

New Century to Execute Transformational ESG Focused Growth Transaction Including Strategic Investment from Sibanye-Stillwater, Innovative Proposed Acquisition of Mt Lyell Copper Mine, Bond Refinancing and Equity Raise

Highlights

- **Unlocking Long-life Century Operations, Sustainable Cash Flows and Financial Flexibility for Growth**
 - Record September quarter (A\$31.5m EBITDA), strong zinc metal recoveries (current 30-day average 52%) and high zinc prices are solidifying the Century Mine's foundation as the 'engine room' for Company growth
 - Century Mine to increase metal output and extend life through potential development of Silver King and East Fault Block, with current operational cash flows to allow long lead item procurement and progressive mine development over the next 15 months
 - MMG Environmental bond to be replaced with traditional environmental bond facility from Argo Group and Macquarie Bank, unlocking significant short-term cash flexibility
 - Remaining corporate loan with Värde Partners to be fully repaid, deleveraging New Century's balance sheet
 - New Century's existing hedging program with Macquarie Bank to be expanded maximising Century's long-term exposure to historically high zinc prices
- **Accelerating ESG Focused Growth via 'Century Style' Acquisitions & Monetisation of Tailings Management IP**
 - Strategic investment from Sibanye Stillwater Limited for a 19.99% fully escrowed equity position in New Century, with the investment part of a focused growth strategy targeting global tailings management projects, with Mt Lyell Copper Mine to be the first project beyond Century
 - A binding terms sheet for a two-year Option Agreement has been signed with a subsidiary of Vedanta Limited for the acquisition of the Mt Lyell Copper Mine in Tasmania, using an innovative, 'capital-lite', risk-sharing structure
 - Mt Lyell Mineral Resources include 1.1Mt 'green' copper & ~1Moz gold, with a potential accelerated restart via tailings reprocessing & existing plant
- **Launch of an equity raising including an upfront placement (to Sibanye-Stillwater and institutional investors) and 1 for 4 fully underwritten non-renounceable entitlement offer (to all shareholders). This will be followed by a top up Conditional Placement to allow Sibanye-Stillwater to emerge as a 19.99% shareholder. The total gross proceeds (as a result of pre-commitments and subject to rights take-up) to be US\$79.0-89.9 million (A\$105.0-119.6 million¹)**
- **Transaction solidifies New Century's position as a global leader in economic rehabilitation and tailings management with a pipeline of growth projects**
- **Transaction is expected to be finalised in December 2021**

¹ Assuming a USD/AUD exchange rate of 0.7517

New Century Resources Limited (New Century or the Company) (ASX:NCZ) is pleased to announce execution of a multi-faceted transformational growth transaction, accelerating New Century's growth trajectory as a leading economic rehabilitation and tailings management company.

The transaction includes a strategic investment by Sibanye Stillwater Limited ("**Sibanye-Stillwater**") which forms the basis of a three-tranche equity raise, involving a placement to Sibanye-Stillwater and institutional investors, a fully underwritten non-renounceable entitlement offer to existing shareholders and a subsequent top up Conditional Placement to Sibanye-Stillwater to provide the ability to acquire 19.99% of New Century.

In addition, the Company has entered into a binding terms sheet for an Environmental Bond Facility ("**New EBF**") through Argonaut Insurance Company ("**Argo Group**") and Macquarie Bank ("**Macquarie**"), to replace the existing bond held via MMG. Under the terms of the current bond with MMG, New Century was to progressively replace the A\$179.1m environmental bond held with the Queensland government with 40% of generated EBITDA. The New EBF removes the effective cash lock-box mechanism, unlocking significant short term cash flow and greater financial flexibility, and as a condition precedent to completing the New EBF, New Century will enter into additional hedging arrangements with Macquarie, with final details to be settled upon execution of the new hedging agreement and trades².

Patrick Walta, New Century's Managing Director, commented:

"The New Century team has a clear focus on its vision to become a global leader in economic rehabilitation and tailings management.

With the Century Mine asset now generating strong consistent cash flows, combined with hedging of unprecedented zinc prices and the near-term development of Silver King and other in-situ deposits, the Company has created a fantastic 'engine room' for future growth.

With this in place, New Century remains committed to generating significant value for shareholders through inorganic growth opportunities via further 'Century style' transactions and also monetisation of our established competency and track record in large scale tailings management.

With the strategic investment by Sibanye-Stillwater and the option over Mt Lyell Copper Mine, New Century is in an enviable position to grow its ESG focused business through potential near term 'green' copper supply while also developing a client focused tailings management services division."

Neal Froneman, Sibanye-Stillwater's Chief Executive Officer, commented:

"This investment in New Century represents a significant next step in our strategy of building a leading global tailings retreatment business, diversified by commodity and geography and is aligned with our sustainability strategy of building a climate change resilient business.

We have been impressed with what the New Century management team has achieved at developing a globally significant zinc producing business through the reprocessing of tailings, whilst facilitating the rehabilitation of an old mine site.

We are pleased to partner with New Century Resources in this exciting next phase of their growth and support their vision of growing their Tailings Management advisory service business model globally, to produce green metals and address environmental legacy issues.

Reprocessing of tailings is not new to Sibanye-Stillwater as the Group also holds a controlling interest in DRDGOLD - an industry-leading surface processing company based in South Africa, which the investment in New Century is clearly aligned to and complements."

² Please see ASX Announcement dated 15 June 2021 for further details on the existing zinc hedging facility in place

Transaction Overview

Sibanye-Stillwater Investment & Partnership

Sibanye-Stillwater and New Century have entered into a strategic relationship focused on New Century's growth in global economic rehabilitation and tailings management. Leveraging Century's track record, IP and tailings management expertise, the Company is focused on accelerating growth via acquisition and development of economic rehabilitation and tailings management projects. The first project proposed to be executed under this expansion strategy will be the Mt Lyell Copper Mine in Tasmania, Australia. Beyond this first project, the companies intend on jointly evaluating further potential projects globally.

As a part of this relationship, Sibanye-Stillwater has agreed to acquire a 19.99% position in New Century, investing up to approximately US\$46 million. This investment will occur as part of a broader equity raising (discussed below), with a component of the investment subject to shareholder approval at the Annual General Meeting ("**AGM**") of the Company's shareholders to be held on 30 November 2021. Sibanye-Stillwater has agreed to not deal in any of its shares obtained through the equity raising for a period of 12 months, subject to certain exceptions.

Sibanye-Stillwater took the opportunity to create an industry-leading surface mining partnership with DRDGOLD Limited ("**DRDGOLD**") in November 2017 by vending selected gold surface reprocessing assets and tailings storage facilities into DRDGOLD for a 38% initial stake. This stake was increased to 50.1% in January 2020 by Sibanye-Stillwater exercising an option to subscribe for additional ordinary shares in DRDGOLD.

The investment in New Century allows Sibanye-Stillwater to expand on the success of DRDGOLD in another tier-1 mining jurisdiction, and to build a global platform for tailings retreatment with associated complementary partnerships, whilst also allowing for potential sharing of technological best practices and synergy realisation between New Century and Sibanye-Stillwater's investing platforms, assisting the acceleration of the Company's growth strategy.

Mt Lyell Option Agreement

New Century has entered into a binding term sheet for an Option Agreement with Monte Cello B.V. ("**MCBV**"), a subsidiary of Vedanta Limited ("**Vedanta**") for the acquisition of Copper Mines of Tasmania Pty Ltd ("**CMT**"), owner of the Mt Lyell Copper Mine ("**Mt Lyell**") in Tasmania.

Mt Lyell is one of the most significant copper mines in Australian history, having first started operations in the 1890's. Mt Lyell was acquired by Vedanta in 1999, who thereafter profitably produced almost 400kt of copper, 1.8moz of silver and 220koz of gold until 2014. The mine has been on care and maintenance since 2014, following a series of safety incidents which caused operations to be suspended. Vedanta subsequently decided to divest the mine due to its size and location relative to their overall copper portfolio.

Mt Lyell has a 135Mt Mineral Resource containing 1.1Mt of copper and 0.94Moz of gold across various underground and open pit deposits. All leases are 100% held by CMT. Significant infrastructure remains in place, including a 900-metre shaft to the historical underground mining operation, a 2.4Mtpa, 3-stage crushing and flotation circuit, rail siding and site services infrastructure.

The site includes a tailings storage facility, containing ~42 million tonnes of historic tailings. Development work over the last few years has highlighted the potential for tailings retreatment to recover remnant copper, gold and cobalt (via pyrite flotation).

The Option Agreement (which is subject to long form documentation) will allow New Century to evaluate the potential for restart of operations at Mt Lyell. The Company will investigate the refurbishment or replacement of the existing infrastructure for tailings reprocessing, with subsequent integration of sustainable in-situ ore processing to follow. The Option Agreement will include a minimum expenditure

commitment by New Century of US\$10 million over a two-year option period towards development, exploration plus reimbursement of care and maintenance.

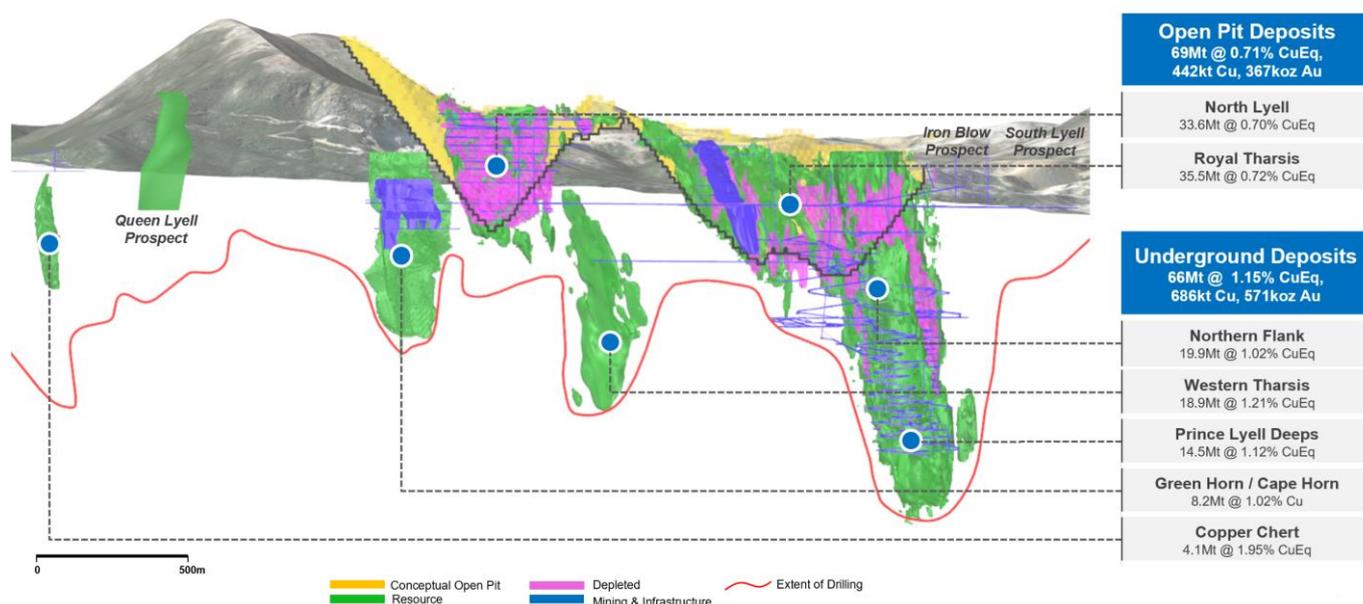


Figure 1: Current Mineral Resources of the Mt Lyell Copper Mine

All pre-1999 environmental rehabilitation liabilities associated with Mt Lyell are held by the Government of Tasmania. Vedanta currently provides a A\$6.1 million environmental bond covering post-1999 rehabilitation requirements. New Century will not take on any historical rehabilitation liabilities unless the option to acquire CMT is exercised. All pre-1999 liabilities are retained by the Tasmanian Government.

Further details of the Mt Lyell operation, the proposed terms of the Option Agreement and New Century's proposed development plans are provided in the investor presentation with this announcement, and the material terms of the term sheet are set out in Appendix 3.

Environmental Bond Refinancing

Century's current environmental bond, provided by MMG Limited to the value of A\$179.1 million, is proposed to be replaced with a A\$160 million facility through Macquarie Bank and Argo Group. Macquarie Bank and Argo Group will lodge the New EBF with the Queensland Government for a minimum term of 3 years. New Century will provide A\$20m in cash backing.

The New EBF is subject to, among other things, entry into long form documentation by 30 November 2021. Under the New EBF, there will not be an EBITDA lock-box mechanism (as was previously required under the MMG Limited agreement). The New EBF unlocks significant short term cash flow and provides New Century with enhanced financial flexibility, enabling the aggressive pursuit of growth opportunities.

As announced on 15 June 2021, New Century executed a hedging transaction with Macquarie Bank for 90,000t, spread in equal monthly volumes of 2,500t payable zinc at A\$3,717/t until 30 June 2024, with 82,500t remaining. In response to strong zinc prices and as a condition precedent to the New EBF refinancing transaction, the Company will increase its hedging program. Further details of the New EBF are provided in the investor presentation with this announcement, and the material terms of the New EBF term sheet are set out in Appendix 2.

Equity Raising

In conjunction with the initiatives above, New Century announces an equity raising of new fully paid ordinary shares comprising an institutional placement (“the **Placement**”) of US\$24.8 million (A\$32.9 million) and a fully underwritten, 1 for 4 entitlement offer of US\$35.2 million (A\$46.9 million) (“the **Entitlement Offer**”).

In addition, and to facilitate a Sibanye-Stillwater shareholding position of up to 19.99%, New Century intends to undertake a further, conditional placement to Sibanye-Stillwater, subject to shareholder approval (“**Conditional Placement**”). Additional proceeds of up to US\$29.9 million (A\$39.7 million) are to be raised from the Conditional Placement, for minimum total equity raising across the Placement, Entitlement Offer and Conditional Placement of US\$79.0m (A\$105.1m) based on pre-commitments and a total possible raising size of US\$89.9 million (A\$119.6 million).

All new shares offered under Placement, Entitlement Offer and Conditional Placement will be issued at a fixed price of A\$0.155 per new New Century share, being the last closing price of New Century shares on ASX on 30 September 2021.

Placement

Approximately 212.4 million new shares will be issued under the Placement. Sibanye-Stillwater has committed to subscribe for up to 139.6 million new shares of the Placement, representing an investment of up to US\$16.3 million (A\$21.6 million) in the Placement. In addition, select institutional shareholders will be invited to participate in the Placement, which will take place tomorrow. New Century’s shares will not recommence trading on the ASX until the Placement is completed and a prospectus for the Entitlement Offer is released to ASX.

Entitlement Offer

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one new share for every four existing shares (“**Entitlement**”) held at 7:00pm AEDT on Tuesday, 2 November 2021 (“**Record Date**”). The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer, in full or in part, will not receive any value in respect to those Entitlements not taken up.

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited and Jefferies (Australia) Pty Ltd (**Joint Lead Managers**), and New Century has also received pre-commitments from shareholders and other investors to subscribe for approximately 75.3% of the new shares to be issued under the Entitlement Offer. Any further entitlement not taken up as shortfall shares to investors will be underwritten by the Joint Lead Managers and sub-underwritten by Sibanye-Stillwater.

Offers of New Shares will be made under a prospectus prepared in accordance with section 713 of the Corporations Act 2001 (Cth) (“**Prospectus**”). Eligible shareholders should carefully consider the Prospectus before deciding to apply for New Shares under the Entitlement Offer. Eligible shareholders who wish to acquire New Shares will need to complete the application form in or accompanying the Prospectus. A copy of the Prospectus will be available on ASX’s website when lodged. A summary of the underwriting agreement is set out in Appendix 1.

Conditional Placement

Following Sibanye-Stillwater’s allocation under the Placement and any subscription for shortfall securities under the Entitlement Offer (dependant on the level of take-up by shareholders under the Entitlement Offer and Sibanye-Stillwater’s final sub-underwriting allocation), New Century will undertake a further,

conditional placement to Sibanye-Stillwater in order facilitate a target shareholding of 19.99% in New Century.

The Conditional Placement will be conducted at the same offer price as the Placement Entitlement Offer, being \$0.155 per share. Depending on the size of the Conditional Placement, a further amount of equity capital may be raised by New Century, with a minimum of US\$19.0 (A\$25.2m), based on pre-commitments and up to US\$29.9 million (A\$39.7 million), through the issue of an additional up to 256.4 million new shares.

The Conditional Placement will be undertaken subsequent to completion of the Entitlement Offer and is conditional on New Century shareholders approving the Conditional Placement at the Annual General Meeting on 30 November 2021.

Indicative Timetable

Event	Date
Announcement of Equity Raising	Wednesday, 27 October 2021
Announcement of results of Institutional Placement	Thursday, 28 October 2021
Prospectus lodged with ASX and ASIC	Thursday, 28 October 2021
Reinstatement of trading	Thursday, 28 October 2021
Ex date for the Entitlement Offer	Monday, 1 November 2021
Record date for the Entitlement Offer	Tuesday, 2 November 2021
Settlement of Institutional Placement and allotment of Shares issued under the Institutional Placement	Wednesday, 3 November 2021
Issue and commencement of trading of New Shares issued under Institutional Placement	Thursday, 4 November 2021
Entitlement Offer opens	Friday, 5 November 2021
Prospectus and personalised Entitlement and Acceptance Forms dispatched	Friday, 5 November 2021
Last day to extend Entitlement Offer closing date	Tuesday, 16 November 2021
Entitlement Offer period closes	Friday, 19 November 2021
Securities quoted on a deferred settlement basis from market open	Monday, 22 November 2021
Announce results of Entitlement Offer to ASX	Wednesday, 24 November 2021
Settlement of Entitlement Offer and Shares issued under the Entitlement Offer	Friday, 26 November 2021
Normal trading of New Shares issued under the Entitlement Offer commences	Monday, 29 November 2021
Shareholder Meeting	Tuesday, 30 November 2021
Settlement of Conditional Placement	Tuesday, 7 December 2021

The above timetable is indicative only and subject to change without notice. All times and dates refer to Australian Eastern Daylight time. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised entitlement and acceptance forms as soon as possible. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

A conference call on the transaction will be held at 9.30am (AEDT) on Thursday, 28 October 2021.

Video Conference Details

Date: Thursday, 28 October 2021 at 9.30am (AEDT)

Participants are invited to pre-register for the video conference via the link below:

Registration: https://us06web.zoom.us/webinar/register/WN_icH-SE4oRceStbLvKR7WsQ

About Sibanye-Stillwater

Sibanye is listed on the Johannesburg Stock Exchange and New York Stock Exchange (JSE:SSW and NYSE:SBSW) and has a market capitalisation of approximately US\$10 billion. Sibanye is one of the world's largest primary producers of platinum, palladium and rhodium and is also a top tier gold producer, ranking third globally on a gold-equivalent basis. It also produces other PGMs, such as iridium and ruthenium, and chrome, copper and nickel as by-products.

In the United States, Sibanye currently operates three integrated facilities in Montana: the Stillwater and East Boulder PGM mines (78% palladium and 22% platinum) and the Columbus Metallurgical Complex which smelts material mined to produce PGM- rich filter cake and recycles autocatalysts to recover PGMs.

Through its investment in DRDGOLD and now with New Century, Sibanye-Stillwater is a global, ESG-focused industry leader in tailings reprocessing, uniquely positioned to play a key role in future supply chains for a sustainable "green" circular economy.

Sibanye has advanced its global diversification strategy to encompass the battery metal space. With the acquisition of a 30% shareholding in Keliber Oy, Sibanye now has a substantial interest in the Keliber Lithium Project currently in development phase in the Kaustinen region of Finland. In July 2021, Sibanye also announced it had entered into an exclusive put option agreement with French mining group Eramet SA for the acquisition of 100% of the Sandouville nickel hydrometallurgical processing facility in Normandy, France. In September 2021, Sibanye also announced an investment and joint venture with Ioneer Ltd for the advancement of the Rhyolite Ridge project in Nevada, USA.

About New Century Resources

New Century Resources is a leading tailings management and economic rehabilitation company. Our flagship Century project in Queensland is the largest tailings reprocessing operation in Australia.

From a solid foundation of our low cost, globally significant operation at Century, New Century is developing an agile, decentralised, and sustainable resource management business. Using its established expertise, IP and track record in tailings reprocessing and rehabilitation, the Company is focused on two complementary business models.

Firstly, the acquisition of assets where tailings retreatment and the existing sunk capital provide a base for long-term sustainable metal production, whilst reducing the environmental impact of operation. Secondly, to provide tailings management and retreatment services to existing mining companies, providing low-cost holistic tailings management solutions, allowing companies to focus on their core business while incorporating leading practices in tailings reprocessing, water management and rehabilitation.

This announcement is approved for release by the Board of New Century Resources.

Further Information:

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Appendix 1: Summary of Underwriting Agreement for the Entitlement Offer

The Company has entered into the Underwriting Agreement with the Joint Lead Managers to act as underwriters, bookrunners and lead managers to the Entitlement Offer and as bookrunners and lead managers to the Placement.

As is customary with these types of arrangements:

- (a) the obligations of the Joint Lead Managers to underwrite the Entitlement Offer is subject to the satisfaction of certain conditions precedent including completion of the Placement, entry into formal documentation for the New EBF and a hedging agreement for hedging transactions required by the New EBF;
- (b) the Company has agreed, subject to certain carve-outs, to indemnify the Joint Lead Managers, its affiliates and related bodies corporate, and its respective directors, officers, agents, employees, representatives or advisers from and against all losses directly or indirectly suffered or incurred in connection with the Entitlement Offer; and
- (c) the Company has given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer including as to the Company's compliance with applicable law, conduct of business and offer documentation.
- (d) The Joint Lead Managers may, in consultation with the Company, appoint sub-underwriters to sub-underwrite the Entitlement Offer provided that:
 - (i) it must appoint Sibanye as a sub-underwriter pursuant to a sub-underwriting agreement between the Joint Lead Managers and Sibanye by which Sibanye agrees to sub-underwrite up to 205,180,063 new Shares; and
 - (ii) any fees payable to sub-underwriters agreed to be paid by the Joint Lead Managers are payable by the Joint Lead Managers on behalf of the Company out of the fees paid to the Joint Lead Managers under the Underwriting Agreement.

In consideration for the services provided by the Joint Lead Managers, the Company has agreed to pay to each of the Joint Lead Managers:

- (a) a corporate advisory fee of US\$750,000 (plus GST); and
- (b) an underwriting fee of 2% of the gross amount raised under the Entitlement Offer and Placement.

Any sub-underwriting or third party broker selling agreed to by the Joint Lead Managers will be paid equally out of their respective fees.

Termination rights

The Joint Lead Managers may terminate its obligations under the Underwriting Agreement in the event of any of the termination events set out below occurring:

- (a) **(listing)** the Company ceases to be admitted to the Official List of ASX or the Shares cease to be quoted on ASX, or ASX indicates that it will not quote the New Shares;
- (b) **(compliance with law)** a statement contained in the Prospectus, or other ASX announcements relating to the Entitlement Offer, does not comply with the Corporations Act (including if a statement is or becomes misleading or deceptive or is likely to mislead or deceive), or a matter required to be included is omitted;
- (c) **(existing debt financing)** the Company is in breach of or any event of default or review event is triggered under, the terms of any existing debt facility or other financial accommodation or the Company becomes aware of any facts or circumstances which might give rise to such event;
- (d) **(market fall)** the S&P/ASX 200 Index stands at a level that is 90% or less of the level of the index as at the close of trading on the day before the date of the Underwriting Agreement:
 - (i) at any time on three consecutive Business Days during any time after the date of this agreement and before the settlement date of the Entitlement Offer; or
 - (ii) at any time on the Business Day that is the Business Day before the settlement date of the Entitlement Offer;

- (e) **(new circumstance)** a new circumstance occurs that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;
- (f) **(supplementary prospectus)** the Company is required to issue a supplementary prospectus under section 719 of the Corporations Act due to their being a misleading or deceptive statement, omission, or new circumstance that is materially adverse from the point of view of an investor in the Company;
- (g) **(ASIC action)** ASIC:
 - (i) makes an order or interim order under section 7739 or 1324B of the Corporations Act concerning the Prospectus;
 - (ii) applies for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer or any information document (including the Prospectus);
 - (iii) commences any investigation or hearing under Part 3 of the ASIC Act or any documentation in connection with the Entitlement Offer;
- (h) **(consents):**
 - (i) any person (other than the Joint Lead Managers) who has previously consented to the inclusion of its name in the Prospectus withdraws that consent; or
 - (ii) any person (other than the Joint Lead Managers) gives a notice under section 730 of the Corporations Act in relation to the Prospectus;
- (i) **(fraud)** the Company or any of its group members or their respective directors or officers engage in any fraudulent conduct or activity;
- (j) **(force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal for the Joint Lead Managers to satisfy an obligation under the Underwriting Agreement;
- (k) **(certificate not provided)** the Company does not provide a certificate as and when required by the Underwriting Agreement;
- (l) **(insolvency events)** the Company or any of its group members becomes insolvent, or there is an act or omission which is likely to result in the Company or a group member becoming insolvent;
- (m) **(Timetable)** any event specified in the timetable is delayed for two or more Business Days without the prior written consent of the Joint Lead Managers;
- (n) **(material adverse change)** any material adverse change occurs, or there is a development involving a prospective material adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and its group members;
- (o) **(forecast):**
 - (i) in the reasonable opinion of the Joint Lead Managers, there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Prospectus and other documents released in connection with the Entitlement Offer which relates to a future matter; or
 - (ii) any statement or estimate in the Prospectus and other documents released in connection with the Entitlement Offer which relate to a future matter is, in the reasonable opinion of the Joint Lead Managers, unlikely to be met in the projected timeframe (including in each case financial forecasts);
- (p) **(unable to proceed)** the Company (or one of its affiliates) is or will be prevented from conducting or completing the Entitlement Offer by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction or other governmental agency, or otherwise is unable or unwilling to do any of these things;
- (q) **(change to Company)** the Company:
 - (i) alters its issued capital; or
 - (ii) disposes or attempts to dispose of a substantial part of its business or property,

- (iii) without the prior written consent of the Joint Lead Managers, except as contemplated in the Prospectus or as publicly disclosed prior to the date of the Underwriting Agreement;
- (r) **(regulatory approvals)** if a regulatory body withdraws, revokes or adversely amends any regulatory approvals required for the Company to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the Prospectus and other documents released in connection with the Entitlement Offer;
- (s) **(vacancy in office)** there is a change to the chief executive officer, chief financial officer, chief operational officer or any executive member of the board of directors (excluding any non-executive directors) of the Company vacates their office;
- (t) **(prosecution)** any of the following occur:
 - (i) a director of the Company is charged with an indictable offence;
 - (ii) any governmental agency commences any public action against the Company or its group members or any of their respective directors, or announces that it intends to take action; or
 - (iii) any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act; and
- (u) **(withdrawal)** the Company withdraws the Entitlement Offer (or ASX materials released in connection with them) or indicates that it does not intend to proceed with the Entitlement Offer or any part of the Entitlement Offer.

In addition to the termination rights described above, the Joint Lead Managers may at any time prior to 4.00pm on the day the Entitlement Offer is settled, immediately terminate the Underwriting Agreement without cost or liability if any one or more of the following materially qualified events has, if the Joint Lead Managers have reasonable grounds to believe or actually do believe, that it:

- (a) has or is likely to have a material adverse effect on the success, settlement or marketing of the Entitlement Offer by the Joint Lead Managers; or
- (b) has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Joint Lead Managers under any applicable law or regulation.

The "materially qualified events" are as follows:

- (a) **(due diligence)** the due diligence report or other information supplied by or on behalf of the Company to the Joint Lead Managers in relation to Company or Entitlement Offer is, or becomes, misleading or deceptive, including by way of omission;
- (b) **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- (c) **(compliance with law)**
 - (i) the Prospectus, any ASX announcements or any aspect of the Entitlement Offer does not comply with the Corporations Act, the Listing Rules, any ASIC modifications, the ASX waivers or any other applicable law or regulation; or
 - (ii) a contravention by the Company or any of its group members of the Corporations Act, the Company's constitution, or any of the Listing Rules, any applicable laws, or a requirement, order or request, made by or on behalf of the ASIC, ASX or any governmental agency;
- (d) **(representations, warranties and obligations)** a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Company is breached, becomes not true or correct or is not performed;
- (e) **(legal proceedings)** any of the following occurs:
 - (i) the commencement of legal proceedings against the Company, any of its group members or against any director of the Company or its group members; or

- (ii) any regulatory body commences any enquiry or public action against the Company or its group members;
- (f) **(prosecution)** any governmental agency commences any public action against the Company or announces that it intends to take action;
- (g) **(information supplied)** any information supplied to the Joint Lead Managers in respect of the Entitlement Offer is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission);
- (h) **(hostilities)** in respect of any one or more of Australia, New Zealand, the United States, the United Kingdom, Singapore, Hong Kong, China, Japan, North Korea, South Korea, Chile, Russia or any member state of the European Union, or involving any diplomatic, military, commercial or political establishment of any of those countries in the world:
 - (i) hostilities not presently existing commence (whether or not war or a national emergency has been declared);
 - (ii) a major escalation in existing hostilities occurs (whether or not war or a national emergency has been declared); or
 - (iii) a major terrorist act is perpetrated;
- (i) **(certificate incorrect)** a statement in any of the certificates presented to the Joint Lead Managers as part of the due diligence process for the Entitlement Offer is misleading, inaccurate or untrue or incorrect;
- (j) **(disruption in financial markets)** any of the following occurs:
 - (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United Kingdom, the United States, Singapore, Hong Kong, or Japan is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - (ii) any adverse change or disruption to the political conditions or financial markets of Australia, New Zealand, the United Kingdom, the United States of America, Singapore, Hong Kong, Japan, or the international financial markets or any change or development involving a prospective adverse change in national or international political, financial or economic conditions, the effect of which makes it impractical or inadvisable to proceed with the issue or enforce contracts to issue the New Shares; or
 - (iii) trading in all securities quoted or listed on ASX, NASDAQ, Hong Kong Stock Exchange, New York Stock Exchange or London Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading, other than as a result of a technical issue.

No material impact on control is expected to arise as a consequence of these arrangements or from any Shareholder taking up their Entitlement where there is an excess shortfall.

Appendix 2: Summary of the New EBF term sheet

The key commercial and legal terms of the New EBF are summarised as follows:

Environmental Bonding Facility Terms

Argo Group is to provide an Environmental Bond Facility for A\$180 million (**New EBF**) for the purpose of replacing the existing environmental rehabilitation bonds required at the Century Mine.

Macquarie (**Issuing Bank**) will front the environmental bonds in accordance with agreed issuing bank terms and will provide zinc hedging to Century Mine Limited (**CML**), a wholly owned subsidiary of New Century.

The maturity date of the New EBF is 30 September 2024.

The New EBF shall amortise monthly at A\$7.6m per month commencing 31 January 2023 with the last amortisation payment due on 30 September 2024. If Macquarie is not replaced as Issuing Bank by 31 January 2023, the amortisation schedule shall be amended so that the New EBF will amortise monthly at A\$10.7m with the last amortisation payment brought forward by 6 months to 31 March 2024.

Amortisation of the New EBF can be achieved through any combination of, returning the environmental bonds to the Issuing Bank (including following a reduction of the underlying environmental bond liability) or lodging cash cover with the Issuing Bank.

The following fees are payable by the Company under the New EBF:

- (a) once off establishment fee of A\$2.4m;
- (b) quarterly line fee of 1.90%pa calculated on the total drawn balance of the New EBF commitment (less any cash cover provided);
- (c) annual facility fee of A\$3.1m; and
- (d) standard security trustee and agency fees.

CML can make voluntary prepayments at any time with prior notice and all reductions by way of voluntary prepayments or scheduled amortisation shall be applied as a reduction to the next amortisation payment falling due. No prepayments or repayments may be redrawn.

The Issuing Bank has customary rights to pay and walk from the performance bonds, which are strictly limited to events of illegality, impossibility and breaches of anti-money laundering or sanction requirements and where an event of default is subsisting.

Security

The customary security package includes a full suite of first ranking security over the Century Mine, including guarantees, mortgages (over mining tenures and real property), general security agreements, share pledges and subordination of intercompany loans (if applicable).

Amendments to existing ISDA master agreement

The terms sheet requires amendments to the existing ISDA master agreement between CML and Macquarie, including:

- (a) the representations, warranties, undertakings, events of default and termination events currently set out in the existing ISDA (other than a payment default and other customary carve-outs) (**Existing ISDA Terms**) shall be replaced with the representations, warranties, undertakings, review events and events of default set out in the New EBF during the period while any amounts remain outstanding under the New EBF;
- (b) amendments to the additional termination events imposing further restrictions on incurring financial indebtedness, granting further security and entering into further hedging agreements with third parties until the New EBF is signed; and
- (c) the inclusion of additional termination events allowing Macquarie to terminate the additional mandatory zinc hedges entered into as a condition precedent to financial close under the New EBF (**Incremental Hedges**), if CML fails to novate such zinc hedges within 30 days of any of the following events: (i) security not being provided to Macquarie to secure all zinc hedges within 60 days of execution of the first Incremental Hedge; the minimum equity raise of A\$80m not being raised and

received within 60 days of the execution of the first Incremental Hedge; or financial close under the New EBF has not occurred within 60 days of the execution of the first Incremental Hedge.

Conditions precedent

In addition to customary conditions precedent typical for a facility of this nature, the term sheet contains the following conditions precedent:

- (a) entering into the Incremental Hedges with Macquarie;
- (b) receipt by CML of equity proceeds of not less than A\$80m (net of costs);
- (c) the lodgement of cash cover with the Issuing Bank in an amount sufficient to reduce the total New EBF exposure to less than A\$160 million (i.e. A\$20 million);
- (d) evidence that the Värde Partners Senior Facility and the MMG EBF will be repaid on financial close of the New EBF (including the release of the security securing such facilities), and in respect of the existing performance bonds, evidence that such performance bonds will be replaced as at financial close;
- (e) a deed with the royalty holder for advance consent to the grant of security under the security documents and the transfer of tenements in the event of enforcement, and provisions ensuring that any royalty payments must be paid in NCZ shares or accrued on an unsecured basis but not paid in cash unless the EBF is fully repaid or certain production thresholds are met;
- (f) satisfaction of Macquarie and Argo of the NCZ board approved “Life of Mine Plan”, “Rehabilitation Plan”, a “Hedging Policy” and “Consolidated Group Base Case Model” (including consolidated financial statements); and
- (g) other customary legal conditions precedent including searches, constitutional documents, board approvals, verification certificates, KYC information and a legal opinion.

In addition, there is a condition subsequent that if New Century does not raise a minimum of A\$100m (net of costs) as part of the Equity Raising that it must raise further amounts to reach A\$100m (net of costs) by 31 January 2022 (this condition subsequent is anticipated to be met via sub-underwriting and pre-commitments described in this announcement) It will be an event of default if this condition subsequent is not satisfied.

Representations, warranties, and undertakings

The term sheet contains representations, warranties, and undertakings typical for a facility of this nature, including:

- (a) general undertakings (including restrictions on distributions, incurring financial indebtedness, providing financial accommodation and guarantees and acquiring and disposing of assets, each with typical exceptions);
- (b) information undertakings (including financial reporting undertakings);
- (c) project specific undertakings (including rehabilitation undertakings);
- (d) a production covenant, which is tested quarterly commencing on and from 30 September 2022;
- (e) hedging undertakings; and
- (f) insurance undertakings.

Financial and production covenants and other restrictions

The term sheet contains the following typical financial covenants which will be tested quarterly:

- (a) “Minimum Liquidity” of no less than A\$25m (tested on and from 31 December 2021) and A\$15m on month ends between quarters;
- (b) “Debt Service Cover Ratio” of no less than 1.2x (tested on and from 31 March 2022).
- (c) “Project Life Cover Ratio” of no less than 1.7x (tested on and from 31 December 2021).
- (d) Specified 6-month production hurdles commencing September 2022 and tested quarterly varying from 54,000t of payable zinc metal over a six month period to a high of 60,000t of payable zinc metal.

The New EBF includes specific limits on incurring additional financial indebtedness, disposing or acquiring assets, provision of guarantees or financial accommodation, and the distribution of dividends.

Review Events and Events of default

The term sheet contains the following review events, which can trigger a mandatory prepayment of the New EBF if an agreement or remedy does not occur within specified timeframes:

- (a) suspension of trading on the ASX for more than 5 consecutive days in any 12-month period;
- (b) change of control;
- (c) changes to the “Rehabilitation Plan” which have a material adverse effect;
- (d) failure to satisfy the minimum “Reserve Tail Ratio” requirement;
- (e) a 15% underachievement of the forecast cashflows compared to the original "Base Case Model" using the same price assumption as the original model for zinc, exchange rates and treatment charges;
- (f) certain material changes to the “Life of Mine Plan” or “Base Case Financial Model” which do not fall within specified exceptions; and
- (g) failure to forecast “Tailings Reserves” by the “Designated Date” in the latest “Life of Mine Plan”.

The term sheet also contains customary events of default.

Appendix 3: Summary of Mt Lyell Option Agreement Terms

New Century has entered into a binding term sheet for an Option Agreement with Monte Cello B.V. (**MCBV**), a subsidiary of Vedanta Limited (**Vedanta**) for the acquisition of Copper Mines of Tasmania Pty Ltd (**CMT**), owner of the Mt Lyell Copper Mine (**Mt Lyell**) in Tasmania (**Mt Lyell Option**).

New Century's entry into the term sheet is conditional on New Century completing due diligence on CMT's business and operations by 30 October 2021. The terms sheet requires the parties execute long form documents for the Option Agreement.

Under the Option Agreement, New Century will be granted the exclusive right to conduct an exploration campaign and associated feasibility and project assessment activities at Mt Lyell for up to two years, and if it wants to proceed, exercise the option acquire all of the shares in CMT. If the Mt Lyell Option is exercised, New Century and the other parties to the term sheet will also enter into a share acquisition agreement for the shares in CMT plus a royalty agreement (**Royalty Agreement**) in respect of CMT's production.

In order to be eligible to exercise the Mt Lyell Option, over the two year option period New Century must:

- (a) spend at least US\$10 million on exploration, drilling and feasibility studies on Mt Lyell;
- (b) contribute to CMT's care and maintenance costs for Mt Lyell, capped at a maximum of US\$13m;
- (c) make a final investment decision regarding the restart of operations at Mt Lyell; and
- (d) obtain any necessary regulatory approvals to acquire CMT.

During the option period, any proceeds received from the Mt Lyell tenements will be allocated towards care and maintenance costs. MCBV will remain liable for any legacy environmental and closure liabilities during the option period (excluding care and maintenance costs), but if the Mt Lyell Option is exercised, New Century will assume these liabilities.

If New Century exercises the Mt Lyell Option, it is obliged to make a cash payment of US\$10 million, replace the current closure bond with Mineral Resources Tasmania make an additional cash payment of US\$10 million at the declaration of first production of concentrate from mining operations or production of ore from any of CMT's tenements.

If the Mt Lyell Option is exercised, the term sheet sets out that the Royalty Agreement will include the following terms:

- (a) MCBV is entitled to a 2% monthly Net Smelter Royalty (NSR) on all production for the first four years of production, subject to the average copper price being more than US\$4,000/t;
- (b) following the fourth anniversary of production, MCBV will be entitled to a minimum 4% NSR, subject to the average copper price being more than US\$4,000/t, subject to a 1% increase for every US\$1,000/t increase in copper price (up to a maximum of 10% Net Smelter Royalty);
- (c) the NSR will be subject to an aggregate cap of US\$250 million;
- (d) up to US\$50 million in additional royalties will be payable on production where the copper price is greater than US\$7,500/t.

If the Mt Lyell Option is exercised, MCBV will have the right to 75% of offtake quantity for valuable consideration for the first 10 years of production, unless being used by New Century for financing.

If New Century elects not to exercise the Mt Lyell Option, any exploration and study data is the property of MCBV and there will be standard make good obligations.

Appendix 4: Summary of Mt Lyell Project Mineral Resource material information

Introduction

The following represents a summary of the material information that underpins the Mineral Resource statement described in this release.

Seven separate Mineral Resources have been estimated and reported. Of these, Prince Lyell North Flank/D Panel, Western Tharsis, Copper Chert and Prince Lyell Deeps are the subject of current underground mining studies. The open pit Mineral Resources for Royal Tharsis/Prince Lyell Upper Remnants and North Lyell Remnants are reported here for the first time and have not yet been the subject of any mining studies except for conceptual pit optimisations used for Mineral Resource reporting constraints only. The Cape Horn/Green Horn Mineral Resource is classified entirely as Inferred and is not included in any current mining studies. The Mount Lyell Project, Mineral Resources are prepared under the guidelines of the JORC Code (2012) are stated in the Table in Appendix 4.

SRK notes that some historical reports have suggested that re-treatment of tailings and/or waste dumps may be possible. SRK has not examined the tailings or waste dumps and has not sighted any appropriate Mineral Resource estimates or studies (including metallurgical) relating to potential re-treatment.

Geology and Mineralisation Style

The regional and local geology of the Project area is well understood having a long exploration and development history. Stratigraphically the oldest rocks are the Cambrian aged sequence containing locally the Tyndall Group, Central Volcanic Complex, Yolande River Sequence and andesitic volcanics and intrusives. These are overlain by the late Cambrian-Ordovician aged Owen group and Silurian aged Eldon Group. Quaternary/Tertiary deposits, including glacials, complete the regional geological sequence. The following describes the detailed mineralisation styles and associations for each project area.

Prince Lyell -Deeps/North Flank/D Panel/Royal Tharsis

The footwall of the mineralisation at the Prince Lyell Deeps is defined by the Great Lyell Fault, which juxtaposes the Cambrian volcanic host rocks against a later Cambro-Ordovician sedimentary sequence. The Great Lyell Fault truncates the mineralisation at depth.

The mineralisation consists of disseminated to veinlet pyrite-chalcopyrite hosted within strongly altered and schistose volcanic rocks. Alteration consists of a chlorite-pyrite+/-magnetite core surrounded by a muscovite pyrite envelope. The North Flank/D Panel and Royal Tharsis mineralisation and alteration is similar to the Prince Lyell, however the former has a stronger stratigraphic control.

North Lyell remnants

The high-grade mineralisation at North Lyell is predominately chalcopyrite-bornite. The massive assemblies are associated with hematite-barite-silica alteration. These deposits occur at or near the Mount Read Volcanic – Owen Group contact and are associated with intense pyrophyllite, paragonite and muscovite alteration. Numerous copper sulphides and other minerals are recognised including tetrahedrite, digenite, djurleite, covellite, mawsonite, linnaeite, sphalerite, stromeyerite, and hematite. The lower-grade mineralisation further to the north and east within the deposit tends more towards a disseminated style of chalcopyrite mineralisation. Numerous large faults and contacts control the distribution, intensity and trends in the mineralisation.

Western Tharsis

The project area is hosted by a sequence of northwest trending intermediate and felsic volcanics dipping steeply to the west. The copper mineralisation occurs in a horizon of recrystallised quartz-sericite-pyrite-chalcopyrite-bornite schists within a broader pyritic sequence. The mineralisation is broadly similar to that at Prince Lyell. However, there appears to be a more rapid drop-off in grade at the margins of the deposit than is observed at Prince Lyell.

Copper Chert

The project area is situated at the northern end of the Mount Lyell field at the conformable boundary between the Central Volcanic Complex and the Tyndall Group. The local rock package is sub-vertical striking in the northwest direction.

Mineralisation is within a high silica unit that exhibits massive to conglomeratic textures of variable size, intersticed with intense sericite zones. A phyllic sericite altered volcanoclastic unit completes the mineralisation package. Mineralisation is copper sulphides within breccias and phyllic zones of the units dominantly as fracture infill, disseminations and blebs. Pyrite is the most abundant sulphide mineral. Chalcopyrite, bornite and chalcocite form the main copper-bearing minerals of variable concentrations, but decrease in abundance, respectively. Galena and sphalerite are common also, but not always present. A later stage of mineralisation consisting of cross-cutting coarse quartz +/- sulphides (usually bornite or chalcocite) is also present representing potential remobilisation during deformation. Visible gold has been noted in these veins.

Green Horn/Cape Horn

The project area is hosted by a sequence of north-northwest trending intermediate and felsic volcanics dipping steeply to the west. The copper mineralisation occurs in a horizon of recrystallised quartz-sericite-pyrite-chalcopyrite-bornite schists within a broader pyritic sequence. The mineralisation is broadly similar to that at Western Tharsis and Prince Lyell. Two distinct mineralised structures are seen. The Cape Horn mineralisation is the easternmost structure. The Green Horn mineralisation is the westernmost structure.

Mineralisation style summary

In summary the main mineralisation styles at the Mt Lyell Project are:

- disseminated chalcopyrite
- massive pyrite-chalcopyrite
- chalcopyrite-bornite.

In addition, there are two subordinate styles:

- banded sphalerite-galena
- copper-cuprite.

Data acquisition

There are two methods of sampling used in resource estimations diamond drilling and face rock chip sampling. The pre-1994 drilling, sampling and assaying procedures are not documented in any readily accessible form.

Drilling

All drilling of the project area is done using diamond drilling. Core diameter is variable, with historical drill core being a combination of BQ and NQ bit sizes. More recent drilling is predominantly NQ or NQ2 size, with a small percentage of HQ size in areas of poor ground quality near the collar position. The dominant sample lengths are 1 m, 1.5 m and 2 m, with some also at 3 m and a minor proportion at other lengths between 0.1 m and 5 m. All diamond drill core is logged by a qualified geologist for lithology and generally all for mineralisation.

Drive face and wall rock chip sampling

Drive face sampling is taken on all development considered to be sub-economic (decline and haulage). Drive wall sampling is undertaken in all other developments (i.e. transverse drives, truck load bays, pump stations). Face sampling is taken at 2.1, 2.25 or 2.5 m intervals (i.e. 2 samples per heading) on every

available face, while wall sampling is undertaken at 2 m intervals on southern walls. For both wall and face samples, 2-3 kg of representative material is collected by rock hammer along the grade line.

Sample Preparation and Assaying

The pre-1994 drilling, sampling and assaying procedures are not documented in any readily accessible form and as such this has been considered in the Mineral Resource classification applied.

The post 1994 data shows that industry standard procedures for the era were generally applied. Post 2012 the samples underwent two-stage crushing and total pulverisation to 90% passing 75 µm at the CMT internal laboratory and split into pulps for internal and external laboratory analyses. Internal pulps were analysed for copper using a 2-acid digest with AAS finish at the CMT laboratory.

QAQC and data verification

For samples acquired during in 2013–2014, external Certified Reference Materials (CRMs) suitable for the type, elements and grade ranges for the deposit were submitted at a frequency of 1:25 samples. Results for the 2013–2014 CRMs indicate no significant bias and are deemed acceptable. Copper results are verified between the internal CMT laboratory and the Burnie Research Laboratory, with acceptable correlation demonstrated.

All drillholes have surveyed collar locations; downhole surveys have been collected on all drillholes used for estimation. Chip sampling locations are recorded relative to known reference points and coordinates are taken relative to these reference points. Due to the globally homogenous nature of the mineralisation, the drilling orientation is not considered to have impacted the estimate; therefore, it is considered that there is no sampling bias.

SRK notes that in areas where production records are available the grade tenor is globally representative of the mineralisation styles determined.

Database

Validation routines are inherent to the DataShed™ front end checking for overlapping intervals, variances in end-of-hole depths and missing sample intervals has been completed. For interpretation and resource estimation, a subset of the required data was exported via DataShed™ as an MS Access™ database. Before resource estimation work was undertaken, data was re-checked and validated using Gemcom's Surpac™ database audit functions.

Mineralisation Modelling

As the mineralisation styles of all project areas are well understood, 3-dimensional mineralisation outlines based on geology and grade were constructed. These mineralisation trends informed the estimation parameters determined. Where no detailed geological interpretation was developed (at Royal Tharsis) grade trends were used to locally orient the estimation and search parameters.

Grade Estimation

Block model construction and grade estimation parameters such as variography were determined by the use of industry recognised estimation software such as Leapfrog Edge, GEMS, Supervisor and Surpac.

Prince Lyell Deeps

The mineralisation is estimated using ordinary kriging of 5 m composite copper values into a single domain within Leapfrog Edge software. No top-cuts or grade restrictions were applied and no extreme values are present. Maximum extrapolation distance is approximately 100 m along strike, 100 m down dip, and 20 m across strike. Block size is 5 m × 10 m × 10 m (X, Y, Z) and drill spacing varies between 5 m and 150 m.

Search parameters are oriented dynamically to the mineralisation trends and are restricted across strike to 25 m. Gold is estimated via a regression equation from the copper which has been proven historically to be an accurate assessment of gold grades.

With Regard to the Ex Situ cave material, flow modelling work was done by Itasca using CAVESIM software to estimate the residual metal distribution inside the Mt Lyell sub-level cave zone as of 9 April 2014. There are limited global providers that carry out this type of work and Itasca is one of the recognised experts in this field using CAVESIM across multiple caving projects. It is worth noting that Itasca has stated that 'modelling cave flow is a difficult problem and our (the global mining community) understanding of SLC flow in particular is still emerging'. A series of validations were carried out examining mass, grade and total metal comparisons. These indicate a reasonable reconciliation.

Royal Tharsis/Prince Lyell Upper Remnants

The mineralisation is estimated using ordinary kriging of 5 m composite copper values into a single domain within Leapfrog Edge software. No top-cuts or grade restrictions were applied and no extreme values are present. Maximum extrapolation distance is approximately 100 m along strike, 100 m down dip 20 m across strike. Block size is 5 m x 10 m x 10 m (X, Y, Z) and drill spacing varies between 5 m and 150 m. Search parameters are oriented dynamically to the mineralisation trends and are restricted across strike to 25 m. Gold is estimated via a regression equation from the copper which has been proven historically to be an accurate assessment of gold grades.

North Lyell Remnants

The deposit is estimated using ordinary kriging of 5 m composite copper values into a high-grade and a low-grade domain in Leapfrog Edge software. No top-cuts were applied, but high-grade distance thresholds were implemented in the high-grade domain. Maximum extrapolation distance is approximately 100 m along strike, 100 m down dip and 20 m across strike. Block size is 5 m x 10 m x 10 m (X, Y, Z) and drill spacing varies between 5 m and 150 m. Search parameters are oriented dynamically to the mineralisation trends and are restricted across strike to 25 m. Gold is estimated via a regression equation from the copper which has been proven historically to be an accurate assessment of gold grades. A set of five fault blocks was used to control the orientation of search parameters and variography, with different strike orientations in each fault block.

Western Tharsis

The mineralisation is estimated using ordinary kriging of 2 m composite copper values in GEMS software. Gentle top-cuts were applied, and no extreme values are present. Maximum extrapolation distance is approximately 90 m along strike, 60 m down dip and 30 m across strike. Block size is 5 m x 20 m x 20 m (X, Y, Z) and drill spacing varies between 5 m and 100 m. Search parameters are oriented to the mineralisation trends and are restricted across strike to 30 m.

Cape Horn/Green Horn

The mineralisation is estimated using ordinary kriging and inverse distance squared (Cape Horn and Green Horn respectively) of 1 m composite copper values in Surpac software. No top-cuts were applied, and no extreme values are present. Maximum extrapolation distance is approximately 60 m along strike, 60 m down dip and 23 m across strike. Block size is 10 m x 20 m x 20 m (X, Y, Z) and drill spacing varies between 5 m and 100 m. Search parameters are oriented to the mineralisation trends and are restricted across strike to 30 m.

Copper Chert

The mineralisation is estimated using ordinary kriging of 1 m composite copper values in Surpac software. Gentle top-cuts were applied, and no extreme values are present. Maximum extrapolation distance is approximately 60 m along strike, 30 m down dip and 25 m across strike. Block size is 5 m x 10 m x 10 m

(X, Y, Z) and drill spacing varies between 5 m and 120 m. Search parameters are oriented to the mineralisation trends and are restricted across strike to 25 m.

Mineral Resource Classification and Reporting

The open pit estimates are classified entirely as Inferred due to:

- Components of historical drilling without adequate QAQC
- Insufficient validation of the drilling database in the timeframe available
- Uncertainties on the extents of the historical workings
- Exclusion of geological data in the modelling process.

The underground estimates are classified as Indicated and Inferred on the basis of information, including:

- Availability of QAQC data
- Components of historical drilling without adequate QAQC are classified as Inferred
- Drill hole data spacing
- Estimation parameters such as kriging efficiency
- Availability of reconciliation/production data.

All resources are estimated and reported on a dry basis. Bulk density data in the current database across all deposits show around 10,000 density tests were carried out, with results ranging from 2.6 t/m³ to 3.6 t/m³ and averaging 2.98 t/m³.

A copper equivalent (CuEq) value has also been calculated in a block by block basis for the deposits where gold is reported. The CuEq calculation is derived from :

- Copper recovery 92%
- Gold recovery 60%
- Copper price US\$6,980/t
- Gold price US\$1,402/troy oz

The resulting CuEq block calculation is $CuEq = Cu (\%) + Au (ppm) * 0.4211$. Note that this CuEq calculation uses different (lower) prices to those used for the pit optimisations that defined the Mineral Resource reporting volume constraints – these optimisations are designed to reflect a longer term optimistic outlook.

The cut-off grade for open pit reporting of 0.2% Cu has been derived using a copper price of US\$6,800/t (September 2020 spot price), a copper recovery of 92% and a processing cost of US\$13.85/t and rounded to one decimal place.

Open pit cut off = processing cost/(recovery * price) = 0.22 ~0.2.

Underground resources reported by SRK have been reported within volumetrically contiguous 0.6% Cu grade shells and/or defined mineralisation domains which can encompass small amounts of lower-grade material. Applying the open pit simple cut-off calculation with the addition of non-production mining costs of US\$19.57 gives a nominal cut-off of 0.54% Cu.

Underground cut-off = processing cost + non-production mining cost/(recovery * price) = 0.54 ~0.6.

The Prince Lyell Deeps Mineral Resource is within a volumetrically contiguous 0.8% Cu grade shell which can encompass small amounts of lower-grade material.

Appendix 4: Mt Lyell Mineral Resource Estimate

as of 1 October 2021

	Mt	Cu (%)	Au (g/t)	CuEq (%)	Cu (kt)	Au (koz)
Underground						
Prince Lyell North Flank (as of 1 October 2021) 0.6% Cu cut-off						
Measured	-	-	-	-	-	-
Indicated	17.0	0.91	0.23	1.01	155	126
Inferred	2.9	0.94	0.24	1.04	27	22
Total	19.9	0.92	0.23	1.02	182	148
Western Tharsis (as of 1 October 2021) 0.6% Cu cut-off						
Measured	-	-	-	-	-	-
Indicated	6.4	1.07	0.26	1.18	68	53
Inferred	12.6	1.11	0.30	1.23	139	121
Total	18.9	1.09	0.28	1.21	207	174
Prince Lyell Deeps: In situ (1365-1000 RL) (as of 1 October 2021) 0.8% Cu cut-off						
Measured	3.5	1.22	0.30	1.35	43	34
Indicated	1.7	1.26	0.31	1.39	21	17
Inferred	2.1	1.17	0.29	1.29	25	20
Total	7.3	1.21	0.30	1.34	89	70
Prince Lyell Deeps: Ex situ (1365-1465 RL) (as of 1 October 2021) 0.8% Cu cut-off						
Measured	-	-	-	-	-	-
Indicated	-	-	-	-	-	-
Inferred	7.2	0.81	0.21	0.90	58	49
Total	7.2	0.81	0.21	0.90	58	49
Copper Chert (as of 1 October 2021) 0.6% Cu cut-off						
Measured	-	-	-	-	-	-
Indicated	3.2	1.70	0.76	2.02	54	77
Inferred	0.9	1.31	0.91	1.70	12	26
Total	4.1	1.61	0.79	1.95	65	103
Green / Cape Horn (as of 1 October 2021) 0.6% Cu cut-off						
Measured	-	-	-	-	-	-
Indicated	-	-	-	-	-	-
Inferred	8.2	1.02	n/a	1.02	84	-
Total Underground	66	1.05	0.27	1.15	686	571
Open Pit						
Royal Tharsis / Prince Lyell Upper Remnants (as of 1 October 2021) 0.2% Cu cut-off						
Measured	-	-	-	-	-	-
Indicated	-	-	-	-	-	-
Inferred	35.5	0.64	0.18	0.72	227	205
Total	35.5	0.64	0.18	0.72	227	205
North Lyell Remnants (as of 1 October 2021) 0.2% Cu cut-off						
Measured	-	-	-	-	-	-
Indicated	-	-	-	-	-	-
Inferred	33.6	0.64	0.15	0.70	215	162
Total	33.6	0.64	0.15	0.70	215	162
Total Open Pit	69	0.64	0.17	0.71	442	367
Total Underground & Open Pit	135	0.84	0.22	0.93	1128	939

1. Au grade excludes Green Horn/Cape Horn.
2. Minor discrepancies in totals may occur due to rounding.
3. CuEq (%) = Cu (%) + Au (ppm) * 0.4211. The CuEq calculation uses a copper recovery of 92%, a gold recovery of 60%, a copper price of US\$6,980/t and a gold price of US\$1,402/roy oz.

Competent Persons Statement

The information in this report that relates to the **Prince Lyell Deeps, Prince Lyell North Flank, Royal Tharsis/Prince Lyell Upper Remnants and North Lyell Remnants** Mineral Resources is based on information compiled by Mr Danny Kentwell, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Kentwell is a full-time employee of SRK Consulting. Mr Kentwell has been engaged by CMT in his capacity as an independent consultant.

Mr Kentwell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. In regard to the Prince Lyell Deeps Ex Situ caved material, Mr Kentwell has relied on the experience of Mr Simon Hanrahan of SRK Consulting who is a recognised expert in the areas of sub-level and block caving. Mr Kentwell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the **Western Tharsis, Green Horn/Cape Horn and Copper Chert** Mineral Resources is based on information compiled by Mr David Slater, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Slater is a full-time employee of SRK Consulting. Mr Slater has been engaged by CMT in his capacity as an independent consultant.

Mr Slater has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Slater consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 4: JORC 2012 Code - Table 1: Mt Lyell Mineral Resources

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
Sampling techniques	<ul style="list-style-type: none"> 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 downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done, this would be relatively simple (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. 	<p>The pre-1994 drilling, sampling and assaying procedures are not documented in any readily accessible form and are effectively unknown for the purposes of this 2020 Mineral Resource report.</p> <p>Post 1994:</p> <p>There are two methods of sampling used in resource estimations. Not all deposits use face and wall rock samples for estimation:</p> <ol style="list-style-type: none"> Diamond drilling was used to obtain core samples. Various core sampling interval sizes have been used during the life of the various orebodies (including imperial measurements before 1974). The dominant sample lengths are 1 m/3 ft, 1.5 m/5 ft and 2 m/7 ft, with some also at 3 m/10 ft and a minor proportion at other lengths between 0.1 m and 5 m. Drive face and wall rock chip sampling: Drive face sampling is taken on all development considered to be sub-economic (decline and haulage). Drive wall sampling is undertaken in all other developments (i.e. transverse drives, truck load bays, pump stations). Face sampling is taken at 2.1, 2.25 or 2.5 m intervals (i.e. 2 samples per heading) on every available face, while wall sampling is undertaken at 2 m intervals on southern walls. For both wall and face samples, 2-3 kg of representative material is collected by rock hammer along the grade line.
Drilling techniques	<ul style="list-style-type: none"> 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.). 	<p>All drilling of the CMT deposits is done using diamond drilling. Core diameter is variable, with historical drill core being a combination of BQ and NQ bit sizes. More recent drilling is predominantly NQ or NQ2 size, with a small percentage of HQ size in areas of poor ground quality near the collar position.</p> <p>In recent years (2012 onwards), approximately 10% of the drillholes are oriented using a digital core orientation tool. Some historical orientation data are available in the drillhole database and it is assumed a spear tool was used for these measurements.</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure 	<p>Core recovery data are available for the majority of holes in the Prince Lyell Deeps, Prince Lyell North Flank, Royal Tharsis/Prince Lyell Upper, Western Tharsis and Copper Chert deposits. A small amount recovery data is available for the Green Horn/Cape Horn areas. No recovery data are available for North Lyell Remnants area.</p>

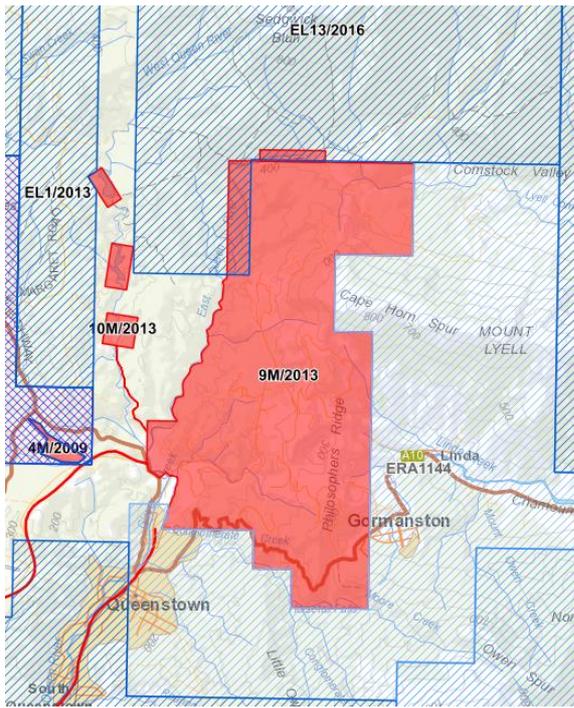
Criteria	JORC Code explanation	Commentary
	<p>representative nature of the samples.</p> <ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Core recovery is measured and reconciled with downhole distance recorded by the drilling company. Core recovery is >95%, except in very limited zones approaching the cave pipe, the Great Lyell Fault or historical underground workings. No material sample bias is expected from preferential loss/gain.</p> <p>There is no correlation between recovery and copper grade.</p>
Logging	<ul style="list-style-type: none"> 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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. The total length and percentage of the relevant intersections logged. 	<p>All diamond drill core is logged by a qualified geologist for lithology. Since at least 2012 and even earlier for some holes, alteration, geotechnical parameters, structure and visual mineralisation have been logged at a level of detail that supports Mineral Resource estimation.</p> <p>In the database supplied to SRK in 2020, lithology logging codes are missing for Western Tharsis, and the older drilling at Cape Horn/Green Horn. SRK understands that these records do exist but have not been compiled into the current database.</p> <p>Face and drive wall chip samples are not geologically logged.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>The pre-1994 drilling, sampling and assaying procedures are not documented in any readily accessible form and are effectively unknown for the purposes of this 2020 Mineral Resource report.</p> <p>The majority of core is sampled from either half-core or quarter-core. Quarter-core was typically taken from the larger diameter holes.</p> <p>1994-1995 Western Tharsis drilling:</p> <p>1 m half-core segments were dried at 85°C for 24 hours and then crushed to a nominal 2 mm using a jaw crusher. Samples were then pulverised to 100% passing -75 µm with a Labtechnics LM1 ring mill. All samples were composited to 2 m by taking 12.5 g from each 1 m split to make a 25 g sample used in analysis.</p> <p>Post 2012:</p> <p>All diamond drill core is sampled, and samples are taken at 1 m intervals, except over positions where the core diameter changes, in which case the interval is at the core diameter change. Unmineralised hangingwall and footwall lithologies are not sampled. The core is cut using an Almonte automated core saw and intervals of half-core are submitted for sampling. In some cases, two quarter-core samples were submitted separately for QAQC purposes.</p> <p>Samples underwent two-stage crushing and total pulverisation to 90% passing 75 µm at the CMT internal laboratory and split into pulps for internal and external laboratory analyses. Internal pulps were analysed for copper using a 2-acid digest with AAS finish at the CMT laboratory. Selected external pulps were sent to the Burnie Research Laboratory for assaying of Au, Cu, Pb, Zn, Ag, As, Fe, Co and S. Gold was analysed by 30 g fire assay fusion with atomic absorption instrument finish (AAS). The methodology for Cu, Pb, Zn, Co, Ag, As, and S involved digestion of prepared pulverised samples in a 2-acid aqua regia for 120 minutes. The solution was diluted and mixed with 100 mL of de-ionised water then analysed by inductively coupled plasma mass spectrometry (ICP-MS).</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<p>The pre-1994 drilling, sampling and assaying procedures are not documented in any readily accessible form and are effectively unknown for the purposes of this 2020 Mineral Resource report.</p> <p>1994 Western Tharsis program:</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 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. 	<p>CMT's Mount Lyell laboratory assayed 2 m composites for Cu, Au and S. Routine analytical methods comprised:</p> <ul style="list-style-type: none"> Cu₂: A 25 g sample was digested with aqua regia. After dilution, the sample was allowed to settle, and the clear liquor aspirated on the atomic absorption unit using matrix-matched standards. The lower limit of detection is 0.01% Cu. Every 5th sample was prepared as a duplicate for dispatch to GMA's Perth laboratory where Au and Cu results were checked. <p>Post 2012:</p> <p>For samples acquired during in 2013–2014, external Certified Reference Materials (CRMs) suitable for the type, elements and grade ranges for the deposit were submitted at a frequency of 1:25 samples. Two standards – a base metal (Cu, Pb, Zn and Ag) and separate gold standard – were submitted at this frequency.</p> <p>Results for the 2013–2014 CRMs indicate no significant bias and are deemed acceptable. A weak negative bias is present due to the partial digest (2 acid) used for analysis versus the methodology used for determining the CRM values.</p> <p>2013–2014 QAQC for sample preparation include obtaining field duplicates at a frequency of 1:20 from a split at the coarse crushing stage and inserting a blank in the sample package.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>Post 2012:</p> <p>Copper results are verified between the internal CMT laboratory and the Burnie Research Laboratory, with acceptable correlation demonstrated.</p> <p>CMT received assays from the laboratories as *.csv files, which also detail the laboratory's internal QC check assays. The assay data, including CMT's QC data, were then imported to the DataShed™ interfaced database to be verified by using QAQCR software (maxgeo), following CMT's Standard Operating Procedure. The batch statistics and performance of blanks, standards and duplicates were reviewed on a monthly basis.</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>All drillholes have surveyed collar locations; downhole surveys have been collected on all drillholes used for estimation. Historical drillholes generally have used single-shot surveys at 30 m increments, and drilling between 2009 and 2015 used non-magnetic methods such as north-seeking gyroscope or DeviFlex instruments. Historical drillholes are regularly intersected in underground workings and accuracy is confirmed.</p> <p>All drillhole data are converted to the mine grid system, 315GRL. Elevations are AHD (Australian height datum) + 2,000 m.</p> <p>Chip sampling locations are recorded relative to known reference points and coordinates are taken relative to these reference points from Surpac digitisation of previous surveys.</p>
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	<p>Drill spacing varies between 5 m and 150 m along strike and down dip. Across-strike spacing is typically that of the sampling interval because most of the holes are designed to intersect the orebody as close as practical to perpendicular.</p> <p>The data spacing is deemed sufficient for determining for the style and variability of geological and grade continuity of the in situ resource. This is supported by historically excellent Prince Lyell model-mine-mill reconciliations.</p> <p>Estimation uses 1 m and 2 m composites for copper where greater than 75% of an interval is constrained within the ore zone wireframe.</p>

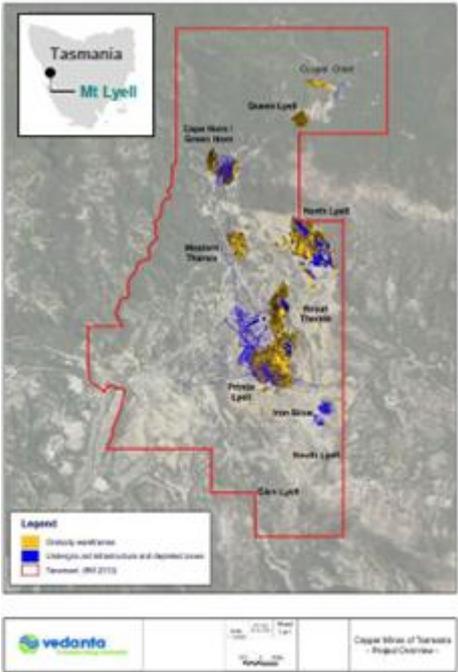
Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship 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. 	<p>The strike and plunge of all deposits is well established and resource definition drilling is conducted as close to perpendicular as possible. Due to the resource being subvertical and arcuate, some intersection angles on the east and west margins are steep.</p> <p>Due to the massive and homogenous nature of the resource, the drilling orientation is not considered to have impacted the estimate; therefore, it is considered that there is no sampling bias.</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>Post 2012:</p> <p>Samples are stored and processed at the CMT mine site with access restricted to employees only.</p> <p>Batch pulps were despatched in sealed boxes to the Burnie Research Laboratory using contracted transport providers.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<p>An external consultancy (SRK Consulting (Australasia) Pty Ltd) was engaged on an annual basis between and 2008 and 2015, and part of the engagement includes reviewing the sampling process and QAQC data.</p>

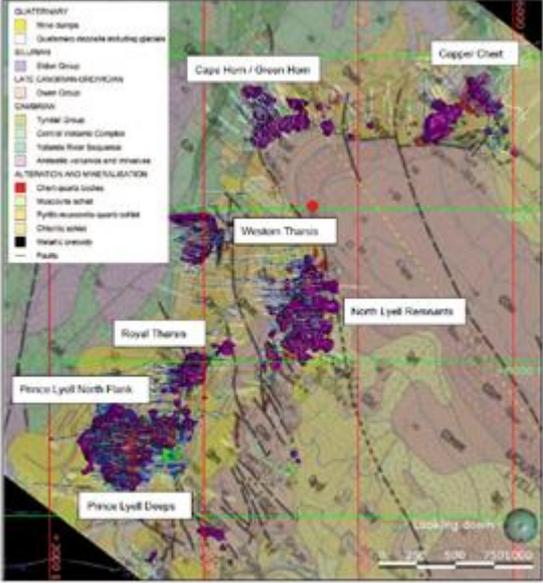
Section 2: Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>All of the Mineral Resources are within Mining Lease 9M/2013.</p>  <p>The Mining Lease is subject to the <i>Copper Mines of Tasmania Pty. Ltd. (Agreement) Act 1999</i> which relates to the limits on CMT's responsibility for pollution and contamination of the leased land.</p>

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>A comprehensive summary of the approximately 130 years of exploration history of the Mt Lyell field has not been compiled and, to the best of SRK's knowledge, does not exist. References to historical activities at some specific locations are given in the main body of the report.</p> <p>Most of the relevant exploration was completed by the My Lyell Mining and Railway Company between 1893 and 1994 and Copper Mines of Tasmania (CMT) between 1995 and 2020.</p>
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The mineralisation styles at Mt Lyell are:</p> <ul style="list-style-type: none"> disseminated chalcopyrite massive pyrite-chalcopyrite chalcopyrite-bornite. <p>In addition, there are two subordinate styles:</p> <ul style="list-style-type: none"> banded sphalerite-galena copper-cuprite. <p>A full description of the geological setting is given in Denwer, Brown and Hooper (2017), and additional references are given in the main body of the report.</p>
Drillhole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> easting and northing of the drillhole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar dip and azimuth of the hole downhole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>The database contains drilling data from 1899 to 2015.</p> <p>The current database contains approximately 10,100 drillholes, excluding face samples, chip samples and sludge samples.</p> <p>Individual hole reporting is not practical.</p>
Data aggregation methods	<ul style="list-style-type: none"> 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. 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. 	<p>Not applicable as this report does not detail individual hole exploration results.</p>

Criteria	JORC Code explanation	Commentary
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<p>Not applicable as this report does not detail individual hole exploration results.</p>
<p>Diagrams</p>	<ul style="list-style-type: none"> 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. 	<p>See main body of the report, references and appendices.</p>  <p>Figure: Plan view of Mineral occurrences</p>

Criteria	JORC Code explanation	Commentary
		 <p>Figure 2-1: Mineralisation in drilling with grades above 0.5% Cu shown in purple</p> <p>Figure: Mineralisation in drilling with grades >0.5% Cu shown in purple</p>
Balanced reporting	<ul style="list-style-type: none"> 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. 	Not applicable as this report does not detail individual hole exploration results. See Section 3 (below) and main body of the report and appendices.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	A comprehensive summary of the approximately 130 years of exploration history of the Mt Lyell field has not been compiled and, to the best of SRK's knowledge, does not exist. References to historical activities at some specific locations are given in the main body of the report.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<p>No exploration work or drilling is currently planned.</p> <p>Potential exists for additional low-grade open cut Mineral Resources at the Western Tharsis, Cape Horn and Copper Chert deposits.</p> <p>Potential exists for depth extensions in all deposits.</p>

Section 3: Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<p>Validation routines are inherent to the DataShed™ front end checking for overlapping intervals, variances in end-of-hole depths and missing sample intervals.</p> <p>For interpretation and resource estimation, a subset of the required data was exported via DataShed™ as an MS Access™ database.</p> <p>Before resource estimation work was undertaken, this was then re-checked and validated using Gemcom's Surpac™ database audit functions.</p>
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<p>Danny Kentwell of SRK Consulting (Competent Person for the Prince Lyell Deeps, Prince Lyell North Flank, Royal Tharsis/Prince Lyell Upper Remnants and North Lyell deposits) visited the site in 2015 and audited the then-current Mineral Resources. Discussions were held with three of the CMT site geologists and the Mineral Resource models reviewed in detail.</p> <p>David Slater of SRK Consulting (Competent Person for the Western Tharsis, Cape Horn/Green Horn and Copper Chert deposits) has not been to site due to travel restrictions relating to the COVID-19 pandemic.</p>
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<p>Prince Lyell North Flank</p> <p>The geology of the Prince Lyell North Flank deposit is well understood. The major geological interpretation required for modelling the resource is the Prince Lyell Cave Pipe. This wireframe determines the southern limit of the resource. The Prince Lyell Cave Pipe was modelled using a combination of:</p> <ul style="list-style-type: none"> Cave pipe drilling intercepts from the 2014 drilling program Wireframes of the Prince Lyell mine depletions Surface mapping of caving-induced fractures. <p>Prince Lyell Deeps</p> <p>As a mature mining operation, with excellent historical reconciliation between the mine and model, the confidence in the in situ geological model is high.</p> <p>Geology controls the boundary of estimation in the footwall of the deposit, where the Owen Conglomerate unit truncates the orebody. The position and nature of this contact is well understood and frequently updated from geological mapping and drilling.</p> <p>The geological model for the cave (ex situ) resource consists of the fracture cone geometry (Appendix H). Inputs to the fracture cone geometry include surface subsidence, fault models and Lamprophyre Dyke modelling. The position and nature of this unit is well understood and frequently updated from geological mapping and drilling.</p> <p>Royal Tharsis/Prince Lyell Upper Remnants</p> <p>No geology was used in the modelling and estimation process due to the short timeframe in which the model was required to be completed and the Inferred classification of the Mineral Resource. Grade trends were used to locally orient the estimation and search parameters.</p> <p>North Lyell Remnants</p>

Criteria	JORC Code explanation	Commentary
		<p>The high-grade mineralisation at the North Lyell Remnants deposit is reported as being predominantly chalcopyrite-bornite.</p> <p>The lower-grade mineralisation further to the north and east within the deposit tends more towards a disseminated-style chalcopyrite mineralisation.</p> <p>There appear to be numerous large faults and contacts that control the distribution, intensity and trends in the mineralisation.</p> <p>With the exception of the eastern footwall (Mount Read Volcanic – Owen (Conglomerate) Group contact), no geology was used in the modelling and estimation process due to the short timeframe in which the model was required to be completed and the Inferred classification of the Mineral Resource. The copper grades from the closely spaced drilling in many areas serve as a strong guide to the localised trends and mineralisation contact locations.</p> <p>Western Tharsis</p> <p>Mineralisation is well understood and is hosted by a sequence of northwest-trending intermediate and felsic volcanics dipping steeply to the west.</p> <p>Copper mineralisation occurs in a horizon of recrystallised quartz-sericite-pyrite-chalcopyrite-bornite schists within a broader pyritic sequence. The mineralisation is broadly similar to mineralisation at Prince Lyell.</p> <p>Cape Horn/Green Horn</p> <p>Mineralisation is hosted by a sequence of north–northwest-trending intermediate and felsic volcanics. The mineralisation style is similar to mineralisation at the Western Tharsis and Prince Lyell deposits.</p> <p>Copper Chert</p> <p>Mineralisation comprises an intensely siliceous rock type (ACH) enveloped by a phyllic sericite (+/-silica/pyrite) altered unit (ASH) and variably altered intermediate to felsic feldspar phyrlic volcanics belonging to the CVC (and/or Lower Tyndall?) forming the footwall and southern contact of the deposit.</p> <p>Mineralisation is hosted by copper sulphides within breccias and phyllic zones of the ACH and minor ASH, dominantly as fracture infill, disseminations and blebs. Pyrite is the most abundant sulphide mineral and in places has massive displaying textures that are postulated to be exhalative in origin. Chalcopyrite, bornite and chalcocite form the main copper-bearing minerals of variable concentrations, but decrease in abundance, respectively. Galena and sphalerite are common also. The geology and mineralisation style are well understood.</p> <p>Due to the massive and generally homogenous nature of the in situ deposit, the grade continuity is not a significant factor in the uncertainty of the estimation.</p>
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<p>Prince Lyell North Flank</p> <p>The resource has dimensions of 490 m in height, 1,500 to 2,090 mRL (2,000 mRL represents sea level and the surface is approximately 420 m above sea level). The strike length of the resource is up to 300 m, and plan width is approximately 80 m.</p> <p>Prince Lyell Deeps</p>

Criteria	JORC Code explanation	Commentary
		<p>The strike length of the resource is up to 260 m, and the plan width is approximately 100 m. The in situ resource is classified from 1,115 mRL to 1,315 mRL (2,000 mRL represents sea level and the surface is approximately 420 m above sea level).</p> <p>Royal Tharsis/Prince Lyell Upper Remnants</p> <p>The strike length is approximately 1,300 m. The across-strike extent is 450 m and has been modelled down to 825 m below the highest surface point. The deposit outcrops at surface. The mineralisation spans from 1,675 to 2,500 mRL.</p> <p>North Lyell Remnants</p> <p>The strike length is approximately 900 m. The across-strike extent is 500 m and has been modelled down to 650 m below the highest surface point. The deposit outcrops at surface. The mineralisation spans from 1,980 to 2,630 mRL.</p> <p>Western Tharsis</p> <p>The strike length is approximately 360 m. The across-strike extent is 60 m (at the widest point) and has been modelled down to 1,020 m below the highest surface point. The deposit outcrops at surface. The mineralisation spans from 1,420 to the 2,260 mRL.</p> <p>Cape Horn/Green Horn</p> <p>The strike length is approximately 300 m for both pods. The across-strike extent is up to 50 m for each pod and has been modelled down to 710 m below the highest mineralisation point. The mineralisation spans from 385 to -290 mRL.</p> <p>Copper Chert</p> <p>The strike length is approximately 365 m. The across-strike extent 80 m (at the widest point) and has been modelled down to -290 m below the highest mineralisation point. The mineralisation spans from 1,880 to 2,300 mRL.</p>
<p>Estimation and modelling techniques</p>	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen, include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. 	<p>Prince Lyell Deepes</p> <p>The deposit is estimated using ordinary kriging of 5 m composite copper values into a single domain within Leapfrog Edge software. No top-cuts or grade restrictions were applied and no extreme values are present. Maximum extrapolation distance is approximately 100 m along strike, 100 m down dip, and 20 m across strike. Block size is 5 m x 10 m x 10 m (X, Y, Z) and drill spacing varies between 5 m and 150 m.</p> <p>Search parameters are oriented dynamically to the mineralisation trends and are restricted across strike to 25 m.</p> <p>Gold is estimated via a regression equation from the copper which has been proven historically to be an accurate assessment of gold grades.</p> <p>No deleterious elements have been estimated.</p> <p>A check estimate using nearest neighbour estimation was completed.</p> <p>There are no directly comparable previous estimates.</p> <p>With Regard to the Ex Situ cave material, flow modelling work was done by Itasca using CAVESIM software to estimate the residual metal distribution inside the Mt</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available. 	<p>Lyell sub-level cave zone as of 9 April 2014. There are limited global providers that carry out this type of work and Itasca is one of the recognised experts in this field using CAVESIM across multiple caving projects. It is worth noting that Itasca has stated that 'modelling cave flow is a difficult problem and our (the global mining community) understanding of SLC flow in particular is still emerging'. A series of validations were carried out examining mass, grade and total metal comparisons. These indicate a reasonable reconciliation.</p> <p>Royal Tharsis/Prince Lyell Upper Remnants</p> <p>The deposit is estimated using ordinary kriging of 5 m composite copper values into a single domain within Leapfrog Edge software. No top-cuts or grade restrictions were applied and no extreme values are present. Maximum extrapolation distance is approximately 100 m along strike, 100 m down dip 20 m across strike. Block size is 5 m × 10 m × 10 m (X, Y, Z) and drill spacing varies between 5 m and 150 m.</p> <p>Search parameters are oriented dynamically to the mineralisation trends and are restricted across strike to 25 m.</p> <p>Gold is estimated via a regression equation from the copper which has been proven historically to be an accurate assessment of gold grades.</p> <p>No deleterious elements have been estimated.</p> <p>A check estimate using nearest neighbour estimation was completed.</p> <p>There are no directly comparable previous estimates.</p> <p>Historical production records show that 1,674 kt of ore at 1.56%Cu (26,032 t Cu metal) were mined from Royal Tharsis. Using the supplied stope shape and a density of 2.9 for reporting, the SRK block model gives 4,095 kt of ore at 1.18% Cu (48,418 t Cu metal). This provides some level of confidence that the stope wireframe used is not underestimating the amount of material mined and may therefore be providing a conservative approximation of the remaining material. It is not known if any crown pillars remain, but the resource assumes all crown pillars have been mined, which may also be contributing to the tonnage difference between the stope models and the historical production.</p> <p>Validation was completed by visual inspection, statistical comparison of blocks to composites at zero cut-off and by swath plots.</p> <p>North Lyell Remnants</p> <p>The deposit is estimated using ordinary kriging of 5 m composite copper values into a high-grade and a low-grade domain in Leapfrog Edge software. No top-cuts were applied, but high-grade distance thresholds were implemented in the high-grade domain. Maximum extrapolation distance is approximately 100 m along strike, 100 m down dip and 20 m across strike. Block size is 5 m × 10 m × 10 m (X, Y, Z) and drill spacing varies between 5 m and 150 m.</p> <p>Search parameters are oriented dynamically to the mineralisation trends and are restricted across strike to 25 m.</p>

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		<p>Gold is estimated via a regression equation from the copper which has been proven historically to be an accurate assessment of gold grades.</p> <p>No deleterious elements have been estimated.</p> <p>A set of five fault blocks was used to control the orientation of search parameters and variography, with different strike orientations in each fault block.</p> <p>There are no previous estimates.</p> <p>Historical production records show that 8,349 kt of ore at 3.67% Cu (314,000 t Cu metal) were mined from the various mines within the deposit area. No stope models are available for validation. As an alternative check, SRK makes the conservative assumption that all material above 1% Cu within the block model had been mined. This equates to approximately 18,500 kt at 1.78% Cu (329,000 t Cu metal). While the 1% Cu tonnage from the block model is almost double the historical production tonnage, the spatial continuity is much better than shells with a higher cut-off, and the total metal is also in line with historical production.</p> <p>The use of a 1% Cu shell from the block model is obviously a highly conservative approach as it does not allow for any remnant material with a grade above 1% Cu; however, it serves to highlight the potential of the Mineral Resource even under highly restrictive assumptions. The remaining material under this scenario has a higher degree of confidence in being accessible – it is unlikely that the historical underground mining targeted grades below a 1% Cu cut-off.</p> <p>Validation was completed by visual inspection, statistical comparison of blocks to composites at zero cut-off and by swath plots.</p> <p>Western Tharsis</p> <p>The deposit is estimated using ordinary kriging of 2 m composite copper values in GEMS software. Gentle top-cuts were applied, and no extreme values are present. Maximum extrapolation distance is approximately 90 m along strike, 60 m down dip and 30 m across strike.</p> <p>Block size is 5 m × 20 m × 20 m (X, Y, Z) and drill spacing varies between 5 m and 100 m.</p> <p>Search parameters are oriented to the mineralisation trends and are restricted across strike to 30 m.</p> <p>No deleterious elements have been estimated.</p> <p>A check estimate using unconstrained estimation was completed.</p> <p>There are comparable previous estimates which are within the quantum of this estimate.</p> <p>Validation was completed by visual inspection, statistical comparison of blocks to composites at zero cut-off and by swath plots.</p> <p>The portions of the deposit between 2,250 mRL and 1,910 mRL with drill spacing 30–40 m are classified as Indicated, while the remainder of the Mineral Resource is classified as Inferred.</p> <p>Cape Horn/Green Horn</p> <p>The deposit is estimated using ordinary kriging and inverse distance squared (Cape Horn and Green Horn respectively) of 1 m composite copper values in Surpac software. No top-cuts were applied, and no extreme</p>

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		<p>values are present. Maximum extrapolation distance is approximately 60 m along strike, 60 m down dip and 23 m across strike.</p> <p>Block size is 10 m x 20 m x 20 m (X, Y, Z) and drill spacing varies between 5 m and 100 m.</p> <p>Search parameters are oriented to the mineralisation trends and are restricted across strike to 30 m.</p> <p>Gold is not estimated.</p> <p>No deleterious elements have been estimated.</p> <p>A check estimate using unconstrained estimation was completed by SRK.</p> <p>There are no comparable previous estimates; however, the Cape Horn structure was previously economically mined to an elevation of -30 mRL.</p> <p>Validation was completed by visual inspection, statistical comparison of blocks to composites at zero cut-off and by swath plots.</p> <p>All reported material is classified as Inferred. All material above -30 mRL on Cape Horn structure was removed to account for previous mining.</p> <p>Copper Chert</p> <p>The deposit is estimated using ordinary kriging of 1 m composite copper values in Surpac software. Gentle top-cuts were applied, and no extreme values are present. Maximum extrapolation distance is approximately 60 m along strike, 30 m down dip and 25 m across strike.</p> <p>Block size is 5 m x 10 m x 10 m (X, Y, Z) and drill spacing varies between 5 m and 120 m.</p> <p>Search parameters are oriented to the mineralisation trends and are restricted across strike to 25 m.</p> <p>Additional elements – Ag, Au, Pb and Zn – have been estimated (each with their own variography).</p> <p>A check estimate using unconstrained estimation was completed by SRK.</p> <p>This estimate (2014) was the first using drill data acquired during the 2011–2014 period.</p> <p>Validation was completed by visual inspection, statistical comparison of blocks to composites at zero cut-off and by swath plots.</p> <p>The portions of the deposit estimated in the first pass (36 m) are classified as Indicated, while the remainder of the Mineral Resource is classified as Inferred.</p>
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	All resources are estimated and reported on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<p>The cut-off grade for open pit reporting of 0.2% Cu has been derived using a copper price of US\$6,800/t (September 2020 spot price), a copper recovery of 92% (Advisian 2018) and a processing cost of US\$13.85/t (Advisian 2018 Processing + Other) and rounded to one decimal place.</p> <p>Open pit cut off = processing cost/(recovery * price) = 0.22 ~0.2.</p> <p>Underground resources reported by SRK have been reported within volumetrically contiguous 0.6% Cu grade shells and/or defined mineralisation domains which can</p>

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		<p>encompass small amounts of lower-grade material. Applying the open pit simple cut-off calculation with the addition of non-production mining costs of US\$19.57/t (Advisian 2018 - Table 11.26 Development, Handling and Services average) gives a nominal cut-off of 0.54% Cu.</p> <p>Underground cut-off = processing cost + non-production mining cost/(recovery * price) = 0.54 ~0.6.</p> <p>The Prince Lyell Deeps Mineral Resource reported by CMT is within a volumetrically contiguous 0.8% Cu grade shell which can encompass small amounts of lower-grade material.</p>
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<p>The Royal Tharsis Prince Lyell Upper Remnants and North Lyell Remnants deposits are modelled as open cut Mineral Resources. Preliminary pit optimisations, based on a US\$8,160/t copper price, have been completed to verify the reasonable prospects of eventual economic extraction.</p> <p>All other Mineral Resources are modelled as underground Mineral Resources. Preliminary mining studies (Advisian 2018) have been completed to verify the reasonable prospects of eventual economic extraction.</p>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<p>Copper and gold recoveries are assumed to be 92% and 60%, respectively (Advisian 2018).</p> <p>A copper equivalent (CuEq) value has also been calculated in a block by block basis for the deposits where gold is reported. The CuEq calculation is derived from :</p> <ul style="list-style-type: none"> Copper recovery 92% Gold recovery 60% Copper price US\$6,980/t Gold price US\$1,402/troy oz <p>The resulting CuEq block calculation is $CuEq = Cu (\%) + Au (ppm) * 0.4211$</p> <p>Note that this CuEq calculation uses different (lower) prices to those used for the pit optimisations that defined the Mineral Resource reporting volume constraints – these optimisations are designed to reflect a longer term optimistic outlook.</p>
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<p>There are significant acid and metalliferous drainage (AMD) occurrences on the Mining Lease resulting from the historical operations.</p> <p>The Mining Lease is subject to the <i>Copper Mines of Tasmania Pty. Ltd. (Agreement) Act 1999</i> which relates to the limits on CMT's responsibility for pollution and contamination of the leased land.</p> <p>In conjunction with the terms of the Act, potential future operations, both underground and open pit, will require significant planning and management with respect to AMD – both historical and potential future causes.</p>

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Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<p>Density data in the current database across all deposits show around 10,000 density tests were carried out, with results ranging from 2.6 to 3.6 and averaging 2.98.</p> <p>Prince Lyell Deeps In Situ and Prince Lyell North Flank</p> <p>All in situ tonnage calculations are made on the assumption on a bulk density of 3.0 g/cm³. This has been verified by CMT's internal laboratory testing.</p> <p>Prince Lyell Deeps Ex Situ (Cave Material)</p> <p>Ex situ tonnage calculations are assumed to be based on a density value of 2.6 g/cm³.</p> <p>Royal Tharsis Prince Lyell Upper Remnants and North Lyell</p> <p>Numerous density sampling campaigns (CMT 1995, CMT 2015a) have consistently returned average densities for the mineralised material between 2.88 and 3.0. SRK has assumed a density of 2.9 for both mineralisation and waste. Density is not correlated with copper grade.</p> <p>Western Tharsis</p> <p>Tonnage factors were determined using the water displacement method on short lengths of drill core from a selection of the CMT drillholes representing high, middle and deep portions of the deposit. The analyses returned values between 2.52 t/m³ and 3.25 t/m³, with an average of 2.88 t/m³. This was supported by specific gravity (SG) analyses undertaken on assay sample pulps by MLMRC, which indicated an SG of 2.9 t/m³.</p> <p>Cape Horn/Green Horn</p> <p>Bulk density was introduced to the model by direct assignment. A density of 2.9 g/cm³ was applied globally, but constrained to the resource wireframe. The value was determined from deposits of similar mineralisation style such as Western Tharsis.</p> <p>Copper-Chert</p> <p>Bulk density was introduced to the model by direct assignment. A density of 3.1 g/cm³ was applied globally, but constrained to the resource wireframe. The value was determined from the average of 294 samples where SG values were measured via the wet-dry method at the CMT laboratory.</p>
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<p>The open pit estimates are classified entirely as Inferred due to:</p> <ul style="list-style-type: none"> Components of historical drilling without adequate QAQC Insufficient validation of the drilling database in the timeframe available Uncertainties on the extents of the historical workings Exclusion of geological data in the modelling process. <p>The underground estimates are classified as Indicated and Inferred on the basis of information, including:</p> <ul style="list-style-type: none"> Availability of QAQC data Components of historical drilling without adequate QAQC are classified as Inferred Drill hole data spacing Estimation parameters such as kriging efficiency Availability of reconciliation/production data.

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Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<p>No reviews or audits have been carried out on the open pit Mineral Resource estimates (Royal Tharsis/Prince Lyell Upper Remnants and North Lyell Remnants).</p> <p>SRK most recently reviewed the Prince Lyell North Flank, Western Prince Lyell Deeps, Tharsis and Copper Chert Mineral Resources, as estimated by CMT, in 2015.</p> <p>The Cape Horn/Green Horn estimate has not been audited by external parties – other than SRK in 2020.</p>
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<p>Relative accuracy implies that there is a standard measure against which accuracy can be evaluated. In the case of resource estimation, the typical standard for global relative grade estimation accuracy is the average value of the top-cut and de-clustered drill interval assay composites at a zero cut-off of the primary estimation variable(s).</p> <p>Global relative grade estimation accuracy at zero cut-off, as defined above, for all Mineral Resources is <10%.</p> <p>Determining the standard for assessment of local or global relative accuracy of grades and tonnages at cut-offs above zero, that is, at reporting cut-offs, is a problem that does not have well-defined or industry-accepted answer.</p>