



Patrick Burke  
Non-Executive Chairman



**LYCAON RESOURCES LIMITED**  
**ACN 647 829 749**

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## PROSPECTUS

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Initial public offering of 25,000,000 ordinary shares in the Company at an offer price of \$0.20 per share.

Proposed ASX Code: LYN

Joint Lead Managers



Australian Legal Adviser



### IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

**The Shares offered by this Prospectus should be considered as highly speculative.**

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## IMPORTANT NOTICE

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This Prospectus is dated 29 September 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

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

### Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

### No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or

other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action or formality has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus has been prepared for publication in Australia and may not be distributed outside Australia except to institutional investors or investors who can participate in compliance with applicable securities laws.

### US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

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

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the

Offer to any person in the US; and

- (d) it will not offer or resell the Shares in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

### Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.lycaonresources.com](http://www.lycaonresources.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6188 8181 during office hours or by emailing the Company at [admin@lycaonresources.com](mailto:admin@lycaonresources.com).

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

### Company Website

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

### No cooling-off rights

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

## No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether an investment in the Company meets your objectives, financial situation and needs.

## Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

## Forward-looking statements

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

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

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

The Company cannot and does not give any assurance that the

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's performance and actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

## Financial Forecasts

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

## Competent Person's statement

The information in the Investment Overview Section of this Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Geologist's Report, included at Annexure A of this Prospectus, which relate to technical assessment of the mineral assets and exploration results is based on, and fairly represents, information and supporting documentation prepared by Felicity Repacholi-Muir. Ms Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Ms

Repacholi-Muir is the principal of FRM Geological Services and is a member of the Australian Institute of Geoscientists. Ms Repacholi-Muir consents to the inclusion of the information in these Sections of this Prospectus in the form and context in which it appears.

## Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities

can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **Photographs and Diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

#### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

#### **Privacy statement**

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

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

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

contact details set out in this Prospectus.

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

#### **Enquiries**

If you are unclear in relation to any matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser without delay. Should you have any questions in relation to the Offer or how to accept the Offer please contact the Company Secretary on +61 8 6188 8181 or at [admin@lycaonresources.com](mailto:admin@lycaonresources.com).



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## CORPORATE DIRECTORY

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### Directors

Patrick Burke  
*Non-Executive Chairman*

Thomas Edward Langley  
*Technical Director*

Ranko Matic  
*Non-Executive Director*

### Company Secretary

Melanie Jane Ross

### Proposed ASX Code

LYN

### Registered Office

Level 2  
22 Mount Street  
PERTH WA 6000

Telephone: +61 8 6188 8181  
Email: [admin@lycaonresources.com](mailto:admin@lycaonresources.com)  
Website: [www.lycaonresources.com](http://www.lycaonresources.com)

### Australian Legal Adviser

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Auditor and Investigating Accountant

Criterion Audit Pty Ltd  
Suite 2  
642 Newcastle Street  
LEEDERVILLE WA 6007

### Independent Geologist

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

### Joint Lead Managers

Canaccord Genuity (Australia) Limited  
Level 23, Exchange Tower  
2 The Esplanade  
PERTH WA 6000

Inyati Capital Pty Ltd  
3/300 Rokeby Road  
SUBIACO WA 6008

### Share Registry\*

Automic Pty Ltd  
Level 2  
267 St Georges Terrace  
PERTH WA 6000

### Offer Information Line

Within Australia: +61 2 9698 5414  
Outside Australia: 1300 288 664

Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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## 1. CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of Lycaon Resources Limited (**Company** or **Lycaon**), it gives me great pleasure to invite you to become a shareholder of the Company.

Lycaon is an Australian unlisted public company, with projects in three of Western Australia's premier geological provinces. Lycaon holds the rights to acquire three projects, the Gnewing Bore Project (prospective for gold-silver and copper), the Rocky Dam Project (prospective for gold and base metals) and the Julimar Project (prospective for nickel, copper and PGEs).

The Company is seeking to raise the necessary funds, through the issue of this Prospectus, to further explore and develop these assets as well as seek out further complementary mineral exploration and resource opportunities which have the potential to generate growth and value for shareholders.



This Prospectus is seeking to raise \$5,000,000 by the offer of Shares at the Offer Price of \$0.20 per Share. The primary purpose of the Offer is to provide funds to implement the Company's business strategies as detailed in Section 5.

The Board have a track record of creating and delivering shareholder value through resource delineation, acquisition and divestment and will aim to ensure that funds raised under the Offer will be utilised in a cost-effective manner to advance the Company's business.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely

**Patrick Burke**  
**Non-Executive Chairman**

## 2. KEY OFFER INFORMATION

### INDICATIVE TIMETABLE

Lodgement of Prospectus with the ASIC	29 September 2021
Exposure Period begins	29 September 2021
Opening Date	7 October 2021
Closing Date	28 October 2021
Issue of Shares under the Offer	10 November 2021
Despatch of holding statements	12 November 2021
Expected date for quotation on ASX	23 November 2021

#### **Dates may change**

The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company, in agreement with the Joint Lead Managers, reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.

If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offer opens.

### KEY STATISTICS OF THE OFFER

Offer Price per Share	\$0.20
Total gross proceeds under the Offer <sup>1</sup>	\$5,000,000
Total Shares on issue as at the date of this Prospectus	8,000,001
Total Options on issue as at the date of this Prospectus <sup>2</sup>	6,500,000
Total Shares available under the Offer <sup>1</sup>	25,000,000
Number of Shares to be issued to the Vendors <sup>3</sup>	1,500,000
Number of New Options to be issued to the Directors <sup>4</sup>	1,800,000
Number of New Options to be issued under the JLM Mandate <sup>4</sup>	3,000,000
<b>Total Shares on issue on completion of the Offer<sup>5</sup></b>	<b>34,500,001</b>
<b>Total Options on issue on completion of the Offer<sup>5</sup></b>	<b>11,300,000</b>
<b>Indicative market capitalisation on completion of the Offer<sup>6</sup></b>	<b>\$6.9 million</b>

#### **Notes:**

1. The Minimum Subscription to the Offer is \$5,000,000 (25,000,000 Shares).
2. Please refer to Section 10.4 for a summary of the terms of the Options currently on issue.
3. The Company has entered into the Acquisition Agreements in order to acquire the Projects. Pursuant to the Acquisition Agreements, the Company has agreed to issue 1,500,000 Shares (in aggregate) to the relevant Vendors as consideration for the acquisitions. Please refer to Section 9.1 for further details of the Acquisition Agreements.
4. Please refer to Section 10.4 for a summary of the terms of the New Options to be issued.

5. Certain Securities on issue on completion of the Offer will be subject to escrow restrictions under the ASX Listing Rules. Please refer to Section 5.9 for further details.
6. Based on the Offer Price of \$0.20 per Share and on an undiluted basis. The indicative market capitalisation on completion of the Offer based on the Offer Price of \$0.20 per Share and on a fully diluted basis is \$9.2 million. Prospective investors should note that the Shares may trade above or below the Offer Price.

### **HOW TO INVEST**

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 4 and on the Application Form.

### 3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
<b>A. Company</b>		
Who is Lycaon?	<p>Lycaon Resources Limited (ACN 647 829 749) (<b>Company</b> or <b>Lycaon</b>) is an Australian unlisted public company incorporated in Western Australia on 10 February 2021.</p> <p>Since incorporation, the Company has focused on pre-listing activities and raising seed capital, identifying and acquiring prospective mineral exploration grounds and defining the initial exploration programs for the Projects.</p>	Section 5.1
What is Lycaon's interest in the Projects?	<p>On admission to the Official List, the Company's projects will include:</p> <ul style="list-style-type: none"><li>(a) the Gnewing Bore Project;</li><li>(b) the Rocky Dam Project; and</li><li>(c) the Julimar Project,</li></ul> <p>(together, the <b>Projects</b>).</p> <p>The Company will acquire 100% control over each of the Projects upon completion of settlement under the Acquisition Agreements respectively.</p>	Sections 5.2 and 9.1 and Annexure A
<b>B. Business Model</b>		
What is Lycaon's business model?	<p>The Company's proposed business model following completion of the Offer will be to focus on exploration and development of mineral resource opportunities, and specifically exploration and development of the Projects, initially as per the Company's proposed exploration programs.</p> <p>The Company proposes to fund its exploration activities over the first two years following listing on ASX as outlined in the table at Section 5.6.</p> <p>A detailed explanation of the Company's business model and strategy post listing on ASX is provided at Section 5.3 and a summary of the Company's proposed exploration programs is set out at Section 5.4.</p>	Sections 5.3, 5.4 and 5.6
What are the key business objectives of Lycaon?	<p>The Company's main objectives upon listing on the ASX will be to:</p> <ul style="list-style-type: none"><li>(a) systematically explore and seek to develop each of the Projects;</li></ul>	Section 5.3

Item	Summary	Further information
	<ul style="list-style-type: none"> <li>(b) assess new strategic acquisitions and investment opportunities that may present;</li> <li>(c) implement a growth strategy and actively canvas other mineral exploration and resource opportunities which have the potential to generate growth and value for shareholders; and</li> <li>(d) provide working capital.</li> </ul>	
What are the key dependencies of Lycaon's business model?	<p>The key dependencies influencing the viability of the Company's business model are:</p> <ul style="list-style-type: none"> <li>(a) completion of the Offer and compliance with Chapters 1 and 2 of the ASX Listing Rules for the Company to be admitted to the Official List;</li> <li>(b) completion of settlement under the Acquisition Agreements;</li> <li>(c) maintaining title to the Tenements forming the Projects;</li> <li>(d) the Company's ability to continue to negotiate timely access at the Projects in order to undertake its proposed exploration programs;</li> <li>(e) the Company's ability to obtain and retain all necessary approvals required to undertake its proposed exploration programs;</li> <li>(f) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;</li> <li>(g) retaining and recruiting key personnel skilled in the mining and resources sector;</li> <li>(h) sufficient worldwide demand for the commodities the focus of the Projects;</li> <li>(i) the market price of the commodities the focus of the Projects remaining higher than the Company's costs of any future production (assuming successful exploration and development of the Projects by the Company); and</li> <li>(j) minimising environmental impacts and complying with environmental and health and safety requirements.</li> </ul>	Section 5.5

Item	Summary	Further information
<b>C. Key Advantages</b>		
What are the key advantages of an investment in Lycaon?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <ul style="list-style-type: none"> <li>(a) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement its exploration strategy;</li> <li>(b) the Company will hold a portfolio of quality assets located in three of Western Australia's premier geological provinces considered by the Board to be highly prospective for gold-silver and copper, gold and base metals and nickel, copper and PGEs;</li> <li>(c) a highly credible and experienced team to progress exploration and accelerate potential development of the Projects; and</li> <li>(d) the Directors are confident that the regions of Western Australia where the Projects are located, and the resources industry generally, will offer the Company significant potential to create value for Shareholders.</li> </ul>	Section 5
<b>D. Key Risks</b>		
Key risks	<p><b>Limited history</b></p> <p>Having been incorporated on 10 February 2021, the Company does not have any operating history, although it should be noted that the Directors have between them significant operational experience. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p> <p><b>Acquisition Agreements and transfer of Tenements</b></p> <p>As identified in the Solicitor's Report on Tenements, the Company is not the registered owner of any of the Tenements as at the date of this Prospectus. The Company's right to acquire the Projects is subject to the Acquisition Agreements. In order for the Company to be able to achieve its stated objectives the Company is reliant on the Vendors to complete settlement of the Acquisition Agreements and otherwise comply with their respective</p>	Section 7



Item	Summary	Further information
	<p>contractual obligations under the Acquisition Agreements, including certain post-settlement obligations in relation to completing registration of the Tenements in the name of Lycaon. There remains a risk that completion of settlement of the Acquisition Agreements may not occur or that registration of one or more of the Tenements forming the Rocky Dam Project and the Julimar Project in the name of the Company may not complete.</p> <p><b>Exploration and operations</b></p> <p>The mineral exploration licences comprising the Projects are at various stages of exploration, and prospective investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these exploration licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences forming the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences forming the Projects.</p> <p><b>Applications</b></p> <p>The Tenements are at various stages of application and grant. Specifically, seven of the Tenements forming the Rocky Dam Project are currently under application, including some with competing applications from third parties. There can be no assurance that the Tenements in application status that are currently pending will be granted. There also can be no assurance that if the Tenement is granted, it will be granted in its entirety.</p> <p><b>Renewal</b></p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work</p>	

Item	Summary	Further information
	<p>commitments or compulsory relinquishment of areas of the tenements.</p> <p><b>Access and third party interests</b></p> <p>A number of the Tenements respectively overlap certain third party interests that may limit the Company's ability to conduct prospecting, exploration and mining activities, including Crown land, flora and fauna reserves, pastoral leases, private/freehold land and encroachment by other tenements and tenement applications. Specifically, the two Tenements forming the Julimar Project overlap private/freehold land parcels by an aggregate of 98.96% and 96.78% respectively. Please refer to the Solicitor's Report on Tenements set out in Annexure B for further details.</p> <p><b>Future funding requirements and ability to access debt and equity markets</b></p> <p>The Company's capital requirements depend on numerous factors and the Company may require additional debt or equity financing in the future to maintain or grow its business in addition to funds raised under the Offer. There can be no assurance that the Company will be able to secure additional capital from debt or equity financing on favourable terms or at all. If the Company is unable to raise additional capital if and when required, this could delay, suspend or reduce the scope of the Company's business operations (including scaling back exploration programs) and could have a material adverse effect on the Company's operating and financial performance. Any additional equity financing may result in dilution for some or all Shareholders, and debt financing, if available, may involve restrictive covenants which limit operations and business strategy.</p>	
Other risks	<p>There are a number of risks associated with an investment in Lycaon that may affect its financial performance, financial position, growth prospects and share price. The above risks are a summary of some of the key risks, but not an exhaustive list of all of the risks associated with Lycaon or an investment in the Shares. Further details on the risks summarised in this Section and other key risks are included in Section 7. Investors are recommended to review all of those risks carefully before making an investment decision.</p>	Section 7

Item	Summary	Further information																																			
E. Board and Key Management																																					
Who are the Directors of Lycaon?	<p>The Board of Lycaon consists of:</p> <p>(a) Patrick Burke - Non-Executive Chairman;</p> <p>(b) Thomas Edward Langley - Technical (Executive) Director; and</p> <p>(c) Ranko Matic – Non-Executive Director.</p> <p>Information about the experience, background and independence of each Director is set out in Section 8.1.</p>	Section 8.1																																			
Who are the key management of Lycaon?	<p>Outside of the Directors, Lycaon's key management includes Melanie Jane Ross, Chief Financial Officer and Company Secretary.</p> <p>Information about the experience and background of Ms Ross is set out in Section 8.2.</p>	Section 8.2																																			
F. Significant Interests of Key People and Related Party Transactions																																					
What interests do the Directors have in the securities of Lycaon?	<p>The table below sets out the direct and indirect interests of the Directors in the securities of the Company both as at the date of this Prospectus and following completion of the Offer.</p> <table><tr><th></th><th colspan="3">Date of Prospectus</th><th colspan="3">Completion of Offer</th></tr><tr><th>Director</th><th>Shares</th><th>Options</th><th>% of Shares (undiluted)</th><th>Shares</th><th>Options</th><th>% of Shares (undiluted)</th></tr><tr><td>Patrick Burke</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>600,000</td><td>Nil</td></tr><tr><td>Thomas Langley</td><td>100,000</td><td>50,000</td><td>1.25%</td><td>100,000</td><td>650,000</td><td>0.29%</td></tr><tr><td>Ranko Matic</td><td>25,001</td><td>12,500</td><td>0.31%</td><td>525,001</td><td>612,500</td><td>1.52%</td></tr></table> <p>Please refer to Section 8.4 for notes relating to the above table.</p> <p>In addition, the Directors (and their spouses and associates) may apply for Shares under the Offer. If one or more of the Directors (or their spouses or associates) do apply for, and are allocated, Shares under the Offer, the figures in the above table will be affected.</p>		Date of Prospectus			Completion of Offer			Director	Shares	Options	% of Shares (undiluted)	Shares	Options	% of Shares (undiluted)	Patrick Burke	Nil	Nil	Nil	Nil	600,000	Nil	Thomas Langley	100,000	50,000	1.25%	100,000	650,000	0.29%	Ranko Matic	25,001	12,500	0.31%	525,001	612,500	1.52%	Section 8.4
	Date of Prospectus			Completion of Offer																																	
Director	Shares	Options	% of Shares (undiluted)	Shares	Options	% of Shares (undiluted)																															
Patrick Burke	Nil	Nil	Nil	Nil	600,000	Nil																															
Thomas Langley	100,000	50,000	1.25%	100,000	650,000	0.29%																															
Ranko Matic	25,001	12,500	0.31%	525,001	612,500	1.52%																															
What significant benefits are payable to the Directors in connection with the Company or the Offer?	<p>The Directors are entitled to the remuneration as disclosed in Section 8.4.</p> <p>In addition, as part of the remuneration package of each Director, the Company has agreed to grant 600,000 New Options to each Director.</p> <p>Ranko Matic, a Director of Lycaon, is the sole shareholder of Matmetals WA Pty Ltd, an entity which Lycaon proposes to acquire in connection with its listing on ASX pursuant to the Gnewing Bore Acquisition Agreement. Mr</p>	Sections 5.7, 8.4 and 9.1.1																																			

Item	Summary	Further information
	<p>Matic (or his nominee) is to be issued 500,000 Shares in consideration for the acquisition. Please refer to Section 9.1.1 for further details.</p> <p>The Gnewing Bore Acquisition Agreement was negotiated on arm's length terms and Mr Matic abstained from voting on Lycaon's entry into the agreement.</p>	
What significant interests do the Joint Lead Managers have in the securities of Lycaon?	As at the date of this Prospectus, Inyati Fund Pty Ltd, an entity associated with Inyati Capital Pty Ltd (a Joint Lead Manager), currently holds 2,500,000 Shares and 2,500,000 Options.	Sections 5.7 and 5.8
What significant benefits are payable to the Joint Lead Managers in connection with the Offer?	<p>Please refer to Section 9.2 for a summary of the fees payable to the Joint Lead Managers in consideration for lead manager services being provided in connection with the Offer and the terms of the JLM Mandate.</p> <p>The fees payable to the Joint Lead Managers were negotiated on an arm's length basis.</p>	Sections 4.7 and 9.2
Will any securities be subject to restrictions on disposal on completion of the Offer?	<p>As a condition of admitting the Company to the Official List, the ASX may classify certain Securities in the Company as restricted securities in accordance with the ASX Listing Rules, which will be subject to some form of restriction arrangement for up to 24 months.</p> <p>The number of Securities that are subject to ASX mandatory escrow is at ASX's discretion in accordance with the ASX Listing Rules and underlying policy.</p> <p>None of the Shares issued under the Offer will be subject to escrow.</p> <p>Details of any restriction arrangements will be disclosed to the market on the ASX's announcements platform prior to commencement of Official Quotation of the Shares.</p> <p>During the period in which escrow arrangements apply, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.</p>	Section 5.9
Are there any other related party transactions?	Other than as disclosed in this Prospectus, Lycaon is not party to any material related party arrangements.	Section 8.5

Item	Summary	Further information
<b>G. Financial Information and Dividend Policy</b>		
How has Lycaon been performing?	<p>As the Company was only recently incorporated on 10 February 2021, it has limited financial performance and has no operating history.</p> <p>As a mineral exploration and development company, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma statement of financial position which is included in the Investigating Accountant's Report set out in Annexure C.</p>	Section 6 and Annexure C
What is the financial outlook for Lycaon?	<p>Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Sections 5 and 6 and Annexure C
What is Lycaon's dividend policy?	<p>Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the Company's listing on the ASX. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's listing on the ASX.</p> <p>In determining whether to declare future dividends, the Directors will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.</p> <p>The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends.</p>	Section 5.10

Item	Summary	Further information
<b>H. Capital Structure</b>		
Who are the existing Shareholders of Lycaon?	The existing Shareholders of the Company include seed capitalists and certain Board members (and/or their associates). The current capital structure of the Company is detailed in Section 5.7.	Section 5.7
What will Lycaon's capital structure be on completion of the Offer and listing on ASX?	On completion of the Offer and the Company's listing on ASX, Lycaon will have 34.5 million Shares and 11.3 million Options on issue.	Section 5.7
<b>I. Overview of the Offer</b>		
Who is the issuer of this Prospectus?	Lycaon Resources Limited (ACN 647 829 749), an Australian unlisted public company.	Section 4.1
What is the Offer?	The Offer is an initial public offering of 25,000,000 Shares by the Company at an issue price of \$0.20 per Share to raise \$5,000,000 (before associated costs).	Section 4.1
Is there a minimum subscription to the Offer?	The minimum subscription to the Offer is \$5,000,000, being full subscription.	Section 4.3
Why is the Offer being conducted?	The Offer is being conducted primarily to: <ul style="list-style-type: none"> <li>(a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for admission to the Official List;</li> <li>(b) provide the Company with funding for: <ul style="list-style-type: none"> <li>(i) the proposed exploration programs at the Projects (as further detailed in Section 5);</li> <li>(ii) evaluating acquisition opportunities that may be presented to the Board from time to time; and</li> <li>(iii) the Company's working capital requirements while it is implementing its business strategies;</li> </ul> </li> <li>(c) provide the Company with access to capital markets to improve capital management flexibility;</li> </ul>	Section 4.2

Item	Summary	Further information
	<p>(d) provide the Company with the benefits of an increased profile that arises from being a listed entity;</p> <p>(e) broaden the Company's shareholder base and provide a liquid market for the Shares; and</p> <p>(f) pay transaction costs associated with the Offer.</p>	
What is the proposed use of funds raised under the Offer?	<p>The Company intends to apply funds raised under the Offer, together with existing cash reserves post-admission, as set out in Section 5.6 to advance the Company's main objectives upon listing on the ASX.</p> <p>The Board is satisfied that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.</p>	Section 5.6
What is the Offer Price?	The price payable under the Offer is \$0.20 per Share.	Section 4.1
What rights and liabilities attach to the Shares being offered?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 10.3.	Section 10.3
Is the Offer underwritten?	The Offer is not underwritten.	Section 4.5
Who are the Joint Lead Managers to the Offer?	<p>Canaccord Genuity (Australia) Limited and Inyati Capital Pty Ltd have been appointed as the Joint Lead Managers to the Offer.</p> <p>Please refer to Section 9.2 for a summary of the fees payable to the Joint Lead Managers in consideration for lead manager services being provided in connection with the Offer and the terms of the JLM Mandate.</p>	Sections 4.7 and 9.2
What is the allocation policy?	<p>The allocation of Shares under the Offer will be determined by the Company in consultation with the Joint Lead Managers, having regard to the allocation policy set out in Section 4.9.</p> <p>No assurance can be given that any applicant or bidder under the Offer will be allocated all or any Shares applied or bid for.</p>	Section 4.9
Are there any conditions to the Offer?	<p>The Offer is conditional upon the following conditions being satisfied:</p> <p>(a) the Minimum Subscription to the Offer being reached;</p> <p>(b) ASX granting conditional approval for the Company to be admitted to the Official List; and</p>	Section 4.6

Item	Summary	Further information
	<p>(c) the Acquisition Agreements (the terms of which are summarised at Section 9.1) becoming unconditional, (together, the <b>Conditions</b>).</p> <p>If the Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.</p>	
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.13
How can I apply for Shares?	<p>The process for applying for Shares in the Company is set out in Section 4.8.</p> <p>Applications for Shares under the Offer must be made by completing the Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out in Section 4.8 and the Application Form.</p>	Section 4.8
Will the Shares be quoted on ASX?	The Company will apply to ASX for admission to the Official List and quotation of Shares on ASX within 7 days from the date of this Prospectus under the code LYN.	Section 4.11
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.	Section 4.15
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 4.15



Item	Summary	Further information
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Section 2
What is the minimum application size under the Offer?	Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.20 per Share.	Section 4.8
Can the Offer be withdrawn?	Yes. Lycaon reserves the right not to proceed with the Offer at any time before the issue of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 4.16
Where can I find more information about this Prospectus or the Offer?	<p>(a) By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser;</p> <p>(b) By contacting the Company Secretary on +61 8 6188 8181; or</p> <p>(c) By contacting the Share Registry on +61 2 9698 5414 from within Australia or 1300 288 664 from outside Australia between the hours of 8:30am and 5:30pm (WST) on Perth business days.</p>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

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## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

This Prospectus provides an invitation to apply for fully paid ordinary shares in the capital of Lycaon.

The offer is for an initial public offering of 25,000,000 Shares by the Company at an issue price of \$0.20 per Share to raise \$5,000,000 (before associated costs) (the **Offer**).

All Shares offered under this Prospectus will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.3 for a summary of the material rights and liabilities attaching to the Shares.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

### **4.2 Purpose of the Offer**

The primary purposes of the Offer are to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for admission to the Official List;
- (b) provide the Company with funding for:
  - (i) the proposed exploration programs at the Projects (as further detailed in Section 5);
  - (ii) evaluating acquisition opportunities that may be presented to the Board from time to time; and
  - (iii) the Company's working capital requirements while it is implementing its business strategies;
- (c) provide the Company with access to capital markets to improve capital management flexibility;
- (d) provide the Company with the benefits of an increased profile that arises from being a listed entity;
- (e) broaden the Company's shareholder base and provide a liquid market for the Shares; and
- (f) pay transaction costs associated with the Offer.

The Company intends to apply the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.6.

### **4.3 Minimum subscription**

The minimum subscription to the Offer is \$5,000,000 (**Minimum Subscription**), being full subscription.

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, or such period as varied by the ASIC, no Shares will be

issued under the Offer and the Company will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

#### **4.4 Oversubscriptions**

No oversubscriptions above the Minimum Subscription will be accepted by the Company.

#### **4.5 Underwriting**

The Offer is not underwritten.

#### **4.6 Conditions of the Offer**

The Offer is conditional upon the following conditions being satisfied:

- (a) the Minimum Subscription to the Offer being reached;
- (b) ASX granting conditional approval for the Company to be admitted to the Official List; and
- (c) the Acquisition Agreements (the terms of which are summarised at Section 9.1) becoming unconditional,

(together, the **Conditions**).

If the Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

#### **4.7 Joint Lead Managers**

The Company has appointed Canaccord Genuity (Australia) Limited (AFS License No: 234666) and Inyati Capital Pty Ltd (Corporate Authorised Representative (Number: 1287573) of Australian Financial Services Licensee (Number: 485946)) (**Joint Lead Managers**) as joint lead managers to the Offer.

Please refer to Section 9.2 for a summary of the fees payable to the Joint Lead Managers in consideration for lead manager services being provided in connection with the Offer and the terms of the JLM Mandate.

The fees payable to the Joint Lead Managers were negotiated on an arm's length basis.

#### **4.8 Applications**

Applications for Shares under the Offer must be made by using the relevant Application Form as follows:

- (a) using an online Application Form at **<https://investor.automic.com.au/#/ipo/lycaonresources>** and paying the application monies electronically; or
- (b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of this Prospectus.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to **"Lycaon Resources Limited – IPO account"** and crossed **"Not Negotiable"**, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 28 October 2021.

If paying by BPAY® or EFT (Electronic Funds Transfer), please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY or EFT reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date. You do not need to return any documents if you have made payment by BPAY or EFT.

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

#### **4.9 Allocation policy under the Offer**

The allocation of Shares under the Offer will be determined by the Company in consultation with the Joint Lead Managers.

The Company, in consultation with the Joint Lead Managers, retains an absolute discretion regarding the basis of allocation of Shares under the Offer and reserves the right, in its absolute discretion, to allot to any applicant a lesser number of Shares than the number for which the applicant applies for or to reject any application. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors, in consultation with the Joint Lead Managers, will be influenced by the following factors:

- (a) the number of Shares applied for by particular applicants;
- (b) the timeliness of the bid by particular applicants;
- (c) the overall level of demand under the Offer;
- (d) the Company's desire for an informed and active trading market following its listing on ASX;
- (e) the Company's desire to establish a wide spread of investors, including institutional investors; and

- (f) any other factors that the Company and the Joint Lead Managers consider appropriate.

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

#### **4.10 Acknowledgments of Applicants**

Each applicant under the Offer will be deemed to have:

- (a) agreed to become a member of the Company and to be bound by the Constitution and the terms and conditions of the Offer;
- (b) acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- (c) declared that all details and statements in their Application Form are complete and accurate;
- (d) declared that the applicant(s), if a natural person, is/are over 18 years of age;
- (e) acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- (f) applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- (g) agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus) or no Shares at all;
- (h) authorised the Company, the Joint Lead Managers and their respective officers or agents, to do anything on behalf of the applicant(s) necessary for Shares to be allocated to the applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- (i) acknowledged that the Company does not intend to pay dividends in the near term (and may not pay dividends at all) and that any dividends paid in the future may not be franked as set out in Section 5.10;
- (j) acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the applicant(s);
- (k) declared that the applicant(s) is/are a resident of Australia;
- (l) acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and

- (m) acknowledged and agreed that if the admission of the Company to the Official List of ASX does not occur for any reason, the Offer will not proceed.

#### **4.11 ASX listing**

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not grant Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. Accordingly, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares under the Offer and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under this Prospectus.

#### **4.12 Issue**

Subject to the Conditions set out in Section 4.6 being satisfied, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors, in agreement with the Joint Lead Managers, will determine the recipients of the Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.9.

Holding statements for Shares allocated to the Company's sponsored subregister and confirmation of allocation for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being allocated Shares under the Offer as soon as practicable after their issue.

#### **4.13 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia, except to institutional investors or investors who can

participate in compliance with applicable securities laws. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

#### **4.14 Commissions payable**

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

The Joint Lead Managers will be responsible for paying all commissions that the Joint Lead Managers and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Joint Lead Managers pursuant to the JLM Mandate.

#### **4.15 Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all prospective applicants. As such, all prospective investors in the Company are urged to obtain independent taxation and financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

#### **4.16 Discretion regarding the Offer**

The Offer may be withdrawn at any time. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest) in accordance with applicable laws.

The Company and the Joint Lead Managers also reserve the right to close the Offer (or any part of it) early, extend the Offer (or any part of it), accept late applications or bids either generally or in particular cases, reject any application or bid, or allocate to any applicant or bidder fewer Shares than applied or bid for.

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## 5. COMPANY AND PROJECTS OVERVIEW

### 5.1 Background

The Company is an Australian unlisted public company incorporated on 10 February 2021 for the purpose of acquiring, exploring, evaluating and exploiting mineral resource projects to generate growth and value for shareholders.

Since incorporation, the Company has focused on:

- (a) pre-listing activities and raising seed capital;
- (b) entering into the Acquisition Agreements to acquire the Gnewing Bore Project, the Rocky Dam Project and the Julimar Project; and
- (c) defining the initial exploration programs for the Projects.

The Projects are located within three of Western Australia's premier geological provinces. The general location of the Projects is shown in Figure 1 and Section 5.2 below provides an overview of the Projects.



**Figure 1: The Project locations**

Please refer to Section 9.1 for a summary of the Acquisition Agreements and the Solicitor's Report on Tenements set out in Annexure B for further details in relation to the Tenements forming the Projects.

### 5.2 Overview of the Projects

#### 5.2.1 Gnewing Bore Project

The Gnewing Bore Project is centred approximately 28km to the northwest of the Halls Creek townsite, within the Kimberley Region of Western Australia. Halls Creek is situated 347km south of Kununurra and is readily accessible via the sealed Great



Northern Highway. The Project is accessible via stations tracks radiating from Moola Bulla pastoral station. The pastoral station is approximately 20 kilometres northwest of Halls Creek along the Mt Amhurst Road.

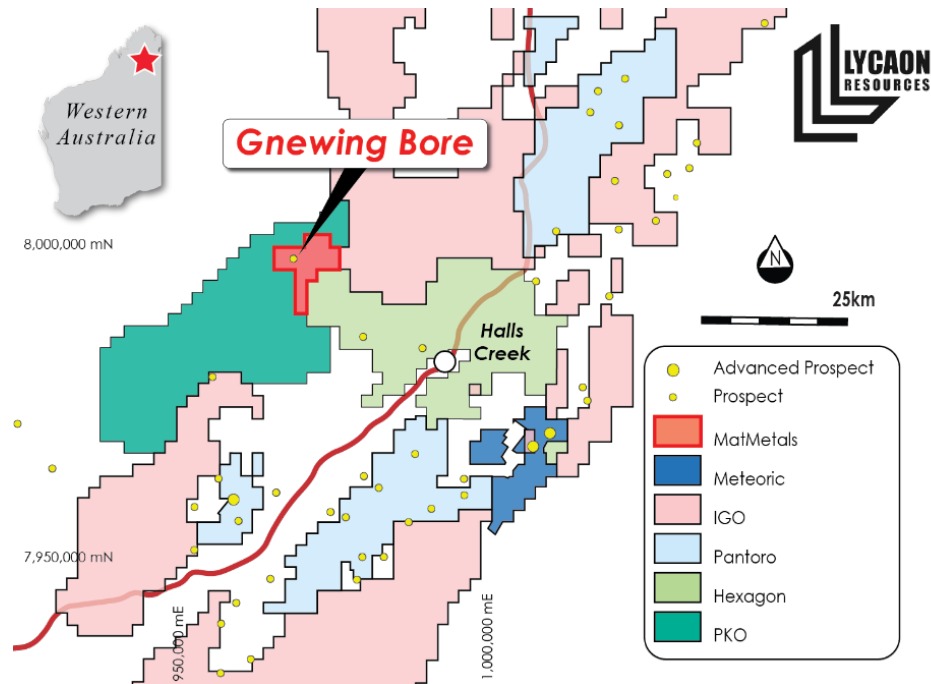


Figure 2: Location of the Gnewing Bore Project

The Paleoproterozoic Lamboo Province in the East Kimberley region is host to a wide range of mineral deposit styles including orogenic and possibly epithermal gold systems (Occhipinti et al., 2016). Current and recently operating mines include Argyle (diamonds), Ridges Iron Ore (iron), Savannah and Copernicus (nickel, copper, cobalt), Halls Creek, Nicolson's and Wagtail North (gold) and other mineral deposits include Speewah (vanadium-titanium).

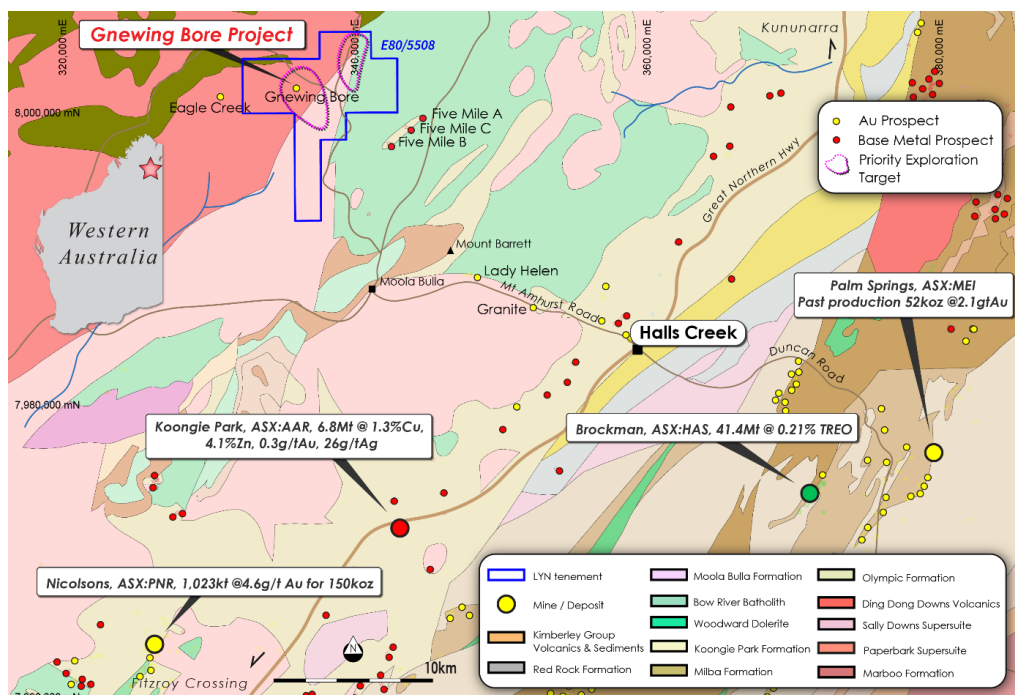


Figure 3: Regional geological setting of the Gnewing Bore Project and neighbouring mineral occurrences

The Gnewing Bore Au–Ag–Pb–As mineralisation is associated with several narrow, layer-subparallel quartz veins in migmatised pelitic metasedimentary rock of the Marboo Formation. The Gnewing Bore gossan is located in the central portion of

the Project. This is a northwest-trending, 50m long, gossanous outcrop consisting of brecciated quartz material and iron oxides after sulphides. Peak assays from the gossan include 5.1g/t Au, 105g/t Ag, 3804ppm As, 1223ppm Cu, 5650ppm Pb and 3125ppm Zn (Please refer to section 4.3 of the Independent Geologist's Report set out in Annexure A for further details). The gossan follows the sub-regional structural orientation with a trend of 330° magnetic and appears to be related to brittle fracturing and sericitisation of the gneissic or granitic basement. Northwest to north-northwest trending faults and narrow quartz veins are mapped immediately to the northwest.

Prospective investors should refer to section 4 of the Independent Geologist's Report set out in Annexure A for further details of the Gnewing Bore Project, including location and access, geology and mineralisation and exploration history.

## 5.2.2 Rocky Dam Project

The Rocky Dam Project is centred approximately 60km northeast of the regional centre of Kalgoorlie in the Goldfields Region of Western Australia. Access from Kalgoorlie is initially via the sealed Yarri Road to Kanowna or to Gindalbie for the most northern tenement. From Kanowna, various unsealed roads provide access to the majority of the Project, including the Kurnalpi-Pinjin Road, the Carmelia Road and the Bulong Road. The Rocky Dam Project lies on the Hampton Hill, Avoca Downs and Gindalbie pastoral stations.

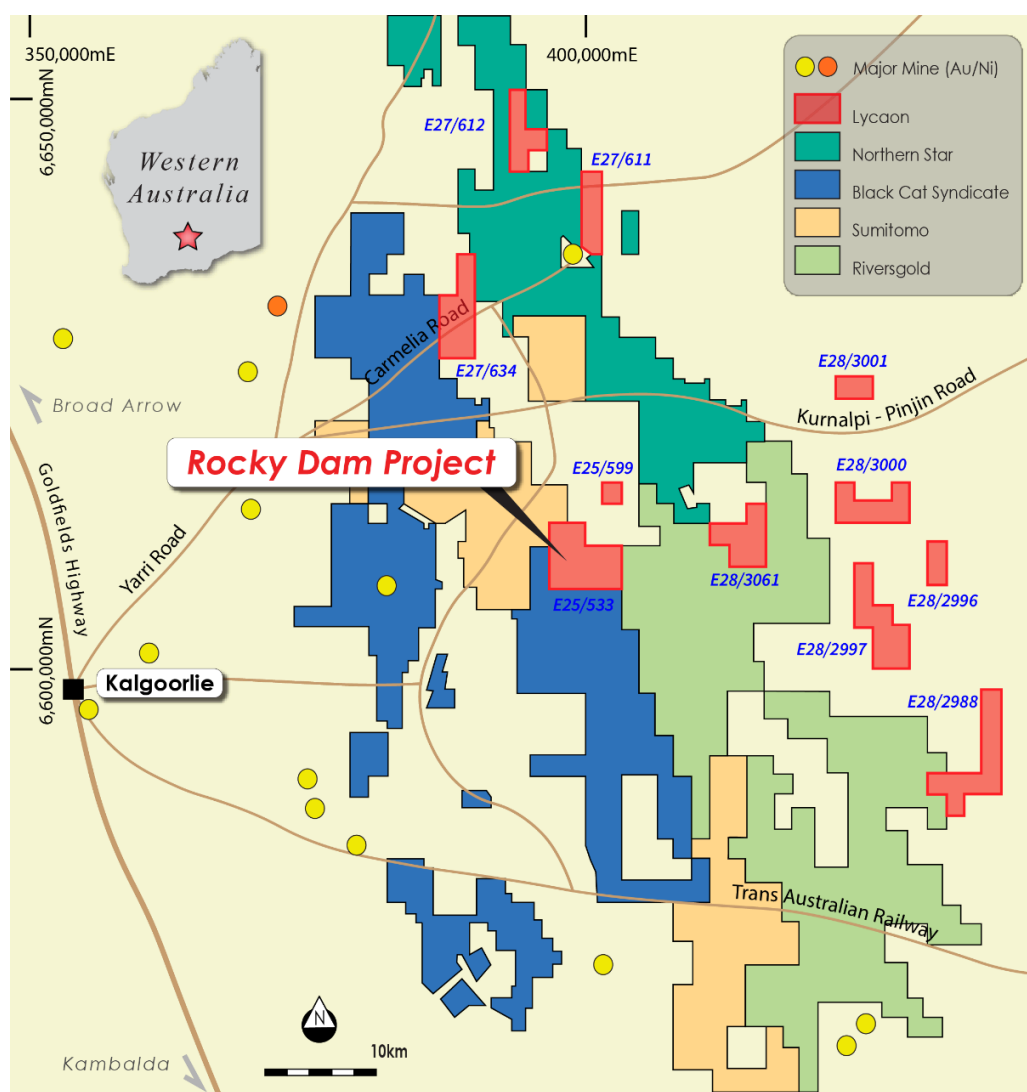
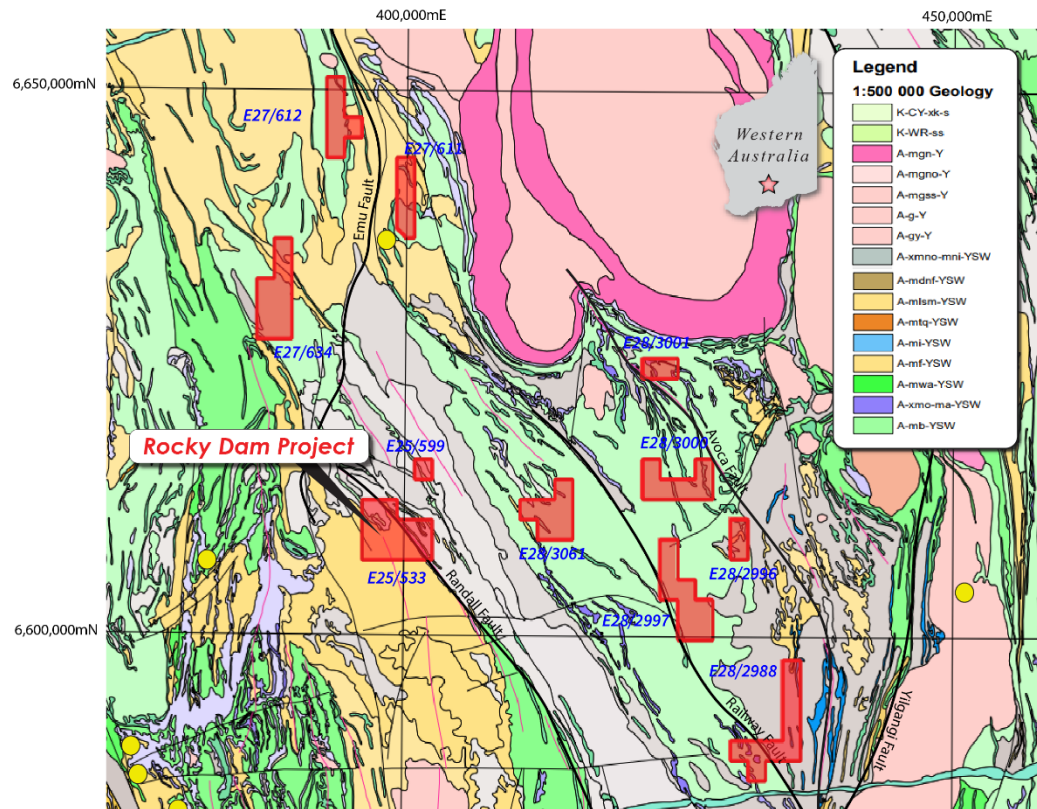


Figure 4: Rocky Dam Project tenure and location

The Rocky Dam Project lies within a favourable setting for orogenic gold and base metal-rich Volcanic Massive Sulphide-style (VMS) styles of mineralisation with multiple other prospects identified throughout the tenure. The large-scale supergene gold mineralisation recorded in historical drilling demonstrates a fertile project area, which presents a great opportunity to potentially discover primary bedrock mineralisation that may be the source of the supergene enrichment.



**Figure 5: Regional geological setting of the Rocky Dam Project and neighbouring mineral occurrences**

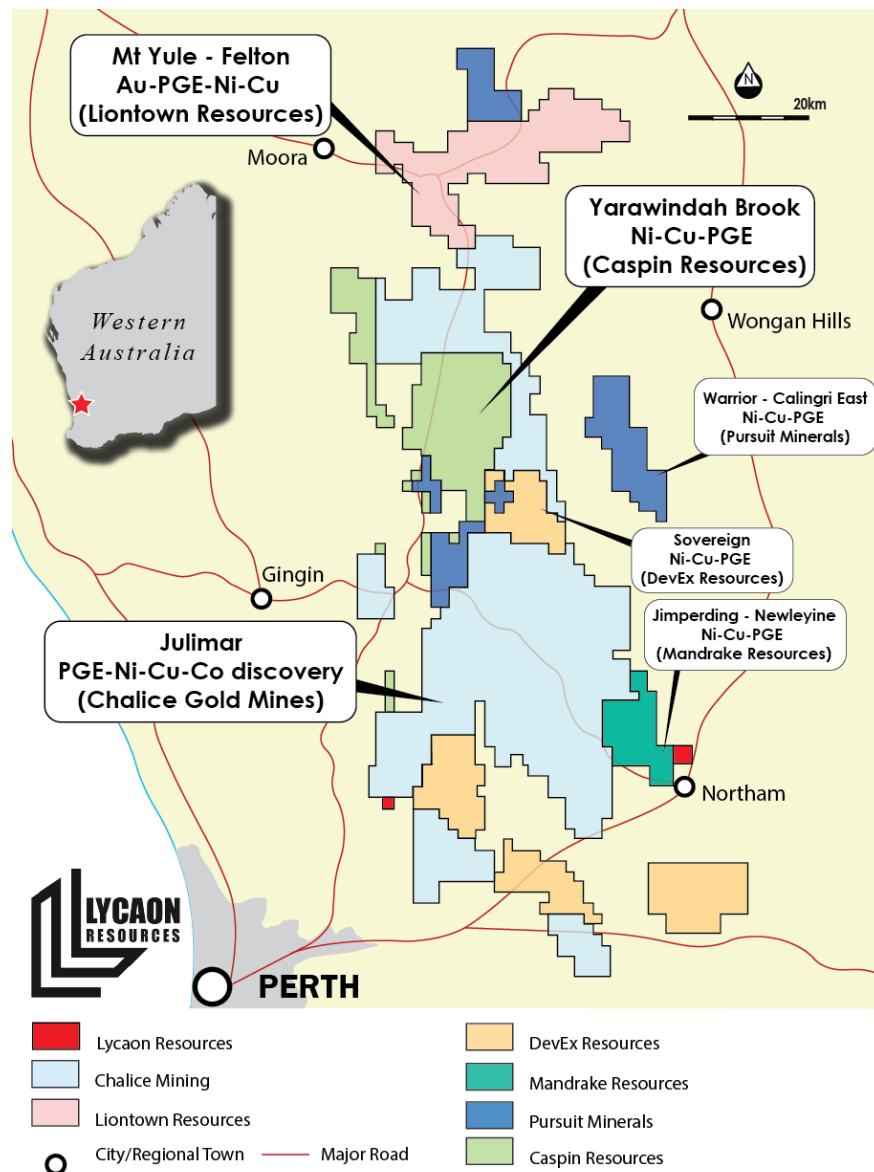
Exploration work to date at the Rocky Dam Project has identified gold mineralisation at the CRA-North prospect located on granted tenement E25/533 (Please refer to section 5 of the Independent Geologist's Report set out in Annexure A for further details). The prospect was first discovered in the 1990s as a 700m long gold anomaly along a sheared contact of felsic volcanics and black shales. Historical drilling has returned encouraging results delineating thick shallow zones of supergene gold mineralisation. The oxide mineralisation is associated with ferruginous quartz veining and sericite alteration. Further drilling is warranted to test this mineral system at depth below the extents of historical drilling, and investigate the potential for sub-parallel quartz bearing mineralisation. The footprint of historical drilling is limited to the immediate vicinity of the CRA-North prospect, with potential to step out drilling along strike to identify new areas of mineralisation.

Prospective investors should refer to section 5 of the Independent Geologist's Report set out in Annexure A for further details of the Rocky Dam Project, including location and access, geology and mineralisation and exploration history.

### 5.2.3 Julimar Project

The Julimar Project tenements are located 40km northeast and 85km east-northeast of Perth, in the Avon Valley of Western Australia. The Julimar Project lies within the western part of the Archaean Yilgarn Craton, a large craton formed by the accretion, in several phases, of a host of techno-stratigraphic terranes of

existing continental crust. The Julimar Project is predominately located within the Jimperding Metamorphic Belt host to the recent world class discovery by Chalice Mining Limited (ASX:CHN). The Jimperding Metamorphic Belt is up to 70 km wide, trends in a north-northwest direction and is bounded by the Darling Fault to the west and younger Archaean rocks to the east.



**Figure 6: Julimar Project tenure and location**

The Julimar Project has not historically been explored for nickel-copper and platinum group elements, with previous work focusing on the evaluation of the region for surface bauxite deposits.

Several mafic to ultramafic bodies have been mapped within the vicinity of E70/5416, identified from outcrop, drilling and aeromagnetic interpretation. These bodies have all been variously interpreted as remnants of large, layered intrusions of probably tholeiitic affinity, or structure-controlled emplacement of sills with tholeiitic as well as komatiitic affinities. The bodies are preserved as disconnected remnants often spatially associated with metasediments such as quartzites and banded iron formation.

Prospective investors should refer to section 6 of the Independent Geologist's Report set out in Annexure A for further details of the Julimar Project, including location and access, geology and mineralisation and exploration history.

### **5.3 Business model and strategy post listing on ASX**

The Company's proposed business model following completion of the Offer will be to focus on exploration and development of mineral resource opportunities.

The Company's main objectives upon listing on the ASX will be to:

- (a) systematically explore and seek to develop each of the Projects;
- (b) assess new strategic acquisitions and investment opportunities that may present;
- (c) implement a growth strategy and actively canvas other mineral exploration and resource opportunities which have the potential to generate growth and value for shareholders; and
- (d) provide working capital.

In order to progress exploration and development of the Projects, the Company proposes to undertake the exploration programs detailed at Section 5.4.

These exploration programs are designed to test the economic viability of the Projects and the results will determine the commercial viability of the Projects and potential timing for the commencement of further exploration programs, if warranted.

In order to manage these exploration programs, and subject to the results of each stage of work, the Company expects to supplement its existing personnel with additional technical expertise as and when needed with a mixture of both permanent and contractor positions.

In addition to progressing the Projects, the Company intends to assess new strategic acquisitions and investment opportunities that may present and will actively canvas other mineral exploration and resource opportunities which have the potential to generate growth and value for shareholders. The Board will consider and evaluate the merits of any acquisition and investment opportunities that arise depending on current market sentiments and the Company's current finances and appetite for additional assets. The Company has not identified any acquisition or investment opportunities for evaluation as at the date of this Prospectus.

The funds raised from the Offer, together with existing cash reserves post-admission, will allow the Company to progress its business model.

### **5.4 Proposed Exploration Programs and Development Plan**

#### **5.4.1 Overview**

Lycaon intends to undertake a systematic, staged approach with respect to its exploration programs on the Projects over the first two years following its listing on the ASX, with prudent monitoring, assessing and refocusing of the exploration programs as necessary.

The initial exploration programs currently proposed to be undertaken by the Company on the Projects account for total expenditure of approximately \$2.82 million budgeted for the first two years.

Lycaon proposes to primarily allocate funding on expenditure on geochemical surveys, drilling and geophysical surveys.

The proposed exploration budget for each of the Projects (on granted tenure) is outlined below:

Full Subscription (\$5M)			
	Year 1 (A\$)	Year 2 (A\$)	TOTAL (A\$)
<b>GNEWING BORE PROJECT</b>			
Geophysics	150,000	-	150,000
Geochemistry	60,000	-	60,000
Drilling	300,000	450,000	750,000
Field support	75,000	85,000	160,000
Land access / Environment	55,000	35,000	90,000
<b>Project Total</b>	<b>640,000</b>	<b>570,000</b>	<b>1,210,000</b>
<b>ROCKY DAM PROJECT</b>			
Geophysics	-	135,000	135,000
Geochemistry	60,000	60,000	120,000
Drilling	290,000	360,000	650,000
Field support	55,000	60,000	115,000
Land access / Environment	25,000	25,000	50,000
<b>Project Total</b>	<b>430,000</b>	<b>640,000</b>	<b>1,070,000</b>
<b>JULIMAR PROJECT</b>			
Geophysics	175,000	-	175,000
Geochemistry	45,000	20,000	65,000
Drilling	90,000	110,000	200,000
Field support	25,000	45,000	70,000
Land access / Environment	15,000	15,000	30,000
<b>Project Total</b>	<b>350,000</b>	<b>190,000</b>	<b>540,000</b>
<b>TOTAL</b>	<b>1,420,000</b>	<b>1,400,000</b>	<b>2,820,000</b>

The exploration budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration activities as they progress.

Prospective investors should note the above tables are statements of the Company's intentions as of the date of this Prospectus and assumes completion of the Offer. As with any budget, intervening events including, but not limited to, exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

Specifically, as noted at Section 7, as the Company defines exploration targets on the Tenements forming the Julimar Project and prior to commencing ground disturbing activities, the Company will conduct its own investigations to confirm whether it is necessary to obtain consent and/or agreement in relation to access

and compensation from the owners of the private land overlapped by these Tenements. In the event that the Company encounters any delays in obtaining any necessary consents and/or agreements from the relevant owners of the private land the Company may determine to instead reallocate funding proposed to be expended on the Julimar Project to further accelerate exploration and development efforts on the Gnewing Bore Project and the Rocky Dam Project, depending on the results obtained. As at the date of this Prospectus, the Company is unaware of any reasons which may result in the Company encountering delays or other issues in relation to obtaining consents and/or agreements from the relevant owners of the private land in the ordinary course of business if and when required.

The aim of the proposed two-year exploration programs for each Project is set out below.

Prospective investors should refer to the Independent Geologist's Report set out in Annexure A for further details of the Company's planned activities on the Projects.

#### **5.4.2 Gnewing Bore Project**

The aim of the proposed two-year exploration program at the Gnewing Bore Project is to:

- (a) determine the extent of the width, depth, grade and continuity of the outcropping gold, silver and copper mineralisation through RC drilling;
- (b) identify strike extensions undercover from the mineralised outcrop through RC drilling;
- (c) complete geophysical surveys such as a Gradient Array Induced Polarisation (GAIP) to better define further drill targets at the prospect, target scale and potentially identify other mineralised bodies offset or parallel to the known outcropping mineralisation;
- (d) undertake follow up diamond drilling to gain a better understanding of the stratigraphic and structural setting to assist with further drilling programs;
- (e) perform metallurgical testwork on a sufficient number of samples from diamond drilling, to better understand the metallurgical characteristics of the mineralisation;
- (f) provide sufficient drilling to determine an inferred mineral resource;
- (g) conduct regional exploration programs consisting of airborne surveys and geochemical sampling programs; and
- (h) conduct focussed air core drilling programs at the regional targets identified from the regional geochemistry sampling and interpretation of geophysical surveys.

#### **5.4.3 Rocky Dam Project**

The aim of the proposed two-year exploration program at the Rocky Dam Project is to:

- (a) investigate the mineral system at depth and along strike of the oxide mineralisation associated with ferruginous quartz veining and sericite alteration outside of the extent of the historical drilling;
- (b) obtain and interpret detailed aeromagnetic data to better define further drill targets;
- (c) undertake geochemistry sampling across the majority of the granted tenement areas to better define drill targets;
- (d) conduct broad spaced air core drill programs to understand geology and geochemical vectors to mineralisation across the regional tenement package;
- (e) follow up deeper RC drilling at target areas following definition by air core drilling and initial testing of geophysical targets; and
- (f) geochemistry sampling and follow up air core drilling on the remainder of the granted tenement areas.

#### **5.4.4 Julimar Project**

The aim of the proposed two-year exploration program at the Julimar Project is to:

- (a) review publicly available geophysical datasets and previously collected geochemical samples taken within the general vicinity of the Project to determine areas to focus field investigations;
- (b) negotiate land access and compensation agreements with the registered landholders prior to conducting on-ground activities if and when required;
- (c) undertake extensive regolith mapping and a soil geochemistry program over the entire Project area to assess the precious and base metal mineralisation prospectivity;
- (d) geophysical surveys to define targets for drill testing, utilising EM and magnetic surveys to identify sulphide mineralisation associated with Ni-Cu-PGE mineral systems;
- (e) conduct focussed air core drilling programs at the regional targets identified from the regional geochemistry sampling and interpretation of geophysical surveys; and
- (f) follow up deeper RC drilling at priority targets following definition by air core drilling and geophysical surveys.

#### **5.5 Key dependencies of the Company's business model**

The key dependencies influencing the viability of the Company's business model are:

- (a) completion of the Offer and compliance with Chapters 1 and 2 of the ASX Listing Rules for the Company to be admitted to the Official List;
- (b) completion of settlement under the Acquisition Agreements;
- (c) maintaining title to the Tenements forming the Projects;



- (d) the Company's ability to continue to negotiate timely access at the Projects in order to undertake its proposed exploration programs;
- (e) the Company's ability to obtain and retain all necessary approvals required to undertake its proposed exploration programs;
- (f) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;
- (g) retaining and recruiting key personnel skilled in the mining and resources sector;
- (h) sufficient worldwide demand for the commodities the focus of the Projects;
- (i) the market price of the commodities the focus of the Projects remaining higher than the Company's costs of any future production (assuming successful exploration and development of the Projects by the Company); and
- (j) minimising environmental impacts and complying with environmental and health and safety requirements.

## 5.6 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List of ASX as follows:

	Funding Allocation (\$)	Percentage of Funds (%)
<b>Source of funds</b>		
Existing cash reserves <sup>1</sup>	340,872	6.38%
Funds raised from the Offer	5,000,000	93.62%
<b>Total</b>	<b>\$5,340,872</b>	<b>100.00%</b>
<b>Allocation of funds</b>		
Exploration at the Gnewing Bore Project <sup>2</sup>	\$1,210,000	22.66%
Exploration at the Rocky Dam Project <sup>2</sup>	\$1,070,000	20.03%
Exploration at the Julimar Project <sup>2</sup>	\$540,000	10.11%
Expenses of the Offer <sup>3</sup>	\$500,000	9.36%
Corporate and administration costs <sup>4</sup>	\$500,000	9.36%
Working capital <sup>5</sup>	\$1,520,872	28.48%
<b>Total</b>	<b>\$5,340,872</b>	<b>100.00%</b>

### Notes:

1. Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 30 June 2021, the Company has expended approximately \$116,566 in progressing the acquisition of the Projects and preparing this Prospectus.

2. Refer to Section 5.4 and the Independent Geologist's Report set out in Annexure A for further details in relation to the Company's proposed exploration programs at the Projects.
3. Refer to Section 10.9 for further details.
4. Corporate and administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs. As set out at Section 8.4, the Directors have agreed to accrue all directors' fees from the date of Lycaon's incorporation until the date Lycaon lists on ASX, at which time all accrued directors' fees will be paid. The payment of accrued directors' fees has been taken into account under the allocation of funding to corporate and administration.
5. To the extent that:
  - (a) the Company's exploration activities warrant further exploration activities; or
  - (b) the Company identifies additional acquisition or investment opportunities,

the Company's working capital will also be utilised to fund such further exploration activities and/or acquisition or investment costs (including due diligence investigations and expert's fees in relation to such acquisitions or investments), as applicable. Any amounts not so expended will be applied toward corporate and administration costs for the period subsequent to the initial two-year period following admission of the Company to the Official List of ASX. The Company notes that seven of the Tenements forming the Rocky Dam Project are currently in application status. Accordingly, where these tenement applications are granted and the Company has the right to conduct exploration on the areas of these Tenements, the Company may also utilise working capital to meet the costs of undertaking exploration on those newly available areas.

The above table is a statement of current intentions as of the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including the outcome of exploration and development activities (including, exploration success or failure), regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

It is anticipated that the funds raised under the Offer will enable 2 years of full operations. It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Projects. The Board will consider the use of additional debt or equity funding where it is appropriate to accelerate growth, fund additional exploration on the Projects or to capitalise on acquisition or investment opportunities in the resources sector.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in the Company is speculative and prospective investors are encouraged to read the risk factors outlined in Section 7.

## 5.7 Capital structure

The capital structure of the Company as at the date of this Prospectus and following completion of the Offer (on the basis that the Minimum Subscription to the Offer is reached) is set out in the table below:

Class of Security	Number as at date of Prospectus	Number on completion of the Offer
Shares <sup>1,2</sup>	8,000,001	34,500,001
Options <sup>3,4</sup>	6,500,000	11,300,000

**Notes:**

- The Shares currently on issue comprise:
  - 1 Share issued on incorporation of Lycaon at an issue price of \$0.01;
  - 5,000,000 Shares issued in February 2021 at an issue price of \$0.02 per Share pursuant to a seed capital raising round (**Series A Funding Round**); and
  - 3,000,000 Shares issued in March 2021 at an issue price of \$0.10 per Share pursuant to a seed capital raising round (**Series B Funding Round**).

Participants in the Series A Funding Round included seed capitalists (including Inyati Fund Pty Ltd, an associate of Inyati Capital Pty Ltd, for 2,500,000 Shares) and participants in the Series B Funding Round included seed capitalists and certain members of the Board (and/or their associates) (including, Thomas Langley's partner for 100,000 Shares, Consilium Corporate Advisory Pty Ltd (a company related to Ranko Matic and Melanie Ross) for 25,000 Shares and the Julimar Vendors for 125,000 Shares each). These funding rounds were undertaken to fund transaction costs relevant to the acquisitions of the Projects, costs associated with the Offer and the ASX listing and initial working capital requirements of Lycaon. These Shares were issued at a discount to the Offer Price to reflect the increased risk associated with an investment in the Company at the time these funding rounds were respectively undertaken.
- The total number of Shares on issue following completion of the Offer will be the sum of 8,000,001 Shares currently on issue, 25,000,000 Shares to be issued under the Offer and 1,500,000 Shares to be issued to the Vendors pursuant to the Acquisition Agreements. Please refer to Section 9.1 for further details of the Acquisition Agreements entered into respectively between Lycaon and the Vendors.
- The Options currently on issue comprise:
  - 5,000,000 Options issued to participants in the Series A Funding Round on the basis of one (1) free attaching Option for every one (1) Share subscribed for; and
  - 1,500,000 Options issued to participants in the Series B Funding Round on the basis of one (1) free attaching Option for every two (2) Shares subscribed for.
- The total number of Options on issue following completion of the Offer will be the sum of 6,500,000 Options currently on issue, 1,800,000 New Options to be issued to the Directors (or their respective nominees) as part of their respective remuneration packages and 3,000,000 New Options to be issued to Inyati Capital Pty Ltd (and/or its nominees), a Joint Lead Manager, pursuant to the JLM Mandate. Please refer to Section 9.2 for further details of the JLM Mandate.

The material rights and liabilities attaching to the Shares are summarised in Section 10.3.

The Options currently on issue and the New Options will be in the same class. The terms and conditions of the existing Options and the New Options are summarised in Section 10.4.

## 5.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue on completion of the Offer (on the basis that the Minimum Subscription to the Offer is reached and assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer) are set out in the table below:

Shareholder	Shares	Options	% of Shares (undiluted)	% of Shares (fully diluted)
Inyati Fund Pty Ltd <sup>1</sup>	2,500,000	5,500,000	7.25%	17.47%

**Notes:**

1. This entity is an associate of Inyati Capital Pty Ltd. The holding of Inyati Fund Pty Ltd at completion of the Offer as shown in the above table accounts for 2,500,000 Shares and 2,500,000 Options currently held and assumes that 3,000,000 New Options are issued to Inyati Capital Pty Ltd (and/or its nominees) pursuant to the JLM Mandate.

The above table does not account for any Shares that may be acquired under the Offer.

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

## 5.9 Restricted Securities

As a condition of admitting the Company to the Official List, the ASX may classify certain Securities in the Company as restricted securities in accordance with the ASX Listing Rules, which will be subject to some form of restriction arrangement for up to 24 months. Any such classification will restrict the transfer of effective ownership or control of any restricted securities without the written consent of the ASX and for such period as the ASX may determine.

The number of Securities that are subject to ASX mandatory escrow is at ASX's discretion in accordance with the ASX Listing Rules and underlying policy.

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

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to commencement of Official Quotation of the Shares.

During the period in which escrow arrangements apply, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

The Company confirms its 'free float' (the percentage of the Shares that are not restricted securities and are held by non-affiliated Shareholders) at the time of admission to the Official List of ASX will not be less than 20%, in compliance with ASX Listing Rule 1.1 Condition 7.

## 5.10 Dividend policy

Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the Company's listing on the ASX. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's listing on the ASX.

In determining whether to declare future dividends, the Directors will consider the level of earnings of the Company, the operating results and overall financial

condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.

The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends.

#### **5.11 Additional Information**

Prospective investors are referred to and encouraged to read in their entirety both:

- (a) the Independent Geologist's Report set out in Annexure A for further details on the geology, location and mineral potential of the Company's Projects; and
- (b) the Solicitor's Report on Tenements set out in Annexure B for further details on the Company's interests in the Tenements.

## 6. FINANCIAL INFORMATION

### 6.1 Statement of Profit and Loss and other Comprehensive Income

Statement Of Profit and Loss and Other Comprehensive Income For The Period Ended 30 June 2021	Audited
	\$
Revenue	5
Accounting fees and audit fees	-5,000
Consulting fees	-12,000
Directors' remuneration	-41,786
Legal and other professional fees	-99,476
Regulatory fees	-5,273
Other expense	-97
<b>Profit/(loss) before tax</b>	<b>-163,627</b>
Income tax benefit/(expense)	0
<b>Net profit/(loss)for the year from operations</b>	<b>-163,627</b>
<b>Other comprehensive income</b>	<b>0</b>
<b>Total comprehensive profit/(loss)for the year</b>	<b>-163,627</b>

### 6.2 Statement of Cash Flows

Statement of Cashflows For The Period Ended 30 June 2021	Audited
	\$
<b>Cash flows from operating activities</b>	
Payments to suppliers and employees	-59,133
Proceeds from receipt of interest	5
Net cash (used in) operating activities	-59,128
<b>Cash flows from investing activities</b>	
Net cash from / (used in) investing activities	0
	0
<b>Cash flows from financing activities</b>	
Proceeds from equity issues	400,000
Net cash provided from financing activities	400,000
Net increase in cash held	340,872
Cash and cash equivalents at beginning of the year	0
Cash and cash equivalents at year end	<b>340,872</b>

## 6.3 Statement of Financial Position

Statement of Financial Position as at 30 June 2021		Audited	Audited	Total	Pro-Forma	Reviewed
	Notes	Lycaon	Matmetals	Consolidated	Transactions	Pro Forma
		30-Jun-21	30-Jun-21	30-Jun-21		30-Jun-21
		\$	\$	\$	\$	\$
<b>Current Assets</b>						
Cash & Cash Equivalents	6	340,872	0	340,872	4,500,000	4,840,872
GST Receivable		9,735	492	10,227		10,227
<b>Total Current Assets</b>		<b>350,607</b>	<b>492</b>	<b>351,099</b>	<b>4,500,000</b>	<b>4,851,099</b>
<b>Non-Current Assets</b>						
Exploration & Development Expenditure	7	0	0	0	310,632	310,632
<b>Total Non-Current Assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>310,632</b>	<b>310,632</b>
<b>Total Assets</b>		<b>350,607</b>	<b>492</b>	<b>351,099</b>	<b>4,810,632</b>	<b>5,161,731</b>
<b>Current Liabilities</b>						
Trade & Other Payables		48,234	9,668	57,902		57,902
Accruals		66,000	1,000	67,000		67,000
Director Loan		0	456	456	-456	0
<b>Total Current Liabilities</b>		<b>114,234</b>	<b>11,124</b>	<b>125,358</b>	<b>-456</b>	<b>124,902</b>
<b>Total Liabilities</b>		<b>114,234</b>	<b>11,124</b>	<b>125,358</b>	<b>-456</b>	<b>124,902</b>
<b>Net Assets</b>		<b>236,373</b>	<b>-10,632</b>	<b>225,741</b>	<b>4,811,088</b>	<b>5,036,829</b>
<b>Equity</b>						
Issued Capital	8	400,000	100	400,100	4,656,500	5,056,600
Reserves	9	0	0	0	229,440	229,440
Accumulated Losses	10	-	-10,732	-174,359	-74,852	-249,211
<b>Total Equity</b>		<b>236,373</b>	<b>-10,632</b>	<b>225,741</b>	<b>4,811,088</b>	<b>5,036,829</b>

## 6.4 Notes

### Note 1. Significant accounting policies

#### Basis of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by Lycaon Resources Limited as detailed below. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out above as if those adjustments had occurred as at 30 June 2021.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided

in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

#### *Historical cost convention*

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

#### *Critical accounting estimates*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. In the opinion of the Directors, there are no judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **Revenue recognition**

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

### **Interest**

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

### **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

### **Income tax**

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities



(assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted

from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short periods to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### **Trade and other receivables**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowances for expected credit losses. Trade and other receivables are generally due for settlement within 120 days.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

### **Trade and other payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated entity during the reporting period which remain unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 – 60 days of recognition.

### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Goods and Services Tax ('GST')**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## **Note 2: Pro-forma Transactions**

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of the Company as at 30 June 2021 to reflect the financial effects of the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Offer:

- (a) the issue of 25,000,000 Shares at \$0.20 per Share to raise \$5,000,000 before costs;
- (b) capital raising costs in relation to the Offer of \$500,000;
- (c) the issue of 500,000 Shares at \$0.20 per Share to acquire Matmetals Pty Ltd and consolidation entries;
- (d) the issue of 500,000 Shares at \$0.20 per Share to acquire Julimar Project;
- (e) the issue of 500,000 Shares at \$0.20 per Share to acquire Rocky Dam Project;
- (f) the issue of 1,800,000 options (with an exercise price of \$0.30 and an expiry date of 23 February 2025) to the Directors; and
- (g) the issue of 3,000,000 options (with an exercise price of \$0.30 and an expiry date of 23 February 2025) to the Joint Lead Managers as consideration for capital raising services provided in connection with the Offer.

## **Note 3: Related Party Transactions**

Refer to section 8 and 9 for the related party transactions including Board and management interests.

## **Note 4: Commitments and Contingent Liabilities**

At the date of the report, no other material commitments or contingent liabilities exist, that the Company is aware of, other than disclosed in this Prospectus.

#### **Note 5: Subsequent Events**

Subsequent to 30 June 2021, there are no matters or circumstances that have occurred, that the Company is aware of, other than disclosed in the pro forma adjustments.

<b>Note 6: Cash &amp; Cash Equivalents</b>	<b>\$</b>
Balance as at 30 June 2021	340,872
IPO share issue: 25,000,000 @ \$0.20	5,000,000
Offer costs	-500,000
<b>Pro forma balance</b>	<b>4,840,872</b>

<b>Note 7: Exploration &amp; Development Expenditure</b>	<b>\$</b>
Balance as at 30 June 2021	0
Acquisition of Matmetals - consolidation entry	110,632
Project acquisition: 1,000,000 shares @ \$0.20	200,000
<b>Pro forma balance</b>	<b>310,632</b>

<b>Note 8: Issued Capital</b>	<b>\$</b>
Balance as at 30 June 2021	400,100
IPO share issue: 25,000,000 @ \$0.20	5,000,000
Offer costs	-500,000
Acquisition of Matmetals: 500,000 shares @ \$0.20	100,000
Acquisition of Matmetals - consolidation entry	-100
Project acquisition: 1,000,000 shares @ \$0.20	200,000
Broker options: 3,000,000 @ \$0.0478	-143,400
<b>Pro forma balance</b>	<b>5,056,600</b>

<b>Note 9: Reserves</b>	<b>\$</b>
Balance as at 30 June 2021	0
Director options: 1,800,000 @ 0.0478	86,040
Broker options: 3,000,000 @ \$0.0478	143,400
<b>Pro forma balance</b>	<b>229,440</b>

<b>Note 10: Accumulated Losses</b>	<b>\$</b>
Balance as at 30 June 2021	-174,359
Debt forgiveness	456
Acquisition of Matmetals - consolidation entry	10,732
Director options: 1,800,000 @ 0.0478	-86,040
<b>Pro forma balance</b>	<b>-249,211</b>

#### **Note 11: Director & Broker Options**

Underlying value of the security	\$	0.20
Exercise price	\$	0.30
Valuation date		31-Aug-21
Expiry date		23 February 2025
Life of Options in years		3.5
Volatility		50.00%
Risk free rate		0.15%
Number of Options		4,800,000
Valuation per Option	\$	0.0478

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## 7. RISK FACTORS

### 7.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company and its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

### 7.2 Company specific risks

Risk Category	Risk
Limited history	<p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.</p> <p>Having been incorporated on 10 February 2021, the Company does not have any operating history, although it should be noted that the Directors have between them significant operational experience.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p>

Risk Category	Risk
<b>Acquisition Agreements transfer Tenements and of</b>	<p>As identified in the Solicitor's Report on Tenements, the Company is not the registered owner of any of the Tenements as at the date of this Prospectus. The Company's right to acquire the Projects is subject to the Acquisition Agreements.</p> <p>In order for the Company to be able to achieve its stated objectives the Company is reliant on the Vendors to complete settlement of the Acquisition Agreements and otherwise comply with their respective contractual obligations under the Acquisition Agreements, including certain post-settlement obligations in relation to completing registration of the Tenements in the name of Lycaon. Specifically, the Rocky Dam Acquisition Agreement also includes certain post-settlement obligations in relation to procuring grant of the Tenements which are currently in application status.</p> <p>If any party defaults in the performance of their respective obligations under the Acquisition Agreements, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>The Board has no reason to believe that any of the Vendors would fail to comply with their respective obligations under the Acquisition Agreements, including to complete settlement under these agreements.</p> <p>In addition, the Board has no reason to believe that the transfers of the Tenements forming the Rocky Dam Project and the Julimar Project in the name of the Company will not be completed in the ordinary course of business subject to and in accordance with the <i>Mining Act 1978</i> (WA).</p> <p>Notwithstanding the above, there remains a risk that completion of settlement of the Acquisition Agreements may not occur or that registration of one or more of the Tenements forming the Rocky Dam Project and the Julimar Project in the name of the Company may not complete.</p>
<b>Exploration operations and</b>	<p>The mineral exploration licences comprising the Projects are at various stages of exploration, and prospective investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of these exploration licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect</p>

Risk Category	Risk
	<p>extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process and Aboriginal heritage factors, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences forming the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences forming the Projects.</p>
<p><b>Tenure, access and grant applications of applications</b></p>	<p><b>Applications</b></p> <p>The Tenements are at various stages of application and grant. Specifically, seven of the Tenements forming the Rocky Dam Project are currently under application, including some with competing applications from third parties. There can be no assurance that the Tenements in application status that are currently pending will be granted. There also can be no assurance that if the Tenement is granted, it will be granted in its entirety. Additionally, some of the tenement areas applied for may be excluded, including for being excised for overlap with flora and fauna reserves. The Company is unaware of any circumstances that would prevent the Tenements in application status from being granted, other than the competing applications. If any of the Tenements in application status are not granted or are only granted for part of the area applied for, the Company will lose the benefit of certain areas of those Tenements for its exploration activities.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further information on the Company's tenement applications.</p> <p><b>Renewal</b></p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of</p>



Risk Category	Risk
	<p>granted tenements for reasons beyond the control of the Company could be significant.</p> <p><b>Access and third party interests</b></p> <p>A number of the Tenements respectively overlap certain third party interests that may limit the Company's ability to conduct prospecting, exploration and mining activities, including Crown land, flora and fauna reserves, pastoral leases, private/freehold land and encroachment by other tenements and tenement applications.</p> <p>Specifically, the two Tenements forming the Julimar Project overlap private/freehold land parcels by an aggregate of 98.96% and 96.78% respectively.</p> <p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further details.</p>
<b>Private land</b>	<p>As noted above and as detailed in the Solicitor's Report on Tenements in Annexure B, the two Tenements forming the Julimar Project overlap private/freehold land parcels by an aggregate of 98.96% and 96.78% respectively.</p> <p>Enquiries made with Landgate have confirmed that the majority of the lots overlapped by these Tenements comprise (partially or in whole) land granted prior to 1 January 1899 (refer to the Solicitor's Report on Tenements in Annexure B for further details).</p> <p>Most grants of freehold which were made prior to 1 January 1899 in Western Australian included the grant of minerals other than gold, silver and precious metals (referred to as the Royal metals), which were reserved to the Crown. This land is commonly referred to as 'minerals to owner' land as the landowner owns all other minerals and has the right to exploit and deal with those minerals as it sees fit. In such a situation, a mining tenement granted under the <i>Mining Act 1978</i> (WA) will confer on the tenement holder the right to explore for, or mine gold, silver and precious metals only but will not give any rights to exploit any other mineral.</p> <p>It should be noted that the enquiries made with Landgate were made to identify the Crown allotment parcel only. The report obtained from Landgate does not constitute a full chain of title search and does not capture all records within the chain of each land parcel. Further investigations would be required to trace the passage of mineral ownership over time.</p> <p>As the Company defines exploration targets on these affected Tenements and prior to commencing ground</p>

Risk Category	Risk
	<p>disturbing activities, the Company will conduct its own investigations to confirm whether the relevant private land parcels are 'minerals to owner' land and whether it is necessary to obtain consent and/or agreement in relation to access and compensation from the owners of such land.</p> <p>Approvals for mining gold, silver and precious metals on pre-1899 land have generally been granted by local government as an Extractive Industry Licence ("EIL"; <i>Local Government Act 1995</i>) or Development Approval ("DA"; <i>Planning and Development Act 2005</i>). A miner wishing to mine minerals other than the gold, silver and precious metals located on pre-1899 land will need to negotiate an access and compensation agreement with the owner of the land (and owner of the minerals) and obtain permission either through an EIL or a DA. Any significant proposal may require assessment by the Environment Protection Authority and any mining activity will be subject to the <i>Mines Safety and Inspection Act 1994</i>.</p>
<b>Climate risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li> <li>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</li> </ul>
<b>Native title and Aboriginal Heritage</b>	<p>In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain</p>

Risk Category	Risk
	<p>access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>There are currently five registered native title claims and two unregistered native title claims over the Tenements respectively.</p> <p>Further to this, the two Tenements forming the Julimar Project are each subject to an Indigenous Land Use Agreement (<b>ILUA</b>). The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.</p> <p>In addition, certain Tenements contain Aboriginal heritage sites of significance which have been registered. The existence of the Aboriginal heritage sites within the areas of the Tenements may lead to restrictions on the areas that the Company will be able to explore and mine.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.</p> <p>Prospective investors should also note Matmetals WA Pty Ltd has entered into a native title heritage protection and mineral exploration agreement in relation to the Tenement forming the Gnewing Bore Project. The agreement requires Matmetals WA Pty Ltd to make payment of certain community benefits to the traditional owners in the interests of establishing and maintaining a strong, mutually beneficial relationship between the parties.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further details.</p>
<b>Agents and contractors</b>	<p>The Company intends to outsource substantial parts of its exploration activities pursuant to services contracts with third-party contractors. The Company is yet to enter into these formal arrangements. The Directors are unable to predict the risk of financial failure, insolvency or default by any of the contractors that will be used by the Company in any of its activities or other managerial failure by any of the other service providers used by the Company for any activities. Contractors may also underperform their obligations under their contract, and in the event that their contract is terminated, the Company may not be able to find a suitable replacement on satisfactory terms.</p>

### 7.3 Industry specific risks

Risk Category	Risk
<b>Exploration costs</b>	<p>The exploration costs of the Company as summarised in Section 5.6 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant</p>

Risk Category	Risk
	<p>uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
<p><b>Resource and reserves and exploration targets</b></p>	<p>The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exportation works with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p>
<p><b>Grant of future authorisations to explore and mine</b></p>	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
<p><b>Mine development</b></p>	<p>Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurances can be given that the</p>

Risk Category	Risk
	<p>Company will achieve commercial viability through the development of the Projects.</p> <p>The risks associated with the development of a mine will be considered in full should any Project reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<b>Environmental</b>	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.</p>
<b>Regulatory compliance</b>	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and Aboriginal heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it will operate in substantial compliance with all material current laws and</p>

Risk Category	Risk
	<p>regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned activities.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.</p>
<p><b>Failure to satisfy Expenditure Commitments</b></p>	<p>Interests in tenements in Western Australia are governed by the mining acts and regulations that are current in Western Australia and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.</p>

## 7.4 General risks

Risk Category	Risk
<p><b>Future funding requirements and ability to access debt and equity markets</b></p>	<p>The Company's capital requirements depend on numerous factors and the Company may require additional debt or equity financing in the future to maintain or grow its business in addition to funds raised under the Offer.</p> <p>There can be no assurance that the Company will be able to secure additional capital from debt or equity financing on favourable terms or at all.</p> <p>If the Company is unable to raise additional capital if and when required, this could delay, suspend or reduce the scope of the Company's business operations (including scaling back exploration programs) and could have a material adverse effect on the Company's operating and financial performance.</p> <p>Any additional equity financing may result in dilution for some or all Shareholders, and debt financing, if available, may involve restrictive covenants which limit operations and business strategy.</p>



Risk Category	Risk
<b>Fluctuations in market price of the Shares</b>	<p>The price at which the Shares trade on ASX following the Company's listing may be higher or lower than the Offer Price. There is no guarantee that the Shares will appreciate in value or maintain the same level as the Offer Price.</p> <p>The price at which the Shares trade following the Company's listing on ASX could be subject to fluctuations and will be affected by a number of factors relevant to the Company's business and its overall performance and other external factors. Some of the factors which may affect the price at which the Shares trade on ASX include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates (including movements in mineral prices) and general operational and business risks.</p>
<b>Trading in Shares may not be liquid</b>	<p>There is currently no public market on which the Shares may be sold. There can be no assurance that an active market for the Shares will develop or continue following the Company's listing on ASX.</p> <p>There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. Accordingly, Shareholders may receive a market price for their Shares that is less or more than the price that Shareholders paid to acquire their Shares.</p>
<b>Economic conditions and other global or national issues</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>
<b>COVID-19</b>	<p>The outbreak of the coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any</p>

Risk Category	Risk
	<p>related or associated epidemic, pandemic or disease outbreak) (<b>COVID-19</b>) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The market price of Shares may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.</p>
<b>Market conditions</b>	<p>Share market conditions may affect the value of the Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) global health epidemics or pandemics;</li> <li>(e) currency fluctuations;</li> <li>(f) changes in investor sentiment toward particular market sectors;</li> <li>(g) the demand for, and supply of, capital;</li> <li>(h) political tensions; and</li> <li>(i) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Prospective investors should be aware that there are risks associated with any securities investment. Securities listed on a stock market, and in particular securities of exploration companies, experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.</p> <p>In addition, after the end of the relevant restriction arrangements applying to certain Securities, a significant sale of then tradeable Shares (or the market perception</p>



Risk Category	Risk
	that such a sale might occur) could have an adverse effect on the market price of the Shares. Please refer to Section 5.9 for further details.
<b>Reliance on key personnel</b>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the Company's senior management and key personnel terminated service with the Company.</p> <p>The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company.</p>
<b>Competition risk</b>	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
<b>Commodity price volatility and exchange rate risks</b>	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
<b>Government policy changes</b>	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia (and other jurisdictions in which the Company may acquire projects and operate) may change, resulting in impairment of rights and possibly</p>

Risk Category	Risk
	expropriation of the Company's properties without adequate compensation.
<b>Insurance</b>	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
<b>Force Majeure</b>	The Company's existing Projects or projects acquired in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions.
<b>Dilution</b>	<p>In the future, the Company may elect to issue Shares or engage in capital raisings to fund operations and growth, for investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time.</p> <p>While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholder interests may be diluted as a result of such issues of Shares or other securities.</p>
<b>Taxation and Taxation Changes</b>	<p>Taxation law is complex and frequently changing, both prospectively and retrospectively. Changes in taxation laws (including employment tax, GST, stamp duty and the ability to claim offsets) and changes in the way taxation laws are interpreted or administered, create a degree of uncertainty and may impact the tax liabilities or future financial results of the Company. In particular, both the level and basis of taxation may change.</p> <p>An investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective investor is encouraged to seek professional taxation and financial advice in connection with any investment in the Company and the consequences of acquiring and disposing of Shares.</p>
<b>Litigation and other proceedings</b>	The Company is exposed to potential legal and other claims or disputes in the course of its business, including (without limitation) native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may

Risk Category	Risk
	<p>be involved in disputes with other parties in the future which may result in litigation.</p> <p>Any costs involved in defending or settling legal and other claims or disputes that may arise, or where a claim or dispute is proven, could be costly and may impact adversely on the Company's operations, financial performance and financial position and/or cause damage to its reputation.</p>

## 7.5 Investment speculative

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

Prospective investors should consider that an investment in the Company is highly speculative.

The Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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## **8. BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG**

### **8.1 Board of Directors**

The Board of the Company consists of:

(a) **Patrick Burke (LLB)**

**Non-Executive Chairman**

Mr Burke has extensive legal and corporate advisory experience and over the last 15 years has acted as a director for a large number of ASX companies, as well as NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law, in particular capital raisings and mergers and acquisitions. Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal negotiation, structuring and pricing, funding, due diligence and execution. Mr Burke is currently Non-Executive Chairman of Meteoric Resources NL, Mandrake Resources Limited and Province Resources Limited and Non-Executive Director of Triton Minerals Limited, Western Gold Resources Limited and Torque Metals Limited, all companies listed on ASX.

Mr Burke holds a Bachelor of Laws from the University of Western Australia.

The Board considers that Mr Burke is an independent Director.

(b) **Thomas Edward Langley (BSc Geology, MSc Economic Geology)**

**Technical Director**

Mr Langley has a passion for geology and the environment, completing a BSc Geology at the University of Western Australia with a focus on environmental and resource economics. In conjunction with employment at resource companies, including BHP Nickel West, Northern Star Resources and Creasy Group, Mr Langley completed a MSc Economic Geology at the University of Tasmania (CODES) in 2018.

Mr Langley has extensive experience in both exploration and mining geology. His technical skills include overseeing large scale resource definition drill programs, early-stage project evaluation, project generation and grass roots exploration programs across multiple commodities and deposit types. These exploration programs include nickel and copper in the Proterozoic Albany-Fraser Range, gold and copper in the Proterozoic Paterson Province, and gold in the Archean Yilgarn Craton.

Mr Langley has identified, pegged and vended several WA resource-based projects into ASX companies, such as the Grace gold-copper project in the Paterson Province. Mr Langley's involvement in the resource industry has given him a comprehensive understanding of the Department of Mines Industry Safety Regulation frameworks and policies.

Mr Langley also brings operational management experience due to his founding of DT Sands, a waterwell sands business supplying clients such as Rio Tinto and Hancock Prospecting.

Mr Langley is currently Chief Operating Officer of Province Resources Limited, which is currently progressing the HyEnergy Zero Carbon Hydrogen Project and is involved in the operations side of the business.

The Board considers that Mr Langley is an independent director.

(c) **Ranko Matic (BBus, CA)**

**Non-Executive Director**

Mr Matic is a Chartered Accountant with over 30 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic is a director of a chartered accounting firm and a corporate advisory company based in Perth, Western Australia and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity to over 40 initial public offerings and other re-capitalisations and re-listings of ASX companies in the last 20 years.

Mr Matic is currently a director of ASX listed company East Energy Resources Limited and Australian Gold & Copper Limited. Mr Matic has also acted as chief financial officer and company secretary for companies in both the private and public listed sectors and continues to hold various roles in this capacity with publicly listed companies.

The Board considers that Mr Matic is not an independent director.

The Board has considered the Company's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

Each Director has confirmed that they anticipate they will have sufficient time to fulfil their respective responsibilities as a Director of Lycaon.

Each Non-Executive Director has advised the Company that they do not consider that any other commitment will interfere with their availability to perform their duties as a Non-Executive Director of Lycaon.

## **8.2 Key management**

The Company's key management team includes Melanie Jane Ross, whose profile is set out below:

**Melanie Jane Ross (CA, AGIA ACG)**

**Chief Financial Officer and Company Secretary**

Ms Ross is an accounting and corporate governance professional with over 20 years' experience in financial accounting and analysis, audit, business and corporate advisory services in public practice, commerce and state government. Ms Ross holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia.

Ms Ross is currently a director of a corporate advisory company based in Perth, Western Australia that provides corporate management and other advisory

services to public listed companies. She is a director and company secretary for Tempus Resources Limited (ASX: TMR) and Ragusa Minerals Limited (ASX: RAS) and the company secretary for Celsius Resources Limited (ASX: CLA), Great Boulder Resources Limited (ASX: GBR) and Redbank Copper Limited (ASX: RCP).

Ms Ross has confirmed that she anticipates that she will have sufficient time to fulfill her respective role without constraint of other commitments.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Board will continually monitor the management roles in the Company. As the Company's exploration and development activities and overall operations require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate. The Company intends to utilise the services of experts and consultants for technical input, including to assist formulate overall exploration strategy and direction, and reporting in compliance with ASX and JORC standards.

### 8.3 Directors' Disclosures

No Director has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant or material to the performance of their role with the Company or which is relevant to an investor's decision as to whether to subscribe for Shares under the Offer.

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

### 8.4 Directors' Remuneration and interests in Securities

#### Remuneration

Details of the Directors' remuneration (including superannuation) since the Company was incorporated and for the current financial year are set out below:

Director	Remuneration for the year ended 30 June 2021 <sup>1</sup>	Remuneration for the year ending 30 June 2022 <sup>2</sup>
Patrick Burke <sup>3</sup>	\$13,929	\$36,000
Thomas Langley <sup>4</sup>	\$13,929	\$60,000
Ranko Matic <sup>5</sup>	\$13,929	\$36,000

#### Notes:

1. The Company was incorporated on 10 February 2021.
2. Includes per annum base salary or directors' fees (as applicable) for the full financial year ending 30 June 2022.
3. Appointment commenced on 10 February 2021.
4. Appointment commenced on 10 February 2021.
5. Appointment commenced on 10 February 2021.

Prospective investors should note that the Directors have agreed to accrue all directors' fees from the date of Lycaon's incorporation until the date Lycaon lists on ASX, at which time all accrued directors' fees will be paid.

The Company has also agreed to grant the Directors 600,000 New Options each as part of their respective remuneration packages as an equity-based incentive.

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$300,000 per annum, although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

### **Interests in Securities**

Directors are not required under the Constitution to hold any Shares.

The table below sets out the direct and indirect interests of the Directors in the securities of the Company both as at the date of this Prospectus and following completion of the Offer:

Director	Date of Prospectus			Completion of Offer		
	Shares	Options	% of Shares (undiluted)	Shares	Options	% of Shares (undiluted)
Patrick Burke <sup>1</sup>	Nil	Nil	Nil	Nil	600,000	Nil
Thomas Langley <sup>2</sup>	100,000	50,000	1.25%	100,000	650,000	0.29%
Ranko Matic <sup>3</sup>	25,001	12,500	0.31%	525,001	612,500	1.52%

#### **Notes:**

1. Mr Burke's relevant interest in Securities includes:

#### **Date of this Prospectus**

- Nil.

#### **Completion of the Offer**

- a direct interest in 600,000 New Options to be issued to Mr Burke (or his nominee) as part of his remuneration package.

2. Mr Langley's relevant interest in Securities includes:

#### **Date of this Prospectus**

- an indirect interest in 100,000 Shares and 50,000 Options held by Holly Eastough, Mr Langley's partner.

#### **Completion of the Offer**

- an indirect interest in 100,000 Shares and 50,000 Options held by Holly Eastough, Mr Langley's partner.
- a direct interest in 600,000 New Options to be issued to Mr Langley (or his nominee) as part of his remuneration package.

3. Mr Matic's relevant interest in Securities includes:

#### **Date of this Prospectus**

- a direct interest in 1 Share held by Mr Matic, acquired on incorporation of Lycaon.

- an indirect interest in 25,000 Shares and 12,500 Options held by Consilium Corporate Advisory Pty Ltd, an entity which Mr Matic is a director and shareholder of.

#### **Completion of the Offer**

- a direct interest in 1 Share held by Mr Matic, acquired on incorporation.
- an indirect interest in 25,000 Shares and 12,500 Options held by Consilium Corporate Advisory Pty Ltd, an entity which Mr Matic is a director and shareholder of.
- a direct interest in 500,000 Shares to be issued to Mr Matic (or his nominee) pursuant to the Gnewing Bore Acquisition Agreement.
- a direct interest in 600,000 New Options to be issued to Mr Matic (or his nominee) as part of his remuneration package.

In addition, the Directors (and their spouses and associates) may apply for Shares under the Offer. If one or more of the Directors (or their spouses or associates) do apply for, and are allocated, Shares under the Offer, the figures in the above table will be affected.

The Company will notify ASX of the Directors' interests in the securities of the Company at the time of listing on the ASX in accordance with the ASX Listing Rules.

## **8.5 Agreements with Directors and related parties**

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The Company has entered into the Gnewing Bore Acquisition Agreement pursuant to which Lycaon is to acquire Matmetals WA Pty Ltd from Ranko Matic, a Director of Lycaon. Please refer to Section 9.1.1 for a summary of the Gnewing Bore Acquisition Agreement.

In addition, the other agreements between the Company and related parties are summarised in Sections 9.3 and 9.4.

## **8.6 Corporate governance**

### **(a) ASX Corporate Governance Council Principles and Recommendations**

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

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of



additional corporate governance policies and structures will be reviewed.

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

(b) **Board of Directors**

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

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

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

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

- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

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

(c) **Composition of the Board**

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

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three Directors (a Non-Executive Chairman, a Non-Executive Director and a Technical (Executive) Director) of whom Mr Burke and Mr Langley are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company's size and its currently planned level of activity.

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

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

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

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

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced

recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

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

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

(e) **Ethical standards**

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

(f) **Independent professional advice**

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

(g) **Remuneration arrangements**

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

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

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

(h) **Trading policy**

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

(i) **External audit**

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

(j) **Audit committee**

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

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

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career

development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

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

## **8.7 Environmental, Social and Governance (ESG)**

(a) **Our commitment to ESG**

Lycaon is committed to building legitimate Environmental, Social, and Governance (**ESG**) credentials. We have commenced ESG reporting as a tangible first step in our ESG journey.

We greatly value ESG considerations as they enable us to better identify material risks and growth potential, leading to better-informed decisions and business outcomes. Equally, our commitment to ESG creates a consistent and measurable approach that helps us contribute to building a more prosperous and fulfilled society and a more sustainable relationship with our planet.

(b) **Universal ESG metrics**

We have commenced ESG reporting by making disclosures against the World Economic Forum (WEF) Stakeholder Capitalism framework. The WEF framework is a set of common metrics for sustainable value creation captured in 21 core ESG disclosures. We use this universal ESG framework to align our mainstream reporting on performance against ESG indicators.

We selected the WEF Stakeholder Capitalism Metrics as the most appropriate ESG disclosure framework to start our ESG journey. It leverages a variety of existing frameworks and is intentionally built to be a steppingstone to begin building capacity and capability in ESG reporting.

By including ESG metrics in our mainstream reporting and integrating them into our governance, business strategy, and performance management process, we set out to demonstrate that we diligently consider all pertinent risks and opportunities in running our business. We demonstrate ongoing commitment to ESG by sharing the progress we make toward ESG disclosures in quarterly updates in combination with making our disclosures transparently available in the public domain.

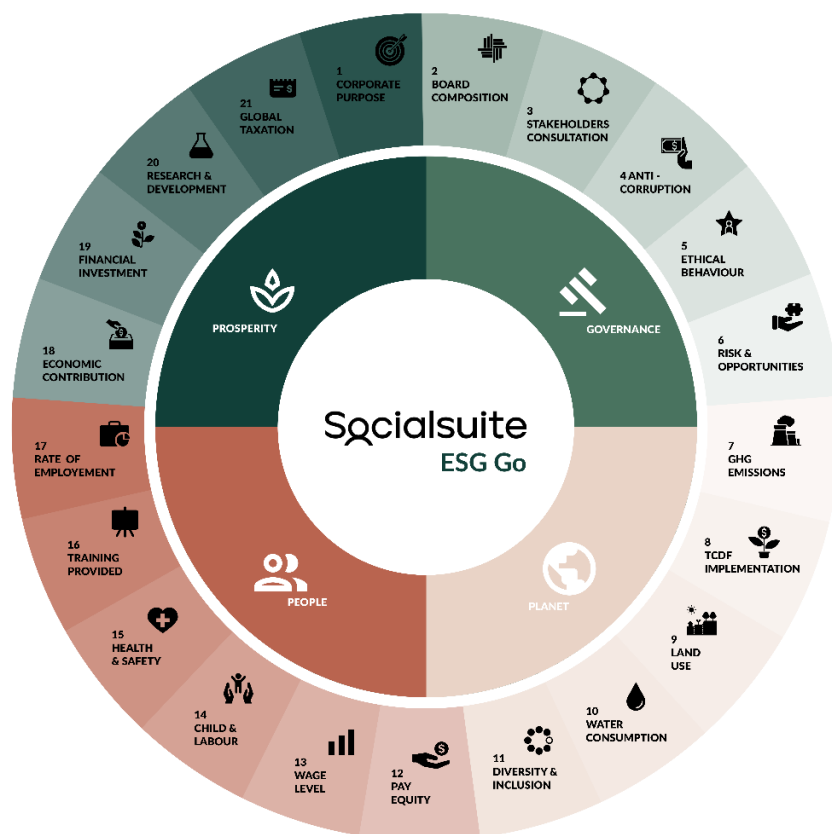
(c) **Standardised disclosure technology**

We believe that ESG reporting is a continuous process of disclosure and improvement. To promptly commence disclosing against the WEF ESG framework, we use impact measurement service provider Socialsuite's dedicated ESG Go platform.

ESG Go is the affordable and standardised solution for small-cap companies to easily begin ESG reporting. As a dedicated project management tool, we find it excels in making the WEF framework accessible and operational. We use it to track our disclosure progress, demonstrate our ESG performance against the WEF ESG framework, and share our journey of building robust ESG credentials.

(d) **Our ESG disclosure progress**

Our ESG progress and disclosures are captured under the four pillars of the WEF ESG framework: Governance, Planet, People, and Prosperity. Our ESG Go baseline report shows the starting point of our ESG journey and highlights the indicators we are progressing to disclose.



(e) **ESG Go Report – Baseline**

Lycaon (LYN)

ESG Go Report  
Baseline 15/09/21

Action Explanation Development Reported Verified Audited

Dashboard - Baseline		MATERIAL	PRIORITY	TIMEFRAME	DISCLOSURE	MATURITY				
						A1	A2	A3	A4	A5
<b>GOVERNANCE</b>	GO-01-A Setting purpose	Y	Y	Q4 2021	D	D	D	D	D	D
	GO-02-A Governance body composition	Y	Y	Q4 2021	D	D	D	D	D	D
	GO-03-A Material issues impacting stakeholders	Y	Y	Q4 2021		D	D	D	D	
	GO-04-A Anti-corruption practices	Y	Y	Q4 2021	D		D	D		
	GO-04-B Mechanisms to protect ethical behaviour	Y	Y	Q4 2021	D	D				
	GO-05-A Integrating risk and opportunity into business process	Y	Y	Q4 2021	D	D	D	D	D	
<b>PLANET</b>	PL-01-A GHG emissions	Y	N	- -	E					
	PL-01-B TCFD implementation	N	N	- -	E					
	PL-02-A Land use and ecological sensitivity	Y	Y	Q3 2022	D	D	D	D		
	PL-03-A Water consumption	Y	Y	Q3 2022	D	D				
<b>PEOPLE</b>	PE-01-A Diversity and inclusion	Y	N	- -	E					
	PE-01-B Pay equality	Y	N	- -	E					
	PE-01-C Wage level	Y	N	- -	E					
	PE-01-D Child, forced or compulsory labour	Y	N	- -	E					
	PE-02-A Health and safety	Y	Y	- -	E					
	PE-03-A Training provided	N	N	- -	E					
<b>PROSPERITY</b>	PR-01-A Rate of employment	N	N	- -	E					
	PR-01-B Economic contribution	Y	Y	Q3 2022	D	D	D			
	PR-01-C Financial investment contribution	Y	Y	Q3 2022	D	D	D			
	PR-02-A Total R&D expenses	Y	Y	Q3 2022	D	D				
	PR-03-A Total tax paid	Y	Y	Q3 2022	D	D				

(f) **ESG indicators**

The WEF Stakeholder Capitalism Metrics include the following disclosures:

GOVERNANCE
<ul style="list-style-type: none"> <li>Disclosing our corporate purpose which captures how we create solutions to economic, environmental and social issues in a way that creates value for all stakeholders, including shareholders.</li> <li>Disclosing the composition, capabilities and perspectives of our board in making robust decisions on an ongoing basis, with a focus on competencies relating to economic, environmental and social topics.</li> <li>Disclosing material issues impacting stakeholders, to ensure that organisational impact and long-term value align with the interests of a broad range of stakeholders and provide the foundation for trust in the business.</li> <li>Disclosing anti-corruption policies, training, initiatives, and incidents as well as its ongoing ability to both prevent and remedy ethical issues.</li> <li>Disclosing company-specific risks and opportunities (including material economic, environmental and social issues), board oversight, and management of the corporate response over time as they change.</li> </ul>

<b>PLANET</b>
<ul style="list-style-type: none"> <li>• Disclosing greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.) in metric tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) for Scope 1 and Scope 2 emissions, and where appropriate material upstream and downstream (Scope 3) emissions.</li> <li>• Disclosing a timeline for full implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and whether or not the business has set, or committed to set, GHG emissions targets in line with the goals of the Paris Agreement.</li> <li>• Disclosing land use and ecological sensitivity for companies with operations in or adjacent to protected areas and/or key biodiversity areas (KBA).</li> <li>• Disclosing water consumption for companies that depend for long-term value creation on significant water consumption and withdrawal in water-stressed areas.</li> </ul>
<b>PEOPLE</b>
<ul style="list-style-type: none"> <li>• Disclosing diversity and inclusion metrics, pay equality, and wage level ratios to demonstrate and promote social and economic inclusion, equal pay, and fair compensation and benefits.</li> <li>• Disclosing the risk for incidents of child, forced or compulsory labour to demonstrate identification of significant human rights risks and approaches to risk management.</li> <li>• Disclosing work-related injuries and rate of fatalities to demonstrate strong standards of health, and safety.</li> <li>• Disclosing the average hours of training and development per full-time employee and average expenditure to demonstrate invest in training, education, skilling and reskilling of the workforce.</li> </ul>
<b>PROSPERITY</b>
<ul style="list-style-type: none"> <li>• Disclosing rate of new employee hires and rate of employee turnover as indicator of employee satisfaction or dissatisfaction.</li> <li>• Disclosing the direct economic value generated and distributed as a basic indication of how a company has created wealth for stakeholders.</li> <li>• Disclosing total capital expenditures, investment and returns of capital to shareholders strategy to demonstrate the company's capacity to expand its operations and create additional employment.</li> <li>• Disclosing total costs related to research and development as a basic indication of innovation, new offerings, and generation of social or environmental benefits.</li> <li>• Disclosing total tax paid to demonstrate the company's contribution to governmental revenues through the different forms of taxation.</li> </ul>



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## 9. MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

### 9.1 Acquisition Agreements

#### 9.1.1 Gnewing Bore Acquisition Agreement - Share Sale Agreement

On 19 February 2021, Lycaon entered into a binding terms sheet with Matmetals WA Pty Ltd (ACN 640 811 507) (**Matmetals**) and Ranko Matic (the **Gnewing Bore Vendor**), a Director of Lycaon, pursuant to which Lycaon is to acquire 100% of the issued capital of Matmetals (the **Gnewing Bore Acquisition Agreement**).

Matmetals is the 100% legal and beneficial owner of EL 80/5508 (the **GB Tenement**), forming the Gnewing Bore Project.

**Acquisition:** Lycaon agrees to acquire and the Gnewing Bore Vendor (the sole shareholder of Matmetals) agrees to sell 100% of the fully paid ordinary shares in the capital of Matmetals.

**Consideration:** Lycaon agrees to issue 500,000 Shares at a deemed issue price of \$0.20 per Share to the Gnewing Bore Vendor (or his nominee) in consideration for the acquisition at settlement of the acquisition.

**Restricted Securities:** The Gnewing Bore Vendor acknowledges and agrees that the 500,000 Shares to be issued as consideration will be subject to the ASX mandatory escrow provisions under the ASX Listing Rules for an ASX listing.

**Conditions Precedent:** Settlement of the acquisition is subject to and conditional on the following conditions precedent being satisfied (or waived by Lycaon):

- (a) Lycaon completing financial, legal and technical due diligence on Matmetals and the GB Tenement to Lycaon's satisfaction;
- (b) Lycaon undertaking a capital raising pursuant to a prospectus lodged with ASIC and receiving valid acceptances under the offer to the value of not less than \$4,500,000;
- (c) Lycaon receiving conditional approval in writing from the ASX to admit Lycaon to the Official List of the ASX on terms acceptable to Lycaon and all material conditions under the conditional approval letter being satisfied in a manner acceptable to Lycaon;
- (d) The parties obtaining all necessary shareholder approvals required to lawfully complete the acquisition; and

- (e) The parties obtaining all necessary corporate, governmental, regulatory and third party approvals, consents and waivers required to lawfully complete the acquisition.

If any of the conditions precedent are not satisfied or waived by Lycaon on or before 5.00 pm (WST) on 19 March 2022, then unless otherwise agreed by the parties in writing, the Gnewing Bore Acquisition Agreement will be deemed to be at an end.

**Settlement:** Settlement of the acquisition is to occur on that date which is 5 business days after the satisfaction (or waiver by Lycaon) of the conditions precedent or on such date as otherwise agreed by the parties.

The Gnewing Bore Acquisition Agreement otherwise contains terms and conditions, including representations and warranties, indemnities and confidentiality provisions, considered standard for an agreement of this nature.

**Note:** *The Gnewing Bore Acquisition Agreement was negotiated on arm's length terms and Mr Matic abstained from voting on Lycaon's entry into the agreement.*

### 9.1.2 Julimar Acquisition Agreement - Tenement Sale Agreement

On 18 March 2021, Lycaon entered into a binding terms sheet with Anthony Stephen Cormack and Julian Rodney Stephens (together, the **Julimar Vendors**) pursuant to which Lycaon is to acquire the Julimar Project (the **Julimar Acquisition Agreement**).

The Julimar Vendors are the 100% legal and beneficial owner of EL 70/5416 and EL 70/5415 (the **JP Tenements**), forming the Julimar Project.

**Acquisition:** The Julimar Vendors agree to sell, and Lycaon agrees to acquire, 100% of the Julimar Vendors' rights, title and interest in the JP Tenements and all associated mining information.

**Consideration:** Lycaon agrees to issue 500,000 Shares at a deemed issue price of \$0.20 per Share to the Julimar Vendors (or their nominees) in consideration for the acquisition at settlement of the acquisition, in equal proportions.

**Restricted Securities:** The Julimar Vendors acknowledge and agree that the 500,000 Shares to be issued as consideration will be subject to the ASX mandatory escrow provisions under the ASX Listing Rules for an ASX listing.

**Conditions Precedent:** Settlement of the acquisition is subject to and conditional on the following conditions precedent being satisfied (or waived by Lycaon):

- (a) Lycaon completing legal and technical due diligence on the JP Tenements and associated mining information to Lycaon's satisfaction;
- (b) Lycaon undertaking a capital raising pursuant to a prospectus lodged with ASIC and receiving valid acceptances under the offer to the value of not less than \$4,500,000;
- (c) Lycaon receiving conditional approval in writing from the ASX to admit Lycaon to the Official List of the ASX on terms acceptable to Lycaon; and
- (d) the parties obtaining all necessary corporate, governmental, regulatory and third party approvals, consents and waivers required to lawfully complete the acquisition.

If any of the conditions precedent are not satisfied or waived by Lycaon on or before 5.00 pm (WST) on 19 March 2022, then unless otherwise agreed by the parties in writing, the Julimar Acquisition Agreement will be deemed to be at an end.

**Settlement:** Settlement of the acquisition will occur on that date which is 5 business days after the satisfaction (or waiver by Lycaon) of the conditions precedent or on such date as otherwise agreed by the parties.

The Julimar Acquisition Agreement otherwise contains terms and conditions, including representations and warranties, indemnities and confidentiality provisions, considered standard for an agreement of this nature.

### 9.1.3 Rocky Dam Acquisition Agreement – Tenement Sale Agreement

On 19 June 2021, Lycaon entered into a binding terms sheet with Dreadnought (Yilgarn) Pty Ltd (ACN 608 619 101) (the **Rocky Dam Vendor**) pursuant to which Lycaon is to acquire the Rocky Dam Project (the **Rocky Dam Acquisition Agreement**).

The Rocky Dam Vendor is the 100% legal and beneficial owner of E25/0533, E27/0611, E27/0612, E25/0599, E27/0634, E28/2988, E28/2996, E28/2997, E28/3000, E28/3001 and E28/3061 (**RDP Tenements**), forming the Rocky Dam Project.

**Acquisition:** The Rocky Dam Vendor agrees to sell, and Lycaon agrees to acquire, 100% of the Rocky Dam Vendor's rights, title and interest in the RDP Tenements and all associated mining information.

**Consideration:** Lycaon agrees to issue 500,000 Shares at a deemed issue price of \$0.20 per Share to the Rocky Dam Vendor (or its nominees) in consideration for the acquisition at settlement of the acquisition.

**Restricted Securities:** The Rocky Dam Vendor acknowledges and agrees that the 500,000 Shares to be issued as consideration will be subject to the ASX mandatory escrow provisions under the ASX Listing Rules for an ASX listing.

**Royalty:** In addition to the consideration, Lycaon agrees to grant the Rocky Dam Vendor a royalty of 1% of the net smelter returns from the sale or other disposal of mineral products derived from the area within the boundaries of the RDP Tenements on customary terms and conditions (**Royalty**).

**Conditions Precedent:** Settlement of the acquisition is subject to and conditional on the following conditions precedent being satisfied (or waived):

- (a) Lycaon completing legal and technical due diligence on the RDP Tenements and associated mining information to Lycaon's satisfaction;
- (b) Lycaon undertaking a capital raising pursuant to a prospectus lodged with ASIC and receiving valid acceptances under the offer to the value of not less than \$5,000,000;
- (c) Lycaon receiving conditional approval in writing from the ASX to admit Lycaon to the Official List of the ASX on terms acceptable to Lycaon and all material conditions under the conditional approval letter being satisfied in a manner acceptable to Lycaon;

- (d) the parties obtaining all necessary corporate, governmental and regulatory approvals, consents and waivers required to lawfully complete the acquisition;
- (e) the parties obtaining all necessary third party approvals, consents and waivers required to lawfully complete the acquisition; and
- (f) the parties entering into a royalty deed to document the Royalty.

The conditions precedent, other than the conditions precedent set out in paragraphs (c), (e) and (f) above, are for the benefit of Lycaon and may only be waived by Lycaon.

The conditions precedent set out in paragraphs (c), (e) and (f) above are for the mutual benefit of the parties and may only be waived mutually by the parties.

If any of the conditions precedent are not satisfied or waived on or before 5.00 pm (WST) on the date which is six (6) months from the execution date of the Rocky Dam Acquisition Agreement, then unless otherwise agreed by the parties in writing, the Rocky Dam Acquisition Agreement will be deemed to be at an end.

**Settlement:** Settlement of the acquisition will occur on that date which is 5 business days after the satisfaction (or waiver) of the conditions precedent or on such date as otherwise agreed by the parties.

The Rocky Dam Acquisition Agreement otherwise contains terms and conditions, including representations and warranties, indemnities and confidentiality provisions, considered standard for an agreement of this nature.

**Note:** Prospective investors should note that E27/0611 and E27/0612 (forming part of the Rocky Dam Project) were previously held by Wildviper Pty Ltd (ACN 601 545 760). Dreadnought (Yilgarn) Pty Ltd acquired these tenements from Wildviper Pty Ltd in consideration for payment of the sum of \$20,000 (exclusive of GST) pursuant to a tenement sale agreement dated 5 August 2020.

## 9.2 JLM Mandate

The Company has entered into a mandate pursuant to which it has appointed Canaccord Genuity (Australia) Limited and Inyati Capital Pty Ltd (together, the **Joint Lead Managers**) to act as joint lead managers to the Offer dated 28 September 2021 (**JLM Mandate**).

**Fees:** As fees for services provided under the JLM Mandate, Lycaon has agreed to:

- (a) pay the following fees to the Joint Lead Managers:
  - (i) a management fee of 2.0% plus GST of the total gross proceeds raised under the Offer; and
  - (ii) a capital raising fee of 4.0% plus GST of the total gross proceeds raised under the Offer; and
- (b) issue 3,000,000 New Options to Inyati Capital Pty Ltd (and/or its nominees).

The Joint Lead Managers will determine the amount of, and be responsible for paying (at its own cost), any fees to be paid to other participating brokers. The appointment or inclusion of other participating brokers will be made in

consultation with the Company and with its prior consent in writing (not to be unreasonably withheld).

**Reimbursement of expenses:** Lycaon has agreed to reimburse the Joint Lead Managers periodically, upon request and subject to satisfactory evidence of such expenditure being provided, for all reasonable out-of-pocket and travel expenses (including any applicable GST) incurred by the Joint Lead Managers in connection with the Offer and the performance by the Joint Lead Managers of their role under the JLM Mandate. The Joint Lead Managers are to obtain Lycaon's approval for any one-off out-of-pocket or travel expense that exceeds \$2,000, such approval not to be unreasonably withheld.

In addition, Lycaon is to pay the reasonable fees and disbursements of the Joint Lead Managers' legal advisers and of any other professional adviser retained by the Joint Lead Managers (**Advisors' Costs**), resulting from or arising out of the JLM Mandate. The Joint Lead Managers agree that the total reimbursement of Advisors' Costs (including any applicable GST) incurred by the Joint Lead Managers and payable by the Company under the JLM Mandate shall not exceed \$30,000, unless otherwise approved by the Company in writing in advance.

**Withdrawal fee:** If Lycaon terminates the JLM Mandate for any reason other than pursuant to negligence, recklessness, breach of the agreement, wilful misconduct or fraud of the Joint Lead Managers and during the term of the agreement, the Company:

- (a) undertakes any alternative form of equity or hybrid capital raising other than the Offer, other than from any existing Shareholders or their related bodies corporate or affiliates; or
- (b) terminates the JLM Mandate or desists from actively pursuing the Offer; or
- (c) enters into an agreement with a third party pursuant to which the third party agrees to acquire 50% or more of the Company (whether by way of share, business or asset purchase),

(each a "**Withdrawal Fee Event**"), the Company is to pay the Joint Lead Managers a withdrawal fee of \$2,500 ("**Withdrawal Fee**").

Lycaon must pay the Joint Lead Managers the Withdrawal Fee within 14 days of the Withdrawal Fee Event occurring.

The parties agree that no Withdrawal Fee will be payable by the Company if the JLM Mandate is terminated by the Joint Lead Managers and at the time of termination there has been no Withdrawal Fee Event.

**Termination:** The JLM Mandate may be terminated by the Joint Lead Managers or Lycaon by written notice at any time with or without cause upon 7 days written notice to the other party. The Joint Lead Managers will be entitled to accrued fees, costs and expenses.

The JLM Mandate otherwise contains terms and conditions, including representations and warranties, indemnities and confidentiality provisions, considered standard for an agreement of this nature.

## **9.3 Agreements with Directors**

### **9.3.1 Technical Director Appointment**

Thomas Langley has entered into an appointment letter with the Company to act in the capacity of Technical Director.

Mr Langley will receive the remuneration set out in Section 8.4.

The Company has also agreed to grant Mr Langley 600,000 New Options as part of his remuneration package as an equity-based incentive.

Mr Langley's appointment commenced on 10 February 2021 and will automatically cease at the end of any meeting at which he is not re-elected as a Director by the shareholders of the Company or otherwise ceases in accordance with the Constitution. In addition, Mr Langley agrees to submit his resignation as a Director, if, for any reason, he becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company.

In addition to Mr Langley's general duties as a Director, Mr Langley's specific duties will include:

- (a) providing technical oversight of the Company's exploration, development and production programs and budgets;
- (b) providing technical expertise in the identification of new projects and in providing recommendations to the Board on any new acquisition opportunities deemed of interest to the Company;
- (c) providing technical advice to the Board on the implementation of strategic and tactical plans and managing operational functions to achieve the Company's goals and outcomes;
- (d) providing technical oversight of contract negotiations between the Company and mining contractors and other service providers to the Company's projects and mining operations;
- (e) ensuring the proper implementation of the Company's policies, procedures and systems;
- (f) complying with the reasonable directions of the Board from time to time, including to undertake any activity for the benefit of the Company;
- (g) using best endeavours to ensure that the business of the Company is conducted in accordance with the policies, procedures and/or directions as notified from time to time by the Board, including in accordance with the requirements of any approved budget or business plan;
- (h) advising the Board in relation to all relevant issues affecting the Company and its performance, including, without limitation, relevant corporate governance issues; and
- (i) using best endeavours to achieve the corporate objectives of the Company.

### 9.3.2 Non-Executive Director Appointments

Patrick Burke has entered into an appointment letter with the Company to act in the capacity of Non-Executive Chairman.

Ranko Matic has entered into an appointment letter with the Company to act in the capacity of Non-Executive Director.

Mr Burke and Mr Matic will receive the remuneration set out in Section 8.4.

The Company has also agreed to grant Mr Burke and Mr Matic 600,000 New Options each as part of their respective remuneration packages as an equity-based incentive.

### 9.3.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of the Directors. Pursuant to each of these deeds, the Company has agreed to indemnify the Director, to the extent permitted by law, against certain liabilities arising as a result of the Director acting as an officer of the Company. In addition, the Company is also required to maintain insurance policies for the benefit of the Director against certain risks to which the Director is exposed as an officer of the Company and grant the Director the right to access certain books and records of the Company in permitted circumstances.

## 9.4 Corporate Services Engagement

The Company has entered into a corporate services agreement with Consilium Corporate Pty Ltd (ACN 621 945 051) (**Consilium**), a company related to Ranko Matic and Melanie Ross, for the provision of company secretarial services, chief financial officer services and general accounting and corporate services dated 3 May 2021 (**Consilium Agreement**).

**Term:** The engagement commenced on 10 February 2021 and will continue until terminated.

**Fee:** The Company is currently paying a monthly fee of \$5,000 (plus GST) to Consilium (**Consilium Fee**). The Consilium Fee will increase to \$7,500 (plus GST) per month from the date of the Company's listing on the ASX.

The Consilium Fee will be reviewed 6 months from the date of the Company's listing on the ASX.

**Reimbursement of Expenses:** The Company will reimburse Consilium for all reasonable out of pocket expenses incurred by Consilium in providing the services under the Consilium Agreement. Individual expense items exceeding \$300 may only be incurred by Consilium with the prior approval of the Company.

**Indemnity:** To the maximum extent permitted by law, the Company agrees to unconditionally indemnify Consilium, its officers, employees and agents against any losses, claims, damages, liabilities, costs, expenses and outgoings whatsoever (**losses**) which they may suffer or incur and which may in any way directly or indirectly arise out of or in connection with the arrangements set out in or contemplated by the Consilium Agreement, other than losses arising directly through Consilium's gross negligence or bad faith.

**Termination:** The Consilium Agreement may be terminated by either party giving three (3) months written notice to the other party. Termination will take place on the expiration of the notice period.

**Note:** *The Consilium Agreement was negotiated on arm's length terms and Mr Matic abstained from voting on Lycaon's entry into the agreement. Consilium has received a total of \$25,640 (including GST) for fees and reimbursements from Lycaon since entry into the Consilium Agreement.*



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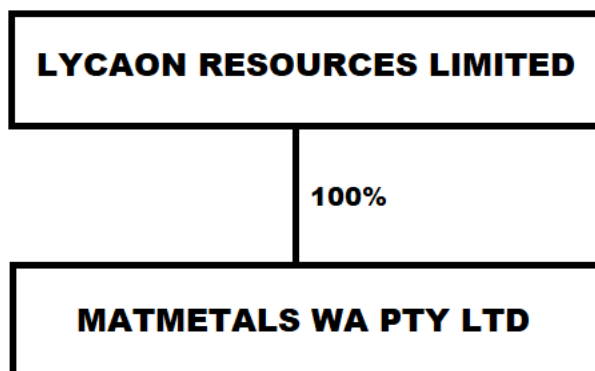
## **10. ADDITIONAL INFORMATION**

### **10.1 Litigation**

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### **10.2 Corporate Structure**

The corporate structure of the Company as at listing on ASX is set out below:



Matmetals WA Pty Ltd (ACN 640 811 507) was incorporated in Western Australia on 8 May 2020. The entity holds the Gnewing Bore Project.

### **10.3 Rights and liabilities attaching to Shares**

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

#### **(a) General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### **(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **10.4 Terms and conditions of Options and New Options**

The terms and conditions of the Options currently on issue and the New Options to be issued as detailed in this Prospectus are set out below:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 23 February 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the latter of the following:

- (i) Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, not later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## **10.5 ASIC relief and ASX waivers and confirmations**

ASIC Class Order [CO 13/520] provides the Company relief from section 606 of the Corporations Act so that the takeovers provisions of the Corporations Act will not apply to certain relevant interests that the Company would otherwise acquire in escrowed Shares by reason of the escrow arrangements described in Section 5.9.

The Company has not obtained any waivers or confirmations from the ASX in relation to the Offer.

## 10.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

## 10.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

FRM Geological Services has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Annexure A. The Company estimates it will pay FRM Geological Services a total of \$25,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, FRM Geological Services has not received fees from the Company for any other services.

Criterion Audit Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure C. The Company estimates it will pay Criterion Audit Pty Ltd a total of \$4,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Criterion Audit Pty Ltd has received \$5,500 (excluding GST) in fees from the Company for the provision of audit services as noted below.

Criterion Audit Pty Ltd is acting as the Company's auditor and has completed the audit of the Company's financial statements for the period of Lycaon's date of incorporation to 30 June 2021. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Company has paid Criterion Audit Pty Ltd \$5,500 (excluding GST) for the provision of audit services.

Canaccord Genuity (Australia) Limited and Inyati Capital Pty Ltd have acted as Joint Lead Managers to the Offer. The Company will pay Canaccord Genuity (Australia) Limited and Inyati Capital Pty Ltd a management fee of 2.0% (exclusive of GST) and a capital raising fee of 4.0% (exclusive of GST) in addition to issuing 3,000,000 New Options to Inyati Capital Pty Ltd (and/or its nominees) pursuant to the JLM Mandate as detailed in Section 9.2. Further details of the JLM Mandate with Canaccord Genuity (Australia) Limited and Inyati Capital Pty Ltd are provided in Section 9.2. During the 24 months preceding lodgement of this Prospectus with the ASIC, neither Canaccord Genuity (Australia) Limited nor Inyati Capital Pty Ltd have received any fees from the Company for any other services.

Steinepreis Paganin has acted as the Australian legal adviser to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Annexure B. The Company estimates it will pay Steinepreis Paganin a total of \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Company has paid Steinepreis Paganin \$93,865.76 (excluding GST and disbursements), partly for services associated with the Offer and preparation of the Solicitor's Report on Tenements in addition to services associated with pre-listing activities and the acquisitions of the Projects.

## **10.8 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

FRM Geological Services has given its written consent to being named as Independent Geologist in this Prospectus and to the inclusion of the Independent Geologist's Report in Annexure A in the form and context in which the report is included.

Criterion Audit Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Annexure C in the form and context in which the information and report is included.

Criterion Audit Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in Section 6 and the Investigating Accountant's Report included in Annexure C to this Prospectus in the form and context in which the information is included.

Canaccord Genuity (Australia) Limited has given its written consent to being named as a Joint Lead Manager to the Offer in this Prospectus.

Inyati Capital Pty Ltd has given its written consent to being named as a Joint Lead Manager to the Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the Australian legal adviser to the Company in relation to the Offer in this Prospectus and the inclusion of the Solicitor's Report on Tenements in Annexure B in the form and context in which the report is included.

Automic Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus.

## 10.9 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$500,000 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription (\$)
ASIC fees	3,206
ASX fees	59,829
Joint Lead Manager Fees <sup>1</sup>	300,000
Legal Fees	80,000
Independent Geologist's Fees	25,000



Item of Expenditure	Full Subscription (\$)
Investigating Accountant's Fees	4,000
Auditor's Fees	5,500
Miscellaneous (including printing and distribution)	22,465
<b>TOTAL</b>	<b>\$500,000</b>

**Notes:**

1. Refer to Section 9.2 for a summary of the terms of the JLM Mandate. Prospective investors should note that Inyati Capital Pty Ltd (and/or its nominees), a Joint Lead Manager, will also be issued 3,000,000 New Options pursuant to the JLM Mandate.

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**11. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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**Patrick Burke**  
**Non-Executive Chairman**  
**For and on behalf of**  
**Lycaon Resources Limited**

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## 12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

**\$** means an Australian dollar.

**Acquisition Agreements** means the Gnewing Bore Acquisition Agreement, the Julimar Acquisition Agreement and the Rocky Dam Acquisition Agreement as summarised at Section 9.1, or any one or more of them as the context requires.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**Australian Accounting Standards Board** or **AASB** means an Australian Government agency under the *Australian Securities and Investments Commission Act 2001* (Cth).

**Board** means the board of Directors as constituted from time to time.

**Broker** means any participating organisation selected by the Joint Lead Managers and Lycaon to act as a broker to the Offer.

**Business Days** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement.

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Company** or **Lycaon** means Lycaon Resources Limited (ACN 647 829 749).

**Conditions** has the meaning set out in Section 4.6.

**Constitution** means the constitution of the Company.

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

**Directors** means the directors of the Company at the date of this Prospectus.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

**Gnewing Bore Acquisition Agreement** means the agreement entered into between Lycaon, the Gnewing Bore Vendor and Matmetals WA Pty Ltd as summarised at Section 9.1.1.

**Gnewing Bore Vendor** means Ranko Matic, a Director of Lycaon.

**ILUA** means indigenous land use agreement.

**JORC Code** has the meaning given in the Important Notice Section.

**Julimar Acquisition Agreement** means the agreement entered into between Lycaon and the Julimar Vendors as summarised at Section 9.1.2.

**Julimar Vendors** means Anthony Cormack and Julian Stephens.

**JLM Mandate** means the agreement entered into between the Company and the Joint Lead Managers summarised at Section 9.2.

**Joint Lead Managers** means Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) (AFS License No: 234666) and Inyati Capital Pty Ltd (ACN 642 351 193) (Corporate Authorised Representative (Number: 1287573) of Australian Financial Services Licensee (Number: 485946)) and **Joint Lead Manager** means either one of them, as the context requires.

**Matmetals** means Matmetals WA Pty Ltd (ACN 640 811 507).

**Minimum Subscription** means the minimum amount to be raised under the Offer, being \$5,000,000.

**New Option** means an Option issued on the terms and conditions set out in Section 10.4.

**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

**Offer Price** means \$0.20 per Share.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Option** means an option to acquire a Share, including a New Option.

**Optionholder** means a holder of an Option.

**Projects** means the Gnewing Bore Project, the Julimar Project and the Rocky Dam Project as detailed in Section 5.2, or any one or more of them as the context requires.

**Prospectus** means this prospectus.

**Recommendations** has the meaning set out in Section 8.6.

**Rocky Dam Acquisition Agreement** means the agreement entered into between Lycaon and the Rocky Dam Vendor as summarised at Section 9.1.3.

**Rocky Dam Vendor** means Dreadnought (Yilgarn) Pty Ltd (ACN 608 619 101).

**Section** means a section of this Prospectus.

**Securities** means Shares and/or Options.

**Series A Funding Round** means the seed capital raising round detailed at Section 5.7.

**Series B Funding Round** means the seed capital raising round detailed at Section 5.7.

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

**Shareholder** means a holder of Shares.

**Tenements** means the mining tenements (including applications) in which the Company has an interest as set out in Section 5.2 and further described in the Independent Geologist's Report at Annexure A and the Solicitor's Report on Tenements at Annexure B or any one of them as the context requires.

**US** means the United States of America.

**Vendors** means the Gnewing Bore Vendor, the Julimar Vendors and the Rocky Dam Vendor, or any one of them as the context requires.

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





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56 London St, North Perth, WA, 6006  
ABN: 77 823 685 882

# **INDEPENDENT GEOLOGIST'S REPORT**

*Prepared for*  
**LYCAON RESOURCES LIMITED**

Prepared by:

F Repacholi-Muir

BSc (Geol & Soil Sc), GradCertAppFin, MAIG

*September 2021*

## 1.0 INTRODUCTION

FRM Geological Services (FRM) was engaged by Lycaon Resources Limited (Lycaon or the Company) to provide an Independent Geologist's Report (IGR or the Report) on the Gnewing Bore Project, the Rocky Dam Project and the Julimar Project (the Projects).

FRM understands that this Report is intended to be included in a prospectus (Prospectus) to be lodged by Lycaon with the Australian Securities and Investments Commission (ASIC) in support of an initial public offer (IPO) of 25,000,000 shares at A\$0.20 per share, to raise a total of A\$5 million (before costs associated with the issue) to facilitate a listing on the Australian Securities Exchange (ASX). The funds raised will be primarily used for the purpose of the exploration and evaluation of Lycaon's Projects and for working capital purposes.

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

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

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

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

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



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

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

The geology and exploration history of the Yilgarn and Kimberley regions of Western Australia has been extensively and publicly reported. Ms Repacholi-Muir has worked on these rocks at various points in her career and has traversed the area in the vicinity of the Gnewing Bore, Rocky Dam and Julimar localities in the course of that work.

The Projects do not contain any Ore Reserves, Mineral Resources nor Exploration Targets, as defined by the JORC Code. Under the definition provided by the ASX and in the VALMIN Code, the Gnewing Bore Project, the Rocky Dam Project and the Julimar Project are classified as 'exploration projects', which are inherently speculative in nature. Lycaon's Projects are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by Lycaon.

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

This Report has an Effective Date of the 16<sup>th</sup> September 2021, this being the most recent date on which Lycaon made material in its possession available to FRM and FRM is unaware of any material change since this date. FRM consents to the distribution of this Report in the form and content in which it appears.

## 2.0 EXECUTIVE SUMMARY

This Report covers the Gnewing Bore Project, the Rocky Dam Project and the Julimar Project. The general location of these Projects is shown in Figure 1 and Table 1 details the tenement schedule. All geochemical and drill results with respect to previous exploration on the Projects are set out within Tables within the body of the Report.

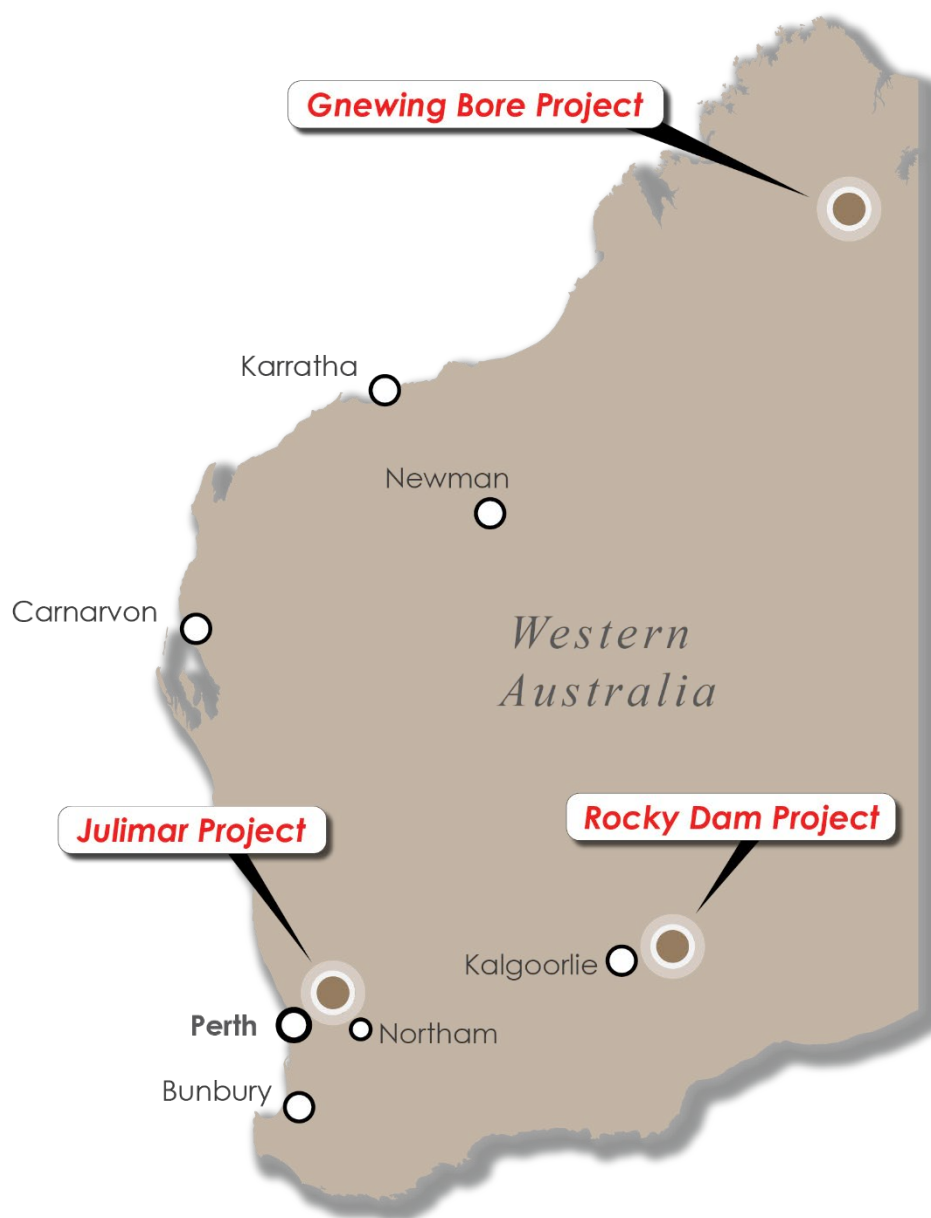


Figure 1: Lycaon Resources Limited's Project Locations

The **Gnewing Bore Project** is centred approximately 30km to the northwest of the Halls Creek townsite, within the Kimberley Region of Western Australia. The project comprises a single (1) granted Exploration Licence, covering an area of 62km<sup>2</sup>.

FRM notes a renewed exploration interest in the Kimberley region across a broad range of commodities. The East Kimberley Mineral Field has proven potential for hosting gold, with gold mining commencing in the area during the 1880s and continuing to the present day. Gold was discovered near Halls Creek

during 1885 which led to a brief gold rush. Pantoro Limited's (Pantoro, ASX:PNR) Nicolsons Mine lies approximately 40km to the south-southwest of the Gnewing Bore Project and has a current production rate of 50,000-55,000 ounces gold per year. The Nicolsons Find ore body comprises high-grade mesothermal lode gold style mineralisation, with a reported Mineral Resource of 1,602,000 tonnes @ 6.6g/t Au for 339,000 ounces gold and an Ore Reserve of 1,023,000 tonnes @ 4.6g/t Au for 150,000 ounces gold<sup>1</sup>.

Other active gold explorers in the region include Meteoric Resources NL (ASX:MEI) at its Palm Springs Gold Project, with the Butchers Creek Open Pit historically producing 52,000oz @ 2.1g/t Au<sup>2</sup> and Hexagon Energy Materials Limited (ASX:HGX) at its Halls Creek Project.

In addition to gold mineralisation the region hosts diverse mineral deposits, including Ni-Cu sulphide mineralisation at Panoramic Resources Limited's Savannah Mine (ASX:PAN) and VMS-style base metal deposits at Anglo Australian Resources Limited's (ASX:AAR) undeveloped Koongie Park Deposits (including the Onedin and Sandiego deposits). Additionally IGO Limited (ASX:IGO) has recently acquired and continues to consolidate a large tenement exploration package within the Kimberley region.

The Gnewing Bore Project has experienced limited exploration to date, with work focusing on the area surrounding a prominent north-northwest-trending, 50m long, gossanous outcrop consisting of brecciated quartz material and iron oxides after sulphides (referred to as the Gnewing Bore Prospect). Historical rock chip samples have returned up to 5.10 g/t Au and 105g/t Ag. A small historical drilling program returned a best result of 8m @ 0.52g/t Au from 12m from a hole drilled beneath the gossan (refer Table 3 for complete results).

The Gnewing Bore Project represents a hydrothermal / epithermal gold target, containing some silver and copper. The target appears primarily shear controlled. Historic work highlights good gold grades plus supporting silver and copper grades in the rock chip samples, with a lack of decent exploratory testing of the target's potential.

Exploration during the first year will focus on the acquisition of geophysical and geochemical data. Lycaon has lodged an Exploration Activities (HIA Notice) with the Kimberley Land Council Aboriginal Corporation (KLCAC) outlining the proposed drilling program, which will be considered at the KLCAC's next board meeting. Once the Exploration Activities have been approved, the gold-silver-copper quartz outcrop at Gnewing Bore Prospect offers a drill-ready target for Lycaon. The drilling of the Gnewing Bore Prospect will be completed in conjunction to other targets identified from the geophysical, geochemical and geological review.

The **Rocky Dam Project** comprises four (4) granted and seven (7) pending Exploration Licences covering approximately 182km<sup>2</sup>, a significant landholding in the highly prospective Norseman - Wiluna Greenstone Belt around the Yindarlgoona Dome within the Eastern Goldfields. The Project is centred 60km northeast of Kalgoorlie via sealed and well-maintained gravel roads. The Project is close to significant mining infrastructure and surrounds gold producer Northern Star Limited's recent Kurnalpi Project acquisition and active explorers Riversgold Limited (ASX:RGL) and Black Cat Syndicate Limited (ASX:BC8).

The Rocky Dam Project lies within a favourable setting for orogenic gold and base metal-rich Volcanic Massive Sulphide-style (VMS) styles of mineralisation with multiple other prospects identified throughout the tenure. The large-scale supergene gold mineralisation recorded in historical drilling demonstrates a fertile project area potentially active during major Yilgarn greenstone mineralisation

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<sup>1</sup> ASX.PNR Announcement 25<sup>th</sup> September 2020

<sup>2</sup> ASX.MEI Announcement 15<sup>th</sup> June 2020

events, which presents a great opportunity to potentially discover primary bedrock mineralisation that may be the source of the supergene enrichment.

Exploration work to date at the Rocky Dam Project has identified gold mineralisation at the CRA-North Prospect. The prospect was first discovered in the 1990s as a 700m long gold anomaly along a sheared contact of felsic volcanics and black shales. Historical drilling has returned encouraging results delineating thick shallow zones of supergene gold mineralisation. The oxide mineralisation is associated with ferruginous quartz veining and sericite alteration, and remains open along strike with best results including:

- 40m @ 0.6 g/t Au [18m] in RDRC002 including 9m @ 1.7 g/t Au [40m]
- 21m @ 1.0 g/t Au [41m] in RDRC012 including 6m @ 2.8 g/t Au [52m]
- 4m @ 4.1 g/t Au [62m] in RDRC001 including 1m @ 13.8 g/t Au [67m]
- 15m @ 0.4 g/t Au [13m] in RDRC009 including 4m @ 1.3 g/t Au [17m]
- 20m @ 0.6 g/t Au [39m] in RDRC006 including 2m @ 3.0 g/t Au [39m]
- 2m @ 5.9 g/t Au [95m] in RDRC007

The significant low order gold mineralisation recorded in historical drilling suggests a mineralised system is present at CRA-North, warranting further drill testing. Initial exploration work programs will consist of RC and diamond drilling planned to delineate the strike extent of the oxide mineralisation and to test for primary mineralisation at depth. Geochemical sampling, geophysics and aircore drilling will be completed at regional targets.

The **Julimar Project** comprises two (2) granted Exploration Licences, located 40km northeast and 85km east-northeast of Perth. The project licences cover an area of approximately 15km<sup>2</sup>.

During March 2020, Chalice Gold Mines Limited (Chalice, ASX:CHN) discovered extensive high-grade palladium and nickel mineralisation at its Julimar Nickel-Copper-PGE Project<sup>3</sup>. The Jimperding Metamorphic Belt is considered an emerging Ni-Cu-PGE province; with the recent Gonville discovery by Chalice, Caspin Resources Limited's (Caspin, ASX:CPN) XC-29 and Yarabrook Hill prospects, DevEx Resources Limited's (ASX:DEV) Sovereign Project and Pursuit Minerals Limited's (ASX:PUR) Phil's Hill prospect. Caspin intersected encouraging sulphide zones at its Yarawindah Brook Ni-PGE Project<sup>4</sup>, located 45km north of Chalice's Julimar Project.

Lycaon's Julimar Project lies 20km south (E70/5415) and 45km east (E70/5416) of the Julimar Nickel-Copper-PGE discovery.

The prospective mafic-ultramafic bodies are hosted within the Jimperding Metamorphic Belt. The Jimperding Metamorphic Belt is the northern part of the southwestern Yilgarn Craton and comprises Archaean gneisses, arkosic paragneiss and banded-iron-formation, interleaved with a variety of garnetiferous orthogneiss and ultramafic units. The discovery has led to significant interest in the nickel-copper-PGE potential of the mafic-ultramafic complexes. Regional work conducted by Harrison (1986) suggested that some of the mafic and ultramafic bodies within the terrane may be the remnants of larger layered intrusives, providing exploration targets for platinum group elements (PGEs) mineralisation. Chalice's Julimar results to date appear to support this assessment.

Lycaon's Project has not historically been explored for copper and nickel mineralisation however geological mapping has highlighted numerous mafic-ultramafic intrusive bodies in the general area that may be associated with mineralisation.

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<sup>3</sup> ASX:CHN 23<sup>rd</sup> March 2020 Announcement

<sup>4</sup> ASX:CPN Announcements 28<sup>th</sup> April 2021 and 24<sup>th</sup> May 2021

Lycaon plans to review publicly available geophysical datasets and previously collected geochemical samples taken within the general vicinity of the project to determine areas to focus field investigations. Upon gaining access to the tenements, Lycaon is planning a campaign of geological mapping, geochemical sampling and geophysics to define targets for drill testing.

### **Exploration Budget**

Lycaon have provided to FRM its proposed exploration expenditure for the two-year period following the capital raising with \$2,820,000 of direct exploration expenditure which is detailed in Table 2. This is the primary use of funds in the proposed capital raising.

Lycaon is intending to focus its expenditure on expenditure on geochemical surveys, drilling and geophysical surveys. FRM is satisfied that this is a prudent approach to the use of funds for exploration. FRM has reviewed Lycaon's proposed exploration activities and is of the opinion that the funds raised will be sufficient for the proposed programs, in line with the current costs of exploration and that the programs are appropriate for the mineral potential and status of the projects.

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ANNEXURE D: JORC Code Table 1, Sections 1 & 2 – Julimar Project

### 3.0 TENURE

Details of the tenements which are proposed to be acquired by Lycaon Resources Limited are included in Table 1 and general project locations are shown in Figure 1.

Table 1: Lycaon Resources Limited Tenement Schedule as at 16<sup>th</sup> September 2021

Licence	Holder <sup>1</sup>	Application Date	Grant Date	Expiry Date	Expenditure <sup>2</sup> Commitment	Area <sup>3,4</sup> (km <sup>2</sup> )
<b>Gnewing Bore Project</b>						
E 80/5508	MATM	08/07/2020	27/07/2021	26/07/2026	\$20,000	62.0
<b>Julimar Project</b>						
E 70/5415	CORM	17/04/2020	21/05/2021	20/05/2026	\$10,000	2.9
E 70/5416	CORM	17/04/2020	13/07/2020	12/07/2025	\$15,000	11.7
<b>Rocky Dam Project</b>						
E25/0533	DRE	8/10/2015	26/04/2016	25/04/2026	\$50,000	29.5
E25/0599	DRE	5/05/2020				3.0
E27/0611	DRE	11/05/2018	12/02/2020	11/02/2025	\$15,000	11.4
E27/0612	DRE	11/05/2018	02/10/2019	01/10/2024	\$15,000	14.8
E27/0634	DRE	11/05/2020				23.6
E28/2988	DRE	11/05/2020	03/03/2021	02/03/2026	\$20,000	26.5
E28/2996	DRE	29/05/2020				5.9
E28/2997	DRE	29/05/2020				23.6
E28/3000	DRE	10/06/2020				11.7
E28/3001	DRE	10/06/2020				0.3
E28/3061	DRE	21/09/2020				17.7

<sup>1</sup> Ownership Acronyms:

MATM refers to Matmetals WA Pty Ltd

CORM refers to Anthony Stephen Cormack and Julian Rodney Stephens

DRE refers to Dreadnought (Yilgarn) Pty Ltd

<sup>2</sup> Applicable on granting of Exploration Licences applications

<sup>3</sup> Area refers to granted area or in the case of applications the "first-in-time" priority to grant

<sup>4</sup> Appropriate rounding has been applied

The **Gnewing Bore Project** comprises a single (1) granted Exploration Licence, the licence covers an area of approximately 62km<sup>2</sup>. Matmetals WA Pty Ltd (Matmetals) is the registered holder of E80/5508; Lycaon has entered into a binding sale agreement with Matmetals and the shareholder of Matmetals to acquire 100% of the issued capital of Matmetals.

The Gnewing Bore Project lies within the lands of the Ngarrawanji Traditional Owners (WC1996/075 and WAD41/2019) within the jurisdiction of the Kimberley Land Council. Matmetals has entered into a native



title heritage protection and mineral exploration agreement with the Kimberley Land Council Aboriginal Corporation (KLCAC) in respect of E80/5508 on behalf of the Ngarrawanji people. Lycaon lodged a Programme of Works (PoW) with the DMIRS for a proposed drilling program, approval has been received for the use of ground disturbing equipment. Lycaon has lodged an Exploration Activities (HIA Notice) to the KLCAC outlining the proposed drilling program, which will be considered at the KLCAC's next board meeting.

There are no registered Heritage Sites identified within the project area.

The Gnewing Bore Project is located on the Moola Bulla Pastoral Lease (PL N050141).

The **Rocky Dam Project** comprises four (4) granted Exploration Licences and seven (7) pending Exploration Licences. Dreadnought (Yilgarn) Pty Ltd (Dreadnought) is the registered holder of all tenements; Lycaon has entered into a binding sale agreement with Dreadnought to acquire a 100% interest in the tenements.

The Project is overlain by the Maduwongga (WC2017/001 and WAD186/2017) Native Title Claim and the Kakarra Part A (WC2020/005, WAD297/2020) Native Title Claim.

The Rocky Dam Project overlies the Avoca Downs (PL N049885), Hampton Hill (PL N049710) and Gindalbie (PL N049753) Pastoral Leases.

The **Julimar Project** comprises two (2) granted Exploration Licences, the licences cover an area of approximately 14.6km<sup>2</sup>. Anthony Stephen Cormack and Julian Rodney Stephens (Cormack and Stephens) are the registered holders of both E70/5415 and E70/5416. Lycaon has entered into an agreement with Cormack and Stephens to acquire a 100% interest in the tenements.

The Whadjuk People (WC2011/009 and WAD242/2011) Native Title Claim overlies E70/5415 and the Ballardong People (WC2000/007 and WAD6181/1998) Native Title Claim overlies E70/5416. Both tenements lie within the jurisdiction of the South West Aboriginal Land and Sea Council. E70/5415 is located on land within the Whadjuk People Indigenous Land Use Agreement (ILUA) and E70/5416 is located on land within the Ballardong People Indigenous Land Use Agreement.

There is a registered Aboriginal Heritage Site (registered Aboriginal site 15979) pertaining to the Avon River that traverses both E70/5415 and E70/5416. There are two (2) other Heritage Places within E70/5415; Site 3385 (Brockman River) and 3452 (Bullsbrook Camp).

The eastern tenement area predominately overlies freehold titles associated predominantly with active farming properties (cereal crops, hay and livestock). Under the Mining Act (1978) freehold titles require the negotiation for land access and compensation agreements with the registered landholders prior to conducting of on-ground activities.

FRM Geological Services has not independently validated mineral tenures, the status of access agreements and applicable royalties. These aspects are dealt with in the relevant section of the Prospectus. FRM has made all reasonable enquiries regarding the status of these tenements and confirms that to the best of FRM's knowledge these tenements remain in good standing with all statutory filings, reports and documentation, including renewals have been supplied to the various government departments. The present status of tenements, agreement and legislation in this Report is based on information provided by Lycaon. The Report has been prepared on the assumption that exploration and future development of the Projects will prove to be lawfully accessible for evaluation and development. Refer to the Solicitor's Report within the Prospectus for additional details.

## 4.0 GNEWING BORE PROJECT

### 4.1 LOCATION & ACCESS

The Gnewing Bore Project is centred approximately 28km to the northwest of the Halls Creek townsite, within the Kimberley Region of Western Australia. Halls Creek is situated 347km south of Kununurra and is readily accessible via the sealed Great Northern Highway. The Project is accessible via stations tracks radiating from Moola Bulla pastoral station. The pastoral station is approximately 20 kilometres northwest of Halls Creek along the Mt Amhurst Road. The Project lies within the drainage area of the Margaret River with generally good outcrop and easy access via stations tracks. Access in the wet season is limited due to creek washouts in some areas.

The Project is located within the Kimberley Mineral Field and lies within the following Geological Survey of Western Australia (GSWA) map sheets; the Mount Ramsay (SE52-09) and Gordon Downs (SE52-10) 1:250,000 map sheets; and the Angelo (4361) and Halls Creek (4461) 1:100,000 map sheets.

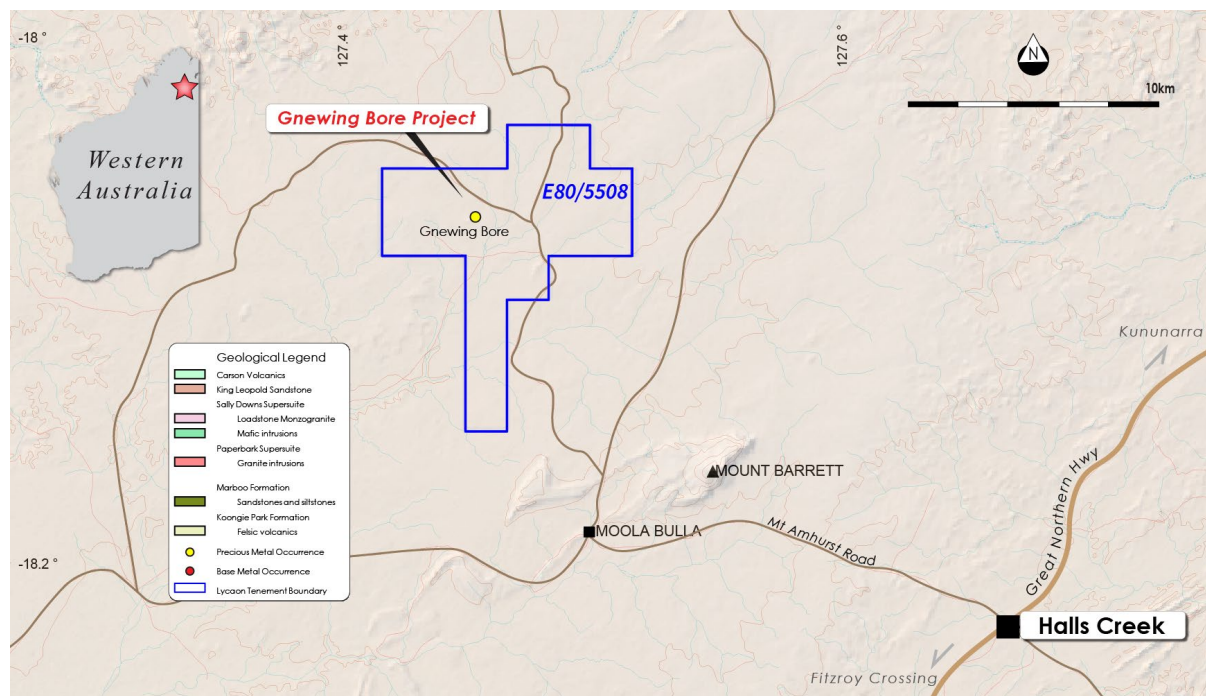


Figure 2: Gnewing Bore Project Tenure and Location

The Halls Creek area has a tropical to semi-arid climate due to its location between the wetter northern regions of the Kimberley and the arid Great Sandy Desert to the south. There are two distinct seasons. The wet seasons is usually from December to March when 80% of the annual rain falls, and the dry season is usually from May to October when it is typically dry for very long periods.

The annual average rainfall for Halls Creek is 561.5mm though there can be considerable variation from year to year due to the variable strength of the monsoon. During the wet season the days are hot (35°C+) and the nights warm (23°C+).

Physiographically, the Gnewing Bore Project lies across the Nicholson Plains with the drainage area of the Margaret River flowing to the west. Elevations range from 400 m to 450 m above sea level with variable topography: flat, undulating, low rounded boulder-strewn hills, and subdued strike ridges. Mt Barrett lies to the immediate southeast of the tenement, rising 692m. The area is characterised by savannah and grasslands and provides good cattle grazing country. Vegetation in the project area comprises mostly spinifex grass, acacia scrub and eucalyptus species.

The Gnewing Bore Project lies on the Moola Bulla pastoral station and within the lands of the Ngarrawanji Traditional Owners within the jurisdiction of the Kimberley Land Council.

## 4.2 GEOLOGY AND MINERALISATION

### Regional Setting

The Kimberley region is a geographically defined area of nearly 200,000km<sup>2</sup> in the northeast of Australia. The geological overview presented within is based on the published works of Thom (1975), Griffin and Grey (1990), Griffin (1990), Plumb (1990), Griffin and Tyler (1992) and Occhipinti et al (2016).

The principal geotectonic elements of the Kimberley region are the Kimberley Basin and the Halls Creek Province. The Halls Creek Province is subdivided into the King Leopold and the Halls Creek Paleoproterozoic Orogens, refer Figure 3.

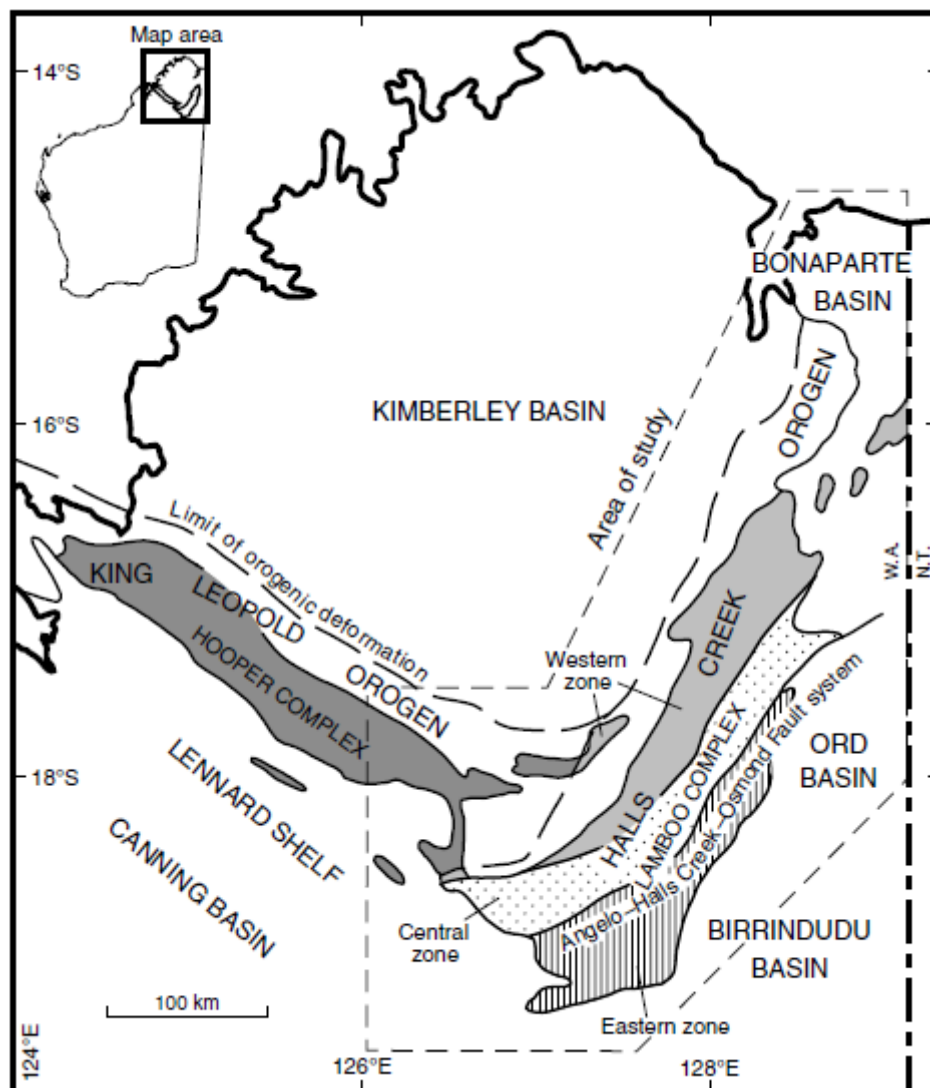


Figure 3: Regional geological map of the Kimberley Region (after Sanders, 1999)

The Halls Creek Orogen trends northeast, nearly orthogonal to the west-northwest trending King Leopold Orogen. The geology of the region is dominated by the Kimberley Craton in the north, with much younger (Phanerozoic) rocks of the Canning Basin to the south. Rocks exposed in the Kimberley

Craton are mostly sediments of Paleoproterozoic age comprising the Kimberley Group (1805–1740 Ma), the Speewah Group (1835–1807 Ma) and several minor basins.

The Halls Creek Orogen is composed of folded sedimentary and volcanic rocks intruded by large ultramafic, mafic and felsic complexes, aged between 1912 Ma and 1805 Ma, which are grouped into the Lamboo Complex. These rocks are considered to be the basement in this area. Sedimentary and volcanic rocks of younger Proterozoic and Palaeozoic basins overlie the Lamboo Complex and although some occurrences are scattered amongst basement rocks, most are on the margins of the orogen. Details of the stratigraphy and intrusive rocks of the Lamboo Complex are included in Table 2, whilst a simplified geological map of the region is shown in Figure 4.

*Table 2: Relevant Stratigraphy of the Lamboo Complex, after Griffin (1990), Plumb (1990), Griffin and Tyler (1992), Sheppard, Griffin and Tyler (1995).*

GROUP	FORMATION / AGE	LITHOLOGY	MINERALISATION
Kimberley Group	Carson Volcanics	Amygdaloidal basalt - minor interbedded qtz sandstone	
	King Leopold Sandstone	Medium to coarse grained quartz sandstone	
	Moola Bulla Sandstone	Lithic quartz sandstone	
<b>Sally Downs Supersuite</b>	Koongie Park Formation <b>1843 Ma</b>	Felsic volcanics and volcaniclastics	VMS - Cu - Pb - Zn ± Au
	Sally Downs Batholith - Loadstone Monzogranite <b>1830 - 1800 Ma</b>	Weakly porphyritic biotite monzogranite and syenogranite, minor microgranodiorite	Au - Cu?
<b>Halls Creek Group</b>	Undivided	Phyllitic siltstone, greywacke, schist, minor felsic volcanics; ~6000m thick (equiv. to Olympio Fm?)	
	Olympio Formation	Shale, siltstone, quartz - feldspar lithic wacke, turbidites, minor acid volcanics and dolomite; >4000m thick	Auriferous quartz veins (ie Mt Bradley), REE in felsic tuff (ie Brockman)
	Biscay Formation <b>1880 Ma</b>	Tholeiitic basalt, dolerite, minor andesite and acid volcanics, chert, quartzite, greywacke, siltstone, dolomite, limestone and calc-silicate rocks; ~3000m thick.	Cu - Pb - Zn ± Au ± Ag in volcanogenic massive sulphides (eg Sandiego)
	Saunders Creek Formation	Quartz - sandstone, greywacke and conglomerate; 0 -200m thick.	Uranium in conglomerate
	Tickalara Metamorphics	Metamorphosed Halls Creek Group rocks? including: schist, paragneiss, granulite, amphibolite	
	<b>Unconformity</b>		
<b>Pre Halls Creek Group</b>	Ding Dong Downs Volcanics	Amygdaloidal basalt, tuff, greywacke, acid volcanics; >600m thick, intruded by Sophie Downs Granite.	Native Cu in amygdaloidal volcanics

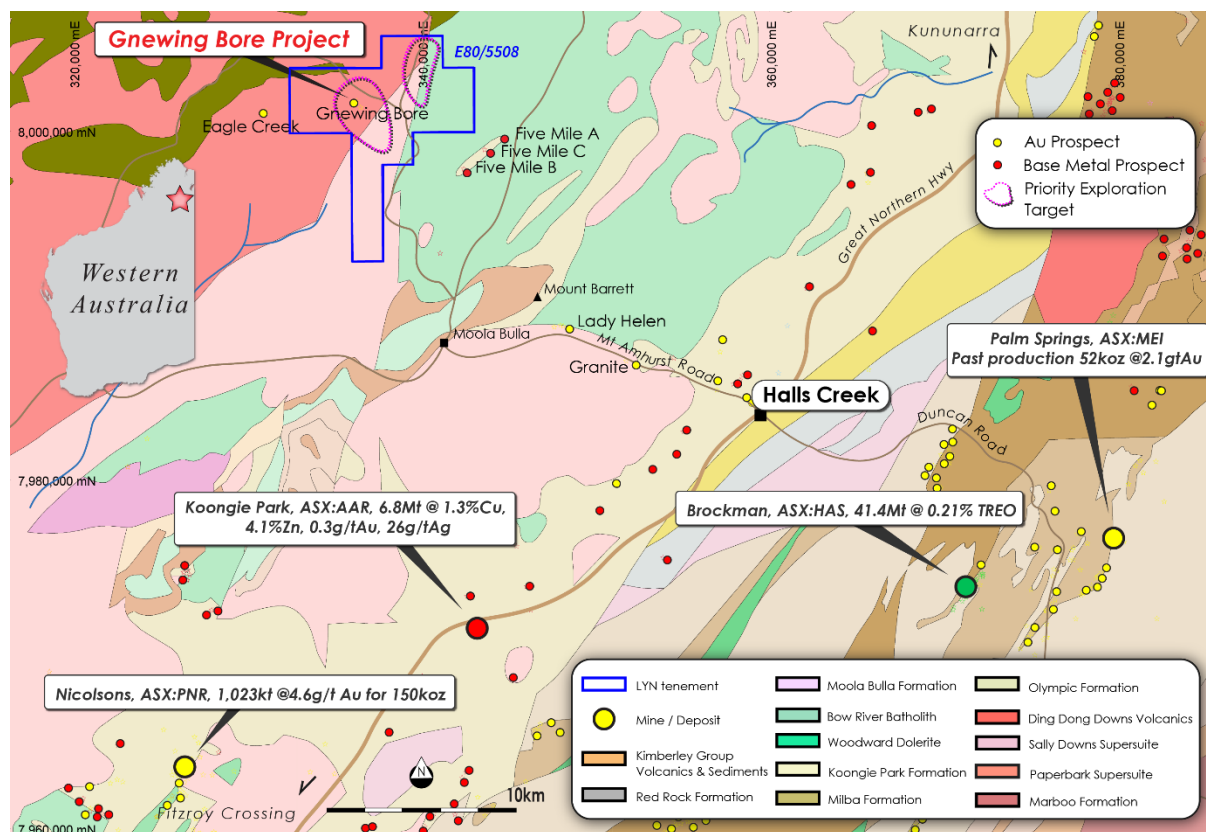


Figure 4: Regional Geological Setting of the Gnewing Bore Project and neighbouring mineral occurrences

## Project Geology

The eastern and southern portion of the Gnewing Bore Project is underlain by rocks of the Sally Downs Supersuite, specifically the Loadstone Monzogranite and mafic intrusions. The northern portion of the project is underlain by granitic intrusions of the Paperbark Supersuite and the Marboo Formation, a turbiditic succession of thinly bedded metamorphosed mudstone, siltstone, and quartz wacke.

The Sally Downs Supersuite forms a major component of the Halls Creek Orogen (Figure 5). In the field area, granitoid, massive gabbro, and mingled gabbro-granite outcrop in the southern half and north-eastern areas. Granitoid and gabbro plutons have intruded, and contact metamorphosed the Koongie Park Formation and are therefore younger than the Koongie Park Formation.

The Loadstone Monzogranite forms scattered outcrops, commonly covered in laterite. Dating of the Loadstone gives an age of 1827 Ma. The Loadstone Monzogranite intrudes the Tickalara Metamorphics, Koongie Park Formation, and the McIntosh Suite. Late aplite and pegmatite veins crosscut the Loadstone Monzogranite. The intrusion is generally quite homogenous, consisting almost entirely of medium- to coarse-grained, weakly porphyritic biotite monzogranite. K-feldspar megacrysts are typical. As a whole, the groundmass is undeformed within the intrusion; however, margins of the intrusions are variously folded or separated by extension and boudinage. The intrusion is distinguished from most others in the Sally Downs batholith by the presence of microcline, rather than microperthite, as the K-feldspar.

In the east Kimberleys, the Paperbark Supersuite is part of the Bow River Batholith (Sheppard et al. 1997) which intrudes the western and central zones of the Halls Creek Orogen (Tyler et al. 1995). The Paperbark Supersuite is unconformably overlain by sediments of the Kimberley Basin sequence. The Paperbark Supersuite was intruded simultaneously with gabbro as is shown by the development of numerous net-veined complexes and magma mingling. The granites of the Paperbark Supersuite are coeval with



sediments and alkaline volcanics of the lower part of the Olympio Formation of the eastern zone of the Halls Creek Orogen.

The Marboo Formation consists of a sequence of turbiditic metasedimentary rocks derived from the northwest, an area of crust now buried beneath the unconformably overlying Speewah and Kimberley Basins.

The Gnewing Bore gossan is located in the central portion of the Project. This is a north-northwest-trending, 50m long, gossanous outcrop consisting of brecciated quartz material and iron oxides after sulphides. Peak assays from the gossan include 5.1g/t Au, 105g/t Ag, 3804ppm As, 1223ppm Cu, 5650ppm Pb and 3125ppm Zn (refer Exploration History Section). The gossan follows the sub-regional structural orientation with trend of 330° magnetic and appears to be related to brittle fracturing and sericitisation of the gneissic or granitic basement. Northwest to north-northwest trending faults and narrow quartz veins are mapped immediately to the northwest.

The north-northeast trending (concealed) Springvale Fault is located approximately 3km to the east. The area surrounding the Gnewing Bore Prospect is dominated by Cainozoic cover and Bow River Granite with minor McIntosh Gabbro.

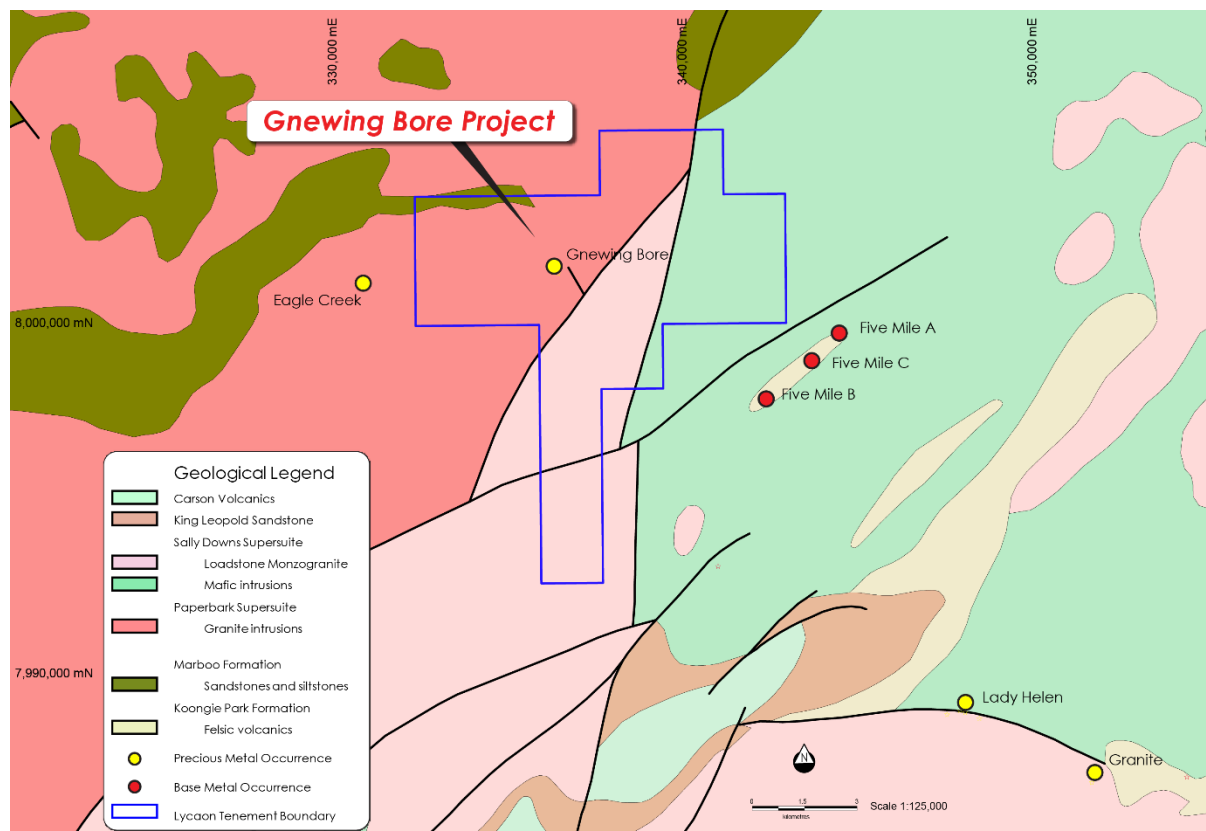


Figure 5: Simplified project geology of the Gnewing Bore Project



*Figure 6: View of the main quartz sulphide outcrops, looking northeast (from WAMEX Report A036766)*

## Mineralisation

The first payable gold discovered in Western Australia was at Halls Creek in 1885 and gold exploration dominated the Kimberley's early mining history.

The Paleoproterozoic Lamboo Province in the East Kimberley region is host to a wide range of mineral deposit styles including orogenic and possibly epithermal gold systems (Occhipinti et al., 2016); current and recently operating mines include Argyle (diamonds), Ridges Iron Ore (iron), Savannah and Copernicus (nickel, copper, cobalt); Halls Creek, Nicolsons and Wagtail North (gold); other mineral deposits include Speewah (vanadium-titanium). Refer to Figure 4 for the mineral deposits within the vicinity of the Gnewing Bore Project.

The Gnewing Bore Au–Ag–Pb–As mineralisation is associated with several narrow, layer-subparallel quartz veins in migmatised pelitic metasedimentary rock of the Marboo Formation. Drill chips contain minor quartz-vein-associated pyrite and some epidote alteration. The prospect is situated on a north-westerly trending airphoto lineament immediately north of the Gnewing Granodiorite (Griffin and Tyler, 1994), which is considered part of the Paperbark Supersuite (Sheppard et al., 1997).

## 4.3 EXPLORATION HISTORY

The general area has a long history of mining activity, commencing with the discovery of gold in Halls Creek during 1885 (the first discovery of gold within in Western Australia). The discovery of gold led to a brief gold rush.

Limited exploration was completed in the area until the early 1960s, when the Geological Survey of Western Australia ("GSWA") and the Bureau of Mineral Resources carried out regional mapping and succeeded in located several base metal gossans. A number of mining companies (Geopeko, Pickands Mather and Company International, Australian Anglo American Corporation and International Nickel

Corporation Ltd) subsequently completed regional stream sediment and gossan searches, targeting copper-nickel, copper lead and zinc and tin tungsten mineralisation around Halls Creek.

Early explorers recognised the potential for base metal mineralisation, with the associated gossanous veins identified at the Gnewing Bore Prospect and the Five Mile Prospect (7.5km southeast of Gnewing Bore, 1.5km off tenure). The emphasis shifted from base metal to gold exploration during the 1990s.

Exploration completed to date is summarised below. Figure 7 shows geochemical samples and the area where all drilling to date and substantial rockchip sampling has been completed. Significant drill intersections for all drilling is included within tables of this Report.

FRM cautions that the following synopsis is drawn from publicly available reports held by the GSWA. Whilst FRM is satisfied that the exploration results summarised were conducted in accordance with the standard industry practice of the time, the reporting of these results at the time may not fulfil the requirements of the JORC Code (2012). The Competent Person considers that these results to be indicative of, but not an absolute measure of the presence of gold mineralisation.

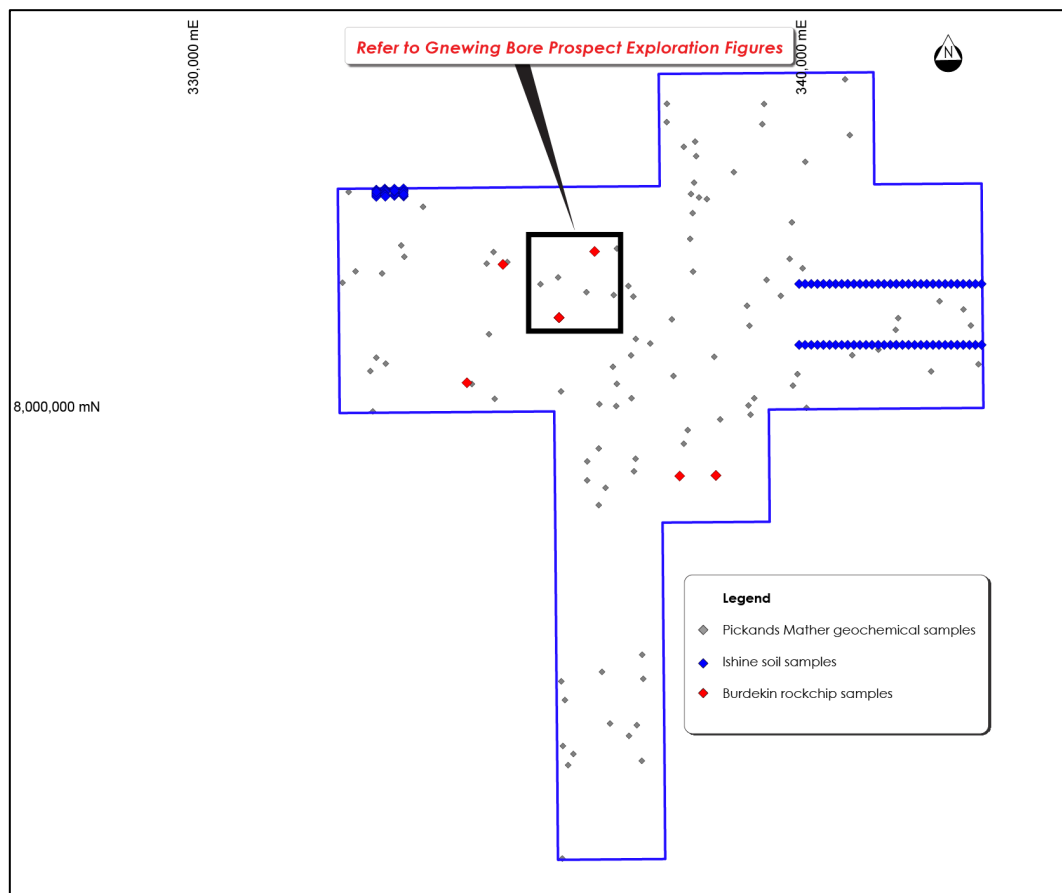


Figure 7: Summary of exploration completed to date at the Gnewing Bore Project

During 1964, a regional stream sediment sampling program was completed over the Kimberley region of Western Australia. The samples were collected and analysed by **Kimberley Ventures, Pickands Mather and Company International Managing Agents**, with additional analysis carried out in subsequent years. The stream sediment samples comprise the -80 mesh (i.e. less than 177 micron) fraction. Samples collected over the Gnewing Bore Project are shown in Figure 7. *WAMEX Report A000439*

Two (2) Reverse Circulation (RC) drillholes are anecdotally believed to have been completed circa the Gnewing Bore Prospect during the 1970s. Details of the work are unable to be located, however one of



the drillhole locations was identified definitively and another tentatively by subsequent explorers during field work.

**Anglo Australian Resources NL** applied for Prospecting Licence P80/1201 during 1992. The Prospecting Licence was subject to an agreement with joint tenement holder **Kay Schulda**. The Prospecting Licence was referred to by the holders as the Moola Bulla Prospecting Licence.

During 1992, Anglo Australian completed geological mapping, collected forty-nine (49) reconnaissance grid-based soils, twenty-six (26) composite grab, twenty-five (25) semi-continuous rockchip samples and completed two (2) angled holes.

The geological mapping identified five distinct units (Quaternary alluvium, Cenozoic cover, Bow River Granite, McIntosh Gabbro and quartz sulphide pods  $\pm$  veins). The quartz sulphide pods  $\pm$  veins were noted to occur at the lithological contact between the granite and dolerite and were surmised to be related to a north-westerly trending structure.

The semi-continuous rockchip sampling was undertaken over the main quartz sulphide occurrences, with sampling taken along lengths of predominately 5m. The total length of quartz occurrences samples was 108m. Results included 5m @ 3.31g/t Au from sample 34576.

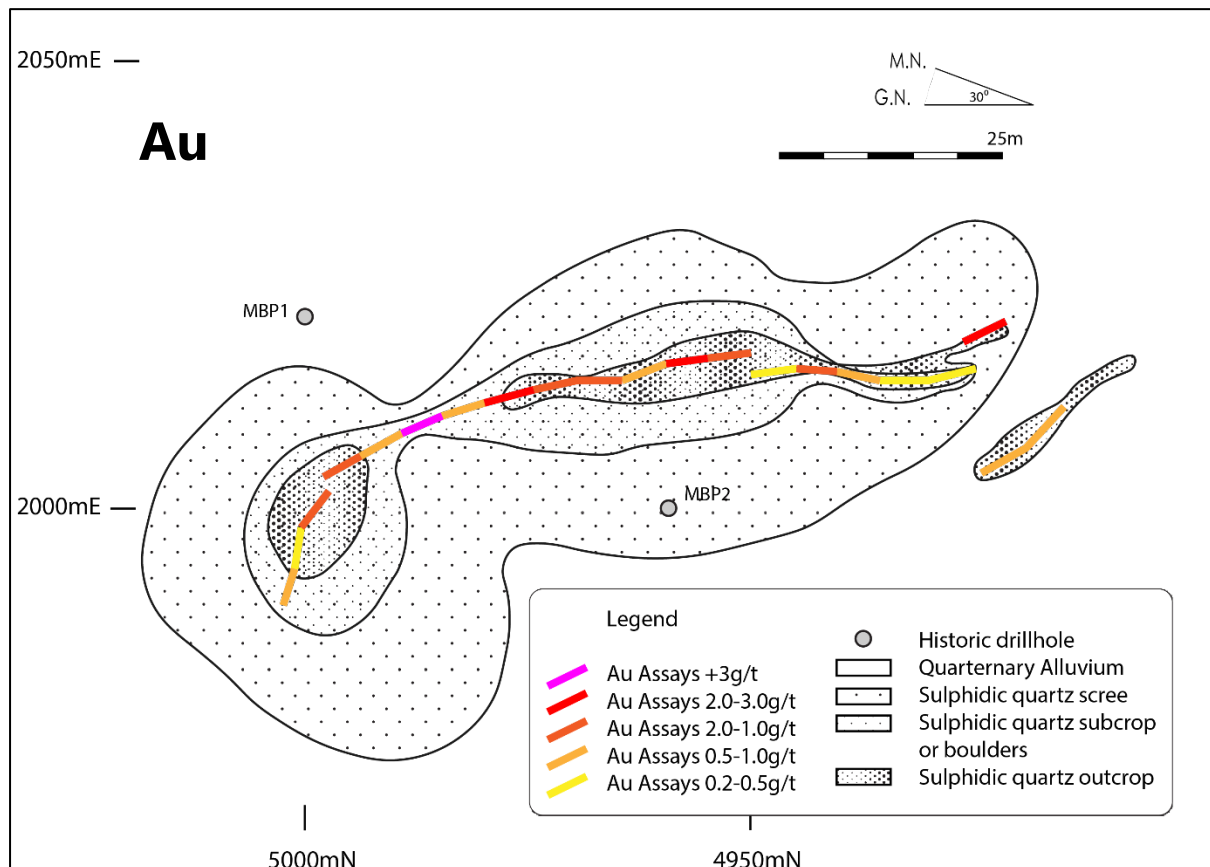


Figure 8: Gold results from semi-continuous rock chip sampling completed by Anglo Australian

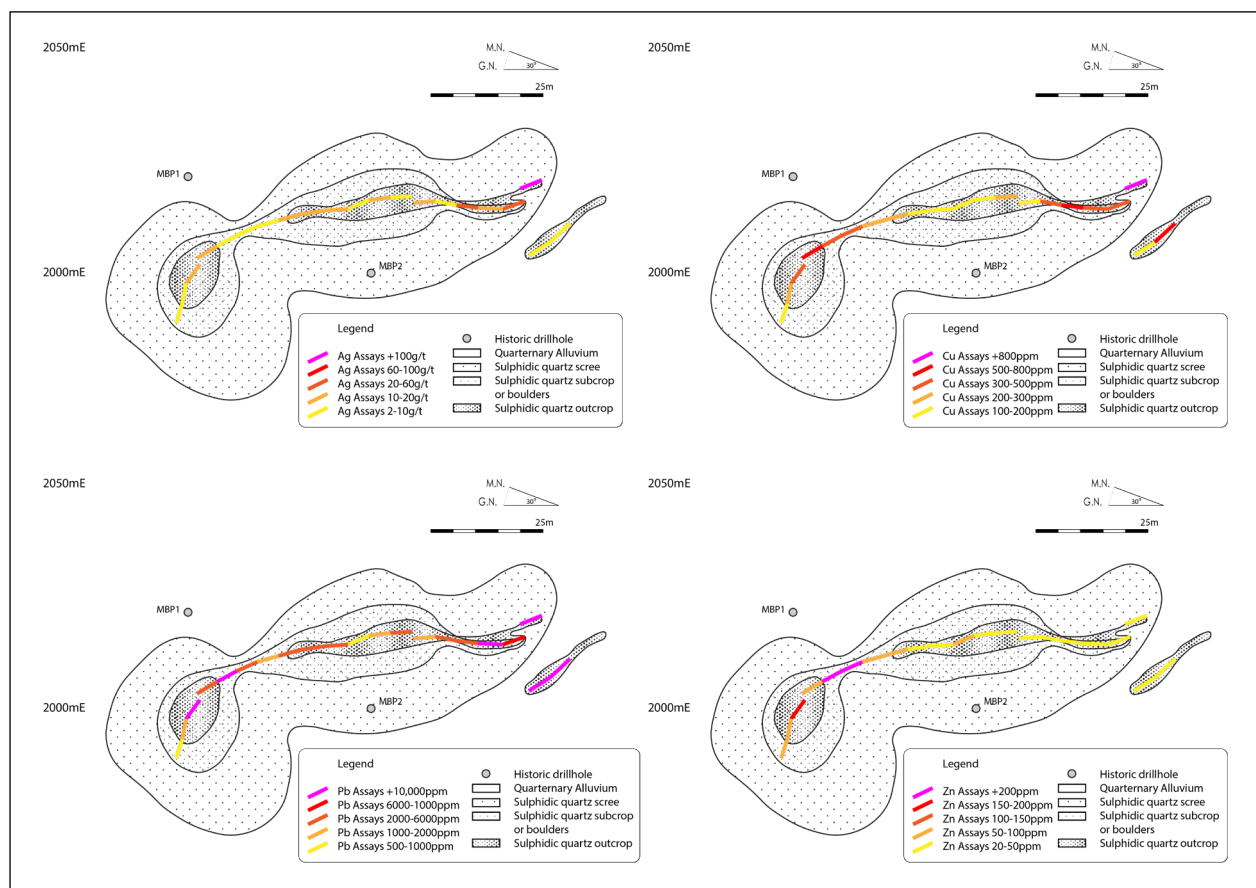


Figure 9: Silver, Copper, Lead and Zinc results from semi-continuous rock chip sampling (Anglo Australian)

Anglo Australian completed two (2) Reverse Circulation percussion drillholes for a total of 108m. The drillholes were designed to test the prominent quartz outcrop. Additional holes were planned but not completed due to a lack of alteration. The holes returned low-grade gold mineralised intercepts as detailed in Table 3. FRM cautions that these results are historical in nature and have not been previously reported in accordance with the 2012 Edition of the JORC Code and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology.

Table 3: Anglo Australian Reverse Circulation Drilling Significant Intercepts

DRILLHOLE	EAST <sup>1</sup> m	NORTH <sup>1</sup> m	DIP	AZIMUTH <sup>2</sup>	DEPTH m	FROM m	LENGTH m	Au <sup>3,4</sup> g/t
MBP1	2020	5000	-55	240	56	12	8	0.52
					incl.	16	2	1.24
						22	2	0.22
						32	8	0.26
MBP2	2000	4960	-55	060	52	26	12	0.33
					incl.	26	2	0.58

Notes:

<sup>1</sup> Coordinates included in the WAMEX report are local grid only, however sufficient topographical references are included to provide the location in relation to the gossan outcrop, refer Figure 8. Field verification will be completed by Lycaon during site visits.

<sup>2</sup> Magnetic azimuth

<sup>3</sup> Significant intercepts calculated using a 0.2g/t Au lower cut-off, 2m minimum reporting length (composite length), with higher grade intercepts using a 0.5g/t Au lower cut-off.

<sup>4</sup> The mineralised widths are downhole lengths. The orientation of the mineralisation is unknown.

Anglo Australian stated that they had evaluated the gold quartz sulphide vein target and no further work was recommended. *WAMEX Report A036766*

Kay Schulda continued to work the Prospecting Licence following Anglo Australian withdrawal. During 1993, shallow trenching across the main reef and rockchip sampling along the strike of the reef was completed. A total of twenty (20) rockchip samples were collected, results from samples GB01-GB20 ranged from below detection level to 238ppm Ag, 0.01-5.10g/t Au, 6ppm – 1850ppm Cu, 5ppm – 1.79% Pb and 14ppm – 692ppm Zn. Coordinates are not included within the open file reports, however locations are clearly marked on figures with topography for reference. FRM cautions that these results are historical in nature and have not been previously reported in accordance with the 2012 Edition of the JORC Code and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology.

During 1994, three (3) Rotary Air Blast (RAB) drillholes for a total of 180m were completed. No significant intercepts were returned, however the predominant composite size of 8m is considered insufficient to delineate mineralisation. Limited data is included in the statutory report. *WAMEX Report A040205, A043496*

During 1990 to 1991, **Troy Resources Ltd** carried out a regional geochemical stream sediment sampling program in a NE-SW trending corridor following the NNE trace of the Springvale Fault and passing immediately west of Moola Bulla homestead. *WAMEX Report A029477*

**Burdekin Resources NL** (Burdekin) explored the Mt Barrett Project, a joint venture with **Stockdale Prospecting Limited** (Stockdale) from 1993 to 2000. The Mt Barrett Project included Exploration Licence E80/1659, with the northern portion overlying the Gnewing Bore Project (excluding the Gnewing Bore Prospect). Burdekin became interested in the area following the identification of high-grade gold mineralisation at the Lady Helen Prospect and the base metal anomalous hydrothermal quartz veins at the Gnewing Bore Prospect. Stockdale had the exclusive right to explore for diamonds.

Burdekin completed rockchip and stream sediment sampling over the tenement. A total of fourteen (14) rockchips were taken within the area currently overlain by E80/5508. Best results included 51.2g/t Ag, 3.08g/t Au, 10100ppm Pb, 1310ppm Cu and 210ppm Zn (refer Table 4 for full results). FRM cautions that these results are historical in nature and have not been previously reported in accordance with the 2012 Edition of the JORC Code and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology.

*Table 4: Burdekin Resources NL rockchip samples results*

EAST <sup>1</sup> m	NORTH <sup>1</sup> m	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
338633	7998852	0.002	0.05	8	1	7
338633	7998852	0.002	0.05	6	2	3
338034	7998840	0.002	0.05	73	9	49
336637	8002536	0.002	0.05	4	2	5
335129	8002323	0.012	0.05	50	55	101

334536	8000375	0.002	0.05	123	9	149
336051	8001448	0.29	7.8	264	2180	49
336051	8001448	0.478	8.2	701	2470	50
336051	8001448	3.08	51.2	1310	10100	181
336051	8001448	0.083	2.6	263	737	210
336051	8001448	0.792	6.8	919	2250	80
336051	8001448	0.26	4.6	273	781	46
336051	8001448	0.535	8.6	759	1508	77
336051	8001448	0.35	3.7	249	1004	66

Notes:

<sup>1</sup> Easting and Northing Coordinate System = UTM GDA94 Zone 52

Burdekin observed that anomalous Au, Ag, As and Sb values occurred at the Gnewing Bore Prospect, supported by anomalous Cu, Pb and Zn values. Burdekin surmised the possibly anomalous to anomalous incompatible elements including Ba, P, Ti, Y, La and Nb may be significant in terms of a probable alkaline intrusive origin for the mineralisation.

Stream sediment sampling confirmed the presence of strong BLEG Au and Ag anomalies, supported by anomalous stream sediment Sb values. Subtle Au and Ag BLEG anomalies were also identified in the north-western portion of the tenement associated with the Gnewing Bore Prospect and a quartz breccia at Eagle Ridge (5.5km west of the Gnewing Bore mineral occurrence, outside of current tenure). Burdekin stated that infill stream sediment sampling and detailed mapping was required. *WAMEX Reports A043228, A051388, A065605*

During 2002 to 2005, **Ashburton Minerals Limited** (Ashburton) held the most eastern and southern portions of the current project as part of its Three Sisters Project. Ashburton completed stream sediment sampling (none on current Project) and commissioned UTS to fly an airborne magnetics survey over its Project. *WAMEX Reports A069828, A070803, A070804*

During 2007 to 2011, **3D Resources Limited** (3D) held E80/3870 (pertaining to current Project) as part of its Halls Creek Project. E80/3870 was the most north-western portion of the project. 3D recognised the potential of the general area for diverse styles of mineralisation. 3D completed geochemical and geophysical programs and limited drilling on the Project, no work was completed on the area pertaining to the Gnewing Bore Project proposed to be acquired by Lycaon. *WAMEX Reports A095955*

From 2011 to 2016, **Ishine International Resources** (Ishine) explored the area as part of its Alice Downs Project. Ishine conducted desktop studies to review the existing geophysical and geochemical anomalies. Ishine completed a geochemical survey over the project which partially overlaps the area pertaining to E80/5508. The surveys delineated a target of interest directly to the north of E80/5508, two RC drillholes were completed for a total of 400m. *WAMEX Report A109245*

## 5.0 ROCKY DAM PROJECT

### 5.1 LOCATION & ACCESS

The Rocky Dam Project is centred approximately 60km northeast of the regional centre of Kalgoorlie in the Goldfields Region of Western Australia. Kalgoorlie is located 595km east-northeast of Perth at the end of the Great Eastern Highway. Access is from Kalgoorlie initially via the sealed Yarri Road to Kanowna or to Gindalbie for the most northern tenement. From Kanowna, various unsealed roads provide access to the majority of the Project, including the Kurnalpi-Pinjin Road, the Carmelia Road and the Bulong Road. The Rocky Dam Project lies on the Hampton Hill, Avoca Downs and Gindalbie pastoral stations. Well maintained station tracks and fence lines provide additional access to the Project. Vehicle access in the vicinity of Lake Yindarlgooda can be hindered during the wet.

The Project is located within the East Coolgardie and the Northeast Coolgardie Mineral Fields and lies within the following Geological Survey of Western Australia (GSWA) map sheets; the Kurnalpi (SH51-10) 1:250,000 map sheet and within the Kanowna (3236), the Gindalbie (3237) and the Kurnalpi (3336) 1:100,000 map sheets.

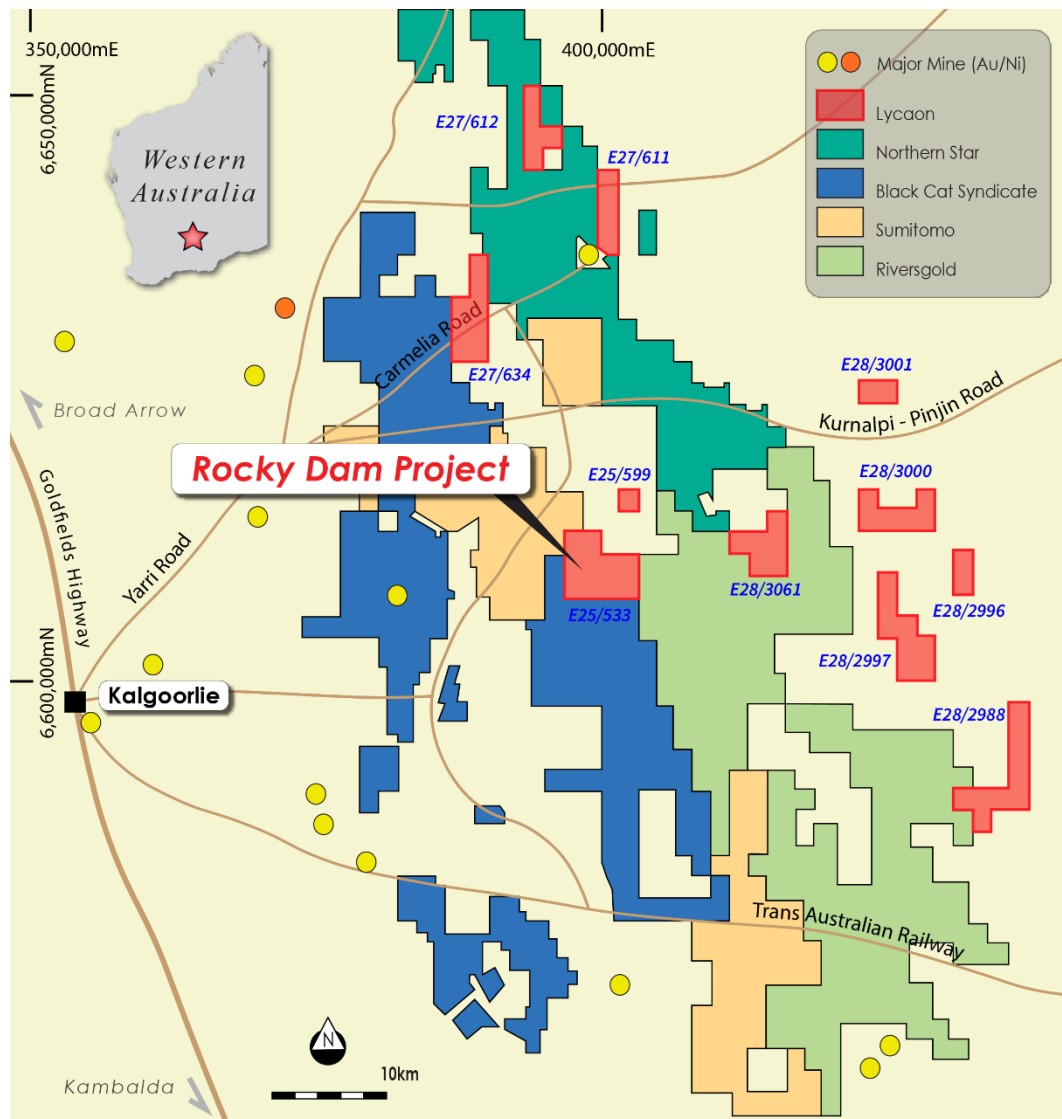


Figure 10: Rocky Dam Project Tenure and Location

Kalgoorlie has a semi-arid climate with hot summers and mild winters. The average annual rainfall is 260 mm on an average of 68 days and, while the average rainfall is fairly evenly distributed throughout the year, there is considerable variation from year to year.

January is the hottest month, with an average maximum temperature of 33.6°C, but temperatures above 40°C occur nearly once a week when hot, dry, north to north-easterly winds arrive. Such high temperatures are usually followed by a cool change from the south, and occasionally with a thunderstorm. By contrast, winters are cool, with July average maximum and minimum temperatures being 16.5°C and 4.8°C, respectively. Cold, wet days with a maximum below 12°C occur about once every winter. Overnight temperatures fall below freezing about four times in a typical winter. Such events occur on clear nights following a day of cold southerly winds.

## 5.2 GEOLOGY AND MINERALISATION

### Regional Setting

The Rocky Dam Project is located largely within the southern part of the Kurnalpi Terrane, in the Eastern Goldfields Superterrane on the eastern part of the Archean Yilgarn Craton. The Kurnalpi Terrane includes c. 2.72-2.70 Ga mafic volcanic rocks, calc-alkaline complexes, feldspathic sedimentary rocks, and mafic intrusive rocks, and c.2.69-2.68 Ga bimodal rhyolite-basalt and felsic calc-alkaline complexes that extend along a linear belt at the western edge of the terrane.

The southern Kurnalpi Terrane is divided into the Gindalbie and Bulong Domains (Cassidy et al., 2006) with the Bulong Domain essentially representing a complex terrane boundary being made up of units from both the Kurnalpi and Kalgoorlie Terranes that have been tectonically interleaved (Barley et al., 2003). Rock types consist of a bimodal volcanosedimentary sequence of mafic to ultramafic lavas and volcanoclastic units overlain by a sequence of felsic volcanic, sedimentary units and banded iron formations. The geological sequence has undergone greenschist to lower amphibolite facies metamorphism, polyphase deformation, shearing and faulting and has been intruded by dolerites, quartz- feldspar porphyries and post-tectonic granitoids.

The Gindalbie and Bulong domains lie east of the Ockerburry Fault System and extend east to a boundary comprising the Emu Fault and Penny Dam conglomerate to the east and the Randall Fault to the southeast. The Bulong Domain has a complex faulted boundary with the Gindalbie Domain to the north. The greenstone package comprises successions thought to have been separated by regional, early (D1), low angle thrust faults. These structures, which must have been folded and displaced by subsequent deformation, are poorly understood. A series of north- and northwest-trending faults cut the folded Bulong Anticline.

The resultant complex fault system in the region is variously related to known gold and nickel mineralisation. Significant gold deposits in the region include Kanowna, Daisy Milano, Randalls and Karonie and the recently discovered Salt Creek deposit, while the highly productive Kalgoorlie - New Celebration – Kambalda - St Ives trend lies to the west of the Rocky Dam Project.

The geology of the general project area is dominated by the regional Bulong Anticline (also referred to as the Yindarlgooda Dome), comprising a north-northwest trending domal structure. Felsic to intermediate volcanic and volcanoclastic units are overlain by shales and siltstones equivalent to those of the Black Flag Beds which are in turn juxtaposed against the Penny Dam Conglomerate and units of the Mt Belches Formation to the east of the Randall Fault.

The area is characterised by a north-westerly developed structural trend with several prominent regional fault systems (Figure 11), such as the Juglah Shear, Lapage Shear and the domain bounding Randalls Shear which form part of the Queen Lapage structural zone.



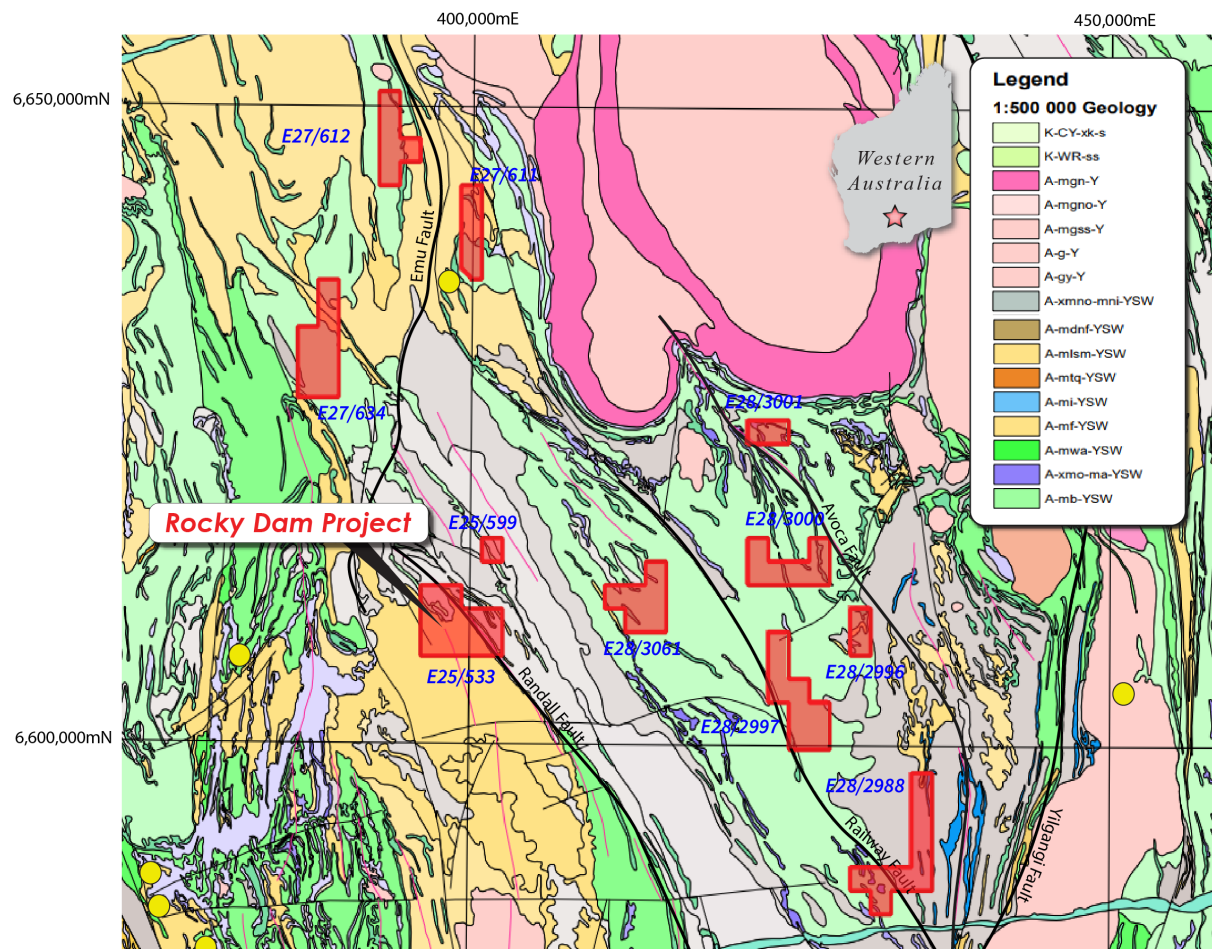


Figure 11: Regional Geological Setting and neighbouring mineral occurrences

The Queen Lapage structural zone has an indistinct boundary with the Hampton Structural Zone to the west-southwest. It is characterised by a northwest to north-northwest structural trend and includes the Jubilee rock assemblage, most of the Mount Belches rock assemblage, and the northeast portion of the Juglah rock assemblage. The structural domain is dominated by a number of large-scale folds, including the Rocky Dam Antiform and the Telephone Dam Syncline. The Rocky Dam Antiform is overturned to the northeast (dip of axial surface ~60°) and plunges to the northwest, whilst the Telephone Dam Syncline, which plunges about 20° to the northwest, is mainly upright although minor overturned strata are seen in places. The Rocky Dam Antiform is largely defined by ridges of chert. A fold closure occurs between White Gate Dam and Our Swamp Dam. The chert forms bifurcating layers and lenses, with numerous parasitic folds (10–200m across), all of which plunge northwest.

### Mineralisation

The Eastern Goldfield Province is a major producer of gold and nickel, with world-class deposits such as the Golden Mile, Paddington, New Celebration and Kanowna Belle ore bodies, the St Ives system and the Kambalda nickel deposits. Epigenetic gold mineralisation occurs in all terranes, and it is widely accepted that in most cases the mineralised structures can be related to D3 – D4 deformation (Swager, 1990). However, most recent studies by Yeats (2000) and Davis (2000a) have suggested diachronous gold emplacement within the Goldfields spanning late D2 through to early D4 deformation events.

Mineralisation is generally contemporaneous with peak regional metamorphism and alteration assemblages are governed locally by increasing CO<sub>2</sub> content of the auriferous hydrothermal fluids toward the centre of a given mineralised structure (Swager, 1990).

There is known gold and base metal mineralisation within and proximal to the Rocky Dam Project, in particular within E25/0533.

A ministerial reserve (4538H) for copper, lead, zinc, nickel, cobalt and silver was declared in 1967 to cover the Rocky Dam area. Despite the presence of abundant massive pyrite lenses, which are up to 25m thick and over 350m long, no significant base metal mineralisation was found and the ministerial reserve was dropped in 1972. The work carried out by Swiss Aluminium Mining Australia Pty Limited ("Swiss Aluminium") indicated the presence of approximately 50Mt of pyrite over a strike length of 2.76 km and extending 450m down dip. The company also reported that a portion of the pyrite contained anomalous copper and zinc.

The massive stratiform pyrite lenses, which are associated with chert, graphitic shales and felsic volcanic rocks, appear to be classic volcanic-associated massive sulphide deposits (Franklin et al., 1981). The presence of this deposit, taken in conjunction with the existence of numerous felsic volcanic complexes on Kanowna, suggests that the potential exists for other massive sulphide deposits (McGoldrick et al., 1990).

The Lapage Shear is interpreted to be a major NW trending D2/D3 structure and fluid conduit, active during the period of gold mineralisation. The Queen Lapage gold deposit located to the northeast of E25/0533 is thought to be controlled by a second order splay off the Lapage Shear. Croesus Mining NL mined the deposit during 1990-1991, producing 35,000t at 9.3g/t Au from a shallow 35m pit<sup>5</sup>. Structures of similar age and orientation to the Lapage Shear are recognised as having major influences during the time of mineralisation elsewhere in the region (e.g. Kanowna Belle, Gordon-Sirdar and Mulgarrie).

## 5.3 EXPLORATION HISTORY

The area comprising the Rocky Dam Project proposed to be acquired by Lycaon has been explored for a variety of commodities over a protracted period. Previous exploration activities within the project area commenced in the late 1890s with prospectors moving away from the finds of Kalgoorlie and Kanowna. More modern efforts commenced in the late 1960s with base metal exploration followed by gold exploration in the early 1980s. Initial work focused on the Yindarlgoooda massive sulphide horizon and a number of gold targets in proximity to the Queen Lapage deposit.

Modern gold exploration within the general area has generally focussed on the Queen Lapage and Taurus areas. The majority of work has been completed circa the Queen Lapage Mining Centre (tenements E25/0533 and E25/0599), the Kurnalpi Mining Centre (E28/3001) and the Garibaldi Mining Centre (E27/0634).

Exploration completed to date is summarised below and significant drill intersections for drilling at the CRA-North Prospect are tabulated in Annexure A of this Report. Drillhole data external to the CRA-North Prospect requires compilation, however all drilling completed on the Project to date is shown in Figure 12. FRM considers the lack of compilation to be acceptable for the Early Exploration<sup>6</sup> stage of the Project, with Lycaon indicating to FRM that it will be completed upon the finalisation of the acquisition. FRM cautions that the following synopsis is drawn from publicly available reports held by the Geological Survey of Western Australia ("GSWA"). Whilst FRM is satisfied that the exploration results summarised were conducted in accordance with the standard industry practice of the time, the reporting of these results at the time may not fulfil the requirements of the JORC Code (2012). The Competent

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<sup>5</sup> ASX.RGL Announcement 13<sup>th</sup> March 2020

<sup>6</sup> As defined by the VALMIN Code



Person considers that these results to be indicative of, but not an absolute measure of the presence of gold mineralisation.

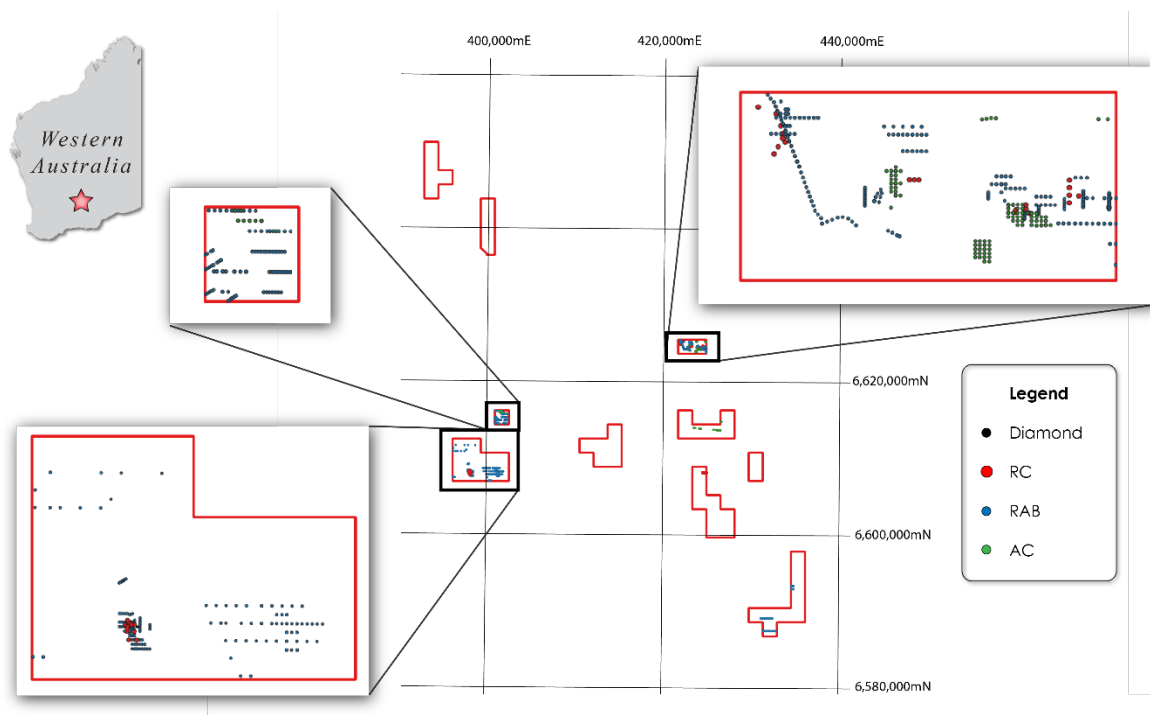


Figure 12: Summary of drilling completed to date at the Rocky Dam Project

During 1967, the **Geological Survey of Western Australia (GSWA)** directed exploration at the prominent pyritic chert ridges (0-5m thick with a strike length of approximately 10km) which overlay the felsic volcanics within the Ministerial Reserve No 4538H. These ridges were considered possible hosts for stratiform base metal mineralisation, lying approximately 9km northeast of the CRA-North Prospect. GSWA conducted detailed geological mapping, gossan and lake floor sampling, magnetic, electromagnetic, self-potential and gravity surveys over two conspicuous gossans. *Record 1968/17*

During 1970 to 1972, **Swiss Aluminium Mining Australia Pty Limited** explored TR4538H by mapping, rock-chip and soil sampling in the vicinity of the gossans, shallow trenching on the lake floor and percussion and diamond drilling. Nine diamond drillholes tested the gossans and outlined two extensive zones of massive and disseminated pyrite with only minor base metal concentrations. *WAMEX Reports A000418, A002399*

During 1968 to 1970, the **Jones Prospecting Syndicate - Union Hanna Homestake Syndicate** prospected 82 mineral claims on the northern continuation of the gossanous zones for base metal mineralisation. Exploration consisted of rock-chip geochemistry, percussion and diamond drilling. Several metres of barren massive pyrite were intercepted in two of the holes drilled.

During 1974 to 1976, **Esso Exploration and Production Australia Inc. (Esso)** conducted exploration over TR5922H consisting of geological mapping, gossan sampling, low level airborne magnetics, ground magnetics, IP surveys and diamond drilling for base metal mineralisation. Work was concentrated on a prominent gossan 3km west of the Swiss Aluminium pyrite gossans. The gossan is associated with a silicified black shale and was drilled into with two diamond holes. Approximately 20m of massive pyrite with minor copper was intersected in one of the holes. *WAMEX Reports A005734, A006270*

During 1976, **Carpentaria Exploration** pegged 21 mineral claims over the area east of Rocky Dam. Exploration consisted of geological mapping, rockchip sampling, and shallow auger drilling. This work failed to generate any base metal targets.

During 1977, **Electrolytic Zinc Company of Australasia** and **Preussag Australia AO** conducted exploration over eighteen (18) mineral claims to the north of Slate Dam and west of Rocky Dam for base metal mineralisation. Exploration consisted of geological mapping, rock-chip geochemistry, ground magnetics and RAB drilling. Whilst base metal values were slightly elevated they were not anomalous.

During 1979 to 1984, **Western Mining Corporation** (WMC) carried out exploration over TR 7673H and MCs 25/1348-1361, 25/1967-1970 for base metal mineralisation. Exploration was carried out by geological mapping, gossan and rock-chip sampling, gridding, soil sampling, detailed Transient Electromagnetic (TEM) geophysical survey, percussion drilling and diamond drilling of the TEM anomaly. Up to 20% pyrite/pyrrhotite from a depth of 206.12m to 225.4m within a porphyritic felsic pyroclastic failed to produce anomalous base metal grades.

WMC continued explore the project, competing EM surveys and sampling identified numerous drill targets. Anomalous zinc was intersected in the RC drilling,, but otherwise base metal concentrations were disappointing. Scope for further work was deemed limited. FRM cautions that these results are historical in nature and have not been previously reported in accordance with the 2012 Edition of the JORC Code and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology. *WAMEX Report A035304*

Between 1985 and 1989, **BP Minerals Australia** (BP) completed base metal and gold exploration along prominent chert ridges and around the historical Queen Lapage workings. BP initially completed gridding, geological mapping and airborne magnetic surveys. Subsequently, geochemical sampling (soil, laterite and rock), along with regional and infill auger sampling was completed over the main target areas. Targets were further defined with RAB and RC drilling, focusing on the shallow part of Lake Yindarloada and the prospective Queen Lapage corridor.

BP's work defined the supergene gold resource at Queen Lapage but was considered too small to be of interest. BP sold the project to **Croesus Mining NL** (Croesus) during 1989. Croesus completed grade control drilling of the Queen Lapage Deposit and subsequently commenced mining the orebody, with a production of approximately 35,000t @ 9g/t Au<sup>7</sup>. *WAMEX Reports A019390, A021004, A022978, A027643, A028026*

Croesus subsequently formed several joint ventures to continue exploration. A joint venture with **CRA Exploration Pty Limited** (CRA) from 1991-1993 focussed on testing distinctive magnetic anomalies within the sulphidic felsic volcanics for base metal mineralisation and to explore the potential for an extension to the Queen Lapage gold mineralisation within the felsic volcanics/metasediment contact within the Rocky Dam tenure.

Exploration consisted of geological mapping, EM geophysics, RAB and diamond drilling. RAB and coincident EM outlined an anomalous zone of zinc mineralisation within graphitic schists at Our Swamp Dam.

CRA undertook auger sampling which highlighted a significant gold anomaly within a faulted segment of graphitic schist/chert zone which parallels a northwest trending fault/shear zone. This was then followed up with shallow RAB drilling, a total of twenty-seven (27) drillholes were completed for 532m (RDR001-027). The RAB drilling intersected several anomalous gold zones within graphitic schist along the western edge of the auger anomaly. A best grade of 4m at 3.08ppm Au in RDR024 from 20m was returned within saprolitic clays after graphitic schist.

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<sup>7</sup> ASX.RGL Announcement 13<sup>th</sup> March 2020

An additional RAB program was completed, forty (40) holes for 943m (RDR028-067). The program was carried to determine the extent of the anomaly and to assist in the siting of diamond drillholes. The phase of drilling defined a 700m long by 50-100m wide anomalous gold zone striking north-northwest. The anomaly coincided with a faulted graphitic schist contact between metasediments and porphyritic felsic volcanics. Better results from the drilling included 4m @ 0.22g/t Au from 20m (RDR046), 3m @ 0.58g/t Au from 36m (RDR064) and 4m @ 0.25g/t Au from 20m (RDR066).

Two diamond drillholes (RDD003 and RDD004) were drilled to test the RAB gold anomaly at depth. RDD003 intersected a sequence of quartz-muscovite  $\pm$  sericite schist with a distinct alteration and breccia zone from 121.9m – 139.6m. RDD004 intersected a sequence of quartz porphyritic, quartz-muscovite  $\pm$  sericite  $\pm$  chlorite schist after felsic volcanics.

The drilling results were deemed disappointing by CRA, returning 2m @ 0.86g/t Au from 60m (RDD003) and 4m @ 2.24g/t Au from 58m (RDD004). Refer to Annexure A for complete results. The diamond drilling appears to have been somewhat ineffective with downhole surveys indicating a significant change off the planned azimuth by 30 degrees.

FRM cautions that these results are historical in nature and have not been previously reported in accordance with the 2012 Edition of the JORC Code and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology. *WAMEX Reports A036868, A038321*

After CRA withdrew, Croesus formed a joint venture with **Golden State** in 1993-1994 and then in 1994-1998 with **North Exploration Ltd** ("North") involving ground to the west and southwest of Queen Lapage. North completed geological mapping, soil sampling, ground magnetic, RAB drilling, structural interpretation of geophysics. No further work was completed and the tenements were surrendered.

During 2000, **Delta Gold Limited** ("Delta") entered into an agreement with Croesus Mining NL, recognising the "Lapage shear" as potentially having a favourable age and orientation for mineralisation. Initial exploration provided encouragement and Delta completed mapping, sampling and drilling, focusing on the area surrounding the historical Queen Lapage Pit. Delta withdrew from the project during 2001.

From 2006 to 2015, **Rubicon Resources Limited** explored their Yindarlgooda Project, initially in conjunction with joint venture partner **St Barbara Ltd** and later with **Integra Mining Limited**. Drilling focused on the area between E25/0533 and E28/3061 proposed to be acquired by Lycaon, namely the Queen Lapage, Five Bob, Our Swamp Dam, QE1 and Lake Penny Prospects. Rubicon suggested that previously drilling had failed to test or the possibility of a northwest trending, steeply dipping structure beneath the flat lying, supergene blankets. *WAMEX Reports A076906, A080490, A082549, A085634, A088496, A088967, A091773, A096114, A101170, A106060, A108182*

During 2018, **Dreadnought Resources Limited** ("Dreadnought") acquired the Rocky Dam Project from private entity IronRinger (Industrial Minerals) Pty Ltd. Dreadnought commenced exploration of the Rocky Dam Project by completing a detailed Ultrafine Fraction (UFF) soil sampling program over the area previously defined by CRA during the 1990s, referred to as the CRA-North Prospect. The UFF soil survey defined an 800m long  $\geq 50$ ppb gold-in-soil anomaly with a core 250m x 150m  $\geq 100$ ppb gold-in-soil anomaly. The gold-in-soil anomaly correlated strongly with subcropping gossanous quartz veins within a sheared contact with felsic schists and sediments. The anomaly agreed with historical work completed by CRA and aligned with the interpreted location of historical drilling.

Dreadnought completed two RC drilling programs during 2020 over the CRA-North Prospect. Dreadnought's maiden drilling program was designed to target oxide mineralisation associated with the high tenor gold-in-soil anomaly located along a sheared contract between felsic volcanics and sediments. Seven (7) holes for 1,212m were completed.

Three sections of scissor holes were drilled either side of the gold-in-soil and historical RAB drilling intercepts. An additional hole was drilled to the south to test thin east-west trending quartz veins exposed during earthworks. Thick, near surface, oxide gold mineralisation was intersected associated with gossanous quartz veining. Numerous thin mineralised zones in the fresh rock were associated with quartz sulphide veins and carbonate, sericite and occasionally roscoelite/fuchsite alteration. Better results included:

- RDRC001: 4m @ 4.1 g/t Au from 62m including 1m @ 13.8 g/t Au from 67m
- RDRC002: 29m @ 0.9 g/t Au from 34m including 9m @ 1.7 g/t Au from 40m
- RDRC006: 20m @ 0.6 g/t Au from 39m including 2m @ 3.0 g/t Au from 39m
- RDRC007: 2m @ 5.9 g/t Au from 95m

Refer to Annexure A for complete results. Dreadnought interpreted the mineralisation to be striking NNW-SSE, dipping to the WSW and plunging north in line with the local foliation.

Ten (10) holes were later completed for a total of 768m, planned along strike and up and down dip from the previous program to test both the supergene blanket, as well as the continuity of mineralisation at depth within the fresh bedrock.

Three holes were planned on the main traverse (6608100mN), testing both the significant intercept in RDRC002 (29m @ 0.9g/t Au from 34m, including 9m @ 1.7g/t Au from 40m) and the interpreted west dipping lode. The westernmost hole, RDRC010 was pushed down to a depth of 162m, but no significant results were returned from the bedrock. Therefore, the west-dipping lode on this section was disproven. All subsequent holes were then changed to be drilled vertically and shortly canned after the drilling entered fresh rock.

Dreadnought were encouraged by the results, with all holes returning oxide mineralisation, generally associated with ferruginous quartz veining in both felsic schists and sedimentary rocks. The program extended the thick, shallow zones of gold mineralisation at CRA-North with significant drill intercepts including:

- RDRC009: 15m @ 0.4 g/t Au from 13m including 4m @ 1.3 g/t Au from 17m
- RDRC012: 20m @ 1.1 g/t Au from 40m including 5m @ 3.3 g/t Au from 52m

Refer to Annexure A for complete results. Mineralisation is surmised to be open in all directions, however Dreadnought stated that the orientation of the bedrock lode remained elusive and required greater structural understanding. Accordingly, a review of the work completed to date, including relogging and detailed structural mapping was proposed<sup>8</sup>.

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<sup>8</sup> ASX.DRE Announcements 2<sup>nd</sup> June 2020, 15<sup>th</sup> July 2020 and 12<sup>th</sup> August 2020

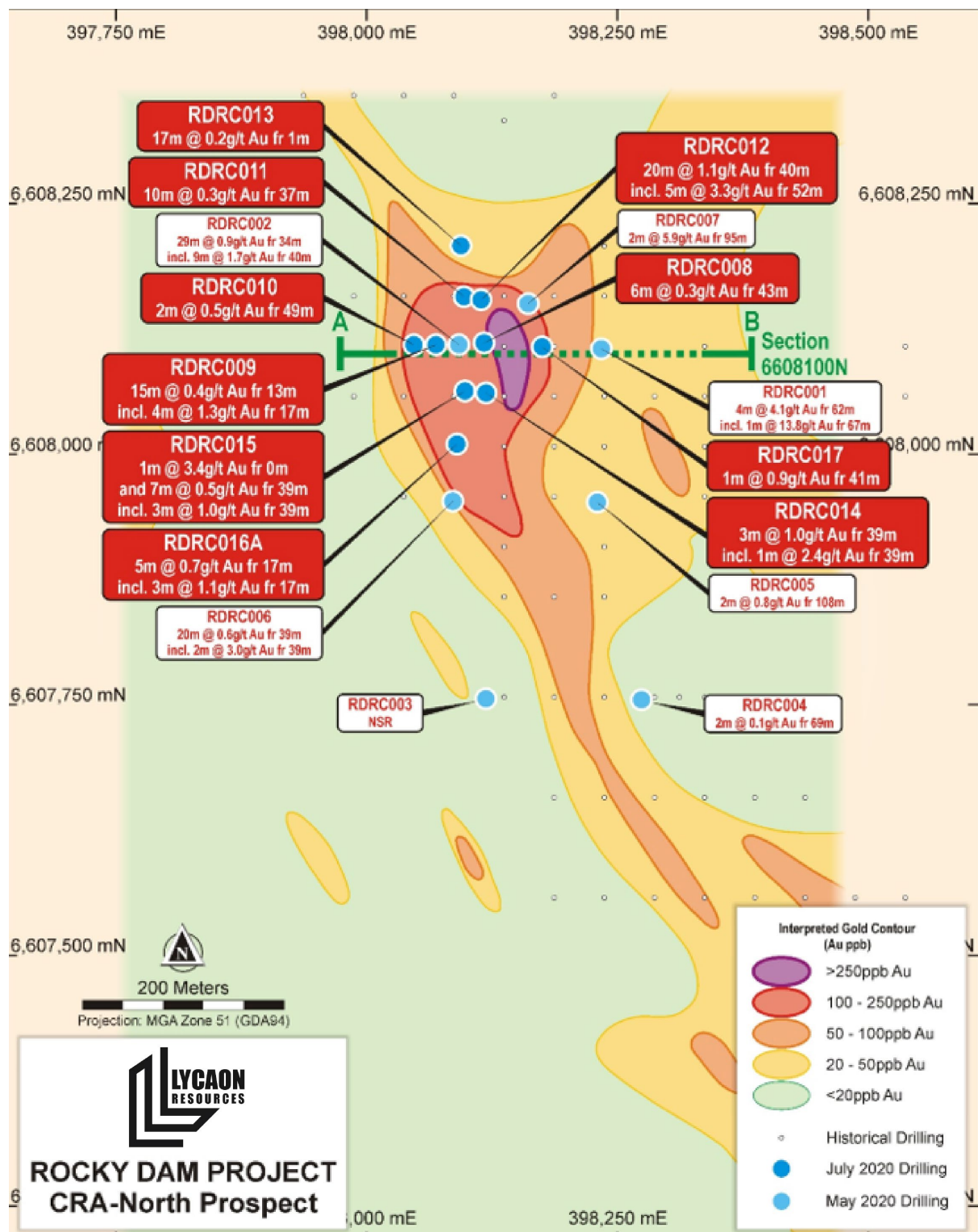
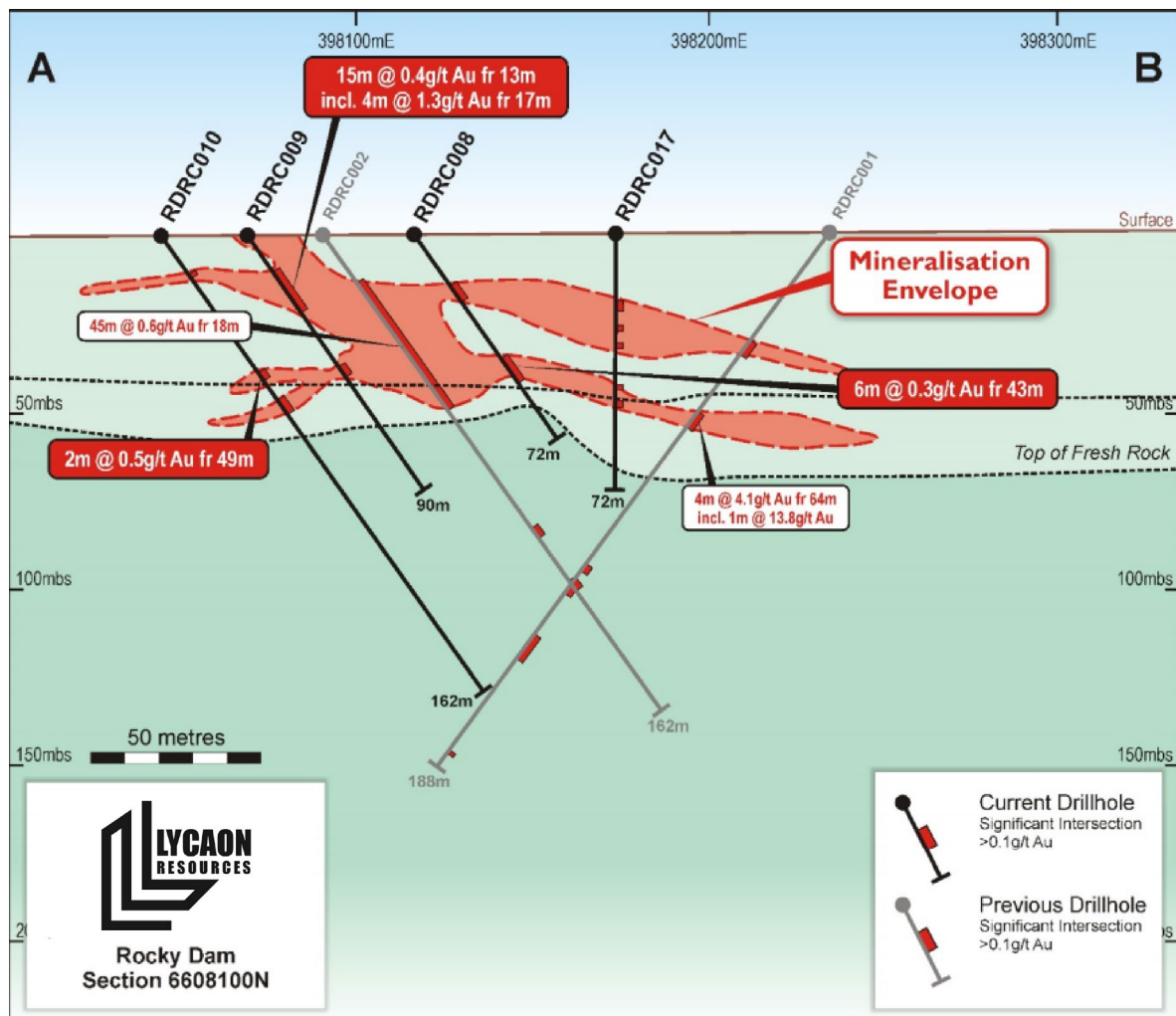


Figure 13: Plan view of CRA-North, significant drill intercepts over the soil anomaly ((modified from ASX.DRE 15<sup>th</sup> July 2020 Announcement)





## 6.0 JULIMAR PROJECT

### 6.1 LOCATION & ACCESS

The Julimar Project tenements are located 40km northeast and 85km east-northeast of Perth, in the Avon Valley of Western Australia. The Project is located within the South West Mineral Field and lies on the Perth (SH50-14) 1:250,000 map sheet and the Wooroloo (2134) and Northam (2234) 1:100,000 map sheets.

Located between the outer suburbs of Perth and the regional town of Northam, the tenements can be accessed via a number of sealed roads. From Perth, access to the western tenement is initially via Toodyay Road, then via O'Brien Road and Walyunga National Park access roads. The eastern tenement lies to the north of Northam with the sealed Northam-Pithara Road running due east of the tenement. Various sealed and unsealed gazetted roads and farm tracks provide additional access throughout the tenement.

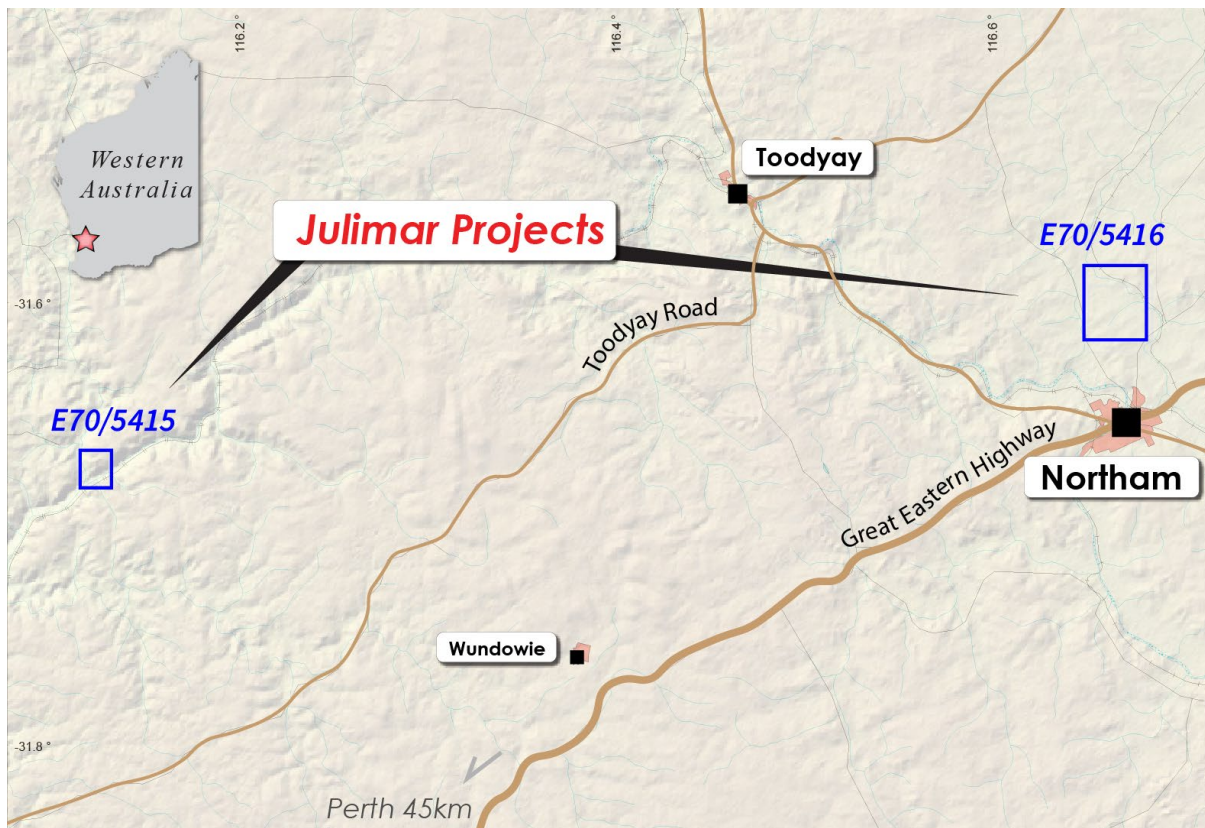


Figure 15: Julimar Project Tenure and Location

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

The topography of the area is varied, ranging from arable, low rolling hills to steeper incised country, with a slight fall to the southwest. The areas occupy some of the Avon River drainage system. Most areas have been cleared for agriculture and grazing, punctuated by occasional remnants of eucalyptus forests. These are often associated with areas of lateritic development.

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

## 6.2 GEOLOGY AND MINERALISATION

### Regional Setting

The Julimar Project lies within the western part of the Archaean Yilgarn Craton, a large craton formed by the accretion, in several phases, of a host of techno-stratigraphic terranes of existing continental crust. The tenement area lies on the Perth Geological Survey of Western Australia (GSWA) 1:250 000 scale geological map sheet.

The four Archaean terranes that make up the southwestern Yilgarn Craton are the Balingup, Boddington, Lake Grace and Murchison Terranes. The terranes are summarised by Harrison (1984), Wilde et al., (1996) and Wilde (2001).

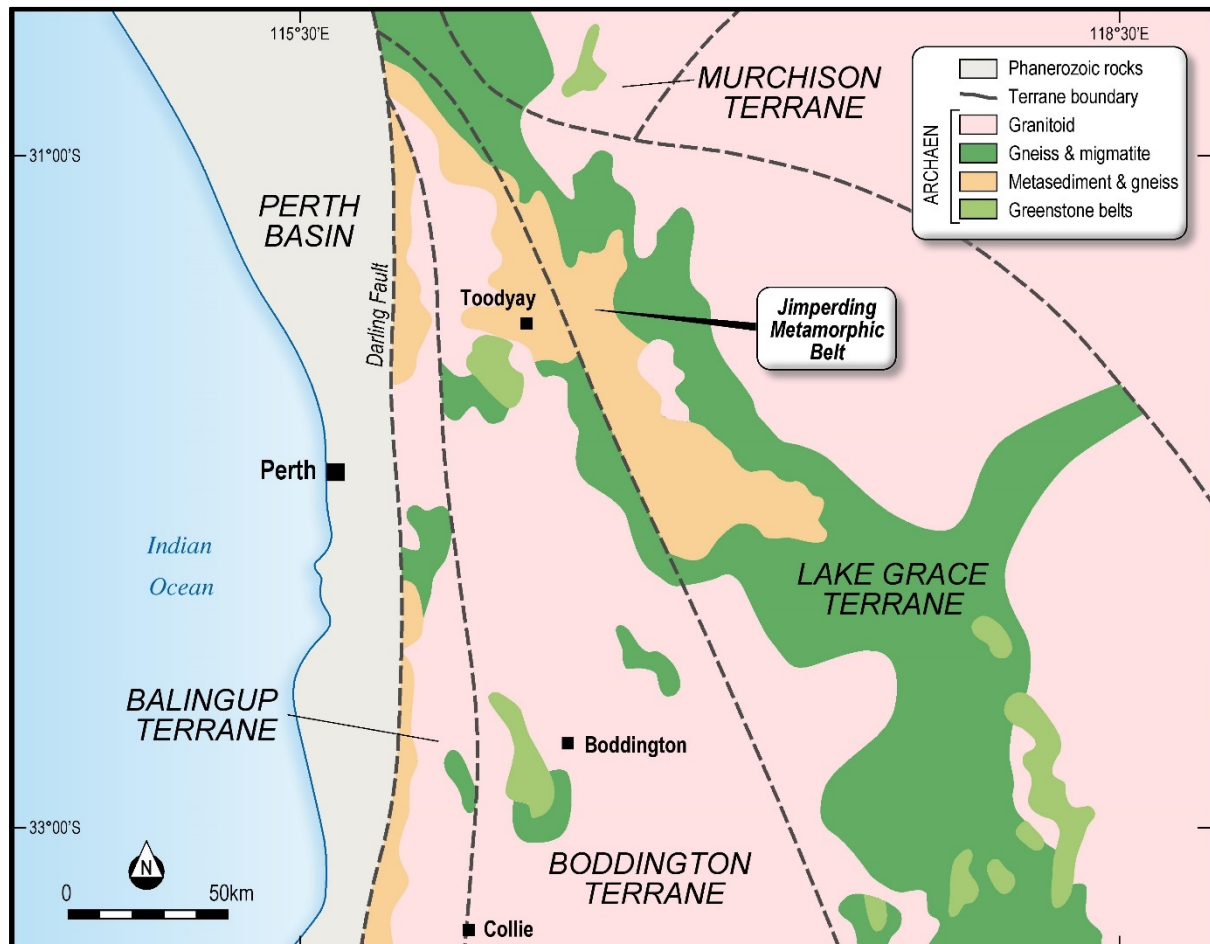


Figure 16: Julimar Project Regional Geological Setting, Modified after Wilde (1996)

The Balingup Terrane is a narrow, north-trending belt delimited to the west by the Darling Fault and less precisely defined in the east by later intrusive granitoids. The terrane consists of the Balingup and Chittering Metamorphic Belts, which are characterized by turbiditic sediments and intensely deformed orthogneisses. The Boddington Terrane is separated in the north from the Balingup Terrane by a 2 km-



wide shear zone characterized by phyllonite and quartz boudins, marking the junction of the Chittering and Jimperding Metamorphic Belts. The Boddington Terrane is only about 10 km wide in the north, widening to around 120 km in the south. The Boddington Terrane includes the northern part of the Jimperding Metamorphic Belt. The dominant rock type is quartz–feldspar–biotite gneiss interleaved with aluminous schist, orthoquartzite, banded iron-formation, and rare calc-silicate rocks.

The Lake Grace Terrane extends for almost 200 km, it narrows markedly in the north, where it comes into contact with the Murchison Terrane. The eastern boundary of the Lake Grace Terrane is not precisely defined, owing to a lack of detailed geological mapping. The terrane is characterized by sediments, greenstones, granitoids, and migmatite, mostly at granulite facies. Included within the terrane is the eastern portion of the Jimperding Metamorphic Belt and isolated outcrops of metamorphic rocks incorporated in the migmatite zone that extends south from near Meckering to the southern limit of the Yilgarn Craton; this is the most extensive zone of gneiss and migmatite in the southwestern Yilgarn. Only a small portion of the Murchison Terrane lies within the southwestern Yilgarn Craton.

The Julimar Project is predominately located within the Jimperding Metamorphic Belt, which as discussed above straddles the Lake Grace and Boddington Terrane boundaries (Figure 16).

The Jimperding Metamorphic Belt is up to 70 km wide, trends in a north-northwest direction and is bounded by the Darling Fault to the west and younger Archaean rocks to the east. The Jimperding Metamorphic Belt is characterised by the association of banded iron formations (BIF), quartzite, biotite schist, and quartz-feldspar-biotite gneiss. It is margined by migmatites and enclosed by texturally variable granitoids. The metamorphic grade of the belt increases progressively eastward from lower amphibolite to granulite facies, and consists of a complex folded series of quartzites, with rare cross-bedding, lenses of ultramafic rocks, and lens shaped bodies of amphibolite and sillimanite schists commonly found adjacent to the banded ironstone. The nature of the sequence suggests original estuarine sedimentation with material derived from a felsic source followed by intrusion of mafic, ultramafic and granite magmas. The banded iron formations present throughout the Jimperding Metamorphic Belt make good marker horizons. Intense minor folding is a characteristic feature of the bands (Wilde et al, 1978).

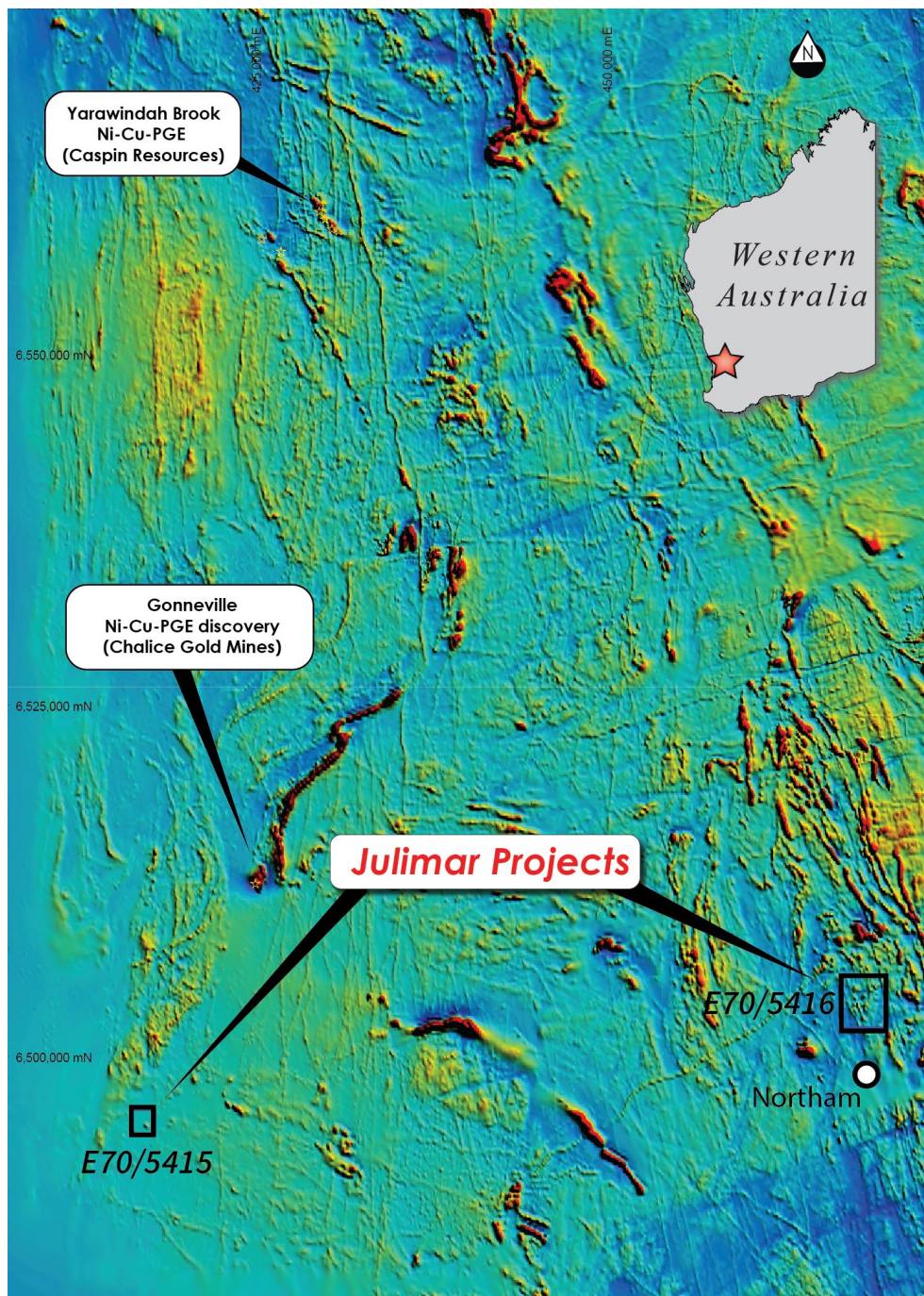


Figure 17: Regional magnetics - Julimar Project

## Project Geology

Geological mapping of the Perth (SH50-14) 1:250,000 map sheet was completed by GH Low and RW Lake (Low, 1971) between 1965 and 1967 for the area pertaining to the Perth Basin area and by SA Wilde (Wilde, 1974) for the Yilgarn Block area. Several mafic to ultramafic bodies have been mapped within the vicinity of E70/5416; identified from outcrop, drilling and aeromagnetic interpretation. These bodies have all been variously interpreted as remnants of large, layered intrusions of probably tholeiitic affinity, or structure-controlled emplacement of sills with tholeiitic as well as komatiitic affinities. The bodies are preserved as disconnected remnants often spatially associated with metasediments such as quartzites and banded iron formation.



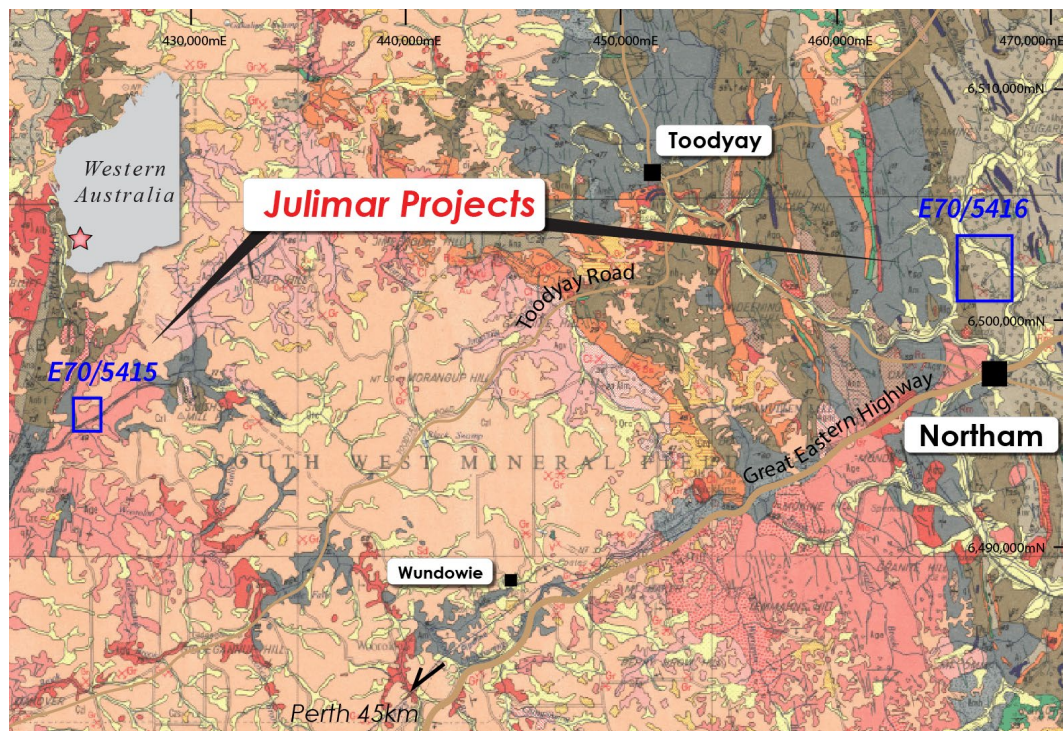


Figure 18: Julimar tenements with 250K GSWA geology

## 6.3 EXPLORATION HISTORY

Previous work within the general project area focused on the evaluation of the region for surface bauxite deposits, little to no exploration has been undertaken for nickel-copper and platinum group elements.

Work undertaken by **Australian Anglo American** and **North Flinders Mines** (North Flinders) during the 1970s identified various prospects circa the townsite of Northam. This work included the identification of the Newleyne Prospect situated 4km to the southwest of E70/5416 and the Mt Dick Prospect situated 1km north of E70/5416. North Flinders document nickel and copper geochemical anomalies associated the magnetic signatures of mafic and ultramafic rocks at the Mt Dick and Newleyne Prospect. The geochemical samples were not analysed for PGEs. *WAMEX Report A018602*

During 1992 to 1994, **BHP Minerals Pty Ltd** (BHP) explored its Northam Project for Boddington-style Au-Cu mineralisation. Initial exploration involved roadside sampling of drainages and infill soil sampling. The data is not in a digital format however it appears that a single sample (DT3736) was taken within the area pertaining to current tenement E70/5416. The area was relinquished due to the sampling returning low level geochemical results. *WAMEX Report A041816, A046911*

During early 2000s, **Sipa Exploration NL** (Sipa) explored its Ularring Rock Project (tenement E70/2337). Sipa pegged the tenement on the basis of a single laterite sample anomalous in Au and W taken during a reconnaissance laterite sampling program. Sipa focused on an area to the northeast of E70/5416, referred to as the Centre Forest where they outlined wide intersections of subeconomic Au-Cu-Bi-W mineralisation in a garnet-biotite granulite unit that lies on a granite-granulite-amphibolite contact. Mineralisation was interpreted to be syn peak metamorphism. *WAMEX Report A066830*

## 7.0 PROPOSED EXPLORATION AND USE OF FUNDS

It is the opinion of the author that the Projects proposed to be acquired by Lycaon warrant further investigation. Lycaon will undertake distinctly different exploration activities within each of the projects to achieve its exploration strategies. Lycaon will focus on under-explored portions of the projects, initially along strike and at depth from known mineralisation in the case of Gnewing Bore and Rocky Dam. Lycaon aims to use advanced exploration techniques in conjunction with leading analytic and geophysical techniques to identify drill targets.

Initial work will include the validation of existing exploration data for both projects including drilling, geology, and geochemical samples, ensuring the accurate digital capture of all available data.

The **Gnewing Bore Project** has experienced limited exploration to date, with work focusing on the area surrounding the quartz rich gossanous outcrop (referred to as the Gnewing Bore Prospect). Work completed to date includes rockchip sampling and a small drilling program.

The Gnewing Bore Project represents a hydrothermal / epithermal gold target, containing some silver and copper. The target appears primarily shear controlled. Historic work highlights good gold grades (up to 5.10g/t Au) plus supporting silver (up to 54g/t Ag) and copper (up to 1850ppm Cu) grades in the rock chip samples, with a lack of decent exploratory testing of the target's potential.

During the first year, Lycaon plans to undertake a reappraisal of the available datasets and field reconnaissance mapping (geology, structure and alteration) to define targets for drilling. Geophysical surveying, including Gradient Array Induced Polarisation (GAIP) will be used to assist in targeted prospects with less pronounced geological attributes.

Lycaon has lodged an Exploration Activities (HIA Notice) with the Kimberley Land Council Aboriginal Corporation (KLCAC) outlining the proposed drilling program, which will be considered at the KLCAC's next board meeting. Once the Exploration Activities have been approved, the Gnewing Bore Prospect offers a drill-ready target. The initial drill program will be focused on evaluating the potential of the Gnewing Bore Prospect; including the determination of the extent of the width, depth, grade and continuity of the outcropping gold, silver and copper mineralisation through RC drilling. Undercover strike extensions will be targeted by RC drilling.

Targets identified through the dataset appraisals will be prioritised and RC and/or diamond drilling will be completed to confirm the geological models.

From FRM's assessment of the exploration data it is evident that the Gnewing Bore Project has experienced limited exploration to date. Lycaon has proposed a geologically driven exploration strategy which provides potential for the discovery of new gold deposits associated with known geochemical, geological and structural targets. FRM considers the project to be at an early stage of exploration, with the Gnewing Bore Prospect a drill-ready target as well as the Project containing additional conceptual targets warranting further investigation.

The **Rocky Dam Project** is underlain by Archaean age metasediments and felsic volcanics of the Black Flag Group which host numerous gold deposit throughout the Eastern Goldfields. The Project is adjacent to the Queen Lapage pit which was exploited by Croesus during the 1990s and the Slate Dam Project of the Black Cat Syndicate. The Slate Dam Project pertains to a large-scale geochemical anomaly that is being explored for Invincible-style sediment-hosted gold mineralisation. FRM considers the geology of the Rocky Dam Project to be prospective for gold mineralisation based on lithologies and the results of exploration to date. FRM cautions that the presence of gold mineralisation on neighbouring tenure is not an absolute indication of the prospectivity of the relevant project geology.

Exploration work to date at the Rocky Dam Project has identified gold mineralisation at the CRA-North Prospect which is surmised to remain open at depth and/or along strike. The mineralisation at CRA-

North represents an immediate drill target for Lycaon, with the orientation of the bedrock mineralisation requiring confirmation.

Lycaon will compile the regional geochemical, geophysical and drilling data that has been generated by previous exploration. Favourable gold mineralising shear zones with favourable horizons or anomalous gold results from aircore and RAB drilling also represent a focus for early drill testing.

The **Julimar Project** has not historically been explored for nickel-copper and platinum group elements, with previous work focusing on the evaluation of the region for surface bauxite deposits.

Lycaon plans to review publicly available geophysical datasets and previously collected geochemical samples taken within the general vicinity of the project to determine areas to focus field investigations. Upon gaining access to the tenements, Lycaon is planning a campaign of geological mapping, geochemical sampling and geophysics to define targets for drill testing.

A regolith mapping and soil geochemistry program will be completed over the Project to assess the precious and base metal mineralisation prospectivity.

The terrane is well suited to using airborne electromagnetic (AEM) surveying techniques which have proven to be effective elsewhere in the region, such as that recently at Chalice's Julimar discovery, for defining conductive sulphide bodies. Although effective it is noted that not all sulphide systems are conductive or suited to AEM style exploration. Follow up electromagnetic techniques such as fixed surface loop electromagnetic (FLEM) surveys may be carried out over the higher priority targets identified in the AEM.

Final targets generated will then be drill tested. The successes and explorations strategies employed by other explorers within the Jimperding Metamorphic Belt will guide Lycaon's exploration model for the project.

### **Use of Funds**

Lycaon has provided FRM with a copy of its proposed exploration expenditure for the Gnewing Bore Project, the Rocky Dam Project and the Julimar Project for an initial two-year period following the listing on the ASX. Table 5 provides a summary of expenditure by activity for the Projects for the planned \$5,000,000 capital raising. Lycaon is intending to focus its expenditure on geochemical surveys, drilling and geophysical surveys.

All costs are shown as an all-in inclusive cost, which includes the cost of drilling, sampling, assaying, personnel and other relevant costs. The proposed exploration budget and work programs are broadly in-line with the current exploration costs in Western Australia. FRM notes that the exploration budget is sufficient to exceed Lycaon's minimum statutory expenditure obligations for the projects.

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

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

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

Table 5: Summary of proposed use of funds (A\$5 million minimum subscription capital raising)

Minimum Subscription (\$5M)			
	Year 1 (A\$)	Year 2 (A\$)	TOTAL (A\$)
<b>GNEWING BORE PROJECT</b>			
Geophysics	150,000		150,000
Geochemistry	60,000		60,000
Drilling	300,000	450,000	750,000
Field support	75,000	85,000	160,000
Land access / Environment	55,000	35,000	90,000
<b>Project Total</b>	<b>640,000</b>	<b>570,000</b>	<b>1,210,000</b>
<b>ROCKY DAM PROJECT</b>			
Geophysics		135,000	135,000
Geochemistry	60,000	60,000	120,000
Drilling	290,000	360,000	650,000
Field support	55,000	60,000	115,000
Land access / Environment	25,000	25,000	50,000
<b>Project Total</b>	<b>430,000</b>	<b>640,000</b>	<b>1,070,000</b>
<b>JULIMAR PROJECT</b>			
Geophysics	175,000		175,000
Geochemistry	45,000	20,000	65,000
Drilling	90,000	110,000	200,000
Field support	25,000	45,000	70,000
Land access / Environment	15,000	15,000	30,000
<b>Project Total</b>	<b>350,000</b>	<b>190,000</b>	<b>540,000</b>
<b>TOTAL</b>	<b>1,420,000</b>	<b>1,400,000</b>	<b>2,820,000</b>

## 8.0 DECLARATION

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

The Competent Person for preparation of the report is Ms Felicity Repacholi-Muir; BSc (Geol & Soil Sc), GradCertAppFin. Ms Repacholi-Muir is a Member of the Australian Institute of Geoscientists (MAIG #3417) with over 15 years of experience and has extensive professional experience with the geology of Western Australia and has worked extensively throughout Western Australia. The information in this Report that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Ms Repacholi-Muir.

Ms Repacholi-Muir has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent

Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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

This report has an Effective Date of the 16<sup>th</sup> September 2021, this being the most recent date on which Lycaon made material in its possession available to FRM and FRM is not aware of any material change to the company's mineral interests since that date. FRM consents to the distribution of this Report in the form and content in which it appears.



Felicity Repacholi-Muir

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## 10.0 GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

**Auriferous** Containing gold.

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

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

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

**Basic** A descriptive term applied to igneous rocks (basalt and gabbro) with silica (SiO<sub>2</sub>) between 44% and 52%.

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

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

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

**Carbonate** Rock of sedimentary or hydrothermal origin, composed primarily of CO<sub>3</sub>

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

**Chlorite** A dark replacement mineral related to mica.

**Clastic** Sediments derived from erosion of pre-existing rocks.

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

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

**Deformation** Process by which rocks are folded or faulted.

**Deposition** The precipitation of mineral matter from solution.

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

**Disseminated** Mineral grains scattered throughout host rock.

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

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

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

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

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

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

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

**Fluvial** Produced by the action of flowing water.

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

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

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

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

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

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

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

**Granitoid** Pertaining to or composed of granite.

**Greenstone** Term for any fine-grained mafic igneous rock.

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

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

**Hematite** An iron oxide mineral with the general formula  $\text{Fe}_2\text{O}_3$

**Host rock** Rock containing mineralisation.

**Igneous** Formed by solidification from the molten state.

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

**Intermediate** A descriptive term applied to igneous rocks that are transitional between basic and acidic with silica ( $\text{SiO}_2$ ) between 54% and 65%.

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

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

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

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

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

**Magnetite** A mineral; magnetic oxide of iron.

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

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

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

**Metabasalt** Partly metamorphosed basalt rocks.

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

**Monzogranite** The name of a subdivision of granite rocks.

**Nickel** Silvery-white metal used in alloys.

**Ounce** Troy ounce equivalent to 31.10348g.

**Outcrop** An exposure of bedrock at the surface, projecting through the overlying soil cover.

**Oxidised** Near-surface decomposition by exposure to the atmosphere and groundwater.

**Percussion drilling** A method of drilling which utilises a hammering action under rotation to penetrate rock while the cuttings are forced to the surface by compressed air returning outside the drill rods.

**PreCambrian** All geologic time from the beginning of Earth history to 545 million years ago.

**Project** An area including a group of tenements that constitute a logical working unit.

**Proterozoic** A geological period of time from 2500 Ma – 545 Ma.

**Prospect** Any mine workings not yet valued; an area to be examined for minerals.

**Pyrite** Magnetic iron sulphide mineral.

**Pyroxene** A dark silicate mineral common in mafic rocks.

**Pyrrhotite** Magnetic iron sulphide mineral.

**Quartz** A very common mineral composed of silica.

**Regolith** All the material at the earth's surface that lies above fresh, unweathered rocks.

**Rotary air blast (RAB) drilling** A technique whereby the cuttings are returned to the surface outside the drill stem by compressed air and are thus liable to contamination from the wall rocks.

**Reverse circulation (RC) drilling** A technique in which the cuttings are recovered through the drill rods, thereby minimising sample losses and contamination.

**Regolith** Weathered portion of the land surface down to bedrock.

**Sampling** Taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).

**Schist** Type of fine-grained metamorphic rock with a laminated fabric similar to slate.

**Sediment** Formed by the deposition of solid fragmental or chemical material that originates from the weathering of rocks.

**Sedimentary Basin** A low area in the earth's crust, of tectonic origin, in which sediments have accumulated.

**Shear** A fracture in rock that is similar to a fault; zone in which rocks have been deformed by lateral movement along innumerable parallel planes.

**Silicified** Referring to rocks in which a significant proportion of the original constituent minerals have been replaced by silica.

**Sill** Intrusive igneous rock horizontally or sub-horizontally emplaced.

**Stratigraphic** Pertaining to the composition, sequence and correlation of stratified rocks.

**Stratigraphy** The study of stratified rocks, especially their age, correlation and character.

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

**Sulphides** Minerals comprising a chemical combination of sulphur and metals.

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

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

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

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

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

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

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

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

## 11.0 ABBREVIATIONS AND UNITS OF MEASUREMENT

°	degrees
°C	degrees Celsius
4WD	four-wheel drive
A\$	Australian dollars
AEM	airborne electromagnetic
Ag	silver
AI	Abrasion Index
AIG	Australian Institute of Geoscientists
Al	aluminium
Al <sub>2</sub> O <sub>3</sub>	alumina
As	arsenic
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Au	gold
AIG	Australian Institute of Geoscientists
BaO	barium oxide
Bi	bismuth
BLEG	Bulk Leach Extractable Gold
Cd	cadmium
cm	centimetre(s)
Co	cobalt
Cu	copper
DD	diamond drill
DMIRS	Department of Mines, Industry Regulation and Safety
Fe	iron
Fe <sub>2</sub> O <sub>3</sub>	hematite
FRM	FRM Geological Services
g/t	grams per tonne
GPS	global positioning system
ha	hectares
ICP-AES	inductively coupled plasma-atomic emission spectroscopy
ICP-MS	inductively coupled plasma-mass spectrometry
IGR	Independent Geologist's Report
IP	induced polarisation
ITAR	Independent Technical Assessment
kg	kilogram(s)

km, km <sup>2</sup>	kilometres, square kilometres
LOI	loss on ignition
Ma	million of years before the present time
m	metre(s)
MgO	magnesium oxide
ML	million litres
MLEM	moving-loop electromagnetic
mm	millimetres
MnO	manganese oxide
Mo	molybdenum
Mt	million tonnes
Ni	nickel
NSI	No Significant Intercept
oz	ounce(s)
Pb	lead
Pd	palladium
PGE	platinum group element
ppb	parts per billion
ppm	parts per million
Pt	platinum
QAQC	quality assurance/quality control
RAB	rotary air blast
RC	reverse circulation
REE	Rare Earth Elements
S	sulphur
Sb	antimony
Si	silicon
SiO <sub>2</sub>	silicon dioxide
t	tonne(s)
TEM	transient electromagnetic
TiO <sub>2</sub>	titanium dioxide
U	uranium
VMS	Volcanogenic Massive Sulphide
VTEM	Versatile Time-Domain Electromagnetic
XRF	x-ray fluorescence
Zn	zinc
Zr	zirconium



## ANNEXURE A

### Rocky Dam Project – Significant Drill Intercepts

**Table 1: CRA-North Prospect: Significant Gold Intercepts**

Weighted averages for the CRA-North Project mineralisation were calculated using parameters of:

- All drillhole intersections are calculated using a 0.1g/t Au lower cut-off, other than the two diamond drillholes (91RDD003 and 91RD004) for which the caulctuation parameters are unknown.
- The mineralised widths are downhole lengths. The orientation of the mineralisation is unknown.

HOLE ID	DRILL TYPE <sup>1</sup>	EAST <sup>2</sup> m	NORTH <sup>2</sup> m	RL <sup>3</sup> m	DEPTH m	DIP °	AZIMUTH <sup>4</sup> °	FROM m	WIDTH m	AU g/t
92RDR001	RAB	398137	6607908	350	38	-90	0	20	4	0.71
92RDR002	RAB	398137	6607958	350	40	-90	0	12	4	0.36
								36	3	0.54
92RDR003	RAB	398137	6608008	350	48	-90	0	36	4	0.45
92RDR004	RAB	398137	6608058	350	46	-90	0	8	4	0.16
								45	1	0.26
92RDR005	RAB	398137	6608108	350	50	-90	0	49	1	0.13
92RDR006	RAB	398137	6608158	350	49	-90	0	44	4	0.1
92RDR007	RAB	398337	6608258	350	26	-90	0	NSI		
92RDR008	RAB	398337	6608208	350	14	-90	0	NSI		
92RDR009	RAB	398337	6608158	350	14	-90	0	NSI		
92RDR010	RAB	398337	6608108	350	17	-90	0	NSI		
92RDR011	RAB	398337	6608058	350	10	-90	0	NSI		
92RDR012	RAB	398337	6608008	350	20	-90	0	12	4	0.79
								19	1	0.25
92RDR013	RAB	398337	6607958	350	31	-90	0	NSI		
92RDR014	RAB	398537	6608008	350	8	-90	0	NSI		
92RDR015	RAB	398537	6608058	350	12	-90	0	NSI		
92RDR016	RAB	398537	6608108	350	15	-90	0	NSI		
92RDR017	RAB	398237	6607908	350	34	-90	0	NSI		
92RDR018	RAB	398237	6607958	350	30	-90	0	NSI		
92RDR019	RAB	398237	6608008	350	22	-90	0	NSI		
92RDR020	RAB	398237	6608058	350	6	-90	0	NSI		
92RDR021	RAB	398237	6608108	350	18	-90	0	NSI		
92RDR022	RAB	398237	6608158	350	33	-90	0	NSI		
92RDR023	RAB	398237	6608208	350	12	-90	0	NSI		
92RDR024	RAB	398187	6608108	350	39	-90	0	20	4	3.08
92RDR025	RAB	398187	6608058	350	45	-90	0	32	8	0.24
92RDR026	RAB	398187	6608008	350	24	-90	0	20	3	0.16
92RDR027	RAB	398187	6607958	350	18	-90	0	NSI		
92RDR028	RAB	398187	6608358	350	22	-90	0	NSI		
92RDR029	RAB	398137	6608333	350	25	-90	0	NSI		
92RDR030	RAB	398087	6608358	350	24	-90	0	23	1	0.2
92RDR031	RAB	398037	6608358	350	39	-90	0	NSI		
92RDR032	RAB	397987	6608358	350	30	-90	0	20	4	0.32
92RDR033	RAB	397937	6608358	350	13	-90	0	NSI		
92RDR034	RAB	398187	6608158	350	13	-90	0	NSI		
92RDR035	RAB	398087	6608158	350	31	-90	0	NSI		

HOLE ID	DRILL TYPE <sup>1</sup>	EAST <sup>2</sup> m	NORTH <sup>2</sup> m	RL <sup>3</sup> m	DEPTH m	DIP °	AZIMUTH <sup>4</sup> °	FROM m	WIDTH m	AU g/t
92RDR036	RAB	398037	6608158	350	27	-90	0	NSI		
92RDR037	RAB	397987	6608158	350	28	-90	0	NSI		
92RDR038	RAB	397937	6608158	350	16	-90	0	NSI		
92RDR039	RAB	397937	6608058	350	28	-90	0	NSI		
92RDR040	RAB	397987	6608058	350	13	-90	0	NSI		
92RDR041	RAB	398037	6608058	350	13	-90	0	NSI		
92RDR042	RAB	398087	6608058	350	13	-90	0	NSI		
92RDR043	RAB	398087	6607958	350	13	-90	0	NSI		
92RDR044	RAB	398037	6607958	350	34	-90	0	NSI		
92RDR045	RAB	398137	6607758	350	36	-90	0	NSI		
92RDR046	RAB	398187	6607758	350	40	-90	0	36	4	0.22
92RDR047	RAB	398237	6607758	350	24	-90	0	12	8	0.12
92RDR048	RAB	398287	6607758	350	18	-90	0	NSI		
92RDR049	RAB	398337	6607758	350	17	-90	0	NSI		
92RDR050	RAB	398387	6607758	350	10	-90	0	NSI		
92RDR051	RAB	398437	6607658	350	13	-90	0	NSI		
92RDR052	RAB	398387	6607658	350	10	-90	0	NSI		
92RDR053	RAB	398337	6607658	350	13	-90	0	NSI		
92RDR054	RAB	398287	6607658	350	30	-90	0	NSI		
92RDR055	RAB	398237	6607658	350	43	-90	0	NSI		
92RDR056	RAB	398187	6607658	350	27	-90	0	NSI		
92RDR057	RAB	398187	6607558	350	9	-90	0	NSI		
92RDR058	RAB	398237	6607558	350	13	-90	0	NSI		
92RDR059	RAB	398287	6607558	350	26	-90	0	NSI		
92RDR060	RAB	398337	6607558	350	27	-90	0	NSI		
92RDR061	RAB	398387	6607558	350	30	-90	0	NSI		
92RDR062	RAB	398437	6607558	350	30	-90	0	NSI		
92RDR063	RAB	398487	6607558	350	25	-90	0	12	4	0.12
92RDR064	RAB	398537	6607558	350	22	-90	0	16	4	0.58
92RDR065	RAB	398137	6607858	350	28	-90	0	NSI		
92RDR066	RAB	398187	6607858	350	39	-90	0	32	4	0.25
92RDR067	RAB	398237	6607858	350	30	-90	0	NSI		
91RDD003	DD	398287	6608058	350	222	-60	270	60	2	0.86
91RDD004	DD	398312	6607758	350	178	-60	270	58	4	2.24
RDRC001	RC	398234	6608105	350	188	-55	270	36	3	0.1
								62	6	0.7
								118	3	0.1
								123	1	0.2
								142	9	0.2
								180	1	0.1
RDRC002	RC	398092	6608109	350	169	-55	090	18	45	0.6
								42	9	1.7
								104	3	0.9
								122	3	1.0
RDRC003	RC	398119	6607756	350	189	-55	090		NSI	
RDRC004	RC	398274	6607755	350	174	-55	270	69	2	0.1
RDRC005	RC	398230	6607952	350	180	-55	270	75	3	0.2
								108	2	0.8
RDRC006	RC	398086	6607953	350	192	-55	090	19	40	0.2
RDRC007	RC	398161	6608150	350	120	-55	180	3	3	0.2
								47	6	0.3

HOLE ID	DRILL TYPE <sup>1</sup>	EAST <sup>2</sup> m	NORTH <sup>2</sup> m	RL <sup>3</sup> m	DEPTH m	DIP °	AZIMUTH <sup>4</sup> °	FROM m	WIDTH m	AU g/t
								78	1	0.9
								95	3	0.3
								103	1	0.5
								111	3	0.5
RDR008	RC	398117	6608111	350	72	-55	090	18	3	0.2
								43	6	0.3
RDR009	RC	398069	6608109	350	90	-55	090	0	2	0.4
								13	15	0.4
								17	4	1.3
								48	1	0.6
RDR010	RC	398047	6608109	350	162	-55	090	49	2	0.5
								60	4	0.2
RDR011	RC	398097	6608157	350	66	-90	000	37	10	0.3
RDR012	RC	398114	6608154	350	60	-90	000	11	2	0.5
								40	20	1.1
								52	5	3.3
RDR013	RC	398094	6608208	350	66	-90	000	1	17	0.2
								6	1	1.1
								14	1	1.5
								52	7	0.2
RDR014	RC	398119	6608061	350	54	-90	000	39	3	1.0
								39	1	2.4
RDR015	RC	398098	6608063	350	66	-90	000	0	1	3.4
								9	7	0.2
								39	7	0.5
								39	3	1.0
RDR016A	RC	398090	6608010	350	60	-90	000	17	5	0.7
								17	3	1.1
								37	2	0.2
								46	7	0.2
RDR017	RC	398175	6608107	350	72	-90	000	18	2	0.3
								41	1	0.9
								47	2	0.4

Notes:

- <sup>1</sup> RC = Reverse Circulation Drillhole; DD = Diamond Drillhole, RAB = Rotary Air Blast Drillhole
- <sup>2</sup> Easting and Northing Coordinate System = UTM GDA94 Zone 51
- <sup>3</sup> RL = Elevation relative to Australian Height Datum (AHD)
- <sup>4</sup> Azimuth relative to true north

## ANNEXURE B - JORC Code Table 1 for Exploration Results

### Gnewing Bore Project

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

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Data has been collated from various explorers in the area since 1991. The data includes surface samples, Rotary Air Blast (RAB) drillholes and Reverse Circulation (RC) drill holes. Metadata from the surface sampling and drilling has been collected from the historic WAMEX exploration reports, including where recorded, the sampling techniques.</p> <p>Information regarding sampling details within the historic WAMEX exploration reports is variable. Historical RAB and RC drillholes are assumed to have been completed by previous holders to industry standard at that time. Given the exploratory stage of the Project and that mineral resources have not been established, FRM perceives the assumption to be sound.</p> <p>The drilling results detailed in this report were from drilling undertaken by Anglo Australian Resources NL (RC drillholes) and prospector Mr Schulda (RAB drillholes). The drillholes and related results are historical in nature and were not reported in accordance with the JORC Code or its predecessors and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology.</p>
<b>Drilling techniques</b>	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i></p>	<p>Rotary percussion technique was used for drillholes MBP1 and MBP2; no other information is available (eg. no information on hammer size, hammer type).</p> <p>Rotary air blast technique was used for drillholes GB1-3.</p>
<b>Drill sample recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>Quantitative sample recovery data is not recorded.</p> <p>The relationship between sample recovery and grade is not documented as to have been assessed by previous exploration companies.</p>
<b>Logging</b>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>There is no logging data of drillholes GB1-3 included in the historic WAMEX reports.</p> <p>Logging of drillholes MBP1 and MBP2 is included in the historic WAMEX report, logging is brief, noting oxidation, lithology, alteration and mineralisation.</p> <p>Logging is appropriate for the stage of the project and historic nature of the drilling. Mineral Resource estimations, mining studies and metallurgical studies are not applicable at this stage of exploration.</p> <p>The total length of the historic drilling logged has not</p>

Criteria	JORC Code explanation	Commentary
		been calculated, however it appears from reviewing the open file reports that RC drillholes were logged in their entirety, no information from RAB drillholes is available.
<b>Sub-sampling techniques and sample preparation</b>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>RC drill samples were collected in one (1) metre intervals and a 1/8 riffle split (3-4kg) were collected in two metre intervals.</p> <p>RAB drill samples were collected in predominately eight (8) metre intervals.</p> <p>Rockchip samples were comprised of sixteen (16) composite-grab samples, four (4) 0.5 to 1.0m vertical semi-continuous chip samples and twenty-one (21) 5m horizontal semi-continuous chip samples.</p> <p>Approximately 2kg sized samples were collected.</p> <p>The quality and appropriateness of the sample preparation technique can not be determined for the historical drilling. Where sample preparation techniques are included in reports they are in line with standard industry practice, it is assumed that the practices employed during the respective drill programs followed standard industry practice in effect at the time. The majority of the work included is in excess of 20 years old and given that no detailed QA information and QC data can be presented raises some concerns about the reliability of the data. This has been taken into consideration in the presentation of the data.</p> <p>The material and sample sizes are considered appropriate given the style of mineralisation being targeted.</p>
<b>Quality of assay data and laboratory tests</b>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>The analytic methods for the various programs with significant results which are included in Tables within the body of the Report are outlined below. Standard laboratory QAQC involves the use of internal lab standards using certified reference material, blanks, splits and replicates as part of the in-house procedures. Open file reports vary in the information included; specific information includes:</p> <p>RC drill samples and rockchip samples collected by Anglo Australian Resources NL were analysed by Australian Assay Laboratories Group for Au, Ag, Cu, Pb, Zn and As. Method analysis was fire assay method for Au (AAL technique FAEX. lower detection limit 1ppm) and AAL technique A100 for Ag, Cu, Pb, Zn and As.</p> <p>The laboratory details are unknown for the RAB drill samples. Gold was analysed by 50g fire assay, AAS finish.</p> <p>Hand held assay devices have not been reported.</p> <p>Industry practice is assumed for historical drilling. Given the exploratory stage of the Project and that mineral resources have not been established, FRM perceives the assumption to be sound.</p>
<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>No verification of sampling and assaying has been undertaken by Lycaon or FRM for the historical drilling.</p> <p>No twinned holes have been drilled.</p> <p>Data from previous drilling is currently being compiled by Lycaon from open file reports.</p> <p>The digital data shows no indication of assay adjustment being performed.</p>

Criteria	JORC Code explanation	Commentary
<b>Location of data points</b>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>MBP1 and MBP2 collar locations were surveyed using tapes and compasses. Current location has been digitised from historic location plans.</p> <p>The grid system for the Gnewing Bore Project is Map Grid of Australia GDA 94, Zone 51.</p> <p>No topographic controls are recorded within the open file reports, however topographic data obtained from the relevant 1:100,000 map gives a satisfactory control over the topography.</p>
<b>Data spacing and distribution</b>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Drillhole locations are shown within figures within the body of the Report. Spacing of drillholes is variable.</p> <p>Data spacing and distribution is deemed appropriate for identifying geochemical anomalies but could not be used to establish geological and grade continuity; it is deemed insufficient to establish geological and grade continuity for the purposes of establishing a mineral resource estimate.</p> <p>No mention of sample compositing has been found in open file reports.</p>
<b>Orientation of data in relation to geological structure</b>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>Drilling is limited. The first RC drillhole (MBP1) was oriented based on geological understanding following surface mapping and known regional structures, the second RC drillhole (MBP2) was completed orthogonal to the previous drillhole (scissor hole).</p> <p>The angled holes are believed to have adequately tested the mineralisation without introducing sampling bias.</p>
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	There is no documentation on sample security for the samples available in the open file reports.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	Lycaon are not aware of any historic external audits or reviews of the sampling techniques and data. At this early stage of proposed project acquisition, Lycaon has not completed a review of the sampling techniques and data has been initiated or is possible for the historic drilling data.

## Section 2: Reporting of Exploration Results (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>The Gnewing Bore Project comprises a single (1) granted Exploration Licence, the licence covers an area of approximately 62km<sup>2</sup>. Matmetals WA Pty Ltd (Matmetals) is the registered holder of E80/5508; Lycaon has entered into a binding sale agreement with Matmetals and the shareholder of Matmetals to acquire 100% of the issued capital of Matmetals.</p> <p>The Gnewing Bore Project lies within the lands of the Ngarrawanji Traditional Owners (WC1996/075 and WAD41/2019) within the jurisdiction of the Kimberley Land Council. Matmetals has entered into a native title heritage protection and mineral exploration agreement with the Kimberley Land Council Aboriginal Corporation (KLCAC) in respect of E80/5508 on behalf of the Ngarrawanji people. Lycaon lodged a Programme of Works (PoW) with the DMIRS for a proposed drilling program, approval has been received Lycaon has lodged an Exploration Activities (HIA Notice) to the KLCAC outlining the proposed drilling program, which will be considered at the KLCAC's next board meeting.</p>



Criteria	JORC Code explanation	Commentary
		There are no registered Heritage Sites identified within the project area.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Refer to the "Exploration History" Section within the Report.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	Refer to the "Geology and Mineralisation" Section within the Report.
<b>Drill hole Information</b>	<p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> <li>• <i>easting and northing of the drill hole collar</i></li> <li>• <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>• <i>dip and azimuth of the hole</i></li> <li>• <i>down hole length and interception depth</i></li> <li>• <i>hole length.</i></li> </ul> <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>Hole collar locations, depths, azimuths and dips are provided within this Report (Annexure A of this Report) for the RC drillholes. Coordinates included in the WAMEX report are local grid only, however sufficient topographical references are included to provide the location in relation to the gossan outcrop. Field verification will be completed by Lycaon during site visits.</p> <p>Limited data is included within WAMEX reports for the RAB drillholes. The exclusion of this information does not detract from the understanding of the report due to the preliminary nature of exploration that has taken place within the Gnewing Bore Project.</p>
<b>Data aggregation methods</b>	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>For the reporting of significant intercepts, 0.2g/t Au lower cut-off, 2m minimum reporting length (composite length) with higher-grade intercepts utilising a 0.5g/t Au lower cut-off.</p> <p>No metal equivalent values are currently being used for reporting exploration results.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	Widths of mineralisation are not known. All mineralised intervals quoted in this Report are quoted as downhole lengths only such that the exact geometry of the mineralisation is not known.
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to Figures in body of text.
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All representative results have been reported.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater; geotechnical and rock characteristics; potential deleterious or</i>	<p>No other substantive exploration data is known.</p> <p>All relevant exploration data is shown on figures, in text and in tables within the body of the Report.</p>

Criteria	JORC Code explanation	Commentary
	<i>contaminating substances.</i>	
<b>Further work</b>	<p><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>A follow up exploration work program has been proposed and is outlined in the Report. Future work will largely be focused on the interpretation and targeting based on historic data; and the subsequent drilling of targets.</p> <p>All relevant diagrams and inferences have been illustrated in this report.</p>

## ANNEXURE C - JORC Code Table 1 for Exploration Results

### Rocky Dam Project

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

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<p><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>Drilling at the CRA-North Prospect was completed by CRA Exploration Pty Ltd (CRA) during 1991-1992 and by Dreadnought Resources Ltd during 2020.</p> <p>CRA completed RAB and diamond drilling programs. Details pertaining to the RAB program are unknown, details of the diamond drilling program are limited. The diamond program was completed by G&amp;K Drilling, NQ sized core.</p> <p>Dreadnought completed a Reverse Circulation (RC) drilling program. The drilling was undertaken to produce samples for assaying. Two sampling techniques were utilised for this program, 1m metre splits directly from the rig sampling system each metre and 3m composite sampling from spoil piles. Samples submitted to the laboratory were determined by the site geologist.</p> <p>Every metre drilled a 2-3kg sample (split) was subsampled into a calico bag via a Metzke cone splitter from each metre of drilling.</p> <p>Samples were then submitted to the laboratory and pulverised to produce a 50g charge for Fire Assay.</p>
<b>Drilling techniques</b>	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).</i></p>	<p>Drilling method was Rotary Air Blast (RAB), Reverse Circulation (RC) and Diamond (DD).</p> <p>For RC drilling, the bit size was approximately 144mm. Raglan Drilling undertook the program utilising a Schramm truck mounted T685 rig with additional air from an auxiliary compressor and booster.</p> <p>For the diamond drilling the core size was NQ following an RC precollar.</p>
<b>Drill sample recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample</i></p>	<p>RC - No quantitative data was collected regarding the recovery of sample. However standard RC sampling 'best practice' procedures were utilised whilst drilling including suitable usage of dust suppression, suitable shroud, lifting off bottom between each metre, cleaning of sampling equipment, ensuring a dry sample and</p>



Criteria	JORC Code explanation	Commentary
	<i>recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<p>suitable supervision by the supervising geologist to ensure good sample quality.</p> <p>No historical information recorded for RAB and diamond drillholes.</p> <p>At this stage of exploration, it is unknown if a bias occurs between sample recovery and grade.</p>
<b>Logging</b>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>RC chips were logged by a qualified geologist with sufficient experience in this geological terrain and relevant styles of mineralisation using an industry standard logging system which could eventually be utilised within a Mineral Resource Estimation.</p> <p>Lithology, mineralisation, alteration, veining, weathering and structure were all recorded digitally. Chips were washed each metre and stored in chip trays for preservation and future reference. Logging is qualitative, quantitative or semiquantitative in nature</p>
<b>Sub-sampling techniques and sample preparation</b>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>RC drilling: 1m sample splits are taken directly from the rig sampling system each metre. All samples were submitted to the laboratory. For every metre drilled two 2-3kg sample (splits) were subsampled into calico bags via a Metzke cone splitter. These samples are considered representative of the material drilled.</p> <p>Duplicate samples were taken every 25th sample during the program. QAQC in the form of OREAS certified material was inserted into the sample string every 25th sample.</p> <p>Samples were submitted to ALS laboratories (Perth WA) for a 50g Fire Assay with ICP_AES finish (Au-ICP22). A 2-3kg samples is oven dried to 105°C and is then pulverised to 85% passing 75um. Standard laboratory QAQC is undertaken and monitored.</p> <p>No historical information recorded for RAB and diamond drillholes.</p> <p>The material and sample sizes are considered appropriate given the style of mineralisation being targeted.</p>
<b>Quality of assay data and laboratory tests</b>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>RC samples: Assay technique is Fire Assay which is a 'Total Technique'. Duplicate samples were taken every 25<sup>th</sup> sample during the program. QAQC in the form of OREAS certified material was inserted into the sample string approximately every 25<sup>th</sup> sample. Standard laboratory QAQC is undertaken and monitored by the laboratory and by the company upon assay result receipt. All QAQC is deemed to have passed internal DRE standards.</p> <p>Analytical details for RAB and diamond drilling is unknown, bar that samples were analysed at SGS Laboratories,</p> <p>Hand held assay devices have not been reported.</p> <p>Industry practice is assumed for historical drilling. Given the exploratory stage of the Project and that mineral resources have not been established, FRM perceives the assumption to be sound.</p>
<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p>	<p>Logging and sampling of RC drilling were recorded directly into a digital logging system, verified and then stored in an offsite database. No twinning has been undertaken. No adjustments to any assay data have been undertaken</p>

Criteria	JORC Code explanation	Commentary
	<i>Discuss any adjustment to assay data.</i>	
<b>Location of data points</b>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Collar positions of RC drilling were recorded using a handheld Garmin GPS (+/- 3m). It is not known how the collar positions of RAB and DD holes were recorded.</p> <p>GDA94 Zone 51 is the grid format for all xyz data reported.</p> <p>Azimuth and dip of the RC drillholes were recorded after the completion of the hole using a down hole Reflex Sprint North Seeking Gyro. A reading was undertaken every 10th metre with an accuracy of +/- 0.5°. The diamond drillholes used an Eastman Single Shot Camera every 36m.</p> <p>The grid system for the Rocky Dam Project is Map Grid of Australia GDA 94, Zone 51.</p> <p>No topographic controls are recorded within the open file reports, however topographic data obtained from the relevant 1:100,000 map gives a satisfactory control over the topography.</p>
<b>Data spacing and distribution</b>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	<p>Drillhole locations are shown within figures within the body of the Report. Spacing of drillholes is variable.</p> <p>Data spacing and distribution is deemed appropriate for identifying geochemical anomalies but could not be used to establish geological and grade continuity; it is deemed insufficient to establish geological and grade continuity for the purposes of establishing a mineral resource estimate.</p> <p>No mention of sample compositing has been found in open file reports.</p>
<b>Orientation of data in relation to geological structure</b>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	<p>The exact orientation of the various mineralised lodes is unknown at this point and therefore it is possible a sampling bias may occur.</p>
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	<p>For RC drilling all samples were sealed in polyweave bags and stored and sealed in bulka bags at the rig. Samples were then transported from Kalgoorlie to ALS Laboratories (Perth) by a reputable freight company.</p>
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	<p>Lycaon are not aware of any historic external audits or reviews of the sampling techniques and data. At this early stage of proposed project acquisition, Lycaon has not completed a review of the sampling techniques and data has been initiated or is possible for the historic drilling data.</p>

## Section 2: Reporting of Exploration Results (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to</i></p>	<p>The Rocky Dam Project comprises four (4) granted Exploration Licences and seven (7) pending Exploration Licences. Dreadnought (Yilgarn) Pty Ltd (Dreadnought) is the registered holder of all tenements; Lycaon has entered into a binding sale agreement with Dreadnought to acquire a 100% interest in the tenements.</p> <p>The Project is overlain by the Maduwongga (WC2017/001 and WAD186/2017) Native Title Claim</p>

Criteria	JORC Code explanation	Commentary
	<i>obtaining a licence to operate in the area.</i>	and the Kakarra Part A (WC2020/005, WAD297/2020) Native Title Claim.  The Rocky Dam Project overlies the Avoca Downs (PL N049885), Hampton Hill (PL N049710) and Gindalbie (PL N049753) Pastoral Leases.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Refer to the "Exploration History" Section within the Report.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Project is located in the Kurnalpi Terrane of the Eastern Goldfields Superterrane on the Eastern Archean Yilgarn Craton.  The Project predominantly consists of mafic volcanics towards the east of the project, with felsic-intermediate volcanics and volcanoclastics in the west. Other lithologies such as pyritic chert ridges, metasediments of epiclastics, black shales and conglomerates generally striking NW-SE dipping steeply to the east.  Mineralisation at Rocky Dam is hosted within pyritic quartz veining which is controlled by shearing within the felsic-intermediate volcanics and black shales.
<b>Drill hole Information</b>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"><li>• easting and northing of the drill hole collar</li><li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li><li>• dip and azimuth of the hole</li><li>• down hole length and interception depth</li><li>• hole length.</li></ul> <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	Hole collar locations, depths, azimuths and dips are provided within this Report (Annexure A of this Report) for all holes at the CRA-Prospect.  Other drilling outside the CRA-Prospect but within the Rocky Dam Project is yet to be digitised, no significant results are reported from these additional holes.
<b>Data aggregation methods</b>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i>  <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>  <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	All results assaying over 0.1 g/t Au have been reported within this report using a cut off of 0.1g/t Au.  A standard weighted averaging technique has been applied to report intercepts of differing widths.  No metal equivalents are used or reported in this report.
<b>Relationship between mineralisation widths and intercept lengths</b>	<i>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i>	The exact orientation of the various mineralised lodes is unknown at this point and therefore the exact widths of mineralisation is unknown.  All mineralised intervals quoted in this Report are quoted as downhole lengths only such that the exact geometry of the mineralisation is not known.
<b>Diagrams</b>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Refer to Figures in body of text.

Criteria	JORC Code explanation	Commentary
<b>Balanced reporting</b>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All representative results have been reported for the CRA-North Prospect has been reported.
<b>Other substantive exploration data</b>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	No other substantive exploration data is known. Other drilling outside the CRA-Prospect but within the Rocky Dam Project is yet to be digitised, no significant results are reported from these additional holes.  All pertinent exploration data is shown on figures, in text and in tables within the body of the Report.
<b>Further work</b>	<i>The nature and scale of planned further work (eg 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.</i>	A follow up exploration work program has been proposed and is outlined in the Report. Future work will largely be focused on the interpretation and targeting based on historic data; the subsequent drilling of targets; and project wide target generation work to define further gold targets.  All relevant diagrams and inferences have been illustrated in this report.

## ANNEXURE D - JORC Code Table 1 for Exploration Results

### Julimar Project

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

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.  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 (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	No drilling or sampling is discussed in this Report.
<b>Drilling techniques</b>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method,</i>	No drilling or sampling is discussed in this Report.

Criteria	JORC Code explanation	Commentary
	etc).	
<b>Drill sample recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	No drilling or sampling is discussed in this Report.
<b>Logging</b>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	No drilling or sampling is discussed in this Report.
<b>Sub-sampling techniques and sample preparation</b>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	No drilling or sampling is discussed in this Report.
<b>Quality of assay data and laboratory tests</b>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	No drilling or sampling is discussed in this Report.
<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	No drilling or sampling is discussed in this Report.
<b>Location of data points</b>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p>	No drilling or sampling is discussed in this Report.



Criteria	JORC Code explanation	Commentary
	<p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	
<b>Data spacing and distribution</b>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	No drilling or sampling is discussed in this Report.
<b>Orientation of data in relation to geological structure</b>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p>	No drilling or sampling is discussed in this Report.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	No drilling or sampling is discussed in this Report.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No drilling or sampling is discussed in this Report.

## Section 2: Reporting of Exploration Results (Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p>	<p>The Julimar Project comprises two (2) granted Exploration Licences, the licences cover an area of approximately 14.6km<sup>2</sup>. Anthony Stephen Cormack and Julian Rodney Stephens (Cormack and Stephens) are the registered holders of both E70/5415 and E70/5416. Lycaon has entered into an agreement with Cormack and Stephens to acquire a 100% interest in the tenements.</p> <p>The Whadjuk People (WC2011/009 and WAD242/2011) Native Title Claim overlies E70/5415 and the Ballardong People (WC2000/007 and WAD6181/1998) Native Title Claim overlies E70/5416. Both tenements lie within the jurisdiction of the South West Aboriginal Land and Sea Council. E70/5415 is located on land within the Whadjuk People Indigenous Land Use Agreement (ILUA) and E70/5416 is located on land within the Ballardong People Indigenous Land Use Agreement.</p> <p>There is a registered Aboriginal Heritage Site (registered Aboriginal site 15979) pertaining to the Avon River that traverses both E70/5415 and E70/5416. There are two (2) other Heritage Places within E70/5415; Site 3385 (Brockman River) and 3452 (Bullsbrook Camp).</p> <p>The eastern tenement area predominately overlies freehold titles associated predominantly with active farming properties (cereal crops, hay and livestock). Under the Mining Act (1978) freehold titles require the negotiation for land access and compensation agreements with the registered landholders prior to conducting of on-ground activities.</p>
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Refer to the "Exploration History" Section within the Report.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	Refer to the "Geology and Mineralisation" Section within the Report.

Criteria	JORC Code explanation	Commentary
<b>Drill hole Information</b>	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> </ul> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	No drilling or sampling is discussed in this Report.
<b>Data aggregation methods</b>	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>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> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No drilling or sampling is discussed in this Report.
<b>Relationship between mineralisation widths and intercept lengths</b>	<p>These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	No drilling or sampling is discussed in this Report.
<b>Diagrams</b>	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	Refer to Figures in body of text.
<b>Balanced reporting</b>	<p>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.</p>	No drilling or sampling is discussed in this Report.
<b>Other substantive exploration data</b>	<p>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.</p>	<p>No other substantive exploration data is known.</p> <p>All relevant exploration data is shown on figures, in text and in Annexure A.</p>
<b>Further work</b>	<p>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</p> <p>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>	<p>A follow up exploration work program has been proposed and is outlined in the Report. Future work will largely be focused on the interpretation and targeting based on historic data; and the subsequent drilling of targets.</p> <p>All relevant diagrams and inferences have been illustrated in this report.</p>

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## **ANNEXURE B – SOLICITOR'S REPORT ON TENEMENTS**

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**Perth | Melbourne**

22 September 2021

Your Ref:  
Our Ref: PWC:AND:5374-01  
Contact: Peter Wall  
Partner  
pwall@steinpag.com.au

The Board of Directors  
Lycaon Resources Limited  
Level 2  
22 Mount Street  
Perth WA 6000

Dear Sirs

### **SOLICITOR'S REPORT ON TENEMENTS**

This Solicitor's Report on Tenements (**Report**) is prepared for inclusion in the prospectus for the initial public offering of 25,000,000 ordinary shares in the capital of Lycaon Resources Limited (ACN 647 829 749) (**Company**) at an issue price of \$0.20 per share to raise \$5,000,000 (**Prospectus**).

#### **1. SCOPE**

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

The Tenements are located in Western Australia. Details of the Tenements are set out in Part I of this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

#### **2. SEARCHES**

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

- (a) we have obtained mining tenement register searches of the Tenements from the registers maintained by the Western Australian Department of Mines,

Industry Regulation and Safety (**DMIRS**) (**Tenement Searches**). These searches were conducted on 7 September 2021. Key details on the status of the Tenements are set out in Part I of this Report;

- (b) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 9 September 2021. Details of any native title claims (registered or unregistered), native title determinations and ILUAs identified are set out in Section 7 of this Report and Part II of this Report;
- (c) we have obtained searches from the online Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage (**DPLH**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements (**Heritage Searches**). These searches were conducted on 7 September 2021 and 8 September 2021. Details of any Aboriginal Sites identified are set out in Part II of this Report;
- (d) we have obtained quick appraisal user searches of Tengraph which is maintained by the DMIRS to obtain details of features or interests affecting the Tenements (**Tengraph Searches**). These searches were conducted on 7 September 2021 and 8 September 2021. Details of any material issues identified from the Tengraph Searches are set out in the notes to Part I of this Report;
- (e) we have made enquiries with Landgate (with respect to Crown allotment only) in relation to those Tenements which overlap private/freehold land as identified by the Tengraph Searches. We received a report from Landgate in relation to our enquiries on 21 May 2021. Details of any material issues identified from the Landgate report are set out in Section 11 of this Report; and
- (f) we have reviewed all material agreements relating to the Tenements provided to us (which are summarised in Section 9 of the Prospectus).

### 3. **OPINION**

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

- (a) the Company's interest in the Tenements;
- (b) the validity and good standing of the Tenements; and
- (c) third party interests, including encumbrances and private/freehold land, in relation to the Tenements.

### 4. **EXECUTIVE SUMMARY**

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

(a) **Third Party Interests**

A number of the Tenements respectively overlap certain third party interests that may limit the Company's ability to conduct prospecting, exploration and mining activities, including Crown land, flora and fauna reserves, pastoral leases, private/freehold land and encroachment by other tenements and tenement applications.

Specifically, the two Tenements forming the Julimar Project (E 70/5416 and E 70/5415) overlap private/freehold land parcels by an aggregate of 98.96% and 96.78% respectively.

Please refer to Sections 8 to 12 and Part I of this Report for further details.

(b) **Company's interest in the Tenements**

The Company does not yet have a registered interest in the Tenements.

As detailed in Section 9 of the Prospectus, the Company proposes to acquire:

- (i) a 100% interest in the Tenement forming the Gnewing Bore Project by the acquisition of 100% of the issued capital of Matmetals WA Pty Ltd (ACN 640 811 507) pursuant to the *Gnewing Bore Acquisition Agreement* (as defined in the Prospectus);
- (ii) a 100% legal and beneficial interest in the Tenements forming the Julimar Project pursuant to the *Julimar Acquisition Agreement* (as defined in the Prospectus); and
- (iii) a 100% legal and beneficial interest in the Tenements forming the Rocky Dam Project pursuant to the *Rocky Dam Acquisition Agreement* (as defined in the Prospectus).

Accordingly, as at the date of this Report, the Company's interest in the Tenements is limited to an equitable interest under these agreements.

Please refer to Section 9 of the Prospectus for summaries of the above agreements.

(c) **Applications for Tenements**

Seven of the Tenements forming the Rocky Dam Project are in application status and have not been granted (the **Tenement Applications**).

The grant of the Tenement Applications is not guaranteed and the Tenement Applications will need to satisfy the procedural requirements to be valid under the *Native Title Act 1993* (Cth).

In addition, the Company is not the applicant of the Tenement Applications.

Please refer to Part I of this Report for details of the Tenement Applications.

We consider that the Company does have adequate contractual rights to require the Tenement Applications to be transferred to the Company upon grant subject to the *Mining Act 1978* (WA).

(d) **Native Title and Aboriginal Heritage**

The Tenements are all within the external boundaries of native title claims and/or determinations. There are also areas or objects of Aboriginal heritage located on certain Tenements which were identified from the Heritage Searches.

In addition, the two Tenements forming the Julimar Project also overlap land the subject of indigenous land use agreements.

Matmetals WA Pty Ltd (ACN 640 811 507) has entered into a native title heritage protection and mineral exploration agreement with the Kimberley Land Council Aboriginal Corporation (ABN 96 724 252 047) in respect of E 80/5508 on behalf of the Ngarrawanji people. The agreement requires Matmetals WA Pty Ltd to make payment of certain community benefits to the Ngarrawanji people in the interests of establishing and maintaining a strong, mutually beneficial relationship between the parties.

Please refer to Part II of this Report for further details.

**5. DESCRIPTION OF THE TENEMENTS**

The Tenements comprise seven exploration licences granted under the *Mining Act 1978* (WA) (**Mining Act**) and seven exploration licences in application status. Part I of this Report provides a list of the Tenements. This Section 5 provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

**Exploration Licence**

(a) **Rights**

The holder of an exploration licence is entitled to enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

(b) **Term**

An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

(c) **Retention status**

The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

(d) **Conditions**

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence. The conditions applicable to the Tenements are detailed in Part I of this Report.

(e) **Relinquishment**

The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

(f) **Priority to apply for mining lease**

The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(g) **Transfer**

No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

## **6. ABORIGINAL HERITAGE**

Aboriginal sites were identified from the Heritage Searches as detailed in Part II of this Report. However, we note that there may be unregistered or otherwise undiscovered areas or objects of Aboriginal heritage on the Tenements.

As noted in Part II of this Report, Matmetals WA Pty Ltd (ACN 640 811 507) has entered into a native title heritage protection and mineral exploration agreement with the Kimberley Land Council Aboriginal Corporation (ABN 96 724 252 047) in respect of E 80/5508 on behalf of the Ngarrawanji people. The agreement sets out the obligations of Matmetals WA Pty Ltd as the holder of E 80/5508 in protecting Aboriginal heritage in areas where exploration takes place in a manner that is transparent, timely, certain and cost effective.

Under Aboriginal heritage agreements parties holding an interest in a tenement (whether title or mineral rights only) may dispose of any or all of its rights with respect to their interest in the tenement, but must first procure an executed deed of assumption in favour of the relevant native title group by which the assignee (purchaser) agrees to be bound by the provisions of the heritage agreement and to assume, observe and perform the obligations of the assignor (vendor) under the heritage agreement insofar as they relate to the interest being acquired by the assignee (purchaser). In the case of the Company such an assumption would be restricted to the obligations relating to the mineral rights (excluding iron ore) on the Tenements.

As heritage agreements relate to the process of 'clearing' areas of land on tenements in order to conduct exploration activities it is possible a purchaser may rely on surveys previously completed by a vendor where it wishes to conduct activities on areas within tenements previously cleared of heritage sites without the requirements to repeat the process and incur additional costs.

## 6.1 Commonwealth legislation

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

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

## 6.2 Western Australian legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972* (WA) (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, DPLH or the Aboriginal Cultural Material Committee).

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

## 7. NATIVE TITLE

### 7.1 General

The law of Australia recognises the existence of native title rights held by indigenous Australians over their traditional lands<sup>1</sup>. Native title exists where an indigenous group has maintained a continuous traditional connection with the land, and those rights have not been extinguished.

Native title may be extinguished:

- (a) in whole by the grant of an interest in land conferring "exclusive possession" such as a freehold interest in the land; or

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<sup>1</sup> *Mabo v Queensland (No 2)* (1992) 175 CLR 1

- (b) in part by the grant of an interest conferring “non-exclusive possession” including the grant of pastoral leases and mining leases, or the creation of certain reserves. In this case, the native title will co-exist with the other rights to the land.

The *Native Title Act 1993* (Cth) (**NTA**):

- (a) provides a process for indigenous people to claim native title rights<sup>2</sup> and compensation<sup>3</sup>;
- (b) confirms the validity of past actions (including grants of land tenure) by the Commonwealth and State governments<sup>4</sup>; and
- (c) specifies the procedures which must be complied with to ensure that acts that may affect native title rights (such as the grant or renewal of a mining tenement) are valid.

The NTA has been adopted in Western Australia by the enactment of the Titles (Validation) and Native Title (Effect of Past Acts) Act 1995.

## 7.2 Native title claim process

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The application is then referred to the NNTT to assess whether the claim meets the registration requirements in the NTA, and if so, the native title claim will be entered on the register of native title claims (**RNTC**) maintained by the NNTT.

Native title claimants have certain procedural rights, including the rights to negotiation and compensation, in relation to the grant of mining tenements if their native title claim is registered at the time the State issues a notice of the proposed grant of the mining tenement (**Section 29 Notice**), or if their claim becomes registered within four months after the Section 29 Notice.

Once a claim is registered, a claimant must prove its claim in the Federal Court in order to have native title determined and the claim entered on the National Native Title Register (**NNTR**).

## 7.3 Grant of tenements and compliance with the NTA

The grant of any mining tenement after 23 December 1996 must comply with the applicable NTA procedures in order to be valid. The exception to this is where native title has never existed over the land covered by the tenement, or has been extinguished prior to the grant of the tenement.

The absence of a claim does not necessarily indicate that there is no native title over an area, as native title claims could be made in the future.

Unless it is clear that native title does not exist (such as where the land the subject of a tenement application is freehold land), the usual practice of the State is to comply with the NTA when granting a tenement. This ensures the grant will be valid if a court subsequently determines that native title rights exist over the land subject to the tenement.

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<sup>2</sup> Parts 3 and 4 of the NTA

<sup>3</sup> Part 3, Division 5 of the NTA

<sup>4</sup> Part 2, Division 2 of the NTA

The procedural requirements in the NTA relating to the grant of a mining tenement (referred to as the “**Future Act**” procedures) include four alternatives:

- (a) the right to negotiate, which is the primary Future Act procedure prescribed by the NTA;
- (b) the expedited procedure, which may be used in relation to the grant of exploration and prospecting licences;
- (c) an indigenous land use agreement; and
- (d) the infrastructure process.

Future Act procedures are provided below.

#### **7.4 Right to negotiate**

The primary Future Act procedure prescribed by the NTA is the “right to negotiate”.

The right to negotiate involves a negotiation between the registered native title claimants, the tenement applicant and the State government, the aim of which is to agree the terms on which the tenement may be granted.

The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the native title claimants. The parties may also agree on conditions that will apply to activities carried out on the tenement.

The initial negotiation period is six months from the date on which the State issues a Section 29 Notice.

If the parties cannot reach an agreement within the initial six month period, any party may refer the matter to arbitration before the NNTT, which then has six months to determine whether the tenement can be granted and if so, on what conditions.

#### **7.5 Expedited procedure**

Where the grant of a tenement is unlikely to directly interfere with community or social activities or areas or sites of particular significance, or involve major disturbance to land or waters, the NTA permits the State to follow an expedited procedure for the grant of a tenement.

The State applies the expedited procedure to the grant of exploration and prospecting tenements.

Registered native title parties can lodge an objection to the use of the expedited procedure within the period of four months following the issue of the Section 29 Notice by the State (**Objection Period**).

If no objections are lodged or if the objections are withdrawn, the State may grant the tenement at the expiry of the Objection Period without undertaking a negotiation process.

If an objection is lodged, the NNTT must determine whether the grant of the tenement is an act attracting the expedited procedure. If the NNTT determines the expedited procedure does not apply, the parties must follow the right to negotiate procedure or enter into an indigenous land use agreement.



The DMIRS currently has a policy of requiring applicants for prospecting licences and exploration licences to sign and send a Regional Standard Heritage Agreement (**RSHA**) to the registered native title claimant, or prove they have an existing RSHA or Alternative Heritage Agreement in place.

The RSHA provides a framework for the conduct of Aboriginal heritage surveys over the land the subject of a tenement prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

If the registered native title claimant does not execute the RSHA within the Objection Period (and no objections are otherwise lodged), the tenement may still be granted at the expiry of the Objection Period. If the tenement applicant refuses or fails to execute or send the RSHA to the registered native title holder, the DMIRS will process the application under the right to negotiate procedure.

## **7.6 Indigenous land use agreement**

The right to negotiate and expedited procedures do not have to be followed if an indigenous land use agreement (**ILUA**) has been registered with the NNTT.

An ILUA is a voluntary contractual arrangement negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which the relevant mining tenement may be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

## **7.7 Infrastructure process**

The right to negotiate and expedited procedures also do not apply for grants of tenements for the sole purpose of the construction of an infrastructure facility.

In Western Australia, the DMIRS applies the infrastructure process to most miscellaneous licences and general purpose leases, depending on their purpose. For these types of tenements, an alternative consultation process applies, and in the absence of an agreement between the native title claimants and the applicant, the matter can be referred to an independent person for determination.

## **7.8 Renewals**

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act provisions in order to be valid under the NTA, except where:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the earlier mining tenement; and

- (c) the rights to be created are not greater than the rights conferred by the earlier mining tenement.

## **7.9 Native title claims and determinations affecting the Tenements**

Our Searches indicate that all of the Tenements are within the external boundaries of native title claims and/or determinations as specified in Part II of this Report.

## **7.10 Indigenous land use agreements affecting the Tenements**

Our Searches indicate that the two Tenements forming the Julimar Project are within the area of registered ILUAs as specified in Part II of this Report.

As detailed at Part I of this Report, conditions 19 and 20 respectively apply to these Tenements in relation to the entry of an Aboriginal Heritage Agreement or a Noongar Standard Heritage Agreement.

## **8. CROWN LAND**

As set out in Part I of this Report, part of the land the subject of the Tenements overlaps Crown land.

The Mining Act:

- (a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:
  - (i) for the time being under crop (or within 100 metres of that crop);
  - (ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;
  - (iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;
  - (iv) the site of or situated within 100 metres of any cemetery or burial ground; or
  - (v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,without the written consent of the occupier, unless the warden by order otherwise directs.
- (b) imposes restrictions on a tenement holder passing over Crown land referred to in Section 8(a), including:
  - (i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;
  - (ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by Section 8(a) to carry out prospecting, exploration or mining activities;

- (iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and
  - (iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage.
- (c) requires a tenement holder to compensate the occupier of Crown land:
  - (i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in Section 8(a) or otherwise compensate the occupier for any such damage not made good; and
  - (ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in Section 8(a).

The warden may not give the order referred to in Section 8(a) that dispenses with the occupier's consent in respect of Crown land covered by Section 8(a)(iii). In respect of other areas of Crown land covered by the prohibition in Section 8(a), the warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the warden under the Mining Act.

Although the Company will be able to undertake its proposed activities on those parts of the Tenements not covered by the prohibitions and pass over those parts of the Tenements to which the restrictions do not apply immediately upon listing on ASX, the Company should consider entering into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are required on other areas of the Tenements which are subject to prohibitions or restrictions.

## **9. FLORA AND FAUNA RESERVES**

As set out in Part I of this Report certain Tenements overlap with flora and fauna reserves, as follows:

- (a) E 70/5415 overlaps:
  - (i) "A" Class Reserve National Park (R 2065) (Encroached Percentage: 0.37%); and
  - (ii) ANCA Wetlands (ANCA Wetlands Avon Valley River) (Encroached Percentage: 2.17%);
- (b) E 27/634 overlaps:
  - (i) 5G Reserve – Timber Sandalwood Bullock Holes Timber Reserve (5GR 19825) (Encroached Percentage: 18.09%);

- (ii) "C" Class Reserve Timber Sandalwood (R 19825) (Encroached Percentage: 18.09%); and
- (iii) Proposed State Forest Bullock Holes (PSF 17) (Encroached Percentage: 18.16%).

State Government policy provides that mining should not occur on national parks, nature reserves, conservation parks or state forests and, where possible, a tenement applicant is encouraged to excise the conservation area from the area of the application.

If a conservation area is not excised, the DMIRS will refer the application to the Department of Environment Regulation (**DER**) for comment and or consent. Under the Mining Act, mineral exploration on national parks, class "A" nature reserves and certain conservation parks requires the concurrence of the Minister for Environment. In relation to nature reserves other than class "A" reserves, and certain conservation parks, the Minister for the Environment and Conservation is required to give his recommendation in relation to the grant.

Where the Minister for the Environment and Conservation concurs with the grant or provides recommendations in relation to the grant, additional conditions and endorsements are generally placed on the tenement. These conditions are designed to minimise the impacts on the environment and to draw the tenement holders attention to the requirements under other environmental protection legislation.

It is noted that class "A" nature reserves attract restrictions on mining activities within the conservation reserves, including:

- (a) a mining lease or a general purpose lease cannot be granted over a class A reserve without the consent of both Houses of Parliament; and
- (a) mining can only be commenced in a class A reserve with the approval of the Minister for Mines and Petroleum and the Minister for Environment and Conservation.

## 10. PASTORAL LEASES

As set out in Part I of this Report, certain Tenements overlap with pastoral leases as follows:

- (a) E 80/5508 overlaps Pastoral Lease (C) Moola Bulla (PL N050141) (Encroached Percentage: 100%);
- (b) E 25/533 overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 99.84%);
- (c) E 27/611 overlaps:
  - (i) Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 75.98%); and
  - (ii) Pastoral Lease (C) Gindalbie (PL N049759) (Encroached Percentage: 24.02%);
- (d) E 27/612 overlaps Pastoral Lease (C) Gindalbie (PL N049753) (Encroached Percentage: 100%);

- (e) E 25/599 overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%);
- (f) E 27/634 overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 81.59%);
- (g) E 28/2988 overlaps Pastoral Lease (C) Avoca Downs (PL N049885) (Encroached Percentage: 100%);
- (h) E 28/2996 overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%);
- (i) E 28/2997 overlaps:
  - (i) Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 17.52%); and
  - (ii) Pastoral Lease (C) Avoca Downs (PL N049885) (Encroached Percentage: 82.48%);
- (j) E 28/3000 overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%);
- (k) E 28/3001 overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%); and
- (l) E 28/3061 overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%).

The Mining Act:

- (a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (ie the pastoral lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

We have been advised by the Company and the Company has confirmed that, to the best of its knowledge, it is not aware of any improvements and other features on the land the subject of the pastoral leases which overlaps the Tenements which would require the Company to obtain the consent of the occupier or lease holder or prevent the Company from undertaking its proposed exploration activities on the Tenements.

Upon commencing mining operations on any of the Tenements, the Company should consider entering into a compensation and access agreement with the pastoral lease

holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the warden's court determines compensation payable.

The DMIRS imposes standard conditions on mining tenements that overlay pastoral leases. It appears the Tenements incorporate the standard conditions.

## **11. PRIVATE LAND**

### **11.1 General**

Generally, and subject to certain exceptions and limitations, private land which is not already subject to a mining tenement is considered open for mining under the Mining Act, and a mining tenement may be issued in relation to such land, entitling the holder to the rights granted thereby. However, a tenement may not be granted in respect of private land which is:

- (a) in *bona fide* and regular use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is land under cultivation or within 100m of that site;
- (b) the site of a cemetery or burial ground or within 100 metres of that site;
- (c) the site of a dam, bore, well or spring or within 100 metres of that site;
- (d) on which there is erected a substantial improvement or within 100 metres of that improvement; or
- (e) a parcel of land with an area of 2,000 square metres or less,

unless the written consent of the private landholder and any other occupier is obtained or the tenement is only granted in respect of the land below 30 metres from the surface of the private land. If the tenement is only granted in respect of the land below 30 metres from the surface of the private land, the tenement holder can apply to the Minister for the land between the surface and 30 metres depth to be included in the tenement, which application may be granted provided that the private landowner has consented to such land being included in the tenement.

As identified in Part I of this Report, the two Tenements forming the Julimar Project overlap with private/freehold land, as follows:

- (a) E 70/5416 overlaps 27 land parcels (Aggregate Encroached Percentage: 98.96%); and
- (b) E 70/5415 overlaps 6 land parcels (Aggregate Encroached Percentage: 96.78%).

The owners and occupiers of any land where mining takes place are entitled according to their respective interests to compensation for all loss and damage suffered or likely to be suffered by them resulting or arising from the mining, whether or not lawfully carried out. The tenement holder may not commence mining on the surface or within a depth of 30 metres from the surface until compensation has been agreed with the private landowner or paid in accordance with the Mining Act. Compensation may be determined by agreement between the tenement holder and private landowner or occupier, or by the warden.

The owner and any other occupier may be entitled to compensation for:

- (a) deprivation of the possession or use of the natural surface or any part of the land;
- (b) damage to the land or any part of the land;
- (c) severance of the land or any part of the land from other land of, or used by, the owner or occupier;
- (d) loss or restriction of a right of way or other easement or right;
- (e) loss of, or damage to, improvements;
- (f) social disruption;
- (g) in the case of private land that is land under cultivation, any substantial loss of earnings, delay, loss of time, reasonable legal or other costs of negotiation, disruption to agricultural activities, disturbance of the balance of the agricultural holding, the failure on the part of a person concerned in the mining to observe the same laws or requirements in relation to that land as regards the spread of weeds, pests, disease, fire or erosion, or as to soil conservation practices, as are observed by the owner or occupier of that land; and
- (h) any reasonable expenses properly arising from the need to reduce or control the damage resulting or arising from the mining.

## **11.2 Private land alienated from the Crown prior to 1 January 1899**

Most grants of freehold which were made prior to 1 January 1899 in Western Australian included the grant of minerals other than gold, silver and precious metals (referred to as the Royal metals), which were reserved to the Crown. This land is commonly referred to as 'minerals to owner' land as the landowner owns all other minerals and has the right to exploit and deal with those minerals as it sees fit.

As detailed in Part I of this Report, our Tengraph Searches indicate that the two Tenements forming the Julimar Project encroach 27 land parcels and 6 land parcels of private/freehold land respectively, with varying degrees of overlap.

As set out at Section 2 of this Report, we have made enquiries with Landgate (Western Australia's land information authority) to determine whether any of the land parcels which we identified are intersected by E 70/5416 and E 70/5415 based on the Tengraph Searches undertaken were granted prior to 1 January 1899. It is noted that the report obtained from Landgate only provides details of the current registered proprietor on the title, together with the date the current title was created, and the land description in the historical report. The report we obtained does not constitute a full chain of title search and does not capture all records within the chain of each land parcel. Further investigations would be required to trace the passage of mineral ownership over time.

Our enquiries have identified that:

- (a) all 27 lots overlapped by E 70/5416 comprise (partially or in whole) land granted prior to 1 January 1899, representing that up to 98.96% of the

private/freehold land interested by E 70/5416 may have been granted prior to 1 January 1899; and

- (b) 5 lots overlapped by E 70/5415 comprise (partially or in whole) land granted prior to 1 January 1899, representing that up to 94.42% of the private/freehold land interested by E 70/5415 may have been granted prior to 1 January 1899.

We recommend that, as the Company defines exploration targets on these affected Tenements and prior to commencing ground disturbing activities, the Company should conduct its own investigations to confirm whether the relevant private land parcels are 'minerals to owner' land and whether it is necessary to obtain consent and/or agreement in relation to access and compensation from the owners of such land.

Approvals for mining gold, silver and precious metals on pre-1899 land have generally been granted by local government as an Extractive Industry Licence ("EIL"; *Local Government Act 1995*) or Development Approval ("DA"; *Planning and Development Act 2005*). A miner wishing to mine minerals other than the gold, silver and precious metals located on pre-1899 land will need to negotiate an access and compensation agreement with the owner of the land (and owner of the minerals) and obtain permission either through an EIL or a DA. Any significant proposal may require assessment by the Environment Protection Authority and any mining activity will be subject to the *Mines Safety and Inspection Act 1994*.

## 12. TENEMENT ENCROACHMENTS

Where an application is encroached upon by a live tenement, the application as granted will be for a tenement reduced by that amount of land which falls under the live tenement licence.

Further, under the Mining Act, a mining tenement can coexist with a miscellaneous licence. DMIRS imposes standard conditions on overlapping mining tenements and miscellaneous licences.

We have identified that the following Tenements are encroached by other tenements based on the Tengraph Searches:

Tenement affected	Tenement ID	Marking out/Lodgement	Holder/Applicant(s)	Status	Encroached Percentage
E 27/611	L 27/88	18/10/2012	Black Mountain Gold Limited	Live	6.52%
E 27/611	L 28/24	21/10/1999	Northern Star (Carosue Dam) Pty Ltd	Live	0.64%
E 27/634	E 27/635	11/05/2020	King, Neville Leon	Pending	12.5%
E 27/634	E 27/636	11/05/2020	Great Boulder Resources Ltd	Pending	100%
E 27/634	M 27/140	04/09/1989	GPM Resources Pty Ltd	Live	3.72%
E 28/3000	P 28/1264	12/02/2014	Wedgetail Prospecting Pty Ltd	Live	3.08%
E 28/3000	P 28/1265	12/02/2014	Wedgetail Prospecting Pty Ltd	Live	8.82%
E 28/3000	P 28/1322	22/07/2017	Kurnalpi Gold Pty Ltd	Live	11.1%
E 28/3000	P 28/1323	22/07/2017	Kurnalpi Gold Pty Ltd	Live	11.09%
E 28/3001	M 28/84	03/04/1992	Shannon Resources Pty Ltd	Live	1.06%
E 28/3001	M 28/90	06/09/1993	Shannon Resources Pty Ltd	Live	13.52%
E 28/3001	M 28/377	06/04/2016	Shannon Resources Pty Ltd	Live	35.4%
E 28/3001	P 28/1349	05/08/2019	Kalnorth Gold Mines Limited	Live	23.25%



E 28/3001	P 28/1350	05/08/2019	Kalnorth Gold Mines Limited	Live	18.8%
E 28/3001	P 28/1358	26/11/2019	Kalnorth Gold Mines Limited	Live	2.72%
E 28/3061	E 28/3060	21/09/2020	Riversgold (Australia) Pty Ltd	Pending	100%

Based on the Searches:

- (a) Dreadnought (Yilgarn) Pty Ltd lodged its application for E 27/634 on 11 May 2020 at 08:30:00 and Great Boulder Resources Ltd lodged its application for E 27/636 on 11 May 2020 at 10:18:17; and
- (b) Dreadnought (Yilgarn) Pty Ltd lodged its application for E 28/3061 on 21 September 2020 at 08:30:00 and Riversgold (Australia) Pty Ltd lodged its application for E 28/3060 on 21 September 2020 at 08:30:00.

### 13. NATIONAL PARK

As identified in Part I of this Report, it is a condition to E 70/5415, that the prior written consent of the Minister responsible for the Mining Act is obtained before entering or commencing any prospecting or exploration activities on the national park. However, the encroached portion is minimal.

### 14. ROYALTIES

Pursuant to the *Rocky Dam Acquisition Agreement* (as defined in the Prospectus), the Company has agreed to grant the vendor a royalty of 1% of the net smelter returns from the sale or other disposal of mineral products derived from the area within the boundaries of the Tenements forming the Rocky Dam Project on customary terms and conditions.

### 15. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority, including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act provisions;

- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed other than as detailed in this Report;
- (i) references in Parts I and II of this Report to any area of land are taken from details shown on Searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (j) the information in Parts I and II of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (l) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;
- (m) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (n) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act other than the Heritage Searches. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

**16. CONSENT**

This Report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

  
**STEINEPREIS PAGANIN**

## PART I – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	ENDORSEMENTS AND CONDITIONS NOTES
E 80/5508 (status: live)	Matmetals WA Pty Ltd (ACN:640811507)	100/100	Granted: 27/07/2021	26/07/2026	19 BL	\$2,774.00 (rent for year end 26/07/2023)	\$20,000.00 (current year (26/07/2022) commitment)	None	Endorsements: 1-3 and 6-15  Conditions: 1-3, 8 and 9
E 70/5416 (status: live)	Stephens, Julian Rodney  Cormack, Anthony Stephen	50/100  50/100	Granted: 13/07/2020	12/07/2025	4 BL	\$584.00 (rent for year end 12/07/2023)	\$15,000.00 (current year (12/07/2022) commitment)	None	Endorsements: 1-3, 6-11 and 16-21  Conditions: 1-5 and 11-19
E 70/5415 (status: live)	Stephens, Julian Rodney  Cormack, Anthony Stephen	50/100  50/100	Granted: 21/05/2021	20/05/2026	1 BL	\$406.00 (rent for year end 20/05/2023)	\$10,000.00 (current year (20/05/2022) commitment)	None	Endorsements: 1-11 and 22-24  Conditions: 1-4, 6, 7, 11-18 and 20
E 25/533 (status: live)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Granted: 26/04/2016	25/04/2026	10 BL	\$3,580.00 (rent for year end 25/04/2023)	\$50,000.00 (current year (25/04/2022) commitment)	2 applications to amend (amending: address and amending: name)  Extension / renewal of term (granted period: 5 years, term extended: 25/04/2026)  Extension of time (type: form 5, approved: 8 July 2021)	Endorsements: 1, 2, 6-11 and 25  Conditions: 2, 3, 8 and 9
E 27/611 (status: live)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Granted: 12/02/2020	11/02/2025	4 BL	\$584.00 (rent for year end 11/02/2023)	\$15,000.00 (current year (11/02/2022) commitment)	2 objections (objection type: tenement application, both finalised - objections withdrawn by consent)	Endorsements: 1, 2, 6-11 and 26  Conditions: 1-3 and 8-10
E 27/612 (status: live)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Granted: 2/10/2019	1/10/2024	5 BL	\$730.00 (rent for year end 1/10/2022)	\$15,000.00 (current year (1/10/2021) commitment)	None	Endorsements: 1, 2, 6-11 and 27

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	ANNUAL RENT (Next rental year)	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS / ENCUMBRANCES	ENDORSEMENTS AND CONDITIONS NOTES
							(we have been provided with a Form 5 lodged confirming total expenditure for the current year exceeded \$15,000.00)		Conditions: 1-3, 8 and 9
E 25/599 (status: pending)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Applied for: 5/05/2020	N/A	1 BL	N/A (due for year end 4/05/2022)	N/A	Extension of time (type: security (extension to lodge Form 32 security document as a result of typographical error in original form lodged) – approved)	No endorsements or conditions
E 27/634 (status: pending)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Applied for: 11/05/2020	N/A	8 BL	N/A (due for year end 10/05/2022)	N/A	None	No endorsements or conditions
E 28/2988 (status: live)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Granted: 3/03/2021	2/03/2026	9 BL	\$1,314.00 (rent for year end 2/03/2023)	\$20,000.00 (current year (2/03/2022) commitment)	None	Endorsements: 1-3, 6-11 and 26  Conditions: 1-3, 8 and 9
E 28/2996 (status: pending)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Applied for: 29/05/2020	N/A	2 BL	N/A (due for year end 28/05/2022)	N/A	None	No endorsements or conditions
E 28/2997 (status: pending)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Applied for: 29/05/2020	N/A	8 BL	N/A (due for year end 28/05/2022)	N/A	None	No endorsements or conditions
E 28/3000 (status: pending)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Applied for: 10/06/2020	N/A	6 BL	N/A (due for year end 9/06/2022)	N/A	None	No endorsements or conditions
E 28/3001 (status: pending)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Applied for: 10/06/2020	N/A	2 BL	N/A (due for year end 9/06/2022)	N/A	None	No endorsements or conditions
E 28/3061 (status: pending)	Dreadnought (Yilgarn) Pty Ltd (ACN:608619101)	100/100	Applied for: 21/09/2020	N/A	6 BL	N/A (due for year end 20/09/2021)	N/A	None	No endorsements or conditions

## Key to Tenement Schedule

E – Exploration Licence

References to numbers in the “Endorsements and Conditions Notes” column refers to the notes following this table.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

## Notes - Tenement Endorsements and Conditions

	Endorsements
1.	The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2.	The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3.	The Licensee's attention is drawn to the provisions of section 55 of the Land Administration Act 1997.
4.	The Licensee's attention is drawn to the provisions of: <ul style="list-style-type: none"> <li>Commonwealth Defence (Areas Control) Regulations 1989.</li> </ul>
5.	The land the subject of this mining tenement affects environmental sensitive wetlands listed within the RAMSAR Convention 1971 and advice should be sought from the Commonwealth Department of the Environment before commencing any activities within 200 metres of the wetlands.
	<b>In respect to Water Resource Management Areas (WRMA) the following endorsements apply:</b>
6.	The Licensee's attention is drawn to the provisions of the: <ul style="list-style-type: none"> <li>Waterways Conservation Act, 1976</li> <li>Rights in Water and Irrigation Act, 1914</li> <li>Metropolitan Water Supply, Sewerage and Drainage Act, 1909</li> <li>Country Areas Water Supply Act, 1947</li> <li>Water Agencies (Powers) Act 1984</li> </ul>
7.	The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water and Environmental Regulation (DWER) for inspection and investigation purposes.
8.	The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Department of Water and Environmental Regulation (DWER) relevant Water Quality Protection Notes and Guidelines for mining and mineral processing.
9.	The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water and Environmental Regulation (DWER).
10.	Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas,

	receiving catchments and waterways.
11.	All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation.
	<b>In respect to Proclaimed Surface Water Areas (Fitzroy River and Tributaries), Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply:</b>
12.	The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by the Department of Water and Environmental Regulation (DWER).
13.	Advice shall be sought from the Department of Water and Environmental Regulation (DWER) and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 meters of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users.
14.	No exploration activity is to be carried out if: <ul style="list-style-type: none"> <li>it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland</li> <li>it relates to the taking or diversion of water, including diversion of the watercourse or wetland</li> </ul> unless in accordance with a permit issued by the Department of Water and Environmental Regulation (DWER).
	<b>In respect to Proclaimed Ground Water Areas (Canning-Kimberley) the following endorsement applies:</b>
15.	The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies.
	<b>In respect to Proclaimed Surface Water Area (Avon River Catchment), Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply:</b>
16.	The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by the Department of Water and Environmental Regulation (DWER).
17.	Advice shall be sought from the Department of Water and Environmental Regulation (DWER) and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 meters of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users.
18.	No exploration activity is to be carried out if: <ul style="list-style-type: none"> <li>it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland</li> <li>it relates to the taking or diversion of water, including diversion of the watercourse or wetland</li> </ul> unless in accordance with a permit issued by the Department of Water and Environmental Regulation (DWER).
	<b>In respect to Waterways Management Area (Avon River) the following endorsements apply:</b>
19.	Prior to undertaking any exploration within a Waterways Management Area the Licensee shall seek advice from the Department of Water and Environmental Regulation (DWER).
20.	Any dredging and/or reclamation within a Waterways Management Area which affects the waterway or adjacent land within the Waterway

	Management Area is prohibited unless a current licence to dredge and/or reclaim has been issued by the Department of Water and Environmental Regulation (DWER).
21.	Any discharge or deposit of any matter within a Waterways Management Area which affects the waterway or adjacent land within the Waterways Management Area is prohibited unless a current disposal licence has been issued by the Department of Water and Environmental Regulation (DWER).
	<b>In respect to Proclaimed Surface Water Areas (Avon River Catchment and Swan River System), Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply:</b>
22.	The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by the Department of Water and Environmental Regulation (DWER).
23.	Advice shall be sought from the Department of Water and Environmental Regulation (DWER) and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 meters of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users.
24.	No exploration activity is to be carried out if: <ul style="list-style-type: none"> <li>it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland</li> <li>it relates to the taking or diversion of water, including diversion of the watercourse or wetland</li> </ul> unless in accordance with a permit issued by the Department of Water and Environmental Regulation (DWER).
	<b>In respect to Proclaimed Ground Water Areas the following endorsement applies:</b>
25.	The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies.
	<b>In respect to Proclaimed Ground Water Areas (GWA 21 Goldfields) the following endorsement applies:</b>
26.	The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies.
	<b>In respect to Proclaimed Ground Water Area 21 the following endorsement applies:</b>
27.	The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies.

	Conditions
1.	All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines, Industry Regulation and Safety. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, Department of Mines, Industry Regulation and Safety.
2.	All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or



	at the termination of exploration program.
3.	Unless the written approval of the Environmental Officer, Department of Mines, Industry Regulation and Safety is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
4.	In areas of native vegetation within the tenement, no exploration activities commencing until the licensee provides a plan of management to prevent the spread of dieback disease (Phytophthora species) to the Executive Director, Resource and Environmental Compliance, DMIRS for assessment and until the written approval of the Executive Director has been received. All exploration activities shall then comply with the commitments made in the management plan.
5.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Railway Reserves.
6.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on National Park Reserve 2065.
7.	No interference with Geodetic Survey Station SOUTH CHITTERING 3 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface.
8.	The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
9.	The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:- <ul style="list-style-type: none"> <li>the grant of the Licence; or</li> <li>registration of a transfer introducing a new Licensee;</li> </ul> advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
10.	The rights of ingress to and egress from Miscellaneous Licences 27/88 and 28/24 being at all times preserved to the licensees and no interference with the purpose or installations connected to the licences.
	<b>In respect to Rail Corridor Land the following conditions apply:</b>
11.	No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land (E 70/5416: Northam to Goomalling) (E 70/5415: West Toodyay to Millendon Junction) as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act 1978.
12.	No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 11 hereof than a distance equal to three times the depth of the excavation without the prior written approval of Mines Safety, DMIRS.
13.	Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition 11 hereof being approved by Mines Safety, DMIRS in consultation with the operator of the railway on corridor land.
14.	No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety

	Zone established by Condition 11 hereof without the prior approval of the operator of the railway on corridor land.
15.	The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 11 hereof, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of Mines Safety, DMIRS.
16.	No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods and Petroleum Safety, DMIRS.
17.	The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.
18.	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the rail corridor land.
	<b>In respect of the grant to the Licensee of this Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the Ballardong People Indigenous Land Use Agreement(s) (relevant ILUA) to such grant is, as a condition precedent, subject to the Minister for Mines, Industry Regulation and Safety (DMIRS) imposing the following condition:</b>
19.	<p>As the Ballardong People ILUA (relevant ILUA) applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the relevant ILUA:</p> <ul style="list-style-type: none"> <li>(i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the relevant ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 business days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;</li> <li>(ii) where: <ul style="list-style-type: none"> <li>A. the Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and</li> <li>B. the Licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and</li> <li>C. The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 business days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and</li> </ul> </li> <li>(iii) provide to the Department of Mines, Industry Regulation and Safety (DMIRS) a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA), as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition or that paragraph (ii) of this condition applies.</li> </ul>
	<b>In respect of the grant to the Licensee of this Licence, the Native Title Group's consent pursuant to clause 18 of Schedule 10 of the Whadjuk People Indigenous Land Use Agreement(s) (relevant ILUA) to such grant is, as a condition precedent, subject to the Minister for Mines, Industry Regulation and Safety (DMIRS) imposing the following condition:</b>

20.	<p>As the Whadjuk People ILUA (relevant ILUA) applies to this Exploration Licence, the Licensee must before exercising any of the rights, powers or duties pursuant to this Exploration Licence over that portion of the area of land the subject of the relevant ILUA:</p> <ul style="list-style-type: none"> <li>(i) subject to paragraph (ii), execute and enter into in respect of this Exploration Licence an Aboriginal Heritage Agreement (as defined in the relevant ILUA) with the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA on terms and conditions agreed by the Licensee and the Native Title Agreement Group or Regional Corporation (as the case may be) for the relevant ILUA (the Parties) or, failing such agreement being reached between the Parties within 20 business days of the commencement of negotiations, execute and enter into a NSHA subject only to any necessary modifications in terminology required for the tenure;</li> <li>(ii) where: <ul style="list-style-type: none"> <li>A. the Parties have been unable to reach agreement on the terms and conditions of an Aboriginal Heritage Agreement under paragraph (i); and</li> <li>B. the Licensee executes a NSHA (subject only to any necessary modifications in terminology required for the tenure); and</li> <li>C. The Licensee provides a copy of the NSHA to the Native Title Agreement Group or Regional Corporation (as the case requires) for the relevant ILUA for execution; if the Native Title Agreement Group or Regional Corporation (as the case requires) does not execute the NSHA and provide a copy of the executed NSHA to the Licensee within 20 business days of receipt of the NSHA, the requirements of paragraph (i) do not apply; and</li> </ul> </li> <li>(iii) provide to the Department of Mines, Industry Regulation and Safety (DMIRS) a statutory declaration from the Licensee (or if the Licensee is a corporation, from a director of that corporation on its behalf) in the form contained in Annexure U to the Settlement Terms (as defined in the relevant ILUA), as evidence that the Licensee has complied with the requirements of paragraph (i) of this condition or that paragraph (ii) of this condition applies.</li> </ul>

**Tengraph interests**

	Land Type	Description
1.	<b>Crown and other Reserves</b>	<p><b>E 70/5415</b> overlaps "A" Class Reserve National Park (R 2065) (Encroached Percentage: 0.37%)</p> <p><b>E 27/634</b> overlaps:</p> <ul style="list-style-type: none"> <li>5G Reserve – Timber Sandalwood Bullock Holes Timber Reserve (5GR 19825) (Encroached Percentage: 18.09%)</li> <li>"C" Class Reserve Timber Sandalwood (R 19825) (Encroached Percentage: 18.09%)</li> </ul>
2.	<b>Railway Reserves</b>	<b>E 70/5416</b> overlaps Railway Reserve (Railway Reserve Unnumbered) (Encroached Percentage: 0.59%)
3.	<b>Road Reserves and Closed Roads</b>	<p><b>E 70/5416</b> overlaps:</p> <ul style="list-style-type: none"> <li>Road Reserves (Bearing Road) (Encroached Percentage: Not stated)</li> <li>Road Reserves (Irishtown Road) (Encroached Percentage: Not stated)</li> <li>Closed Road (Closed Road) (Encroached Percentage: &lt;0.01%)</li> <li>Road Reserves (No Identification stated) (Encroached Percentage: Not stated)</li> <li>Road Reserves (No Identification stated) (Encroached Percentage: Not stated)</li> </ul> <p><b>E 70/5415</b> overlaps Road Reserves (No Identification stated) (Encroached Percentage: Not stated)</p> <p><b>E 25/533</b> overlaps Road Reserves (Bulong Road) (Encroached Percentage: Not stated)</p> <p><b>E 27/634</b> overlaps Road Reserves (Carmelia Road) (Encroached Percentage: Not stated)</p>
4.	<b>Private / Freehold Land</b>	<p><b>E 70/5416</b> overlaps 27 land parcels (private/freehold) (Aggregate Encroached Percentage: 98.96%)</p> <p><b>E 70/5415</b> overlaps 6 land parcels (private/freehold) (Aggregate Encroached Percentage: 96.78%)</p>
5.	<b>Unallocated Crown Land (Cadastral)</b>	<b>E 70/5415</b> overlaps 1 land parcels (Unallocated crown land) (Encroached Percentage: 0.11%)
6.	<b>ANCA Wetlands (AW)</b>	<b>E 70/5415</b> overlaps ANCA Wetlands (ANCA Wetlands Avon Valley River) (Encroached Percentage: 2.17%)
7.	<b>Pastoral Leases</b>	<p><b>E 80/5508</b> overlaps Pastoral Lease (C) Moola Bulla (PL N050141) (Encroached Percentage: 100%)</p> <p><b>E 25/533</b> overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 99.84%)</p> <p><b>E 27/611</b> overlaps:</p>

	Land Type	Description
		<ul style="list-style-type: none"> <li>Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 75.98%)</li> <li>Pastoral Lease (C) Gindalbie (PL N049759) (Encroached Percentage: 24.02%)</li> </ul> <p><b>E 27/612</b> overlaps Pastoral Lease (C) Gindalbie (PL N049753) (Encroached Percentage: 100%)</p> <p><b>E 25/599</b> overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%)</p> <p><b>E 27/634</b> overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 81.59%)</p> <p><b>E 28/2988</b> overlaps Pastoral Lease (C) Avoca Downs (PL N049885) (Encroached Percentage: 100%)</p> <p><b>E 28/2996</b> overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%)</p> <p><b>E 28/2997</b> overlaps:</p> <ul style="list-style-type: none"> <li>Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 17.52%)</li> <li>Pastoral Lease (C) Avoca Downs (PL N049885) (Encroached Percentage: 82.48%)</li> </ul> <p><b>E 28/3000</b> overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%)</p> <p><b>E 28/3001</b> overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%)</p> <p><b>E 28/3061</b> overlaps Pastoral Lease (C) Hampton Hill (PL N049710) (Encroached Percentage: 100%)</p>
8.	Aboriginal Heritage Survey Areas (HSA)	<p><b>E 80/5508</b> overlaps Aboriginal Heritage Survey Areas (HSA 105156 1) (Encroached Percentage: &lt;0.01%)</p> <p><b>E 70/5416</b> overlaps:</p> <ul style="list-style-type: none"> <li>Aboriginal Heritage Survey Areas (HSA 102573 1) (Encroached Percentage: 0.23%)</li> <li>Aboriginal Heritage Survey Areas (HSA 200729 1) (Encroached Percentage: 0.03%)</li> </ul> <p><b>E 70/5415</b> overlaps:</p> <ul style="list-style-type: none"> <li>Aboriginal Heritage Survey Areas (HSA 102073 1) (Encroached Percentage: 100%)</li> <li>Aboriginal Heritage Survey Areas (HSA 102074 1) (Encroached Percentage: 100%)</li> <li>Aboriginal Heritage Survey Areas (HSA 103564 1) (Encroached Percentage: 100%)</li> </ul>

	Land Type	Description
		<ul style="list-style-type: none"> <li>Aboriginal Heritage Survey Areas (HSA 21817 1) (Encroached Percentage: 100%)</li> <li>Aboriginal Heritage Survey Areas (HSA 21818 1) (Encroached Percentage: 100%)</li> </ul> <p><b>E 25/533</b> overlaps:</p> <ul style="list-style-type: none"> <li>Aboriginal Heritage Survey Areas (HSA 200341 1) (Encroached Percentage: 93.59%)</li> <li>Aboriginal Heritage Survey Areas (HSA 23733 1) (Encroached Percentage: 80%)</li> </ul> <p><b>E 27/611</b> overlaps Aboriginal Heritage Survey Areas (HSA 21325 1) (Encroached Percentage: 0.64%)</p> <p><b>E 25/599</b> overlaps Aboriginal Heritage Survey Areas (HSA 200341 1) (Encroached Percentage: 100%)</p> <p><b>E 27/634</b> overlaps:</p> <ul style="list-style-type: none"> <li>Aboriginal Heritage Survey Areas (HSA 17219 1) (Encroached Percentage: 0.14%)</li> <li>Aboriginal Heritage Survey Areas (HSA 200957 1) (Encroached Percentage: 100%)</li> </ul> <p><b>E 28/2988</b> overlaps:</p> <ul style="list-style-type: none"> <li>Aboriginal Heritage Survey Areas (HSA 27103 1) (Encroached Percentage: 33.33%)</li> <li>Aboriginal Heritage Survey Areas (HSA 27361 1) (Encroached Percentage: 66.67%)</li> </ul> <p><b>E 28/2996</b> overlaps Aboriginal Heritage Survey Areas (HSA 200341 1) (Encroached Percentage: 100%)</p> <p><b>E 28/2997</b> overlaps Aboriginal Heritage Survey Areas (HSA 200341 1) (Encroached Percentage: 80.31%)</p> <p><b>E 28/3000</b> overlaps Aboriginal Heritage Survey Areas (HSA 200341 1) (Encroached Percentage: 43.07%)</p> <p><b>E 28/3061</b> overlaps Aboriginal Heritage Survey Areas (HSA 200341 1) (Encroached Percentage: 100%)</p>
9.	<b>Dieback Risk Zone (DRZ)</b>	<p><b>E 70/5416</b> overlaps Dieback Area (Dieback Risk Zone) (Encroached Percentage: 100%)</p> <p><b>E 70/5415</b> overlaps Dieback Area (Dieback Risk Zone) (Encroached Percentage: 100%)</p>
10.	<b>File Notation Area (FNA)</b>	<p><b>E 70/5415</b> overlaps:</p> <ul style="list-style-type: none"> <li>File Notation Area Proposed Clearance for 2021 Avon Descent Section 91 (FNA 12873) (Encroached Percentage: 0.87%)</li> <li>File Notation Area Defense (Areas Control) Regulations RAAF Base Pearce and Gingin (FNA 3112) (Encroached</li> </ul>

	Land Type	Description
		Percentage: 100%)
11.	<b>Groundwater Areas (GWA)</b>	<p><b>E 80/5508</b> overlaps Groundwater Area Canning-Kimberley (GWA 10) (Encroached Percentage: 100%)</p> <p><b>E 25/533</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 27/611</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 27/612</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 25/599</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 27/634</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 28/2988</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 28/2996</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 28/2997</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 28/3000</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 28/3001</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p> <p><b>E 28/3061</b> overlaps Groundwater Area Goldfields (GWA 21) (Encroached Percentage: 100%)</p>
12.	<b>Mineralisation Zones (MZ)</b>	<p><b>E 25/533</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 27/611</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 27/612</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 25/599</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p>

	Land Type	Description
		<p><b>E 27/634</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 28/2988</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 28/2996</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 28/2997</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 28/3000</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 28/3001</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p> <p><b>E 28/3061</b> overlaps Mineralisation Zone, Non Section 57(2AA) Southern Section (MZ 2) (Encroached Percentage: 100%)</p>
13.	<b>Rail Corridor Land (RCL)</b>	<p><b>E 70/5416</b> overlaps Rail Corridor Land (Northam to Goomalling) (Encroached Percentage: 0.96%)</p> <p><b>E 70/5415</b> overlaps Rail Corridor Land (West Toodyay - Millendon Junction) (Encroached Percentage: 1.7%)</p>
14.	<b>Surface Water Areas (SWA)</b>	<p><b>E 80/5508</b> overlaps Surface Water Area Fitzroy River and Tributaries (SWA 15) (Encroached Percentage: 100%)</p> <p><b>E 70/5416</b> overlaps Surface Water Area Avon River Catchment Area (SWA 1) (Encroached Percentage: 100%)</p> <p><b>E 70/5415</b> overlaps:</p> <ul style="list-style-type: none"> <li>• Surface Water Area Avon River Catchment Area (SWA 1) (Encroached Percentage: 100%)</li> <li>• Surface Water Area Swan River System (SWA 34) (Encroached Percentage: 29.16%)</li> </ul>
15.	<b>Waterways Management Areas (WMA)</b>	<p><b>E 70/5416</b> overlaps Waterways Management Areas (Waterways Management Authority Avon River Management Area) (Encroached Percentage: 100%)</p>
16.	<b>Proposed State Forest (PSF)</b>	<p><b>E 27/634</b> overlaps Proposed State Forest Bullock Holes (PSF 17) (Encroached Percentage: 18.16%)</p>



## PART II – NATIVE TITLE AND ABORIGINAL HERITAGE

### NATIVE TITLE CLAIMS

Tenement(s) Affected	Tribunal Number	Federal Court Number	Application Name	Registered	In NNTT Mediation	Application status
E 80/5508	WC1996/075	WAD41/2019	Ngarrawanji	Yes	No	Active
E 70/5416	WC2000/007	WAD6181/1998	Ballardong People	Yes	Yes	Active
E 70/5416 E 70/5415	WC2003/006	WAD6006/2003	Single Noongar Claim (Area 1)	No	Yes	Active
E 70/5415	WC2011/009	WAD242/2011	Whadjuk People	Yes	Yes	Active
E 25/533 E 27/611 E 27/612 E 25/599 E 27/634 E 28/2996 E 28/2997 E 28/3000 E 28/3001 E 28/3061	WC2017/001	WAD186/2017	Maduwongga	Yes	No	Active
E 25/533 E 27/611 E 27/612 E 25/599 E 27/634 E 28/2988 E 28/2996 E 28/2997 E 28/3000 E 28/3001 E 28/3061	WC2020/005	WAD297/2020	Kakarra Part A	Yes	No	Active
E 25/533 E 27/611 E 27/612 E 25/599 E 27/634 E 28/2996 E 28/2997 E 28/3000 E 28/3001 E 28/3061	WC2021/001	WAD4/2021	Jardu Mar People	No	No	Active

### NATIVE TITLE DETERMINATIONS

Tenement Affected	Tribunal Number	Federal Court Number	Short Name	Determination date	Registered on National Native Title Register	Determination outcome <sup>1</sup>
E 80/5508	WCD2019/004	WAD41/2019	Ngarrawanji Part A	21/05/2019	Not Registered	Native title exists in parts of the determination area

**Notes:**

1. This determination affects application NNTT file no: WC1996/075, Federal Court file no: WAD41/2019.

## INDIGENOUS LAND USE AGREEMENTS

The area of the land of the Tenements listed below is subject to certain ILUAs. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained an excerpt of the ILUAs and provide a summary below:

Tenement Affected	Tribunal file number	ILUA name	ILUA type	Primary subject matter	Date registered	Parties	Encroached Percentage
E 70/5416	WI2017/012	Ballardong People Indigenous Land Use Agreement	Area Agreement	Native Title Settlement	17/10/2018	<p>State of Western Australia</p> <p>Conservation and Land Management Executive Body</p> <p>Conservation Commission of Western Australia (now the Conservation and Parks Commission)</p> <p>Housing Authority</p> <p>Marine Parks and Reserves Authority (now the Conservation and Parks Commission)</p> <p>Minister for Aboriginal Affairs</p> <p>Minister for Environment</p> <p>Minister for Lands</p> <p>Minister for Mines and Petroleum</p> <p>Minister for Water</p> <p>Reg Yarran (Jnr), Murray Yarran, Fay Slater, CH [name withheld for cultural reasons], Dianne Taylor, Ricky Nelson, Tim Riley, Winnie McHenry, Anthony Bennell, Glen Colbung, Jack Hill, Robert Isaacs, Fred Pickett, William Reidy, Barbara Corbett-Councillor Stammner, Trevor Walley and Beryl Weston</p> <p>South West Aboriginal Land and Sea Council</p> <p>Water Corporation</p> <p>Western Australian Land Authority (LandCorp)</p>	100%
E 70/5415	WI2017/015	Whadjuk People Indigenous Land Use Agreement	Area Agreement	Native Title Settlement	17/10/2018	<p>State of Western Australia</p> <p>Conservation and Land Management Executive Body</p> <p>Conservation Commission of Western Australia (now the Conservation and Parks Commission)</p> <p>Housing Authority</p> <p>Marine Parks and Reserves Authority (now the Conservation and Parks Commission)</p> <p>Minister for Aboriginal Affairs</p>	100%

Tenement Affected	Tribunal file number	ILUA name	ILUA type	Primary subject matter	Date registered	Parties	Encroached Percentage
						Minister for Environment  Minister for Lands  Minister for Mines and Petroleum  Minister for Water  NM [name withheld for cultural reasons], Nigel Wilkes, Trevor Nettle, Dianne Wynne, Glen Colbung, Robert Isaacs, Barbara Corbett-Councillor Stammner, Trevor Walley and Beryl Weston  South West Aboriginal Land & Sea Council  Water Corporation  Western Australian Land Authority (LandCorp)	

## HERITAGE AND COMPENSATION AGREEMENTS

### **Gnewing Bore Project**

On 14 June 2021, Matmetals WA Pty Ltd (ACN 640 811 507) (**Matmetals**) entered into a native title heritage protection and mineral exploration agreement with the Kimberley Land Council Aboriginal Corporation (ABN 96 724 252 047) (**KLC**) in respect of E 80/5508 (**KLC Agreement**). The KLC Agreement is entered into by KLC on behalf of the Ngarrawanji people.

The KLC Agreement sets out the obligations of Matmetals and the protocols to be followed in order to protect the cultural heritage of the Ngarrawanji people in areas where exploration is undertaken in a manner that is transparent, timely, certain and cost effective, including procedures to be complied with prior to commencing any exploration activities.

Pursuant to the KLC Agreement, for each year of the Tenement, Matmetals must pay on or before the anniversary of the grant date of the Tenement an amount equal to:

- (a) the greater of 5% of the annual exploration expenditure for the year ending on the anniversary of the grant date or 10% of the minimum statutory annual expenditure; and
- (b) 5% of the sale price of any mineral removed from the Tenement and sold during the year ending on the anniversary of the grant date.

Matmetals must also fund certain costs incurred by the KLC and the traditional owners in relation to their performance of their obligations under the KLC Agreement (including in relation to conducting heritage impact assessments, cultural monitoring and work program surveys).

Matmetals must pay the KLC's costs associated with any assignment (of any or all of its interests in the Tenement) together with an amount equal to 5% of the value of the Tenement assigned.

## Rocky Dam Project

We have been advised that Dreadnought (Yilgarn) Pty Ltd is currently negotiating a heritage agreement to be entered into on behalf of the Kakarra Part A Native title claimants in relation to the below objections identified:

Tenement Affected	Objection number	Objection received date	Claim
E 25/599	WO2021/1007	28/05/2021	WC2020/005
E 28/2996	WO2021/1008	28/05/2021	WC2020/005
E 28/2997	WO2021/1009	28/05/2021	WC2020/005
E 28/3000	WO2021/1010	28/05/2021	WC2020/005
E 28/3001	WO2021/0694	15/04/2021	WC2020/005

## ABORIGINAL HERITAGE SITES

The following registered Aboriginal Sites were identified:

Tenement Affected	ID	Name	Status	Type
E 70/5416 E 70/5415	15979	Avon River	Registered Site	Mythological, Camp, Natural Feature, Water Source, Other: Food Resource
E 25/533 E 25/599 E 28/2996 E 28/2997 E 28/3000 E 28/3061	30602	Lake Yindarlgooda, Mammu Tjukurpa	Registered Site	Mythological

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## ANNEXURE C – INVESTIGATING ACCOUNTANT’S REPORT

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Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

29 September 2021

**PRIVATE & CONFIDENTIAL**

The Board of Directors  
Lycaon Resources Limited  
Level 2, 22 Mount Street  
PERTH WA 6000

Dear Sirs

**Investigating Accountants Report ("Report") on the Historical and Pro Forma Historical Financial Information of Lycaon Resources Limited**

**Introduction**

Criterion Audit Pty Ltd ("Criterion") has been engaged by Lycaon Resources Limited ("Lycaon" or the "Company") to report on the historical information of the Company for the period ended 30 June 2021 and Pro Forma Historical Financial Information of the Company as at 30 June 2021 for inclusion in a Prospectus of the Company dated on or around 29 September 2021, to be issued in connection with the Company's initial public offer of 25,000,000 fully paid ordinary shares ("Shares") to be issued at a price of \$0.20 per Share to raise \$5 million (before costs) (the "Offer"), pursuant to which the Company is seeking to list on the Australia Securities Exchange ("ASX").

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

**Scope**

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

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

*Historical Financial Information*

You have requested Criterion to review the following historical financial information (together the "Historical Financial Information") of Lycaon included in the Prospectus:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2021;
- the audited historical Statement of Cash Flows for the period ended 30 June 2021; and
- the audited historical Statement of Financial Position as at 30 June 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information has been extracted from the financial reports for the period ended 30 June 2021 which was audited by Criterion in accordance with Australian Auditing Standards. Criterion issued unmodified audit opinions on the financial reports with material uncertainty related to going concern.

#### *Pro Forma Historical Financial Information*

You have requested Criterion to review the following pro forma historical financial information (together the "Pro Forma Historical Financial Information") of Lycaon included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2021.

The pro forma historical financial information has been derived from the historical financial information of Lycaon, after adjusting for the effects of the subsequent events and pro forma adjustments described in section 6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 6 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

The pro forma historical financial information has been compiled by Lycaon to illustrate the impact of the events or transactions described in section 6 of the Prospectus on Lycaon's financial position as at 30 June 2021. As part of this process, information about Lycaon's financial position has been extracted by Lycaon from its financial statements for the period ended 30 June 2021.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of the Company as at 30 June 2021 to reflect the financial effects of the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Offer:

- (a) the issue of 25,000,000 Shares at \$0.20 per Share to raise \$5,000,000 before costs;
- (b) capital raising costs in relation to the Offer of \$500,000;
- (c) the issue of 500,000 Shares at \$0.20 per Share to acquire Matmetals Pty Ltd and consolidation entries;
- (d) the issue of 500,000 Shares at \$0.20 per Share to acquire Julimar Project;
- (e) the issue of 500,000 Shares at \$0.20 per Share to acquire Rocky Dam Project;
- (f) the issue of 1,800,000 options (with an exercise price of \$0.30 and an expiry date of 23 February 2025) to the Directors; and
- (g) the issue of 3,000,000 options (with an exercise price of \$0.30 and an expiry date of 23 February 2025) to the Joint Lead Managers as consideration for capital raising services provided in connection with the Offer.

#### **Directors' Responsibility**

The directors of Lycaon are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

## **Our Responsibility**

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

## **Conclusion**

### *Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for the Company comprising:

- the Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2021;
- the Statement of Cash Flows for the period ended 30 June 2021; and
- the Statement of Financial Position as at 30 June 2021.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 6 of the Prospectus

### *Pro Forma Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information for the Company comprising:

- the Statement of Financial Position as at 30 June 2021.

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 6 of the Prospectus.

## **Restriction on Use**

Without modifying our conclusions, we draw attention to Section 6 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

## **Consent**

Criterion has consented to the inclusion of this Investigating Accountant's Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Criterion makes no representation or warranties as to the



completeness and accuracy of any information contained in this disclosure document other than in relation to this report, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

### **Liability**

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

### **Declaration of Interest**

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

Yours faithfully



**CHRIS WATTS CA**

Director

Criterion Audit Pty Ltd