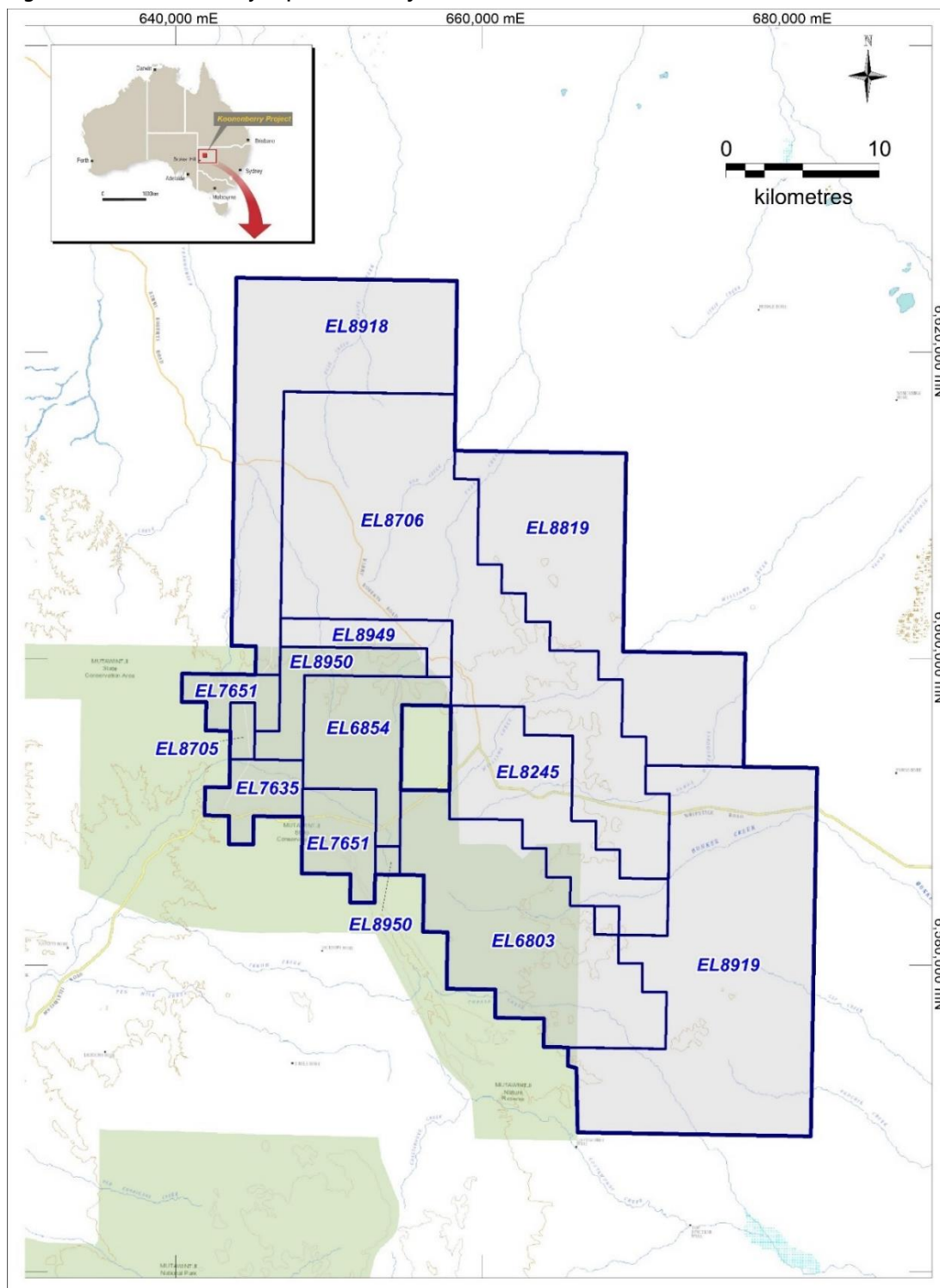
## Appendix

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# 1 EXECUTIVE SUMMARY

Burnt Shirt Pty Ltd (Burnt Shirt) was requested by Koonenberry Gold Ltd (KBG) to prepare an Independent Geologist's Report (IGR) for its Koonenberry Exploration Project ("Koonenberry" or the "Project"), located near White Cliffs in north-western New South Wales (NSW), approximately 160 km northeast of the city of Broken Hill (Figure 1.1).

**Figure 1.1 Koonenberry Exploration Project schematic location**



Source: KBG

Burnt Shirt considers that the Project has geological similarities to the Stawell Zone of western Victoria.

Koonenberry is considered prospective for similar orogenic gold systems and Burnt Shirt is encouraged by the following points:

- Historical artisanal production exceeding 1,870 kg of gold<sup>1</sup> sourced from many relatively small lode and alluvial gold sources and described in records kept by the Department of Regional NSW under the agency of Mining, Exploration and Geoscience
- Deformed turbidite sequences that correspond to those extensively exploited for gold in Victoria
- Extensive mapped auriferous quartz vein systems
- Extensive placer and palaeoplacer deposits, currently being exploited by prospectors and fossickers and reportedly yielding significant quantities of gold
- The presence of the northwest trending Koonenberry Fault, that potentially provided first-order fluid pathways
- There has been no effective testing of the mineralisation to date.

Burnt Shirt further notes recent positive exploration results at Manhattan Corporation Limited's (ASX: MHC) New Bendigo project, some 20 km north of Koonenberry<sup>2</sup>.

Burnt Shirt cautions that the existence of other mineralisation estimates in the region does not provide assurance that such mineralisation will be identified on KBG's tenements.

Burnt Shirt understands this IGR is to be included in a Prospectus to be issued by KBG for an initial public offer of 50,000,000 shares at \$0.20 to raise \$10 million to facilitate a listing on the Australian Securities Exchange (ASX).

This report has an Effective Date of 13 May 2021, this being the most recent date on which KBG made material in its possession available to Burnt Shirt; and Burnt Shirt is unaware of any material change since this date.

The KBG Mineral Assets being described are located within NSW (Figure 1.1) and comprise 12 exploration licences for 1,339 km<sup>2</sup> (Table 1.1) granted under NSW mining legislation (refer to Section 2.2 below). The tenements are beneficially held by Lasseter Gold Pty Ltd (Lasseter), a wholly owned subsidiary of KBG.

This document is prepared in accordance with the 2012 guidelines of the Australian Joint Ore Reserves Committee (the "JORC Code") and the 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the "VALMIN Code").

<sup>1</sup> Geological Survey of New South Wales, Bulletin 32(5), 2003

<sup>2</sup> MHC ASX release, 2 November 2020

**Table 1.1 KBG Mineral Assets**

Licence	Area (km <sup>2</sup> )	Graticular units	Title holder	Grant date	Last renewal date	Expiry date
EL 6803	156.2	53	Lasseter Gold Pty Ltd	6 Jun 2007	6 Jun 2019	6 Jun 2022
EL 6854	59.0	20		8 Aug 2007	8 Aug 2019	8 Aug 2022
EL 7635	23.6	8		25 Oct 2010	5 Dec 2018	25 Oct 2023
EL 7651	47.2	16		6 Dec 2010	5 Dec 2018	6 Dec 2021
EL 8245	88.5	30		11 Mar 2014	23 May 2017	11 Mar 2023
EL 8705	5.89	2		5 Mar 2018	5 Mar 2021	5 Mar 2027
EL 8706	295.4	100		5 Mar 2018	5 Mar 2021	5 Mar 2027
EL 8819	168.4	57		1 Feb 2019		1 Feb 2022
EL 8918	162.4	55		5 Dec 2019		5 Dec 2023
EL 8919	277.0	95		5 Dec 2019		5 Dec 2023
EL 8949	23.6	8		4 Apr 2021		4 Mar 2023
EL 8950	32.4	11		4 Apr 2021		4 Mar 2023

## 1.1 Summary of Geology and Mineralisation

The Project area covers a series of Mid-Cambrian marine sediments of the Koonenberry Formation, which were deposited in a volcanic arc environment prior to being deformed in the Late Cambrian Delamerian Orogeny. This orogeny is characterised by intense compressive deformation, resulting in tight to isoclinal upright folds and a vertical slaty cleavage.

The Koonenberry Belt has been subject uplift, sedimentation and deformation throughout the Phanerozoic, including the Benambran Orogeny, which is considered to be the main phase of gold mineralisation. It is comparable with the Stawell Zone of the Victorian Goldfields. On the western side of the Koonenberry Project is the Koonenberry Fault, which is a long-lived deep crustal structure traceable in outcrop for over 225 km.

Gold occurs as structurally controlled as lode-style veins or as alluvial concentrations. Lode gold is often associated with laminated quartz veins and has also been documented in quartz vein stockworks. Gold is associated with pyrite and arsenopyrite, galena, chalcopyrite and sphalerite. Documented veins range in width from millimetre scale to several metres in width, with the strike of some individual veins exceeding several hundred metres. Historical production often documented head grades of sorted ore at two to three ounces of gold per tonne. Underground mining depth is undocumented but is not considered to have proceeded beyond 10 m in depth.

Parties associated with Koonenberry Gold have been exploring the Koonenberry belt for four years, expanding earlier work by EMX Exploration Pty Ltd (EMX). Exploration has involved prospecting, costeaning and bulk sampling, limited soil sampling, and limited drilling.

Rock chip sampling of outcropping quartz and quartz-ironstone veins across the Project has returned coarse, visible gold. Prospectors have reportedly recovered thousands of ounces of gold through metal detecting. These are related directly to vein systems and to eroded palaeoplacer lag deposits.

Limited drilling has returned results including 5 m @ 25.14 g/t Au (KYRB\_032, from surface) and lag sampling has returned anomalous gold grades. Investors are referred to Table 4.3 and the completed JORC Table 1 in Appendix A for supporting information regarding the exploration results.

The nuggetty nature of the mineralisation has resulted in a bulk sampling program of the identified veins.

There are numerous soil geochemical anomalies identified by KBG throughout the Koonenberry area that are yet to be drill tested.

## 1.2 Summary of Exploration Strategy

Burnt Shirt considers the Koonenberry Gold Project to represent an exploration project that enjoys relative ease of access and the regional presence of significant infrastructure.

Work by explorers has identified sufficient indications of mineralisation to warrant further exploration on the premise that the mineralised system is large.

KBG proposes a multi-disciplinary work program including:

- Conduct a comprehensive structural geology review of the area to:
  - Define geometry and location of host rocks; define their structural evolution, architecture and alteration fluid characteristics
  - Produce 3D models at tenement scale and more detailed sub-models around prospects
- Conduct further geophysical studies of the area, which may include IP/EM surveys
- Conduct further geochemical sampling of regional soils to complement the work done to date.
- Expand its costean programme over known soil geochemical anomalies and conduct bulk sampling
- Define and prioritise targets for drilling and further development, understanding the different mineralisation styles and the most efficient way of testing those targets.

## 1.3 Burnt Shirt Opinion

Burnt Shirt considers that:

- The Koonenberry Project is an early-stage exploration project and that geological comparisons with the Stawell goldfield in Victoria are justified and may provide an indication of its potential gold endowment.
- The area has been under-explored due to its remoteness, and past explorers have been largely ineffective in their approach.
- The presence of abundant coarse gold has hampered past explorers. KBG has spent considerable time developing sampling and assaying strategies to cope with this.
- KBG possesses a significant database that can be used to expedite its efforts.

### 1.3.1 Burnt Shirt Conclusions

Burnt Shirt concludes that:

- KBG holds a large tenure over a prospective area in western NSW that has potential to yield economic mineralisation and recommends that it proceed to implement its exploration strategy on listing
- The Koonenberry Project is at an early conceptual stage of exploration but its prospectivity is demonstrated by the presence of gold mineralisation
- KBG will benefit from the work by previous explorers that has resulted in the identification of alluvial and lode gold mineralisation.

Burnt Shirt has examined the proposed exploration budget of \$5.5 million and the proposed work program for the first two years after KBG's listing and concludes that these are reasonable and achievable.

### 1.3.2 Burnt Shirt Recommendations

Burnt Shirt recommends that:

- Past explorers have operated without consideration for the provisions of the JORC Code and that KBG should implement appropriate procedures to allow public reporting of its results
- Structural geology work should commence in parallel with the proposed detailed mapping and geochemical sampling to provide context to the results of these exercises
- KBG implement its coarse gold sampling and assaying procedures at commercial laboratories, with appropriate quality assurance and quality control (QAQC) procedures
- KBG proceed to rank its exploration targets, of which the Lucky Sevens target would appear to be the most advanced.

There are a number of mineralisation styles apparent in the Project and Burnt Shirt recommends these styles be examined in parallel with the quartz reef-hosted mineralisation exploration that is the primary focus of KBG and past explorers' efforts.

## 2 INTRODUCTION

Burnt Shirt was requested by KBG to prepare IGR for its Koonenberry Project located near White Cliffs in north-western New South Wales, approximately 160 km northeast of the city of Broken Hill (Figure 1.1).

Burnt Shirt considers that the Project has geological similarities to the Stawell Zone of the Delamerian Orogen<sup>3</sup>, located in western Victoria, which has a recorded gold production that exceeds 163 t. The Project is considered to be prospective for orogenic gold systems.

KBG has identified sufficient geological evidence to indicate potential for orogenic and placer gold mineralisation. Burnt Shirt advises that this concept is based on the findings of previous exploration and Burnt Shirt has referenced the publicly available sources of this information, as appropriate. Burnt Shirt concurs with this view.

This IGR does not provide a Valuation<sup>4</sup> of KBG's Koonenberry Project for the purposes of listing.

### 2.1 Competent Person, Effective Date, and No Material Change

The Competent Person for preparation of the report is Mr Jeremy Peters, FAusIMM CP (Mining, Geology). Mr Peters has extensive professional experience with the geology of and has worked extensively throughout Australia and is familiar with the geology of NSW.

The effective date of this report is 13 May 2021, this being the date at which no further information was supplied to the author by KBG, and the author is not aware of any material change in the status of The Project in the period between receipt of data and completion of the report.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by KBG or has been gathered from public sources.

### 2.2 Mineral Assets

The Mineral Assets that are the subject of this IGR are 12 granted exploration licences under NSW mining legislation<sup>5</sup> (Table 1.1 and Figure 1.1). The Division of Resources and Geoscience in NSW requires annual technical, environmental, community and expenditure reporting are conditions of tenure.

In 2011, EMX consolidated a regionally significant holding between itself and private companies Arastra Exploration Pty Ltd and Rockwell Resources Pty Ltd (Rockwell). EMX commenced the first modern exploration effort, mostly on Nuntherungie Station, due to access difficulties. In 2014, North Queensland Mining Pty Ltd (NQM) signed an Exploration and Option Agreement for the licences and in 2017, Lasseter Gold (a wholly owned subsidiary of Koonenberry Gold) became the sole shareholder of the EMX Koonenberry assets and currently manager of the Project.

<sup>3</sup> Greenfield, J.E., and Reed, W.J., 2006, Geoscience Australia Record 2006/21

<sup>4</sup> As defined by the VALMIN Code

<sup>5</sup> For a more comprehensive explanation of NSW mining legislation, refer to <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/applications-and-approvals/mining-and-exploration-in-nsw>



Burnt Shirt is not qualified to comment definitively on licensing matters but has sighted a letter from a qualified tenement manager<sup>6</sup> to the effect that the tenements are unencumbered and in good standing. Burnt Shirt has independently made enquiries of publicly available data<sup>7</sup> to the effect that the tenements are in good standing.

The Project covers an area of approximately 1,339 km<sup>2</sup> and the licences are held beneficially by 100% owned subsidiary company, Lasseter Gold Pty Ltd.

### 2.2.1 Competing Tenure

The Project lies on five pastoral stations and part of the Mutawintji State Conservation Area (SCA, formerly Nuntherungie Station). Most the Project sits on Kayrunnera Station.

A Rural Access and Compensation Agreement (RACA) is in place for Kayrunnera and Morambie Stations and an agreement with Mutawintji SCA is being negotiated for renewal. Negotiations are underway for the others. A significant and lengthy effort has been placed on stakeholder engagement with the pastoralists, and KBG is the first company to gain access to many areas because of its success in building constructive relationships with the station owners.

### 2.2.2 Royalties

Royalty agreements are in place for various tenements, as summarised below:

- As part of KBG's entry to the project, a 3% net smelter return (NSR) is payable to EMX Royalty Corp on tenements EL 6803, EL 6854, EL 7651, EL 7635 and EL 8245; and any and all mining claims, leases, licences or other forms of interest in minerals, or surface water rights, located wholly or in part within a two-kilometre area around the outside boundaries of the properties underlying those Tenements (excluding EL 6479).
- EL 6803, EL 6854, EL 7635, and EL 7651 carry a 2% net smelter royalty to T. Clarke of Kayrunnera Station as well as a 7.5% profit share arrangement on the following leases: EL 6803, EL 6854, EL 7635, EL 8819, EL 8918 and EL 8949. There is no buy-out option in place.
- EL6803 carries a 2% NSR to Arastra with a buy-out option of a one-off consideration of \$5 million.
- EL6854 carries a 2% NSR to Perry & Armstrong with a buy-out option of a one-off consideration equivalent to 10% of the "Proved Ore Reserves" (as defined in the JORC Code) of gold contained within the area of EL 7652 at a price of \$30 per ounce.
- EL7651 carries a 2% NSR to Bates with a buy-out option of a one-off consideration equivalent to 10% of the "Proved Ore Reserves" (as defined in the JORC Code) of gold contained within the area of EL 7652 at a price of \$30 per ounce.

### 2.2.3 Aboriginal Heritage and Native Title

Native Title is extinguished for almost the entire lease area, with exception of two small historical stock watering areas totalling about 8.1 km<sup>2</sup> on Crown land. These were part of a Non-Exclusive Native Title determination in 2015 in favour of the Barkandji Traditional Owners<sup>8</sup>. Access to these areas is covered by the existing land access agreements with the lessees.

<sup>6</sup> Teneman Consulting, Mineral Tenement Services, letter dated 29 September 2020, Sarah Blieschke, Principal Consultant

<sup>7</sup> NSW Department of Industry Exploration and Mining Titles, accessed 29 April 2021

<sup>8</sup> Tribunal ID: NCD2015/001

## 2.3 Mineral Resources and Ore Reserves

The Project does not contain any Ore Reserves or Mineral Resources, as defined by the JORC Code.

## 2.4 Sources of Information and Site Visit

The geology and exploration history of the Koonenberry area has been extensively and publicly reported. Mr Peters has worked on the rocks of western NSW at various points in his career and has traversed the Koonenberry locality in the course of that work. Mr Peters has examined the database of Koonenberry literature to satisfy himself of the veracity of the information.

Mr Peters has not physically examined the exploration site as a result of the COVID-19 pandemic and as a consequence of the relevant travel restrictions. Mr Peters accepts representations made by KBG's geological employees, particularly Mr Andrew Bennett, Koonenberry Gold Exploration Manager, as being factual and bases his inferences on his own experience and observations.

Unless otherwise stated, all currencies are expressed in Australian dollars (A\$) and units of measurement are metric. Historical units have been converted to metric units. Grid locations are in Geocentric Datum of Australia 1994 (GDA94), unless otherwise indicated.

Extensive reference is made to the results of historical exploration. These results are reported here in accordance with the guidelines of the JORC Code and the Competent Person considers these to be adequately reliable for the purposes of indicating geological prospectivity. Burnt Shirt has referred to the publicly available DIGS<sup>9</sup> database references for these historical exploration results, where they can be read in their original format and context.

The Competent Person has referenced the source of these historic exploration results as footnotes throughout this document and has provided a completed JORC Code Table 1, Sections 1 and 2 in Appendix A below.

Burnt Shirt is responsible for this report as part of KBG's listing documentation and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no material omissions.

### 2.4.1 Reliance on Other Experts

In preparing this report, Mr Peters has extensively relied on information collated by other parties, as described in Section 2.4 above. Mr Peters has critically examined this information, made his own enquiries and applied his general geological competence to conclude that the information presented in this IGR complies with the definitions and guidelines of the JORC Code.

The principal sources of information regarding KBG's assets are private and statutory reports that have been prepared by various parties and collated by the Geological Survey of New South Wales (GSNSW).

### 2.4.2 Reliance on Information

Burnt Shirt believes that its opinion must be considered as a whole and that presentation of selections of its report could create a misleading view of the opinions presented in this IGR. The preparation of an IGR is a complex process and does not lend itself to partial analysis or summary.

<sup>9</sup> <https://search.geoscience.nsw.gov.au/>

### 2.4.3 Limitations

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

### 2.4.4 Declaration

Burnt Shirt will receive a fee for the preparation of this report in accordance with normal professional consulting practice. This fee is not contingent on the outcome of the IGR and Burnt Shirt will receive no other benefit for the preparation of this report. Burnt Shirt does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the assets.

Neither Burnt Shirt, the Competent Person, Mr Peters, who is responsible for authoring this IGR, nor any Directors of Burnt Shirt have at the date of this report, nor have had within the previous two years, any shareholding in KBG or any of its advisors.

Consequently, Burnt Shirt, Mr Peters and the Directors of Burnt Shirt consider themselves to be independent of KBG and its related parties.

### 2.4.5 Copyright

Copyright of all text and other matter in this document, including the manner of presentation, is the exclusive property of Burnt Shirt.

It is an offence to publish this document or any part of the document under a different cover, or to reproduce and/or use, without written consent, any proprietary technical procedure and/or technique contained in this document. The intellectual property reflected in the contents resides with Burnt Shirt and shall not be used for any activity that does not involve Burnt Shirt, without the written consent of Burnt Shirt.

## 3 PROJECT DESCRIPTION

### 3.1 Location and Access

The Koonenberry Gold Project is located in north-western NSW, approximately 160 km northeast of the major mining and cultural centre of Broken Hill and 40 km west of the opal mining town of White Cliffs. Good access is available via main roads connecting Broken Hill, White Cliffs, and Tibooburra (Figure 1.1). The Mutawintji Nature Reserve sits just to the south of the project area.

The Koonenberry Project tenements are located on the GSNSW Tibooburra 1:100,000 map sheet, Code 7339.

### 3.2 Environment

The Project site experiences hot summers (mean maximum 35.8°C) and warm winters (mean maximum 17.2°C and mean minimum 4.1°C). Rainfall is very low and irregular, averaging 250 mm per year. The vegetation is typically low-density mulga scrub, and the relief is low to undulating (Figure 3.1). The Coturaundee Range forming the most prominent topographic feature in the south-western portion of the Project.

**Figure 3.1** Typical Koonenberry environment



Source: KBG

Water flows are generally southeast to the Darling River system or north towards Lake Frome and Lake Eyre, however, flows are unlikely to reach these destinations except in exceptional circumstances.

The soil supports low intensity grazing and a biodiversity assessment undertaken in 2018 identified the Creeping Darling Pea as the only recorded threatened species with the potential to occur after heavy rains.

Current environmental approvals restrict activities that may affect the riparian corridor within up to 10 m of first-order creeks defined on the 1:100,000 topographic maps<sup>10</sup>.

<sup>10</sup> RW Corkery & Co. Report No. 1006/01, December 2018

KBG has an approved Review of Environmental Factors (REF) in place over a large portion of the active project site, which includes a biodiversity assessment and agricultural impact assessment. The REF facilitates exploration on a larger scale than might be achieved via multiple individual approval applications.

### **3.3 Geology and Mineralisation**

The Koonenberry Belt has been the subject of a government sponsored regional mapping and seismic reflection study, undertaken by the GSNSW<sup>11</sup>. The results of this work inform Burnt Shirt's understanding of the geology.

#### **3.3.1 Regional Geology**

The Koonenberry fold and thrust belt basement rocks are part of the Cambrian Delamarian Orogeny, situated in the north-eastern margin of the Curnamona Province, at the boundary with the Thomson and Lachlan Orogens (Figure 3.2). The Koonenberry Belt has been subject to uplift, sedimentation and deformation throughout the Phanerozoic, including the Benambran Orogeny, which is the main phase of syn-orogenic gold mineralisation. Governments-sponsored work has identified that the Eastern Koonenberry lithostratigraphy is comparable with the Stawell Zone of the Victorian Goldfields (Figure 3.3).

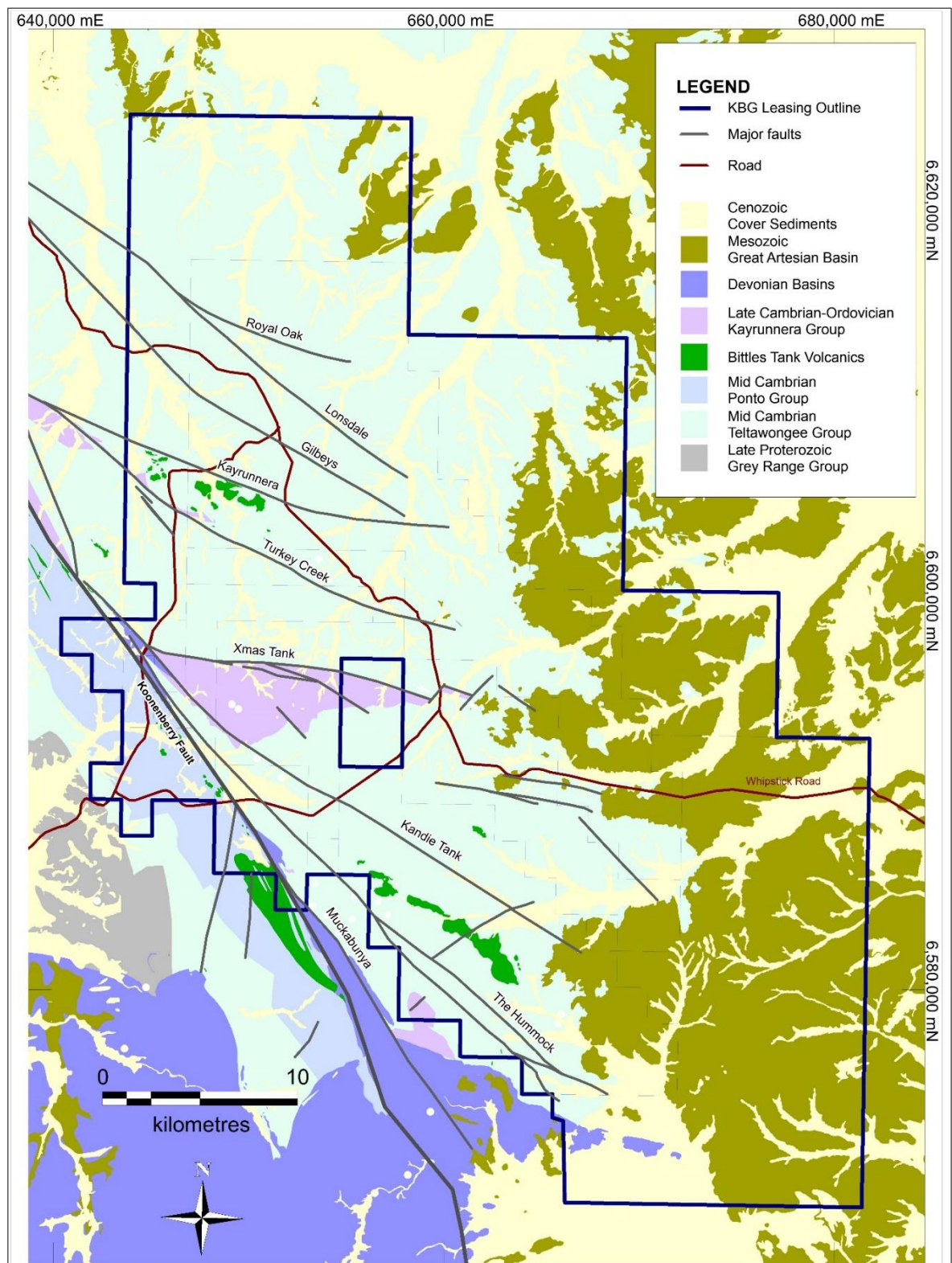
Central to the Koonenberry Belt and occurring on the western side of the Koonenberry Project, is the Koonenberry Fault, which is a long-lived deep crustal structure, dipping about 55° west and traceable in outcrop for over 225 km.

Neoproterozoic Kara beds of the Grey Range Group (Figure 3.2), a shallow marine sequence and minor quartzite and dolomite underlie much of the western part of the Koonenberry region and likely underlie the Project.

<sup>11</sup> Greenfield et al, 2010.. GSNSW Report No GS2018/0372

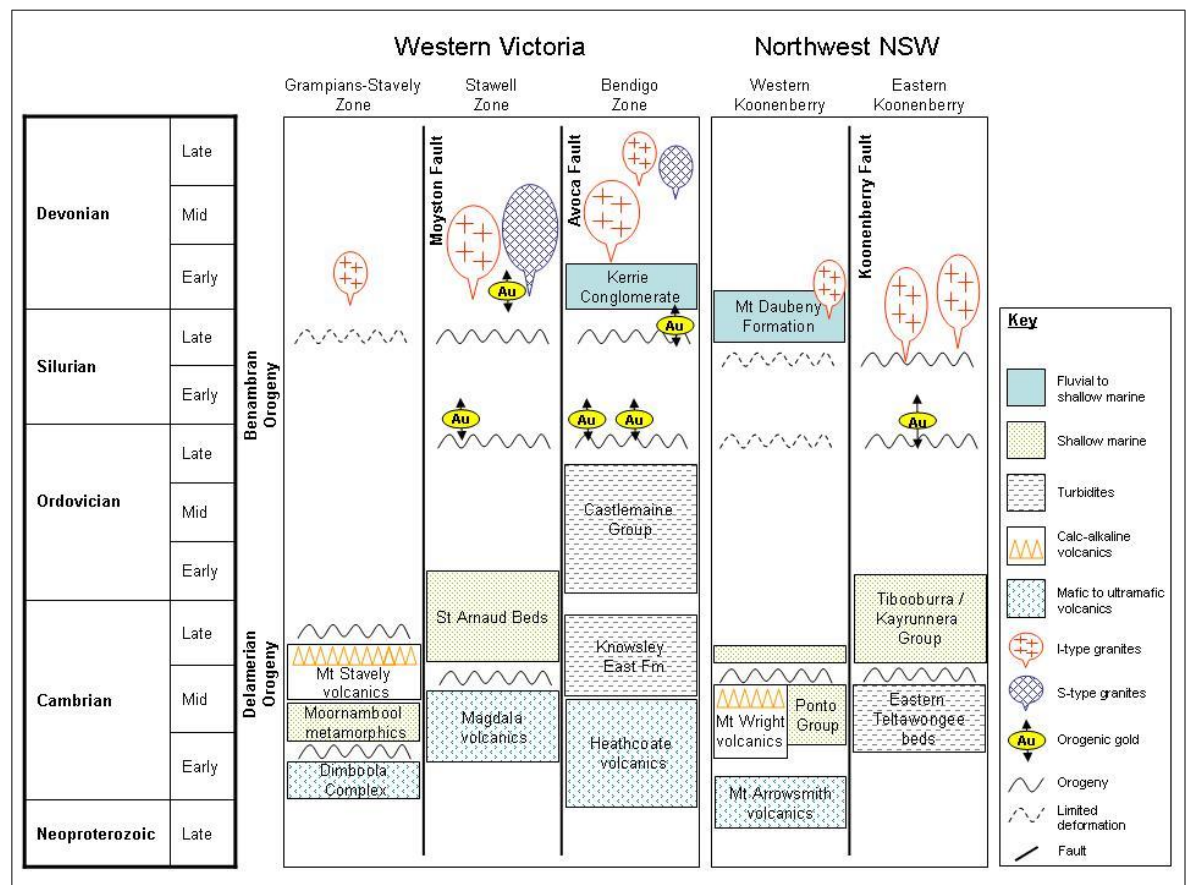


Figure 3.2 Koonenberry regional geology



Source: KBG

Figure 3.3 Koonenberry stratigraphy compared to Stawell Zone



Source: Greenfield and Reid, 2006<sup>3</sup>

Cambrian deposition resulted in the shelf deposits of the Gnalta Group, turbidite sequences of the Teltawongee Group and deep-water sediments of the Ponto Group. The andesite and pyroclastic Mount Wright Volcanics are intercalated with the Gnalta Group. Tholeiitic basalts and gabbros of the Bittles Tank Volcanics occur as extrusive lavas and intrusives in the Ponto Group and the Teltawongee Group.

The late Cambrian Delamerian Orogeny involved tight folding, thrusting, and cleavage formation accompanying low grade regional metamorphism across the whole belt. A late sinistral transpressional regime led to half-graben formation on splays off the Koonenberry Fault, which were filled with Late Cambrian to Early Ordovician marine sedimentary units of the Kayrunnera Group. Sedimentation was terminated by the Late Ordovician-Silurian Benambran Orogeny.

In the late Benambran Orogeny, dextral transpression opened the Mount Daubeny pull-apart basin, filling it with Late Silurian to Early Devonian red-beds accompanied by andesitic volcanism. These are not present in the Koonenberry Project area but occur on the southwest side of the Coturaundee Range, hosting the Wertago Copper Field.

Following crustal consolidation, thick sequences of Devonian fluvial quartzose sandstones of the Wana Karnu Group were deposited, slivers of which occur along the Koonenberry Fault within the Project area. Sedimentation was terminated by the Tabberabberan Orogeny. Further deformation, including shearing, brecciation and fluid remobilisation occurred during the Carboniferous Kanimblan–Alice Springs Orogeny. This resulted in uplift and reactivation of existing faults, including late dextral strike slip movement on the Koonenberry Fault.

Late Permian to Triassic diatremes form bullseye magnetic anomalies through the belt, and a significant cluster occurs within the Project area, which have been the focus of past diamond exploration.

Through the Mesozoic, further erosion of highlands and deposition in fluvial to marine environments occurred, forming thick accumulations of sediment in the Eromanga Basin. The Namur Sandstone is the basal unit of the Mesozoic sequence, overlain by the Cadna-owie Formation and the Rolling Downs Group. Mesozoic sediments cover much of the eastern portion of the Koonenberry Project and host palaeoplacer gold mineralisation.

In the Palaeogene, sediment choking of the peneplain following the filling of the Lake Eyre Basin led to extensive leaching of silica and subsequent surficial and groundwater silicification. In the Quaternary, aeolian dunes, salt lakes, gibber plains and modern drainage systems dominate the landscape.

### 3.3.2 Local Geology

The Cambrian Teltawongee Group dominates the Koonenberry Project area (Figure 3.2) and the Bunker Creek Formation underlies most of the region east of the Koonenberry Fault. Bedding and cleavage commonly strike between west-northwest and north-northwest and dips steeply both to the northeast and southwest. The Bunker Creek Formation is dominated by thick-bedded, medium to coarse-grained sandstone. Interbeds of strained siltstone have a strong bedding-parallel cleavage and are commonly sheared and boudinaged. Bedding is folded into tight-isoclinal fold structures of 100 m to 500 m. Towards the west of the Project area, the fault bound silt and mudstones with minor sandstone and dolomite of the Copper Mine Range Formation outcrops.

The minimum age of the Teltawongee Group is defined by intrusion of the Williams Peak Granite, a porphyritic rhyodacite. Its age (515 Ma) is identical to that of the Magdala Basalt, that controls mineralisation at Stawell. Dolerites and gabbros of the Bittles Tank Volcanics also intrude the Teltawongee Group, occurring in at least two elongate northwest trending belts near the Hummock Fault and Kayrunnera Fault, respectively. A hornfelsed zone extends outward up to 1 km into the surrounding sediments.

An Ordovician half-graben, the Nuntherungie Basin, occupies the central portion of the Project and is bounded by the Koonenberry Fault in the west, the Xmas Tank Fault in the north and a combination of fault and unconformable contacts to the south. The basin is filled with the Kayrunnera Group, grading laterally from coarse pebble conglomerate (Williams Creek Conglomerate) to well bedded sandstone (Hummock Formation) to monotonous turbiditic siltstone-shales (Cupala Formation). A strong penetrative west-northwest cleavage in the Nuntherungie Basin is interpreted as part of the Benambran Orogeny. Broad open folds suggest that shortening was accomplished by volume loss and pressure solution, with strain concentrated near the basin margin, which implies large scale dewatering and movement of hydrothermal fluid within the Kayrunnera Group.

Quartz vein networks are abundant in all basement lithologies. The larger veins can be traced for several kilometres and are folded and boudinaged, but usually no more than a few metres in thickness. Veins run parallel to cleavage, which is close to vertical, but numerous offshoots, flat veins and stockworks are observed. Similar veins described in the Pioneer-Phoenix Reef near Tibooburra are associated with the Benambran Orogeny. Many veins are ferruginous. Other veins clearly cut across bedding and cleavage and thus post-date the main shortening events. Stockwork veins are also observed within the William Peak Granite.



Flat-lying Mesozoic sediments of the Great Artesian Basin are developed extensively across the eastern third of the Project area. The Namur Sandstone unit represents the base of the sequence, with a coarse pebble conglomerate overlain by a medium-coarse grained variably ferruginous quartz sandstone. Typically, less than two metres thickness is preserved in the Project area. Geological maps also show the Rolling Downs Formation, which is a transition to a more marine sequence including calcareous units.

The Cordillo Silcrete occurs sporadically on some topographic highs and represents silicification during the Oligocene during times of high water tables and extensive and prolonged weathering. The present-day surface is largely peneplained with numerous braided ephemeral creeks incising all units, and locally developed alluvial plains, dune sands and gibber plains of resistant lag material.

### 3.3.3 Mineralisation

Gold was first discovered near Mount Poole in 1880 and alluvial mining and fossicking up to 1945 accounted for most of the >940 kg of gold reportedly produced<sup>12</sup>. Mining was hampered by lack of food and water, remoteness, and disease.

Workings occur within the Project area at Williams Peak, (Figure 3.4 and Figure 3.6), where miners tunnelled through soft weathered basement to exploit palaeoplacer mineralisation in the overlying pebble conglomerates of the Namur Formation. It is not known how much gold was recovered, nor how extensive is the network of shallow tunnels.

**Figure 3.4** Adit near Williams Peak



Source: KBG

<sup>12</sup> McQueen, 2007.

Recently, the whole Project area has been exploited by prospectors with metal detectors. Reports of significant gold being recovered in the Lasseters area (Figure 3.6) are supported by the success of KBG in the same vicinity. The amount of gold removed is impossible to quantify and there has been almost no modern exploration for gold.

Reef mining has occurred in some areas, although not as extensively as with the palaeoplacers. Small workings are commonly encountered during mapping, but the main workings discovered to date occur at a prospect currently referred to as The Chimney (Figure 3.6), where a clean milky white quartz reef was exploited.

Copper, silver, and lead have also been mined in the region, between 1870 and 1908 at the Wertago copper field and the Nuntherungie silver field. These are clusters of relatively small-scale deposits west of the Koonenberry Fault.

### *Mineralisation Styles*

The Koonenberry Belt mineralisation is derived from fluids emanating from the deep crustal Koonenberry Fault and several phases of deformation with the potential to focus, trap, concentrate or remobilise mineralised fluids.

This has resulted in several recognised styles of mineralisation at the Koonenberry Project:

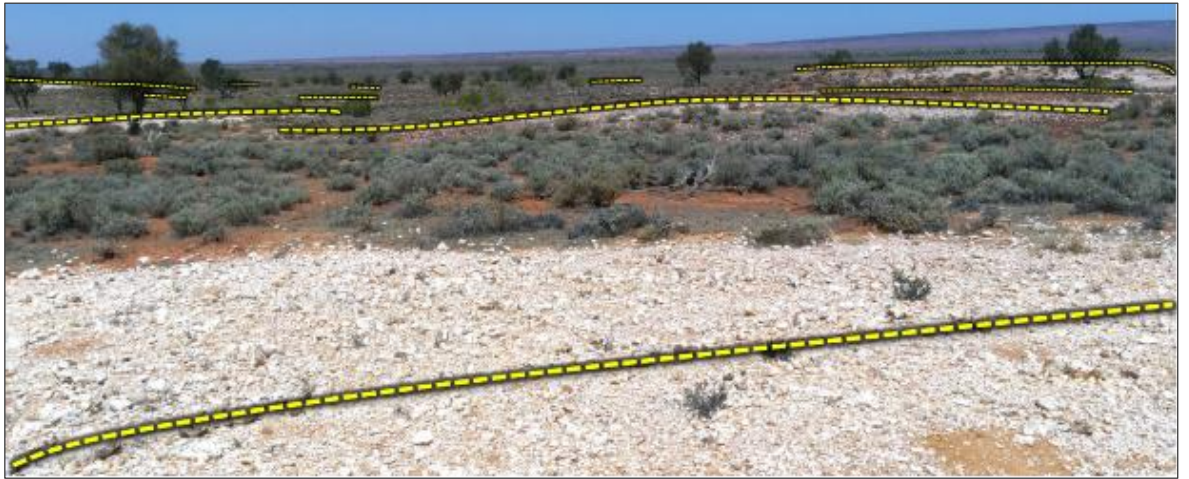
- Turbidite hosted orogenic gold, associated with the Benambran Orogeny and analogous with the Stawell Zone of the Western Victorian goldfields (Figure 3.5).
- Placer and Palaeoplacer gold that has been exploited historically and is the objective of current prospecting
- Epithermal silver-lead-copper, as evidenced by the Wertago Copper Field and numerous copper showings within the Project area
- Hydrothermal replacement deposits at basin margins evidenced by mineralisation at the Nuntherungie Basin
- Volcanogenic massive sulphide (VMS), as evidenced by Odin Metals Limited's Grasmere deposit that historically reported a non-current mineral resource estimate of around 5.75 Mt at 1.03% Cu, 0.35% Zn, 2.3 g/t Ag and 0.05 g/t Au<sup>13</sup>. This is hosted by Ponto Group sediments, which outcrop on the western side of the Project area.

Burnt Shirt cautions that the existence of other mineralisation estimates in the region does not provide assurance that such mineralisation will be identified on KBG's tenements.

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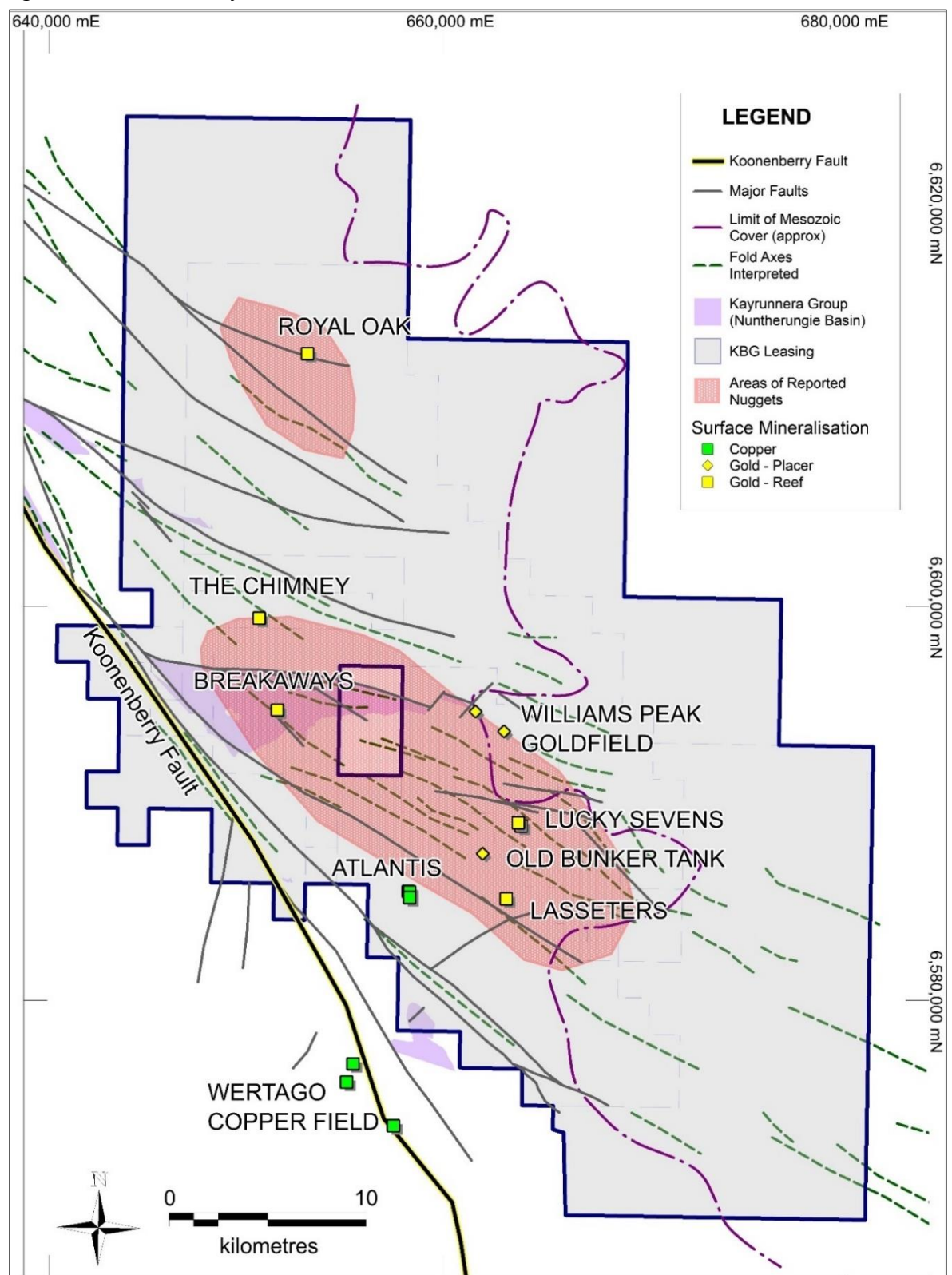
<sup>13</sup> Odin Metals Limited (ODM) ASX release, 6 April 2021

Figure 3.5 Lasseters, looking southwest, across strike, showing parallel quartz reefs



Source: KBG

Figure 3.6 Koonenberry known mineralisation



Source: KBG

### 3.4 Prospect Summary

KBG has identified and named several prospects and summarised the development and reasoning behind each (Table 3.1 and Figure 3.7).



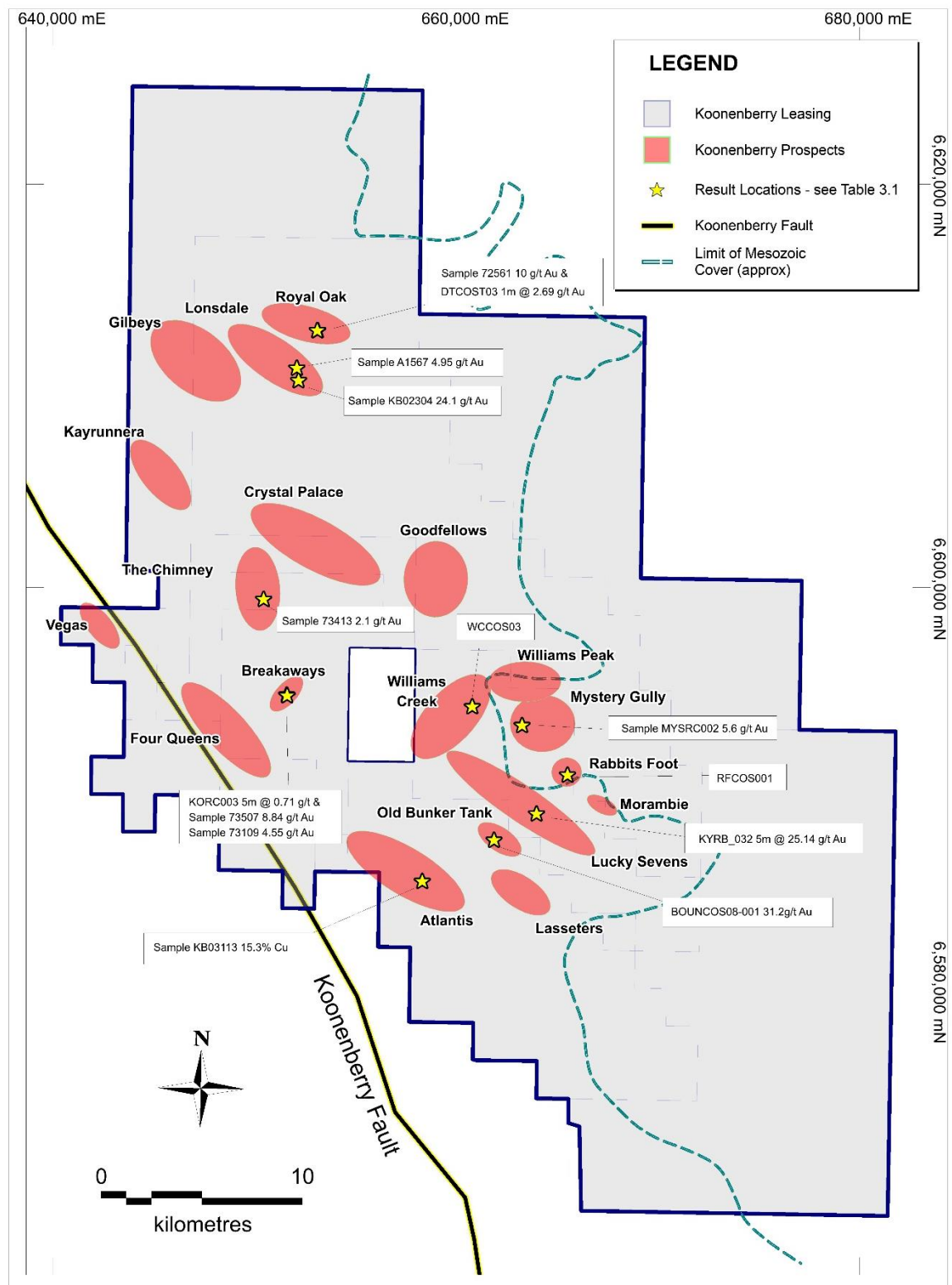
Burnt Shirt cautions that Exploration Results at Koonenberry have not been previously reported in accordance with the 2012 Edition of the JORC Code. The Competent Person considers that these results have been gathered in accordance with appropriate exploration practice and provide a reasonable but not absolute indication of the prospectivity of the geology.

**Table 3.1 KBG prospect summary**

Name	Type	Stage	Within nugget field?	Soil anomaly?	Defining highlights
Lucky Sevens	Reef	Advanced exploration	Yes	Yes	>3 km at >10 ppb Au in soils supported by auger results. Drill result of 5 m @ 25.14 g/t KYRB_032 (from surface). Visible gold in reef at surface, rich nugget patch. Excellent recoveries from sighter bulk sample testwork.
Royal Oak	Reef	Early exploration	Yes	Yes	Rock chip to 10 g/t Au. Costean DTCOST03 1 m at 2.69 g/t Au (from 46.5 m). Rich in specimen nuggets – close to source.
Breakaways	Reef	Early exploration	Yes	No	Mineralised reef identified at surface, rock chips 8.84 g/t Au and 4.55 g/t Au. Drill result of 5 m at 0.71 g/t Au KORC003 (from 23 m). Carbonaceous shales reported in RC drilling. Anomalous gold (50 to 100 ppb) with broader arsenic ± antimony, bismuth, tellurium, silver haloes in shallow aircore.
Old Bunker Tank	Reef and alluvial	Early exploration	Yes	Yes	Previous workings and very high concentration of nuggets in creek. Bulk sample of reef from costean 31.2 g/t Au (BOUNCOS08-001). Mapped anticline with pyrite-carbonate alteration.
Lonsdale	Reef	Early exploration	Yes	Yes	A number of discrete soil anomalies along Lonsdale Fault splay. Bulk sample results include 24.1 g/t Au and 4.95 g/t Au.
Atlantis	Reef	Early exploration	No	Yes	Largest soil anomaly defined on project to date >5 km at >10 ppb Au. Copper-gold association (up to 15% Cu in rock chips). Association with fold hinge and strong silic alteration.
Four Queens	Reef	Preliminary	No	Yes	Newly identified strong soil anomaly, approximately 2.5 km at >10 ppb Au (open). Fault wedge location on margin of Nuntherungie half-graben.
Vegas	Reef	Preliminary	No	Yes	Newly identified soil anomaly, >1.5 km at >10 ppb Au (open). Hosted within Ponto Group mudstones/ phyllites west of Koonenberry Fault.

Name	Type	Stage	Within nugget field?	Soil anomaly?	Defining highlights
Gilbeys	Reef	Preliminary	No	Yes	A number of discrete soil anomalies emerging along Gilbeys Fault.
Goodfellows	Reef	Preliminary	No	Yes	A number of discrete soil anomalies emerging along Turkey Creek Fault.
Crystal Palace	Reef	Preliminary	No	Yes	Large soil anomaly wedged between Turkey Creek and Kayrunnera Fault.
Kayrunnera	Reef	Preliminary	No	Yes	Reconnaissance soils discovery wedged between mafics and Ordovician Fault sliver, possible Magdala Basalt analogue.
Morambie	Reef	Preliminary	Yes	Yes	Discrete soil anomaly mostly obscured by Mesozoic cover.
Chimney	Reef	Early exploration	Yes	Yes	Old reef workings and dry blowing area. Rock chip sample 2.1 g/t Au from mullock pile with anomalous copper, lead, silver.
Lasseters	Reef	Early exploration	Yes	Yes	Reports of significant gold found by prospectors, anomalous soils.
Mystery Gully	Palaeoplacer	Early exploration	Yes	NA	Many old workings, bulk sample result from palaeo-conglomerate 5.6 g/t Au. Extensive flat lying basal Mesozoic gravels and conglomerates.
Williams Peak	Palaeoplacer	Early exploration	Yes	NA	many old workings, extensive flat lying basal Mesozoic gravels and conglomerates.
Williams Creek	Alluvial	Early exploration	Yes	NA	Prospectors successful in creeks, gold identified in KBG costean WCCOS03.
Rabbits Foot	Alluvial/Palaeo	Early exploration	Yes	NA	Gold identified in KBG costean RFCOS01, abundant nuggets on surface.

Figure 3.7 Koonenberry prospects



Source: KBG

## 4 EXPLORATION SUMMARY

Government geologists note that, *"In terms of modern exploration, the Koonenberry Belt remains an under-explored region despite significant occurrences of gold and copper... Drill testing is limited in its extent despite numerous geophysical interpretations and analogues, and interesting geochemical anomalies"*<sup>14</sup>.

Previous licence holders in the area have done little systematic exploration. From the early 1970s until recently, exploration has concentrated on diamonds, unsuccessfully targeting Permian ultramafic and mafic breccia pipes. Regional exploration for base and precious metals has also been conducted by various companies, including BHP Limited, CRAE (now Rio Tinto), BP Australia Limited, ESSO Australia Limited, and Mithril Resources Limited, with little success.

The only relevant exploration for gold was undertaken by Helix Resources Limited (ASX: HLX) from 1998 to 2000 in a regional program that included stream sediment sampling. Rockwell also explored EL 6479 between 2005 and 2010 and completed some auger soil geochemical sampling and follow-up rotary air blast (RAB) drilling.

Private company, GeoProspect Pty Ltd, undertook stream and rock chip sampling but was unable to reach a consensus with landowners and relinquished its holding in 2014.

Good quality government mapping is available<sup>15</sup> and detailed local mapping has resulted in 1:5,000 scale high-resolution maps of the Nuntherungie Basin and Old Bunker Tank areas<sup>16</sup>. Recent mapping by KBG has targeted quartz reefs.

### 4.1 Geophysics

KBG has the following datasets:

- A 2011 EMX airborne magnetic and radiometric survey<sup>17</sup> which covers most of the current Project area, excluding its northernmost portion (Figure 4.1). Lines are north-south at 100 m spacing with east-west tie lines every 1000 m and sensor height of about 40 m.
- A three-dimensional (3D) magnetic inversion model of the Nuntherungie Basin<sup>18</sup> (Figure 4.1) that identified a conformable folded magnetic unit, which may be a buried sill of the Bittles Tank Volcanics, or a magnetite/pyrrhotite-bearing sediment. KBG considers this to be significant as a rheological, structural or geochemical trap for metal precipitation
- A 2019 remote sensing interpretation<sup>19</sup> that has been used to map lithology and alteration.
- A 2019 trial resistivity tomography survey<sup>20</sup> in which one reef target and two alluvial targets were tested. The results indicate that the technique is effective for mapping the Lucky Sevens reef below the weathering.

Burnt Shirt considers that this data and its interpretation provide an excellent basis for immediate exploration.

<sup>14</sup> Gilmore (2009)

<sup>15</sup> 1:100K Kayrunnera (Mills and Hicks, 2016) and 1:100K Wonnaminta Sheets (Mills et al., 2015)

<sup>16</sup> Phillips and Gans (2012)

<sup>17</sup> Wright JL, 2011.

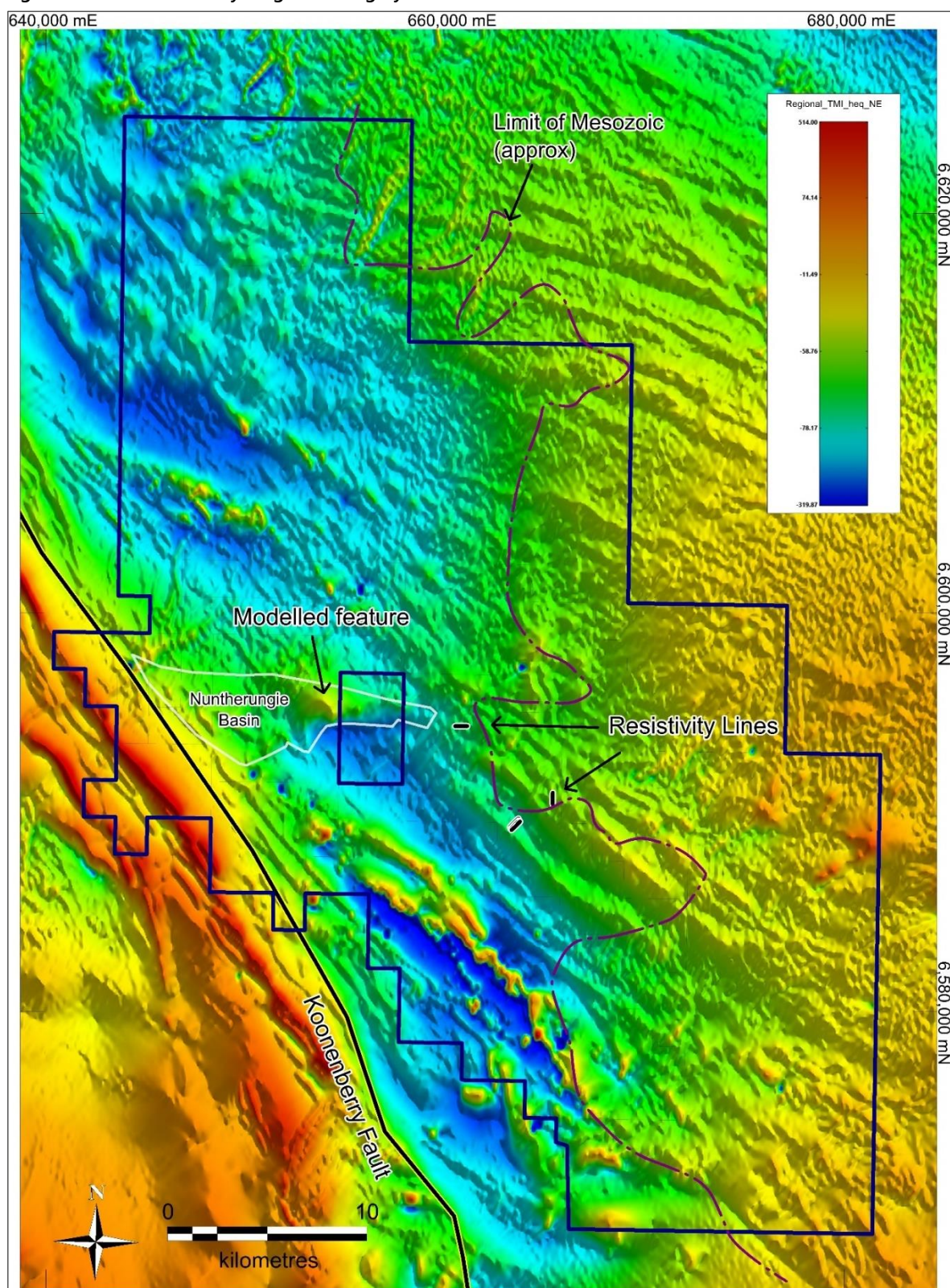
<sup>18</sup> McInnes D, 2012.

<sup>19</sup> Buckingham A, 2019.

<sup>20</sup> Cameron B, 2019.



Figure 4.1 Koonenberry magnetic imagery



Source: KBG

## 4.2 Geochemistry

### 4.2.1 Coarse Gold Analysis

KBG has recognised the coarse nature of the gold at Koonenberry and has constructed an onsite sample preparation facility which can crush, grind and screen the entire rock chip, drill or bulk sample to -85# and run it over a concentrating table. The concentrate is sent to a commercial laboratory for analysis and the grade is back calculated based on the gold grade of the concentrate and the weight of the original sample. Observations of concentrates produced to date indicate that they consist of mainly quartz and iron oxides. The purpose of this facility is to test larger samples in accordance with current sampling theory<sup>21</sup>.

Assay laboratory tests have been conducted on three known gold bearing samples (Table 4.1). A trial was designed to compare the CSIRO photon assaying technique with conventional cyanide leaching. The photon assaying technique is non-destructive and requires no sample preparation.

Three mineralised samples and barren quality control samples were sent to MinAnalytical Pty Ltd, of Perth for photon analysis. The samples were then sent to Nagrom Pty Ltd, of Perth, for kinetic cyanide leaching testwork. An unprepared sample was initially leached for 48 hours, then pulverised and leached again for another 48 hours.

**Table 4.1 KBG coarse gold assay comparison**

Sample	Concentrate assay, Au (g/t)			Comments
	Kinetic cyanide leach	Photon assay	Calculated head	
A1834 Con 1&2	3,553	3,155	107	Lucky Sevens Reef
A1834 Con 3	2.34	1.75		
A1835 Con 1&2	13,008	14,282	471	
A1835 Con 3	24	25		
B008	52	59	3.71	Breakaways Reef

The calculated head grade for the three samples were:

- Breakaways B008 – 3.71 g/t Au
- Lucky Sevens sample A1834 – 107 g/t Au
- Lucky Sevens sample A1835 – 471 g/t Au.

Burnt Shirt comments that:

- Excepting Breakaways, the samples are not representative and were collected for the purpose of testing different assay techniques on coarse gold mineralisation.
- There is excellent correlation between the leaching and photon assaying technique on a wide range of grades.
- The leaching method involved testing over time to understand leaching performance and residence time. The initial 48-hour sample had no sample preparation and the recoveries ranged between 33% and 50%. The residues were then pulverised and leached again for 48 hours, resulting in 100% recovery. The leaching method is effective after pulverising.
- The QAQC samples suggest there was minor contamination in site crushing and necessitates thorough flushing of the equipment between each sample.

<sup>21</sup> Pitard, (2019)

KBG consequently considers that its future sample protocol will be:

- 1) Collect 10–20 kg sample from drilling or costean.
- 2) Crush and grind on site.
- 3) Run the ground sample over a shaking table, collecting 1st and 2nds for laboratory assay.
- 4) Assay the entire concentrate with either photon or a cyanide leach.
- 5) Blanks, collect duplicates and run a barren flush between every sample, with one in ten flushes to be assayed.

Burnt Shirt concurs with this approach.

#### 4.2.2 Stream Sediments

EMX collected approximately 800 stream sediment samples within the Project area and other sources of data are available in Open File datasets. The bulk leach extractable gold (BLEG) stream sediment samples have returned encouraging results, with values to 730 ppb Au. Significantly, the most anomalous values (>10 ppb Au) form a coherent pattern in the centre of the area and coincide with -80# stream sediment gold anomalies (>100 ppb Au). These anomalies require further assessment and field-checking.<sup>22</sup>

Between 2007 and 2010, a stream sediment program by Rosane Pty Ltd identified a cluster of stream sediment anomalies in the northwest of the Project area, draining from the northern boundary of Kayrunnera Station which has not been followed up.

#### 4.2.3 Lag Sampling

Lag sampling by EMX identified several strongly anomalous areas. The Breakaways prospect, in the central portion of the Nuntherungie Basin (Figure 3.6), returned one value of 7.08 g/t Au<sup>23</sup> amongst a cluster of anomalous results, with support from indicator elements As and Sb and confirmed by subsequent aircore drill results.

Further anomalous gold-arsenic results on the southern edge of the Nuntherungie Basin have not been followed up. A single point result of 13.95 g/t Au<sup>24</sup> was returned from the Four Queens prospect with no follow up. A grid program in the Selection Tank area of the Goodfellows prospect returned sporadic anomalous results up to 44 ppb Au<sup>25</sup>.

#### 4.2.4 Metal Detecting

KBG views metal detecting as a geochemical exploration technique. Both EMX and KBG have engaged professional prospectors throughout the Project with reputedly significant but unreported production. This effort has resulted in a database that reveals (Figure 3.6):

- A well-defined nugget field trending approximately north west in the centre of the Project.
- A newly discovered nugget field at the Double Tanks area, associated with the Longhorn Reefs. This has not been thoroughly investigated and is not yet well defined.

<sup>22</sup> NSWGS report No. 2011/1349

<sup>23</sup> Sample 75102, reported in NSWGS report No. 2013/1633

<sup>24</sup> Sample 79870, reported in NSWGS report No. 2012/1080

<sup>25</sup> Sample 79870, reported NSWGS report No. 2013/1673

#### 4.2.5 Soil Sampling

Rockwell undertook a BLEG soil sampling program in 2006 and EMX undertook a whole-sample soil sampling program in 2011. KBG has continued soil sampling programs, building on previous results (Figure 4.2).

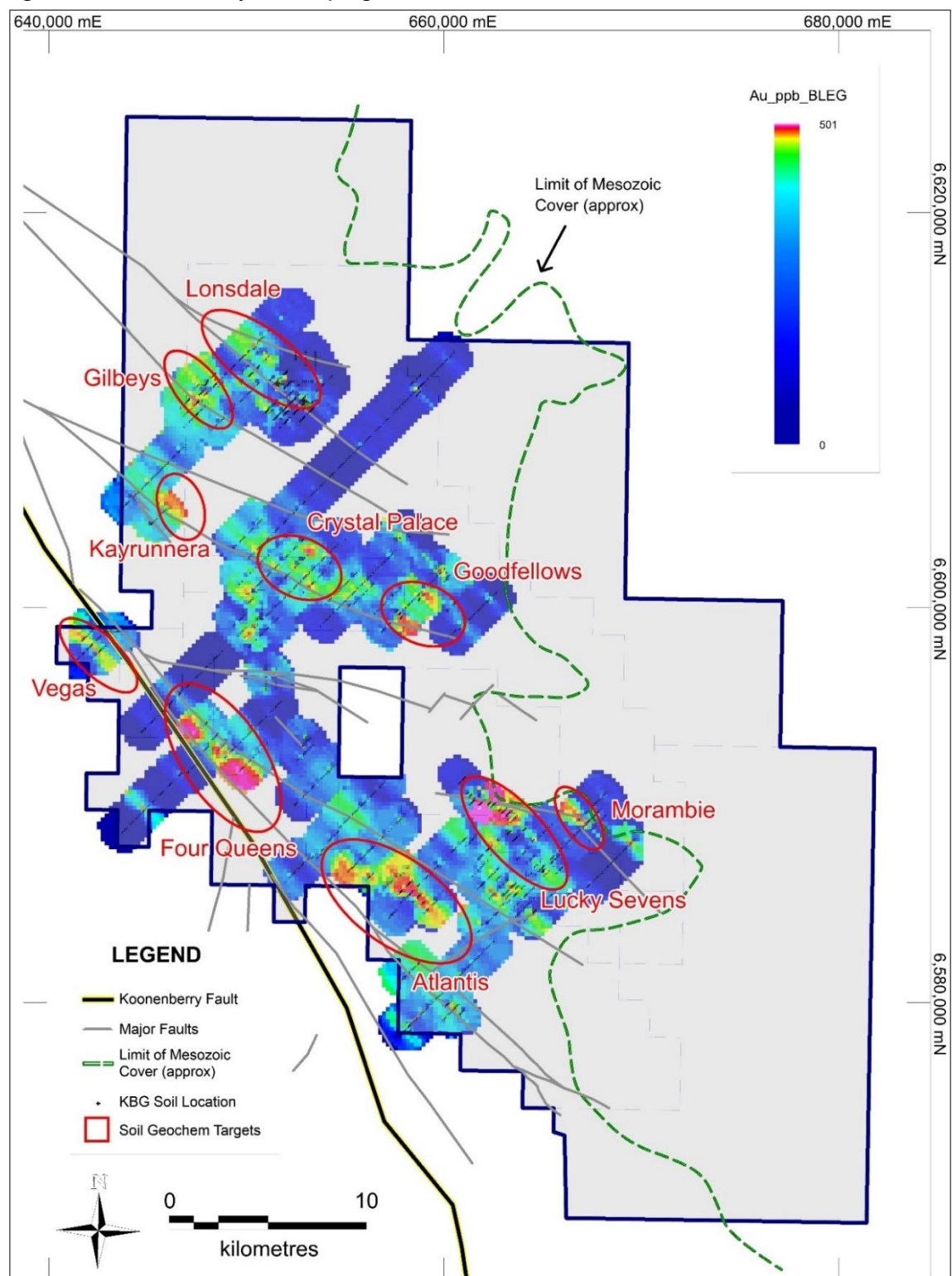
The EMX work gridded areas southeast of the Nuntherungie Basin between Old Bunker Tank and Breakaways. This survey identified the Lucky Seven reef from a >10 ppb Au soil anomaly over 3 km of outcropping strike length (Figure 4.2)<sup>26</sup>.

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<sup>26</sup> NSWGS report No. GS2012/0221



Figure 4.2 Koonenberry soil sampling



Source: KBG

The regional KBG program has identified coherent northwest-trending anomalous zones associated splays off the Koonenberry Fault, notably along the Lonsdale and Gilbeys faults. Similarly, the Turkey Creek and Kandie Tank fault zones have also shown encouragement in first-pass reconnaissance.

The Atlantis copper-gold prospect was identified after inspecting a 35.4 ppb Au soil anomaly, and the Lucky Sevens reef system has also been confirmed during validation infilling of previous work.

KBG considers that, in its experience, consistent results of above 2 ppb Au are of interest and above 5 ppb Au is considered strongly anomalous. At these levels, BLEG is the preferred technique and KBG intends to retain the leftover pulps from its work for examination by portable x-ray fluorescence (XRF) device for indicator elements.

Burnt Shirt concurs with this approach.

#### 4.2.6 Auger Sampling

Rockwell performed auger sampling in 2007. This work confirmed mineralisation at the Lucky Sevens vein, in agreement with the conventional soil dataset. Some anomalies were later followed up with RAB drilling.

#### 4.2.7 Rock Chip Sampling

KBG has compiled a significant rock chip sampling database. The most comprehensively sampled area is the Nuntherungie Basin, sampled in 2012 during a detailed mapping campaign<sup>27</sup>. Significant results occur over a wide area, with KBG noting that results can be inconsistent due to the presence of coarse gold.

#### 4.2.8 Bulk Sampling

In 2017 to 2018, several mechanically excavated channel samples were taken by NQM and processed through a laboratory circuit. Sample weights were typically between 5 kg and 15 kg and were crushed and ground, then put across a shaking table, with concentrates collected for assay.

An iron-enriched quartz vein from costean BOUNCOS8 in the Old Bunker Tank area (Bouncer Reef) returned 31.2 g/t Au and a sample from the Lucky Sevens reef returned 175 g/t<sup>28</sup>. Two samples from the basal conglomerate of the Cretaceous sediments in the Mystery Gully area returned 1.3 g/t and 5.6 g/t Au<sup>29</sup>. All these results exceeded those from conventional rock chip sampling in the same areas.

KBG considers this sampling process to be sound and the results to be meaningful.

### 4.3 Mapping

Mapping of the Nuntherungie Basin and Old Bunker Tank areas has enabled recognition of:

- An extension related hydrothermal system within the Nuntherungie Basin, with gold remobilisation during basin shortening. Remobilisation was probably influenced by the production of fluid during the formation of a pressure solution cleavage. Mineralised veins returned samples of between 2 g/t Au and 10 g/t Au in assayed samples<sup>27</sup>.
- Orogenic gold hosted by fold hinges and faults in deformed turbidites in the old Bunker Tank area. Mineralised veins returned to 31.2 g/t Au<sup>29</sup> in assayed samples along strike on the Bouncer Reef.

<sup>27</sup> Phillips and Gans, 2012

<sup>28</sup> NSWGS Report No. GS2019/0483

<sup>29</sup> NSWGS Report No. GS2020/1168

- Blooms of elevated gold, arsenic, antimony and sulphur (as pyrite and gypsum) associated with fold hinges and fault zones in both the Nuntherungie Basin and Old Bunker Tank areas.

#### 4.3.1 Reef Mapping

Quartz reef mapping by KBG commenced in 2018 and is a large undertaking as there are many outcropping reefs. The initial focus has centred on the main areas of previous activity where historical soils and drilling information is available, in order to find patterns in the mineralised features.

Temporal relationships throughout the Project are not yet clear but several textural vein styles are recognised:

- The main vein type is bucky white quartz reefs. Veins are folded and show fracture cleavage which runs parallel to the regional cleavage. The overall trend of these veins is northwest in the southern half of the Project and west-northwest in the northern half of the Project. These outcrop for short distances but discontinuous pods or blows up to 5 m thick extend for several kilometres. At Lucky Sevens, coarse visible gold can be observed in some of these vein samples.
- Veins in the Nuntherungie Basin and in the Lonsdale Reefs area are typically narrow (<20 cm) but are highly brecciated and show a strong iron oxide rich matrix that KBG interprets to be indicative of the original quartz-carbonate-sulphide vein composition.
- Stockwork reefs that often occur on the margins of the main reef systems, marked by thin goethitic zones in the near surface environment. Stockwork veining is also evident in the Williams Peak Granite, where one channel sample returned 0.56 g/t Au<sup>30</sup>.

#### 4.3.2 Regolith Interpretation

EMX commissioned detailed regolith interpretation mapping<sup>31</sup> which found that:

- The known gold nugget fields lie in saprolite with three distinct erosional regimes and that the nuggets formed relatively close to their bedrock source
- Nuggets are inferred have formed in the saprolite zone by supergene processes and brought to surface by mild erosion.

<sup>30</sup> NSWGS report No. GS2013/3838

<sup>31</sup> R. Dawney, AUSMEC Geoscience, internal reporting to EMX

Figure 4.3 Koonenberry vein styles



A – Typical buck quartz reef showing outcropping style. B – Typical buck reef with vuggy texture. C – Buck reef with coarse gold (rock is about 10 cm length) from Lucky Sevens Reef. D – Typical iron oxide brecciated reef from Lonsdale Reef. E – Stockwork quartz veining in Williams Peak Granite (channel sampled). F – Thin planar quartz vein with metre scale dark brown goethite envelope oblique to bedding and cleavage (from Cupala Fm Nuntherungie Basin). G – Brecciated quartz-ironstone reef Lonsdale Reefs area. H – Quartz-ironstone reef in costean DTCOST03 (45–47 m) with goethitic stockwork halo extending out over 1 m.

## 4.4 Costeaning

KBG has excavated numerous costeans and collected wall or floor samples according to geology. This work focused on the Lucky Seven vein, Bouncer and Royal Oak Reef systems (Figure 4.2).

The Lucky Sevens reef contains visible gold at surface but costeans returned low values, which KBG has attributed to the presence of nuggety gold. The main reef was observed to be up to a metre in true thickness with several spurs, stockworks and flat veins indicating a broader vein and alteration system which is tens of metres wide.

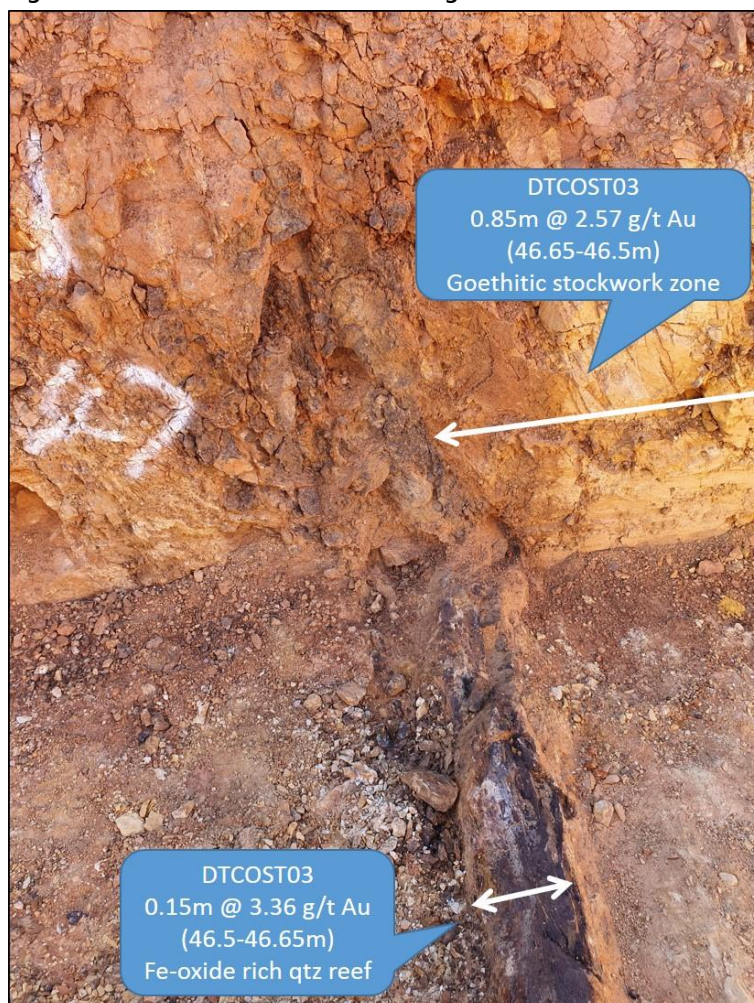
Costeans at Bouncer targeted a poorly exposed reef and possible alluvial system upstream from Old Bunker Tank. Costean BOUNCOS8 intersected zones of iron-enriched quartz veining, with one sample from BOUNCOS8 processed at the NQM concentrating facility returning a grade of 31.2 g/t Au<sup>29</sup>. The remainder returned less than 0.15 g/t Au.



Five costeans at Royal Oak were completed in 2019, revealing a complex network of quartz and quartz-ironstone reefs and breccias amongst tightly folded stratigraphy. The best result was 1 m @ 2.69 g/t Au in DTCOST03, which included a 15 cm iron-rich reef assaying 3.36 g/t Au (Figure 4.4 and Table 4.3)<sup>28</sup>.

Burnt Shirt cautions that these results have not been previously reported in accordance with the 2012 Edition of the JORC Code. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the geology.

**Figure 4.4** Costean DTCOST03 looking east



Source: KBG

## 4.5 Drilling

Drilling at Koonenberry Project is predominantly 3 m aircore (AC) holes conducted by EMX, which KBG considers ineffective. Two east-west grids were drilled at 500 m x 50 m hole spacings to cover a broad area.

The remaining drillholes are a second generation of aircore holes by EMX and are less than 20 m depth, that KBG considers are ineffective (Table 4.2). KBG considers that sampling methods were inappropriate and it is likely that depths were not great enough to intersect any supergene zone.

**Table 4.2 Koonenberry historical drilling**

Company	Period	Hole IDs	Hole type	Comments
Rockwell	2007–2008	KYRB_001 to KYRB_055	RAB	55 inclined holes, average hole depth 67 m at Lucky Sevens
EMX	2011–2012	BKAC72401-73000; BKAC75501-76200	AC	842 vertical holes/2,650 m; average 3 m; geochemical anomalies and geophysical features
	2011–2012	KOAC75750-77702		1,811 vertical holes, average 3 m, Nuntherungie Basin
	2011–2012	KOAC0013-0074		62 vertical holes, average 13 m targeting anomalous stream catchments
	2011–2012	KOAC0075-0231		157 vertical holes/2,268 m; average 14 m, Breakaways area
	2011–2012	BKAC0001-0112		112 vertical holes/2,118 m; average 19 m; Old Bunker Tank area
	2011–2012	LSAC0001-092		92 vertical holes, average 14 m at Lasseters
	2013	KORC0001-11	RC	11 inclined holes/1,328 m; average 148 m at Breakaway investigating AC anomalism
Lasseter	2018–2019	WPLD0001-17; PHDD0001	Diamond	19 inclined holes, average 61 m to follow up Rockwell RAB and Lucky Sevens

Deeper drilling is limited to 11 RC holes in the Breakaways area (2013), 55 RAB holes drilled by Rockwell on the Lucky Sevens vein (2007–2010), and 19 diamond drillholes completed by KBG on the Lucky Sevens vein, with one drillhole at the Planet Hollywood reef.

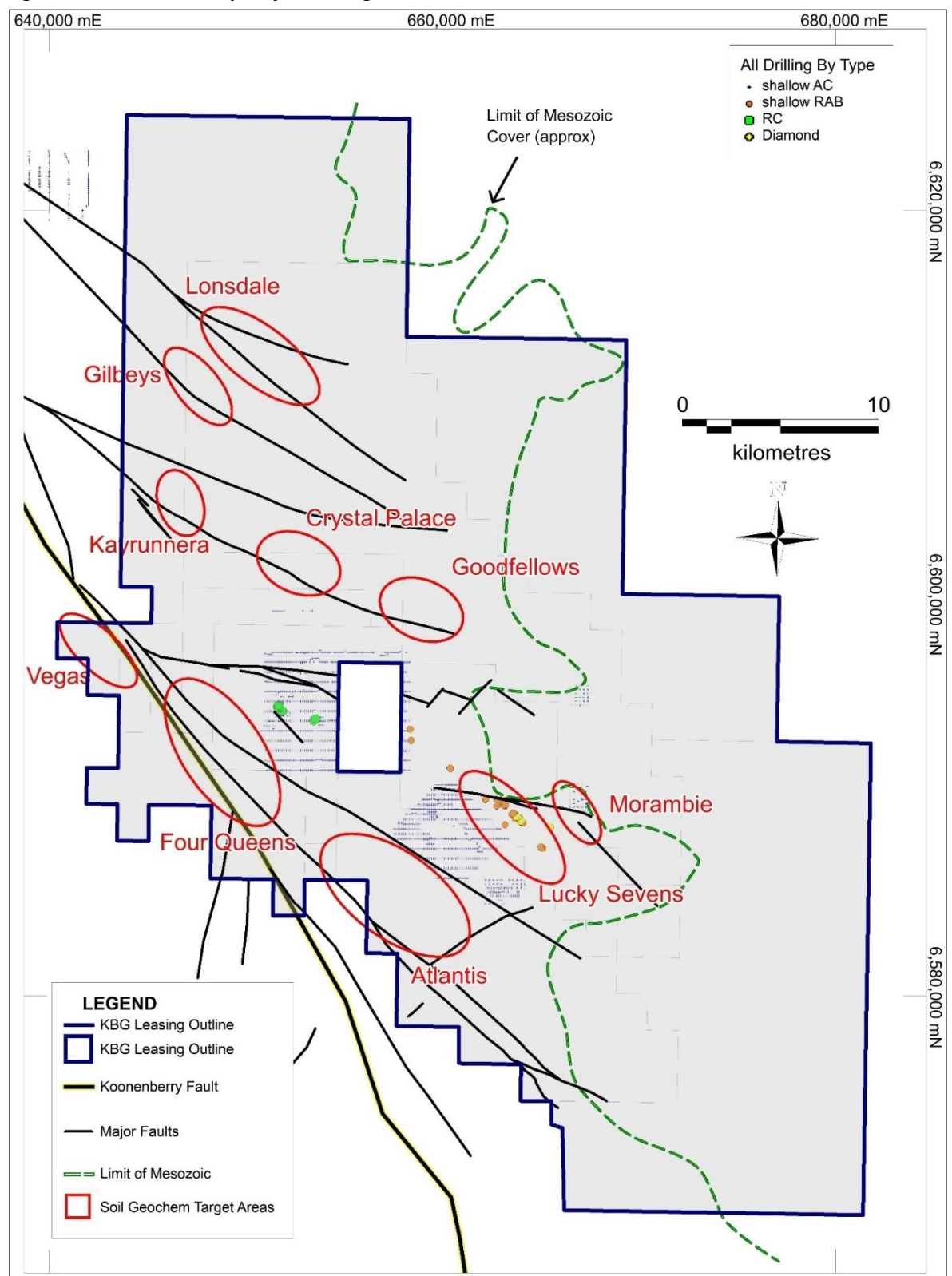
The remainder of the Project is untested by drilling.

Burnt Shirt cautions that drilling results at Koonenberry have not been previously reported in accordance with the 2012 Edition of the JORC Code. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the geology.

The RC drilling at Breakaways intersected several sub-economic gold intersections in carbonaceous rocks with strong hydrothermal pyritic and siliceous alteration<sup>23</sup>.

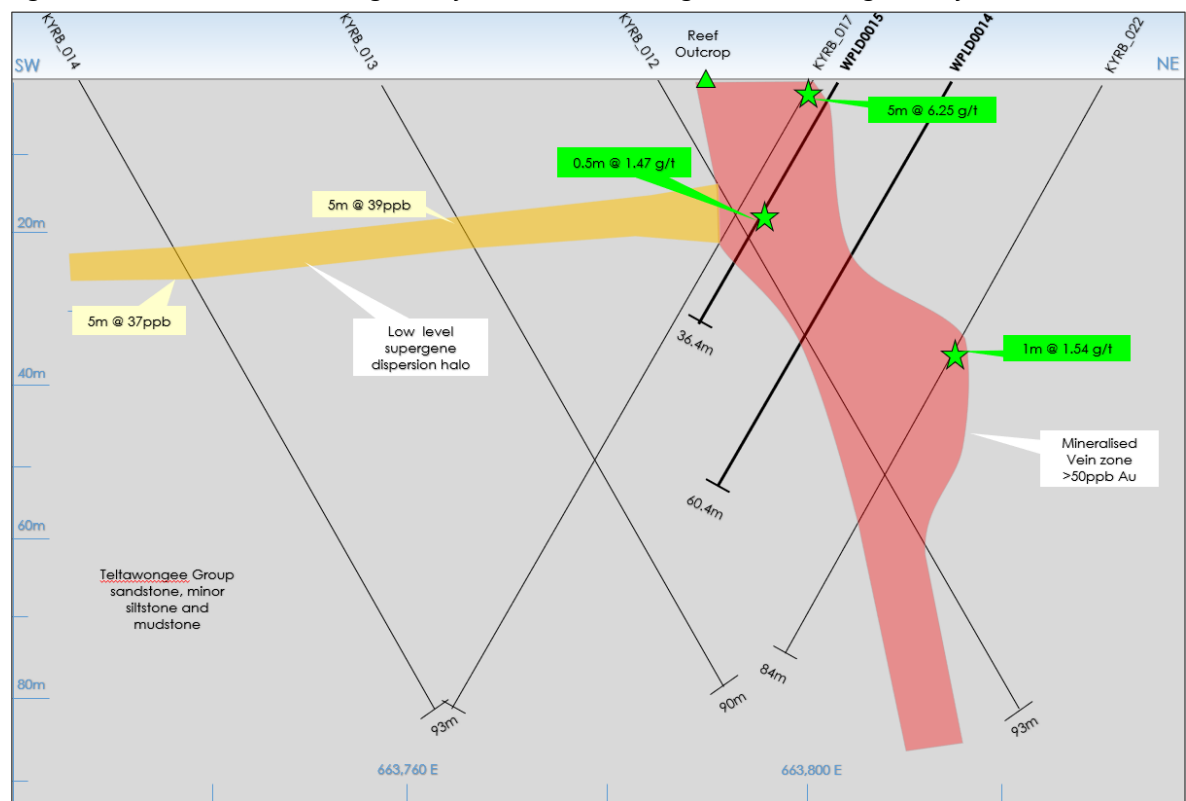
The 2007–2010 Rockwell RAB drilling by targeted auger anomalies which coincides with the Lucky Sevens reef and the sampling methodology for this campaign is considered by KBG to make these results semi-quantitative. Results confirm the Lucky Sevens structure is mineralised (Figure 4.5, Figure 4.6, and Table 4.3).

Figure 4.5 Koonenberry Project drilling



Source: KBG

Figure 4.6 Cross section through Lucky Sevens reef showing mineralisation geometry



Source: KBG, looking northwest

Table 4.3 KBG significant intersection summary greater than 1g/t Au

Prospect	Type	Hole ID	East	North	Dip	Azimuth (mag)	End of hole (m)	From (m)	To (m)	Interval (m)	Au (g/t)
Lucky Sevens	RAB	KYRB_004	662834	6589730	-60	36	81	55	58	3	1.12
		KYRB_017	663799	6589105	-60	216	93	0	5	5	6.25
		KYRB_022	663829	6589129	-60	216	84	37	38	1	1.03
		KYRB_032	663983	6588884	-60	216	58	0	5	5	25.14
	DDH	WPLD0001A	663988	6588882	-75	218	21.1	7.2	8	0.8	2.46
						and		13.95	14.8	0.85	1.49
		WPLD0004	663998	6588884	-60	218	50.4	23.05	23.8	0.75	1.76
		WPLD0007	664004	6588865	-75	267	97.4	37.88	39.51	1.63	1.34
		WPLD0013	663819	6589088	-60	218	70.6	6.4	11.02	4.62	1.10
						including		8.7	9.72	1.02	3.51
		WPLD0015	663803	6589108	-60	218	36.4	19.9	20.4	0.5	1.47
Double Tanks	Costean	DTCOST03	653108	6612802	0	349	78	46.5	47.5	1	2.69
Breakaways	RC	KORC003	651612	6594743	-55	331	78	23	24	1	1.38
						and		27	28	1	1.21
		KORC008	651719	6594494	-50	36	144	58	59	1	1.04

Note: these samples and their source are referenced in the text of this document and reference is made to JORC Table 1, appended to this IGR. The Competent Person advises that these are indicative of but not absolute measures of the tenor of mineralisation.

Several deeper intersections returned mineralisation at >1 g/t Au levels. Few drillholes appear to have reached fresh rock, which is typically at about 80–100 m vertical depth.

Drilling by KBG in 2019 attempted to better sample the Lucky Sevens reef, focussing on a small area of strong mineralisation identified in RAB drilling and visible gold in outcrop. The sampling methodology involved full core sampling with 1 kg BLEG analysis and check screen fire assay, but the program was compromised by poor recoveries due to alternating hard reefs and soft clays.

This drilling returned encouraging results, including intervals of 5 m at 6.25 g/t Au and 5 m at 25.14 g/t Au from holes KYRB\_017 and KYRB\_032, respectively (Table 4.3).

Drilling directly beneath the two strongest RAB results failed to reproduce the same grades. Some results were obtained from shallow depths, with a maximum of 1.02 m at 3.51 g/t Au in WPLD0013 from 8.7 m (Table 4.3).

The deepest drillhole, WPLD0005, ended at 135.1 m and exposed primary mineralisation, intersecting a 0.5 m thick fractured quartz reef with a strong chlorite-carbonate-pyrite alteration halo extending at least 5 m either side of the reef. No gold was intersected in these zones.

KBG considers the drilling results to be encouraging. The Lucky Sevens drilling intersected low-moderate grade mineralisation at shallow depths in the regolith and only a small portion of the >2.5 km structure has been tested to date. Primary mineralisation remains untested.



## 5 EXPLORATION STRATEGY

Subject to a successful initial public offering, KBG has an exploration budget of approximately \$2,500,000 for its first two financial years, which includes exploration expenditure, tenement rents and rates, office and administration costs, and salaries. Burnt Shirt considers this to be appropriate.

KBG is aware that exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied and has explained to Burnt Shirt that it reserves the right to alter the way funds are applied.

Burnt Shirt has interviewed KBG directors and worked with them on several assignments over a period of some years and considers these personnel to be suitably qualified to implement the proposed exploration strategy.

Burnt Shirt comments that the most valuable asset for any mining or exploration company is its knowledge of its mineral assets and observes a significant volume of data has been collected by numerous explorers over a long period of time. Burnt Shirt further observes the effort that has been put into collating this information.

**Table 5.1 KBG proposed exploration activities**

Project area	Activity	Year 1 (\$)	Year 2 (\$)	Total (\$)
Koonenberry	Detailed mapping	150,000	80,000	230,000
	Geochemistry and Assays	370,000	320,000	690,000
	Geophysical surveys	150,000	30,000	180,000
	Reverse circulation (RC) drilling	1,500,000	700,000	2,200,000
	Diamond drilling	n/a	600,000	600,000
Service costs	Heritage and tenement administration	150,000	150,000	300,000
	Geological services and field labour	400,000	400,000	800,000
	Administration	250,000	250,000	500,000
<b>Total</b>		<b>2,970,000</b>	<b>2,530,000</b>	<b>5,500,000</b>

Source: KBG

### 5.1 Burnt Shirt Opinion

Burnt Shirt considers that:

- The Koonenberry Project is an early-stage exploration project and that geological comparisons with the Stawell goldfield in Victoria are justified and may provide an indication of its potential gold endowment.
- The area has been under-explored due to its remoteness and past explorers have been largely ineffective in their approach.
- The presence of abundant coarse gold has hampered past explorers. KBG has spent considerable time developing sampling and assaying strategies to cope with this.
- KBG possesses a significant database that can be used to expedite its efforts.

### 5.1.1 Burnt Shirt Conclusions

Burnt Shirt concludes that:

- KBG holds a large tenure over a prospective area in western NSW that has potential to yield economic mineralisation and recommends that it proceed to implement its exploration strategy on listing
- The Koonenberry Project is at an early conceptual stage of exploration but its prospectivity is demonstrated by the presence of gold mineralisation
- KBG will benefit from the work by previous explorers that has resulted in the identification of alluvial and lode gold mineralisation.

Burnt Shirt has examined the proposed exploration budget of \$5.5 million, and the proposed work program for the first two years after KBG's listing and concludes that these are reasonable and achievable.

### 5.1.2 Burnt Shirt Recommendations

Burnt Shirt recommends that:

- Past explorers have operated without consideration for the provisions of the JORC Code and that KBG should implement appropriate procedures to allow public reporting of its results
- Structural geology work should commence in parallel with the proposed detailed mapping and geochemical sampling to provide context to the results of these exercises
- KBG implement its coarse gold sampling and assaying procedures at commercial laboratories, with appropriate QAQC procedures
- KBG proceed to rank its exploration targets, of which the Lucky Sevens target would appear to be the most advanced.

There are a number of mineralisation styles apparent in the Project and Burnt Shirt recommends that these styles be examined in parallel with the quartz reef-hosted mineralisation exploration that is the primary focus of KBG and past explorers' efforts.

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## 7 ABBREVIATIONS AND UNITS

Abbreviation/unit	Definition
°	degrees
°C	degrees Celsius
3D	three dimensional
A\$	Australian dollars
AC	aircore (a pneumatic percussion drilling technique; for an explanation refer <a href="https://www.harlsan.com.au/what-is-air-core-drilling/">https://www.harlsan.com.au/what-is-air-core-drilling/</a> )
Ag	Silver
ASX	Australian Securities Exchange
Au	gold
BHP	The Broken Hill Proprietary Company Limited
BLEG	bulk leach extractable gold
Burnt Shirt	Burnt Shirt Pty Ltd
cm	centimetre(s)
CRAE	CRA Exploration Limited (now Rio Tinto)
Cu	copper
DIGS	Digital Imaging Geological System is a publicly accessible online collection of reports, publications and data; it includes exploration, geological, geotechnical and mining reports ( <a href="https://search.geoscience.nsw.gov.au/">https://search.geoscience.nsw.gov.au/</a> )
EMX	EMX Exploration Pty Ltd
GDA94	Geocentric Datum of Australia 1994
GSNSW	Geological Survey of New South Wales
g/t	grams per tonne
IGR	Independent Geologist's Report
JORC	The 2012 guidelines of the Australian Joint Ore Reserves Committee (the JORC Code)
kg	kilogram(s)
km	kilometre(s)
km <sup>2</sup>	square kilometres
KBG	Koonenberry Gold Ltd
Lasseter	Lasseter Gold Pty Ltd
m	metre(s)
mm	millimetres
Moz	million ounces
Mt	million tonnes
NQM	North Queensland Mining Pty Ltd
NSR	net smelter return (revenue from a smelter)
oz	ounces
Pb	lead
ppb	parts per billion
ppm	parts per million
QAQC	quality assurance and quality control

Abbreviation/unit	Definition
RACA	A Rural Access and Compensation Agreement
RAB	rotary air blast (a percussion drilling technique)
RC	Reverse circulation (a pneumatic percussion drilling technique; for an explanation refer: <a href="http://www.castledrill.com/an-introduction-to-reverse-circulation-drilling/">www.castledrill.com/an-introduction-to-reverse-circulation-drilling/</a> )
REF	Review of Environmental Factors
Rockwell	Rockwell Resources Pty Ltd
SCA	State Conservation Area
VALMIN	The 2015 Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code)
VMS	Volcanogenic massive sulphide (a style of mineralisation; for an overview of VMS deposits, refer to <a href="https://en.wikipedia.org/wiki/Volcanogenic_massive_sulfide_ore_deposit">https://en.wikipedia.org/wiki/Volcanogenic_massive_sulfide_ore_deposit</a> )
XRF	x-ray fluorescence
Zn	zinc

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

## Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Soil sampling by Koonenberry Gold Ltd (KBG): samples were taken typically 10–20 cm below surface after scraping windblown sand and lag from the surface and typically ~4 kg of the -2 mm fraction were bagged for assay.</p> <p>Stream sediment sampling by EMX Exploration Pty Ltd (EMX): sampling followed a procedure developed by AUSMEC Geoscience which consisted of a bulk leach extractable gold (BLEG) (-7 mm on site sieved to -1 mm at lab) and a -80# sample at each site collected from the active channel.</p> <p>Auger sampling by Rockwell Resources Pty Ltd (Rockwell) (2007–2010) attempted to sample the base of the soil profile immediately above saprolitic bedrock and were assayed for gold and arsenic by cyanide leach.</p> <p>Rock chips that were subject to gravity concentration (North Queensland Mining Pty Ltd (NQM) 2017–2018) were first crushed in a jaw crusher to -20 mm, weighed, then crushed through a van guilder disc grinder to -400 micron, then put across a shaking table with first and second concentrates for assay.</p> <p>Rotary air blast (RAB) drilling samples from Rockwell were collected at nominal 5 m intervals, composited from 1 m sample piles using a PVC sample spear, with anomalous intervals resampled at 1 m.</p> <p>Reverse circulation (RC) drilling samples from EMX were sampled at 1 m intervals from which 3 kg samples were submitted for gold and multi-element analyses.</p> <p>Core samples from KBG were sampled as full core according to geological intervals, with the entire sample pulverised, and 1 kg split off for 24-hour cyanide leach.</p>
<b>Drilling techniques</b>	<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 or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></p>	<p>2007–2010 RAB hammer drilling by Rockwell using a UDR650 rig.</p> <p>2011–2012 aircore (AC) drilling by EMX.</p> <p>2019 HQ3 (some HQ2) diamond drilling by KBG rarely oriented with a spear.</p>

Criteria	JORC Code explanation	Commentary
<b>Drill sample recovery</b>	<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>AC and RC drilling recoveries were not recorded by the logging geologist visually.</p> <p>Core recoveries were measured by core run using a tape measure.</p> <p>Core recoveries were generally good, but some core loss was noticeable in clay altered zones on margins of quartz reefs which may have had a negative impact on grades.</p>
<b>Logging</b>	<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>All drillholes were logged in their entirety. Drill core was also geotechnically logged.</p> <p>Costeans from 2018 (KBG) were also logged (treated like a horizontal drillhole).</p> <p>Logging was qualitative.</p> <p>All drill core and costeans from 2018 were photographed after mark-up.</p> <p>Chip trays of RC drilling are still available.</p>
<b>Subsampling techniques and sample preparation</b>	<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 subsampling 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>Core was sampled as full core.</p> <p>RAB spoils were spear sampled.</p> <p>No information is available for RC subsampling by EMX, although it is assumed that samples were riffle or cone split from the cyclone as per standard procedure.</p> <p>Field duplicates were taken for aircore and RC drilling by EMX.</p> <p>Due to full core being sampled, field duplicates were not taken, instead, a coarse duplicate was taken (at Boyd crusher stage at the lab, in addition to a fine pulp duplicate approximately every 20 samples.</p> <p>No bias has been detected in field duplicates.</p> <p>Sample sizes, while standard industry practice, may not be appropriate for the nuggety gold mineralisation, which is the reason for KBG investing in mini-bulk sampling gravity concentration equipment.</p>
<b>Quality of assay data and laboratory tests</b>	<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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>RAB drilling samples were assayed by aqua regia at Genalysis (B/ETA), with random repeats at approx 1 in 25 frequency, and with results &gt;200ppb repeated with fire assay (FA25/AAS).</p> <p>Aircore drilling sample were assayed for gold by aqua regia at ALS Global (Au-ST44) and multi-elements (ME-MS41).</p> <p>RC drilling sample were assayed for gold by fire assay at ALS Global (Au-AA44) and multi-elements (ME-MS41). Standards (three different ones) and blanks were inserted at a frequency of approximately 1 in 50 each. Some screen fire checks were done in anomalous intervals.</p>

Criteria	JORC Code explanation	Commentary
		<p>Full core samples were assayed for gold using a 1 kg 24-hour cyanide leach at Bureau Veritas (BL002) with a coarse duplicate every 25 samples and a fine duplicate every 50 samples, and with barren flushes assayed between quartz reef samples. Some reef samples were checked with screen fire assay. BLEG results correlate well with screen fire assays and no contamination issues were identified.</p> <p>Rock chip samples that were gravity concentrated were assayed for gold by fire assay with gravimetric finish at ALS Global (Au-GRA21).</p>
<b>Verification of sampling and assaying</b>	<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>Historic reports have been reviewed by independent and company personnel.</p> <p>No holes have been twinned.</p> <p>Data entered onto paper logs and entered into Microsoft Excel spreadsheets before loading into and Microsoft Access database.</p> <p>There have been no adjustments to assay data.</p>
<b>Location of data points</b>	<p><i>Accuracy and quality of surveys used to locate drillholes (collar and downhole 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>Holes have not been surveyed.</p> <p>All data points have been collected in standard GPS mode in UTM Zone 54 (WGS84).</p> <p>Topographic control based on 30 m Shuttle Radar Topography Mission (SRTM) data.</p>
<b>Data spacing and distribution</b>	<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>No Mineral Resource has been estimated.</p> <p>Drill spacing is irregular, targeting outcropping reef systems.</p>
<b>Orientation of data in relation to geological structure</b>	<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>Drillholes are planned perpendicular to trend of outcropping reefs. Orientation of sampling is not considered by the Competent Person to have introduced biases for the purpose of early-stage exploration results.</p>
<b>Sample security</b>	<p><i>The measures taken to ensure sample security.</i></p>	<p>KBG samples are collected in pre-numbered calicos and delivered to the lab by KBG personnel. Pulps are kept for future reference. Previous sample security measures are not known.</p>
<b>Audits or reviews</b>	<p><i>The results of any audits or reviews of sampling techniques and data.</i></p>	<p>Available data has been reviewed by independent and company personnel.</p>



## Section 2: Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The Koonenberry Gold Project ("the Project") consists of 12 exploration licences, all held by Lasseater Gold Pty Ltd, a 100%-owned subsidiary of Koonenberry Gold Ltd (see table in main report), all of which are in good standing. Both the licences and licence applications are in good standing. All leases carry a 3% net smelter royalty to EMX. Leases on Kayrunnera Station carry a 2% net smelter royalty to T. Clarke. EL 6803 carries a 2% NSR to Arastra. EL 6854 carried a 2% NSR to Perry & Armstrong. EL 7651 carries a 2% NSR to Bates.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Previous relevant gold exploration has been completed by: <ul style="list-style-type: none"> <li>• Rockwell (2005–2010)</li> <li>• EMX (2011–2013)</li> <li>• NQM (2014–2017).</li> </ul> Exploration has included mapping, rock chip, soil, stream, lag and auger sampling, geophysics (aerial mag-rad survey), and RAB, AC and RC drilling.
<b>Geology</b>	<i>Deposit type, geological setting, and style of mineralisation.</i>	Orogenic gold within the Koonenberry Belt, bases on similarities with turbidite hosted gold deposits of central and western Victoria. The primary gold is structurally controlled and hosted in quartz veins (reefs). Placer and palaeoplacer gold deposits are also known.
<b>Drillhole information</b>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i> <ul style="list-style-type: none"> <li>• easting and northing of the drillhole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul> <i>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.</i>	Refer Table 4.3

Criteria	JORC Code explanation	Commentary
<b>Data aggregation methods</b>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</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>All reported assays have been length weighted.</p> <p>No metal equivalents have been reported.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</i></p>	<p>The geometry of the mineralisation is not well understood.</p>
<b>Diagrams</b>	<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 drillhole collar locations and appropriate sectional views.</i></p>	<p>Refer to figures in text.</p>
<b>Balanced reporting</b>	<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>Only highlights are listed in Refer Table 4.3. Holes not listed contain no mineralisation meeting this significant criteria.</p>
<b>Other substantive exploration data</b>	<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>Soil geochemistry is considered effective in residual terrain in defining mineralised structures, and this work is ongoing. Excellent magnetic data and interpretation is also available to aid in structural analysis and targeting.</p> <p>KBG are moving to mini-bulk sampling with gravity concentration where possible, in order to obtain better representative samples than is possible by conventional rock chip sampling or drilling samples.</p>
<b>Further work</b>	<p><i>The nature and scale of planned further work (e.g. 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>KBG is planning detailed mapping and soil geochemistry, prior to further costeaning and drilling.</p>

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## **8. Solicitor's Report on Tenements**



MELBOURNE | PERTH

Koonenberry Gold Limited  
c/- Ventnor Capital  
Ground Floor, 16 Ord St  
Perth WA 6005

Attn: The Board of Directors

Dear Sirs,

### **Solicitor's Report – Mineral Tenements**

This Report has been prepared at your request to examine and comment on the location, standing, any material qualification and registered ownership of twelve mining tenements beneficially held by Koonenberry Gold Limited ("KNB") for the purpose of inclusion in a Prospectus for listing on the Australian Stock Exchange.

This report has been prepared in accordance with the following:

- the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2015 (the VALMIN Code);
- the attendant Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the JORC Code); and
- the conditions placed on Expert Reports by the *Corporations Act 2001* (Cth) and in particular Australian Securities and Investments Commission (ASIC) Regulatory Guides 55, 111 and 112.

#### **1 Aim**

The aim of this Report is to collate, summarise and interpret available information to ascertain the location, standing, registered ownership and any material qualification regarding Status of Exploration Licences 6803, 6854, 7635, 7651, 8245, 8705, 8706, 8819, 8918, 8919, 8949 and 8950 located in New South Wales ("Tenure").

#### **2 Scope**

The scope of the Report has been restricted to compliance with the following legislation:

- *Mining Act 1992* (NSW) ("MA");
- *Mining Regulation 2016* (NSW);
- *Heritage Act 1977* (NSW);
- *Local Government Act 1993* (NSW); and
- *Native Title Act 1993* (Cth)

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### 3 Qualifications, Experience and Independence

TAS Legal Pty Ltd, ("TAS Legal") and the individuals responsible for the preparation of this Report are sufficiently qualified to prepare such a Report in respect of the Tenure.

*Jay Evans-Wheeler BSc(Hons) DipCM MBus LLB – Lawyer & Senior Consultant*

The primary reviewer is a qualified Geologist, Accountant, Chartered Secretary and Australian Lawyer who has worked extensively in mining tenement administration for over 30 years. She is responsible for managing tenements throughout Australia, Asia, Africa and the Pacific. She is an Expert and Specialist for the purposes of Definition D10 of the VALMIN Code and is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy, a member of the Mining Industry Consultants Association, the Institute of Chartered Practising Accountants, the Institute of Chartered Secretaries, the Law Institute of Victoria and the Resources and Energy Law Association (AMPLA). She is at all times subject to the various Codes of Ethics of each of these institutions and professional bodies.

TAS Legal has not provided due diligence services to KNB in the past and will be paid normal and usual professional fees for the preparation of this Report (\$9,500 – \$12,000). Other than in respect of its professional fees, neither TAS Legal nor its directors have any material or contingent interest in KNB or its subsidiaries.

### 4 The Tenure Schedule

We refer to the Schedule attached which forms part of this Report. As a result of, and based upon, the information derived we confirm that the information and particulars included in the Schedule is an accurate statement of the Tenure particulars.

### 5 Sources of Information

Information in respect of the mineral tenements has been derived from extracts of registers obtained from the relevant government statutory bodies:

- The Department of Planning, Industry and Environment ("DPIE") (NSW);
- The Department of Environment and Heritage (NSW) (DEH) Aboriginal Heritage Information Management System; and
- the National Native Title Tribunal ("NNTT") Register of Native Title.

### 6 Assumptions

This Report is prepared on the following assumptions:

1. that the list of Tenure described in the commission is true and correct in terms of their materiality to the Report, and that there is no other Tenure which affects the Report;

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2. that there are no charges, liens or encumbrances affecting the mineral tenements extant but not yet registered as at 06 May 2021;
3. that information provided by the sources listed in Item 5 are accurate, complete and current.

We have not relied upon any information provided by other third parties.

## 7 Background to legislation

### *Minerals and permits generally*

Ownership of minerals located on or below the surface of the land, excepting certain limited circumstances (relating to limited categories of historic land parcels), is vested in the Crown.

As owner of the minerals, the Crown is entitled to confer rights on lessees or licensees to explore for and mine one or more minerals, collectively referred to as mining tenements.

The *Mining Act 1992 (NSW)* ("MA") is the principal legislation regulating mining, exploration, extraction and processing of minerals within New South Wales.

Mining tenements may be granted for defined minerals, coal and solid hydrocarbons, and infrastructure. The material mining tenements are Exploration Licences as detailed in the Schedule.

For the purposes of section 8(1)(k) of the *Personal Property Securities Act 2009* of the Commonwealth, the MA declares that no tenement is personal property for the purpose of that Act.

### *Exploration Licences ("ELs") generally*

In New South Wales, an Exploration Licence ("EL") pursuant to the MA:

- Allows the holder to carry out exploration for mineral within the boundaries of the licence by all approved methods permitted under a mineral authority in accordance with a lodged and approved plan;
- Test for, and evaluate the feasibility of, mineral production;
- May be granted for a period of up to six years, and may be renewed; and
- Should not exceed 100 blocks in area.

The holder of an EL must, immediately upon discovery of any mineral of commercial value in what appears to be significant quantities within the boundaries of the EL, report to the Minister the fact of that discovery and such other particulars as the Minister may subsequently require.

An EL does not authorise the production of, or studies into the production of, minerals.

*Details of the ELs are listed in Schedule 1.*

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*All of the Tenure is held in the name of Lasseter Gold Pty Ltd. Lasseter Gold Pty Ltd is a wholly-owned subsidiary of KNB. The nature and details of the interest in the Tenure held by KNB is detailed elsewhere in the Prospectus of which this Report forms part.*

#### *Access rights to land*

During the term of an EL, the holder may, with all vehicles, vessels, machinery or equipment as necessary enter onto any part of land comprised in the EL, provided the land is not a restricted reserve (for example, a national park) or private (freehold) land where regulatory access procedures have not been undertaken and completed.

Where land is freehold land, an agreement for access with underlying private landowners and stakeholders must be concluded. Where agreement for access cannot be reached as required by law, recourse may be had to the Land and Environment Court of New South Wales to determine disputes.

In addition, the *Environment, Planning and Assessment Act 1979* (NSW) governs the interaction and balance between competing land uses.

*An access agreement exists between KNB and the private landowners of Kayrunnera Station, in respect of ELs the details of which are discussed elsewhere in the Prospectus of which this Report forms part.*

*It is recommended that this agreement be registered against ELs 6803, 6854, 7635, 7651, 8245, 8705 and 8706.*

*There is no record that any other compensation agreements concluded with any affected landowners have been lodged against the Tenure.*

#### *Conditions of an EL*

Conditions are imposed on granted licences, and generally include conditions relating to the environment, payment of rates, fees and charges, minimum expenditure or work provisions, and exclusions.

Where licence conditions are not complied with, the holder may be subject to disciplinary action or the EL may not be renewed at the expiry of current term.

Each EL is subject to conditions, inter alia, that the holder:

- carry out such programs of exploration works as are approved from time to time and in accordance with the MA;
- pay rent as prescribed;
- deposit any bond or surety for environmental rehabilitation as required by the Minister from time to time;

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- must when, and in the form required, give to the Minister annual progress, and final technical and expenditure reports, (accompanied by documents and materials as prescribed) detailing the EL holder's activities;
- carry out environmental restoration of the damage caused on the EL (such as repairing and capping drill holes to acceptable norms);
- where the lease is reduced in area, remove and make good all plant and equipment;
- not obstruct or interfere with any right of access by any authorised persons in respect of the land;
- prior to termination of the EL, remove all equipment and plant on all in the land comprised in the EL unless otherwise authorized;
- comply with the mandatory provisions of the land access code;
- comply with the MA and any other relevant legislation and regulations; and
- comply with such other conditions as may be imposed.

In addition, conditions may be imposed requiring aboriginal cultural heritage surveys to be conducted and areas of aboriginal cultural significance to be identified and isolated. In some cases, pursuant to relevant agreements, monitoring mineral activities may be required by relevant aboriginal groups. This is further discussed in Section 20.

## 8 Bonds and Rehabilitation

No guarantee can be given that further bonds will not be sought for additional works, or that any holder (whilst solvent) will not be called upon for additional environmental works.

*Details of bonds held for environmental rehabilitation are detailed in Schedule 1. There is no evidence that any additional bond issues remain outstanding. No non-standard environmental conditions have been imposed on the tenements, and no additional bond has been either requested or lodged.*

## 9 Licences and documents

*We note that Licence Documents (in the relevant approved form) has been issued for all Tenements, and that the documents are in the possession of the registered holders.*

## 10 Encumbrances and interests

*Other than the following material encumbrances, the tenements do not have (from the information available), any other charges, liens or encumbrances extant.*

## 11 Excisions and Overlying Tenure

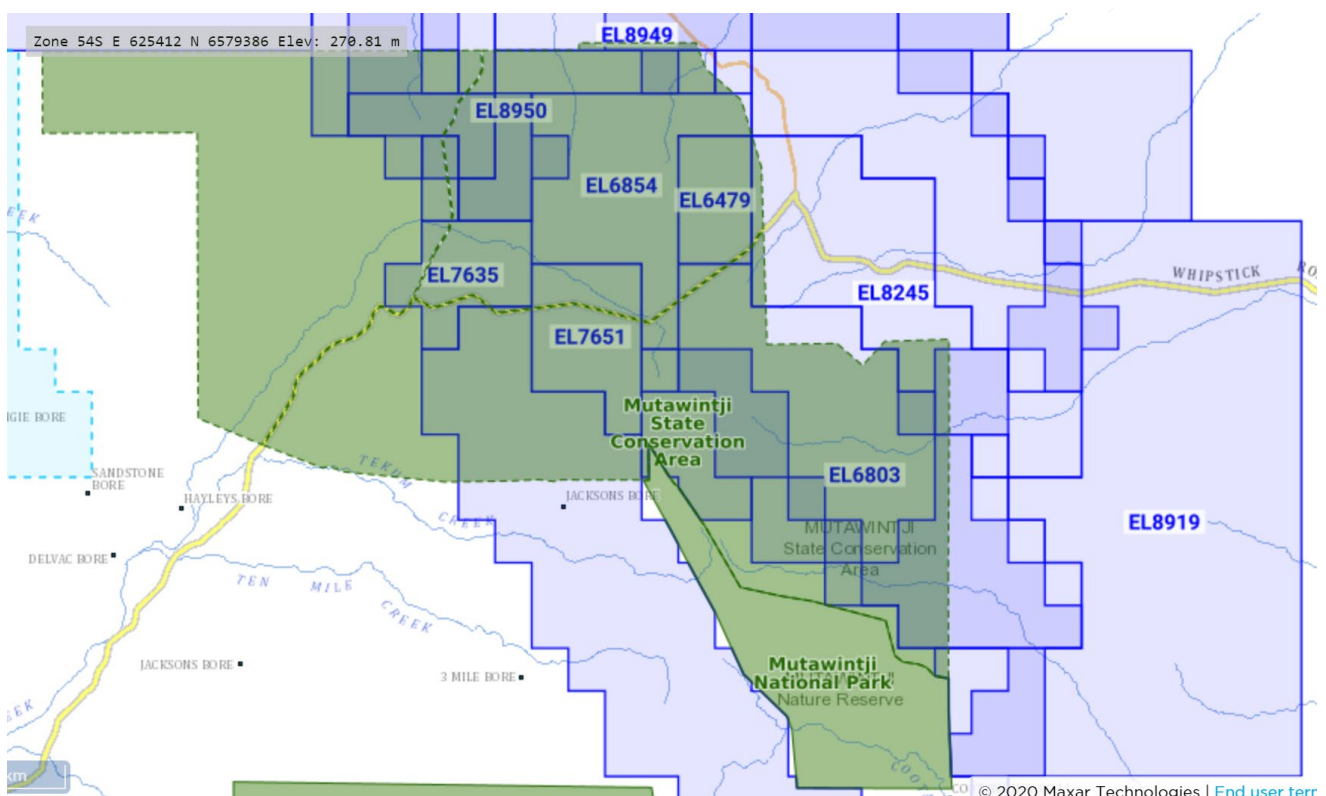
The tenements are affected by overlapping Tenure and excisions, and regard during operations must be had to the rights granted to those land users.



All Tenure is subject to conditions for the complete excision of any land the subject of Mutawintji National Park.

ELs 6803, 6854, 7635, 7651, 8705, 8918, 8949 and 8950 affect the Mutawintji State Conservation Area. KNB is in the process of concluding an access deed with the NSW Minister for the Environment (as the responsible landowner) for exploration operations, the details of which are discussed elsewhere in the Prospectus of which this Report forms part.

A map of the affected areas is shown below:



## 12 Government and Other Royalties

As the subject Tenure is comprised of ELs, no production is authorised and therefore no Government royalty is payable.

There is no evidence of any third party potential royalties registered against the Tenure.

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However, as registration under the MA of documents evidencing interests of third parties is not compulsory in New South Wales, warranties should be sought of the tenement holders in relation to royalties payable to third parties at any time in the future.

### 13 Local Government Rates

There are no local government rates imposed on ELs in New South Wales.

### 14 Pending Court Action

There is no evidence that any of the Tenure is subject to any pending court actions.

### 15 Annual Mineral Exploration Reports

Communications from each of the relevant Departments indicates that no reporting is currently outstanding.

### 16 Annual Expenditure Reports

*Records from the relevant Department indicates that no expenditure is currently outstanding for any of the ELs.*

### 17 Survey

There is no survey condition imposed on ELs in NSW.

### 18 Native Title

The common law of Australia recognises a form of native title, which, in circumstances where it has not been extinguished, reflects the entitlement of the indigenous inhabitants, in accordance with their laws or customs, to their traditional lands. Native title may be extinguished by the valid exercise of government power provided there is a clear and plain intention to do so.

The *Native Title Act 1993* (Cth) ("Native Title Act"), as amended, inter alia:

- provides that native title is recognised and protected in accordance with the Native Title Act, and prevents extinguishment of native title contrary to the Act;
- provides a procedural framework for indigenous people to claim native title rights in relation to land and water, and then for the courts to determine who the rightful claimants are and which of their native title rights exist;
- validates (in tandem with complementary state and territory legislation) past acts by the Commonwealth and State governments which, because of the existence of native title, would otherwise have been invalid;
- provides a framework within which Commonwealth and State governments can undertake future actions that may impact on native title; and
- provides a mechanism by which holders of native title can claim, and have determined, compensation for acts done that in some way impact on their native title rights.

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Various state and territory legislations complement the operation of the Native Title Act, for example, confirming existing rights to natural resources and access to waterways and public places, and in various other respects. However, state and territory legislation inconsistent with the provisions of the Native Title Act, and relevant provisions of the *Racial Discrimination Act 1975* (Cth), has been held to be invalid where the relevant state or territory purports to extinguish native title or discriminates against indigenous people or groups in certain relevant respects.

The Native Title Act sets out the procedures which must be followed when lodging an application for a determination of native title. These procedures require the Federal Court to refer a native title claim to the Native Title Registrar who must apply the "registration test" set out in the Native Title Act. If the Native Title Registrar considers that a claim satisfies the registration test in accordance with the relevant statutory criteria, the claim is entered on the register of Native Title claims maintained by the Tribunal. Upon registration, various procedural rights are granted, and notification to the public and various specified persons is required. A native title claimant must prove its claim in the Federal Court, in order to have the native title recognised, where the claim is contested (although native title can be recognised by agreement between the relevant parties, subject to the Federal Court determining the orders sought are within its power).

When native title is determined, the native title holders may make a further application to the Federal Court for a determination of what, if any, compensation may be payable for actions that have impacted on their native title rights in the past.

Given the potential complexity and length of any contested proceedings in the Federal Court, mediation (and sometimes, further mediation) by way of a conference is usually ordered by the court except in certain circumstances.

Pursuant to the Native Title Act, the validity of the grant of a mining title is determined in accordance with the date of grant of the mining title. Importantly, the future act regime found within the Native Title Act does not as such give the holders of native title any right to veto the doing of a future act; instead, the relevant future act provisions establish ways in which future dealings affecting native title may proceed, and the standards set for such dealings (in addition to any relevant questions of compensation).

It should be appreciated that despite the operation of the regime under the Native Title Act as noted above, it is still open to a party to commence an action outside of the provisions of the Native Title Act, under the common law, in courts other than the Federal Court (or the High Court, which also has jurisdiction under the Native Title Act). It appears that such actions will only serve to declare rights as between the relevant parties to the action.

We note that provision has been made under the Native Title Act for an equivalent state/territory body to determine native title claims where so recognised.

Upon registration of a native title claim, the claimant is entitled the "right to negotiate" with respect to certain "acts" that may affect native title. Where right to negotiate procedures apply

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and are not complied with, that the relevant "future act" will be unlawful to the extent that it affects native title. The grant of a mining title is an "act" that may affect native title and is likely to attract the right to negotiate procedures unless the mining title is wholly over land where a claim has not been lodged or land over which native title has been extinguished. Overall, there is a duty to negotiate in good faith with a native title claimant/group.

Notwithstanding the above, the "expedited procedure" of the Native Title Act, where applicable, exclude the right to negotiate. Certain exceptions to the "right to negotiate" provisions are "approved exploration acts", "approved gold or tin mining acts", or the renewal, re-grant or re-making of certain valid acts which create a right to mine, and for certain acts creating a right to mine opals or gems in an approved area. Satisfaction of the procedures in relation to the expedited procedure requires advertisement of any mining tenement application, following which time is permitted during which any claimant may object to the matter proceeding by way of the expedited procedure. If the objection is not withdrawn (either after the entering into of an Ancillary Agreement and Section 31 Deed, or otherwise), and the native title is successful in its objections, the matter will be determined by way of the right to negotiate procedures.

An objection may result in the conclusion of a deed between the applicant and the claimant party which will generally require (inter alia) compensation payments and terms relating to indigenous employment. Where no objection is lodged the holder of the mining tenement need only satisfy any conditions which are generally incorporated as conditions to the granting of the mining tenements in any case.

The valid grant of a mining title can be achieved if the procedures of the Native Title Act and applicable State procedures are followed. The primary procedures are collectively known as the "right to negotiate" procedures.

#### *Native Title and the mineral tenements*

All of the Tenure was granted after 23 December 1996 and as such will continue to be valid where compliance with the relevant (future act) procedures under the Native Title Act continues.

#### **NCD2015/001 - Barkandji Traditional Owners #8**

The Tenure is affected by several parcels of land over which native title is deemed to exist and is held by the Traditional Owners NCD2015/001 - Barkandji Traditional Owners #8 as shown in the map below, marked in yellow.

This land is specifically excised from exploration in the Tenure area, where exploration is not for gold or silver, and may not be undertaken in any case without the express prior written consent of the Minister for Mines.

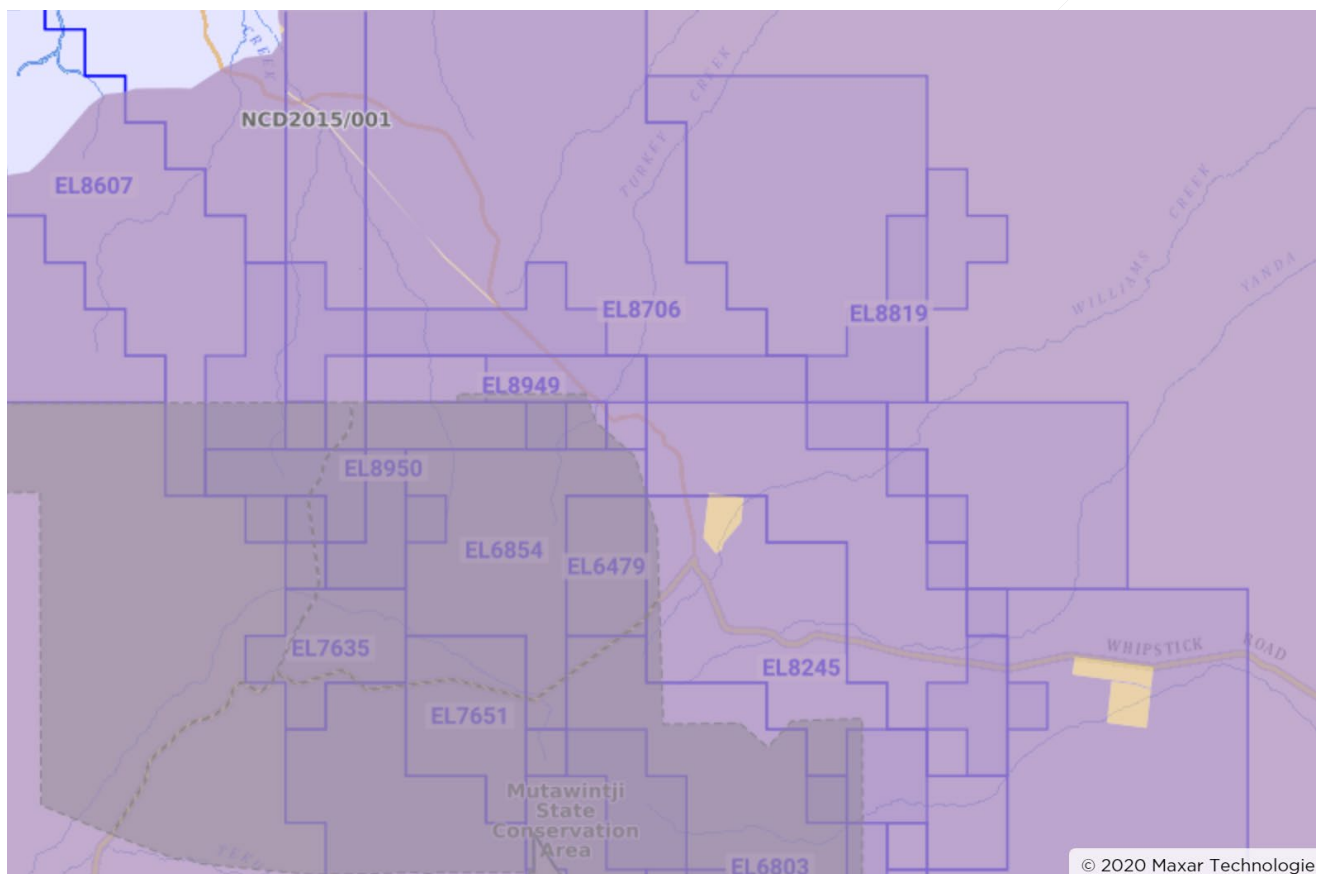
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As part of the determination of this claim, it was agreed that the remainder of the Barkandji Claim affecting the Tenure was extinguished, and a claim for compensation (consequent on the recent High Court decision in *Griffiths v Northern Territory* HCA 7 (Timber Creek)) must be taken into account. In that decision, the High Court held that compensation (plus applicable interest) may be payable for the loss of the economic value of the native title rights on land where native title is deemed to have been extinguished. This includes land where cultural and spiritual loss is occasioned by the loss of the native title rights, and where any compensable acts interfere with sites of spiritual significance.

Resolution of the compensation claim area shown in purple below is expected to take several years.



Please also note that Crown land reserves within the extinguished areas are managed on behalf of the State of New South Wales by the Barkandji Native Title Group Aboriginal Corporation RNTBC. KNB has an extent agreement with the Barkandji in relation to the management of the exploration in these parcels.

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### Aboriginal Heritage

All significant Aboriginal cultural heritage sites are protected in New South Wales pursuant to the *Heritage Act 1977* (NSW).

Tenement holders must comply with the requirements of the relevant cultural heritage legislation.

Holders have a duty of care imposed in carrying out any of their activities to take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage.

This duty applies regardless of whether or not an Aboriginal heritage site is recorded on the relevant official register and applies regardless of whether native title exists, is claimed, or has been extinguished over land. Substantial penalties apply for interference with Aboriginal cultural materials or objects without lawful excuse.

### *Aboriginal Heritage and the mineral tenements*

*Research has been carried out in relation to the Tenure and the results indicate there are sixty-nine (69) listed heritage sites on the departmental record. The exact location of the sites is not publicly available.*

The absence of any objects or sites of cultural heritage on the Registers does not preclude the possible existence of unregistered objects or sites within the boundaries of the Tenure, but that searching the Registers is a relevant consideration in determining whether a corporation or individual has complied with the cultural heritage duty of care.

As such information may be privileged, and only available where precise delineation of areas of interest is made, we recommend that further research in this respect should be carried out as more detailed exploration programs, including specified geographic areas of interest, are identified.

### 19 Assessment of Standing

As required by the JORC code, we are required to give an assessment of the security (the “status”) of Tenure.

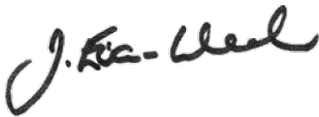
In assessing the status, we have examined compliance with the aspects set out above which are considered material.

We have concluded, on the basis of the evidence obtained, that all Tenure is in **good standing**.

## 20 Consent to Release and Publication

TAS Legal has given its consent, and the author and primary reviewer of this Report, Jay Evans-Wheeler has provided her consent, and neither has, before the release of this Report withdrawn such consent to the release and publication of this Report in the form and context in which it appears only.

Yours faithfully,  
**TAS Legal Pty Limited**

A handwritten signature in black ink, appearing to read 'J. Evans-Wheeler'.

**30 June 2021**

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Tenement type, reference name and/or number	Area	Ownership, including details of co-venturers and their interests	Impediments to title	Status; application or approval is pending	Grant or Commencement Date	Expiry ad Renewal Date	Tenement expenditure (current term)	Tenement expenditure reported to date (current term)	Scheduled 2020/21 commitment	Annual rent	Bond	Relevant Native Title Claimants* - non-extinguished and only	Conditions, endorsements and notes*
EL 6803	53 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	06/06/2007	06/06/2022	\$125,000	\$166,982	Programme based outcome	\$3,180	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 6854	20 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	08/08/2007	08/08/2022	\$30,000	\$32,745	\$60,000	\$1,200	\$16,666.67	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 7635	8 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	25/10/2010	25/10/2023	\$105,000	\$26,295	Programme based outcome	\$320	\$16,666.67	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 7651	16 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	06/12/2010	06/12/2021	\$120,000	\$32,660	Programme based outcome	\$960	\$43,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8245	30 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	11/03/2014	11/03/2023	\$215,000	\$689,413	\$10,000	\$1,800	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8705	2 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	05/03/2018	05/03/2027	\$50,000	\$24,982	Programme based outcome	\$120	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8706	100 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	05/03/2018	05/03/2027	\$165,000	\$169,850	Programme based outcome	\$6,000	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8819	57 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	01/02/2019	01/02/2022	\$85,000	\$35,055	Programme based outcome	\$3,420	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8918	55 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	05/12/2019	05/12/2023	\$27,000	\$29,635	\$38,000	\$3,300	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8919	95 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	05/12/2019	05/12/2023	\$32,000	\$30,900	\$38,000	\$5,700	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8949	8 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	04/03/2020	04/03/2023	\$20,000	\$28,045	\$22,000	\$ 480	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions
EL 8950	11 units	Lasseter Gold Pty Ltd 100%	NIL	Granted	04/03/2020	04/03/2023	\$45,000	\$43,541	\$88,000	\$..660	\$10,000	NCD 2015/001Barkandji Traditional Owners #8	Standard conditions



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## **9. Risk Factors**

As with any share investment, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

### **9.1 Risks Specific to the Company**

#### **a) Limited history**

The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which have a high level of inherent uncertainty. The Project has undergone varying amounts of previous exploration and appraisal work and further exploration and appraisals are required to determine whether they contain economically viable mineral deposits.

#### **b) Exploration and development**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenement and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of a Tenement.

#### **c) Contractual**

The ability of the Company to carry out or achieve its stated objectives may be materially affected by the performance by the parties of obligations under certain agreements including those the details of which are in Section 13.6. If any party defaults in the performance of its obligations it may be necessary for the Company to commence legal proceedings to seek a remedy, which can be costly.

#### **d) Title**

Mineral rights in NSW may be owned by private parties, local government, state government, federal government, or indigenous groups. Verifying the chain of title can be complex and may require that remedial steps be taken to correct any defect in

title. Securing exploration and extraction rights to federally-owned mineral rights requires strict adherence to claim staking and maintenance requirements. The Company has taken reasonable steps to verify the title to the Tenements in which it has, or has a right to acquire, an interest. Although these steps are in line with market practice for exploration projects, they do not guarantee title to the Tenements nor guarantee that the Tenements are free of any third party rights or claims.

**e) Results of studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in relation to the Projects. These studies may include scoping, pre-feasibility and feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the subject Projects within certain limits. There can be no guarantee that any of these studies will confirm the economic viability of the subject Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of a Project, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

**f) Tenement applications and license renewal**

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further, the Company cannot guarantee that renewals of valid Tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into production concessions. There is a risk that these approvals may not be obtained.

**g) Landowner and Access Risk**

The Company will be required to negotiate access arrangements and pay compensation to land-owners, local authorities and traditional land users. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company. Legal processes are available in the case of disputes, but in preference the Company has made respectful and fair land-owner interactions an integral component of its strategy.

The Tenements overlap land owned by three landholders. The status of the Company's land access arrangements is as follows:

1. There is currently a land access arrangement in place for certain areas of the Kayrunnera Station.
2. The land access arrangement for Mutawintji Land has expired and the Company is in the process of renegotiating the agreement.
3. There has been no land access arrangement for the Morambie Station as the Company has not yet undertaken any ground disturbance activities on this land.

Refer to Section 13.6 for further details of these land access arrangements.

In addition, exploration rights to an area in the centre of the Project (being EL 6479) are held by a third party and not by the Company. The Company has no right to undertake exploration activities on this area and would be required to acquire those rights from a third party before it could undertake those activities. This tenement is approximately 17.68 square kilometres in size. It has not adversely impacted exploration undertaken by the Company to date, and the Company does not envisage it impacting exploration moving forwards.

#### **h) Exploration costs**

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

#### **i) Conditionality of Offer**

The obligation of the Company to issue the Shares under the Offer is conditional on ASX granting approval for Admission to the Official List. If this condition is not satisfied, the Company will not proceed with the Offer. Failure to complete the Offer may have a material adverse effect on the Company's financial position.

#### **j) Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing may dilute shareholdings, 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. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

#### **k) New projects and acquisitions**

From time to time, acquisition opportunities may be presented to the Company. At this time the Board will discuss and evaluate the merits of any acquisition opportunities presented to it depending on current market sentiments and the Company's current finances and appetite for additional assets.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity) after only limited due diligence or prior to the completion of comprehensive due diligence.

There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the Koonenberry Gold Project and/or raising additional capital (if available).

Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

#### **l) Reliance on key personnel**

The Company's future depends, in part, on its ability to attract and retain key personnel. The Company may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

## **9.2 Industry Specific**

#### **a) Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

#### **b) Failure to satisfy expenditure commitments**

Interests in tenements in New South Wales are governed by the mining acts and regulations that are current and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and

reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in any Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

**c) Mine development**

Possible future development of a mining operation at the Company's Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties including landholders, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, access to water for production, availability of electricity infrastructure, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

**d) Native title and Aboriginal Heritage**

The Tenements overlap an area within the Barkandji Native Title Determination Area. While native title was determined to have been extinguished over the majority of this area, it was determined to exist in a small non-strategic area. The subject land parcels are stock watering places (SWP), which are a type of travelling stock reserve. The area these cover is estimated to be 8 km<sup>2</sup>.

Although not considered critical to exploration, it is noted that the ability of the Company to gain access to those areas of the Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected.

In addition, the area where native title was determined to have been extinguished is now the subject of a native title compensation claim by the Barkandji People. Depending on the outcome of that compensation claim, the Company may be required to pay compensation, or to contribute to the payment of compensation, in respect of the extinguishment of native title over the areas of the Tenements.

Please refer to the Solicitor's Report on Tenements at Section 8 of this Prospectus for further details of the native title determinations and Indigenous Land Use Agreements (ILUA) affecting the Tenements.

In addition, there are a number of Aboriginal heritage sites in the vicinity of the Tenements. The existence of the Aboriginal heritage sites within the Tenements may lead to restrictions on the areas that the Company will be able to explore and mine.

However, the exact location of the Aboriginal sites cannot be ascertained from searches conducted by the Company. The Company will review the location of each site when planning its exploration programs so as to ensure that all activities near Aboriginal sites meet the requirements of the National Parks and Wildlife Act 1974

(NSW), the Heritage Act 1977 (NSW), the Environmental Planning and Assessment Act 1979 (NSW), the Crown Lands Act 1989 (NSW), the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) and other relevant legislations. There are currently no Aboriginal heritage agreements or arrangements in place affecting the Tenements. Please refer to the Solicitor's Report on Tenements at Section 8 of this Prospectus for further details.

**e) Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in 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, labour shortages and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

**f) Resource estimates**

In the event a resource is delineated this would be an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

**g) Competition Risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's Projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities or technical staff. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

**h) Tenure and renewals**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in New South Wales. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of any Tenement comprising the Project. 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.

Please refer to the Solicitor's Report on Tenements at Section 8 for further details.

**i) Royalties**

The Company's gold mining projects may be subject to State royalties, in addition to the royalties and profit shares described in Sections 13.7 to 13.12 (inclusive) below. In the event that State royalties are increased in the future, the profitability and commercial viability of the Company's Projects may be negatively impacted.

**j) COVID-19**

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.

### **9.3 General Risks**

**a) General economic climate**

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

**b) Policies and legislation**

Any material adverse changes in government policies or legislation of Australia, or any other country that the Company has economic interests in, may affect the viability and profitability of the Company.

**c) Enforcement of contracts in foreign jurisdictions**

From time to time, as part of its business, the Company may enter into contracts which are governed by the laws of countries other than Australia.

Should a contractual dispute result in court action or should the Company be required to enforce its rights, the procedure of the courts in the various foreign jurisdictions may be different to those in Australia.

**d) Negative publicity may adversely affect the Share price**

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company and/or the reputation of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

**e) Stock market conditions**

As with all stock market investments, there are risks associated with an investment in the Company. Share prices may rise or fall and the price of Shares might trade below or above the Issue Price. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

General factors that may affect the market price of Shares include without limitation; economic conditions in Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

**f) Foreign Currency, exchange rate and commodity risks**

The Company may conduct business in other jurisdictions and is therefore exposed to the effects of changes in currency exchange rates. Unhedged, unfavourable movements in foreign exchange rates may have an adverse effect of the Company's revenue and/or cost of operating and therefore affect the market price of the Shares. The most common currencies to be used are Australian dollars.

The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated gold prices and the AUD / USD exchange rate.

These prices can significantly fluctuate and are exposed to numerous factors beyond the control of the Company, such as world demand for precious and other metals, forward selling by producers and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, gold price forward curves, global economic trends and domestic and international fiscal, monetary and regulatory policy settings.

International prices of many commodities, including gold, are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. At this time, the Company has not put any hedging arrangements in place, but may do so in future when the Directors consider it appropriate.

**g) Climate change risks**



Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels and the availability of water.

Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

#### **9.4 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to the Public Offer.

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## 10. Board, Management and Corporate Governance

### 10.1 Board of Directors

As at the Prospectus Date, the Board comprises of:

- a) John Elkington - Non-Executive Chair;
- b) Anthony McIntosh - Non-Executive Director; and
- c) John Hobson - Non-Executive Director.

### 10.2 Directors' and Officers' Profiles

The names and details of the Directors in office at the Prospectus Date are:

#### **John Elkington - Non-Executive Chair**

Non-Executive Chair, MSc, FAICD, FAusIMM

Mr Elkington is a highly experienced Australian mining executive and company director. His other roles include operating as an independent mining consultancy providing company management, strategic cashflow modelling and financial analysis, as well as project and risk management advice for consulting, mining and development companies in the mining industry. Mr Elkington was formerly Chair of the Mid West Ports Authority, which operates the busy regional port of Geraldton in Western Australia.

Mr Elkington holds a Master of Science degree (Mineral Economics) from the Western Australian School of Mines, Curtin University. He is a Fellow of the Australian Institute of Company Directors (FAICD) and a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM).

Mr Elkington is currently a director of TNG Limited (ASX:TNG).

The Board considers that Mr Elkington is an independent Director.

#### **Anthony McIntosh - Non-Executive Director**

Non-Executive Director, BCom, GAICD

Mr McIntosh (BCOM, GAICD) holds a Bachelor of Commerce degree, is a graduate of the AICD and has extensive experience in investment marketing, investor relations and strategic planning, with a focus on small caps, as well as a strong and well established network of stockbroking and investment fund managers. Mr McIntosh currently runs Adorina Investment Group, the McIntosh family investment company, and sits on a number of private and public company boards. Mr McIntosh was a Board member of Echo Resources Limited 2013-2019, which was acquired by Northern Star Resources (ASX:NST) in 2019 for \$235m.

Mr McIntosh is currently a non-executive director of K-TIG Limited (ASX:KTG), Alice Queen Limited (ASX:AQX), Strategic Energy Resources Limited (ASX:SER) and Copper Strike Resources Limited (ASX:CSE).

Mr McIntosh was a director of Symbol Mining Limited (ASX:SL1) when it entered into external administration in June 2019. Refer to Section 10.6 below for further details.

The Board considers that Mr McIntosh is an independent Director.

**John Hobson - Non-Executive Director**

Non-Executive Director, BSc(Hons), MBA, GAICD, FAIRA

Mr Hobson has extensive financial markets experience in Australia, Asia and New York, gained across senior investment banking, corporate and funds management roles. He was a top-ranking bank analyst with Morgan Stanley and Credit Suisse in Asia and also worked with and consulted to Macquarie Group.

He also has broad stakeholder engagement experience from his time as General Manager, Capital Markets at AGL Energy Limited and as Head of Investor Relations at Brambles Limited, where he worked on a number of challenging issues, including coal seam gas, CO<sub>2</sub> emissions, executive remuneration, asset impairment and shareholder resolutions.

Mr Hobson has broad industry experience covering energy and utilities, logistics, transport, banking and financials. Drawing on his international business background John now advises companies and boards on stakeholder engagement, investor relations, transaction-specific communications, continuous disclosure and corporate governance and assists in transaction execution.

Mr Hobson was Chair of the Australasian Investor Relations Association from 2009 to 2011 and became a Fellow of the association in 2015.

Mr Hobson holds a Master of Business Administration degree from Macquarie University's Graduate School of Management and a Bachelor of Science (Hons) from the University of Melbourne. He has also completed the Australian Institute of Company Directors course.

The Board considers that Mr Hobson is an independent Director.

### **10.3 Key Management Personnel**

Other than the Directors, the Company's Key Management Personnel are as follows:

**Karen O'Neill - CEO**

MBA, BCompt, FGIS, AICD

Ms Karen O'Neill is a highly experienced governance and finance professional with strong commercial acumen and operations management. She has significant international operational and executive experience across a variety of industries including resources, investment banking and professional services as well as 10 years of non-executive director experience in the Not for Profit sector. Experience has been acquired working in Europe, Africa, Oceania, Asia and Australia and has given valuable insight into how to manage cross cultural and jurisdictional operations.

Ms O'Neill has spent the last 13 years working in the resources sector in diverse roles including executive leadership roles, operations, project management, and acquisitions / mergers, which has provided a strong base of hands-on operational understanding. She has worked with organisations in different stages of their lifecycles from exploration assets, through development and acquisition as well as operational management. Her last role was as Managing Director of Kingsrose Mining Limited, which saw a transformation in its operations under her tenure. Other positions include General Manager Commercial for St Barbara and Commercial Project Manager for Anvil Mining.

Ms O'Neill has a Bachelor of Accounting Science, an MBA in Strategic Management from Australian Graduate School of Management, is a Fellow of the Governance Institute of Australia and UK and a qualified member of the Australian Institute of Company Directors.

#### **10.4 Company Secretary**

##### **Ben Donovan**

Mr Donovan is a member of the Governance Institute of Australia and provides corporate advisory, IPO and consultancy services to a number of companies. Mr Donovan is currently a company secretary to several ASX listed and public unlisted companies and has gained experience across resources, agritech, biotech, media and technology industries.

#### **10.5 Exploration Manager**

##### **Andrew Bennett**

Mr Bennett has over 25 years' experience working as a geologist in a variety of exploration and mining environments and commodities throughout Australia. With WMC and BHP, he managed a massive exploration campaign at Olympic Dam, which added over 4Bt to the mineral resources and has since managed a number of junior companies through technical feasibility studies in gold, iron ore and base metals.

Mr Bennett holds a Bachelor of Science, Geology (Hons).

#### **10.6 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.

Other than as set out below, 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.

Mr McIntosh was a director of Symbol Mining Limited (ASX:SL1) when it entered into external administration in June 2019. He ceased being a director of Symbol Mining Limited on 5 February 2021. The other Directors have considered the circumstances surrounding Mr. McIntosh's involvement in Symbol Mining Limited and are of the view that Mr. McIntosh's involvement in no way impacts on his appointment and contribution as a Director of the Company.

#### **10.7 Interests and benefits**

Except as disclosed in this Prospectus, including as set out in Sections 10.8 and 10.9 below, no Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the Prospectus Date, any interests in:

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

(c) the Offers, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(d) any Director to induce him or her to become, or to qualify as, a Director; or

(e) any Director of the Company for services which he or she (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers.

Details in relation to the Director's interests in and payments made from the Company are as set out below.

## 10.8 Security holdings of Directors

The Directors and their related entities have the following interests in Securities as at the Prospectus Date:

Director	Shares	% <sup>1</sup>	Options	% <sup>2</sup>
John Elkington	-	-	-	-
Anthony McIntosh <sup>2</sup>	2,442,000 <sup>3</sup>	4.07%	703,000 <sup>3,4</sup>	5.52%
John Hobson	-	-	-	-

Notes:

1. Reflects percentage of total Shares on issue as at the Prospectus Date, based on 60,014,000 Shares.
2. Reflects percentage of total Options on issue as at the Prospectus Date, based on 12,978,000 Options.
3. Mr McIntosh holds these Securities indirectly through Interdale Pty Ltd. He acquired 1,850,000 of these Shares from Padlooka Investments Pty Ltd as trustee for the G & K Rogers Family Trust in consideration for services provided relating to the formation and promotion of the Company.
4. Refer to Sections 14.1(b) and 14.3 for more information regarding the terms of these Options. Each of these Options are exercisable into a Share at an exercise price of \$0.23 per Share (rounded to two decimal places) at any time on or before 19 November 2022.

The Directors may participate in the Public Offer. However, based on the interests of the Directors at the Prospectus Date, the Directors and their related entities will have the following interests in Securities on Admission:

Director	Shares	% <sup>1</sup>	Options	% <sup>2</sup>	Performance Rights <sup>6,7</sup>	% <sup>3</sup>
John Elkington	-	-	-	-	2,250,000	38.46%
Anthony McIntosh	2,442,000 <sup>4</sup>	1.89%	703,000 <sup>4,5</sup>	5.42%	1,800,000	30.77%
John Hobson	-	-	-	-	1,800,000	30.77%

Notes:

1. Reflects percentage of expected total Shares on issue as at Admission as set out in Section 14.1(h), based on the Maximum Subscription being achieved.
2. Reflects percentage of expected total Options on issue as at Admission as set out in Section 14.1(h).
3. Reflects percentage of total Performance Rights on issue as at Admission as set out in Section 14.1(h).
4. Mr McIntosh holds his interest indirectly through Interdale Pty Ltd. He acquired 1,850,000 of these Shares from Padlooka Investments Pty Ltd as trustee for the G & K Rogers Family Trust in consideration for services provided relating to the formation and promotion of the Company.
5. Refer to Sections 14.1(b) and 14.3 for more information regarding the terms of these Options. Each of these Options are exercisable into a Share at an exercise price of \$0.23 per Share (rounded to two decimal places) at any time on or before 19 November 2022.
6. Refer to Sections 14.1(g) and 14.5 for more information regarding the terms of the Performance Rights.
7. Pursuant to their Letters of Appointment, the Directors are entitled, subject to Shareholder approval once listed, to receive up to 5,650,000 Additional Performance Rights in aggregate. Refer to Section 14.1(g) for more information.

## 10.9 Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors. The maximum aggregate amount of fees that can be paid to non-executive directors is currently set at \$400,000 per annum by a resolution of Shareholders at a general meeting of the Company held on 27 May 2021. Any changes to this amount in future will require approval by Shareholders in a general meeting in accordance with the Listing Rules.

The Company has entered into Letters of Appointment with each of the Directors as set out in Section 13.4. Pursuant to those Letters of Appointment, the annual directors' fees currently agreed to be paid by the Company are as follows:

Director	Fees per annum (excluding superannuation)
John Elkington	\$100,000
Anthony McIntosh	\$60,000
John Hobson	\$60,000
Total	\$220,000

Prior to being appointed as Directors to the Company on 30 June 2021, Mr Elkington received \$7,300 per month commencing in September 2020 and Mr McIntosh received \$7,300 in total for services provided to the Company in relation to the preparation of the Offer.

Subject to any arrangements that may be agreed between the Company and any Director in the future, the Directors' remuneration will be reviewed by the Remuneration Committee and any increases must be approved by the Board within the overall fee pool limit (as increased with Shareholder approval).

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

## 10.10 Related Party Transactions

The Company has entered into the following ongoing transactions with its related parties:

- (a) Letters of Appointment with each of its Directors on standard terms (refer to Section 13.4 for details);
- (b) deeds of indemnity, insurance and access with each of its Directors on standard terms (refer to Section 13.5) for details); and
- (c) the SRG Advisory and Accounting Mandate Letter for the provision of corporate advisory and accounting support services with SRG Partners, in respect of whom George Rogers (who was a director of the Company until 30 June 2021) is a partner (refer to Section 13.14 for details).

The Company has also agreed to pay to George Rogers historical director fees of \$60,000 including statutory superannuation, contingent on Admission.

At the Prospectus Date, no other material transactions with related parties and Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus.

## 10.11 ASX Corporate Governance Council Principles and Recommendations

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

To the extent applicable, the Company has adopted the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The Company's main corporate governance policies and practices as at the Prospectus Date are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at [www.koonenberrygold.com.au](http://www.koonenberrygold.com.au).

### (a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing and when necessary replacing the Executive Directors;
- (iii) approving the appointment and when necessary replacement, of other senior executives;
- (iv) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;

- (v) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (vi) approving operating budgets and major capital expenditure;
- (vii) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (viii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (ix) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (x) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

**(b) Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of three Non-Executive Directors (all of whom the Company considers independent). As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

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

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

**(d) Ethical standards**

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

**(e) Independent professional advice**

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

**(f) Remuneration arrangements**

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



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

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

The Board reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

**(g) Securities trading policy**

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

**(h) Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

**(i) Audit and risk**

The Company will not have a separate audit or risk committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

**(j) External audit**

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

## **10.12 Departures from Recommendations**

Under the 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 departures from the Recommendations as at the Prospectus Date are set below.

Recommendation	Explanation
1.5	<p>Due to the Company's stage of development and number of employees, the Company may face particular issues in relation to setting, reviewing, assessing and reporting on certain diversity measures. While the Company has adopted a diversity policy, it has not formally established measurable objectives under the policy, and consequently does not comply with Recommendation 1.5 (diversity) in full.</p>
2.1, 4.1, 7.1, 7.3 & 8.1	<p>Due to the size and nature of the existing Board and the magnitude of the Company's current operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas. The Board is of the view that at this stage, the experience and skill set of the current Board is sufficient to perform these roles.</p> <p>As such, the Company does not currently have a separate Nomination Committee, an Audit and Risk Committee, an internal audit function or a Remuneration Committee as required by Recommendations 2.1, 4.1, 7.1, 7.3 and 8.1 respectively.</p> <p>The Company has adopted formal charters for each of these committees, however, given the size of the Board, pursuant to the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination, Audit and Risk and Remuneration Committees.</p> <p>A copy of the individual charters containing the roles and responsibilities of these Committees is available on the Company's website.</p> <p>The Board will devote time on an annual basis to discuss Board succession issues and to fulfil the roles and responsibilities associated with both maintaining the Company's internal audit function and arrangements with external auditors and with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Further, all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting. The Company's Board Charter also outlines the monitoring, review and assessment of a range of internal audit functions and procedures of the Company.</p> <p>The Company will establish separate Nomination, Audit and Risk and Remuneration Committees once the Company's operations are considered to be of sufficient magnitude to warrant such Committees.</p> <p>The Company has determined that all directors are independent and therefore are suitably qualified to act as these committees.</p>

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## **11. Financial Information**

### **11.1 Introduction**

The financial information set out in this Section includes the following:

- (a) Summary historical statement of profit and loss and other comprehensive income for Koonenberry Gold Ltd (“Koonenberry” or “the Company” or “the Group”) for the years ended 30 June 2019 and 30 June 2020 (“FY19” and “FY20”) and the six months ended 31 December 2020 (“H1FY21”);
- (b) Summary historical statement of financial position for Koonenberry as at 30 June 2019, 30 June 2020 and 31 December 2020;
- (c) Summary historical statements of cash flows for Koonenberry for FY19, FY20 and H1FY21; and
- (d) The Pro Forma statement of financial position of the Group (defined below) at 31 December 2020 and supporting notes which includes the Pro Forma transactions, subsequent events, consolidation adjustments and capital raising together referred to as the ‘Historical Financial Information’.

All amounts disclosed in the tables in this Section 11 are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sum of components in figures contained in this Prospectus are due to rounding.

The Historical and Pro Forma Financial Information should be read together with the other information contained in this Prospectus, including:

- (e) Management’s discussion & analysis set out in this Section 11;
- (f) The risk factors described in Sections 4 and 9;
- (g) The Investigating Accountant Report on the Historical and Pro Forma Financial Information set out in this section of the Prospectus; and
- (h) The other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

### **11.2 Basis of preparation of the Historical and Pro Forma Financial Information**

#### **(a) Background**

The Historical and Pro Forma Financial Information included in this Section 11 has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”). The Directors are not aware of any reconciliatory differences between the application of IFRS and the Australian equivalents to International Financial Reporting Standards (“AIFRS”) which require disclosure within this Section 11.

The Historical and Pro Forma Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Significant accounting policies applied to the Historical and Pro Forma Financial Information are noted at the end of this section under the heading 'Significant Accounting Policies'. The accounting policies of the Company and the group entities ("the Group") have been consistently applied throughout the periods presented.

The Group elected to adopt the Australian Accounting Standards - Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The general purpose financial statements of the Company will be prepared in accordance with the Corporations Act, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with IFRS as issued by the International Accounting Standards Board.

**(b) Basis of preparation of the Historical and Pro Forma Financial Information**

The Historical Financial Information has been extracted from the consolidated audited FY19 and FY20 and reviewed H1FY21 financial statements of Koonenberry Gold Limited.

Koonenberry's historical financial performance has been audited by Grant Thornton Audit Pty Ltd for the period 1 July 2017 to 30 June 2020 and reviewed for the six months to 31 December 2020. An unqualified audit opinion was issued with an emphasis of matter on going concern.

Koonenberry is a gold and mineral exploration company with activities in the Koonenberry Belt in New South Wales, Australia based on tenements held by the Group with potential for mineralisation. Koonenberry was incorporated on 16 May 2017 to undertake exploration and ultimately commercialisation of these resources.

The Directors are responsible for the inclusion of all financial information in this Prospectus. Investors should note that historical financial performance is not a guide for future financial performance.

The Historical and Pro Forma Financial Information has been reviewed by Grant Thornton Corporate Finance Pty Ltd, whose Investigating Accountant Report is contained in Section 12 of this Prospectus. Investors should note the scope and limitations of that report. The information in this Section should also be read in conjunction with the risk factors set out in Section 4 and 9 and other information contained in this Prospectus.

All amounts disclosed in this Section are presented in Australian Dollars unless otherwise noted. The financial information in this Section includes certain measures for assessing the financial performance and position of the business, which are not recognised under Australian Accounting Standards. Such measures are referred to as 'non-IFRS financial measures'.

Non-IFRS financial measures are not a substitute for measures calculated in accordance with Australian Accounting Standards, but rather are intended to provide further information for potential investors. As the non-IFRS measures have no defined meaning under recognised accounting standards, the way in which they have been calculated in

this Prospectus has been detailed below. As there is no standardised measure of non-IFRS information, potential investors should take care in comparing non-IFRS information between companies as the method of calculation may not be the same.

### 11.3 Historical statement of profit or loss and other comprehensive income

The table below presents the summarised historical statement of profit or loss and other comprehensive income for FY19, FY20 and H1FY21.

	Audited	Audited	Reviewed	HY Comparative Reviewed
\$'000	FY19	FY20	H1FY21	H1FY20
Other income	0	38	62	-
Interest income/ expense	-	-	(79)	-
Legal expenses	(45)	(56)	(29)	-
Exploration costs	(146)	(54)	-	(8)
Loss on disposal of PPE	-	(19)	-	-
Share based payments	-	(84)	-	-
Other expenses	(22)	(72)	(176)	(42)
<b>Loss before income tax</b>	<b>(213)</b>	<b>(247)</b>	<b>(222)</b>	<b>(50)</b>
Income tax expense	-	-	-	-
<b>EAT/Loss for the year</b>	<b>(213)</b>	<b>(247)</b>	<b>(222)</b>	<b>(50)</b>

Below is a discussion of the main factors which affected the operations and relative financial performance in FY19, FY20 and H1FY21 of Koonenberry. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the company's historical operating and financial performance, nor everything which may affect operations and financial performance in the future.

**Revenue:** Koonenberry's operations have been focused upon progressing exploration activities on its project located in north western NSW. Given this current stage of the business' development no revenues have been generated.

**Other income:** Other income relates to cashflow boost received from the ATO in relation to the COVID-19 stimulus package.

**Legal expenses:** Legal expenses primarily relate to fees paid in relation to preparatory work which is considered to be prior to the commencement of work directly attributable to the raising of funds through the proposed IPO.

**Exploration costs:** Progression of exploration operations has allowed Koonenberry to capitalise exploration in full from H1FY21.

**Other expenses:** Other expenses primarily consist of consultancy fees, insurance, directors fees, audit and accounting fees.

### 11.4 Historical statement of cash flows

The table below presents the summarised historical statement of cash flows for FY19, FY20 and H1FY21.

				HY Comparative Reviewed H1FY20
\$'000	Audited FY19	Audited FY20	Reviewed H1FY21	
<b>Cash flows from operating activities</b>				
Government subsidy received	-	38	62	-
Payments to suppliers and employees	(38)	(52)	(130)	(51)
<b>Net cash used in operating activities</b>	<b>(38)</b>	<b>(14)</b>	<b>(68)</b>	<b>(51)</b>
				-
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(109)	(56)	(55)	(60)
Payment for exploration activities	(1,288)	(565)	(691)	(367)
<b>Net cash used in investing activities</b>	<b>(1,397)</b>	<b>(621)</b>	<b>(746)</b>	<b>(426)</b>
				-
<b>Cash flows from financing activities</b>				
Proceeds from issue of shares through share purchase plan and share placement, net of transaction costs	1,188	636	-	488
Proceeds from the issue of convertible notes	-	700	424	-
Pre IPO transaction costs	-	-	(123)	-
Advances (to)/from Directors	33	-	-	-
<b>Net cash provided by financing activities</b>	<b>1,221</b>	<b>1,336</b>	<b>301</b>	<b>488</b>
				-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(214)</b>	<b>701</b>	<b>(513)</b>	<b>11</b>
<b>Cash at the beginning of the year</b>	<b>221</b>	<b>7</b>	<b>708</b>	<b>7</b>
<b>Cash at the end of the year</b>	<b>7</b>	<b>708</b>	<b>194</b>	<b>18</b>

**Operating cash flows** - There has been a net operating cash outflow for each period.

**Investing cash flows** - Purchase of property, plant and equipment (PPE) after inception in FY18 allowed for exploration activity to be undertaken.

**Financing cash flows** - In total over FY19, FY20 and H1FY21 \$2.8 million has been raised from financing activities. This has funded the exploration activities of the company. As at 31 December 2020 PPE totalled \$0.6 million and Exploration and Evaluation Assets totalled \$3.3 million.

## 11.5 Historical statement of financial position

The table below presents the summarised historical statement of financial position as at 30 June 2019, 30 June 2020 and 31 December 2020.

	Audited As at 30-Jun-19	Audited As at 30-Jun-20	Reviewed As at 31-Dec-20
<b>\$'000</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	708	194
Other current assets	-	7	130
<b>Total Current Assets</b>	<b>7</b>	<b>715</b>	<b>324</b>
<b>Non-Current Assets</b>			
Property, plant & equipment	579	603	578
Exploration and evaluation assets	1,938	2,739	3,253
Other non-current assets	123	163	163
<b>Total Non-Current Assets</b>	<b>2,640</b>	<b>3,505</b>	<b>3,994</b>

<b>\$'000</b>	<b>Audited As at 30-Jun-19</b>	<b>Audited As at 30-Jun-20</b>	<b>Reviewed As at 31-Dec-20</b>
<b>Total Assets</b>	<b>2,647</b>	<b>4,220</b>	<b>4,319</b>
<b>Current Liabilities</b>			
Trade and other payables	290	617	473
Funds received in advance	200	-	-
Provisions	21	24	29
<b>Total Current Liabilities</b>	<b>511</b>	<b>642</b>	<b>502</b>
<b>Non-Current Liabilities</b>			
Provisions	0	2	2
Convertible notes	-	668	1,128
<b>Total Non-Current Liabilities</b>	<b>0</b>	<b>669</b>	<b>1,130</b>
<b>Total Liabilities</b>	<b>511</b>	<b>1,311</b>	<b>1,632</b>
<b>Net Assets/(Liabilities)</b>	<b>2,136</b>	<b>2,909</b>	<b>2,687</b>
<b>Equity</b>			
Issued Capital	2,485	3,505	3,505
Accumulated losses	(349)	(596)	(819)
<b>Total Equity/(Deficit)</b>	<b>2,136</b>	<b>2,909</b>	<b>2,687</b>

## 11.6 Pro-Forma Historical Statement of Financial Position

The table below sets out the audited historical statement of financial position of the Company, the pro forma adjustments that have been made to it (further described in Section 11.7) and the pro forma consolidated statement of financial position as at 31 December 2020.

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.

<b>\$'000</b>	<b>Notes</b>	<b>Reviewed As at 31-Dec-20</b>	<b>Minimum Subscription Pro Forma Adjustments</b>	<b>Pro Forma As at 31-Dec-20</b>	<b>Maximum Subscription Pro Forma Adjustments</b>	<b>Pro Forma As at 31-Dec-20</b>
<b>Current Assets</b>						
Cash and cash equivalents	11.8	194	7,558	7,752	9,436	9,630
Other current assets		130	2	132	2	132
<b>Total Current Assets</b>		<b>324</b>	<b>7,560</b>	<b>7,885</b>	<b>9,438</b>	<b>9,762</b>
<b>Non-Current Assets</b>						
Property, plant & equipment		578	(18)	560	(18)	560
Exploration and evaluation assets		3,253	227	3,480	227	3,480
Other non-current assets		163	-	163	-	163
<b>Total Non-Current Assets</b>		<b>3,994</b>	<b>209</b>	<b>4,204</b>	<b>209</b>	<b>4,204</b>
<b>Total Assets</b>		<b>4,319</b>	<b>7,769</b>	<b>12,088</b>	<b>9,647</b>	<b>13,966</b>
<b>Current Liabilities</b>						
Trade and other payables		473	(152)	321	(152)	321
Funds received in advance		-	-	-	-	-
Provisions		29	176	205	176	205
<b>Total Current Liabilities</b>		<b>502</b>	<b>24</b>	<b>526</b>	<b>24</b>	<b>526</b>
<b>Non-Current Liabilities</b>						
Provisions		2	-	2	-	2

\$'000	Notes	Minimum Subscription		Maximum Subscription	
		Reviewed As at 31-Dec-20	Pro Forma Adjustments	Pro Forma As at 31-Dec-20	Pro Forma Adjustments
Convertible notes		1,128	1,524	2,652	1,524
<b>Total Non Current Liabilities</b>		<b>1,130</b>	<b>1,524</b>	<b>2,654</b>	<b>1,524</b>
<b>Total Liabilities</b>		<b>1,632</b>	<b>1,548</b>	<b>3,180</b>	<b>1,548</b>
<b>Net Assets/(Liabilities)</b>		<b>2,687</b>	<b>6,222</b>	<b>8,908</b>	<b>8,099</b>
<b>Equity</b>					
Issued Capital	11.9	3,505	8,070	11,575	9,971
Accumulated losses	11.11	(819)	(1,490)	(2,309)	(1,514)
Reserves		-	(358)	(358)	(358)
<b>Total Equity/(Deficit)</b>		<b>2,687</b>	<b>6,222</b>	<b>8,908</b>	<b>8,099</b>

## 11.7 Pro Forma Transactions

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the subsequent events and pro forma adjustments, are presented as if they, together with the Offer, had occurred subsequent to 31 December 2020 and are set out below.

With the exception of the subsequent events and pro forma transactions noted below no other material transactions have occurred between 31 December 2020 and the date of this Prospectus which the Directors consider require disclosure.

### Pro Forma Transactions:

- “The Public Offer”**: the issue of a minimum of 40 million ordinary shares and a maximum of 50 million ordinary shares at an issue price of \$0.20 per share, amounting to \$8 million to \$10 million under the Public Offer.
- “Offer costs”**: total expenses associated with the Offers (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be \$798,000 to \$920,000 (exclusive of GST) under the Offer. Those costs which directly related to the issue of new shares have been offset against contributed equity, while the remaining costs have been expensed to the profit and loss account as detailed as follows:

	Minimum \$'000	Maximum \$'000
Offset against contributed equity	328	427
Expensed to profit and loss	469	493
<b>Total</b>	<b>798</b>	<b>920</b>

- “Issue of Shares to Advisors”**: the issue of 1,990,525 new shares to Ventnor Capital at a total value of \$398,105 (\$0.12 per share).

### Subsequent Events:

- “Working capital”**: Since 31 December 2020 there has been a material movement in the working capital of Koonenberry as a result of losses incurred post December 2020, contingent fees payable on listing and accrued expenses.
- “Operating asset”**: Since 31 December 2020 there has been a net movement in the property, plant & equipment of Koonenberry primarily as a result of depreciation.



- (f) **“Issue of Convertible Notes”**: \$275,000 of Series A Convertible Notes issued on 23 February 2021.
- (g) **“Exploration assets”**: Further exploration costs incurred since 31 December 2020 of \$227,000.
- (h) **“Issue of Options to the Chief Executive Officer”**: the issue of 250,000 new Options to the CEO in June 2021 which are exercisable at \$0.40 and expire on June 2023 and have a fair value of \$0.07 per option.
- (i) **“Issue of Convertible Notes”**: \$100,000 of Series A Convertible Notes issued on 7 May 2021, \$500,000 Series B Convertible Notes issued between 12 April 2021 and 26 May 2021 and \$500,000 of Series C Convertible Notes issued in June 2021.
- (j) **“Issue of Performance Rights to Directors - Tranche 1,2 and 3”**: the issue of 5,850,000 performance rights to the directors 4 June 2021 which are exercisable at nil cost and expire 24, 36 and 48 months after the IPO. The allocation of Performance Rights to the directors are as follows:

Director	Number of PRs issued	Fair value per PR	PR value	Pro Rata Allocation of PR value to 2/07/2021
John Elkington	2,250,000	\$0.1390	\$312,739	\$8,640
John Hobson	1,800,000	\$0.1390	\$250,192	\$6,912
Anthony McIntosh	1,800,000	\$0.1390	\$250,192	\$6,912
<b>Total</b>	<b>5,850,000</b>	<b>\$0.1390</b>	<b>\$813,123</b>	<b>\$22,465</b>

## 11.8 Reviewed pro forma cash and cash equivalents

The reviewed pro forma cash and cash equivalents has been set out below:

	Subsequent Event/Pro Forma Adjustment	Minimum Pro Forma \$'000	Maximum Pro Forma \$'000
<b>Audited cash and cash equivalents at 31 December 2020</b>		194	194
<i>Pro forma transactions:</i>			
Proceeds from shares issued under the Public Offer	a	8,000	10,000
Payment of the costs relating to the Public Offer	b	(798)	(920)
<i>Subsequent event transactions:</i>			
Working capital	d	(1,019)	(1,019)
Proceeds from convertible notes issued	f,i	1,375	1,375
<b>Pro forma cash and cash equivalents</b>		<b>7,752</b>	<b>9,630</b>

## 11.9 Contributed equity

The reviewed pro forma contributed equity has been set out below:

	Subsequent Event/Pro Forma Adjustment	Minimum Pro Forma \$'000	Maximum Pro Forma \$'000
<b>Audited contributed equity at 31 December 2020</b>		<b>3,505</b>	<b>3,505</b>
<i>Pro forma transactions:</i>			
Issue of Shares through IPO	a	8,000	10,000
Offer costs	b	(328)	(427)
Issue of Advisor Shares	c	398	398
<b>Pro forma contributed equity</b>		<b>11,575</b>	<b>13,476</b>

### 11.10 Number of shares

	Subsequent Event/Pro Forma Adjustment	Minimum Pro Forma No. of Shares	Maximum Pro Forma No. of Shares
<b>Audited shares at 31 December 2020</b>		<b>3,244</b>	<b>3,244</b>
Shares split @ ratio of 18,500:1		60,010,756	60,010,756
Issue of Shares through IPO	a	40,000,000	50,000,000
Issue of Advisor Shares	c	1,990,525	1,990,525
Share conversion from convertible notes		18,032,715	18,032,715
<b>Pro forma shares</b>		<b>120,037,240</b>	<b>130,037,240</b>

### 11.11 Accumulated losses

The reviewed pro forma retained earnings have been set out below:

	Subsequent Event/Pro Forma Adjustment	Minimum Pro Forma \$'000	Maximum Pro Forma \$'000
<b>Audited accumulated losses at 31 December 2020</b>		<b>(819)</b>	<b>(819)</b>
<i>Pro forma transactions:</i>			
Offer costs	b	(469)	(493)
<i>Subsequent event transactions:</i>			
Working capital	d	(1,041)	(1,041)
Property, plant & equipment depreciation	e	209	209
Costs & Interest expenses associated with convertible notes	f,i	(149)	(149)
Issue of CEO Options	g	(18)	(18)
Issue of Performance Rights	j	(22)	(22)
<b>Pro forma accumulated losses</b>		<b>(2,309)</b>	<b>(2,333)</b>

### 11.12 Significant Accounting Policies

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board. The financial information has been prepared on an accruals basis and is based on historical cost.

## **New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the reporting periods.

### **11.13 Basis of preparation**

The Company has elected to adopt the Australian Accounting Standards - Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The Company is a for-profit entity for the purpose of preparing the financial statements.

Except for cash flow information, the financial information has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

#### **Summary of accounting policies**

##### **(a) Principle of Consolidation**

The financial statements incorporate the assets, liabilities and results of entities controlled by Koonenberry Gold Ltd at the end of the reporting period. The parent entity controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

Inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

##### **(b) Income Tax**

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

Current income tax expense charged to profit or loss is the tax payable on taxable income.

Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

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

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

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

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.

### **Tax consolidation**

The parent entity and its Australian wholly-owned entities are part of a tax-consolidated group under Australian taxation law. The head entity within the tax consolidation group for the purposes of the tax consolidation system is Koonenberry Gold Ltd.

Koonenberry Gold Ltd and each of its own wholly-owned subsidiaries recognise the current and deferred tax assets and deferred tax liabilities applicable to the transactions undertaken by it, after elimination of intra-group

transactions. Koonenberry Gold Ltd recognises the entire tax-consolidated group's retained tax losses.

(c) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line and diminishing value basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful life for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Useful Life</b>
Computer equipment	3 - 5 years
Plant and equipment	1 - 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

**(d) Exploration and Development Expenditure**

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

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

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area 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 local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

**(e) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

**(f) Business combinations**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets.

**(g) Employee benefits**

**Short-term employee benefits**

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits**

The Group's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

**Equity-settled compensation**

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or

services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

**(h) Share based payments**

**Share based employee remuneration**

The Group operates equity-settled share-based remuneration plans for its employees.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted at grant date.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

**(i) Provisions**

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Provision for restoration and rehabilitation**

No provisions for restoration and rehabilitation have been made at this stage, as there are no obligations to do so and the Group is currently in the exploration stage and have yet to start mining.

**(j) Cash and Cash Equivalents**



Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 6 months or less, and bank overdrafts.

Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

**(k) Revenue and Other Income**

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

**Interest**

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**(l) 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 30-90 days of recognition of the liability.

**(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) Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement

of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(o) **Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the profit/loss attributable to the Owners of the Group, excluding any servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

**Diluted earnings per share**

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

(p) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) **Going concern**

The Group's financial statements are prepared on the going concern basis which assumes continuity of business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

(r) **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgments 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 Group.

**Key estimates**

(i) **Impairment**

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using fair value less cost of disposal calculations which incorporate various key assumptions.

(ii) Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

**Changes in Accounting Policies**

*New or amended Accounting Standards and Interpretations adopted*

The Group has adopted all of the new and or amended Accounting Standards and Interpretations issued by the Australian Standards Board ('AASB') that are mandatory for the current reporting period, including:

(i) AASB 16 Leases

(ii) AASB Interpretation 23 Uncertainty over Income Tax Treatment

*AASB 16 Leases*

The new lease standard will be effective from the annual reporting period commencing 1 July 2019. The Group has assessed the adoption of this Accounting Standard to have no material impact on the Group.

*AASB Interpretation 23 Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. It does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

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## 12. Investigating Accountant's Report



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The Board of Directors  
Koonenberry Gold Limited  
16 Ord Street  
West Perth WA 6005

30 June 2021

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**Grant Thornton Corporate  
Finance Pty Ltd**  
Level 43 Central Park  
152-158 St Georges Terrace  
Perth WA 6000

PO Box 7757  
Cloisters Square  
Perth WA 6850

T +61 8 9480 2000

Dear Directors,

## KOONENBERRY GOLD LIMITED – INVESTIGATING ACCOUNTANT REPORT AND FINANCIAL SERVICES GUIDE

### Introduction

Grant Thornton Corporate Finance Pty Ltd (“Grant Thornton Corporate Finance”) has been engaged by Koonenberry Gold Limited (“Koonenberry Gold”, or the “Company”) to prepare this report for inclusion in the prospectus to be issued by the Company on or about 30 June 2021 (the “Prospectus”) in respect of the initial public offering of fully paid ordinary shares in the Company (“the Public Offer”) and admission to the Australian Securities Exchange.

Grant Thornton Corporate Finance holds an Australian Financial Services Licence (AFS Licence Number 247140). This report is both a limited assurance Investigating Accountant Report, the scope of which is set out below, and a Financial Services Guide, as attached at **Appendix A**.

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

ABN-59 003 265 987 ACN-003 265 987 AFSL-247140

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## **Scope of this Report**

Grant Thornton Corporate Finance Pty Ltd has been engaged by the Directors to perform a limited assurance Investigating Accountant Report engagement in relation to the following statutory historical and pro forma historical financial information of Koonenberry Gold included at Section 5 of the Prospectus.

### ***Statutory Historical Financial Information for Koonenberry Gold***

- Audited statutory historical statements of comprehensive income for the Period from 1 July 2018 to 30 June 2020 ("FY19" and "FY20") and six months ended 31 December 2020 ("H1FY21") (Historical Statement of Profit or Loss and Other Comprehensive Income included at Section 11.3);
- Audited statutory historical cash flow statements for FY19, FY20 and H1FY21 (Historical Statement of Cash Flows included at Section 11.4); and
- Audited statutory historical statements of financial position as at 30 June 2019, 30 June 2020 and 31 December 2020 (Historical Statement of Financial Position included at Section 11.5).

(together, the "Statutory Historical Financial Information")

### ***Pro Forma Historical Financial Information***

- The pro forma historical statement of financial position of the Company as at 31 December 2020 which assumes completion of the transactions outlined in Section 11.6 of the Prospectus as though they had occurred at that date.

The 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 the general purpose financial reports prepared in accordance with the Corporations Act 2001.

As described in Section 11.1 of the Prospectus, the stated basis of preparation is the recognition and measurement principles contained in the Australian Accounting Standards and the Company's adopted accounting policies.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information after adjusting for the effects of the pro forma adjustments described in Section 11.7 of the Prospectus ("the Pro Forma Adjustments"). The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Pro Forma Adjustments as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information and does not represent the Company's actual or prospective financial position.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed at Section 4 and 9 of the Prospectus, and the inherent uncertainty relating to the prospective financial information.

## Directors' Responsibility

The Directors of the Company are responsible for:

- The preparation and presentation of Statutory Historical Financial Information;
- The preparation and presentation of Pro Forma Historical Financial Information, including the selection and determination of the pro forma adjustments included in the Pro Forma Historical Financial Information; and
- The information contained within the Prospectus.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Statutory 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 a limited assurance conclusion on the Statutory Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3420: *“Assurance Engagements to Report on the Compilation of Pro Forma Historical Pro Forma Financial Information”* and ASAE 3450: *“Assurance Engagements involving Corporate Fundraisings and/ or Prospective Historical Pro Forma Financial Information”*.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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. We have not performed an audit and, accordingly, we do not express an audit opinion.

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

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

- Consideration of work papers, accounting records and other documents;
- Consideration of the appropriateness of the pro forma adjustments described in Section 11.7;
- Enquiry of Directors and management in relation to the Statutory Historical Financial Information and the Pro Forma Historical Financial Information;
- Analytical procedures applied to the Statutory Historical Financial Information and the Pro Forma Historical Financial Information;
- A review of the accounting records and other documents of the Company and its auditors; and
- A review of the consistency of the application of the stated basis of preparation and adopted accounting policies as described in the Prospectus used in the preparation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information.

Our limited assurance engagement has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdiction outside of Australia and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

## **Conclusion**

### ***Statutory Historical Financial Information and Pro Forma Historical Financial Information***

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention which causes us to believe that the Statutory Historical Financial Information and Pro Forma Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation and the pro forma adjustments as described in Section 11.7 of the Prospectus.

## **Restriction on Use**

Without modifying our conclusion, we draw attention to Section 11.7 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, this Investigating Accountant Report not be suitable for use for another purpose.

## **Consent**

Grant Thornton Corporate Finance has consented to the inclusion of this Investigating Accountant Report in the Prospectus in the form and context in which it is included.

## **Liability**

The liability of Grant Thornton Corporate Finance is limited to the inclusion of this report in the Prospectus. Grant Thornton Corporate Finance makes no representation regarding, and has no liability, for any other statements or other material in, or omissions from the Prospectus.

## **Independence or Disclosure of Interest**

Grant Thornton Corporate Finance does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Grant Thornton Corporate Finance will receive a professional fee for the preparation of this Investigating Accountant Report.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD

A handwritten signature in black ink, appearing to read 'M Ramji', with a long horizontal stroke extending to the right.

Mitesh Ramji

Partner and Authorised Representative

30 June 2021





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**Grant Thornton Corporate Finance Pty Ltd**

Level 43 Central Park  
152-158 St Georges Terrace  
Perth WA 6000

PO Box 7757  
Cloisters Square  
Perth WA 6850

T +61 8 9480 2000

## Appendix A (Financial Services Guide)

This Financial Services Guide is dated 30 June 2021.

### 1 About us

Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987 and Australian Financial Services Licence no 247140) ("Grant Thornton Corporate Finance") has been engaged by Koonenberry Gold Limited ("Koonenberry Gold" or the "Company") to provide general financial product advice in the form of an Investigating Accountant Report (the "Report") in relation to the initial public offering of fully paid ordinary shares in the Company (the "Public Offer") and admission to the Australian Securities Exchange. This report is included in the prospectus dated on 30 June 2021 (the "Prospectus"). You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

### 2 This Financial Services Guide

This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the report. This FSG contains information about Grant Thornton Corporate Finance generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the report, and how complaints against us will be dealt with.

### 3 Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities and superannuation products and deal in a financial product by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of securities and superannuation products.

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## 4 General financial product advice

The report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

## 5 Fees, commissions and other benefits we may receive

Grant Thornton Corporate Finance charges fees to produce reports, including the report. These fees are negotiated and agreed with the entity which engages Grant Thornton Corporate Finance to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report, Grant Thornton Corporate Finance will receive from the Company a fee of \$18,000 which is based on commercial rates plus reimbursement of out-of-pocket expenses.

Partners, Directors, employees or associates of Grant Thornton Corporate Finance, or its related bodies corporate, may receive dividends, salary or wages from Grant Thornton Australia Ltd. None of those persons or entities receive non-monetary benefits in respect of, or that is attributable to, the provision of the services described in this FSG.

## 6 Referrals

Grant Thornton Corporate Finance - including its Partners, Directors, employees, associates and related bodies corporate - does not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licenced to provide.

## 7 Associations with issuers of financial products

Grant Thornton Corporate Finance and its Partners, Directors, employees or associates and related bodies corporate may from time to time have associations or relationships with the issuers of financial products. For example, Grant Thornton Australia Ltd may be the auditor of, or provide financial services to the issuer of a financial product and Grant Thornton Corporate Finance may provide financial services to the issuer of a financial product in the ordinary course of its business.

In the context of the report, Grant Thornton Corporate Finance considers that there are no such associations or relationships which influence in any way the services described in this FSG.

## 8 Independence

Grant Thornton Corporate Finance is required to be independent of the Company in order to provide this report. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.



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*"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Koonenberry Gold Limited (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Public Offer.*

*Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Public Offer, other than the preparation of this report.*

*Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Public Offer.*

*Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.*

## 9 Complaints

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority (AFCA) (membership no. 11800). All complaints must be in writing and addressed to the Head of Corporate Finance at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to AFCA who can be contacted at:

### **Australian Financial Complaints Authority**

GPO Box 3  
Melbourne, VIC 3001  
Telephone: 1800 367 287  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Grant Thornton Corporate Finance is only responsible for the report and FSG. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

## 10 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

## 11 Contact Details

Grant Thornton Corporate Finance can be contacted by sending a letter to the following address:

### **Head of Corporate Finance**

Grant Thornton Corporate Finance Pty Ltd  
Level 17, 383 Kent Street  
Sydney, NSW, 2000

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## 13. Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for Shares under the Public Offer. The provisions of such material contracts are summarised in this Section.

### 13.1 Lead Manager Mandate

The Company has signed a mandate letter with Ventnor Securities to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are set out below:

#### (a) Scope of Work

Ventnor Securities will assist the Company with:

1. Structuring: assisting the Company to determine the pricing, offer mechanism and timing of the issue, liaising with appropriate Australian regulatory authorities including ASIC and ASX and assisting the Company in developing a general strategy for successfully completing the Offer;
2. Marketing: assisting the Company by co-ordinating and accompanying the Company on roadshows, as well as facilitating presentations to potential investors, assist identifying and evaluating potential investors; and
3. Communications: determining key investor issues and co-ordinating appropriate responses to these issues, advising and assisting in negotiating and completing the offer and providing such other assistance as may be required by the Company from time to time.

#### (b) Remuneration

1. a capital raising fee of 6% of total funds raised under the Prospectus, plus GST, with up to 4% payable as a capital raising fee to other third party financial service licensees as agreed between Ventnor Securities and the Company; and
2. any reasonable disbursements and out of pocket expenses which will be agreed upon between Ventnor Securities and the Company prior to their incursion.

#### (c) Termination

The Lead Manager Mandate may be terminated without cause by giving one months' written notice to the other party, or in the event of a breach if the defaulting party does not remedy the breach within seven business days of receiving written notice from the non-defaulting party.

### 13.2 Corporate Advisor and Company Secretarial Mandate

The Company entered into an agreement with Ventnor Capital on or about 30 June 2020 amended on 24 May 2021 to provide corporate advisory services and company secretarial services (**Corporate Advisor Mandate**).

Under the Corporate Advisor Mandate, the Company agreed to pay Ventnor Capital a monthly fee of \$5,000 (excluding GST) for corporate advisory services and a monthly fee of \$5,000 (excluding GST) for company secretarial services commencing 1 April 2021, and a success work fee of \$100,000 (excluding GST) payable on Admission in consideration for the provision of these services. For services provided by Ventnor

Capital to the Company that are outside of this scope, Ventnor Capital is entitled to be paid additional fees, calculated on an hourly basis at commercial rates.

This Prospectus also includes the Advisor Offer. The Advisor Offer is made as part consideration for services in relation to the listing and is comprised of an offer of up to 1,990,525 Shares to Ventnor Capital (or its nominees). Refer to Section 5.2 for details of the Advisor Offer.

The Corporate Advisory Mandate contains additional provisions considered standard for agreements of this nature.

### 13.3 Executive Services Agreement - Karen O'Neill

The Company has entered into an executive services agreement with Ms Karen O'Neill in respect of her employment as the Chief Executive Officer of the Company (**CEO Services Agreement**). The principal terms of the CEO Services Agreement are as follows:

(a) **(Remuneration)**: Ms O'Neill will receive:

- (i) an annual salary of \$300,000 (Base Salary) plus statutory superannuation;
- (ii) the CEO Options detailed in Section 14.1(f); and
- (iii) 500,000 performance rights on each of the first, second and third anniversary of her commencement date on such terms (including KPIs) as will be determined by the Company in its sole discretion.

She is also eligible for a discretionary cash bonus of up to 20% of her Base Salary.

(b) **(Termination with notice)**: Either the Company (without cause) or Ms O'Neill may terminate the CEO Services Agreement by giving three months' written notice. The Company may make a payment in lieu of notice.

(c) **(Termination without notice by the Company)**: The Company may terminate Ms O'Neill's employment without notice or payment in lieu of notice if she:

- (i) breaches any material provision of her CEO Services Agreement;
- (ii) disobeys or refuses to carry out a lawful direction of the Company;
- (iii) engages in conduct which has or is reasonably likely to have a material adverse effect on the reputation of the Company;
- (iv) engages in serious misconduct including, but not limited to, incompetence or neglect, theft, fraud, dishonesty or act in bad faith towards the Company;
- (v) is unable to perform the inherent requirements of the position for period of six months or longer or becomes of unsound mind or are placed under the control of any committee or officer pursuant to any law concerned with mental health;
- (vi) uses or abuses alcohol or drugs (including prescribed drugs) in such a way that, in the reasonable opinion of the Company, she is no longer able to discharge her duties in a proper manner;
- (vii) engages in conduct that causes imminent and serious risk to the health or safety of a person or the viability of the Company; or

- (viii) is charged or found guilty by a Court of a criminal offence which is likely to be injurious to the Company or its reputation.
- (d) **(Termination without notice by the CEO):** Ms O'Neill may terminate the CEO Employment Agreement without notice if the Company fails to make any payment due to her within 14 days of the payment falling due, or if the Company breaches any other material term of the CEO Employment Agreement in a manner that is adverse to her.

#### **13.4 Non-Executive Letters of Appointment**

The Company has entered into separate non-executive director letters of appointment with each of Mr Elkington, Mr McIntosh and Mr Hobson.

Pursuant to these letters of appointment, the Company has agreed to pay:

- (a) Mr Elkington a director's fee of \$100,000 (plus statutory superannuation) per year for services provided to the Company as a non-executive director and Chair; and
- (b) each of Mr McIntosh and Mr Hobson a director's fee of \$60,000 (plus statutory superannuation) per year for services provided to the Company as non-executive directors.

Pursuant to these letters of appointment, the Company has agreed to grant Performance Rights to each Director as follows:

- (a) Mr Elkington will receive 2,250,000 Performance Rights on Admission, and a further 2,250,000 Additional Performance Rights subject to Shareholder approval at the Company's first general meeting post-Admission, in each case under the Listing Plan described in Section 14.5 and based on the terms set out in Section 14.1(g); and
- (b) each of Mr McIntosh and Mr Hobson will receive 1,800,000 Performance Rights on Admission, and a further 1,700,000 Additional Performance Rights subject to Shareholder approval at the Company's first general meeting post-Admission, in each case under the Listing Plan described in Section 14.5 and based on the terms set out in Section 14.1(g).

The letters of appointment contain additional provisions considered standard for agreements of this nature.

#### **13.5 Deeds of indemnity, insurance and access**

The Company is party to a deed of indemnity, insurance and access with each of the Directors and the Company Secretary. Under these deeds, 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 officer acting as a director or officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director or officer and must allow the Directors and officers to inspect board papers in certain circumstances. The deeds are considered standard for documents of this nature.

#### **13.6 Land Access Arrangements**

The Tenements overlap the Kayrunnera Station, the Mutawintji Lands and the Morambie Station.

Lasseter has a Land Access Arrangement in place with the landholders of the Kayrunnera Station with respect to accessing certain Tenements, being ELs 6803, 6854, 7604 (now expired), 7635, 7651, 8245, 8705 and 8706. Lasseter intends to seek an amendment to this Land Access Arrangement after Admission to obtain rights of access in respect of ELs 8918, 8819 and 8949, each of which were granted after the Kayrunnera Station Land Access Arrangement was executed.

The key terms of the Kayrunnera Station Land Access Arrangement are as follows:

- (a) **(Access):** The Kayrunnera landholders grant access to Lasseter and consent to the carrying out of prospecting activities in certain areas on the Kayrunnera landholders' property.
- (b) **(Term):** The arrangement ends two years after Lasseter ceases to hold an authority over the agreed prospecting area (unless terminated earlier).
- (c) **(Conditions):** Lasseter is required to comply with certain operational conditions which are typical of these types of arrangements, including in relation to minimising ground disturbance caused by drilling, leaving gates as found and managing waste.
- (d) **(Compensation):** The Kayrunnera landholders are entitled to compensation, comprising a fixed annual payment of \$80,000 (ex GST).
- (e) **(Indemnity):** Lasseter must indemnify the Kayrunnera landholders for all loss and damage arising from its actions on the property and Lasseter enters on and uses the property entirely at its own risk.
- (f) **(Rehabilitation):** On completion of prospecting, Lasseter must remove all equipment, repair all damage to the relevant property and carry out certain rehabilitation works. All infrastructure and equipment installed on the land by Lasseter remains their property and must be removed by them.
- (g) **(Termination):** The Kayrunnera Station Land Access Arrangement may be terminated:
  - (i) by the Kayrunnera landholders 14 days after it gives written notice of a serious breach of the Arrangement by Lasseter. A serious breach is defined as a failure to pay compensation due to the Kayrunnera landholders for a period of 45 days after they become due, or any breach in the performance of Lasseter's obligations under the Arrangement which is not remedied within 60 days or expressly waived by the Kayrunnera landholders; or
  - (ii) by Lasseter, on giving 14 days' notice to the Kayrunnera landholders or immediately if a force majeure event suspends the obligations under the Arrangement for longer than three months.
- (h) **(Dispute Resolution):** If a dispute arises between Lasseter and the Kayrunnera landholders, the parties will endeavour in good faith to settle the dispute through negotiation, but this does not prevent the parties from pursuing their option to have the matter resolved through the Land and Environment Court.

A Land Access Arrangement in respect of the Mutawintji Lands (which underlies ELs 6803, 6854, 7635, 7651, 8705, 8918, 8949 and 8950) expired in December 2020 but is in the process of being renewed. The Company expects these terms and conditions will be based on the form of the Land Access Arrangement Template for Mineral Exploration (the template) published by the Department of Planning and Environment under Section 141(1A) of the *Mining Act 1992* (NSW).

Lasseter has not yet entered into a Land Access Arrangement with the landholders of the Morambie Station (which underlies parts of exploration licences 6803, 8706, 8245, 8819 and 8919) but there is currently a rental agreement in place for site accommodation.

### 13.7 Kayrunnera Operating Agreement

On 27 May 2019, Lasseter and the Company executed an Operating Agreement with the landholders of the Kayrunnera Station (**Kayrunnera Operating Agreement**).

The material terms of the Kayrunnera Operating Agreement are as follows:

- (a) **(Sharing of IP):** The Kayrunnera landholders will share their intellectual property relating to the location (including actual, probable or possible locations) of gold on and in the Kayrunnera Station and the Mutawintji Lands.
- (b) **(Stage 1 Profit Share):** The Company must pay to the Kayrunnera landholders an amount equal to 7.5% of EBITDA from operations arising from the exploration and mining of palaeo (alluvial and modern palaeo) gold deposits on the Kayrunnera Station. EBITDA is calculated by the Company subject to certain agreed exclusions, and there is an independent expert process to determine any disputes between the Company and the Kayrunnera landholders.
- (c) **(Stage 2 Profit Share):** Subject to the Company proving 15,000 ounces of gold at a minimum of 0.5 grams per tonne of material extracted from the Kayrunnera Station, the Company may commence exploration and mining of palaeo (alluvial and modern palaeo) gold deposits on the Mutawintji Land. If so, the Company must pay to the Kayrunnera landholders an amount equal to 7.5% of EBITDA from those operations on the Mutawintji Land. As with the Stage 1 Profit Share, EBITDA is calculated by the Company subject to certain agreed exclusions, and there is an independent expert process to determine any disputes between the Company and the Kayrunnera landholders.
- (d) **(Uplift):** Where, in any 12-month period, the reconciled head grade for shallow palaeos or modern alluvials returns a grade above 1.5 grams per tonne of materials extracted, the Stage 1 Profit Share will be increased to 10% for that 12-month period. There is no such uplift in respect of the Stage 2 Profit Share.
- (e) **(First and Last Right):** The Kayrunnera landholders must not sell, assign, transfer or otherwise dispose of or grant, or permit to suffer the grant of, any legal or equitable interest in the Kayrunnera Station without first offering the Kayrunnera Station to the Company by sending an agreed form First Transfer Notice. The Company may then elect to acquire the Kayrunnera Station on the terms set out in the First Transfer Notice.

If the Company does not exercise this right or does not respond within an agreed timeframe, the Kayrunnera landholders may seek to transfer the Kayrunnera Station to a third party within 6 months, provided they do not enter into an agreement to transfer the Kayrunnera Station to a third party without first giving the Company an agreed form Last Transfer Notice. The Company may elect to acquire the Kayrunnera Station on the terms and conditions set out in that notice.

If the Company acquires the Kayrunnera Station, it must lease the land back to the Kayrunnera landholders for nominal rent per annum until the Company completes all its mining activities on the land. It must subsequently transfer the land back to the landholders for \$1.00.



- (f) **(Term and termination):** The Profit Shares continue until the Company acquires the Kayrunnera Station pursuant to its First and Last Right described above.

### 13.8 Kayrunnera Royalty

On 27 May 2019, Lasseter and the Company executed a Net Smelter Royalty Deed with the landholders of the Kayrunnera Station (**Kayrunnera NSR Deed**).

The material terms of the Kayrunnera NSR Deed are as follows:

- (a) **(Royalty):** The Company agreed to pay to the Kayrunnera landholders 2% of the gross proceeds from the sale of ores, concentrates, doros, bullion or products (excluding mining alluvials) recovered from the Kayrunnera Station less allowable deductions for transport, processing, marketing, brokerage, overheads and certain taxes. Royalties are payable quarterly and there is a mechanism for auditing the calculation of the financial statements on which the Royalty is calculated.
- (b) **(Term and termination):** The royalty continues until the earlier of the parties agreeing in writing to terminate the NSR Deed and the Company acquiring the Kayrunnera Station pursuant to its First and Last Right described in Section 13.7 above.

### 13.9 EMX Royalty

On 30 August 2017, Lasseter executed a Royalty Interest Conveyance and Agreement with EMX Australia (**EMX Royalty Agreement**), as part consideration for the transfer of Lasseter to the Company.

The material terms of the EMX Royalty Agreement are as follows:

- (a) **(Calculation of royalty):** Lasseter must pay to EMX Australia 3% of gross proceeds from the sale of marketable mineral product (less allowable deductions for transport, processing, sales costs and certain taxes) recovered from the area of:
  - (i) EL 6803, EL 6854, EL 7604 (now expired), EL 7651, EL 7635 and EL 8245; and
  - (ii) any and all mining claims, leases, licences or other forms of interest in minerals, or surface water rights, located wholly or in part within a two-kilometre area around the outside boundaries of the properties underlying those Tenements (excluding EL 6479),(together, the **EMX Royalty Properties**).
- (b) **(Payment):** Royalties are payable quarterly and there is an agreed annual true-up process.
- (c) **(Payment in Kind):** EMX Australia can elect to receive its royalty in kind by physical delivery of gold and/or silver bullion by notifying Lasseter of its election on or before 1 December in the preceding calendar year.
- (d) **(Operational requirements):** Lasseter must conduct its exploration work program in accordance with sound mining exploration industry standards and all applicable laws, rules, regulations, orders, permits, consents and authorisations, and conduct all geological work in accordance with National Instrument 43-101 “Standards of Disclosure for Mineral Projects” published by the Canadian Securities Administrators and as amended from time to time.

- (e) **(Information Sharing):** Lasseter must deliver annual and quarterly exploration reports, and permit EMX Australia and its representatives to access the EMX Royalty Properties and all data prepared by Lasseter in connection with work done on the EMX Royalty Properties.
- (f) **(Term and termination):** The EMX Royalty Agreement continues until it is terminated by written agreement of the parties.
- (g) **(Governing law):** The EMX Royalty Agreement is governed by the laws of British Columbia.
- (h) **(Security):** Lasseter has granted to EMX Australia a first-ranking security interest in all of Lasseter's personal property and a fixed charge over any freehold and leasehold land, fixtures and water rights within the EMX Royalty Properties.

### 13.10 Arastra Royalty

Prior to the Company acquiring Lasseter, in around 2013 Lasseter entered into a Deed of Termination of the Koonenberry Joint Venture with Arastra Exploration, Eurasian Minerals Inc and Rodinia Resources Pty Ltd (**Arastra Royalty Agreement**).

The material terms of the Arastra Royalty Agreement are as follows:

- (a) **(Acquisition):** Lasseter acquired the rights to EL 6803 from Arastra Exploration.
- (b) **(Royalty):** As consideration for that Acquisition, Lasseter agreed to pay to Arastra Exploration 2% of its net smelter returns in respect of EL 6803, being the gross proceeds from the sale of ores, concentrates, doros, bullion or metals (less allowable deductions for transport, processing and certain taxes) recovered from the area of EL 6803. There is a mechanism for auditing the financial statements on which the Royalty is calculated.
- (c) **(Buyout):** At Lasseter's election, Lasseter may purchase the Royalty from Arastra Exploration for a one-off consideration of \$5 million.
- (d) **(Information Sharing):** Lasseter must deliver half-yearly exploration reports, and permit Arastra Resources and its representatives to access EL 6803 on reasonable notice.
- (e) **(First Right):** If Lasseter wishes to relinquish, surrender or not renew EL 6803, it must first give notice to Arastra Exploration, who may then elect to acquire all of the rights to EL 6803 for nominal consideration.
- (f) **(Term and termination):** The Royalty continues until the earlier of:
  - (i) Lasseter exercising the Buyout;
  - (ii) Arastra Exploration exercising its First Right; and
  - (iii) Lasseter relinquishing, surrendering or not renewing EL 6803 after following the First Right process or as required by law.
- (g) **(Revival):** If the Royalty is terminated due to relinquishment, surrender or non-renewal and Lasseter or a related body corporate is granted or acquires rights over all or any part of the area of EL 6803 within 5 years of its relinquishment, surrender or non-renewal, then the obligation to pay the Royalty is revived.

### 13.11 Bates Royalty

Prior to the Company acquiring Lasseter, on or around 14 May 2010 Lasseter entered into a letter agreement with Mr John Bates relating to the payment of royalties in respect of NSW exploration licence applications ELA 3679 and ELA 3687 (**Bates Royalty Agreement**). These Exploration Licence Applications resulted in the grant of EL 7651 and EL 7652 to Lasseter. Lasseter has relinquished EL 7652 but continues to hold EL 7651.

The material terms of the Bates Royalty Agreement are as follows:

- (a) **(Acquisition):** Lasseter acquired the rights to EL 7652 from Mr Bates.
- (b) **(Royalty):** As consideration for that acquisition, Lasseter agreed to pay to Mr Bates 2% of revenue (less certain allowable deductions for transport, refinery and realisation costs) received from all Group 1 Minerals extracted from the area of EL 7652.
- (c) **(Buyout):** At Lasseter's election, Lasseter may purchase the Royalty for a one-off payment to Mr Bates equivalent to 10% of the "Proved Ore Reserves" (as defined in the JORC Code) of gold contained within the area of EL 7652 at a price of US\$30 per ounce.
- (d) **(Term and termination):** The Royalty continues until the earlier of:
  - (i) Lasseter discontinuing operations in respect of EL 7652; or
  - (ii) Lasseter exercising the Buyout.

### 13.12 Perry & Armstrong Royalty

Prior to the Company acquiring Lasseter, on or around 7 December 2009 Lasseter entered into a letter agreement with Messrs Neville Perry and Robert Armstrong relating to the payment of royalties in respect of EL 6854 (**Perry & Armstrong Royalty Agreement**).

The material terms of the Perry & Armstrong Royalty Agreement are as follows:

- (a) **(Acquisition):** Lasseter acquired the rights to EL 6854 from Messrs Perry and Armstrong.
- (b) **(Royalty):** As part consideration for that acquisition, Lasseter agreed to pay to Messrs Perry and Armstrong 2% of revenue (less certain allowable deductions for transport, refinery and realisation costs) received from all Group 1 Minerals extracted from the area of EL 6854.
- (c) **(Buyout):** At Lasseter's election, Lasseter may purchase the Royalty for a one-off payment to Messrs Perry and Armstrong equivalent to 10% of the "Proved Ore Reserves" (as defined in the JORC Code) of gold contained within EL 6854 at a price of US\$30 per ounce.
- (d) **(Term and termination):** The Royalty continues until the earlier of:
  - (i) Lasseter discontinuing operations in respect of EL 6854; or
  - (ii) Lasseter exercising the Buyout.

### 13.13 Drilling Agreement

On 1 August 2020, the Company entered into a Contract Services Agreement with Silver City Drilling for the provision of drilling services. Silver City Drilling is an entity associated with Vivian Oldfield, who is indirectly a shareholder of the Company. Based on information available to the Company as at the Prospectus Date, it does not expect Mr Oldfield to directly or indirectly have a substantial holding in the Shares of the Company on Admission.

The key terms of the Drilling Agreement are as follows:

- (a) **(Services):** The scope of work consists of providing Rotary RC Hammer drilling and Diamond Core drilling services to the Company on any of its tenements, interests of holdings. The services may be changed from time to time at the discretion of the Company.
- (b) **(Term):** The agreement commenced on 1 January 2021 and expires on 31 December 2023 (unless terminated earlier). There is one option to extend for a further two years, exercisable at Silver City Drilling's election.
- (c) **(Termination):** Silver City Drilling may terminate the agreement at its convenience on giving 3 months' written notice to the Company.

The Company may terminate the agreement if Silver City Drilling:

- (i) suspends provision of the services;
  - (ii) notifies the Company in writing that it is not in a position to proceed with the provision of the services;
  - (iii) refuses or neglects to comply with any written notice or direction from the Company regarding the removal of defective or improper work;
  - (iv) engages in any fraudulent, criminal or dishonest conduct or any conduct that may bring the Company into disrepute;
  - (v) breaches the agreement and fails to rectify the breach within 14 days of notice from the Company; or
  - (vi) suffers an insolvency event.
- (d) **(Contract sum):** The agreement contains a schedule of rates based on:
- (i) fixed mobilisation and demobilisation rates; and
  - (ii) time or length-based rates for the various types of services to be provided during mobilisation.

These rates are adjusted annually starting on 1 January 2022 in accordance with an agreed formula.

- (e) **(Indemnity):** Silver City Drilling indemnifies the Company and its officers, directors, employees, agents and joint owners from and against all loss or damage to property, personal injury or death and all other liabilities of or claims against such persons as a result of any gross negligence or wilful act or omission of Silver City Drilling or its officers, agents, employees, sub-contractors or invitees in performing the services.

The Company provides an equivalent indemnity in favour of Silver City Drilling for losses and claims arising as a result of any gross negligence or wilful act or omission of the Company.

The indemnities exclude consequential losses but are not subject to any financial caps.

### **13.14 SRG Advisory and Accounting Mandate Letter**

The Company has signed a mandate letter with SRG Partners (**SRG Advisory and Accounting Mandate Letter**) to provide certain corporate advisory and accounting support services in connection with the audit of the 30 June 2018, 30 June 2019 and 30 June 2020 financial statements of the Company. These services comprise:

- (a) Stage 1 Services: collation of working papers and preparing an audit file for the Auditor and assistance in the preparation of the financial reports for 30 June 2018, 30 June 2019 and 30 June 2020; and
- (b) Stage 2 Services: supporting the Company in connection with the audit of the 30 June 2018, 30 June 2019 and 30 June 2020 financial statements,

(together, the **Services**).

Pursuant to this SRG Advisory and Accounting Mandate Letter, George Rogers (a director of the Company until 30 June 2021) and other employees of SRG Partners provided the Services. Remuneration for the Services is calculated based on standard hourly rates, with payment of that remuneration contingent on:

- (c) for the Stage 1 Services, lodgement of this Prospectus; and
- (d) for the Stage 2 Services, successful completion of the Offers.

As at the Prospectus Date, the Company estimates that it will pay a total of \$100,000 (excluding GST) to SRG Partners for the Services.

The SRG Advisory and Accounting Mandate Letter is on SRG Partners' standard terms and conditions. This includes a right for the Company to terminate the Services at any time. If that right is exercised, all fees and expenses incurred prior to termination are immediately payable.

## 14. Additional information

### 14.1 Capital structure

#### (a) Capital structure as at the Prospectus Date

As at the Prospectus Date, the Company has on issue the Securities set out below:

Securities	No.
Shares	60,014,000
Options <sup>1</sup>	12,728,000
Series A Notes <sup>2</sup>	1,500 in respect of 11,679,070 unissued Conversion Shares
Series B Notes <sup>2</sup>	500 in respect of 3,228,645 unissued Conversion Shares
Series C Notes <sup>2</sup>	500 in respect of 3,125,000 unissued Conversion Shares
CEO Options <sup>3</sup>	250,000

Notes:

1. See Sections 14.1(b) and 14.3 for the terms of these Options.
2. See Section 14.1(c) to 14.1(e) (inclusive) for the terms of the Notes. The number of unissued Shares has been calculated based on the Indicative Timetable set out in Section 3. The actual number of Conversion Shares to be issued on conversion of the Notes may be higher or lower depending on the date of completion of the Offers (i.e. the actual Issue Date), and will be included as part of the disclosures to be released by the Company in connection with its Admission.
3. See Sections 14.1(f) and 14.5 for the terms of these CEO Options.

#### (b) Options

The Company has granted to certain existing Shareholders 12,728,000 free-attaching Options over unissued Shares. Each Option entitles the holder to subscribe for one Share upon payment of the relevant exercise price. Shares issued on exercise of the Options will rank pari passu with the Shares.

The Options are not subject to any vesting conditions and may be exercised at any time up to and including the relevant expiry date. Details of the Options on issue as at the Prospectus Date are as follows:

Exercise Price <sup>1</sup>	No. Options	Expiry Date
\$0.23	11,063,000	19 November 2022
\$0.23	1,665,000	28 June 2023

Notes:

1. Rounded to two decimal places.

The Options are unquoted and are non-transferable except with the prior written consent of the Company. They do not carry any voting rights, dividend rights or rights to participate in any new issues of Shares, except that:

- (i) the Company will ensure the record date for any new issues will be at least 20 business days after the issue is announced to allow for the exercise of Options prior to the date for determining entitlements to participate in the new issues; and
- (ii) on a bonus issue of Shares, the number of Shares which must be issued on exercise of an Option will be increased by the number of Shares which the holder would have received had they exercised the Option before the record date for the bonus issue, with no change to the Exercise Price.

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

**(c) Series A Notes**

The Company issued 1,500 Series A Notes between June 2020 and May 2021. Each Series A Note represents an unsecured obligation of the Company to repay the face value of the note (\$1,000), together with any accrued but unpaid interest. Simple interest accrues at the rate of 10% per annum, accruing daily.

The Series A Notes will convert into Shares upon completion of the Public Offer. The number of Shares into which the Series A Notes will convert will be determined by dividing the aggregate of the face value of the notes (\$1,500,000) plus any interest accrued thereon by the relevant discounted offer price (\$0.14). Based on the Indicative Timetable, the Company expects to issue 11,679,070 Conversion Shares on conversion of the Series A Notes (but this may be a higher or lower number depending on the actual Issue Date). The Conversion Shares issued on conversion of the Series A Notes will have the same rights and obligations as all other Shares in the Company.

**(d) Series B Notes**

The Company issued 500 Series B Notes in April and May 2021. Each Series B Note represents an unsecured obligation of the Company to repay the face value of the note (\$1,000), together with any accrued but unpaid interest. Simple interest accrues at the rate of 10% per annum, accruing daily.

The Series B Notes will convert into Shares upon completion of the Public Offer. The number of Shares into which the Series B Notes will convert will be determined by dividing the aggregate of the face value of the notes (\$500,000) plus any interest accrued thereon by the relevant discounted offer price (\$0.16). Based on the Indicative Timetable, the Company expects to issue 3,228,645 Conversion Shares on conversion of the Series B Notes (but this may be a higher or lower number depending on the actual Issue Date). The Conversion Shares issued on conversion of the Series B Notes will have the same rights and obligations as all other Shares in the Company.

**(e) Series C Notes**

The Company issued 500 Series C Notes in June 2021. Each Series C Note represents an unsecured obligation of the Company to repay the face value of the note (\$1,000). No interest accrues or is payable on the Series C Notes.

The Series C Notes will convert into Shares upon completion of the Public Offer. The number of Shares into which the Series C Notes will convert will be determined by dividing the aggregate of the face value of the notes (\$500,000) by the relevant

discounted offer price (\$0.16). Based on the Indicative Timetable, the Company expects to issue 3,125,000 Conversion Shares on conversion of the Series C Notes. The Conversion Shares issued on conversion of the Series C Notes will have the same rights and obligations as all other Shares in the Company.

**(f) CEO Options**

The Company has granted 250,000 options in respect of unissued Shares to the Chief Executive Officer under the Listing Plan described in Section 14.5 (**CEO Options**). The CEO Options vest on the first anniversary of their grant date (that is, in June 2022) and have an exercise price of \$0.40 per CEO Option. The CEO Options can be exercised any time in the two year period following their vesting date.

Vesting of the CEO Options is generally conditional on the Chief Executive Officer remaining employed by the Company as Chief Executive Officer as at the applicable vesting date. However, the Board has discretion to determine that some or all of the unvested CEO Options will vest notwithstanding cessation of employment.

**(g) Performance Rights**

Prior to its Admission, the Company intends to grant 5,850,000 performance rights to the Directors under the Listing Plan (**Performance Rights**). Refer to Section 14.5 for a description of the rights and liabilities attaching to the Performance Rights under the Listing Plan. Each Performance Right entitles the holder to receive one Share, subject to the satisfaction of prescribed performance and time based vesting conditions.

Details of the Performance Rights are set out in the table below. As shown in the table below, all of the Performance Rights are unvested and will progressively vest over the 4 years following the date of grant of the Performance Rights (subject to achieving the relevant performance hurdle).

	Tranche 1	Tranche 2	Tranche 3	Total
<b>Vesting Date</b>	24 months post-Admission	36 months post-Admission	48 months post-Admission	-
<b>Performance Hurdle</b>	The Company achieving a VWAP over any 20 consecutive trading days prior to the Vesting Date of \$0.40 per share or higher	The Company achieving a VWAP over any 20 consecutive trading days prior to the Vesting Date of \$0.60 per share or higher	The Company achieving a VWAP over any 20 consecutive trading days prior to the Vesting Date of \$0.80 per share or higher	-
<b>John Elkington</b>	750,000	750,000	750,000	2,250,000
<b>John Hobson</b>	600,000	600,000	600,000	1,800,000



	Tranche 1	Tranche 2	Tranche 3	Total
Anthony McIntosh	600,000	600,000	600,000	1,800,000
Total	1,950,000	1,950,000	1,950,000	5,850,000

Vesting of the Performance Rights is generally conditional on the holder remaining in the role of Director as at the applicable vesting date. However, the Board has discretion to determine that some or all of the unvested Performance Rights will vest notwithstanding the Director no longer holds that role.

The Performance Rights are expected to represent approximately 4.52% of the undiluted share capital on issue immediately after the IPO, assuming the Maximum Subscription is reached.

Each Performance Right, once vested and exercised, entitles the holder to apply for one ordinary share in the Company at a \$0 exercise price, which Share will rank pari passu with all other Shares then on issue. As such, no funds will be raised from the issue of the Performance Rights. Refer to Section 14.5 for a summary of the rights and liabilities that will apply to the Shares issued on exercise of a Performance Right.

In addition, the Company has agreed to grant a further 5,650,000 performance rights to the Directors subject to shareholder approval at the Company's first general meeting after its Admission, as follows (**Additional Performance Rights**):

Tranche 4	
Vesting Date	60 months post-Admission
Performance Hurdle	The Company achieving a VWAP over any 20 consecutive trading days prior to the Vesting Date of \$1.00 per share or higher
John Elkington	2,250,000
John Hobson	1,700,000
Anthony McIntosh	1,700,000
Total	5,650,000

The Company considers it necessary and appropriate to further remunerate and incentivise the Directors to achieve the applicable performance milestones for the following reasons:

- (i) the issue of Performance Rights to the Directors will further align the interests of the Directors with those of Shareholders;
- (ii) the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
- (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
- (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.

The number of Performance Rights to be issued to the Directors was determined having regard to:

- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company; and
- (ii) the incentives to attract and retain the service of the Board, who have the desired knowledge and expertise, while maintaining the Company's cash reserves.

In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities.

The Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:

- (i) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
- (ii) the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved;
- (iii) there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
- (iv) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;
- (v) the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon listing (less than 10% of issued Share capital); and
- (vi) the Performance Rights have a vesting date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse.

The 5,850,000 Performance Rights to be issued to the Directors will convert into 5,850,000 Shares if the applicable performance milestones are met. This would increase the number of Shares on issue from 120,037,240 (assuming the Minimum Subscription is raised to 125,887,240 Shares (assuming that no other Shares are issued and no other convertible securities vest or are exercised) with the effect that the shareholding of Shareholders (other than the Directors) would be diluted by approximately 4.87%.

**(h) Pro forma capital structure as at Admission**

The table below shows the pro forma capital structure of the Company on the date of Admission, based on the information available to the Company as at the Prospectus Date and the following assumptions:

- (i) the Maximum Subscription is taken up pursuant to the Public Offer;
- (ii) the Corporate Advisor applies for all Shares offered pursuant to the Advisor Offer; and
- (iii) conversion of the Convertible Notes into Conversion Shares on the basis described in Sections 14.1(c) to 14.1(e) (inclusive) above.

Securities	Number
Shares	130,037,240
Options	12,728,000
CEO Options	250,000
Performance Rights	5,850,000
Total	148,865,240

## **14.2 Rights attaching to Shares**

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of ASX.

**a) Meetings of members**

Every Shareholder is entitled to receive notice of, attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

**b) Voting at a general meeting**

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney and entitled to vote is entitled to one vote on a show of

hands and, on a poll, one vote for each Share held by the Shareholder (with adjusted voting rights for partly paid shares). If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote in addition to any deliberative vote.

**c) Dividends**

The Board may pay any dividends that, in its judgment, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and method of payment. For further information in respect of the Company's proposed dividend policy, see Section 6.8.

**d) Transfer of Shares**

Subject to the Constitution and to any restrictions attached to a Shareholder's Shares, Shares may be transferred in accordance with the Settlement Rules, regulations relating to the Corporations Act and Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements.

The Board may decline to register, or prevent registration of, a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the Listing Rules.

**e) Issue of further Shares**

The Board may, subject to the Constitution, Corporations Act and Listing Rules issue, allot, or grant options for, or otherwise dispose of Shares in the Company on such terms as the Board decides.

**f) Preference shares**

The Company may issue preference shares including preference shares which are, or at the option of the Company or a holder are, liable to be redeemed or convertible to Shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been decided by the Board under the terms of issue.

**g) Winding up**

If the Company is wound up, then subject to the Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to share in any surplus property of the Company in proportion to the number of Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders all or part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of Shareholders.

**h) Non-marketable parcels**

In accordance with the Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the Constitution.

**i) Variation of class rights**

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under the Constitution, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied:

- with the written consent of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

**j) Directors - appointment and retirement**

Under the Constitution, the number of Directors shall be a minimum of three and a maximum of ten, unless the Company resolves otherwise at a general meeting. Directors are elected or re-elected at general meetings of the Company.

No Director (excluding the managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director, either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the conclusion of the next annual general meeting of the Company following their appointment.

A person is eligible for election to the office of a Director at a general meeting if they are nominated or recommended by the Board or if not less than the number of Shareholders required to give notice of a resolution under the Corporations Act (subject to timing requirements) nominate a person in accordance with the Constitution.

**k) Directors - voting**

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote in addition to his or her deliberative vote, unless there are only two Directors present or entitled to vote at the meeting, in which case the chairperson of the meeting does not have a second or casting vote and the proposed resolution is taken as lost.

A written resolution of the Board may be passed without holding a meeting of the Board if 75% of the Directors who are entitled to vote on the resolution and would have constituted a quorum at a physical meeting of Directors sign or consent to the resolution.

**l) Directors - remuneration**

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. The total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director (who is not an Executive Director) must not include a commission on, or a percentage of, profits or operating revenue. The current maximum aggregate sum of Non-Executive Director remuneration is set out in Section 10.9. Any change to that maximum aggregate amount needs to be approved by Shareholders in a general meeting.

Directors are entitled to be paid for all travelling and other expenses incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or of the Board or of committees of the Board. Any Director who performs extra services, makes any special exertions for the benefit of the Company or otherwise performs services, which, in the opinion of the Board, are outside the scope of ordinary duties of a Non-Executive Director, may be remunerated for the services (as determined by the Board) out of funds of the Company.

Directors' remuneration is discussed further in Section 10.9.

**m) Directors - powers and duties**

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of the Company and are not required by law or the Constitution to be done by the Company in a general meeting.

**n) Access to records**

The Company may enter into contracts with a Director or former Director agreeing to provide continuing access, for a specified period after the Director ceases to be a Director, to board papers, books, records and documents of the Company which relate to the period during which the Director or former Director was a Director on such terms and conditions as the Board thinks fit. The Company may procure that its subsidiaries provide similar access to board papers, books, records or documents.

**o) Indemnities**

The Company must indemnify each officer of the Company on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by that person as an officer of the Company or its related bodies corporate.

The Company must, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for insurance for each officer of the Company against any liability incurred by that person as an officer of the Company or its related bodies corporate, including but not limited to a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

**p) Amendment**

The Constitution may be amended only by special resolution passed by at least 75% of the Shareholders present (in person or by proxy, attorney or representative) and entitled to vote on the resolution at a general meeting of the Company.

**q) Share capital**

On Completion of the Offer, the only classes of shares on issue by the Company will be fully paid ordinary shares.

### **14.3 Rights attaching to the Options**

**(a) Entitlement**

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

**(b) Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.23 (rounded to two decimal places) (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire on the date that is three years from the date of the relevant subscription agreement (**Expiry Date**). Refer to Section 14.1(b) for a summary of the Expiry Dates applicable to the Options. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

The Options are exercisable at any time on or prior to 5.00pm (Adelaide time) on the Expiry Date (**Exercise Period**).

**(e) Notice of Exercise**

The Options may be exercised (in whole or in part) during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or by cheque crossed "Not Negotiable".

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

After an Option has been validly exercised, the Company must:

- (i) as soon as possible, issue and allot the Share; and
- (ii) do all such acts, matters and things to obtain the Official Quotation of the Share on the ASX and to ensure the Share is freely tradeable without on-sale restrictions no later than 5 days from the date of exercise of the Option and receipt of cleared funds equal to the Exercise Price payable on the exercise of the Option.

**(g) Shares issued on exercise**

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

**(h) Quotation of Shares issued on exercise**

If admitted to the Official List at the time, application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Options.

**(i) Reorganisations of capital**

If at any time the issued capital of the Company is reorganised, all rights of an Optionholder will be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation, consistent with Listing Rule 6.16.

**(j) Participation in new issues**

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

Company will ensure that the record date for determining entitlements to any such issue will be at least 20 business days after the issue is announced, to give the holder an opportunity to exercise its Options prior to that record date.

**(k) Adjustment for rights issue**

If the Company makes a pro rata issue of Shares during the Exercise Period (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the Exercise Price of an Option will be reduced in accordance with the formula set out in Listing Rule 6.22.2. That is:

$$\text{New Exercise Price} = \frac{O - E [P - (S + D)]}{N+1}$$

**O** is the old Exercise Price of the Option;

**E** is the number of underlying Shares into which one Option is exercisable;

**P** is the VWAP of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date;

**S** is the subscription price for a security under the pro rata issue;

**D** is the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue); and

**N** is the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

**(l) Adjustment for bonus issues**

If the Company makes a bonus issue of Shares or other securities (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if they had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price,

consistent with Listing Rule 6.22.3.

**(m) Transferability**

The Options are transferable, subject only to compliance with all applicable laws and the provision of written notification of such transfer to the Company.

#### **14.4 Summary of the Company's General Equity Incentive Plan**

The Company has adopted a General Equity Incentive Plan (**General Plan**) to govern the issue of options and Shares to certain Eligible Participants after its Admission. As at the Prospectus Date, the Company has made no grants under the General Plan, although the Shareholders of the Company approved the issue of up to 10% of the Company's share capital on issue immediately after Admission under the General Plan at a general meeting held on 27 May 2021.

A summary of the General Plan is set out below. The full terms of the General Plan may be inspected at the registered office of the Company during normal business hours.



**(a) Purpose**

The purpose of the General Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to performance and Shareholder value creation;
- (iii) align the interests of Eligible Participants with Shareholders, by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities;
- (iv) provide Eligible Employees with the opportunity to share in any future growth in the value of the Company; and
- (v) provide greater incentives for Eligible Participants to focus on the Company's longer term goals.

**(b) Awards**

The types of securities that may be granted under the General Plan are:

- (i) performance rights, comprising conditional rights to receive Shares for a \$0 exercise price, subject to the satisfaction of specified performance and/or time-based vesting conditions;
- (ii) options, comprising a right to receive Shares upon payment of a specified exercise price and subject to applicable performance and/or time-based vesting conditions; and
- (iii) Shares, the issue of which may be subject to applicable performance and/or time-based vesting conditions.

The Board has discretion to determine what type of Award suits the remuneration or incentive purpose.

**(c) Eligible Participant**

Awards may be made at the Board's discretion to "Eligible Participants". Eligible Participant means a person that:

- (i) is a permanent or casual employee of;
- (ii) a director of; or
- (iii) a contractor who provides the pro-rata equivalent of 40% of a full-time position to,

the Company or its related bodies corporate.

**(d) Eligibility, invitation and application**

- (i) The Board may from time to time determine that an Eligible Participant may participate in the General Plan and make an offer to that Eligible Participant to apply for Awards on such terms and conditions as the Board decides. The General Plan set outs the type of information required to be provided to Eligible Participants.
- (ii) On receipt of an offer, an Eligible Participant may apply for some or all of the Awards the subject of the offer by sending a completed application form to the Company.

- (iii) The Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the offer.

**(e) Grant of Awards**

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Awards, subject to the terms and conditions set out in the offer, the General Plan rules and any ancillary documentation required.

**(f) Dividend, voting and participation entitlement**

All Shares issued under the General Plan (**Plan Shares**), including on conversion of options or performance rights (**Convertible Awards**), will rank pari passu in all respects with the Shares including in relation to dividend and voting rights.

Holders of Convertible Awards are not entitled to dividend or voting rights or to participate in any new issues of Shares unless and until the Convertible Award has vested and been exercised and the Plan Share has been issued.

**(g) Restrictions on dealings**

Eligible Participants are not permitted to sell, assign, transfer, grant a security interest over or otherwise deal with an unvested Plan Share or a Convertible Award. An Eligible Participant must also not enter into any arrangement for the purpose of hedging their economic exposure to an unvested Plan Share or a Convertible Award that has been granted to them.

**(h) Vesting**

Any vesting conditions applicable to the grant of Awards will be described in the relevant offer. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Eligible Participant by the Company informing them that the relevant Awards have vested.

**(i) Exercise of Convertible Awards**

To exercise a Convertible Award, the Eligible Participant must deliver a signed notice of exercise and pay the exercise price (if any) to or as directed by the Company, at any time prior to the expiry date as set out in the offer. A Convertible Award may not be exercised unless and until it has vested in accordance with the Plan rules.

**(j) Delivery of Shares on exercise of Convertible Awards**

As soon as practicable after the valid exercise of a Convertible Award by an Eligible Participant, the Company will issue or cause to be transferred to that Eligible Participant the relevant number of Plan Shares and issue a substitute certificate for any remaining unexercised Convertible Awards held by that Eligible Participant.

**(k) Cessation of employment, engagement or office**

Where an Eligible Participant ceases to be employed by, engaged by or hold an office of the Company or a related body corporate, the Board has broad discretion to determine the manner in which their Awards will be treated. To the extent the Board does not exercise its discretion, the general position is that:

- (i) all unvested Awards will lapse or be forfeited (as applicable); and

- (ii) all vested Awards will lapse or be forfeited (as applicable) unless the Eligible Participant departed in certain 'good leaver' circumstances. These are typically circumstances causing the departure which are beyond the Eligible Participant's control and which do not involve termination for cause.

**(l) Breach, fraud and misconduct**

Where the Board determines that an Eligible Participant has acted fraudulently or dishonestly or materially breached his or her duties to the Company or its related bodies corporate, the Board may in its discretion deem all unvested Plan Shares and all Convertible Awards held by that Eligible Participant to have been forfeited or lapsed (as applicable).

**(m) Claw back**

Where the Board becomes aware of a material misstatement in the Company's financial statements or some other event has occurred which means the vesting conditions attaching to an Award were not, or should not have been determined to have been, satisfied then the Board may determine that the Eligible Participant ceases to be entitled to those vested Awards.

**(n) Change of control**

If a change of control event occurs in relation to the Company, the Board may in its discretion determine the manner in which any or all of the Eligible Participant's unvested Awards will be dealt with, including, without limitation, by deeming that vesting took place immediately prior to the effective date of the change of control.

**(o) Adjustment of Convertible Awards**

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 Eligible Participant holding Convertible Awards 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 Awards is entitled, upon exercise of the Convertible Awards, to receive an allotment of as many additional Plan 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 Awards are exercised.

**(p) Amendment of General Plan**

The Board may at any time amend any provisions of the General Plan rules, including (without limitation) the terms and conditions upon which any Awards have been granted under the General Plan, provided that no amendment may be made if it materially reduces or materially adversely affects the rights of any Participant (other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake) without the prior written consent of all affected Eligible Participants.

## **14.5 Summary of the Company's Listing Equity Incentive Plan**

The Company has also adopted a Listing Equity Incentive Plan (**Listing Plan**) pursuant to which it granted the CEO Options and intends to grant the Performance Rights. Refer

to Sections 14.1(f) and 14.1(g) above for a summary of the CEO Options and the Performance Rights.

The Listing Plan is on materially the same terms and conditions as the General Plan, described in Section 14.4 above, except that the Shareholders of the Company have approved the issue of up to 11,750,000 Awards under the Initial Equity Incentive Plan at a general meeting held on 27 May 2021. This means that, after the grant of the CEO Options and the Performance Rights, the Company will have a further 5,650,000 Awards that it may grant under the Listing Plan. If Shareholders approve the issue of the Additional Performance Rights at the Company's first general meeting after Admission, the Company intends to grant those Additional Performance Rights to the Directors pursuant to this Listing Plan. No further Awards under the Listing Plan would then be granted.

The full terms of the Listing Plan may be inspected at the registered office of the Company during normal business hours.

## **14.6 Interests of Promoters, Experts and Advisers**

### **(a) No interest except as disclosed**

Other than as set out below or elsewhere in this Prospectus, no persons or entity 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 holds at the Prospectus Date, or held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offers.

### **(b) Share registry**

Automic Registry Services has been appointed to conduct the Company's share registry functions and to provide administrative services in respect of the processing of the Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

### **(c) Auditor**

Grant Thornton Audit Pty Ltd has been appointed to act as auditor to the Company for the years ended 30 June 2018, 30 June 2019 and 30 June 2020 and the half year ending 31 December 2020. The Company estimates it will pay Grant Thornton Audit Pty Ltd a total of approximately \$62,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Grant Thornton Audit Pty Ltd has invoiced approximately \$62,500 (excluding GST), of which approximately \$25,500 (excluding GST) has been paid as at the Prospectus Date.

### **(d) Legal adviser**

Kain Lawyers Pty Ltd has acted as the Australian solicitors to the Company in relation to the Offers. The Company estimates it will pay Kain Lawyers \$80,000 (excluding GST)

for these services, \$30,000 of which has already been paid. During the 24 months preceding lodgement of this Prospectus with ASIC, Kain Lawyers has received fees totalling \$162,191 (excluding GST) for services to the Company.

**(e) Title Report**

TAS Legal has acted as Australian lawyers reporting on tenements and has prepared the Solicitor's Report on Tenements included in Section 8 of this Prospectus. The Company estimates it will pay TAS Legal a total of \$13,850 (excluding GST) for preparation of this Solicitor's Tenement Report. During the 24 months preceding lodgement of this Prospectus with ASIC, TAS Legal has received fees totalling \$12,750 (excluding GST) for other services provided.

**(f) Independent Geologist's Report**

Burnt Shirt Pty Ltd has acted as the Independent Geologist for the Company and has prepared the Independent Geologist's Report in Section 7. The Company has paid Burnt Shirt Pty Ltd a total of \$10,725 (excluding GST) for the preparation of this Independent Geologist's Report, excluding a site visit. During the 24 months preceding lodgement of this Prospectus with ASIC, Burnt Shirt Pty Ltd has received fees totalling \$9,000 (excluding GST) from the Company for other services provided.

**(g) Investigating Accountant**

Grant Thornton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 12 of this Prospectus. The Company estimates it will pay Grant Thornton Corporate Finance Pty Ltd a total of \$18,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Grant Thornton Corporate Finance Pty Ltd has not received fees from the Company for any other service.

**(h) Lead Manager**

Ventnor Securities have acted as the Lead Manager to the Offers. Details of the payments to be made to Ventnor Securities are set out in Section 13.1. Ventnor Securities will be responsible for paying all capital raising fees that Ventnor Securities and the Company agree with any other financial service licensees. During the 24 months preceding lodgement of this Prospectus with ASIC, Ventnor Securities has not received fees from the Company for any other service.

**(i) Corporate Advisor**

Ventnor Capital has acted as the Corporate Advisor to the Company. Details of the payments to be made to Ventnor Capital are set out in Section 13.2. During the 24 months preceding lodgement of this Prospectus with ASIC, Ventnor Capital has invoiced fees in the amount of \$58,000 (excluding GST) for corporate advisory and company secretarial services provided to the Company of which \$25,000 has been paid for services rendered to date.

## **14.7 Consents**

**(a) General**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any 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 (and their respective officers, employees, agents and representatives) referred to below:

- (i) does not make the Offers;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

**(b) Share Registry**

Automic Registry Services has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Share Registry of the Company in the form and context in which it is named.

**(c) Auditor**

Grant Thornton Audit Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named.

**(d) Legal advisers**

Kain Lawyers Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Australian legal adviser to the Company in the form and context in which it is named.

TAS Legal has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus in the form and context in which it is named.

**(e) Independent Geologist**

Burnt Shirt Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Independent Geologist to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Intellectual Property Report in the form and context in which it is included.

**(f) Investigating Accountant**

Grant Thornton Corporate Finance Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in

which it is named and has given and not withdrawn its consent to the inclusion of the Investigating Accountant's Report in the form and context in which it is included.

**(g) Lead Manager**

Ventnor Securities have given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to being named in this Prospectus as the Lead Manager to the Offers in the form and context in which it is named.

**(h) Corporate Advisor**

Ventnor Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the corporate advisor to the Company in the form and context in which it is named.

## 14.8 Expenses of Offers

The total approximate expenses of the Offers payable by the Company are:

<b>Fees</b>	<b>Minimum Subscription (\$)</b>	<b>Maximum Subscription (\$)</b>
ASIC Lodgement Fee	3,500	3,500
ASX Quotation Fee	96,202	98,398
Legal Fees	80,000	80,000
Investigating Accountant Fees	18,000	18,000
Independent Geologist Fees	15,000	15,000
Lead Manager Fees <sup>1</sup>	480,000	600,000
Corporate Advisor success work fee <sup>2</sup>	100,000	100,000
Printing, Postage and Administration Fees	5,000	5,000
Total estimated expenses	797,702	919,898

Notes:

1. Refer to Section 13.1 for a summary of the Lead Manager Mandate.
2. Refer to Section 13.2 for a summary of the Corporate Advisor Mandate.

## 14.9 ASIC relief and ASX waivers

ASIC has made a declaration under section 741(1)(b) of the Corporations Act, the effect of which is that Shares issued:

- (i) on conversion of the Convertible Notes; and

- (ii) on exercise of the Options,

may be on-sold within 12 months of the date of their issue without requiring disclosure under Chapter 6D of the Corporations Act.

The Company will also seek a waiver from condition 12 of Listing Rule 1.1 (requiring each option to have an exercise price of at least \$0.20 cash) to allow the Company to have on issue 5,850,000 Performance Rights at the time of Admission. Refer to Section 14.1(g) for details of these Performance Rights.

#### **14.10 Continuous Disclosure Obligations**

Following Admission, 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 listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

#### **14.11 Litigation**

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

#### **14.12 Electronic Prospectus**

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 of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the relevant 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.

#### **14.13 Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- (i) this Prospectus;



- (ii) the Constitution; and
- (iii) the consents referred to in Section 14.7 of this Prospectus.

**(a) Statement of Directors**

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 11, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

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## 15. Authorisation

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'John Elkington', written over a faint horizontal line.

**John Elkington**  
**Non-Executive Chair**  
Dated: 2 July 2021

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## 16. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$ or A\$** means Australian dollars.

**Additional Performance Rights** has the meaning given in Section 14.1(g).

**Admission** means admission of the Company to the Official List, following completion of the Offers.

**Advisor Offer** means the offer of 1,990,525 new Shares by the Company to Ventnor Capital (or its nominees) pursuant to this Prospectus.

**Advisor Application Form** means a valid application form for Shares given by the Company to Ventnor Capital under the Advisor Offer.

**Advisor Shares** means the 1,990,525 new Shares to be issued by the Company to Ventnor Capital (or its nominees) upon acceptance of the Advisor Offer.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Securities pursuant to this Prospectus.

**Application Form** means the Public Offer Application Form or the Advisor Application Form, as the context requires.

**Application Monies** means application monies for Shares under the Public Offer received and banked by the Company.

**Arastra Exploration** means Arastra Exploration Pty Ltd (ACN 085 025 798).

**Arastra Royalty Agreement** has the meaning given in Section 13.10.

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

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

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532).

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement Pty Ltd ABN 49 008 504 532.

**Auditor** means Grant Thornton Audit Pty Ltd (ACN 130 913 594).

**Bates Royalty Agreement** has the meaning given in Section 13.11.

**Board** means the board of Directors of the Company as at the Prospectus Date.

**CEO Options** means the Options granted to the Chief Executive Officer of the Company pursuant to the Listing Plan as set out in Section 14.1(f).

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

**Closing Date** means the date, as determined by the Directors, on which the Offers close, which is anticipated to be the date identified in the Indicative Timetable or such other time and date as the Board determines.

**Company** means Koonenberry Gold Limited (ACN 619 137 576).

**Conditions** means the conditions to the Offers set out in Section 5.3.

**Constitution** means the constitution of the Company.

**Conversion Shares** means the Shares to be issued by the Company on conversion of the Convertible Notes as described in Sections 14.1(c) to 14.1(e) (inclusive).

**Convertible Notes** means the Series A Notes, the Series B Notes and the Series C Notes.

**Corporate Advisor Mandate** has the meaning given in Section 13.2.

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

**Directors** means the directors of the Company as at the Prospectus Date.

**Electronic Prospectus** means the electronic copy of this Prospectus located at the Company's website [www.koonenberrygold.com.au](http://www.koonenberrygold.com.au).

**Eligible Institutional Investor** means an Institutional Investor that has a registered address within a Permitted Jurisdiction and has received an invitation from the Lead Manager to participate in the Offers (either directly or through a nominee).

**EMX Australia** means EMX Australia Pty Ltd (ACN 139 611 877).

**EMX Royalty Agreement** has the meaning given in Section 13.9.

**EMX Royalty Properties** has the meaning given in Section 13.9(a).

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act, during which the Company must not process Applications.

**Free Float** has the meaning given in the Listing Rules.

**General Plan** has the meaning given in Section 14.4.

**GST** means Goods and Services Tax.

**Indicative Timetable** means the indicative timetable for the Offers in Section 3.

**Institutional Investor** means a person who is a sophisticated or professional investor within the meaning of sections 708(8) and (11) of the Corporations Act, respectively.

**Investigating Accountant** means Grant Thornton Corporate Finance Pty Ltd (ACN 003 265 987).

**Investigating Accountant's Report** means the report contained in Section 7.

**Issue Date** means the date, as determined by the Directors, on which the Shares offered under this Prospectus are issued and allotted, which is anticipated to be the

date identified in the Indicative Timetable or such other time and date as the Board determines.

**Issue Price** means \$0.20 per Share under the Public Offer.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012.

**Kayrunnera NSR Deed** has the meaning given in Section 13.8.

**Kayrunnera Operating Agreement** has the meaning given in Section 13.7.

**Land Access Arrangements** means the arrangements with landholders relating to land access as set out in Section 13.6.

**Lasseter** means Lasseter Gold Pty Ltd (ACN 139 612 427).

**Lead Manager** means Ventnor Securities.

**Lead Manager Mandate** has the meaning given in Section 13.1.

**Letters of Appointment** means the letters of appointment between the Company and each Director as set out in Section 13.4.

**Listing Plan** has the meaning given in Section 14.5.

**Listing Rules** means the official listing rules of ASX.

**Maximum Subscription** means 50,000,000 Shares at an Issue Price of \$0.20 per Share to raise \$10,000,000 (before costs).

**Minimum Subscription** means 40,000,000 Shares at an Issue Price of \$0.20 per Share to raise \$8,000,000 (before costs).

**Mutawintji Lands** means the Mutawintji National Park, the Mutawintji Historic Site and the Mutawintji Nature Reserve, including the area previously known as the Nuntherungie Station.

**Offers** means the Public Offer and the Advisor Offer.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation of the Company's Shares by ASX in accordance with the Listing Rules.

**Opening Date** means the date, as determined by the Directors, on which the Offers open for Applications, which is anticipated to be the date identified in the Indicative Timetable or such other time and date as the Board determines.

**Option** an option to acquire a Share.

**Performance Rights** means the performance rights granted to the Directors pursuant to the Listing Plan as set out in Section 14.1(g).

**Permitted Jurisdiction** means Hong Kong, Singapore and any other jurisdiction as agreed between the Lead Manager and the Company at their discretion.

**Perry & Armstrong Royalty Agreement** has the meaning given in Section 13.12.

**Project** the project comprising the Tenements.

**Prospectus** means this document (including the electronic form of this Prospectus).

**Prospectus Date** means the date on which a copy of this Prospectus was lodged with ASIC, being 2 July 2021.

**Public Offer** the offer of Shares under this Prospectus, pursuant to which eligible investors may apply for up to 50,000,000 new Shares to be issued by the Company at the Issue Price.

**Public Offer Application Form** means the Application Form accompanying this Prospectus in respect of the Public Offer.

**Restricted Securities** has the meaning given in Section 5.16.

**Section** means a section of this Prospectus.

**Securities** means any securities, including Shares, Options, or performance shares or other convertible securities, issued or granted by the Company.

**Series A Notes** means the 1,500 convertible notes issued by the Company pursuant to a convertible note deed poll approved in June 2020.

**Series B Notes** means the 500 convertible notes issued by the Company pursuant to a convertible note deed poll approved in April 2021.

**Series C Notes** means the 500 convertible notes issued by the Company pursuant to a convertible note deed poll approved in June 2021.

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

**Share Registry** means Automic Pty Ltd (ACN 152 260 814).

**Shareholder** means a holder of one or more Shares.

**Silver City Drilling** Silver City Drilling (NSW) Pty Ltd (ACN 119 783 916).

**Solicitor's Report on Tenements** means the report set out in Section 8.

**SRG Partners** means SRG Partners Pty Ltd (ACN 603 753 671).

**SRG Advisory and Accounting Mandate Letter** has the meaning given in Section 13.14.

**Tenements** the exploration licences in which the Company has an interest, as described in the Solicitors Report on Tenements.

**Ventnor Capital** means Ventnor Capital Pty Ltd (ACN 111 543 741).

**Ventnor Securities** means Ventnor Securities Pty Ltd (ACN 150 239 508) as Corporate Authorised Representative (Authorised Representative Number: 000408858) of ACNS Capital Markets Pty Ltd (AFSL 279099).

**WST** means Western Standard Time, being the time in Perth, Western Australia.



**Koonenberry Gold Limited**

ACN 619 137 576

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