

RESOURCE MINING CORPORATION LIMITED ABN 97 008 045 083

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Notice is given that a General Meeting of Shareholders of Resource Mining Corporation Limited ('Company') will be held at:

LOCATION: Ground Floor, 16 Ord Street, West Perth, Western Australia

ON: Thursday, 29 September 2022 at 10:30am (WST)

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it, you should consult your professional advisers without delay.

As required by item 7 of section 611 of the Corporations Act and Listing Rule 10.1, an independent expert's report is attached to this Notice of Meeting at Annexure A.

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IMPORTANT INFORMATION

Your Vote is Important

The business of the Meeting affects your shareholding and your vote is important.

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on Tuesday, 27 September 2022.

Voting in Person

To vote in person, attend the General Meeting at the time, date and place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed and return it by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one—half of the votes.

If the Chair is to act as your proxy (whether by appointment or by default) and you have not given directions on how to vote in the voting directions section of the Proxy Form for Resolutions 11, 12, 13, 14 and/ or 15, the Proxy Form expressly directs and authorises the Chair to cast your votes "for" the relevant Resolution. This express authorisation is included because without it the Chair would be precluded from casting your votes as these Resolutions are connected with the remuneration of Key Management Personnel. Subject to any voting prohibitions that may apply to the Chair in respect of Resolutions 11, 12, 13, 14 and/ or 15 to restrict the Chair from voting undirected proxies, the Chair intends to vote all undirected proxies in favour of Resolutions 1 to 15.

Proxy forms should be returned to the Company in accordance with the instructions on the enclosed Proxy Form by 10:30am (WST) on Tuesday, 27 September 2022. Proxy Forms received later than this time will be invalid. The following methods of delivery for proxies are specified:

By email: rmc@resmin.com.au

By mail: Computershare Investor Services Pty Limited

GPO Box 242

Melbourne VIC 3001

Australia

By hand: C/O Ventnor Capital, 16 Ord Street, West Perth, 6005 Western Australia

By fax: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

BUSINESS OF THE MEETING AGENDA

1 Resolution 1 – Election of David Round as a Director

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of clause 14.3 of the Constitution and for all other purposes, Mr David Round is elected as a director of the Company."

2 Resolution 2 – Election of Noel O'Brien as a Director

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary resolution**:

"That, for the purposes of clause 14.3 of the Constitution and for all other purposes, Mr Noel O'Brien is elected as a director of the Company."

3 Resolution 3 – Election of Asimwe Kabunga as a Director

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of clause 14.3 of the Constitution and for all other purposes, Mr Asimwe Kabunga is elected as a director of the Company."

4 Resolution 4 – Ratification of Issue of Placement Shares in May

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 10,000,000 Shares, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 Resolution 5 – Ratification of Issue of Placement Options in May

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 2,000,000 Options, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6 Resolution 6 – Ratification of Option Issue to Consultant

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 8,000,000 Options to nominees of Reign Advisory Pty Ltd (being a consultant to the Company), on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

7 Resolution 7 – Ratification of Issue of Placement Shares in June

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 10,000,000 Shares, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

8 Resolution 8 – Ratification of Issue of Placement Options in June

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue by the Company of 5,000,000 Options, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- a person who participated in the issue or is a counterparty to the agreement being approved; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 8 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

9 Resolution 9 – Approval to Issue Debt Repayment Securities

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 10,470,742 Shares and 2,094,148 Options to Kabunga Holdings Pty Ltd by way of repayment of an amount of \$649,186 owing to Kabunga Holdings Pty Ltd, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- Kabunga Holdings Pty Ltd and any other person who will obtain a material benefit as a result of the issue
 of the securities (except a benefit solely by reason of being a Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 9 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

10 Resolution 10 – Approval of Massive Nickel Transaction

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 10.1, item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for the Company to acquire all of the issued share capital in Massive Nickel Pty Ltd from Kabunga Holdings Pty Ltd (a company controlled by Mr Asimwe Kabunga), including the issue of 75,000,000 Shares to Kabunga Holdings Pty Ltd (or its nominee(s)) in connection with that transaction, on the terms and conditions set out in the Explanatory Memorandum, and for Kabunga Holdings Pty Ltd and its associates, as a result of that transaction, to acquire voting power in the Company of up to 24.61%."

Voting Prohibition Statement

In accordance with item 7 of section 611 of the Corporations Act, Kabunga Holdings Pty Ltd, its nominee(s) and their respective associates are excluded from voting on Resolution 10 and the Company will disregard any votes cast on Resolution 10 by any of those persons.

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

- Kabunga Holdings Pty Ltd (or its nominee(s)) and any other person who will obtain a material benefit as a result of the Transaction (except a benefit solely by reason of being a Shareholder); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 10 by:

• a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or

- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

11 Resolution 11 – Adoption of Securities Incentive Plan

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 7.2 (Exception 13(b)), Listing Rule 10.19, section 200E of the Corporations Act and for all other purposes, approval is given for the Company to adopt an incentive plan titled 'Securities Incentive Plan' and for the issue of up to 41,817,308 securities under that incentive plan, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of:

- a person who is eligible to participate in the Securities Incentive Plan;
- an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 11 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

A vote on Resolution 11 must not be cast (in any capacity) by or on behalf of a Relevant Executive or an associate of a Relevant Executive. However, this prohibition does not prevent the casting of a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- it is not cast on behalf of a Relevant Executive or an associate of a Relevant Executive.

Further, a vote on Resolution 11 must not be cast by a person appointed as a proxy if:

- the person is either:
 - o a member of the Key Management Personnel for the Company; or
 - o a Closely Related Party of a member of the Key Management Personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 11.

However, the above prohibition does not apply if:

- the person is the Chair of the Meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

12 Resolution 12 – Grant of Performance Rights to Trevor Matthews

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to grant 5,000,000 Performance Rights to Trevor Matthews (or his nominee) pursuant to the terms of the Securities Incentive Plan, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 12 by or on behalf of:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Securities Incentive Plan; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 12 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

As required by section 224 of the Corporations Act, a vote on Resolution 12 must not be cast (in any capacity) by or on behalf of Trevor Matthews or any of his associates. However, this prohibition does not apply if:

- the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 12; and
- the vote is not cast on behalf of Trevor Matthews, his associates or any related party of Trevor Matthews.

Further, a vote on Resolution 12 must not be case by a person appointed as a proxy if:

- the person is either:
 - o a member of the Key Management Personnel for the Company; or
 - o a Closely Related Party of a member of the Key Management Personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 12.

However, the above prohibition does not apply if:

- the person is the Chair of the Meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

13 Resolution 13 – Grant of Performance Rights to David Round

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary** resolution:

"That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to grant 5,000,000 Performance Rights to David Round (or his nominee) pursuant to the terms of the Securities Incentive Plan, on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement

- The Company will disregard any votes cast in favour of Resolution 13 by or on behalf of:
- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Securities Incentive Plan; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 13 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - o the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - o the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

As required by section 224 of the Corporations Act, a vote on Resolution 13 must not be cast (in any capacity) by or on behalf of David Round or any of his associates. However, this prohibition does not apply if:

- the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 13; and
- the vote is not cast on behalf of David Round, his associates or any related party of David Round.

Further, a vote on Resolution 13 must not be case by a person appointed as a proxy if:

- the person is either:
 - \circ a member of the Key Management Personnel for the Company; or
 - a Closely Related Party of a member of the Key Management Personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 13.

However, the above prohibition does not apply if:

- the person is the Chair of the Meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

14 Resolution 14 – Grant of Performance Rights to Noel O'Brien

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act, and for all other purposes, approval is given for the Company to grant 5,000,000 Performance Rights to Noel O'Brien (or his nominee) pursuant to the terms of the Securities Incentive Plan, on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 14 by or on behalf of:

- a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Securities Incentive Plan; or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 14 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

As required by section 224 of the Corporations Act, a vote on Resolution 14 must not be cast (in any capacity) by or on behalf of Noel O'Brien or any of his associates. However, this prohibition does not apply if:

- the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 14; and
- the vote is not cast on behalf of Noel O'Brien, his associates or any related party of Noel O'Brien.

Further, a vote on Resolution 14 must not be case by a person appointed as a proxy if:

- the person is either:
 - \circ a member of the Key Management Personnel for the Company; or
 - a Closely Related Party of a member of the Key Management Personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 14.

However, the above prohibition does not apply if:

- the person is the Chair of the Meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

15 Resolution 15 – Grant of Performance Rights to Asimwe Kabunga

To consider and, if thought fit, to pass the following resolution with or without amendment, as an **ordinary resolution**:

"That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.11, Listing Rule 10.19, section 200E of the Corporations Act, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to grant 20,000,000 Performance Rights to Asimwe Kabunga (or his nominee), on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 15 by or on behalf of:

- Asimwe Kabunga (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a Shareholder);
- an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or

an associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 15 by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement

As required by sections 200E and 224 of the Corporations Act, a vote on Resolution 15 must not be cast (in any capacity) by or on behalf of Asimwe Kabunga or any of his associates. However, this prohibition does not apply if:

- the vote is cast by a person as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 15; and
- the vote is not cast on behalf of Asimwe Kabunga, his associates or any related party of Asimwe Kabunga.

Further, a vote on Resolution 15 must not be case by a person appointed as a proxy if:

- the person is either:
 - o a member of the Key Management Personnel for the Company; or
 - o a Closely Related Party of a member of the Key Management Personnel for the Company; and
- the appointment does not specify the way the proxy is to vote on Resolution 15.

However, the above prohibition does not apply if:

- the person is the Chair of the Meeting; and
- the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

16 Other Business

To transact any other business as may be brought before the Meeting in accordance with the Constitution of the Company, the Corporations Act, or otherwise.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

David Round Director

Dated: 18 August 2022

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to this Explanatory Memorandum.

1 RESOLUTIONS 1, 2 AND 3 – ELECTION OF DIRECTORS – DAVID ROUND, NOEL O'BRIEN AND ASIMWE KABUNGA

1.1 General

Mr David Round, Mr Noel O'Brien and Mr Asimwe Kabunga have each been appointed as Directors by the Board subsequent to the Company's most recent annual general meeting. Under the Constitution and the Listing Rules, each of those persons would need to retire and stand for election at the Company's next annual general meeting. However, the Company has determined to give Shareholders the opportunity at the Meeting to elect Mr Round, Mr O'Brien and Mr Kabunga as Directors.

Clause 14.3 of the Constitution provides that the Company may elect a person as a Director by resolution passed in general meeting. Resolutions 1, 2 and 3 seek Shareholder approval to appoint Mr David Round, Mr Noel O'Brien and Mr Asimwe Kabunga as Directors of the Company, respectively.

1.2 Director profiles

Mr David Round

Mr David Round was appointed by the Board on 24 March 2022.

Mr David Round is a qualified accountant and holder of an MBA. Mr Round is an experienced finance professional with nickel and graphite operational experience within Africa and internationally. He is currently an Executive Director of BlackEarth Minerals NL and previously Head of Finance, Sales and Marketing at Australian graphite producer, Bass Metals Ltd where he led a large team in the development of a successful mine operation with supplies of critical minerals worldwide.

Prior roles held by Mr Round include CFO of Nickel producer, Albidon Ltd, and Ironbark Zinc Ltd and formerly a senior executive at Ernst & Young and KPMG (London).

Mr Noel O'Brien

Mr Noel O'Brien was appointed by the Board on 20 June 2022.

Mr O'Brien is a highly experienced metallurgist and company executive with broad experience across a distinguished career of over 40 years. Mr O'Brien has a depth of technical knowledge across metallurgy as well as processing strategy and analysis. Mr O'Brien has been a Non-Executive Director of Galileo Mining Limited (ASX:GAL) since December 2017, and during his tenure the company's market capitalisation has increased tenfold. Mr O'Brien also holds a number of advisory roles across other listed and unlisted exploration and mining companies.

Mr Asimwe Kabunga

Mr Asimwe Kabunga was appointed by the Board on 9 May 2022.

Mr Kabunga is a Tanzanian born Australian entrepreneur with multiple interests in mining and IT businesses around the world. Mr Kabunga has extensive technical and commercial experience in Tanzania, Australia, United Kingdom and the United States.

Mr Kabunga has been instrumental in establishing the Tanzania Community of Western Australia Inc. and served as its first President. Mr. Kabunga was also a founding member of Rafiki Surgical Missions and Safina

Foundation, both NGOs dedicated to helping children in Tanzania. He is currently Chairman of ASX listed companies Volt Resources Ltd and Lindian Resources Ltd.

1.3 Independence

The Board considers Mr Round and Mr O'Brien to each be independent directors.

As Mr Asimwe Kabunga is the Executive Chair of the Company and the sole director and shareholder of KHPL (who holds 16.91% of the Company's Shares as at the Last Practicable Date), the Board does not consider him as being independent. However, the Board (excluding Mr Kabunga) considers that he has always acted, and will continue to act, in the best interests of the Company as a whole.

1.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Round, Mr O'Brien and Mr Kabunga. No information of concern was identified.

Mr Round, Mr O'Brien and Mr Kabunga have each confirmed that they consider they will have sufficient time to fulfil their responsibilities as Directors and do not consider that any other commitment will interfere with their availability to perform any duties as a Director.

1.5 Recommendation of Directors

The Board (with each Director abstaining in relation to the Resolution that concerns their own election, given their interest in that Resolution) believes that Resolutions 1, 2 and 3 are in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the Resolutions.

2 RESOLUTIONS 4 AND 5 – RATIFICATION OF ISSUE OF PLACEMENT SECURITIES IN MAY

2.1 Background

As announced to the ASX on 17 May 2022, the Company conducted a placement of 10,000,000 Shares (**Placement Shares**) to raise \$0.62 million (gross) at \$0.062 per Share, together with 2,000,000 unlisted attaching Options with an expiry date of 20 May 2025 and an exercise price of \$0.08 (**Placement Options** and, together with the Placement Shares, the **Placement Securities**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Placement Securities does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain approval for such future issues under Listing Rule 7.1. To this end, Resolution 4 (Ratification of Issue of Placement Shares in May) and 5 (Ratification of Issue of Placement Options in May) seek Shareholder approval for the issue of the Placement Securities under, and for the purposes of, Listing Rule 7.4.

If Resolutions 4 and 5 are passed, the Placement Securities will be <u>excluded</u> in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the issue date.

If Resolutions 4 and 5 are not passed, the Placement Securities will continue to be <u>included</u> in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

2.2 Listing Rule 7.5 information

Listing Rule 7.5 requires the following information to be disclosed to Shareholders in relation to the issue of the Placement Securities:

Placement Shares (Resolution 4)

Allottee	Topwei Two Pty Ltd (Topwei), being a sophisticated investor identified by the Company as an investor who was interested in investing in the Company. Topwei has advised the Company that it is a substantial holder of the Company (refer to Topwei's notice of initial substantial holder lodged with ASX on 6 July 2022).		
Number of securities issued	10,000,000		
Class of security	Fully paid ordinary shares		
Date of issue	20 May 2022		
Issue price or other consideration	\$0.062 per Share		
Purpose, including intended use of the funds raised	 The Company intends to use the funds: to fund the next phase of exploration activities at the Kabulanywele Nickel Project in Tanzania; to complete the acquisition of MNPL and the MNTL Projects; and for general working capital purposes. 		

Placement Options (Resolution 5)

Allottee	Topwei, being the subscriber for the Placement Shares, as detailed above.
Number of securities issued	2,000,000
Class of security	Unlisted Options
Material terms of the Options	Each Option entitles the holder to (upon exercise) one Share. Each Option has an expiry date of 20 May 2025 and an exercise price of \$0.08. For the other material terms of the Options, see Annexure B.
Date of issue	20 May 2022
Issue price or other consideration	The Options were issued for nil consideration.
Purpose, including intended use of the funds raised	No funds were raised from the issue of the Options as the Options were issued as free attaching Options in connection with the issue of the Placement Shares.

Voting exclusion statement

A voting exclusion statement for Resolutions 4 and 5 are included in the Notice.

Recommendation of Directors

The Board believes that Resolutions 4 and 5 are in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the Resolutions.

3 RESOLUTION 6 – RATIFICATION OF OPTION ISSUE TO CONSULTANT

3.1 Background

On 25 May 2022, the Company issued 8,000,000 unlisted Options with an expiry date of 25 May 2025 and an exercise price of \$0.10 to nominees of Reign Advisory Pty Ltd, a consultant to the Company, in consideration for the provision of corporate advisor and investor relations services (**Consultant Options**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Consultant Options does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain approval for such future issues under Listing Rule 7.1. To this end, Resolution 6 seeks Shareholder approval for the issue of the Consultant Options under, and for the purposes of, Listing Rule 7.4.

If Resolution 6 is passed, the Consultant Options will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the issue date.

If Resolution 6 is not passed, the Consultant Options will continue to be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

3.2 Listing Rule 7.5 information

Listing Rule 7.5 requires the following information to be disclosed to Shareholders in relation to the issue of the Consultant Options:

Allottee	Nominees of Reign Advisory Pty Ltd (Reign Advisory), a consultant to the Company who provided corporate advisor and investor relations services. Reign Advisory is not a related party, key management personnel or substantial holder of the Company (or an associate of any of these).		
Number of securities	8,000,000		
issued			
Class of security	Unlisted Options		
Material terms of the	Each Option entitles the holder to (upon exercise) one Share.		
Options	Each Option has an expiry date of 25 May 2025 and an exercise price of \$0.10.		
	For the other material terms of the Options, see Annexure B .		
Date of issue	25 May 2022		

Issue price or other consideration	Issued for nil cash consideration. The Options were issued in consideration for the provision of corporate advisor and investor relations services.			
Purpose, including intended use of the funds raised	No funds were raised from the issue of the Options as the Options were issued in consideration for the provision of corporate advisor and investor relations services.			
Other material terms	The Company has agreed (subject to the Company raising (by way of issue of new debt, hybrid or equity securities) \$4 million during the term of Reign Advisory's engagement or within three months following the termination of that engagement) to issue to Reign Advisory (or its nominee) 8,000,000 unlisted options, with each option giving the holder a right to subscribe for one Share at an exercise price of \$0.20 each and expiring three years from the date of issue.			

Voting exclusion statement

A voting exclusion statement for Resolution 6 is included in the Notice.

Recommendation of Directors

The Board believes that Resolution 6 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the Resolution.

4 RESOLUTIONS 7 AND 8 – RATIFICATION OF ISSUE OF PLACEMENT SECURITIES IN JUNE

4.1 Background

As announced to the ASX on 16 June 2022, the Company conducted a placement of 10,000,000 Shares (**Placement Shares**) to raise \$1.2 million (gross) at \$0.12 per Share, together with 5,000,000 unlisted attaching Options with an expiry date of 24 June 2025 and an exercise price of \$0.15 (**Placement Options** and, together with the Placement Shares, the **Placement Securities**).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Placement Securities does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain approval for such future issues under Listing Rule 7.1. To this end, Resolution 7 (Ratification of Issue of Placement Shares in June) and Resolution 8 (Ratification of Issue of Placement Options in June) seek Shareholder approval for the issue of the Placement Securities under, and for the purposes of, Listing Rule 7.4.

If Resolutions 7 and 8 are passed, the Placement Securities will be <u>excluded</u> in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the issue date.

If Resolutions 7 and 8 are not passed, the Placement Securities will continue to be <u>included</u> in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the issue date.

4.2 Listing Rule 7.5 information

Listing Rule 7.5 requires the following information to be disclosed to Shareholders in relation to the issue of the Placement Securities:

Placement Shares (Resolution 7)

Allottee	Existing sophisticated shareholders and other sophisticated investors identified by the Company as investors who may be interested in participating in the placement. The Company invited these investors to participate in the placement following discussions with these investors. None of these investors are a related party, key management personnel, substantial holder or adviser of the Company (or an associate of any of these).			
Number of securities issued	10,000,000			
Class of security	Fully paid ordinary shares			
Date of issue	24 June 2022			
Issue price or other consideration	\$0.12 per Share			
Purpose, including intended use of the funds raised	 The Company intends to use the funds to advance activities at the Company's projects, including: completion of the acquisition of MNPL and the MNTL Projects; commencement of exploration activities at the Kabulanywele Nickel Project in Tanzania; due diligence costs relating to the proposed acquisition of one Nickel and two Lithium projects in Finland, as announced to ASX on 7 June 2022; and general working capital requirements. 			

Placement Options (Resolution 8)

Allottee	The subscribers for the Placement Shares the subject of Resolution 7, as detailed above.
Number of securities issued	5,000,000
Class of security	Unlisted Options
Material terms of the Options	Each Option entitles the holder to (upon exercise) one Share. Each Option has an expiry date of 24 June 2025 and an exercise price of \$0.15. For the other material terms of the Options, see Annexure B .
Date of issue	24 June 2022
Issue price or other consideration	The Options were issued for nil consideration.
Purpose, including intended use of the funds raised	No funds were raised from the issue of the Options as the Options were issued as free attaching Options in connection with the issue of the Placement Shares.

Voting exclusion statement

A voting exclusion statement for Resolutions 7 and 8 are included in the Notice.

Recommendation of Directors

The Board believes that Resolutions 7 and 8 are in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the Resolutions.

5 RESOLUTION 9 – APPROVAL TO ISSUE DEBT REPAYMENT SECURITIES

5.1 Background

The Company proposes to issue 10,470,742 Shares and 2,094,118 Options with an expiry date of 20 May 2025 and an exercise price of \$0.08 to KHPL by way of repayment of an amount of \$649,186 owing to KHPL (**Debt Repayment Securities**).

As at the Last Practicable Date, the Company owes a debt to KHPL in the sum of \$649,186. The original debtholders assigned their debt to KHPL (refer to the Company's ASX announcement dated 10 November 2021) as follows:

- \$475,000 which has been borrowed by the Company from Sinom (Hong Kong) Limited (**Sinom**). Sinom is an entity controlled by previous Company director, Zhang Chi; and
- \$724,185.61 which is owing by the Company to Fairstone Holdings Pty Ltd (**Fairstone**). Fairstone is an entity controlled by previous Company director Warwick Davies.

In January 2022, Shareholders approved the Company repaying \$550,000 worth of the debt owing to KHPL through the issue of 34,375,500 Shares to KHPL, leaving \$649,186 of debt payable to KHPL. The issue of the Debt Repayment Securities will result in all outstanding debt owing to KHPL being repaid.

5.2 Listing Rule 10.11

Overview

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue securities to:

- a related party (Listing Rule 10.11.1);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the Company (Listing Rule 10.11.2);
- a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- an associate of a person referred to above (Listing Rule 10.11.4); or
- a person whose relationship with the Company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its Shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its Shareholders.

As set out in **sections 6.1** and **6.8**, KHPL is a company controlled by Mr Asimwe Kabunga, a director of the Company. Accordingly, the proposed issue of the Debt Repayment Securities falls within Listing Rule 10.11.1. As none of the exceptions in Listing Rule 10.12 apply, the proposed issue of the Debt Repayment Securities requires the approval of the Company's Shareholders under Listing Rule 10.11.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Debt Repayment Securities, which will enable the Company to fully repay all outstanding debt owed to KHPL.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Debt Repayment Securities and will be required to repay the outstanding debt owed to KHPL in cash. KHPL has agreed not to seek

repayment of the outstanding debt prior to 31 March 2023 unless the Company is in a position to repay the amount, subject to any agreement between the Company and KHPL to repay any debt via equity.

The following information is provided to Shareholders for the purpose of Listing Rule 10.13:

Name of the person

The Debt Repayment Securities are proposed to be issued to KHPL.

Which category and why

KHPL falls within Listing Rule 10.11.1 as a "related party" of the Company by virtue of the fact that Mr Asimwe Kabunga (a Director) is the sole director and shareholder of, and therefore controls, KHPL.

The number and class of securities to be issued

The Debt Repayment Securities comprise 10,470,742 Shares and 2,094,118 Options.

Summary of the material terms of the securities

The Shares will be fully paid ordinary shares in the capital of the Company.

Each Option will entitle the holder to (upon exercise) one Share. Each Option will have an expiry date of 20 May 2025 and an exercise price of \$0.08. For the other material terms of the Options, see **Annexure B**.

Date to issue the Debt Repayment Securities

The Debt Repayment Securities will be issued as soon as practicable after the Meeting and in any event no later than 1 month after the date of the Meeting. It is intended that the issue of all Debt Repayment Securities will occur on the same date.

Price or consideration the Company will receive

In consideration for the issue of the Debt Repayment Securities, the outstanding debt of \$649,186 that the Company owes to KHPL will be extinguished.

The purpose of the issue

The purpose of the issue of the Debt Repayment Securities is to repay the outstanding debt of \$649,186 that the Company owes to KHPL, in lieu of repaying that amount in cash.

Voting exclusion statement

A voting exclusion statement for Resolution 9 is included in the Notice.

5.3 Chapter 2E Corporations Act

Chapter 2E of the Corporations Act requires that, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

KHPL is a "related party" of the Company for the purposes of the Corporations Act due to the fact that Mr Asimwe Kabunga (a Director) is the sole director and shareholder of, and thus controls, KHPL. However, the Directors (other than Mr Kabunga) consider that the agreement to issue the Debt Repayment Securities to repay the outstanding debt of \$649,186 that the Company owes to KHPL was negotiated on an arm's length basis. Accordingly, the Directors (other than Mr Kabunga) consider that the proposed issue falls within an exception to the requirement to obtain Shareholder approval pursuant to Chapter 2E of the Corporations Act.

5.4 Recommendation of Directors

The Board (with Mr Asimwe Kabunga abstaining due to his interest in Resolution 9) believes that Resolution 9 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of the Resolution.

6 RESOLUTION 10 – APPROVAL OF MASSIVE NICKEL TRANSACTION

6.1 Background

As announced to the ASX on 9 May 2022, the Company has entered into a conditional agreement to significantly expand its nickel portfolio by acquiring all of the issued share capital in Massive Nickel Pty Ltd (MNPL) from KHPL, a substantial shareholder of the Company which is controlled by one of the Company's Directors, Mr Asimwe Kabunga (Transaction).

MNPL owns 99% of the issued capital of Massive Nickel Tanzania Limited (MNTL), which in turn holds a 100% interest in prospecting licences that are granted or in application that comprise the Kabanga North Nickel, Kapalagula Nickel (Copper+PGE's), Mbinga Nickel, Liparamba Nickel and Kitai Nickel Projects in Tanzania (together, the MNTL Projects).

The consideration for the Transaction comprises:

- the Company issuing 75,000,000 Shares to KHPL (or its nominee(s)) at a deemed issue price of \$0.051
 each (being the last price at which the Company's Shares traded on ASX prior to the Transaction being
 announced) (Consideration Shares); and
- MNTL granting a 1.5% Net Smelter Return royalty to KHPL from future production from the area the subject of the MNTL Projects (Royalty).

Pursuant to the terms of the Transaction, KHPL has the option of nominating that third parties subscribe for some of the Consideration Shares (with the number of Consideration Shares to be issued to KHPL at completion of the Transaction (**Completion**) being reduced by a corresponding amount). KHPL has nominated that 32,250,000 of the Consideration Shares be issued to third parties (**Third Parties**) in lieu of KHPL. KHPL has confirmed to the Company that KHPL is not associated with any of the Third Parties, that their respective investments in KHPL are separate and that KHPL and the Third Parties will deal with their shareholding in the Company as they individually see fit.

The number of Consideration Shares to be issued to the nominated Third Parties, and their relationship to KHPL as advised by KHPL to the Company, is as follows:

Number of Shares	Third Party	Relationship of Third Party to KHPL
14,250,000	Hashimu Musedem Millanga	Geologist who assisted with the acquisition of the tenements underlying the MNTL Projects and initial exploration work
13,000,000	Xiaodong Ma	Advised and assisted in marketing the MNTL Projects in an effort to find partners to develop the projects
3,500,000	Yueqi Ma	Advised and assisted in marketing the MNTL Projects in an effort to find partners to develop the projects
1,500,000	Henian Chen	Advised and assisted in marketing the MNTL Projects in an effort to find partners to develop the projects

Accordingly, it is proposed that 42,750,000 Consideration Shares be issued to KHPL.

If the Transaction completes and the Consideration Shares are issued to KHPL and the Third Parties as set out above, KHPL's voting power will increase from 16.91% (as at the Last Practicable Date) to 23.01% of the Company

(and potentially up to 24.61% of the Company if Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, assuming the Company does not issue any other securities after the Last Practicable Date).

Completion is subject to and conditional upon the satisfaction of the following conditions precedent:

- the Independent Expert opining that the Transaction is fair and reasonable, or not fair but reasonable, to Shareholders, and the Independent Expert not changing its conclusions or withdrawing its report prior to Completion;
- Shareholders approving the Transaction for all purposes, including item 7 of section 611 of the Corporations Act and Listing Rule 10.1. If Shareholders approve Resolution 10, this condition will be satisfied; and
- to the extent the MNTL Projects comprise licence applications, the relevant licences being granted on terms and conditions satisfactory to the Company.

On Completion, the Company intends to commence exploration activities on the MNTL Projects as soon as possible.

For further details of the Transaction and the MNTL Projects, please refer to the Company's ASX announcement titled '*Proposed Nickel Projects Acquisition – Tanzania*' dated 9 May 2022.

6.2 Independent Expert's Report

To assist Shareholders in considering the Transaction, including the proposed issue of the Consideration Shares to KHPL that will, if approved, result in KHPL acquiring voting power from 16.91% (as at the Last Practicable Date) to 23.01% of the Company (and potentially up to 24.61% of the Company if Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, assuming the Company does not issue any other securities after the Last Practicable Date) on an undiluted basis, and to satisfy the requirements of the Corporations Act and Listing Rules in relation to Resolution 10, the Board has engaged BDO Corporate Finance (WA) Pty Ltd (Independent Expert) to opine on whether or not the Transaction is 'fair and reasonable' or 'not fair but reasonable' to Shareholders who are not associated with KHPL (Non-Associated Shareholders).

The report from the Independent Expert (Independent Expert's Report) is attached as Annexure A.

The Independent Expert's Report sets out a detailed independent examination of the Transaction so as to enable Non-Associated Shareholders to assess its merits and decide whether to approve Resolution 10.

The Independent Expert has concluded that, in the absence of an alternative offer, the Transaction is not fair but reasonable to Non-Associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the sources of information and assumptions made.

6.3 Directors' recommendations

For the reasons set out below and based on the information available as at the Last Practicable Date, the Directors (other than Mr Asimwe Kabunga, being the Director who controls KHPL and has declared that he has an interest in the outcome of the Transaction) (being the **Non-Affiliated Directors**) consider that on balance the advantages of the Transaction outweigh the disadvantages and that the approval of the Transaction is in the best interests of the Non-Associated Shareholders.

Accordingly, in the absence of any change to the conclusions of the Independent Expert, the Non-Affiliated Directors unanimously recommend that Shareholders vote in favour of the Resolution to approve the Transaction at the upcoming meeting of Shareholders. Mr Kabunga declines to make a recommendation to Shareholders in relation to how to vote on Resolution 10 on the basis that he controls KHPL and therefore has an interest in the outcome of the Transaction.

Advantages of the Transaction

The Non-Affiliated Directors believe that the Transaction has the following advantages:

- **Expand its nickel portfolio:** The Transaction, if completed, will significantly expand the Company's nickel portfolio. The Non-Affiliated Directors believe that the Transaction would transform the Company into a significant participant in one of the most prospective nickel regions globally.
- Preserves cash: The issue of the Consideration Shares, and the grant of the Royalty, is considered to be a reasonable and appropriate method to provide cost effective consideration as the non-cash form of the consideration will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of consideration were given to KHPL. However, it is noted that KHPL will be entitled to receive Royalty payments based on the performance of the MNTL Projects, should one or more of those projects be taken into production.
- Independent Expert: the Independent Expert has concluded that, in the absence of an alternative offer, the Transaction is not fair but reasonable to Non-Associated Shareholders. In the Independent Expert's opinion, the Transaction is not fair because the value of a Share in the Company following the Transaction on a minority interest basis is less than the value of a Share prior to the Transaction on a controlling interest basis. However, the Independent Expert considered the Transaction to be reasonable because the advantages of the Transaction to Non-Associated Shareholders are greater than the disadvantages.

The Independent Expert noted the following advantages:

- The MNTL Projects are complimentary to the Company's existing asset, the Kabulanywele Nickel Project
 (KNP) (in which the Company holds a 75% beneficial ownership), based on resource type and location,
 comprising 1,415 km² of prospective land. In particular, the Kabanga North Project and Kapalagulu
 Project are located in the same belt in western Tanzania as KNP.
- The Transaction does not deplete the cash funds of the Company as the consideration payable by the Company is in the form of Shares, with no cash element.
- Following the Transaction, KHPL will hold a 23.01% interest in the Company on an undiluted basis (and potentially up to 24.61% on an undiluted basis when considering the issue of the 10,470,742 Debt Repayment Shares) and will be the Company's most significant shareholder. KHPL also owns the other 25% interest in the KNP. The proposed issue of the Consideration Shares will result in the increased alignment of interests between KHPL and the Non-Associated Shareholders. This is further advantageous given Mr Kabunga's experience with operating businesses in Tanzania and his understanding of the regulatory and political environment.

However, the Independent Expert also noted the following disadvantages:

- Since KHPL will hold an interest of approximately 23.01% shareholding of the Company on an undiluted basis (and potentially 24.61% on an undiluted basis when considering the issue of 10,470,742 Debt Repayment Shares) this will restrict the remaining Shareholders' ability to take decisions requiring ordinary and special resolutions without the approval of KHPL.
- The issue of new Shares as part of the Transaction is dilutive to current Shareholders.

The Independent Expert also considered other key matters, set out in section 13.1 to 13.4 of the Independent Expert's Report.

Disadvantages of the Transaction

The Non-Affiliated Directors believe that the Transaction has the following disadvantages:

Dilution in Shareholder interests: The proposed issue of the Consideration Shares will dilute the equity interests of Non-Associated Shareholders. The effect of the proposed issue of Shares the subject of the Transaction on KHPL's voting power in the Company is shown in section 6.8 below. However, the Non-Affiliated Directors believe that the benefits outlined above of issuing the Consideration Shares outweigh the perceived disadvantages associated with the dilution of the equity interests of existing Non-Associated Shareholders.

- Liquidity in the Company's Shares may be adversely impacted: If the Transaction proceeds, KHPL will own 23.01% of the Company's issued share capital (and potentially up to 24.61% of the Company if Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, assuming the Company does not issue any other securities after the Last Practicable Date). Further, the top 20 Shareholders will own approximately 73.43% of the Company's issued share capital (and potentially up to 73.99% of the Company if Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, assuming the Company does not issue any other securities after the Last Practicable Date). While the number of Shares will increase from 418,173,077 to up to 503,643,819 after Completion (assuming Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, but assuming the Company does not issue any other securities after the Last Practicable Date), there is the prospect of liquidity in the Company's Shares falling after Completion.
- Impact on possible future change of control transactions: If the Transaction completes, the level of control which KHPL will acquire over the Company may reduce the likelihood of a takeover bid being made for the Company, either by KHPL or another entity, and hence any control premium in the price of Shares. However, the Non-Affiliated Directors note that KHPL's current shareholding of 16.91% (as at the Last Practicable Date) already provides KHPL with the ability to block any proposal seeking to acquire 100% of the Company that is not supported by KHPL. The control position that KHPL would gain after Completion may also have a negative impact on the Company's ability to attract new institutional investors to acquire the Company's shares, either on-market or through future capital raising activities. This in turn could result in a decrease in the Share price and/or the liquidity of Shares on the ASX.
- Royalty reduces economic interest in MNTL Projects: The Company's economic interest in the MNTL Projects will be diluted through the granting of the Royalty to KHPL as KHPL would be entitled to an income stream based on the performance of the MNTL Projects, should one or more of those projects be taken into production. This would result in the Company not retaining the same income stream that would otherwise be available to the Company, should the Company successfully take one or more of the MNTL Projects into production.

6.4 Consequences if the Transaction is not approved or does not proceed

If Resolution 10 is not approved by the requisite majority of Shareholders, then the Transaction will not proceed. In such circumstances, the Company will not acquire MNPL, nor will the Company acquire a controlling interest in the MNTL Projects.

6.5 Shareholder approval for purposes of Listing Rule 10.1

Listing Rule 10.1 provides that a company must not, without the approval of its shareholders, acquire a substantial asset from, or dispose of a substantial asset to, amongst other persons, a person who is, or was at any time in the 6 months before the transaction or agreement, a substantial (10%+) holder in the company.

An asset is substantial if its value or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

The deemed value of the Consideration Shares is \$3,825,000 (based on a deemed issue price of \$0.051 per Consideration Share, being the last price at which the Company's Shares traded on ASX prior to the Transaction being announced). This value represents more than 5% of the equity interests of the Company as set out in the latest accounts given to ASX and as such the Transaction involves the Company acquiring a substantial asset for the purposes of the Listing Rules.

KHPL is a substantial (10%+) holder in the Company because it has a relevant interest in at least 10% of the total votes attached to the Company's Shares. As at the Last Practicable Date, KHPL had a relevant interest in 16.91% of the Company's Shares.

Accordingly, Shareholder approval of the Transaction pursuant to Listing Rule 10.1 is required unless an exception applies. It is the view of the Non-Affiliated Directors that the exceptions set out in Listing Rule 10.3 do not apply in the current circumstances.

For completeness, the Company notes that KHPL is controlled by Mr Asimwe Kabunga, a Director of the Company and the current Chair of the Board. However, the terms of the Transaction were agreed prior to Mr Kabunga being appointed as a Director (and therefore prior to KHPL becoming a related party of the Company).

6.6 Listing Rule 10.5 requirements

Pursuant to and in accordance with Listing Rule 10.5, the following information is provided in relation to the Transaction:

Name of the person to whom the Company is acquiring the substantial asset from

Kabunga Holdings Pty Ltd.

Which category in Listing Rules 10.1.1 – 10.1.5 the person falls within and why

KHPL falls within Listing Rule 10.1.3 because, at the time the terms of the Transaction were agreed, KHPL was a substantial (10%+) holder of the Company on the basis that it had a relevant interest in 14.47% of the Company's Shares. As at the Last Practicable Date, KHPL had a relevant interest in 16.91% of the Company's Shares.

KHPL is also a "related party" of the Company for the purposes of the Listing Rules due to the fact that Mr Asimwe Kabunga (a Director) is the sole director and shareholder of, and thus controls, KHPL. However, at the time the terms of the Transaction were agreed, Mr Kabunga was not a Director and KHPL was not a related party of the Company at that time.

Details of the asset being acquired

The asset being acquired comprises all of the issued share capital in MNPL. As noted in **section 6.1** above, MNPL indirectly holds a controlling interest in the MNTL Projects.

The consideration for the acquisition

As noted in **section 6.1**, the consideration for the Transaction comprises the issue of the Consideration Shares and the grant of the Royalty.

The Consideration Shares will be issued, and the Royalty granted, at Completion.

The timetable for completing the acquisition

Completion will take place on the date that is 5 business days after the satisfaction or waiver of the conditions precedent to the Transaction (see **section 6.1**). The Board currently expects all conditions precedent to be satisfied shortly after the Meeting. However, the Board notes that certain conditions precedent (such as certain licences being granted) are outside the control of the Company and there is a risk that these conditions may take longer to satisfy than the Board currently anticipates.

A summary of the material terms of the agreement under which the acquisition is occurring

In addition to the terms set out in **section 6.1** and this **section 6.6**, the material terms of the agreement under which the Transaction is occurring are as follows:

- the Consideration Shares will be subject to a voluntary escrow, such that they cannot be transferred for a period of 6 months following their issue without the Company's consent;
- KHPL has given standard conduct of business undertakings in favour of the Company in connection with the business of MNPL;
- each of KHPL and the Company have made representations and warranties to, and given indemnities in favour of, the other which are considered standard for a transaction of this nature; and
- if the conditions precedent to the Transaction are not satisfied or waived by 30 September 2022, the Transaction may be terminated by either party by giving written notice to the other.

Voting exclusion statement

A voting exclusion statement for Resolution 10 is included in the Notice.

Independent Expert Report

The Independent Expert's Report is attached as Annexure A.

The Independent Expert has concluded that, in the absence of an alternative offer, the Transaction is not fair but reasonable to Non-Associated Shareholders.

6.7 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

KHPL is a "related party" of the Company for the purposes of the Corporations Act due to the fact that Mr Asimwe Kabunga (a Director) is the sole director and shareholder of, and thus controls, KHPL. However, the Non-Affiliated Directors consider that the Transaction was negotiated on an arm's length basis and prior to Mr Kabunga being appointed as a Director. Accordingly, the Non-Affiliated Directors consider that the Transaction falls within an exception to the requirement to obtain Shareholder approval pursuant to Chapter 2E of the Corporations Act.

6.8 Item 7 of section 611 requirements

Overview

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and, because of the transaction, that person's or someone else's voting power in the company increases from 20% or below to more than 20% (**Prohibition**).

However, item 7 of section 611 of the Corporations Act provides an exception to the Prohibition, whereby a person may acquire a relevant interest in a company's voting shares with shareholder approval.

As at the Last Practicable Date, KHPL had a relevant interest of approximately 16.91% in the issued share capital of the Company. If Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, KHPL's relevant interest in the issued share capital of the Company will increase to 18.94% (assuming the Company does not issue any other securities after the Last Practicable Date). If the Consideration Shares are issued to KHPL and the Third Parties as set out in **section 6.1**, KHPL's relevant interest in the Company will increase from a starting point that is below 20% to a point more than 20%.

In the absence of Shareholder approval, the increase in the relevant interests of KHPL from the issue of 42,750,000 Consideration Shares to KHPL (which will increase its voting power in the Company's Shares from below 20% to more than 20%) will breach the Prohibition.

Accordingly, Resolution 10 seeks Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act to enable the Company to issue the Consideration Shares to KHPL (or its nominees) and for any relevant interest KHPL and its associates may obtain as a result.

In accordance with Listing Rule 7.2 (Exception 8) and Listing Rule 10.12 (Exception 6), an issue of Shares approved for the purposes of item 7 of section 611 of the Corporations Act does not require any further approval under Listing Rules 7.1 or 10.11 (respectively). Therefore, the Consideration Shares, if issued, will not count towards the Company's 15% placement capacity under Listing Rule 7.1.

Specific information required by item 7 of section 611 of the Corporations Act

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Regulatory Guide 74 in respect of obtaining approval for item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert's Report attached as **Annexure A**.

Identity of the acquirer and its associates

The identity of the person proposing to make the acquisition of the Consideration Shares is KHPL. KHPL has nominated that certain Third Parties (who KHPL has advised the Company are not associated with KHPL) be issued some of the Consideration Shares, as set out in **section 6.1**.

KHPL is a proprietary company limited by shares, incorporated under the Corporations Act. KHPL's sole director and shareholder is Mr Asimwe Kabunga, a Director and the current Chair of the Company.

Mr Kabunga is a Tanzanian born Australian entrepreneur with multiple interests in mining and IT businesses around the world. Mr Kabunga has extensive technical and commercial experience in Tanzania, Australia, United Kingdom and the United States.

Mr Kabunga has been instrumental in establishing the Tanzania Community of Western Australia Inc. and served as its first President. Mr Kabunga was also a founding member of Rafiki Surgical Missions and Safina Foundation, both NGOs dedicated to helping children in Tanzania. In addition to being a Director and the current Chair of the Company, he is currently Chairman of ASX listed companies Volt Resources Ltd and Lindian Resources Ltd.

Effect of the issue of the Consideration Shares on KHPL's voting power in the Company

The following table outlines the Company's share capital structure as at the Last Practicable Date, and the voting power of Shareholders to the best of the Company's knowledge, both prior to (column 1) and after (columns 2 and 3) Completion.

Two post-Transaction scenarios are shown in the table. In the first scenario (column 2), it is assumed that only the Consideration Shares are issued. In the second scenario (column 3), it is assumed that the Consideration Shares and the Debt Repayment Securities (see Resolution 9) are issued.

	Column 1		Column 2		Column 3	
	Pre-Transaction Capital Structure		Indicative Post-Transaction Capital Structure (Consideration Shares issued)		Indicative Post- Transaction Capital Structure (Consideration Shares and Debt Repayment Securities issued)	
	Number of Shares	Voting Power	Number of Shares	Voting Power	Number of Shares	Voting Power
KHPL	70,711,936	16.91%	113,461,936	23.01%	123,932,678	24.61%
Hashimu Musedem Millanga	4,634,801	1.11%	18,884,801	3.83%	18,884,801	3.75%
Xiaodong Ma	0	0.00%	13,000,000	2.64%	13,000,000	2.58%
Yueqi Ma	0	0.00%	3,500,000	0.71%	3,500,000	0.69%
Henian Chen	0	0.00%	1,500,000	0.30%	1,500,000	0.30%
Other Shareholders						
	342,826,340	81.98%	342,826,340	69.51%	342,826,340	68.07%

Total undiluted	418,173,077	100%	493,173,077	100%	503,643,819	100%
Shares						

Assumptions

The following assumptions have been made in calculating the above voting power:

- the Consideration Shares are issued to KHPL and the Third Parties as set out in section 6.1;
- the Company does not issue any additional Shares after the Last Practicable Date, other than the Consideration Shares (and the Debt Repayment Securities for the scenario shown in column 3);
- KHPL does not exercise any of the Debt Repayment Options; and
- KHPL does not acquire any other interest in any additional securities in the Company other than the Consideration Shares (and the Debt Repayment Securities for the scenario shown in column 3).

Summary of increases

The estimated maximum relevant interest that KHPL will hold on the issuing of the Consideration Shares is 113,461,936 Shares (and potentially up to 123,932,678 Shares if Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, assuming the Company does not issue any other securities after the Last Practicable Date), giving KHPL voting power of 23.01% (and potentially up to 24.61% of the Company if Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, assuming the Company does not issue any other securities after the Last Practicable Date) on an undiluted basis. This represents a maximum increase in KHPL's voting power of 6.1% (and potentially up to 7.7% of the Company if Resolution 9 is approved and the Debt Repayment Securities are issued to KHPL, assuming the Company does not issue any other securities after the Last Practicable Date).

Reasons for the Transaction

An explanation of the reasons for the issue of the Consideration Shares, as well as the perceived advantages and disadvantages of the issue, is set out in **section 6.1**.

As set out in **section 6.3**, the Non-Affiliated Directors have recommended that, in the absence of any change to the conclusions of the Independent Expert, Shareholders vote in favour of the Resolution to approve the Transaction. Mr Asimwe Kabunga declines to make a recommendation to Shareholders in relation to how to vote on Resolution 10 on the basis that on the basis that he controls KHPL and therefore has an interest in the outcome of the Transaction.

Date of Transaction

Completion (including the issue of the Consideration Shares) will take place on the date that is 5 business days after the satisfaction or waiver of the conditions precedent to the Transaction (see **section 6.1**). The Board currently expects all conditions precedent to be satisfied shortly after the Meeting. However, the Board notes that certain conditions precedent (such as certain licences being granted) are outside the control of the Company and there is a risk that these conditions may take longer to satisfy than the Board currently anticipates.

Material terms of Transaction

The material terms of the Transaction are set out in this section 6, and in particular sections 6.1 and 6.6.

Details of other relevant agreement between KHPL and its associates and the Company that is conditional on, or depends on, Shareholders approving the Transaction

Other than as set out in this Explanatory Memorandum, there are no contracts or proposed contracts between KHPL and the Company or any of their associates that are conditional on, or directly or indirectly dependent on, Shareholder approval of Resolution 10.

Intentions of KHPL

KHPL has confirmed that it is supportive of the Company's existing business plan and operations. Other than disclosed elsewhere in this Explanatory Memorandum, KHPL has confirmed to the Company that it has no intention to:

- make any changes to the business of the Company;
- inject further capital into the Company;
- make any changes to the employment of the present employees of the Company (with future changes, if any, to be made in consultation with the Company's management team);
- transfer any of the Company's assets between the Company and KHPL or any of its associates;
- redeploy any of the Company's fixed assets; or
- change the Company's existing policies in relation to financial matters or dividends.

These intentions are based on information concerning the Company, its business and the business environment which is known to KHPL as at the Last Practicable Date. These present intentions may change as new information becomes available, as circumstances change or in light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

Interests of any Director

Apart from Mr Asimwe Kabunga, whose interests in Resolution 10 are set out in this Explanatory Memorandum, no other Director has an interest in Resolution 10.

6.9 No other material information

Other than as set out in this Explanatory Memorandum, there is no other information that is known to the Directors which may reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 10.

7 RESOLUTION 11 – ADOPTION OF SECURITIES INCENTIVE PLAN

7.1 General

Resolution 11 seeks Shareholder approval for the adoption of the incentive plan titled "Securities Incentive Plan" (Incentive Plan) and for the issue of equity securities under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Incentive Plan is to attract, motivate and retain eligible participants (including the Company's directors and key employees) and the Company considers that the adoption of the Incentive Plan, and the future issue of equity securities under the plan, will provide selected eligible participants with the opportunity to participate in the future growth of the Company.

7.2 Listing Rule 7.2 (Exception 13(b))

Listing Rule 7.1 places a general limitation on the amount of equity securities that a company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, shareholders have approved the issue of equity securities under the scheme as an exception to Listing Rule 7.1.

Exception 13(b) of Listing Rule 7.2 is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the company's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to

Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting seeking shareholder approval to the scheme for the purposes of that exception.

If Resolution 11 is passed, the issue of equity securities to eligible participants under the Incentive Plan (up to the maximum number of equity securities stated in **section 7.3** below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1 for a period of 3 years from the date the Resolution is approved.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of equity securities under the Incentive Plan to a Director (or their associates) or a person whose relationship with the Company or a Director (or their associates) is, in ASX's opinion, such that approval should be obtained.

If Resolution 11 is not passed, the Company may still be able to proceed with the issue of equity securities under the Incentive Plan to eligible participants (to the extent that the Company has available capacity under Listing Rule 7.1), but any such issues will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the securities.

7.3 Technical information required by Listing Rule 7.2 (Exception 13(b))

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the Incentive Plan:

- (i) a summary of the material terms and conditions of the Incentive Plan is set out in **Annexure C**;
- (i) as at the Last Practicable Date, no equity securities have been issued under the Incentive Plan;
- (ii) the maximum number of equity securities proposed to be issued under the Incentive Plan in reliance on Listing Rule 7.2 (Exception 13(b)) is 41,817,308 equity securities (representing approximately 10% of the Company's issued Share capital as at the Last Practicable Date). This maximum is not intended to be a prediction of the actual number of securities to be issued under the Incentive Plan but is specified for the purposes of setting a ceiling on the number of securities approved to be issued for the purposes of Listing Rule 7.2 (Exception 13(b)); and
- (iii) a voting exclusion statement is included in Resolution 11 of this Notice of Meeting.

7.4 Termination benefits

Overview

Shareholder approval is also being sought under section 200E of the Corporations Act, as well as under Listing Rule 10.19, to permit the Company to give certain termination benefits to a person in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company.

Specifically, the benefits for which the Company seeks Shareholder approval are benefits that may be given in circumstances where a Director, who holds unvested convertible securities (eg Performance Rights), ceases to be a Director, or where the Board exercises its discretion under the Incentive Plan in certain situations. In particular, the terms of the Incentive Plan provide that all vesting conditions attaching to a convertible security will be automatically waived in the event the participant is a Director and the participant is not elected or reelected as a Director (having stood for election or re-election (as applicable)), or is removed as a Director by resolution, at a Shareholder meeting. Further, under the Incentive Plan, the Board has the discretion to determine that, where a participant ceases to be employed before convertible securities have vested, some or all of the convertible securities will not be forfeited.

Sections 200B and 200E of the Corporations Act

Subject to certain exceptions, section 200B of the Corporations Act prohibits the giving of certain benefits to individuals who hold a managerial or executive office on leaving their employment with the Company or any of

its related bodies corporate, or who have held a managerial or executive office in the prior three years, without member approval under section 200E of the Corporations Act.

Accordingly, advance Shareholder approval is being sought, for the purposes of section 200E of the Corporations Act, to provide the benefits which may otherwise be prohibited under section 200B.

Listing Rule 10.19

Approval is also sought for the purposes of Listing Rule 10.19 which provides that, without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

Depending upon the value of the termination benefits, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits would exceed this 5% threshold. Shareholder approval is being sought under the Listing Rule in order to give the Company maximum flexibility, in case the value of the termination benefits exceeds this 5% threshold. It is noted that the amount or value of the benefits for which approval is sought cannot presently be ascertained. The amount or value of the benefits, or the calculation of the amount or value, will depend on a range of factors, which may include:

- (i) the circumstances of and reasons for the relevant person ceasing to be a Director or ceasing to be employed;
- (ii) the time that has elapsed since the relevant convertible securities were granted relative to the vesting date;
- (iii) the number of convertible securities in relation to which it is proposed to exercise any discretion; and
- (iv) the market value of the Company's Shares at the relevant time.

7.5 Board recommendation

Each of the Directors has an interest in the outcome of Resolution 11 (on the basis that each Director is eligible to participate in the Incentive Plan) and accordingly do not make a voting recommendation to Shareholders.

8 RESOLUTIONS 12, 13 AND 14 – GRANT OF PERFORMANCE RIGHTS TO DIRECTORS

8.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to grant:

- 5,000,000 Performance Rights to Mr Trevor Matthews (or his nominee), pursuant to Resolution 12;
- 5,000,000 Performance Rights to Mr David Round (or his nominee), pursuant to Resolution 13; and
- 5,000,000 Performance Rights to Mr Noel O'Brien (or his nominee), pursuant to Resolution 14,

pursuant to the terms of the Incentive Plan and on the terms and conditions set out below.

Each Performance Right is a right to subscribe for one Share, subject to the satisfaction of the applicable vesting condition. The Performance Rights proposed to be granted to each Director will have the following vesting conditions:

- 50% of the Performance Rights will be subject to the condition that:
 - the person remains as a Director as at the date that is 12 months after the Meeting; and
 - at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP of Shares calculated over any 5 consecutive trading day period on which trades in Shares were recorded is \$0.15 or more,

(Series 1 Performance Rights); and

- the other 50% of the Performance Rights will be subject to the condition that:
 - the person remains as a Director as at the date that is 24 months after the Meeting; and

 at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP of Shares calculated over any 5 consecutive trading day period on which trades in Shares were recorded is \$0.20 or more,

(Series 2 Performance Rights).

As noted in **section 7.1** above, the objective of the Incentive Plan is to attract, motivate and retain eligible participants (including Directors) and to provide selected eligible participants with the opportunity to participate in the future growth of the Company through the issue of equity securities in the capital of the Company.

The grant of the Performance Rights pursuant to the Incentive Plan forms part of the Company's remuneration strategy for Directors. In this regard, if the relevant vesting condition is satisfied, the Performance Rights that have been granted subject to that vesting condition confer the right on the holder to be issued a Share without the requirement to pay any exercise price. Accordingly, the grant of Performance Rights subject to the satisfaction of vesting conditions provides Directors with a benefit in circumstances where Shareholders are also likely to benefit, without the Directors needing to provide any additional cash consideration.

The Board acknowledges that the grant of Performance Rights to Non-Executive Directors is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to the Directors to be reasonable in order to further align Non-Executive Directors' interests with Shareholders and provide cost-effective consideration to Non-Executive Directors for their ongoing commitment and contribution to the Company.

If Resolutions 12, 13 and 14 are passed, the Company will be able to proceed with the grant of the Performance Rights to Trevor Matthews, David Round and Noel O'Brien (or their respective nominees), respectively, pursuant to the terms of the Incentive Plan. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 12, 13 and 14 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to Trevor Matthews, David Round or Noel O'Brien (or their respective nominees) pursuant to the terms of the Incentive Plan. In these circumstances, the Company proposes to pay to Messrs Matthews, Round and O'Brien a cash sum which is equivalent to the value of the Shares underlying the Performance Rights that are not issued to that person, calculated based on the VWAP of Shares during the 5 consecutive trading days on which trades in Shares were recorded prior to the date of the Meeting.

8.2 **Listing Rule 10.14**

Overview

Listing Rule 10.14 provides that a company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the company (Listing Rule 10.14.1);
- an associate of a director of the company (Listing Rule 10.14.2); or
- a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by shareholders (Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The grant of Performance Rights to Trevor Matthews, David Round and Noel O'Brien falls within Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 12, 13 and 14 seek the required Shareholder approvals for the grant of the Performance Rights under and for the purpose of Listing Rule 10.14.

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolutions 12, 13 and 14:

Names of the persons

The Performance Rights will be granted to Trevor Matthews, David Round and Noel O'Brien (or their respective nominees).

Which category and why

Each of Messrs Matthews, Round and O'Brien fall within Listing Rule 10.14.1 by virtue of being a Director of the Company.

The number and class of securities to be issued

The number of Performance Rights to be granted pursuant to Resolutions 12, 13 and 14, respectively, is:

- (i) Trevor Matthews (or his nominee): 2,500,000 Series 1 Performance Rights and 2,500,000 Series 2 Performance Rights;
- (ii) David Round (or his nominee):2,500,000 Series 1 Performance Rights and 2,500,000 Series 2 Performance Rights; and
- (iii) Noel O'Brien (or his nominee):2,500,000 Series 1 Performance Rights and 2,500,000 Series 2 Performance Rights.

Current total remuneration package

Mr Matthews', Mr Round's and Mr O'Brien's current total remuneration packages are as follows:

Trevor Matthews	Fixed monthly fee of \$4,000
David Round	Fixed monthly fee of \$4,000
Noel O'Brien	Fixed monthly fee of \$4,000

Prior securities issued under the Securities Incentive Plan

No securities have been previously issued to Trevor Matthews, David Round or Noel O'Brien under the Securities Incentive Plan.

Summary of material terms of the securities

Each Performance Right is a right to subscribe for one Share, subject to the satisfaction of the applicable vesting condition. The Performance Rights proposed to be granted to each Director will have the following vesting conditions:

- Series 1 Performance Rights will be subject to the condition that:
 - the person remains as a Director as at the date that is 12 months after the Meeting; and
 - at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP of Shares calculated over any 5 consecutive trading day period on which trades in Shares were recorded is \$0.15 or more; and
- Series 2 Performance Rights will be subject to the condition that:
 - the person remains as a Director as at the date that is 24 months after the Meeting; and
 - at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP of Shares calculated over any 5 consecutive trading day period on which trades in Shares were recorded is \$0.20 or more.

No amount will be payable by the holder for any Shares issued in respect of any Performance Rights that vest and are converted. The expiry date of the Performance Rights is 31 December 2024.

An explanation of why the Company proposes to grant the Performance Rights is set out in **paragraphs 8.3(iii)** and **(iv)**.

The Company attributes a value of \$0.0735 per Series 1 Performance Right and a value of \$0.049 per Series 2 Performance Right (see **paragraph 8.3(xi)** below).

Date to issue the Performance Rights

The Performance Rights will be granted to Trevor Matthews, David Round and Noel O'Brien as soon as practicable following Shareholder approval and in any event no later than 3 years after the date of the Meeting or such later date as may be permitted by any ASX waiver or modification of the Listing Rules and it is intended that the grant of all Performance Rights will occur on the same date.

Price at which the Performance Rights will be issued

The Performance Rights will be granted for nil cash consideration. No amount will be payable by the holder for any Shares issued in respect of any Performance Rights that vest and are converted.

Summary of material terms of the Securities Incentive Plan

The securities to be granted are Performance Rights under the Securities Incentive Plan. A summary of the material terms of the Securities Incentive Plan is attached at **Annexure C**.

Material terms of any loan

No loans are being made to Trevor Matthews, David Round or Noel O'Brien (or their respective nominee) in relation to the grant of the Performance Rights.

Further details

Details of any Performance Rights issued under the Securities Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Securities Incentive Plan after Resolutions 12, 13 and 14 are approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.

Voting exclusion statement

A voting exclusion statement for each of Resolutions 12, 13 and 14 is included in the Notice.

8.3 Chapter 2E Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights to Trevor Matthews, David Round and Noel O'Brien constitutes giving a financial benefit as each of these persons is a related party of the Company by virtue of being a Director.

The Board (excluding each Director in respect of the Resolution that relates to the issue of Performance Rights to them) has determined that the proposed issue of the Performance Rights the subject of Resolutions 12, 13 and 14 constitutes reasonable remuneration having regard to the respective position of the Company and the relevant Director, including the duties and responsibilities of the Director in relation to the Company. Accordingly, the issue of the Performance Rights should fall within an exception to the need to obtain Shareholder approval for the purposes of Chapter 2E of the Corporations Act. However, as a matter of good corporate governance, the Company is seeking Shareholder approval for the issue of the Performance Rights for

the purposes of Chapter 2E, and provides the following information to Shareholders in connection with seeking that approval:

- (i) Subject to Resolutions 12, 13 and 14 being passed, the financial benefits would be given to Directors Trevor Matthews, David Round and Noel O'Brien (or their respective nominees), respectively.
- (ii) The nature of the financial benefit is the grant of 5,000,000 Performance Rights to each of Trevor Matthews, David Round and Noel O'Brien or their respective nominees (and the consequent delivery of Shares upon conversion of the Performance Rights into Shares) for nil cash consideration under the Securities Incentive Plan. The material terms of the Performance Rights are set out in **section 8.1** above and material terms and conditions of the Securities Incentive Plan are summarised in **Annexure C**.
- (iii) The purpose of the grant of the Performance Rights is to provide a retention and Share-price performance linked incentive component in the remuneration packages for Trevor Matthews, David Round and Noel O'Brien, to reward them for remaining in their roles as Directors and to provide a cost effective way for the Company to remunerate them, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to those Directors.
- (iv) The number of Performance Rights to be granted to Trevor Matthews, David Round and Noel O'Brien has been determined based upon a consideration of:
 - (a) current market standards and / or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (b) the remuneration of Trevor Matthews, David Round and Noel O'Brien; and
 - (c) incentives required to attract and ensure continuity of service and retain the service of Trevor Matthews, David Round and Noel O'Brien who each have appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- (v) The trading history of the Shares on ASX in the 12 months before the Last Practicable Date, being 18 August 2022, is set out below:

	Price	Date
Highest	\$0.190	21 June 2022
Lowest	\$0.014	7 September 2021, 8 September 2021, 15 October 2021 and 15 February 2021
Last	\$0.130	18 August 2022

(vi) As at the Last Practicable Date, the Company had the following equity securities on issue:

Туре	Number
Shares	418,173,077
Options	2,000,000 with an expiry date of 20 May 2025 and an exercise price of \$0.08 each
	8,000,000 with an expiry date of 25 May 2025 and an exercise price of \$0.1 each
	5,000,000 with an expiry date of 24 June 2025 and an exercise price of \$0.15 each

If Resolutions 12, 13 and 14 are approved and the Performance Rights granted, the Company will have 15,000,000 Performance Rights on issue. If any of the Performance Rights are converted into Shares, the effect will be to dilute the shareholding of existing Shareholders. If all of the 15,000,000 Performance Rights proposed to be granted were converted into Shares, the issue of those Shares would result in dilution (expressed as a percentage of the Company's expanded issued Share capital as at the Last Practicable Date, assuming no other Shares are issued) of approximately 3.5%.

- (vii) The Performance Rights proposed to be issued to Mr Matthews are exercisable over 1.15% of the issued Share capital (as at the Last Practicable Date, calculated on a fully diluted basis). As at the Last Practicable Date, Mr Matthews did not have a relevant interest in any securities issued by the Company. Following the issue of the Performance Rights to Mr Matthews, and assuming all of those Performance Rights are converted into Shares, he would have a relevant interest in 5,000,000 Shares (representing 1.18% of the expanded issued Share capital based on the Company's Share capital as at the Last Practicable Date, assuming the Company does not issue any Shares after that date).
- (viii) The Performance Rights proposed to be issued to Mr Round are exercisable over 1.15% of the issued Share capital (as at the Last Practicable Date, calculated on a fully diluted basis). As at the Last Practicable Date, Mr Round did not have a relevant interest in any securities issued by the Company. Following the issue of the Performance Rights to Mr Round, and assuming all of those Performance Rights are converted into Shares, he would have a relevant interest in 5,000,000 Shares (representing 1.18% of the expanded issued Share capital based on the Company's Share capital as at the Last Practicable Date, assuming the Company does not issue any Shares after that date).
- (ix) The Performance Rights proposed to be issued to Mr O'Brien are exercisable over 1.15% of the issued Share capital (as at the Last Practicable Date, calculated on a fully diluted basis). As at the Last Practicable Date, Mr O'Brien did not have a relevant interest in any securities issued by the Company. Following the issue of the Performance Rights to Mr O'Brien, and assuming all of those Performance Rights are converted into Shares, he would have a relevant interest in 5,000,000 Shares (representing 1.18% of the expanded issued Share capital based on the Company's Share capital as at the Last Practicable Date, assuming the Company does not issue any Shares after that date).
- (x) The total current remuneration package for Messrs Matthews, Round and O'Brien is set out in **section 8.2** above. This package does not include the value attributed to the Performance Rights the subject of Resolutions 12, 13 and 14.
- (xi) The Company has calculated the total indicative value of the Performance Rights as:
 - (a) Series 1 Performance Rights proposed to be issued to Mr Matthews: \$183,750
 - (b) Series 2 Performance Rights proposed to be issued to Mr Matthews \$122,500
 - (c) Series 1 Performance Rights proposed to be issued to Mr Round: \$183,750
 - (d) Series 2 Performance Rights proposed to be issued to Mr Round \$122,500
 - (e) Series 1 Performance Rights proposed to be issued to Mr O'Brien: \$183,750
 - (f) Series 2 Performance Rights proposed to be issued to Mr O'Brien \$122,500

These indicative values were calculated using the Black-Scholes model on the basis of the following assumptions and variables:

Parameters	Series 1 Performance Rights	Series 2 Performance Rights
Share Price (S0)	\$0.098	\$0.098
Exercise (Strike) Price (K) (n/a)	\$0.000	\$0.000
Time to Maturity (in years) (t)	1.00	2.00
Annual Risk Free Rate (r)	8.00%	8.00%
Annualized Volatility (σ)	800.00%	800.00%
Right Price	\$0.09800	\$0.09800
Probability Discount	75.00%	50.00%
Value per Performance Right	\$0.07350	\$0.04900

The Company notes that the indicative values of the Performance Rights, as set out above, are considered to represent the theoretical value of the Performance Rights given the inherent limitations of the Black-Scholes model. Any change in the assumptions or variables applied in the Black-Scholes model may have a material impact on the value of the Performance Rights.

- (xii) AASB 2 Share Based Payment, requires that reporting entities must recognise services acquired in a share-based payment transaction as the services are received. The issue of Performance Rights is in return for services provided to the Company therefore these services are to be recognised. The value of the services acquired by the Company is to be measured at the fair value of the equity instrument granted, where fair value of the services provided cannot be estimated reliably. As the issue of Performance Rights is in consideration of future services, the fair value of the services cannot be reliably measured. As such, the value of the Performance Rights to be issued needs to be used as the reliable measurement of the services provided. As the Performance Rights will not be listed on the ASX and will not be tradeable, the market value of the Performance Rights cannot be readily determined. Therefore, an option pricing model is necessary to provide a fair value for the Performance Rights to be issued. The fair value of the Performance Rights is then expensed through the profit and loss, over the vesting period (ie. the period over which services are to be provided to the Company).
- (xiii) The Board does not consider that there are any significant opportunity costs or taxation consequences (such as fringe benefits tax) or benefits foregone by the Company in issuing the Performance Rights to Trevor Matthews, David Round or Noel O'Brien (or their respective nominee) on the terms proposed.
- (xiv) Trevor Matthews has a material personal interest in the outcome of Resolution 12 since he (or his nominee) will receive Performance Rights if the Resolution is approved by Shareholders.
- (xv) David Round has a material personal interest in the outcome of Resolution 13 since he (or his nominee) will receive Performance Rights if the Resolution is approved by Shareholders.
- (xvi) Noel O'Brien has a material personal interest in the outcome of Resolution 14 since he (or his nominee) will receive Performance Rights if the Resolution is approved by Shareholders.
- (xvii) Other than as stated at paragraphs (xiv) (xvi) of this section 8.3 the Directors do not have any interests in the outcome of Resolutions 12, 13 and 14 for the purposes of section 219(1)(d) of the Corporations Act, other than in their capacity as Shareholders (if applicable).
- (xviii) Trevor Matthews did not vote at the meeting of the Board to approve the offer of Performance Rights to him (or his nominee) and he is prohibited from voting at the Meeting in respect of Resolution 12.
- (xix) David Round did not vote at the meeting of the Board to approve the offer of Performance Rights to him (or his nominee) and he is prohibited from voting at the Meeting in respect of Resolution 13.
- (xx) Noel O'Brien did not vote at the meeting of the Board to approve the offer of Performance Rights to him (or his nominee) and he is prohibited from voting at the Meeting in respect of Resolution 14.
- (xxi) The Board and the Company are not aware of any other information (other than the information set out or referred to in this Explanatory Statement) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 12, 13 and 14.

8.4 Termination benefits

The Performance Rights the subject of Resolutions 12, 13 and 14 are proposed to be issued pursuant to the Securities Incentive Plan. Resolution 11 seeks Shareholder approval for the adoption of the Securities Incentive Plan, including for the purposes of section 200E of the Corporations Act and Listing Rule 10.19 (which are summarised at section 7.4 above). Accordingly, separate Shareholder approval (for the purposes of section 200E or Listing Rule 10.19) to the issue of the Performance Rights the subject of Resolutions 12, 13 and 14 is not required.

8.5 Directors' recommendation

Having considered all relevant matters, including the matters set out in **paragraphs (iii)** and **(iv)** of **section 8.3** above, and the alternatives to an issue of the Performance Rights (such as a higher cash-based component of remuneration), the Directors (other than Mr Matthews in relation to Resolution 12, Mr Round in relation to Resolution 13 and Mr O'Brien in relation to Resolution 14) believe that the issue of those Performance Rights is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolutions 12, 13 and 14.

Mr Matthews makes no recommendation to Shareholders in relation to Resolution 12 because he has an interest in the outcome of that Resolution.

Mr Round makes no recommendation to Shareholders in relation to Resolution 13 because he has an interest in the outcome of that Resolution.

Mr O'Brien makes no recommendation to Shareholders in relation to Resolution 14 because he has an interest in the outcome of that Resolution.

9 RESOLUTION 15 – GRANT OF PERFORMANCE RIGHTS TO ASIMWE KABUNGA

9.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to grant 20,000,000 Performance Rights to the Company's Executive Chair, Mr Asimwe Kabunga (or his nominee).

Each Performance Right is a right to subscribe for one Share, subject to the satisfaction of the applicable vesting condition. The Performance Rights proposed to be granted to Mr Kabunga will have the following vesting conditions:

- 50% of the Performance Rights will be subject to the condition that:
 - Mr Kabunga remains as a Director as at the date that is 12 months after the Meeting; and
 - at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP of Shares calculated over any 5 consecutive trading day period on which trades in Shares were recorded is \$0.15 or more,

(Series 1 Performance Rights); and

- the other 50% of the Performance Rights will be subject to the condition that:
 - Mr Kabunga remains as a Director as at the date that is 24 months after the Meeting; and
 - at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP
 of Shares calculated over any 5 consecutive trading day period on which trades in Shares were
 recorded is \$0.20 or more,

(Series 2 Performance Rights).

The issue of the Performance Rights is subject to Shareholders approving both Resolution 3 (which relates to Mr Kabunga's election as a Director) and Resolution 15.

If Resolution 3 is not passed, Mr Kabunga will cease to be a Director at the conclusion of the Meeting and the Company will not issue any Performance Rights to him, irrespective of whether Resolution 15 is passed or not.

If Resolution 3 is passed but Resolution 15 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Kabunga. In these circumstances, the Company proposes to pay to Mr Kabunga a cash sum which is equivalent to the value of the Shares underlying the Performance Rights that are not issued, calculated based on the volume-weighted average price of Shares during the 5 trading days prior to the date of the Meeting.

9.2 Listing Rule **10.11**

Overview

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue securities to, amongst other persons, a related party of the Company, unless it obtains the approval of its Shareholders (Listing Rule 10.11.1).

The issue of the Performance Rights falls within Listing Rule 10.11.1 as Mr Kabunga is currently a Director of the Company. As none of the exceptions in Listing Rule 10.11.12 apply, the issue of these Performance Rights requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolution 15 seeks the required Shareholder approval for the issue of the Performance Rights under, and for the purposes of, Listing Rule 10.11. If Resolution 15 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Kabunga, which form the incentive component of his Executive Chair remuneration package.

If Resolution 15 is not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company will need to consider ways to compensate Mr Kabunga to reflect the fact that those Performance Rights cannot be issued to him (which may include a cash payment or an increase to his fixed remuneration).

The following information is provided to Shareholders for the purpose of Listing Rule 10.13:

Name of the person

The Performance Rights are proposed to be issued to Mr Asimwe Kabunga (or his nominee).

Which category and why

Mr Kabunga falls within Listing Rule 10.11.1 as a "related party" of the Company because he is currently a Director of the Company.

The number and class of securities to be issued

The Performance Rights comprise 10,000,000 Series 1 Performance Rights and 10,000,000 Series 2 Performance Rights.

Summary of the material terms of the securities

Each Performance Right is a right to subscribe for one Share, subject to the satisfaction of the applicable vesting condition. The Performance Rights proposed to be granted will have the following vesting conditions:

- Series 1 Performance Rights will be subject to the condition that:
 - Mr Kabunga remains as a Director as at the date that is 12 months after the Meeting; and
 - at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP of Shares calculated over any 5 consecutive trading day period on which trades in Shares were recorded is \$0.15 or more; and
- Series 2 Performance Rights will be subject to the condition that:
 - Mr Kabunga remains as a Director as at the date that is 24 months after the Meeting; and
 - at any time between the Meeting and the date that is 24 months after the Meeting, the VWAP
 of Shares calculated over any 5 consecutive trading day period on which trades in Shares were
 recorded is \$0.20 or more.

No amount will be payable by the holder for any Shares issued in respect of any Performance Rights that vest and are converted. The expiry date of the Performance Rights is 31 December 2024.

For the other material terms of the Performance Rights, see **Annexure D**.

Date to issue the Performance Rights

The Performance Rights will be issued no later than 1 month after the date of the Meeting or such later date as may be permitted by any ASX waiver or modification of the Listing Rules and it is intended that the issue of all Performance Rights will occur on the same date.

Price or consideration the Company will receive

The Performance Rights will be issued for no cash consideration. The Performance Rights form the incentive component of Mr Kabunga's Executive Chair remuneration package.

The purpose of the issue

The purpose of the grant of the Performance Rights is to provide a retention and Share-price performance linked incentive component in the remuneration packages for Asimwe Kabunga, to reward him for remaining in his role as Director and to provide a cost effective way for the Company to remunerate him, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Kabunga.

Current total remuneration package

Mr Kabunga's current total remuneration package is as follows:

Asimwe Kabunga Fixed monthly fee of \$23,020.83	
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The Performance Rights are exercisable over 4.62% of the issued Share capital (as at the Last Practicable Date, calculated on a fully diluted basis). As at the Last Practicable Date, Mr Kabunga had a relevant interest in 70,711,936 Shares (representing 16.91% of the issued Share capital as at the Last Practicable Date). Following the issue of the Performance Rights to Mr Kabunga, and assuming all of those Performance Rights are exercised into Shares, he would have a relevant interest in 90,711,936 Shares (representing 20.70% of the expanded issued Share capital based on the Company's Share capital as at the Last Practicable Date, assuming the Company does not issue any Shares after that date) and potentially up to 143,932,678 Shares (representing 27.49% of the expanded issued Share capital based on the Company's Share capital as at the Last Practicable Date, assuming Resolutions 9 and 10 are passed and the Consideration Shares and Debt Repayment Shares are issued to KHPL). However, the Company notes that it is not seeking Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act to permit Mr Kabunga to convert any Performance Rights into Shares where to do so would increase Mr Kabunga's voting power in the Company from 20% or below to more than 20% or from a starting point that is above 20% to a higher percentage. In such circumstances, Mr Kabunga's ability to convert any Performance Rights into Shares may be restricted due to the operation of Chapter 6 of the Corporations Act.

Voting exclusion statement

A voting exclusion statement for Resolution 15 is included in the Notice.

9.3 Chapter 2E Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights to Mr Kabunga constitutes giving a financial benefit, and Mr Kabunga is a related party of the Company by virtue of being a Director.

The Board (excluding Mr Kabunga) has determined that the proposed issue of the Performance Rights the subject of Resolution 15 constitutes reasonable remuneration having regard to the respective position of the Company and Mr Kabunga, including the duties and responsibilities of Mr Kabunga in relation to the Company. Accordingly, the issue of the Performance Rights should fall within an exception to the need to obtain Shareholder approval for the purposes of Chapter 2E of the Corporations Act. However, as a matter of good corporate governance, the Company is seeking Shareholder approval for the issue of the Performance Rights for the purposes of Chapter 2E, and provides the following information to Shareholders in connection with seeking that approval:

(i) Subject to Resolution 15 being passed, the financial benefit would be given to the Company's Executive Chair, Mr Asimwe Kabunga (or his nominee).

- (ii) The nature of the financial benefit is the issue of 20,000,000 Performance Rights (and the consequent delivery of Shares upon exercise of the Performance Rights into Shares) to Mr Kabunga for nil cash consideration.
- (iii) The material terms of the Performance Rights are set out in **section 9.2** above.
- (iv) The purpose of the grant of the Performance Rights is to provide a retention and Share-price performance linked incentive component in the remuneration package for Mr Kabunga, to reward him for remaining in his role as Director and to provide a cost effective way for the Company to remunerate him, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Kabunga.
- (v) The number of Performance Rights to be granted to Mr Kabunga has been determined based upon a consideration of:
 - (a) current market standards and / or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (b) the remuneration of Mr Kabunga; and
 - (c) incentives required to attract and ensure continuity of service and retain the service of Mr Kabunga who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- (vi) The trading history of the Shares on ASX in the 12 months before the Last Practicable Date is set out in paragraph 8.3(v).
- (vii) The Company's issued equity securities, as at the Last Practicable Date, is set out in paragraph 8.3(vi).
- (viii) If Resolution 15 is approved and the Performance Rights issued, the Company will have 20,000,000 Performance Rights on issue. If any of the Performance Rights are exercised into Shares, the effect will be to dilute the shareholding of existing Shareholders. If all of the 20,000,000 Performance Rights were exercised into Shares, the issue of those Shares would result in dilution (expressed as a percentage of the Company's expanded issued Share capital as at the Last Practicable Date, assuming no other Shares are issued) of approximately 4.78%.
- (ix) The Performance Rights are exercisable over 4.62% of the issued Share capital (as at the Last Practicable Date, calculated on a fully diluted basis). As at the Last Practicable Date, Mr Kabunga had a relevant interest in 70,711,936 Shares (representing 16.91% of the issued Share capital as at the Last Practicable Date). Following the issue of the Performance Rights to Mr Kabunga, and assuming all of those Performance Rights are exercised into Shares, he would have a relevant interest in 90,711,936 Shares (representing 20.70% of the expanded issued Share capital based on the Company's Share capital as at the Last Practicable Date, assuming the Company does not issue any Shares after that date) and potentially up to 143,932,678 Shares (representing 27.49% of the expanded issued Share capital based on the Company's Share capital as at the Last Practicable Date, assuming Resolutions 9 and 10 are passed and the Consideration Shares and Debt Repayment Shares are issued to KHPL). However, the Company notes that it is not seeking Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act to permit Mr Kabunga to convert any Performance Rights into Shares where to do so would increase Mr Kabunga's voting power in the Company from 20% or below to more than 20% or from a starting point that is above 20% to a higher percentage. In such circumstances, Mr Kabunga's ability to convert any Performance Rights into Shares may be restricted due to the operation of Chapter 6 of the Corporations Act.
- (x) The total current remuneration package for Mr Kabunga is set out in **section 9.2** above. This package does not include the value attributed to the Performance Rights.
- (xi) The Company has calculated the indicative value of the Performance Rights as:
 - (a) Series 1 Performance Rights: \$735,000
 - (b) Series 2 Performance Rights: \$490,000

These indicative values were calculated using the Black-Scholes model on the basis of the following assumptions and variables:

Parameters	Series 1 Performance Rights	Series 2 Performance Rights
Share Price (S0)	\$0.098	\$0.098
Exercise (Strike) Price (K) (n/a)	\$0.000	\$0.000
Time to Maturity (in years) (t)	1.00	2.00
Annual Risk Free Rate (r)	8.00%	8.00%
Annualized Volatility (σ)	800.00%	800.00%
Right Price	\$0.09800	\$0.09800
Probability Discount	75.00%	50.00%
Value per Performance Right	\$0.07350	\$0.04900

The Company notes that the indicative values of the Performance Rights, as set out above, are considered to represent the theoretical value of the Performance Rights given the inherent limitations of the Black-Scholes model. Any change in the assumptions or variables applied in the Black-Scholes model may have a material impact on the value of the Performance Rights.

- (xii) AASB 2 Share Based Payment, requires that reporting entities must recognise services acquired in a share-based payment transaction as the services are received. The issue of Performance Rights is in return for services provided to the Company therefore these services are to be recognised. The value of the services acquired by the Company is to be measured at the fair value of the equity instrument granted, where fair value of the services provided cannot be estimated reliably. As the issue of Performance Rights is in consideration of future services, the fair value of the services cannot be reliably measured. As such, the value of the Performance Rights to be issued needs to be used as the reliable measurement of the services provided. As the Performance Rights will not be listed on the ASX and will not be tradeable, the market value of the Performance Rights cannot be readily determined. Therefore, an option pricing model is necessary to provide a fair value for the Performance Rights to be issued. The fair value of the Performance Rights is then expensed through the profit and loss, over the vesting period (ie. the period over which services are to be provided to the Company).
- (xiii) The Board does not consider that there are any significant opportunity costs or taxation consequences (such as fringe benefits tax) or benefits foregone by the Company in issuing the Performance Rights to Mr Kabunga (or his nominee) on the terms proposed.
- (xiv) Mr Kabunga has a material interest in the outcome of Resolution 15 since he (or his nominee) will receive Performance Rights if the Resolution is approved by Shareholders.
- (xv) Other than as stated in **paragraph (xiv)** of this **section 9.3**, the Directors do not have any interests in the outcome of Resolution 15 for the purposes of section 219(1)(d) of the Corporations Act. Mr Kabunga did not vote at the meeting of the Board to approve the offer of Performance Rights to him and is prohibited from voting at the Meeting in respect of Resolution 15.
- (xvi) The Board and the Company are not aware of any other information (other than the information set out or referred to in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolution 15.

9.4 Termination benefits

Overview

Shareholder approval is also being sought under section 200E of the Corporations Act, as well as under Listing Rule 10.19, to permit the Company to give certain termination benefits to Mr Kabunga in connection with him ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company.

Specifically, the benefits for which the Company seeks Shareholder approval are benefits that may be given in circumstances where Mr Kabunga, while he holds unvested Performance Rights, ceases to be a Director, or where the Board exercises its discretion under the terms of the Performance Rights in certain situations. In particular, the proposed terms of the Performance Rights provide that all vesting conditions attaching to a Performance Right will be automatically waived in the event Mr Kabunga is a Director and he is not elected or reelected as a Director (having stood for election or re-election (as applicable)), or is removed as a Director by resolution, at a Shareholder meeting. Further, under the terms of the Performance Rights, the Board has the discretion to determine that, where Mr Kabunga ceases to be employed before Performance Rights have vested, some or all of the Performance Rights will not be forfeited.

Sections 200B and 200E of the Corporations Act

Subject to certain exceptions, section 200B of the Corporations Act prohibits the giving of certain benefits to individuals who hold a managerial or executive office on leaving their employment with the Company or any of its related bodies corporate, or who have held a managerial or executive office in the prior three years, without member approval under section 200E of the Corporations Act.

Accordingly, advance Shareholder approval is being sought, for the purposes of section 200E of the Corporations Act, to provide the benefits which may otherwise be prohibited under section 200B.

Listing Rule 10.19

Approval is also sought for the purposes of Listing Rule 10.19 which provides that, without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

Depending upon the value of the termination benefits, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits would exceed this 5% threshold. Shareholder approval is being sought under the Listing Rule in order to give the Company maximum flexibility, in case the value of the termination benefits exceeds this 5% threshold. It is noted that the amount or value of the benefits for which approval is sought cannot presently be ascertained. The amount or value of the benefits, or the calculation of the amount or value, will depend on a range of factors, which may include:

- (i) the circumstances of and reasons for Mr Kabunga ceasing to be a Director or ceasing to be employed;
- (ii) the time that has elapsed since the Performance Rights were granted relative to the vesting date;
- (iii) the number of Performance Rights in relation to which it is proposed to exercise any discretion; and
- (iv) the market value of the Company's Shares at the relevant time.

9.5 Directors recommendation

Having considered all relevant matters, including the matters set out in **paragraphs (iv)** and **(v)** of **section 9.3** above, and the alternatives to an issue of the Performance Rights (such as a higher cash-based component of remuneration), the Directors (other than Mr Kabunga) believe that the issue of those Performance Rights is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of Resolution 15.

Mr Kabunga makes no recommendation to Shareholders in relation to Resolution 15 because he has an interest in the outcome of that Resolution.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Ms Deborah Ho, on (08) 9480 0500 or rmc@resmin.com.au if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

associate has the meaning given in the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the current board of directors of the Company.

Business Day 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.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Consultant Options has the meaning given in section 3.1.

Company means Resource Mining Corporation Limited ABN 97 008 045 083.

Consideration Shares has the meaning given in section 6.1.

Constitution means the Company's constitution.

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

Debt Repayment Securities has the meaning given in **section 5.1**.

Debt Repayment Options means the Options that form part of the Debt Repayment Securities.

Directors means the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Independent Expert means the expert appointed by the Company to produce the Independent Expert Report, BDO Corporate Finance (WA) Pty Ltd.

Independent Expert Report means the independent expert's report provided in **Annexure A** of this Notice of Meeting.

Key Management Personnel has the same meaning given in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors of the Company.

KHPL means Kabunga Holdings Pty Ltd.

Last Practicable Date means the last practicable date prior to finalising the Notice.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

MNPL means Massive Nickel Pty Ltd.

MNTL means Massive Nickel Tanzania Limited.

MNTL Projects has the meaning given in section 6.1.

Notice or Notice of Meeting means the notice of meeting accompanying this Explanatory Memorandum.

Non-Affiliated Directors has the meaning given in section 6.3.

Non-Associated Shareholders has the meaning given in section 6.2.

Option means an option issued, or proposed to be issued, by the Company to acquire a Share (as the context requires).

Performance Right means a performance right issued, or proposed to be issued, by the Company (as the context requires).

Proxy Form means the proxy form accompanying the Notice.

Relevant Executive means any person who holds or has held, at any point within the last three years, a managerial or executive office in the Company or a related body corporate.

relevant interest has the meaning given in the Corporations Act.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Royalty has the meaning given in section 6.1.

Securities Incentive Plan or Incentive Plan means the incentive plan described in section 7.

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

Shareholder means a holder of a Share.

Transaction has the meaning given in section 6.1.

voting power has the meaning given in the Corporations Act.

VWAP means, in relation to particular securities for a particular period, the volume weighted average price of trading in those securities on the ASX.

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

Annexure A – Independent Expert Report







Financial Services Guide

18 August 2022

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Resource Mining Corporation Limited ('RMI' or 'the Company') to provide an independent expert's report on the proposed acquisition of 100% of the issued capital of Massive Nickel Pty Ltd ('MNPL'), which indirectly holds a portfolio of nickel exploration assets located in Tanzania ('the Proposed Acquisition'). You are being provided with a copy of our report because you are a shareholder of RMI and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting ('Notice of Meeting') required to be provided to you by RMI to assist you in deciding on whether or not to approve the Proposed Acquisition.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence No. 316158:
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

BDO

Financial Services Guide

Page 2

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$33,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in RMI.

Other Assignments

BDO Corporate Finance (WA) Pty Ltd prepared an independent expert's report for RMI in August 2021 to express an opinion on whether RMI's divestment of its Wowo Gap Nickel Project for the release of the Company's debt obligations to Corcel Plc was fair and reasonable to its non-associated shareholders. Our report was prepared pursuant to Australian Securities Exchange ('ASX') listing rules 10.1 and 11.2. The fee for this engagement was approximately \$30,000.

BDO Audit (WA) Pty Ltd is the appointed Auditor of RMI. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from RMI for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700, West Perth WA 6872 or, by telephone or email using the contact details within the following report.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority Limited GPO Box 3

Melbourne VIC 3001

AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.



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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by Valuation and Resource Management

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PO Box 700 West Perth WA 6872 Australia

18 August 2022

The Independent Directors Resource Mining Corporation Limited Ground Floor 16 Ord Street West Perth, WA, 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 9 May 2022, Resource Mining Corporation Limited ('RMI' or 'the Company') announced that it had conditionally agreed to acquire 100% of the issued capital in Massive Nickel Pty Ltd ('MNPL'), which indirectly holds a portfolio of nickel exploration assets located in Tanzania ('the Proposed Acquisition').

The nickel mineral assets relating to the Proposed Acquisition comprise a mix of granted and inapplication prospecting licenses that are 100% owned by Massive Nickel Tanzania Limited ('MNTL'). In turn, MNPL owns 99% of MNTL.

MNPL is currently owned by Kabunga Holdings Pty Ltd ('KHPL' or 'the Vendor'), which is an entity controlled and owned by Mr. Asimwe Kabunga ('Mr. Kabunga'). Mr. Kabunga was also appointed to the board of RMI as Chairman on 9 May 2022, and through his ownership of KHPL, is an existing substantial shareholder of RMI, holding a 16.91% interest in the Company as at 18 July 2022.

The consideration for the Proposed Acquisition includes the issue of 75 million fully paid ordinary shares in RMI to the Vendor (or its nominee(s)) at a deemed issue price of \$0.051 ('Consideration Shares').

The Vendor has elected to receive 42.75 million Consideration Shares, with the remaining 32.25 million Consideration Shares to be issued to certain third parties nominated by KHPL ('Nominated Third Parties') (see Section 4 of our Report for more details). This will result in the Vendor holding a relevant interest of approximately 23.01% on an undiluted basis, if the Proposed Acquisition is approved (and potentially up to 24.61% on an undiluted basis if KHPL Is issued 10,470,742 RMI shares in connection with the Debt Repayment outlined in Section 4 of our Report).

In addition, RMI will enter into a net smelter return royalty deed ('Royalty Deed') with the Vendor, whereby a 1.5% net smelter return will be payable to the Vendor for any future production arising from MNTL's nickel exploration assets.

As the Proposed Acquisition will result in the Vendor's interest in RMI increasing from below 20% to more than 20%, and the Proposed Acquisition is to be entered into with a related party for a deemed amount in excess of 5% of the equity interest of the Company, approval from RMI shareholders not associated with the Vendor ('Shareholders') is required for the Company to enter into the Proposed Acquisition.



Further details of the Acquisition are outlined in Section 4 of our Report. All figures are quoted in Australian dollars ('A\$' or 'AUD') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The Independent Directors of RMI have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Proposed Acquisition is fair and reasonable to Shareholders.

Our Report is prepared pursuant to Australian Securities Exchange ('ASX') listing rules 10.1 and 10.5, and item 7 of section 611 of the Corporations Act 2001 Cth ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting ('Notice of Meeting') for RMI in order to assist the Shareholders in their decision of whether to approve the Proposed Acquisition.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 74 'Acquisitions Approved by Members' ('RG 74'), Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Acquisition as outlined in the body of this Report. We have considered:

- How the value of an RMI share prior to the Proposed Acquisition on a control basis compares to the value of an RMI share following the Proposed Acquisition on a minority interest basis;
- The advantages and disadvantages of approving the Proposed Acquisition; and
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Acquisition including:
 - The likelihood of an alternative offer being made to RMI; and
 - The position of Shareholders should the Proposed Acquisition not proceed.

2.3 Opinion

We have considered the terms of the Proposed Acquisition as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Acquisition is not fair but reasonable to Shareholders.

In our opinion, the Proposed Acquisition is not fair because the value of an RMI share following the Proposed Acquisition on a minority interest basis is less than the value of an RMI share prior to the Proposed Acquisition on a controlling interest basis.

However, we consider the Proposed Acquisition to be reasonable because the advantages of the Proposed Acquisition to Shareholders are greater than the disadvantages. In particular, the nickel exploration assets to be acquired are complementary to RMI's existing asset, the Kabulanywele Nickel Project ('KNP') (in which RMI holds a 75% beneficial ownership), as the mineral assets are all located within the same region in western Tanzania and are prospective for nickel.



Furthermore, although KHPL's shareholding of the Company will exceed 20% following the Proposed Acquisition, we consider that this may be advantageous to the Company as it will increase the alignment of interests between KHPL and RMI Shareholders. We note that KHPL owns the other 25% interest in the KNP, making it a strategic partner to the operations of RMI.

2.4 Fairness

In Section 12 we determined that the value of an RMI share prior to the Proposed Acquisition on a controlling interest basis is greater than the value of an RMI share following the Proposed Acquisition on a minority interest basis, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of an RMI share prior to the Proposed Acquisition on a controlling interest basis	10.3	0.059	0.067	0.077
Value of an RMI share following the Proposed Acquisition on a minority interest basis	11.1	0.038	0.047	0.059

Source: BDO analysis

The above valuation ranges are graphically presented below:

Value of an RMI share prior to the Proposed Acquisition on a controlling interest

Value of an RMI share following the Proposed Acquisition on a minority interest



The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Proposed Acquisition is not fair for Shareholders. This is because our valuation of an RMI share following the Proposed Acquisition is less than the valuation of an RMI share prior to the Proposed Acquisition at each of the low, mid and high points of our valuation ranges.

Further, we note that whilst the low valuation point prior to the Proposed Acquisition and the high valuation point following the Proposed Acquisition are the same, it would be inappropriate to compare these two points, as our valuation of RMI following the Proposed Acquisition is inclusive of our pretransaction value. As a result, comparing these points would imply two different values for the same assets. Therefore, the above valuations must be compared on a like for like basis at individual points, rather than across the range.

2.5 Reasonableness

We have considered the analysis in Section 13 of our Report, in terms of both

- advantages and disadvantages of the Proposed Acquisition; and
- other considerations, including the position of Shareholders if the Proposed Acquisition does not proceed and the consequences of not approving the Proposed Acquisition.



In our opinion, the position of Shareholders if the Proposed Acquisition is approved is more advantageous than the position if the Proposed Acquisition is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Acquisition is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES				
Section	Advantages	Section	Disadvantages	
13.5	RMI will obtain additional nickel assets that will complement the potential resource of its existing KNP	13.6	Loss of control by Shareholders	
13.5	No cash element	13.6	Dilution of existing Shareholders' interests	
13.5	Aligns the interests of KHPL and RMI Shareholders			

Other key matters we have considered include:

Section	Description
13.1	Alternative Proposal
13.2	Practical Level of Control
13.3	Consideration of Subsequent Actions
13.4	Consequences of not approving the Proposed Acquisition

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

The deemed value of the consideration paid for MNPL is approximately \$3.83 million based on 75 million shares issued at a deemed issue price of \$0.051. This value represents more than 5% of the equity interests of the Company as set out in the latest accounts given to the ASX and as such the Proposed Acquisition involves the Company acquiring a substantial asset for the purposes of the Listing Rules.



Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Mr. Kabunga is considered to be a related party of RMI as defined by ASX Listing Rule 10.1 as he is on the board of RMI as Executive Chairman and holds a 16.91% interest in RMI through his control of KHPL (based on the total issued capital as at 18 July 2022). KHPL is also the owner of MNPL, which is the entity subject to the Proposed Acquisition.

Accordingly, an independent experts' report is required for the Proposed Acquisition.

Item 7 section 611 of the Corporations Act

Section 606 of the Corporations Act ('Section 606') expressly prohibits the acquisition of further shares by a party if the party acquiring the interest does so through a transaction and because of the transaction, that party (or someone else's voting power in the company) increases from 20% or below to more than 20%.

The issue of the Consideration Shares to KHPL will increase their voting power in RMI from below 20% to approximately 23.01% on an undiluted basis (based on RMI's issued capital as at 18 July 2022), and potentially up to 24.61% on an undiluted basis if KHPL Is issued 10,470,742 RMI shares in connection with the Debt Repayment (see Section 4 of our Report for more details).

Section 611 of the Corporations Act ('Section 611') provides exceptions to the Section 606 prohibition and item 7 Section 611 ('Item 7 s611') permits such an acquisition if the shareholders of the company have agreed to the acquisition. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by the party to the acquisition or any party who is associated with the acquiring party. As such, Mr. Kabunga, who controls KHPL, will not be permitted to express a view on the Proposed Acquisition at the general meeting.

Item 7 Section 611 states that shareholders of the company must be given all information that is material to the decision on how to vote at the meeting.

RG 74 states that to satisfy the obligation to provide all material information on how to vote on the item 7 resolution, the company can commission an Independent Expert's Report.

The Independent Directors of RMI have commissioned this Independent Expert's Report to satisfy this obligation.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Acquisition is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111, which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism used to effect it. RG 111 suggests that where a transaction is a control transaction, it should be analysed on a basis consistent with a takeover bid.



In our opinion, the Proposed Acquisition is a control transaction as defined by RG 111 and we have therefore assessed the Proposed Acquisition as a control transaction to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction it is inappropriate for the expert to apply a discount on the basis that the shares being acquired represent a minority or portfolio interest as such the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between value of an RMI share prior to the Proposed Acquisition on a controlling interest basis and the value of an RMI share following the Proposed Acquisition on a minority interest basis (fairness see Section 12 'Is the Proposed Acquisition Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness see Section 13 'Is the Proposed Acquisition Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.



4. Outline of the Proposed Acquisition

Proposed Acquisition - Announcement on 9 May 2022

On 9 May 2022, RMI announced on the ASX that it had conditionally agreed to acquire 100% of the issued capital in MNPL which, through its 99% ownership in MNTL, it holds a portfolio of nickel exploration assets located in Tanzania.

MNTL holds a 100% interest in the following prospecting licences that are either granted or in application:

- The Kabanga North Nickel Project ('the Kabanga North Project');
- The Kapalagulu Nickel (Copper+PGE's) Project ('the Kapalagulu Project');
- The Liparamba Nickel Project ('the Liparamba Project');
- The Kitai Nickel Project ('the Kitai Project'); and
- The Mbinga Nickel Project ('the Mbinga Project');

collectively, 'the MNTL Projects'.

RMI disclosed in its ASX announcement that the MNTL Projects complement the Company's existing asset in Tanzania, the KNP, in which RMI owns a 75% interest.

MNPL is currently owned by KHPL, which is an entity controlled and owned by Mr. Kabunga. KHPL is an existing substantial shareholder of RMI, holding a 14.47% interest in RMI as at the date of the announcement of the Proposed Acquisition, and a 16.91% interest as at 18 July 2022. KHPL is also the holder of the other 25% interest in KNP.

As part of RMI's announcement on 9 May 2022, the Company also announced the appointment of Mr. Kabunga to the board of RMI as Chairman, effective immediately at the date of the announcement.

The consideration for the Proposed Acquisition comprises a total 75 million Consideration Shares at a deemed issue price of \$0.051, of which 42,750,000 Consideration Shares will be issued to KHPL and 32,250,000 Consideration Shares will be issued to certain Nominated Third Parties. The Nominated Third Parties and their relationship to KHPL based on discussions with RMI Management are outlined in the table below:

Number of Consideration Shares	Nominated Third Party	Relationship of Third Party to KHPL
14,250,000	Hashimu Musedem Millanga	Geologist who assisted with the acquisition of the tenements underlying the MNTL Projects and initial exploration work
13,000,000	Xiaodong Ma	Advised and assisted in marketing the MNTL Projects in an effort to find partners to develop the projects
3,500,000	Yueqi Ma	Advised and assisted in marketing the MNTL Projects in an effort to find partners to develop the projects
1,500,000	Henian Chen	Advised and assisted in marketing the MNTL Projects in an effort to find partners to develop the projects

Source: RMI's Draft Notice of Meeting dated on or about the date of our Report.



In addition, RMI will enter into a Royalty Deed with KHPL whereby a 1.5% net smelter return will be payable to KHPL for any future production from the MNTL Projects.

If the Proposed Acquisition is approved, and the 42.75 million Consideration Shares are issued to KHPL, KHPL will hold a total of 113,461,936 shares in RMI, which based on the issued capital of RMI as at 18 July 2022, equates to a holding of 23.01%. In addition, if the Debt Repayment is approved (see further details below) and 10,470,742 RMI shares are issued to KHPL, the subsequent approval of the Proposed Acquisition will result in KHPL holding a 24.61% interest.

Subsequent proposed actions not conditional on the Proposed Acquisition

In conjunction with, and subsequent to the announcement of the Proposed Acquisition on 9 May 2022, RMI also announced several key corporate actions ('Subsequent Actions'), which despite not being conditional on the approval of the Proposed Acquisition, are relevant to our assessment.

On 9 May 2022, in conjunction with the announcement of the Proposed Acquisition, RMI also announced the Company's intention to undertake a \$4 million capital raising ('Proposed Capital Raising') through the issue of up to 83,333,333 ordinary shares. Proceeds from the Proposed Capital Raising are intended to be used for exploration activities on the MNTL Projects and KNP as well as for general working capital purposes. The Proposed Capital Raising is expected to be conducted closer to the time of completion of the Proposed Acquisition, but is not conditional on the Proposed Acquisition being approved.

In addition to the above, the Company also announced on 9 May 2022 that KHPL agreed to provide RMI with a \$500,000 interest-free unsecured loan facility ('KHPL Facility') in order to assist RMI with ongoing expenditure commitments until completion of the Proposed Capital Raising. We note the KHPL Facility has not been drawn down at the date of our Report.

On 17 May 2022, RMI announced the completion of a share placement to raise \$0.62 million (before costs) ('May Share Placement') from a new sophisticated investor to fund exploration activities at the KNP, assist with the Proposed Acquisition and fund general working capital. The May Share Placement was undertaken through the issue of 10,000,000 RMI shares at \$0.062 per share with 2,000,000 unlisted free-attaching options ('Options') with an exercise price of \$0.080 and maturity date of 36 months from the date of issue ('May Placement Options').

Furthermore, as part of the announcement on 17 May 2022, RMI also announced a proposed debt repayment to KHPL ('Debt Repayment'), which would repay the \$649,186 debt owing to KHPL as at 17 May 2022 in full. The Debt Repayment will be undertaken through the issue of 10,470,742 RMI shares and 2,094,148 Options to KHPL on similar terms as the May Share Placement. Shareholder approval will be required for the Debt Repayment at the same general meeting that will seek approval for the Proposed Acquisition.

On 7 June 2022, RMI announced that it had secured an exclusive option ('Finnish Option') to acquire one nickel and two lithium projects in Finland, namely, Roussakero Nickel, Hirvikallio Lithium, and Kola Lithium (collectively, the 'Finnish Projects'). The Finnish Option is for a period of 120 days during which the Company will conduct further due diligence on the Finnish Projects and formulate the terms of the acquisition should they elect to proceed. As part of the consideration for the Finnish Option and exclusivity, the Company issued 2,500,000 RMI shares to Element92 Pte Ltd ('Element92'), the vendor of the Finnish Projects.

On 16 June 2022, RMI announced a second share placement to raise \$1.2 million (before costs) ('June Share Placement') from existing shareholders and new sophisticated investors to fund exploration at the



KNP, assist with the Proposed Acquisition and due diligence costs relating to the Finnish Option. The June Share Placement was undertaken through the issue of 10,000,000 RMI shares at \$0.120 per share and 5,000,000 free-attaching Options on a one for two basis. The Options have an exercise price of \$0.150 and maturity date of 36 months from the date of issue ('June Placement Options'). We note that in conjunction with the announcement of the June Share Placement, Mr. Kabunga was also appointed as Executive Chairman of the Company.

We also note that, as part of the Notice of Meeting, RMI is seeking Shareholder approval to issue 20 million performance rights ('Rights') to Mr. Kabunga, which will be capable of vesting subject to Mr. Kabunga remaining a Director in RMI and certain RMI share price targets being met (see Resolution 16 of the Notice of Meeting).

Our assessment of the Proposed Acquisition is performed on a standalone basis, however, where the above Subsequent Actions have already been undertaken by the Company, we have included their impacts in our assessment of fairness (see Section 12). These include:

- The May Share Placement that raised \$0.62 million through the issue of 10,000,000 RMI shares with 2,000,000 free-attaching May Placement Options;
- The purchase of the Finnish Option through the issue of 2,500,000 RMI shares to Element92; and
- The June Share Placement that raised \$1.2 million through the issue of 10,000,000 RMI shares with 5,000,000 free attaching June Placement Options.

In addition, although the Debt Repayment has not yet occurred and is still subject to Shareholder approval, we note from discussions with RMI Management that if approved, the Debt Repayment will be executed prior to the completion of the Proposed Acquisition. Therefore, we have also considered the potential impact of the Debt Repayment on our valuation assessment if the Debt Repayment is approved, and whether it impacts our assessment of fairness.

We note that Proposed Capital Raising has not yet occurred and the details of the Proposed Capital Raising have not been confirmed. Furthermore, the proposed issue of the Rights to Mr. Kabunga has not yet been approved. Therefore, we have highlighted the Proposed Capital Raising and the issue of Rights to Mr. Kabunga in our assessment of reasonableness (see Section 13).

We have approached the treatment of Subsequent Actions in this manner in order to provide Shareholders with a comprehensive assessment of the Proposed Acquisition within the context of the Subsequent Actions and to assist Shareholders in their decision of whether to approve the Proposed Acquisition.



5. Profile of RMI

5.1 History

RMI is an Australian mineral exploration company focused on the development of nickel assets. The Company's only project is the Kabulwanyele Nickel Project, or KNP, located in Tanzania. RMI holds a 75% interest in the KNP which it acquired in February 2021.

Prior to this, the Company was focused on the exploration and development of the Wowo Gap Nickel Laterite Project ('Wowo Gap Project') located in Papua New Guinea, which it divested in October 2021.

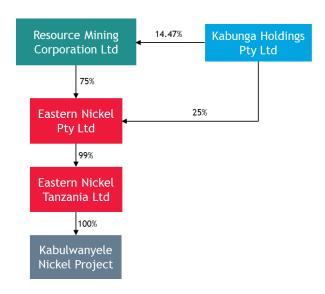
RMI is listed on the ASX and is headquartered in West Perth, Australia. RMI's current board members and senior management comprise:

- Mr. Asimwe Kabunga Executive Chairman (appointed Chairman on 9 May 2022 and Executive Chairman on 16 June 2022);
- Mr. Trevor Matthews Non-Executive Director;
- Mr. David Round Non-Executive Director;
- Mr. Noel O'Brien Non-Executive Technical Director; and
- Ms. Deborah Ho Company Secretary.

5.2 Corporate Structure

RMI's ownership in the KNP is held through its 75% interest in Eastern Nickel Pty Ltd ('ENPL'), which in turn holds a 99% interest in Eastern Nickel Tanzania Limited ('ENTL') that holds the prospecting licenses ('PL') related to the KNP.

An extract of the corporate structure of RMI as at the date of the announcement of the Proposed Acquisition is outlined in the chart below. In addition, we have presented KHPL's interest in RMI to the extent that it relates to our assessment.



Source: RMI's Half Yearly Report for the period ended 31 December 2021.



5.3 Kabulwanyele Nickel Project

The KNP is located south west of Mpanda in the west of Tanzania, which is approximately 35 kilometres ('km') from the western shore of Lake Tanganyika, forming the western limb of the East African Rift System. It comprises two granted prospecting licences, PL/11534/2021 and PL/11535/2021, with a total area of approximately 20.5 square km ('km²') and site access via seasonally maintained roads from Mpanda. RMI has also applied for PL/17691/2021 located immediately east of the KNP, which if granted, is expected to assist with the Company's evaluation of the potential of the project.

Early discoveries of nickel and manganese occurrences at Kabulwanyele Hill in 1944 led to continued exploration work in the years of 1947, 1955, 1960 and 1973, which identified further nickel mineralisation as well as prospectivity for manganese and cobalt. However, at the time of acquisition by RMI in February 2021, no modern exploration work had been performed on the area. The Company's initial planned work program at the time involved locating historical pits for resampling, conducting systematic soil sampling, geological remapping and to plan further trenching and pitting of the area.

From April to June 2021, RMI commenced preliminary field activities focused on geological mapping of the project area and a comprehensive soil sampling program. The results of the soil sampling program were announced on 18 November 2021, with the Company reporting that the soil and rock samples had delineated a nickel and cobalt anomaly with a strike length of 2 km. This was broadly coincident with a historically mapped nickel laterite deposit. In addition, the 19 rock chip samples that were collected in June 2021 returned a maximum value of 1.27% nickel and the 254 soil samples returned a maximum value of 0.85% nickel. Furthermore, over 38 soil samples returned assays above 500 parts per million ('ppm') nickel with over 20 samples above 0.2% nickel.

In the Company's December 2021 Quarterly Activities Report, RMI announced that it had engaged South Africa-based MSA Group ('MSA Group') as technical consultants for the exploration and evaluation work at the KNP.

On 27 June 2022, RMI announced the commencement of its maiden nickel drill program at the KNP and on 12 July 2022, the Company announced the completion of the program. The drill program comprised 19 reverse circulation ('RC') drill holes for a total of 799 metres, with the work performed on a systematic grid of 200 metres by 800 metres. According to the Company, geological logging of the RC chips had identified a lateritic profile comprising intercepts of ferruginous layers. Samples collected were dispatched for preparation before being shipped to laboratories in South Africa for analysis. The Company indicated that assay results were expected in two months following the completion of the drill program.

In conjunction with the completion of the drilling program, RMI also announced a proposed gravity survey program which has the potential to define further targets associated with primary magmatic sulphide mineralisation.

5.4 Recent Corporate Events

On 18 October 2021, RMI completed the divestment of its Wowo Gap Project through the sale of its previous wholly-owned subsidiary, Resource Exploration Pty Ltd ('REX') to Regency Mines Australasia Pty Ltd ('Regency Mines'), which is a wholly-owned subsidiary of Corcel Plc ('Corcel'). In consideration for the sale, Corcel released all liabilities and obligations in connection with the \$4,761,087 of loans owed by RMI.

Following the divestment of the Wowo Gap Project, the Company announced several changes to its board of directors:



- On 16 November 2021, the Company announced the resignation of Non-Executive Director Mr. Zhang (Andy) Chi;
- On 23 November 2021, the Company announced the appointment of Mr. Trevor Matthews as a Non-Executive Director;
- On 24 March 2022, the Company announced the appointment of Mr. David Round as Non-Executive Director, which coincided with the resignation of former Managing Director Mr. Warwick Davies;
- On 4 April 2022, the Company announced the appointment of Mr. Jason Livingstone as Non-Executive Director, which coincided with the resignation of Mr. Bill Mackenzie and the appointment of Mr. Trevor Matthews as Interim Chairman;
- On 9 May 2022, Mr. Asimwe Kabunga was appointed as Executive Chairman of the Company effective from 9 May 2022; and
- On 20 June 2022, the Company announced the appointment of Mr. Noel O'Brien as Non-Executive Technical Director, which coincided with the resignation of Mr. Jason Livingstone as Non-Executive Director. Mr. Jason Livingstone continues to work with the Company as a consultant geologist.

As mentioned in Section 4 of our Report, the Company also undertook the following Subsequent Actions since the announcement of the Proposed Acquisition on 9 May 2022:

- The May Share Placement on 17 May 2022 to raise \$0.62 million (before costs) from a new sophisticated investor through the issue of 10,000,000 RMI shares at \$0.062 per share and 2,000,000 free attaching Options;
- The proposed Debt Repayment announced on 17 May 2022 through the issue of 10,470,742 RMI shares and 2,094,148 Options to KHPL, which will require Shareholder approval;
- The securing of the Finnish Option, which if exercised will allow the Company to acquire the Finnish Projects. The consideration for the Finnish Option and exclusivity was the issue of 2,500,000 RMI shares to Element92;
- The June Share Placement announced on 16 June 2022 to raise \$1.2 million (before costs) through the issue of 10,000,000 RMI shares at \$0.120 per share and 5,000,000 free attaching Options; and
- The proposed issue of 20 million Rights to Mr. Kabunga which vest subject to Mr. Kabunga remaining a Director in the Company and certain RMI share price targets being met.



5.5 Historical Statements of Financial Position

Consolidated Statements of Financial Position	Reviewed as at 31-Dec-21 \$	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$
Current assets			
Cash and cash equivalents	57,833	43,680	43,962
Receivables and other current assets	16,924	22,097	19,200
Total current assets	74,757	65,777	63,162
Non-current assets			
Plant and equipment		75,014	95,531
Total non-current assets	-	75,014	95,531
Total assets	74,757	140,791	158,693
Current liabilities			
Trade and other payables	387,578	1,098,212	898,708
Interest bearing liabilities	5,301	2,854	5,956
Non-interest bearing liabilities	1,252,035	4,901,075	4,912,427
Provisions	-	33,655	38,149
Total current liabilities	1,644,914	6,035,796	5,855,240
Total liabilities	1,644,914	6,035,796	5,855,240
Net assets/ (Net asset deficiency)	(1,570,157)	(5,895,005)	(5,696,547)
Equity			
Issued capital	63,984,799	63,768,599	63,294,571
Reserves	85,370	262,392	585,555
Accumulated losses	(65,624,808)	(69,914,883)	(69,576,673)
Capital and reserves attributable to owners of RMI	(1,554,639)	(5,883,892)	(5,696,547)
Non-controlling interests	(15,518)	(11,113)	-
Total equity/ (deficiency in equity)	(1,570,157)	(5,895,005)	(5,696,547)

Source: RMI's reviewed financial statements for the half-year ended 31 December 2021, and RMI's audited financial statements for the years ended 30 June 2021 and 30 June 2020.

We note that the Company's auditor highlighted a material uncertainty around the ability of RMI to continue as a going concern in its reports for the half-year ended 31 December 2021 and the years ended 30 June 2021 and 30 June 2020. However, the audit opinion was not modified in respect of the matter.

Commentary on Historical Statements of Financial Position

- Plant and equipment of \$75,014 as at 30 June 2021 related solely to plant and equipment at the Wowo Gap Project, which the Company subsequently divested in October 2021. Therefore, plant and equipment reduced from \$75,014 to nil as at 31 December 2021;
- Trade and other payables comprise trade creditors and accruals. As at 30 June 2021, the balance of \$1.10 million included \$0.99 million of payables to key management personnel, primarily to the former Managing Director, Mr. Warwick Davies. Following the significant changes to the board of directors and the divestment of the Wowo Gap Project during the half year ended 31 December 2021, \$0.72 million of payables to Mr. Warwick Davies were reassigned as loans to KHPL as non-interest bearing liabilities. This was the key driver to the decrease in the balance of trade and other payables to \$0.39 million as at 31 December 2021;
- Interest bearing liabilities of \$5,301 as at 31 December 2021 relate to insurance premium funding;



The breakdown of non-interest bearing liabilities are outlined in the table below:

Non-interest bearing liabilities	Reviewed as at 31-Dec-21 \$	Audited as at 30-Jun-21 \$	Audited as at 30-Jun-20 \$
Advances from Managing Director	-	66,059	76,340
Unsecured loans and advances - KHPL	1,199,186	-	-
Unsecured loans and advances - Sinom (discounted)	-	296,223	1,126,087
Unsecured loans and advances - Corcel (discounted)	-	4,510,690	1,710,000
Convertible notes	-	-	2,000,000
Other loan	52,849	28,103	-
Total non-interest bearing liabilities	1,252,035	4,901,075	4,912,427

Source: RMI's reviewed financial statements for the half-year ended 31 December 2021, and RMI's audited financial statements for the years ended 30 June 2021 and 30 June 2020.

Non-interest bearing liabilities decreased from \$4.90 million as at 30 June 2021 to \$1.25 million as at 31 December 2021. The decrease of approximately \$3.65 million was primarily related to the settlement of the loan from Corcel of \$4.51 million as part of the divestment of the Wowo Gap Project (see Section 5.4). This was partially offset by the \$1.20 million of unsecured loans and advances capitalised to KHPL, stemming from the assignment of loans from Sinom (Hong Kong) Limited ('Sinom') of \$0.48 million and from Fairstone Holdings Pty Ltd ('Fairstone') of \$0.72 million. Sinom is an entity controlled by a former RMI director, Mr. Zhang (Andy) Chi, and Fairstone is an entity controlled by former RMI director, Mr. Warwick Davies;

- Provisions of \$33,655 as at 30 June 2021 related to the provision for compensation, which reduced to nil as at 31 December 2021 due to the divestment of the Wowo Gap Project; and
- Non-controlling interest represents the 25% interest in ENPL held by KHPL and a 1% interest in ENTL held by Leticia Herman Kabunga ('Leticia Kabunga'), a Tanzanian resident.



5.6 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 31-Dec-21 \$	Audited for the year ended 30-Jun-21 \$	Audited for the year ended 30-Jun-20 \$
Other Income			
Sale of subsidiary	4,859,482	-	-
Finance Income - fair value adjustment of loans	-	650,125	-
Interest income	-	-	103
Other	210	-	-
Total other income	4,859,692	650,125	103
Expenses			
Administration and corporate expenses	(195,644)	(280,433)	(221,383)
Exploration expenditure	(58,598)	(219,417)	(202,436)
Exploration expenditure - acquisition costs	-	(474,025)	-
Borrowing costs	(319,780)	(421,070)	(1,562)
Profit/ (loss) before income tax	4,285,670	(744,820)	(425,278)
Income tax benefit	-	-	-
Profit/ (loss) after income tax	4,285,670	(744,820)	(425,278)
Total profit/ (loss) is attributable to:			
Owners of RMI	4,290,075	(733,705)	(425,278)
Non-controlling interests	(4,405)	(11,115)	-
	4,285,670	(744,820)	(425,278)
Other comprehensive profit/ (loss)			
Exchange translation differences	(177,022)	(16,601)	(808)
Total comprehensive profit/ (loss) for the period	4,108,648	(761,421)	(426,086)
Total comprehensive profit/ (loss) is attributable to:			
Owners of RMI	4,113,053	(750,306)	(426,086)
Non-controlling interests	(4,405)	(11,115)	-
Total comprehensive profit/ (loss) for the period Source: RMI's reviewed financial statements for the half-year end	4,108,648	(761,421)	(426,086)

Source: RMI's reviewed financial statements for the half-year ended 31 December 2021, and RMI's audited financial statements for the years ended 30 June 2021 and 30 June 2020.

As noted above, the Company's auditor highlighted a material uncertainty around the ability of RMI to continue as a going concern in its reports for the half-year ended 31 December 2021 and the years ended 30 June 2021 and 30 June 2020. However, the audit opinion was not modified in respect of the matter.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Other income from the sale of subsidiary of \$4.86 million for the half year ended 31 December 2021 related to the divestment of the Wowo Gap Project, through the sale of REX;
- Administration and corporate expenses of \$0.19 million for the half-year ended 31 December 2021 comprised of compliance and regulatory expenses of \$0.06 million, consultant expenses of \$0.05 million, Non-Executive Directors' fees of \$0.03 million and legal fees of \$0.04 million;
- Exploration expenditure of \$58,598 for the half-year ended 31 December 2021 primarily related to exploration costs at the Wowo Gap Project (before divestment). We note that the Company's



- accounting policy is to expense all exploration and evaluation expenditure incurred during the period through the profit or loss statement;
- Exploration expenditure acquisition costs of \$0.47 million for the year ended 30 June 2021 relate to the acquisition of a 75% interest in the KNP; and
- Borrowing costs of \$0.32 million for the half year ended 31 December 2021 comprise implicit
 interest of fair value adjustments for loans to Sinom of \$0.07 million and for loans to Corcel of
 \$0.25 million.

5.7 Capital Structure

The share structure of RMI as at 18 July 2022 is outlined below:

	Number
Total ordinary shares on issue	418,173,077
Top 20 shareholders	293,050,410
Top 20 shareholders - % of shares on issue	70.08%
Source: RMI share registry information, 18 July 2022.	

The range of shares held in RMI as at 18 July 2022 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	489	173,086	0.04%
1,001 - 5,000	542	1,510,460	0.36%
5,001 - 10,000	233	1,833,316	0.44%
10,001 - 100,000	514	18,584,477	4.44%
100,001 - and over	181	396,071,738	94.71%
Total	1,959	418,173,077	100.00%

Source: RMI share registry information, 18 July 2022.

The ordinary shares held by the most significant shareholders as at 18 July 2022 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Kabunga Holdings Pty Ltd <kabunga a="" c="" family=""></kabunga>	70,711,936	16.91%
Topwei Two Pty Ltd <topwei a="" c="" family="" two=""></topwei>	33,567,818	8.03%
Mr Rohan Patnaik	16,353,754	3.91%
Afrika Kazi Limited	15,200,000	3.63%
Ms Jovita Charles Joseph	15,200,000	3.63%
Ms Leticia Herman Kabunga	15,200,000	3.63%
Subtotal	166,233,508	39.75%
Others	251,939,569	60.25%
Total ordinary shares on Issue	418,173,077	100.00%

Source: RMI share registry information, 18 July 2022.



As at 18 July 2022, RMI had the following tranches of Options on issue:

Options on Issue	
Options exercisable at \$0.08 with expiry date of 20 May 2025	2,000,000
Options exercisable at \$0.10 with expiry date of 25 May 2025	8,000,000
Options exercisable at \$0.15 with expiry date 36 months from issue date	5,000,000
Total number of Options on issue	15,000,000

Source: RMI share registry information, 18 July 2022.



6. Profile of Massive Nickel Pty Ltd

We have presented a brief overview of Massive Nickel Pty Ltd or MNPL, on the basis that it is the entity subject to the Proposed Acquisition by RMI. We have also presented within the overview a brief profile of Mr. Kabunga on the basis that he controls and owns MNPL through KHPL and whose shareholding of RMI will exceed 20% following the Proposed Acquisition.

6.1 Overview

MNPL is the Australian-incorporated entity subject to the Proposed Acquisition. MNPL, through its 99% ownership of MNTL (the Tanzanian-based entity), holds a portfolio of nickel exploration assets located in Tanzania, namely:

- The Kabanga North Project;
- The Kapalagulu Project;
- The Liparamba Project;
- The Kitai Project; and
- The Mbinga Project.

The MNTL Projects above comprise both granted and in-application prospecting licenses that are 100% owned by MNTL. The remaining 1% interest in MNTL is owned by Leticia Kabunga.

MNPL is currently owned by KHPL, which is an entity controlled and owned by Mr. Kabunga.

6.2 Profile of Mr. Asimwe Kabunga

Mr. Kabunga is an Australian-born entrepreneur with over 19 years of technical and commercial experience in Tanzania, Australia, the United Kingdom and the United States. Mr. Kabunga is currently the Chairman of two other ASX-listed exploration companies, namely, Volt Resources Limited ('Volt Resources') and Lindian Resources Limited ('Lindian Resources'). Previously, he was Non-Executive Director of Strandline Resources Limited ('Strandline Resources').

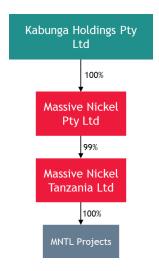
Additionally, Mr. Kabunga was actively involved in establishing the Tanzanian Community of Western Australia Inc., serving as its first President. He was also a founding member of Rafiki Surgical Missions and the Safina Foundation, both of which are Non-Government Organisations ('NGOs') dedicated to helping children in Tanzania.

Mr. Kabunga was appointed to the board of RMI as Chairman on 9 May 2022, on the same day as the announcement of the Proposed Acquisition of MNPL.

6.3 Corporate Structure

An extract of the current corporate structure of MNPL is outlined in the chart below:





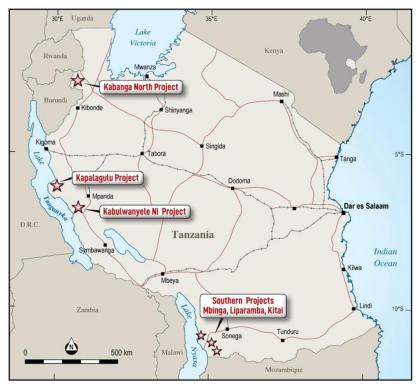
Source: RMI ASX Announcement on the Proposed Acquisition, 9 May 2022

6.4 MNTL Projects

Overview

The MNTL Projects are located in western Tanzania comprising 1,415 km² of prospective land. The MNTL Projects are considered complimentary to RMI's KNP, especially the Kabanga North Project and Kapalagulu Project, which are located in the same belt in western Tanzania as RMI's KNP.

The MNTL Projects have extensive geological databases including historical drilling information and geophysical surveys. The below map shows the location of the MNTL tenements and prospects:



Source: RMI ASX Announcement on the Proposed Acquisition, 9 May 2022



The Kabanga North Project

The Kabanga North Project is a single-tenement project of 22.54 km² and is located within the same stratigraphy about 30 km along the strike from the Kabanga Nickel project (not owned by MTNL). The Kabanga Nickel project is a project owned and operated by Kabanga Nickel Limited ('Kabanga Nickel'), which has an estimated mineral resource of 58 million tonnes ('Mt') at 2.62% nickel or nickel equivalent grade of 3.14% (including cobalt and copper). Kabunga Nickel is a private company that is majority owned by several individual founders and their families, which are unrelated to Mr. Kabunga.

The Kapalagulu Project

The Kapalagulu Project is located near RMI's KNP, and is host to a 32 km mapped mafic/ultramafic sequence with historical reports noting nickel, PGE and copper anomalism. The Kapalagulu Project's intrusion has the following composition:

- Contact zone with a heterogeneous thickness of variable thickness that contains disseminated and massive sulphides. The highest grade intercept is 0.46 metres at 1.57% nickel; and
- Basal zone with between 100 and 170 metres thick mela olivine gabbronorite present along the
 entire length of the intrusion and contains lenses of massive pyrrhotite with variable chalcopyrite,
 pyrite, sphalerite, pentlandite and magnetite.

The Southwest Projects

The Liparamba Project, Kitai Project and Mbinga Project are all located in the southwest of Tanzania ('the Southwest Projects'). The Southwest Projects all host ultramafic lithologies over considerable strike lengths with noted nickel anomalism present.

The Liparamba Project is host to a mapped ultramafic with a coincident zone of conductivity. The Kitai Project is host to a mapped ultramafic with a coincident zone of elevated conductivity. The Mbinga Project is host to a low magnetics anomaly which could indicate the presence of an ultramafic intrusion.

The Southwest Projects were previously explored by BHP/Albidon and Jacana Resources. The work completed by BHP included airborne geophysics and stream sediment sampling. BHP generated a total of 19 electromagnetic ('EM') targets and six geochemical anomalies of Liparamba and Mbinga.

6.5 MNPL Consolidated Statement of Financial Position

RMI Management has advised that consolidated historical financial statements were not previously prepared for MNPL on the basis that MNPL is only the Australian holding entity for MNTL and hence records minimal transactions, assets and liabilities as a standalone entity. However, RMI Management has advised that historical audited financial statements were prepared for MNTL. As MNPL is the subject entity of the Proposed Acquisition, we consider it relevant to present the recent consolidated statement of financial position of MNPL for our assessment.

We note, however, that the accounting policies used in the preparation of MNTL's historical financial statements are different from the accounting policies adopted for RMI's financial statements in Sections 5.5 and 5.6. For example, exploration expenditure is typically expensed by RMI through the statement of profit or loss whereas MNTL typically capitalises these expenses on the statement of financial position as an asset.



On the basis that the accounting policies of MNTL would likely be revised to be aligned with RMI's financial statements following the Proposed Acquisition, RMI Management has provided consolidated financial statements for MNPL after adjusting for these differences.

We have presented the consolidated statement financial position of MNPL as at 31 May 2022 as prepared by RMI Management:

Consolidated Statement of Financial Position	Management Accounts of MNPL	Management Accounts of MNTL	Eliminating Entries / and reclassification	Consolidated MNPL as at 31 May 22
rosition	as at 31 May 22 \$	as at 31 May 22 \$	\$	as at 31 May 22
Current assets				
Cash and cash equivalents	1	226	-	227
Total current assets	1	226	-	227
Non-current assets				
Other receivable	-	58	(58)	-
Investment in MNTL	57	-	(57)	-
Total non-current assets	57	58	(115)	-
Total assets	58	284	(115)	227
Current liabilities				
Total trade creditors and accruals	57	146,560	(57)	146,560
Total current liabilities	57	146,560	(57)	146,560
Total liabilities	57	146,560	(57)	146,560
Net assets/(net asset deficiency)	1	(146,277)	(58)	(146,334)
Equity				
Issued capital	1	58	(58)	1
Foreign currency translation reserve	-	(3,824)	-	(3,824)
Retained earnings	-	(142,510)	1,424	(141,086)
Total equity attributable to the shareholders of the Company	1	(146,277)	1,366	(144,909)
Non-controlling interest			(1,424)	(1,424)
Total equity	-tt 24 Hay 2022	and MMT1 to	(58)	(146,334)

Source: MNPL's unaudited management accounts as at 31 May 2022, and MNTL's unaudited management accounts as at 31 May 2022.

We have not undertaken a review of MNPL's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Commentary on Historical Statements of Financial Position

- MNPL's statement of financial position comprises \$1 of issued capital and an investment into MNTL of 100,000 Tanzanian Shillings ('TZS') (equivalent to approximately \$57 as at 31 May 2022). The investment in MNTL is eliminated upon consolidation;
- MNTL's cash and cash equivalents of \$226 are held in two separate bank accounts in Tanzania
 which have been converted to Australian dollars at prevailing foreign exchange rates as at 31 May



- 2022 for the purposes of presentation. We have verified these balances based on bank statements provided by RMI Management;
- Total trade creditors and accruals of MNTL of \$146,560 as at 31 May 2022 primarily comprises trade creditors of \$44,399 and a loan from Leticia Kabunga of \$102,161. Leticia Kabunga holds a 1% interest in MNTL; and
- Retained earnings of the consolidated statement of financial position of MNPL include an
 adjustment for exploration and evaluation expenditure that was previously capitalised on to the
 balance sheet as an asset, which was instead put through retained earnings to align the accounting
 policies of MNPL to RMI on the basis of the Proposed Acquisition.

6.6 MNPL Consolidated Statement of Profit or Loss and Other Comprehensive Income

Accounts of MNPL for the 11 months ended 31-May-22 \$	Accounts of MNTL for the 11 months ended 31-May-22 \$	Consolidated MNPL for the 11 months ended 31-May-22 \$
-	-	-
-	72	72
-	227	227
-	113,152	113,152
-	424	424
-	113,874	113,874
-	(113,874)	(113,874)
-	-	-
-	(113,874)	(113,874)
		(1,139) (112,736)
	for the 11 months	for the 11 months ended 31-May-22 \$ for the 11 months ended 31-May-22 \$ \$ \$ -

Source: MNPL's unaudited management accounts for the period ended 31 May 2022, and MNTL's unaudited management accounts for the period ended 31 May 2022.

We have not undertaken a review of MNPL's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

 The exploration expenses of MNTL of \$113,152 includes an adjustment applied by RMI Management to reflect the exploration expenditure incurred in the 11 months period ended 31 May 2022 that was previously capitalised and subsequently adjusted as part of the management accounts provided for the current financial period; and



 Net Profit/(Loss) attributable to non-controlling interests is reflective of the 1% interest held by Leticia Kabunga.

7. Economic analysis

In the following section, we set out an analysis of the current economic context and outlook in Tanzania and consider the implications for RMI's operations and the mining industry. We have also presented an analysis of the current economic context of Australia to the extent that it relates to RMI's corporate environment.

7.1 Tanzania

Domestic Growth

Tanzania has sustained a high level of gross domestic product ('GDP') growth over 2009 to 2017, averaging 6.0% to 7.0% per year. Growth has been driven by the country's natural resources, agriculture and tourism, combined with fiscal stimulus and monetary policies from the Tanzanian government. In July 2020, Tanzania officially became a low-middle-income country from its past low-income country status, as defined by the World Bank Group. According to the African Development Bank Group ('ADBG'), GDP growth was 4.9% in 2021, up from 4.8% in 2020, supported by the growth of the economy following the COVID-19 pandemic. The growth was driven by agricultural and services on the supply side, and consumption and investment on the demand side.

Inflation and Employment

According to the ADBG, inflation has remained stable at 3.3% in 2020 and 3.7% in 2021. Inflation is expected to increase to 4.4% in 2022 and 3.8% in 2023, as energy prices rise as a result of the war between Russia and Ukraine.

The World Bank estimates the poverty rate to have declined marginally from 27.1% in 2020 to 27.0% in 2021, driven by the recovery of employment and non-farm business revenue. The national poverty rate is expected to decline further over the next few years, driven by the growth of employment of women.

Outlook

According to the ADBG, the outlook for Tanzania is positive, with a projected GDP growth rate of 5.0% in 2022 and 5.6% in 2023 due to improved performance in tourism, the reopening of trade corridors, and accelerated rollout of vaccines. The positive outlook faces several downside risks however, stemming mainly from business regulatory bottlenecks that constrain private sector activity and further uncertainties regarding the new strains of the COVID-19 pandemic.

Mining Regulation in Tanzania

Mining and quarrying activities in Tanzania form a 10.2% contribution to the country's GDP. Mining in Tanzania is primarily governed in accordance with the Tanzanian Mining Act of 2010, which sets out the regulatory requirements for international miners operating in Tanzania. Licence holders and contractors are obligated to pay a corporate tax of 30%, capital gain tax of 30%, withholding tax of 10% and other taxes.

Amendments to the code in June 2017 saw an increased power and role for the government in investment contracts, including the Tanzanian government having the authority to dissolve or re-negotiate existing



contracts. Provisions also allowed the government to own at least a 16% free carried interest stake in mining companies, with the option to acquire up to 50%. In addition, the Tanzanian government is able reject international arbitration for natural resource disputes.

Source: World Bank, The World Factbook, African Development Bank Group, International Trade Administration - Tanzania, 2021.

7.2 Australia

Overview

In its May 2022 Statement of Monetary Policy, the Reserve Bank of Australia ('RBA') stated that it expects GDP in Australia to grow by 4.5% over 2022. However, the RBA also elucidated caution around rising inflationary pressures, projecting consumer price inflation to peak at 6% in the latter half of 2022.

Both the Australian and global outlooks for growth and inflation remain uncertain in light of substantial geopolitical disruptions, emerging from several supply side factors, pandemic related disturbances in China and Russia's invasion of Ukraine. Moreover, it is uncertain how the withdrawal of extraordinary policy support will affect consumer demand. In many advanced economies, inflation has exceeded the initial forecasts published earlier in the year, and remains a key source of market volatility. Moreover, inflation has outpaced many central banks' inflation targets.

Bond yields have increased, and equity prices have contracted, as the market outlook remains uncertain amongst market participants. The Australian equity market has outperformed other developed markets, as resource companies have capitalised on the recent wave of high commodity prices. In Australia and most advanced economies, fixed borrowing rates remain low for most borrowers, however, borrowing rates have increased from previous lows, in line with rising bond yields and other market interest rates.

In July 2022, the RBA increased the cash rate by 0.5% to 1.35%. This followed its decision to raise the cash rate by 0.5% rise in June 2022, which at the time was the single largest rise in 22 years. The raising of rates represented a direct response to external pressures around global supply chain and energy price concerns as well as domestic pressures in the form of tight labour markets and flooding.

Economic Indicators

Inflation in Australia has increased quicker than expected, but still remains lower than many advanced economies. In the March quarter of 2022, headline inflation for the quarter reached 2%, and 5% over the year. Additionally, the outlook for inflation is higher than forecast earlier in the year. Headline annual inflation is expected to peak at around 6% in the second half of 2022, largely owing to higher petrol prices and rapid increases in the cost of new dwellings. As supply side issues are rectified, inflation is forecast to ease, however, with labour market conditions becoming increasingly tight, growth in labour costs is expected to pick up in the coming years. Inflation is expected to return to the top of the 2% to 3% range in 2023.

The labour market has generated significant momentum on the back of the pandemic, and demand for labour is strong. The unemployment rate is currently 3.9%, which is the lowest rate in almost 50 years. Demand for employment has been met by firms increasing headcount and hours of existing staff, as restrictions and capacity limits are abolished across the country. Relatedly, labour underutilisation has declined significantly across most industries, and has been particularly prominent in industries where employment has grown strongly, such as professional services. The level of job vacancies remain very high, at a time where labour participation rate and the ratio of employment to working-age population are already at historical highs. The RBA forecasts unemployment rate to further decline to around 3.5% in



early 2023, citing Australia's sizeable impending economic expansion, relative to other developed economies.

The combination of a tight labour market and a higher inflationary environment means that firms are generally better at compensating employees with higher wages and other benefits to attract and retain staff. However, despite low unemployment rates, wage growth has not matched inflation, consequently, real wages have declined. Consumer sentiment has fallen as households maintain a pessimistic outlook in light of declining real incomes and rising living costs. The expected decline in consumer spending will likely be cushioned by strong household balance sheets. Wage growth remained relatively stagnant through 2021, recovering to levels seen pre-pandemic. However, more recent evidence from liaison and business surveys indicate that larger wage increases have been occurring or are planned in many private-sector firms.

Despite depreciating significantly against the United States dollar in early 2020, the Australian dollar recovered rapidly on the back of strong demand for Australian commodity exports. From mid-May 2021, the Australian dollar entered a depreciating trend against the United States dollar, however, this trend reversed from February 2022 onwards, following several price shocks to key commodity markets after Russia's invasion of Ukraine. The currencies of Australia and other commodity exporting countries have depreciated over April to July 2022, with recent depreciation in the Australian dollar further linked to weaker forecast activity in China.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 5 July 2022 and prior periods, www.rba.gov.au Statement on Monetary Policy May 2022 and prior periods, budget.gov.au Australian Government 2022-23 Budget Overview and imf.org World Economic Outlook dated April 2022.

8. Industry analysis

RMI's key operational focus includes the exploration and development of the KNP, which is prospective for nickel. Furthermore, the Proposed Acquisition of the MNTL Projects is expected to complement the Company's position on the nickel mining and battery metals industry.

As such, we have presented an industry analysis of the exploration sector as well as an industry analysis of the nickel mining industry, on the basis that these are the key commodities underpinning the value of the Company's mineral assets.

8.1 Exploration Sector

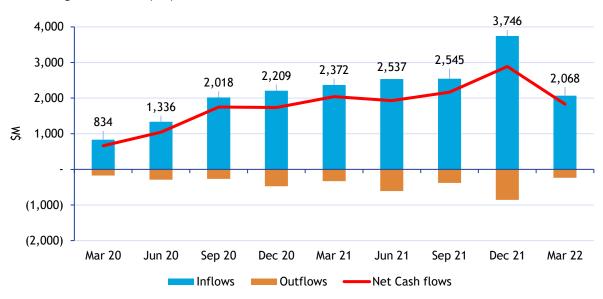
BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the March quarter of 2022 provides mixed signals for the exploration sector, with evidence of a slowdown in activity across exploration, investment and financing. However, this comes with a significant caveat in that the slowdown is relative to the record levels witnessed in the December 2021 quarter.

The largest decline was observed in the level of financing cash inflows, which decreased by 45% from \$3.75 billion in the December 2021 quarter to \$2.07 billion in the March 2022 quarter. This was mainly driven by the reduced number of large capital raisings undertaken over the March 2022 quarter, which is consistent with historical seasonality whereby fundraising activity tends to reduce at the start of the calendar year. Despite a decrease in the number of companies that raised funds of \$10 million or more,



the average financing inflow per company for the March 2022 quarter still exceeded historical averages, up 11.4% compared to the average since the March 2017 quarter.

Financing Cash Flows (\$M)



Exploration companies continued to have a strong cash position in the March 2022 quarter with 87% of exploration companies reporting a cash balance of over \$1 million as at 31 March 2022, an increase from the 69% average since the March 2017 quarter. This was largely consistent with the December and September quarters of 2021 and is higher than historical averages. This shows that the decrease in financing cash flows may not necessarily be a sign of capital markets turning, but instead represents the strong cash position of explorers, who are transitioning towards a focus on spending. The long term graph below further demonstrates that the current cash position remains at one of the strongest levels observed since BDO commenced this analysis in June 2013.

ASX Explorers' Cash Balance (%)



Exploration expenditure slowed through the March 2022 quarter, down 14% from an eight-year high of \$973 million in the December 2021 quarter. Despite this decline, the \$832 million spent this quarter still



represents the third highest exploration spend since the June quarter of 2014, exceeded only by the prior December and September quarters of 2021.

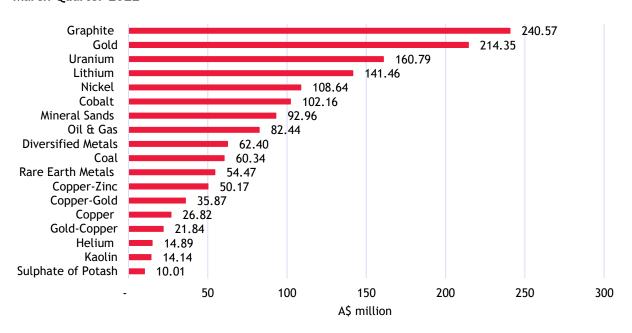


Total Exploration Expenditure - Last Two Years (\$M)

Net investing outflows in the March 2022 quarter also declined by 35% from \$1.00 billion in the December 2021 quarter to \$651 million in the March 2022 quarter. However, the level of investment spending was still relatively strong in the context of the last two years, since being subdued through 2020 and early 2021 due to economic uncertainty and travel restrictions stemming from the global pandemic.

In the March 2022 quarter, 44 companies successfully raised capital of \$10 million or more, with graphite company, Syrah Resources Limited, sourcing the most funds.

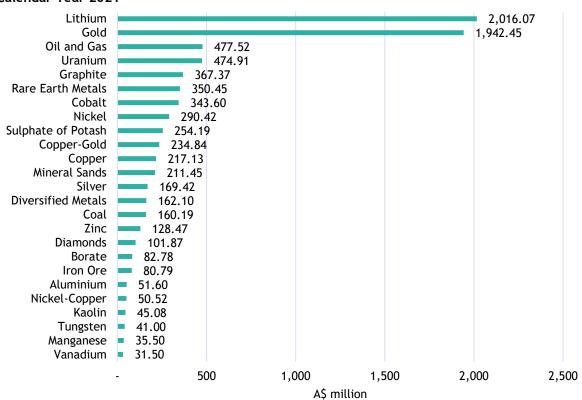
Financing Inflow by Commodity - Top 44 Explorers March Quarter 2022





Battery minerals, such as lithium, graphite, nickel and cobalt continued to be prominent in the March 2022 quarter, as in the 2021 calendar year. The rise of battery minerals is linked to the global trends of rising electric vehicle adoption and lower carbon emission targets. This ties largely into the central theme of Environmental, Social and Governance ('ESG'), which is at the forefront of the minds of explorers and investors alike.

Financing Inflow by Commodity Calendar Year 2021



RMI, having a focus on nickel exploration assets through its ownership of the KNP, the Proposed Acquisition of MNPL and current consideration of the Finnish Option may be well-positioned to benefit from this access to funding.

Source: BDO Explorer Quarterly Cash Update: March 2022 and December 2021.

8.2 Nickel

Nickel is primarily sold for consumption as a refined metal in the form of cathode, powder, or briquette. It is also sold as a ferronickel, and over 70% of nickel consumed in the developed world is used to make austenitic stainless steel and non-ferrous alloys. It is widely regarded for its corrosion resistance and is commonly used in super-alloys for fabrication of critical engine components and for other performance products and industries. Other uses include rechargeable batteries, catalysts, plating and foundry products.

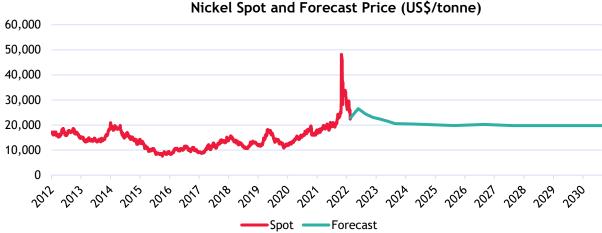
Nickel Price

Between 2012 and 2017, the nickel price steadily trended downwards, with the exception of a significant, short-lived price spike in mid-2014 resulting from the Indonesian government's ban on nickel exports, with concerns of future supply shortages. Indonesia is the world's largest nickel producer, and whilst the ban was



relaxed in 2017 following the budget deficit in 2016, the government had plans to reimpose the ban in 2022. However, in 2019 the nickel price surged as the government brought the export ban forward to January 2020. The COVID-19 Pandemic had a relatively marginal impact on the nickel industry, with prices dipping slightly in 2020. In early March 2022, the nickel price hit a 10-year high, as speculators and buyers anticipated supply disruptions following the Russian invasion of Ukraine.

The average nickel price from June 2012 through June 2022 was US\$14,495 per tonne, ranging from a low of US\$7,562 per tonne on 11 February 2016 to a high of US\$48,201 per tonne on 7 March 2022. According to Consensus Economics, the medium term forecast nickel price from 2024 to 2026 is expected to range between approximately US\$19,783 per tonne and US\$20,243 per tonne, with the long term (2027-2031) forecast at approximately US\$19,777.



Source: Bloomberg and Consensus Economics

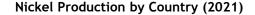
Nickel Production

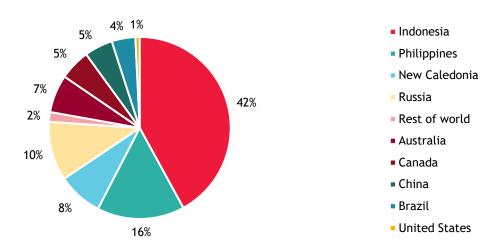
In 2021, the majority of the world's nickel was produced in Indonesia (42%), the Philippines (16%), and Russia (10%). Throughout 2021, nickel production in Indonesia increased by approximately 30% to an estimated 1,000,000 tonnes, which was aided by the ongoing commission of integrated stainless-steel projects and nickel pig iron. Whilst nickel production in the Philippines increased by approximately 23% as the government lifted the moratorium on new mining agreements originally imposed in 2012.

While overall production has increased in response to higher prices, in recent years production of refined nickel has decreased as the lower relative cost of nickel pig iron has attracted demand from steel producers. Another key production trend has been the increasing volume of nickel sulphate sold, buoyed by increasing demand for batteries used in electric vehicles and energy storage.

The graphs below illustrate estimated production output for 2021 and nickel reserves by country:



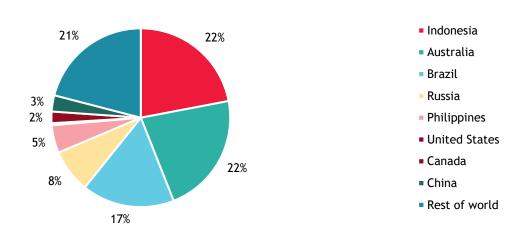




Source: U.S. Geological Survey

A figure illustrating the world's Nickel reserves is illustrated below:

Nickel Reserves by Country (2021)



Source: U.S. Geological Survey

The COVID-19 pandemic had little impact on the Australian nickel industry. Any adverse effects that the COVID-19 pandemic may have placed on the Australian nickel industry were nullified by increasing demand for stainless steel and rechargeable batteries for electric vehicles. More broadly, global consumption of nickel contracted in 2020 as production in the stainless steel and the automotive sectors curtailed due to lockdown measures. However, China's demand for nickel for use in stainless steel remained relatively high, resulting in a large increase in Chinese net exports of stainless steel for the year.

With Russia being the third-largest nickel producer, the nickel market has experienced extreme volatility in response to the Russian invasion of Ukraine. The London Metal Exchange momentarily suspended trading in early March as they witnessed the price of nickel surpass US\$100,000 per tonne. Although nickel has not



been directly targeted by the sanctions imposed against Russian exports, the price fluctuations in recent months reflects speculators and buyers concerns of anticipated future supply interruptions.

Nickel provides a key cathode material used in the production of electric vehicle batteries, which currently accounts for approximately 5% of current demand. The rechargeable batteries market is anticipated to grow significantly over the coming years, with the sector's consumption forecasted to near 35% by 2030. As global trends will move towards a lower-carbon future, there will be a significant increase in demand for nickel to produce cleaner energy technologies. However, the transition to cleaner energy and electric vehicles has raised concerns that global demand for high-grade, clean nickel will outstrip supply by 2024. In particular, there are concerns of possible shortages of battery-grade Class 1 supply of nickel, with substitutes being either emission-intensive or cost-prohibitive. Global demand for nickel is forecasted to increase from 2.5 Mt in 2021 to 3.4 Mt in 2024.

With the trend towards cleaner energy and greener mining, geothermal energy is a primary source of nickel demand. Geothermal power will account for approximately 80% of the nickel demand of the total mineral demand from all low-carbon energy sources. Whilst the expansion of concentrated solar power, hydropower, and nuclear power will also increase global demand for nickel.

A current drawback for the industry is that the rising oil prices will increase operating costs involved and the sector's profitability.

9. Valuation approach adopted

In our fairness assessment, we have compared the value of an RMI share prior to the Proposed Acquisition on a control basis (Section 10) to the value of an RMI share following the Proposed Acquisition on a minority basis (Section 11) and concluded on that comparison in Section 12.

In this section, we set out the rationale for our approach to establishing those value assessments.

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV'); and
- Market based assessment.

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above.



9.1 Value of an RMI Share prior to the Proposed Acquisition

In assessing the value of an RMI share prior to the Proposed Acquisition, we have chosen to employ the following methodologies:

- QMP as our primary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market; and
- Sum-of-Parts as our secondary methodology, which estimates the market value of a company by
 assessing the realisable value of its identifiable assets and liabilities. The value of each asset and
 liability may be determined using different methods and the component parts are then aggregated
 using the NAV methodology.

We have chosen these methodologies for the following reasons:

- The FME methodology is most commonly applicable to profitable businesses with steady growth
 histories and forecasts. RMI's mineral assets do not currently generate any income, nor are there any
 historical profits that could be used to represent future earnings. Furthermore, the FME methodology
 is not considered appropriate for valuing finite life assets such as mining assets, therefore, we do not
 consider the application of the FME approach to be appropriate;
- RMI has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds to rely, in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'), therefore we do not consider the application of the DCF approach to be appropriate;
- We have adopted the QMP as a primary methodology due to RMI's shares being listed on the ASX. This means there is a regulated and observable market where RMI's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the company's activities. As detailed in Section 10.1, we consider there to be a high level of liquidity in the market for RMI shares over the 90-trading day period leading up to the announcement of the Proposed Acquisition. Therefore, we have utilised the QMP approach as our primary valuation methodology in determining the value of an RMI share prior to the Proposed Acquisition; and
- We have adopted the Sum-of-Parts approach as our secondary valuation method. We consider that the core value of RMI lies in the value of the KNP, which is currently not a producing asset and is not generating any cash flows. Furthermore, exploration of the KNP is still at early stages with the drill program having just commenced in June 2022 and no JORC-Code compliant mineral resource estimate to date. Consequently, we consider that the Sum-of-Parts value may not fully reflect the same level of prospectivity as currently ascribed by the market through the QMP. Therefore, we have used the Sum-of-Parts method as a crosscheck to our QMP valuation. We have commissioned Valuation and Resource Management Pty Ltd ('VRM') to provide an independent market valuation of the KNP, which is incorporated in our Sum-of-Parts. We also note that our assessment includes the impact of the Subsequent Actions that have already been undertaken by the Company (see Section 10.2).

Technical Expert

In performing our valuation of RMI's mineral assets, we have relied on the Technical Specialist Report ('Technical Specialist Report') prepared by VRM. We note that RMI's mineral assets prior to the Proposed Acquisition comprises solely of its 75% interest in the KNP (no material value was ascribed to the Finnish Option).



We instructed VRM to provide an independent market valuation of RMI's mineral assets. VRM considered a number of different valuation methods when valuing these assets. VRM's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') and the JORC Code.

We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report attached in Appendix 3.

9.2 Valuation of an RMI share following the Proposed Acquisition

In our assessment of the value of an RMI share following the Proposed Acquisition, we have utilised the Sum-of-Parts methodology, which estimates the market value of RMI by aggregating the fair market value of its assets and liabilities, including those impacted through the Proposed Acquisition. In our Sum-of-Parts valuation, we have had consideration of the following:

- The value of RMI (using the QMP) prior to the Proposed Acquisition as detailed in Section 10;
- The increase in the value of the Company as a result of the acquisition of MNPL's mineral assets, being the MNTL Projects, with reliance on the independent market valuation undertaken by VRM;
- The impact on the value of the Company as a result of the acquisition of MNPL's other assets and liabilities; and
- The effect of the new shares issued as part of the Proposed Acquisition.

10. Valuation of an RMI share prior to the Proposed Acquisition

Our valuation of RMI prior to the Proposed Acquisition involves the following:

- QMP of RMI as our primary valuation methodology (Section 10.1); and
- Sum-of-Parts method as our secondary valuation methodology (Section 10.2)

10.1 Quoted Market Prices Valuation of RMI's Securities

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of approval under Item 7 of s611 the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.



Whilst KHPL will not be obtaining 100% of RMI, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. The expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in Section 13.

Therefore, our calculation of the quoted market price of an RMI share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of an RMI share is based on the pricing prior to the announcement of the Proposed Acquisition. This is because the value of an RMI share after the announcement may include the effects of any change in value as a result of the Proposed Acquisition. However, we have considered the value of an RMI share following the announcement when we have considered reasonableness in Section 13.

Information on the Proposed Acquisition was announced to the market on 9 May 2022. Therefore, the following chart provides a summary of the share price movement over the 12 months to 6 May 2022 which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of RMI shares from 6 May 2021 to 6 May 2022 has ranged from a low of \$0.012 on 1 June 2021 to a high of \$0.056 on 22 April 2022. The highest single trading day over the assessed period was 10 December 2021, where 13,024,602 shares were traded.



During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Followin	ng Share g Annou moveme	ncement	Thre Ani	ng Share ee Days A nouncem	ofter ent
29/04/2022	Quarterly Cashflow Report - March 2022	0.051	*	3.8%	0.051	moveme •	0.0%
29/04/2022	Quarterly Activities Report - March 2022	0.051	~	3.8%	0.051	•	0.0%
07/04/2022	Response to ASX Price Query	0.049	•	7.5%	0.049	•	0.0%
04/04/2022	Board changes	0.042	•	20.0%	0.049	•	16.7%
29/03/2022	Initial and Final Director's Interest Notices	0.032	•	10.3%	0.035	_	9.4%
24/03/2022	Board Changes	0.027	•	3.6%	0.032	•	18.5%
15/03/2022	Half Yearly Report and Accounts	0.020	•	5.3%	0.025	•	25.0%
31/01/2022	Appendix 3G - Unlisted Options Issued	0.017	•	22.7%	0.017	•	0.0%
31/01/2022	Cleansing Notice	0.017	•	22.7%	0.017	•	0.0%
31/01/2022	Application for quotation of securities - RMI	0.017	•	22.7%	0.017	•	0.0%
31/01/2022	Quarterly Activities Report - Dec21	0.017	•	22.7%	0.017	•	0.0%
31/01/2022	Quarterly Cashflow Report - Dec21	0.017	•	22.7%	0.017	>	0.0%
09/12/2021	Cleansing Notice	0.026	•	23.5%	0.023	•	11.5%
09/12/2021	Application for quotation of securities - RMI	0.026	•	23.5%	0.023	•	11.5%
08/12/2021	Response to ASX Price Query	0.034	•	3.0%	0.025	•	26.5%
30/11/2021	Investor Presentation	0.020	•	0.0%	0.023	•	15.0%
30/11/2021	Proposed issue of securities - RMI	0.020	•	0.0%	0.023	•	15.0%
30/11/2021	Funding for Nickel Exploration	0.020	•	0.0%	0.023	•	15.0%
18/11/2021	Kabulwanyele Project - Encouraging Nickel and Cobalt Assays	0.018	•	12.5%	0.017	•	5.6%
18/10/2021	Completion of Divestment of Wowo Gap Project	0.016	•	5.9%	0.018	•	12.5%
20/09/2021	Response to ASX Price and Volume Query	0.021	•	40.0%	0.022	•	4.8%
15/09/2021	Warden's Court Hearing EL1165 Exploration Licence Renewal	0.015	•	0.0%	0.021	•	40.0%
06/09/2021	Extension of Loan Repayment Dates	0.015	•	16.7%	0.015	•	0.0%
12/08/2021	Divestment of Wowo Gap Project	0.015	•	0.0%	0.016	•	6.7%
07/06/2021	Mapping & Soil Sampling Completed at Tanzania Nickel Project	0.017	•	0.0%	0.016	•	5.9%

Source: Bloomberg and BDO analysis.

On 7 June 2021, the Company announced mapping and soil sampling fieldwork was completed at the KNP, successfully confirming the presence of previously mapped nickel laterites. On the date of this announcement, the share price remained unchanged to close at \$0.017, before decreasing by 5.9% over the subsequent three trading days to close at \$0.016.

On 12 August 2021, the Company announced the divestment of its Wowo Gap Project, through the sale of RMI's previous subsidiary, REX. On the date of this announcement, the share price remained unchanged to close at \$0.015, before increasing by 6.7% over the subsequent three trading days to close at \$0.016.



On 6 September 2021, the Company announced that the repayment date for its loan to Corcel had been extended to 31 October 2021, to allow time for shareholder approval for the divestment of the Wowo Gap Project. On the date of this announcement, the share price decreased by 16.7% to close at \$0.015, and remained unchanged over the subsequent three trading days.

On 15 September 2021, the Company released an announcement stating that the Warden's Court Hearing, required for the exploration license renewal relating to the Wowo Gap Project was deferred from the original date. On the date of this announcement, the share price remained unchanged to close at \$0.015, before increasing by 40.0% over the subsequent three trading days to close at \$0.021.

On 20 September 2021, the Company announced its response to an ASX price and volume query, stating it was unaware of the cause of unusual trading activity which led to RMI's shares increasing from \$0.015 to an intraday high of \$0.025 of 20 September 2021. On the date of this announcement, the share price increased by 40.0% to close at \$0.021, before increasing a further 4.8% over the subsequent three days to close at \$0.022.

On 18 October 2021, the Company announced the completion of the divestment of the Wowo Gap Project through the sale of REX. On the date of this announcement, the share price decreased by 5.9% to close at \$0.016, before increasing by 12.5% over the subsequent three trading days to close at \$0.018.

On 18 November 2021, the Company announced encouraging nickel and cobalt assays from the KNP. On the date of this announcement, the share price increased by 12.5% to close at \$0.018, before decreasing 5.6% over the subsequent three trading days to close at \$0.017.

On 30 November 2021, the Company released an investor presentation, a proposed issue of securities and a proposed capital raising of \$500,000 for nickel exploration at the KNP. On the date of this announcement, the share price remained unchanged to close at \$0.020, before decreasing by 15.0% over the subsequent three trading days to close at \$0.023.

On 8 December 2021, the Company announced its response to an ASX price query stating it was unaware of the cause of unusual trading activity on 2 December 2021. On the date of this announcement, the share price increased by 3.0% to close at \$0.034, before decreasing 26.5% over the subsequent three trading days to close at \$0.025.

On 9 December 2021, the Company announced its cleansing notice and application for quotation of securities in relation to 14,375,000 ordinary fully paid shares relating to the capital raising announced on 30 November 2021. On the date of this announcement, the share price decreased by 23.5% to close at \$0.026, before decreasing by a further 11.5% over the subsequent three trading days to close at \$0.023. On 10 December 2021, the Company experienced its largest trading day by volume, with 13,024,602 shares being traded following the placement.

On 31 January 2022, the Company released its December 2021 quarterly cash flow and activities report, an application for quotation of securities, cleansing notice and Appendix 3G for unlisted options issued. On the date of this announcement, the share price decreased by 22.7% to close at \$0.017, and remained unchanged over the subsequent three trading days.

On 15 March 2022, the Company announced its half yearly reports and accounts for the half year ended 31 December 2021. On the date of this announcement, the share price increased by 5.3% to close at \$0.020, before increasing a further 25.0% over the subsequent three trading days to close at \$0.025.



On 24 March 2022, the Company released an announcement detailing the appointment of Mr. David Round as a Non-Executive Director. On the date of this announcement, the share price decreased by 3.6% to close at \$0.027, before increasing 18.5% over the subsequent three trading days to close at \$0.032.

On 4 April 2022, the Company released an announcement detailing the appointment of Mr. Jason Livingstone as a Non-Executive Director. On the date of this announcement, the share price increased by 20.0% to close at \$0.042, before increasing a further 16.7% over the subsequent three trading days to close at \$0.049.

To provide further analysis of the market prices for an RMI share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 6 May 2022.

Share Price per unit	6-May-22	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.051				
Volume weighted average price ('VWAP')		\$0.054	\$0.049	\$0.039	\$0.035
Source: Bloomberg, BDO analysis					

The above weighted average prices are prior to the date of the announcement of the Proposed Acquisition, to avoid the influence of any increase in price of RMI shares that has occurred since the Proposed Acquisition was announced.

An analysis of the volume of trading in RMI shares for period immediately prior to 6 May 2022 is set out below:

Trading days	Share price	Share price	Cumulative volume	As a % of
Trading days	low	high	traded	Issued capital
1 Day	\$0.051	\$0.051	-	0.00%
10 Days	\$0.050	\$0.057	11,115,438	2.82%
30 Days	\$0.025	\$0.058	53,094,366	13.49%
60 Days	\$0.014	\$0.058	79,619,632	20.22%
90 Days	\$0.014	\$0.058	94,479,905	24.00%

Source: Bloomberg, BDO analysis

The table and accompanying graph above indicates that for the months following mid-September 2021, RMI's shares displayed a high level of liquidity. However, prior to this, RMI's shares appeared to have displayed a low level liquidity.

RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.



In the case of RMI, we consider the shares to display a high level of liquidity, on the basis that more than 1% of the securities have been traded weekly on average in the weeks preceding the announcement of the Proposed Acquisition, evidenced by the 24.00% of issued capital being traded in the 90 trading days prior to 6 May 2022.

Our assessment is that a range of values for RMI shares based on market pricing, after disregarding post announcement pricing, is between \$0.045 and \$0.055, with a midpoint of \$0.050.

Control Premium

The quoted market price per share reflects the value to minority shareholders. In order to value an RMI share on a control basis, we have added a control premium that is based on our analysis set out below.

We have reviewed control premiums on completed transactions, paid by acquirers of mining and exploration companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

ASX-listed mining and exploration companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2022	4	3767.40	31.37
2021	6	1235.14	29.89
2020	6	494.17	33.24
2019	11	153.60	36.27
2018	9	61.53	39.47
2017	5	13.91	35.21
2016	11	66.19	51.54
2015	9	340.83	57.86
2014	15	113.69	41.79
2013	13	134.67	34.94
2012	12	98.98	50.77

Source: Bloomberg and BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2022	17	6,311.50	17.43
2021	33	1,420.58	33.59
2020	25	451.20	37.66
2019	43	3,161.24	29.90
2018	42	1,158.47	31.08
2017	29	973.72	37.91
2016	38	788.28	36.82
2015	34	828.15	34.10
2014	45	517.00	37.98
2013	36	138.78	33.37
2012	32	474.54	42.22

Source: Bloomberg and BDO analysis



The mean and median of the entire data sets comprising control transactions from 2012 onwards for ASX-listed mining and exploration companies and all ASX-listed companies are set out below:

Entire Data Set Metrics	,	g and exploration panies	All ASX-liste	d companies
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	361.84	41.71	1260.01	34.37
Median	37.48	39.66	119.62	30.50

Source: Bloomberg and BDO analysis

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

The table above indicates that the long-term average control premium by acquirers of ASX-listed mining and exploration companies and all ASX-listed companies is approximately 41.71% and 34.37% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 39.66% for ASX-listed mining and exploration companies and 30.50% for all ASX-listed companies.

Based on the above, we consider an appropriate premium for control to be between 30% and 40%, with a midpoint of 35%.

Quoted market price including control premium

Applying a control premium to RMI's quoted market share price results in the following quoted market price value including a premium for control:

Low	Preferred	High
\$	\$	\$
0.045	0.050	0.055
30%	35%	40%
0.059	0.067	0.077
	30%	30% 35%

Source: BDO analysis

Therefore, our valuation of an RMI share based on the quoted market price method and including a premium for control is between \$0.059 and \$0.077, with a midpoint value of \$0.067.



10.2 Sum-of-Parts valuation of RMI

To provide a comparison to the valuation of RMI in Section 10.1, we have also assessed the Sum-of-Parts valuation for an RMI share as a secondary crosscheck.

We have employed the Sum-of-Parts methodology in estimating the fair market value of an RMI share prior to the Proposed Acquisition, by aggregating the estimated fair market values of the Company's underlying assets and liabilities, having consideration of the following:

- Value of RMI's 75% interest in the KNP; and
- Value of RMI's other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of RMI prior to the Proposed Acquisition	Ref	Low	Preferred	High
valuation of RMI prior to the Proposed Acquisition		\$	\$	\$
Value of RMI's 75% interest in the KNP*	10.2.1	100,000	200,000	200,000
Value of RMI's other assets and liabilities	10.2.2	1,169,697	1,169,697	1,169,697
Total value of RMI prior to the Proposed Acquisition (control)		1,269,697	1,369,697	1,369,697
Number of shares on issue	10.2.3	418,173,077	418,173,077	418,173,077
Value per share prior to the Transaction (control)		\$0.003	\$0.003	\$0.003

Source: BDO analysis

The table above indicates the value of an RMI share prior to the Proposed Acquisition is \$0.003 (rounded to three decimal places) under low, preferred and high valuations. We note that because the Sum-of-Parts method provides a value on a control basis, no further control premium adjustment would be appropriate.

We note that the number of shares on issue (see Section 10.2.3) used in our Sum-of-Parts assessment considers the 2,500,000 RMI shares issued as consideration for the Finnish Option. However, on the basis that the Finnish Projects are only under option, we do not consider any material asset value attributable to the Finnish Option and have hence not considered it as a component to our Sum-of-Parts assessment.

We also note that RMI has 15,000,000 Options on issue. Our valuation above is presented on an undiluted basis, that is, it does not consider the exercise of Options (we note that the valuation range above is considerably out of the money in terms of the exercise price of the Options and hence there is no basis to assume exercise of these Options).

10.2.1. Value of RMI's 75% interest in the KNP

We instructed VRM to provide an independent market valuation of the exploration assets held by RMI, which only relates to the 75% interest in the KNP. VRM considered a number of different valuation methods when valuing the exploration assets of RMI. VRM valued the KNP using the geoscientific (Kilburn) method as a primary valuation methodology.

VRM applied a cross check to its valuation using a comparable transactions method based on area, which broadly supported the low end of its valuation range. Further details of VRM's valuation assumptions and methodologies are set out in its report attached as Appendix 3.

^{*}VRM values were provided in millions. Figures are therefore rounded to the nearest hundred thousandths.



VRM's assessment of 75% of the value of the KNP ranged between \$0.1 million and \$0.2 million with a preferred valuation of \$0.2 million. The 75% beneficial ownership through RMI's 75% interest in ENPL was applied on a pro-rata basis.

10.2.2. Value of RMI's other assets and liabilities

The value of RMI's other assets and liabilities are not captured within VRM's valuation. Therefore, we have included the value of RMI's other assets and liabilities in our Sum-of-Parts assessment.

We have assessed the value of RMI's other assets and liabilities by first using the reviewed statement of financial position of RMI as at 31 December 2021 and comparing this to the unaudited statement of financial position as at 31 May 2022, provided by RMI management.

The value of RMI's net assets is reflected in our valuation below:

		Reviewed as at	Adjusted
Statement of Financial Position	Ref	31-Dec-21	Value
		\$	\$
Current assets			
Cash and cash equivalents	a)	57,833	1,850,065
Receivables and other current assets		16,924	16,924
Total current assets		74,757	1,866,989
Total assets		74,757	1,866,989
Current liabilities			
Trade and other payables	b)	387,578	42,806
Interest bearing liabilities		5,301	5,301
Non-interest bearing liabilities	c)	1,252,035	649,186
Total current liabilities		1,644,914	697,293
Total liabilities		1,644,914	697,293
Net assets		(1,570,157)	1,169,697

Source: RMI's reviewed financial statements for the half-year ended 31 December 2021, RMI consolidated report for 31 May 2022 and BDO analysis

We have not undertaken a review of RMI's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information provided to us was not prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of RMI since 31 December 2021 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2021 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

The following adjustments were made to the net assets of RMI as at 31 December 2021 in arriving at our valuation:



Note a) Cash and cash equivalents

RMI Management has provided us with the unaudited cash balance of RMI as at 31 May 2022. We have adjusted the reviewed cash and cash equivalents balance of \$0.06 million as at 31 December 2021 to \$1.85 million, which comprises the cash balance of \$0.65 million as at 31 May 2022 and the additional \$1.2 million raised under the June Share Placement. Our inclusion of the funds raised from the June Share Placement is on the basis that we have included the 10,000,000 RMI shares issued as part of the June Share Placement, hence our assessment is performed on a like-for-like basis.

We have verified the 31 May 2022 cash balance by obtaining bank statements as support. We note that the increase in the cash and cash equivalents is primarily driven by the proceeds from the May Share Placement of \$0.62 million that was announced as completed on 17 May 2022.

Note b) Trade and other payables

We have adjusted the reviewed trade and other payables balance of \$0.39 million as at 31 December 2021 to \$0.04 million as at 31 May 2022, which was driven by the decrease in accruals relating to accrued director fees that were forgiven and settled in February 2022.

Note c) Non-interest bearing liabilities

We have adjusted the reviewed non-interest bearing liabilities balance of \$1.25 million as at 31 December 2021 to \$0.65 million as at 31 May 2022, as the result of loans being paid off or forgiven.

10.2.3. Number of shares on issue

As at 9 May 2022, RMI had 393,673,077 shares outstanding. Following several Subsequent Actions undertaken by the Company, RMI had 418,173,077 shares outstanding, which we have used in our assessment of the value per RMI share. We have used the latest capital structure of RMI on the basis that the 31 May 2022 balance sheet considers the Subsequent Actions undertaken by the Company.

The movement in the number of shares outstanding from 9 May 2022 to 27 June 2022 is set out below:

Number of Shares on Issue	No. of Ordinary Shares
Total ordinary shares on issue as at 9 May 2022	393,673,077
Shares issued under May Share Placement	10,000,000
Shares issued for purchase of Finnish Option	2,500,000
Shares issued under June Share Placement	10,000,000
Shares issued due to exercise of Options	2,000,000
Total ordinary shares on issue as at 27 June 2022	418,173,077

Source: RMI ASX announcements



10.3 Assessment of the value of an RMI share prior to the Proposed Acquisition

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
QMP including a premium for control (Section 10.1)	0.059	0.067	0.077
Sum-of-Parts (Section 10.2)	0.003	0.003	0.003

Source: BDO analysis

We have chosen to rely solely on the QMP for the purposes of determining our range for the following reasons:

- As detailed in Section 10.1, RMI shares display a high level of liquidity over the preceding sixmonth period prior to the announcement of the Proposed Acquisition. As the QMP methodology relies on there being a liquid and active market for the Company's shares, we consider that the QMP of RMI provides a suitably reliable indicator of value which should be considered in our overall assessment; and
- We have not relied on our Sum-of-Parts valuation range noting that it is significantly lower than the valuation range assessed under QMP. We note that this is primarily due to the lower valuation range ascribed to RMI's 75% interest in the KNP of \$0.1 million to \$0.2 million as assessed by VRM. VRM's Technical Specialist Report has been prepared in accordance with the VALMIN Code and the JORC Code, and we are satisfied that the valuation approach and methodologies undertaken by VRM is appropriate for the early stage nature of the KNP asset. However, on the basis that a Shareholder will be able to realise the value of an RMI share closer to the QMP value, we have placed more reliance on the valuation range assessed under QMP.

The value of an RMI share under the QMP approach could be more than the Sum-of-Parts-derived valuation as the quoted market price of RMI's shares may be influenced by investors' perceptions of future upside in relation to the Company's project which is not reflected in the Sum-of-Parts. This could be due to the market factoring in an optimistic view of future exploration results, perception of board and management governance, and nickel price expectations. On the other hand, VRM has prepared its Technical Specialist Report in compliance with the VALMIN Code and other industry guidelines, whilst also adhering to guidance provided by ASIC's Regulatory Guides. Market participants are not governed by these industry codes.

Based on the results above we consider the value of an RMI share to be between \$0.059 and \$0.077, with a preferred value of \$0.067.



11. Valuation of an RMI share following the Proposed Acquisition

As detailed in Section 9.2, our valuation of an RMI share following the Proposed Acquisition is determined using the Sum-of-Parts approach. We have relied on VRM's valuation of the MNTL Projects as a key component to the valuation of RMI following the Proposed Acquisition.

11.1 Sum-of-Parts valuation of RMI following the Proposed Acquisition

We have employed the Sum-of-Parts methodology in estimating the fair market value of an RMI following the Proposed Acquisition, by aggregating the estimated fair market values of the Company's underlying assets and liabilities, having consideration of the following:

- Value of RMI prior to the Proposed Acquisition (with reliance on the QMP valuation);
- The increase in the value of the Company as a result of the acquisition of MNPL's mineral assets, being the MNTL Projects, with reliance on the independent market valuation undertaken by VRM;
- The increase in the value of the Company as a result of the acquisition of MNPL's other assets and liabilities; and
- The effect of the new shares issued as part of the Proposed Acquisition.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of DM following the Droposed Acquisition	Ref	Low	Preferred	High
Valuation of RMI following the Proposed Acquisition		\$	\$	\$
Value of RMI prior to the Proposed Acquisition	11.1.1	24,672,212	28,017,596	32,199,327
Value of the MNTL Projects	11.1.2	1,600,000	3,700,000	5,900,000
Value of MNPL's other assets and liabilities	11.1.3	(146,334)	(146,334)	(146,334)
Total value of RMI following the Proposed Acquisition (control)		26,125,878	31,571,262	37,952,993
Number of Shares on issue following the Proposed Acquisition				
Shares on issue prior to the Proposed Acquisition	10.2.3	418,173,077	418,173,077	418,173,077
Issue of Consideration Shares	4	75,000,000	75,000,000	75,000,000
Total number of Shares following the Proposed Acquisition		493,173,077	493,173,077	493,173,077
Value per RMI share following the Proposed Acquisition (control)		\$0.053	\$0.064	\$0.077
Minority interest discount	11.1.4	29%	26%	23%
Value per RMI share following the Proposed Acquisition (minority)		\$0.038	\$0.047	\$0.059

Source: BDO Analysis.

The table above indicates that the value of an RMI share on a minority basis is between \$0.038 and \$0.059, with a preferred value of \$0.047.

Potential impact of Debt Repayment

As outlined in Section 4 of our Report, we note that while the Debt Repayment is still subject to Shareholder approval and is not conditional on the approval of the Proposed Acquisition, it is expected



that if the Debt Repayment is approved, it will be executed prior to the completion of the Proposed Acquisition.

Therefore, we have also considered the impact of the execution of the Debt Repayment on our assessment if the Debt Repayment were to be approved.

The Debt Repayment involves the extinguishment of \$649,186 debt owing to KHPL in exchange for the issue of 10,470,742 RMI shares and 2,094,148 Options (on same terms as the May Placement Options). To consider this within our Sum-of-Parts Valuation, the debt extinguishment will represent an increment to the total value of RMI following the Proposed Acquisition as the Company will no longer be liable to pay this debt, however, the total number of shares on issue will increase with the issue of 10,470,742 RMI shares to KHPL. We have not considered the exercise of Options as our assessment is performed on an undiluted basis.

	Ref	Low	Preferred	High
Impact of Debt Repayment on value of RMI share		\$	\$	\$
Total value of RMI following the Proposed Acquisition (control)		26,125,878	31,571,262	37,952,993
Add: Increase in value as a result of Debt Repayment		649,186	649,186	649,186
Total value of RMI following the Proposed Acquisition (with Debt Repayment included)		26,775,064	32,220,448	38,602,179
Number of Shares on issue following the Proposed Acquisition				
Shares on issue prior to the Proposed Acquisition	10.1.3	418,173,077	418,173,077	418,173,077
Issue of Consideration Shares	4	75,000,000	75,000,000	75,000,000
Issue of Debt Repayment shares to KHPL		10,470,742	10,470,742	10,470,742
Total number of Shares following the Proposed Acquisition		503,643,819	503,643,819	503,643,819
Value per RMI share following the Proposed Acquisition (control)		\$0.053	\$0.064	\$0.076
Minority interest discount	11.1.4	29%	26%	23%
Value per RMI share following the Proposed Acquisition (minority)		\$0.038	\$0.047	\$0.059

Source: BDO Analysis.

Based on the table above, the approval of the Debt Repayment will not have a material impact on the Sum-of-Parts valuation following the Proposed Acquisition.

11.1.1. Value of RMI prior to the Proposed Acquisition

As outlined in Section 10.3, we consider the value of an RMI share prior to the Proposed Acquisition on a controlling interest basis to range from \$0.059 and \$0.077, with a preferred value of \$0.067. We have outlined below the range of values this equates to:



Valuation of DAI prior to the Droposed Assuicition	Low	Preferred	High
Valuation of RMI prior to the Proposed Acquisition	\$	\$	\$
Value of a an RMI share	0.059	0.067	0.077
Number of shares on issue prior to the Proposed Transaction	418,173,077	418,173,077	418,173,077
Value of RMI prior to the Proposed Acquisition	24,672,212	28,017,596	32,199,327

Source: BDO analysis

11.1.2. Value of the MNTL Projects

We instructed VRM to provide an independent market valuation of the MNTL Projects. VRM considered a number of different valuation methods when valuing the MNTL Projects. Similar to the valuation of the KNP, VRM valued the MNTL Projects using the geoscientific (Kilburn) method as a primary valuation methodology.

VRM applied a cross check to its valuation using a comparable transactions method based on area, which broadly supported the low end of its valuation range. Further details of VRM's valuation assumptions and methodologies are set out in its report attached as Appendix 3.

VRM's assessment of the MNTL Projects ranged between \$1.6 million and \$5.9 million with a preferred valuation of \$3.7 million.

VRM also considered whether the Royalty Deed was of a material value that would imply an offset to the valuation of the MNTL Projects above. Given the very early stage of exploration on the MNTL Projects and the high uncertainty at the current time as to whether future exploration will result in the definition of any mineral resource or ore reserve estimates or potential future mineral production, VRM is of the opinion that the Royalty Deed is of no material value.

11.1.3. Value of MNPL's other assets and liabilities

The value of MNPL's other assets and liabilities are not captured within VRM's valuation. Therefore, we have included the value of MNPL's other assets and liabilities in our Sum-of-Parts assessment.

We have assessed the value of MNPL's other assets and liabilities using the unaudited consolidated statement of financial position of MNPL as at 31 May 2022, provided by RMI management in Section 6.5.

The value of MNPL's net assets is reflected in our valuation below:

Consolidated Statement of Financial Position	Consolidated MNPL As at 31 May 22 \$
Current assets	
Cash and cash equivalents	227
Total current assets	227
Total assets	227
Current liabilities	
Total trade creditors and accruals	146,560
Total current liabilities	146,560
Total liabilities	146,560
Net assets/(net asset deficiency)	(146,334)

Source: MNPL consolidated report for 31 May 2022 and BDO analysis



We have not undertaken a review of RMI's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information provided to us was not prepared on a reasonable basis.

11.1.4. Minority interest discount

As outlined in Section 3.3 of our Report, in assessing fairness we have compared the value of an RMI share prior to the Proposed Acquisition on a control basis to the value of an RMI share following the Proposed Acquisition on a minority interest basis, as we are required to do by RG 111.

A minority interest discount is the inverse of a premium for control and is calculated using the formula 1-(1÷ (1 + control premium)). As discussed in section 10.1, we consider an appropriate control premium for RMI to be in the range of 30% to 40%, giving a minority interest discount in the range of 23% to 29%, with a rounded midpoint of 26%.

12. Is the Proposed Acquisition Fair?

The value of an RMI share prior to the Proposed Acquisition compares to the value of an RMI share following the Proposed Acquisition as shown below:

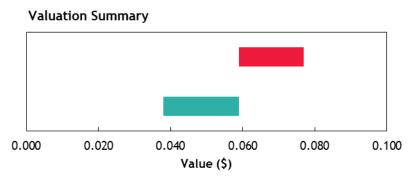
	Ref	Low Preferred		High	
	Rei	\$	\$	\$	
Value of an RMI share prior to the Proposed Acquisition on a controlling interest basis	10.3	0.059	0.067	0.077	
Value of an RMI share following the Proposed Acquisition on a minority interest basis	11.1	0.038	0.047	0.059	

Source: BDO analysis

The above valuation ranges are graphically presented below:

Value of an RMI share prior to the Proposed Acquisition on a controlling interest

Value of an RMI share following the Proposed Acquisition on a minority interest



The above pricing indicates that in the absence of any other relevant information, and an alternative offer, the Proposed Acquisition is not fair for Shareholders.

We note that RG 111 states that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. Despite this, our assessment is that the Proposed Acquisition is not fair as our valuation of RMI following the Proposed Acquisition is less



than our valuation of RMI prior to the Proposed Acquisition at each of the low, mid, and high points of our valuation ranges.

Further, we note that whilst the low valuation point prior to the Proposed Acquisition and the high valuation point following the Proposed Acquisition are the same, it would be inappropriate to compare these two points, as our valuation of RMI following the Proposed Acquisition is inclusive of our pretransaction value. As a result, comparing these points would imply two different values for the same assets. Therefore, the above valuations must be compared on a like for like basis at individual points, rather than across the range.

Accordingly, we consider the Proposed Acquisition to be not fair for Shareholders.

13. Is the Proposed Acquisition Reasonable?

13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of RMI a premium over the value resulting from the Proposed Acquisition.

13.2 Practical Level of Control

If the Proposed Acquisition is approved then KHPL, an entity controlled and owned by Mr. Kabunga, will hold a 23.01% interest in RMI on an undiluted basis (based on share capital as at 18 July 2022). In addition, if the Debt Repayment is approved by Shareholders and 10,470,742 RMI shares are issued to KHPL, the subsequent approval of the Proposed Acquisition will result in KHPL holding a 24.61% interest.

Mr. Kabunga is currently the Executive Chairman of RMI on a board that currently comprises four directors. We understand that there will be no change in the board of the Company as a result of the Proposed Acquisition.

When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution required 75% of shares on issue to be voted in favour to approve a matter. If the Proposed Acquisition is approved, Mr. Kabunga, through his control of KHPL, will still not be able to block special and general resolutions. This is still the case when taking into account the issue of 10,470,742 RMI shares as part of the Debt Repayment.

In our opinion, while Mr. Kabunga will be able to significantly influence the activities of RMI, he will not be able to exercise a similar level of control as if he held 100% of RMI. As such, Mr. Kabunga should not be expected to pay a similar premium for control as if it were acquiring 100% of RMI.

13.3 Potential impact of Subsequent Actions

As outlined in Section 4 of our Report, RMI has announced certain Subsequent Actions following the announcement of the Proposed Acquisition, which are yet to be undertaken as at the date of our Report. These include:

The Proposed Capital Raising to raise \$4 million before costs through the issue of up to 83,333,333
 RMI shares;



- The Debt Repayment to KHPL which will be undertaken through the issue of 10,470,742 RMI shares and 2,094,148 Options, which is subject to Shareholder approval; and
- The proposed issue of 20 million Rights to Mr. Kabunga which vest subject to Mr. Kabunga remaining a Director in the Company and certain RMI share price targets being met.

We have determined in Section 11 of our Report that the approval of the Debt Repayment will have no material impact on our assessment of fairness.

However, as the terms of the Proposed Capital Raising have yet to be determined and the proposed issue of Rights is yet to be approved, we can only highlight this as a point of consideration to Shareholders. This is in order to provide a comprehensive assessment of the Proposed Acquisition within the context of all Subsequent Actions.

13.4 Consequences of not Approving the Proposed Acquisition

Potential decline in share price

We have analysed movements in RMI's share price since the Proposed Acquisition was announced on 9 May 2022. A graph of RMI's share price and trading volume leading up to, and following the announcement of the Proposed Acquisition is set out below:

0.200 O.150 Announcement of Proposed Acquisition O.050 O.000 Announcement of Proposed Acquisition 15.0 10.0 5.0 Volume Closing Price

RMI post-announcment pricing and trading volume history

Source: Bloomberg

The closing share price of RMI was \$0.051 on 6 May 2022, before increasing 5.88% to close at \$0.054 on 9 May 2022, being the first trading day following the announcement of the Proposed Acquisition. On 9 May 2022, 1,823,405 shares were traded, representing approximately 0.45% of the Company's current issued capital. The closing price of an RMI share from 18 January 2022 to 18 July 2022 has ranged from a low of \$0.015 on several days across February and March 2022 to a high of \$0.175 on 27 June 2022.

Following the announcement of the Proposed Acquisition, RMI's share price has since averaged \$0.117 over the period from 9 May 2022 to 18 July 2022. We note that this is higher than the value of the Consideration of \$0.051 per share.



Based on the above analysis, it is possible that if the Proposed Acquisition is not approved then RMI's share price may decline back to its pre-announcement levels.

13.5 Advantages of Approving the Proposed Acquisition

We have considered the following advantages when assessing whether the Proposed Acquisition is reasonable.

Advantage	Description
RMI will obtain additional nickel assets that will complement the potential resource of its existing KNP	The MNTL Projects are complimentary to the KNP, based on resource type and location, comprising 1,415 km ² of prospective land. In particular, the Kabanga North Project and Kapalagulu Project are located in the same belt in western Tanzania as RMI's KNP.
No cash element	The Proposed Acquisition does not deplete the cash funds of RMI as the consideration payable by the Company is in the form of ordinary shares in RMI with no cash element.
Aligns the interests of KHPL and RMI Shareholders	Following the Proposed Acquisition, KHPL will hold a 23.01% interest in RMI on an undiluted basis (and potentially up to 24.61% on an undiluted basis when considering the issue of 10,470,742 Debt Repayment shares) and will be the Company's most significant shareholder. KHPL also owns the other 25% interest in the KNP.
	The proposed issue of 75 million Consideration Shares will result in the increased alignment of interests between KHPL and the Shareholders.
	This is further advantageous given Mr. Kabunga's experience with operating businesses in Tanzania and his understanding of the regulatory and political environment.

Source: BDO Analysis

13.6 Disadvantages of Approving the Proposed Acquisition

If the Proposed Acquisition is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
Loss of control by Shareholders	Since Mr. Kabunga will hold an interest of approximately 23.01% shareholding of the Company on an undiluted basis (and potentially 24.61% on an undiluted basis when considering the issue of 10,470,742 Debt Repayment shares) this will restrict the remaining shareholders' ability to take decisions requiring Ordinary and Special Resolutions without the approval of Mr. Kabunga.
Dilution of existing Shareholders' interests	The issue of new RMI shares as part of the Proposed Acquisition is dilutive to current Shareholders.
Source: BDO Analysis	



14. Conclusion

We have considered the terms of the Proposed Acquisition as outlined in the body of this report and have concluded that, in the absence of an alternative offer, the Proposed Acquisition is not fair but reasonable to Shareholders.

In our opinion, the Proposed Acquisition is not fair because the value of an RMI share following the Proposed Acquisition on a minority interest basis is less than the value of an RMI share prior to the Proposed Acquisition on a controlling interest basis.

However, we consider the Proposed Acquisition to be reasonable because the advantages of the Proposed Acquisition to Shareholders are greater than the disadvantages. In particular, the MNTL Projects to be acquired are complementary to RMI's KNP, as the mineral assets are all located within the same region in western Tanzania and are prospective for nickel.

Furthermore, although KHPL's shareholding of the Company will exceed 20% following the Proposed Acquisition, we consider that this may be advantageous to the Company as it will increase the alignment of interests between KHPL and RMI Shareholders. We note that KHPL owns the other 25% interest in the KNP, making it a strategic partner to the operations of RMI.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this Report;
- Audited financial statements of RMI for the years ended 30 June 2020 and 30 June 2021;
- Reviewed financial statements of RMI for the half year ended 31 December 2021;
- Unaudited management accounts of RMI for the 11 months ended 31 May 2022;
- Independent Valuation Report of RMI and MNPL's mineral assets dated 19 July 2022 performed by VRM:
- Share registry information as at 18 July 2022;
- Information in the public domain; and
- Discussions with Independent Directors and Management of RMI.



16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$33,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by RMI in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by RMI, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to RMI, MNPL and KHPL and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of RMI, MNPL and KHPL and their respective associates.

The provision of our services is not considered a threat to our independence as auditors under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of RMI.

A draft of this report was provided to RMI and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the Audit and Assurance and Corporate Finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 400 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate



Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of the Chartered Accountants Australia & New Zealand. Adam's career spans over 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a large number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of RMI for inclusion in the Notice of Meeting which will be sent to all RMI Shareholders. RMI engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider RMI's proposed acquisition of MNPL through the issue of shares to a related party, KHPL.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Independent Directors of the Company are responsible for conducting appropriate due diligence in relation to MNPL. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Acquisition, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of RMI, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by RMI.

The valuer engaged for the mineral asset valuation, Valuation and Resource Management, possesses the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.



The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes

Director

Adam Myers

Director



Appendix 1 - Glossary of Terms

Reference	Definition
A\$	Australian dollars
the Act	The Corporations Act 2001 Cth
ADBG	African Development Bank Group
AFCA	Australian Financial Complaints Authority
AUD	Australian dollars
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
the Company	Resource Mining Corporation Limited, or RMI
Consideration Shares	The consideration for the Proposed Acquisition includes the issue of 75 million fully paid ordinary shares in RMI to the Vendor at a deemed issue price of \$0.051
Corcel	Corcel Plc
Corporations Act	The Corporations Act 2001 Cth
Debt Repayment	The proposed debt repayment to KHPL of \$649,186 through the issue of 10,470,742 RMI shares and 2,094,148 Options on similar terms as the May Share Placement
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Element92	The vendor of the Finnish Projects
EM	Electromagnetic
ENPL	Eastern Nickel Pty Ltd
ENTL	Eastern Nickel Tanzania Ltd



Reference	Definition
ESG	Environmental, Social and Governance
Fairstone	Fairstone Holdings Pty Ltd
Finnish Projects	Roussakero Nickel, Hirvikallio Lithium, and Kola Lithium
Finnish Option	The exclusive option to acquire the Finnish Projects, as announced on 7 June 2022
FME	Future Maintainable Earnings
FSG	Financial Services Guide
GDP	Gross Domestic Product
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
item 7 s611	item 7 Section 611 of the Corporations Act
June Share Placement	the share placement announced on16 June 2022 to raise \$1.20 million (before costs) through the issue of 10,000,000 RMI shares, with 5,000,000 unlisted free-attaching Options
June Placement Options	the 5,000,000 Options issued as part of the June Share Placement with an exercise price of \$0.150 and maturity date of 36 months from the date of issue
Kabanga Nickel	Kabanga Nickel Limited
the Kabanga North Project	the Kabanga North Nickel Project
the Kapalagulu Project	the Kapalagulu Nickel (Copper+PGE's) Project
KHPL	Kabunga Holdings Pty Ltd
KHPL Facility	a \$500,000 interest-free unsecured loan facility provided by KHPL to RMI to assist with ongoing expenditure commitments until completion of the Proposed Capital Raising
the Kitai Project	the Kitai Nickel Project
km	Kilometres
km²	Square kilometres
KNP	The Kabulwanyele Nickel Project
Leticia Kabunga	Leticia Herman Kabunga
the Liparamba Project	the Liparamba Nickel Project
Lindian Resources	Lindian Resources Limited



Reference	Definition
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
May Share Placement	the share placement announced on 17 May 2022 to raise \$0.62 million (before costs) through the issue of 10,000,000 RMI shares, with 2,000,000 unlisted free-attaching Options
May Placement Options	the 2,000,000 Options issued as part of the May Share Placement with an exercise price of \$0.080 and maturity date of 36 months from the date of issue
the Mbinga Project	the Mbinga Nickel Project
MNPL	Massive Nickel Pty Ltd
MNTL	Massive Nickel Tanzania Limited
the MNTL Projects	The collective of prospecting licences either granted or in application held by MNTL
MSA Group	South African-based technical consultants, MSA Group
Mr. Kabunga	Mr. Asimwe Kabunga
Mt	Million tonnes
NAV	Net Asset Value
NGOs	Non-Government Organisations
Notice of Meeting	The Notice of Meeting for RMI that our Report is to be included in to assist Shareholders in their decision of whether to approve the Proposed Acquisition
Nominated Third Parties	Third parties nominated by KHPL that will receive Consideration Shares pursuant to the Proposed Acquisition
Options	Share options held in RMI
our Report	This Independent Expert's Report prepared by BDO
PL	Prospecting licenses
ppm	Parts per million
the Proposed Acquisition	the proposed acquisition of 100% of the issued capital in MNPL by RMI, which indirectly holds a portfolio of nickel exploration assets in Tanzania
Proposed Capital Raising	The proposed capital raising to raise \$4 million through the issue of up to 83,333,333 which is expected to be undertaken closer to the completion of the Proposed Acquisition
QMP	Quoted market price
RBA	Reserve Bank of Australia



Reference	Definition
RC	Reverse circulation
Regency Mines	Regency Mines Australasia Pty Ltd
REX	Resource Exploration Pty Ltd
RG 74	Regulatory Guide 74 - 'Acquisitions Approved by Members'
RG 76	Regulatory Guide 76 - 'Related party transactions'
RG 111	Regulatory Guide 111 - 'Content of Expert Reports'
RG 112	Regulatory Guide 112 - 'Independence of Experts'
RG 170	Regulatory Guide 170 - 'Prospective Financial Information'
Rights	10 million Performance Rights issued to Mr. Asimwe Kabunga
RMI	Resource Mining Corporation Limited
Royalty Deed	Net smelter return royalty deed for future production arising from the MNTL Projects
Section 606	Section 6060 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of RMI not associated with KHPL
Sinom	Sinom (Hong Kong) Limited
Strandline Resources	Strandline Resources Limited
the Southwest Projects	The Liparamba Project, Kitai Project and Mbinga Project that are located in the southwest of Tanzania
Subsequent Actions	The key corporate actions announced by RMI in conjunction with, and subsequent to the announcement of the Proposed Acquisition on 9 May 2022
Sum-of-Parts	A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies
Technical Specialist Report	The Independent Technical Specialist Report prepared by VRM
TZS	Tanzanian Shillings
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)



Reference	Definition
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time
the Vendor	Kabunga Holdings Pty Ltd, or KHPL
Volt Resources	Volt Resources Limited
VRM	Valuation and Resource Management Pty Ltd
VWAP	Volume Weighted Average Price
We, us, ours	BDO Corporate Finance (WA) Pty Ltd
Wowo Gap Project	The Wowo Gap Nickel Laterite Project

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Australia



Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 Net asset value ('NAV')

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 Quoted Market Price Basis ('QMP')

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 Capitalisation of future maintainable earnings ('FME')

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.



The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.



Appendix 3 - Independent Valuation Report





Presented To:

Resource Mining Corporation Limited



Date Issued: 19 July 2022

Document Reference	RMC Tanzania Nio Report Rev3	ckel Projects BDO Valuation		
Distribution	BDO Corporate Fi	inance (WA) Pty Ltd		
	Resource Mining	Corporation Limited		
	Valuation and Res	Valuation and Resource Management Pty Ltd		
Principal Author	Deborah Lord			
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	MAIG	Deborah Lord		
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		Date: 19 July 2022		
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Peer Review	Paul Dunbar MSc	(Minex) MAusIMM, MAIG		
Valuation Date	9 May 2022			



Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) engaged Valuation and Resource Management Pty Ltd (VRM) to prepare an Independent Technical Assessment and Valuation report (ITAR or the Report) on a proposed transaction announced by Resource Mining Corporation Limited (ASX:RMI) (RMC or the Company) on 9 May 2022 to acquire 100% of the issued capital of Massive Nickel Pty Ltd (MNPL) (Proposed Transaction). MNPL holds 99% of the issued capital of Massive Nickel Tanzania Limited (MNTL) which holds a 100% interest in several prospecting licences (granted or in application) that comprise the Kabanga North, Kapalagulu, Mbinga, Liparamba and Kitai Projects in Tanzania (together the MNTL Projects). The vendor to the Proposed Transaction is Kabunga Holdings Pty Ltd (KHPL).

BDO was commissioned by RMC to prepare an Independent Expert's Report (IER) to assist the Shareholders of RMC in relation to the Proposed Transaction. The consideration to be paid by RMC consists of 75 million shares in RMC, as well as the entering into a royalty deed between MNTL and KHPL for a 1.5% Net Smelter Return (NSR) royalty payable in relation to potential future production from the MNTL Projects.

RMC has an existing 75% interest in the Kabulwanyele Nickel Project (Kabulwanyele Project) also located in Tanzania where results from exploration conducted in 2021 have been recently drilled, assay results from this drilling are pending. This mineral asset is also included in the ITAR.

Recently, on 7 and 23 June 2022 RMC reported that it has commenced a four-month option term to complete evaluation, conduct due diligence and finalise negotiations on certain nickel and lithium exploration assets in Finland (Target Projects). As the Target Projects remain under option at the current time and the Company expects the potential acquisition will be subject to other approvals and negotiations the Target Projects are not considered material assets and are therefore not included in the ITAR. The Company issued 2,500,000 fully paid ordinary shares to secure the exclusive option and VRM understands that this will form the basis of BDO valuation for the Target Projects.

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN). VRM understands that BDO will include this Report within its IER relating to the Proposed Transaction.

This Report is a technical review and valuation opinion of the mineral assets of RMC and MNTL, being the Kabulwanyele and MNTL Projects in northern, central, and southern Tanzania. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. The other assets of RMC have not been valued as part of this Report. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of RMC or MNTL but rather an asset valuation of the Kabulwanyele and MNTL Projects.



This valuation is current as of 9 May 2022, being the date that RMC announced the Proposed Transaction and considers information to 4 July 2022.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by RMC along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

Kabulwanyele Project

The Kabulwanyele (nickel) Project consists of two granted prospecting licences (PL) (PL 11534/2021 and PL 11535/2021) and one prospecting licence application (PL/) (PL/17691/2021) in the Mpanda Region, central western Tanzania. The three licences areas collectively cover approximately 21km² and are held by Eastern Nickel Tanzania Limited (ENTL) which is 75% beneficially owned by RMC. The Company undertook initial exploration targeting lateritic nickel mineralisation during 2021 including systematic soil and rock chip sampling. On 27 June 2022 RMC announced that reverse circulation (RC) drilling had commenced to follow up the soil anomaly identified in 2021 with a further announcement on 12 July 2022 confirming that the drilling had been completed.

MNTL Projects

The MNTL Projects consist of the Kabanga North, Kapalagulu, Mbinga, Liparamba and Kitai Projects that cover a total of 1,415km² in western Tanzania and are variably prospective for nickel, copper, cobalt, and platinum group element (PGE) mineralisation. Limited detail of previous exploration is available over the licence areas, in most cases limited to regional geophysical data.

The Kabanga North (nickel) Project is in the Kagera Region, north western Tanzania approximately 30 km to the northeast of the Kabanga Project, a large undeveloped nickel sulphide deposit owned by Kabanga Nickel. MNTL's Kabanga North Project comprises a single licence application (PL/17511/2021) covering approximately 22.5km² in the Kagera Region. RMC reported that Kabanga North occurs along strike of Kabanga within similar characteristic host rocks. It uncertain whether previous exploration has occurred in the licence area.

The Kapalagulu (nickel – copper – PGE) Project in central western Tanzania is in Mpanda Region approximately 150km northwest of the Company's existing Kabulwanyele (nickel) Project on the eastern



shores of Lake Tanganyika. Kapalagulu consists of a semi-contiguous group of one granted licence (PL 11724/2021) and seven licence applications PL/17041/2021; 17155/2021; 17503/2021; 17504/21; 17505/2021; 17687/2021 and 17757/2021) covering a total of approximately 840km². RMC reported that the Kapalagulu Project hosts a mapped mafic/ultramafic intrusion that has been previously explored with nickel, copper and PGE anomalism noted, but these historical and foreign exploration results are still being compiled and confirmed. The licences occur to the north, east and south of the Mibango / Lubalisi (nickel-cobalt-copper) deposit owned by private company Rift Energy Metals Ltd (Rift) that has stated Mineral Resources on the project and is seeking investment to advance the project via technical and economic feasibility studies (https://docs.wixstatic.com/ugd/f82c9f b09d919f9b944deb9f94d6fa7444b4cc.pdf?index=true)

The Mbinga, Liparamba and Kitai (nickel) Projects are in the southwest of Tanzania on the eastern shore of Lake Nyasa in the Ruvuma Region. Mbinga comprises two adjoining licences, a single granted licence (PL 11726/2021) and a licence application (PL/16944/2021) covering a total of approximately 332km². Liparamba is also made up of two adjoining licences, one granted (PL 11725/2021) and a larger southern application (PL/16942/2021) covering approximately 53km². Kitai is a single licence application (PL/17015/2021) covering 167.6km². Geophysical images over the southern prospecting licence areas show features of interest but previous exploration is limited.

Valuation Opinion

VRM has estimated the value of the Kabulwanyele and MNTL Projects on an equity ownership basis considering the technical information available as at the valuation date as described further in the body of this report. Tenements under application have been discounted where appropriate to account for the risk of these not being granted or less area being granted. There are no declared Mineral Resource estimates prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code 20124 Edition (JORC) at any of the licence areas. Each are at an earlier stage of exploration, and it is uncertain whether future exploration will result in the definition of any Mineral Resource estimates. The Projects were valued using a geoscientific / Kilburn method as the primary valuation technique. Secondary valuations were determined based on a comparable transaction area-based approach.

VRM has also considered the value of the royalty deed between MNTL and KHPL for a 1.5% NSR payable in relation to potential future production from the MNTL Projects. Given the very early stage of exploration on these projects and the high uncertainty at this time of whether future exploration will result in the definition of any Mineral Resource or Ore Reserve estimates or potential future mineral production, VRM is of the opinion that the royalty value is currently not material to the valuation.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.



Conclusions

Considering the current exploration status and mineralisation potential of the tenements in VRM's opinion the Kabulwanyele and MNTL Projects have a market value of between \$1.7 million and \$6.1 million with a preferred value of \$3.9 million as summarised in Table ES-1 below.

Table ES-1 – Kabulwanyele and MNTL Projects Mineral Assets Preferred Valuation Summary

Valuation summary						
Valuation Technique	Lower (\$ million)	Preferred (\$ million)	Upper (\$ million)			
Kabulwanyele Project	\$0.1	\$0.2	\$0.2			
MNTL Projects	\$1.6	\$3.7	\$5.9			
Total Valuation	\$1.7	\$3.9	\$6.1			



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1. Introduction

Valuation and Resource Management Pty Ltd (VRM), was engaged by BDO Corporate Finance (WA) Pty Ltd (BDO) to undertake an Independent Technical Assessment and Valuation Report (ITAR or Report) to assist Shareholders in relation to a proposed transaction announced by Resource Mining Corporation Limited (ASX:RMI) (RMC or the Company) to acquire 100% of the issued capital of Massive Nickel Pty Ltd (MNPL) (Proposed Transaction). BDO was commissioned by RMC to prepare an Independent Expert's Report (IER) to assist the Shareholders of RMC in relation to the Proposed Transaction that was announced in 9 May 2022, the Valuation Date.

The proposed transaction is to acquire MNPL's 99% interest in Massive Nickel Tanzania Limited (MNTL) that in turn holds a 100% interest in several prospecting licences (granted or in application) that comprise the Kabanga North, Kapalagulu, Mbinga, Liparamba and Kitai Projects in Tanzania (together the MNTL Projects). The consideration to be paid by RMC consists of 75 million shares in RMC, as well as the entering into a royalty deed between MNTL and the vendor Kabunga Holdings Pty Ltd (KHPL) for a 1.5% Net Smelter Return (NSR) royalty payable in relation to potential future production from the MNTL Projects.

RMC has an existing 75% interest in the Kabulwanyele Nickel Project (Kabulwanyele Project) also located in Tanzania where results from exploration conducted in 2021 are planned to be drill tested in coming months. This mineral asset is also included in the ITAR.

RMC more recently announced commencement of an exclusive option to assess another potential transaction on certain nickel and lithium exploration assets in Finland (Target Projects). At this time, these projects remain under option and are not considered material to the Company therefore are not included in the ITAR.

VRM understands that this ITAR will be included in the BDO's report. BDO will refer to, and rely on, the VRM report and mineral asset valuation which will be attached to BDO's report to inform the RMC shareholders as to the fairness and reasonableness of the proposed transaction. BDO engaged VRM for the purposes of the ITAR and all correspondence was directed through BDO.

VRM has estimated the value of the Kabulwanyele and MNTL Projects considering the current status of Exploration Results reported by the Company at the Valuation Date. This is supported by technical research conducted by VRM supporting the prospectivity of the licences to determine a market value for the mineral assets as at 9 May 2022 and considering information up to 4 July 2022.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR is prepared applying the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (VALMIN) that incorporates the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves



– The JORC Code (2012 Edition). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by RMC and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

VRM has compiled the valuation based upon the principle of reviewing and interrogating both the documentation of RMC and previous exploration within the areas. This Report is a summary of the work conducted, completed and reported by the various explorers to 9 May 2022 based on information supplied to VRM by RMC and other information sourced from the public domain to the extent required by the VALMIN and JORC Codes.

VRM understands that the objective of this study is to provide:

- Summaries of the regional and local geology, the security of the tenure, a summary of the recent and previous exploration,
- Review of the mineral assets to determine the most appropriate valuation techniques for the assets based on the development stages of the projects and amount of available information.
- Provide an independent valuation on the mineral assets comprising the Kabulwanyele and MNTL Projects as at 9 May 2022.

VRM understands that its reviews and valuations will be relied upon and appended to BDO's report to assist RMC Shareholders in their decision regarding the proposed transaction. As such, it is understood that VRM's review and valuation will be a public document.

1.3. Statement of Independence

VRM was engaged to undertake an ITAR. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of experts (RG112).

Mr Paul Dunbar and Ms Deborah Lord of VRM have not had any association with RMC, their individual employees, or any interest in the securities of RMC which could be regarded as affecting their ability to give



an independent, objective, and unbiased opinion. VRM and Mr Paul Dunbar previously conducted a valuation for of the Wowo Gap Project for RMC in August 2021 with VRM being remunerated on standard commercial terms. Neither VRM, Mr Dunbar nor Ms Lord hold an Australian Financial Services Licence (AFSL) and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is approximately \$35,000 (excluding GST).

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Ms Deborah Lord as the primary author and peer reviewed by Mr Paul Dunbar.

Overall accountability for the Report and sections that relate to mineral asset valuation is based on information compiled and work undertaken by Ms Deborah Lord, BSc (Hons), a Competent Person who is a Fellow of the AuslMM and Member of the AlG. She is also a member and Graduate of the Australian Institute of Company Directors (AICD). Ms Lord is a Director of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code.

Report sections that relate to tenure and regional geology is based on information compiled by Ms Vanessa Lickfold, PhD (Geol). Ms Lickfold is an Associate of VRM, a Fellow of the AusIMM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code). Ms Lickfold consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Report sections that relate to local geology and previous exploration is based on information compiled by Mr Louis Bucci, PhD (Geol). Mr Bucci is an Associate of VRM, a Member of the AIG and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code). Mr Bucci consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Peer review of mineral asset valuation was undertaken by Mr Paul Dunbar of VRM.

Between 9 May 2022 and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions.



1.5. Reliance on Experts

The MNTL Projects Exploration Results were announced by RMC on 9 May 2022, including JORC Table 1 documentation, in accordance with the guidelines of the JORC Code 2012. VRM has placed reliance on the Competent Person Statement and associated JORC Table 1 information in that announcement by RMC (ASX release dated 9 May 2022).

The Kabulwanyele Project Exploration Results were announced by RMC on 18 November 2021, including JORC Table 1 documentation, in accordance with the guidelines of the JORC Code 2012. VRM has placed reliance on the Competent Person Statement and associated JORC Table 1 information in that announcement by RMC (ASX release dated 18 November 2021). More recently for Kabulwanyele, RMC announced the commencement of drilling (ASX releases dated 1 June 2022 and 27 June 2022) and the completion of the drilling (ASX releases dated 12 July 2022).

VRM is not reporting any new Exploration Results other than those within the above mentioned ASX releases.

The information in this report that relates to Exploration Results for the MNTL and Kabulwanyele Projects is extracted from the reports entitled 'Proposed Nickel Projects Acquisition – Tanzania' and 'Kabulwanyele Project Nickel Deposit – Encouraging Nickel and Cobalt assay results received' and are available to view on https://www2.asx.com.au/markets/trade-our-cash-market/announcements.rmi. The Company confirms it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Ms Lickfold, Mr Bucci and Ms Lord, the authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the legislative environment and permitting in Tanzania. In relation to the tenement standing, VRM has relied on the documentation provided by the Company. VRM has undertaken an independent review of the S&P Global database that contains tenement information current as at 15 March 2022 and has sought clarification from the Company in certain aspects. As required by the VALMIN Code the status of the tenements is detailed within this Report.

1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by RMC and other relevant publicly available data to 5 July 2022. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by RMC as detailed in the reference list. A draft of this Report



was provided to Resource Mining Corporation Limited, via BDO to identify and address any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to Resource Mining Corporation Limited until the technical aspects were validated and the Report was declared final.

1.7. Site Visits

No specific site visits have occurred as a part of this Report or valuation. Due to the early stage of exploration VRM is of the opinion that there is sufficient current information available to allow an informed evaluation to be made without a field visit.

VRM is satisfied that a site visit would not provide any additional material information that would modify the opinion or valuation of the assets.



2. Mineral Assets

The mineral assets included in this valuation are the Kabulwanyele and MNTL Projects that are located in Tanzania and variably prospective for nickel. RMC has a 75% interest in the Kabulwanyele Project that covers 20.74km² and proposes to acquire MNPL's 99% interest in MNTL that in turn holds a 100% interest in the licences that comprise the Kabanga North, Kapalagulu, Kitai, Mbinga and Liparamba Projects (1,415km²). The general locations of the properties are shown in Figure 1.

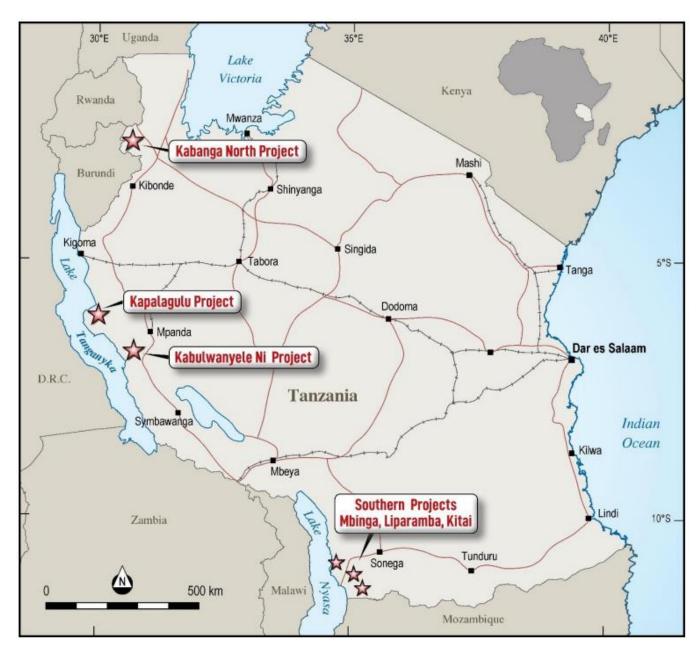


Figure 1 – Location of the Kabulwanyele and MNTL Projects, Tanzania

(source: RMC ASX release dated 9 May 2022)



2.1. Tenure

The Kabanga North (nickel) Project is in north western Tanzania approximately 30km the northeast of Kabanga Nickel's Kabanga Project that is owned by Tembo Mining Limited (84%) and the Government of Tanzania (16%) in accordance with current mineral legislation (https://www.kabanganickel.com/en/the-project.html). This Project comprises a single prospecting licence (PL/17511/2021) covering 22.54km² in the Kagera Region, Ngara District (Figure 2, Figure 4). This tenement application is pending.

The 20.74km² Kabulwanyele Project comprises three tenements, PL 11534/2021, PL 11535/2021 and PL/17691/2021, in the Kigoma District of the Mpanda Region approximately 50km southeast of the southern-most Kapalagulu tenement in central western Tanzania on the eastern shores of Lake Tanganyika. Of these tenements, PL 11534/2021 and PL 11535/2021 are active, whereas tenement application PL/17691/2021 is pending.

The Kapalagulu (nickel-copper-PGE) Project in central western Tanzania is in the same Mpanda Region as the Company's existing Kabulwanyele (nickel) Project on the eastern shores of Lake Tanganyika. Kapalagulu comprises a broadly contiguous group of eight licences (PL 11724/2021, PL/17041/2021; PL/17155/2021; PL/17503/2021; PL/17504/21; PL/17505/2021; PL/17687/2021; and PL/17757/2021) in the Kigoma District (Figure 2, Figure 6). Of these tenements, PL 11724/2021 is active and was granted on 15 October 2021: Applications PL/17155/2021 and PL/17041/2021 have been recommended for approval, whereas all other applications remain pending.

The Mbinga, Liparamba and Kitai (nickel) Projects are in the southwest of Tanzania on the eastern shore of Lake Nyasa (Figure 2, Figure 8) and cover ultramafic host rock units that were previously explored by BHP. Mbinga, covering 331.73km², comprises two tenements (PL 11726/2021 and PL/16944/2021) in the Ruvuma Region, Mbinga District. The two adjoining Liparamba licences (PL 11725/2021 and PL/16942/2021) cover 53.14km² in the Nyasa District. Kitai is a single licence (PL/17015/2021) covering 167.60km² in the Ruvuma Region, Mbinga, Nyasa District.



Table 1 - Tenement schedule for Kabulwanyele and MNTL Projects

(source: S&P and Ministry of Energy and Minerals Tanzania source date 15/03/2022)

Tenement Schedule as at 4 July 2022							
Project	Licence Holder	Licence No.	Area (sq km)	Equity	App Date	Grant Date ^{#2}	Expiry Date
Kabulwanye le	ENTL ^{#1}	PL 11534/2021	7.005	74.25%		Active	
Kabulwanye le	ENTL ^{#1}	PL 11535/2021	13.467	74.25%		Active	
Kabulwanye le	ENTL ^{#1}	PL/17691/20 21	0.269	74.25%		Application pending	
Kabanga North	MNTL	PL/17511/20 21	22.54	99%	2021/06/22	Pending	
Kapalagulu	MNTL	PL 11724/2021 (PL/17761/2 021)	75.18	99%	2021/06/10	2021/10/15	2025/10/14
Kapalagulu	MNTL	PL/17041/20 21	96.46	99%	2021/02/19	Recommen ded	
Kapalagulu	MNTL	PL/17155/20 21	101.41	99%	2021/03/17	Recommen ded	
Kapalagulu	MNTL	PL/17503/2 021	57.62	99%	2021/05/05	Pending	
Kapalagulu	MNTL	PL/17504/2 021	106.66	99%	2021/06/22	Pending	
Kapalagulu	MNTL	PL/17505/2 021	172.83	99%	2021/05/05	Pending	
Kapalagulu	MNTL	PL/17687/2 021	62.17	99%	2021/05/24	Pending	
Kapalagulu	MNTL	PL/17757/2 021 PL	168.05	99%	2021/06/10	Pending	
Mbinga	MNTL	11726/2021 (PL/16945/2 021)	75.51	99%	2021/01/28	2021/10/15	2025/10/14
Mbinga	MNTL	PL/16944/2 021	256.22	99%	2021/01/28	Recommen ded	
Liparamba	MNTL	PL/16942/2 021	35.90	99%	2021/01/28	Recommen ded	
Liparamba	MNTL	PL 11725/2021 (PL/16943/2 021)	17.24	99%	2021/01/28	2021/10/15	2025/10/14
Kitai	MNTL	PL/17015/20 21	167.60	99%	2021/02/12	Pending	
Total area			1436.13				

<u>Tanzania Mining Cadastre Map Portal - Trimble Landfolio (madini.go.tz)</u> not operational to verify whether licences were in good standing; #1 ENTL - Eastern Nickel Tanzania Limited, RMC acquired 75% of Eastern Nickel Pty Ltd (ENPL) in February 2021 and ENPL holds 99% of Eastern Nickel Tanzania Limited (ENTL)

^{#2} Pending – Application Pending, Recommended – Grant Recommended, Active (or a date) – Tenement granted.



RMC provided data extracted from the Government of Tanzania's tenement database confirming the status of the licences listed in Table 1, noting that the total tenement area on the Government database is the same as that previously reported despite some small (<100m²) rounding differences on individual licences. In the data provided, it was noted that recommended applications were given a new application number, and these changed again when a tenement was granted, which made tenement verification complex.

VRM independently confirmed the status of the Tanzanian tenements via S&P Capital IQ's database as at 15 March 2022 (CIQ Pro: Mapping/map | Application (spglobal.com); but three licences, PL/17761/2021, PL16945/2021 and PL/16943/2021, are not included in this database (Figure 2). Tenement grant documents provided by RMC confirmed that these licences corresponded to granted licences PL 11724/2021, PL 11726/2021, and PL 11725/2021. VRM was also able to confirm the current registration (and assumed good standing) of Eastern Nickel Tanzania Limited. Despite being able to verify the licence details, VRM was unable to verify whether or not the licences are in good standing in terms of payments, regulatory compliance, etc.

The S&P database lists all included tenements as "pending/application" (e.g. PL/17504/2021 in Figure 3) and does not distinguish between "application pending" and "application recommended" as the RMC-provided data from the Government's tenement database. With the Tanzanian Mining Cadastral Map Portal (<u>Tanzania Mining Cadastre Map Portal - Trimble Landfolio (madini.go.tz)</u>) being non-operational currently, the exact status of the licences could also not be verified.



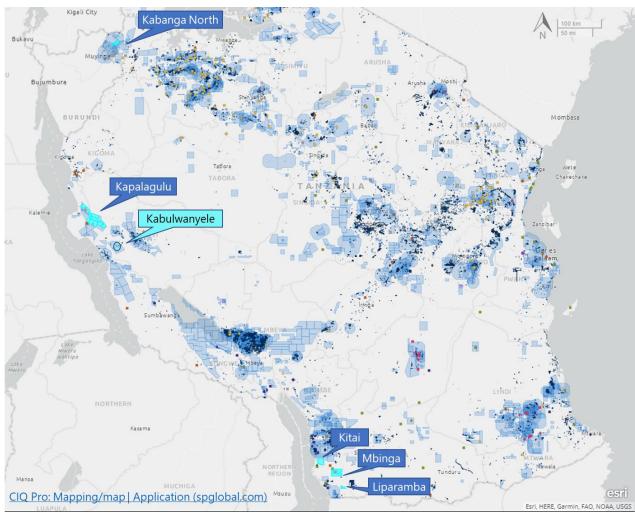


Figure 2 – Tanzanian mining properties (15 March 2022) showing the Kabulwanyele and MNTL tenements, excluding PL 11724/2021, PL 11725/2021, and PL 11726/2021

(source: CIQ Pro: Mapping/map | Application (spglobal.com)



Figure 3 – The "pending/application" status of PL/17504/2021 (Kapalagulu) (source: CIQ Pro: Mapping/map | Application (spglobal.com)



Prospecting licences in Tanzania are issued for initial period of four years and can be renewed twice; for a first period of three years and second period of two years; they proceed with the application of mining licences (MLs) or special mining licences (SMLs) before expiry or revert to the Government on expiry after the second extension period. The process followed for the granting of a prospecting licence in Tanzania is shown in Table 2.

Table 2 – Process followed for the granting and issuing of a prospecting licence in Tanzania (source: Mining Licences Services | TUMEMADINI)

	`	es services romeinnonini)		
Number	Procedure	Condition		
1	Applicant to identify suitable area.	Map: Geological information/Site Plan; Scale - 1:50,000.		
		•Coordinates Arc, 1960 datum;		
2	Complete Application Form and submit to the Mining Commission (online and/or Hard	•Application should be accompanied with payments of application fee; and		
	copies).	 Individual: Full name and citizenship, postal and physical address, recent passport size, copy of identity card in case of Foreigner attach with a resident permit and work permit. 		
		Financial and Technical capability;		
		•Applicant should not be a default;		
3	Application to be processed, reviewed and evaluated.	•Local Content Plan;		
		•Integrity Pledge;		
		 Applicant should not exceed threshold of 20 PLs or a total of 2.000Km2; 		
		 Applied area must be free of licence or other application of mineral right. 		
4	Application to be recommended and accepted for grant	d Applicant to be granted letter of offer, licence is issued after payments of preparation fee of a licence.		
5	Licence to be issued	First annual rent to be paid		
		Consent to be granted.		
	Mineral right holder to seek consent to lawful surface right holder to enter the area.	If the licence holder is not given permission by the surface right holder for no apparent reason, the Minister in consultation with the Mining Commission has the authority to allow the licence holder to conduct exploration or mining (Section 95 of the Mining Act, Cap. 123)		
7	Mineral right holder to negotiate with Local Government Authority to prepare CSR.	Corporate Social Responsibility (CSR) to be prepared.		

Prospecting licences (PLs) can be converted to mining licences (MLs) for a period of 10 years or to special mining licences (SMLs), where the issuance period depends on the estimated life of mine as indicated in a feasibility study or is a specified period requested by the applicant as per Section 43 of the Mining Act 2019, cap 123, whichever is shorter. Further, in terms of Section 10 of the same Act, note that in the event that any of the MNTL prospecting licences be converted to mining licences or special mining licences in future, the Government of Tanzania shall have not less than sixteen percent non-dilutable free-carried interest shares in the capital of a mining company depending on the type of minerals and the level of investment (Microsoft Word - CHAPTER 123 - THE MINING ACT CHAPA FINAL (tumemadini.go.tz)).

2.2. Accessibility

The closest airport to Kabanga North is at Geita, a large regional city that services the gold industry (population ~900,000 in 2012) with an airport 170km to the east of the tenement (Figure 4). Road access to the tenement from Geita is via sealed road B163 to just east of Biharamulo, where it joins the sealed B3 road to Muzani and then onto an unsealed (unnamed) road to Rulenge, the small village 10km to the southwest



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of the tenement. The closest railway line linked to the port of Dar es Salam is at Mwanza, which is 90km northeast of Geita. From Google Maps, the tenement comprises low undulating hills criss-crossed with numerous perennial streams and is dotted with small (subsistence) crops and homesteads (Figure 5).



Figure 4 – The location and regional infrastructure of the Kabanga North project (source: QGIS and Google Road from Google Maps)



Figure 5 – An aerial shot of the Kabanga North project near Nyamahwa showing land use (source: QGIS and Google Hybrid from Google Maps)



The Kapalagulu and Kabulwanyele tenements are located in the Kigoma and Kativi Regions of the Mpanda District in Tanzania. The closest airstrip to the tenements, which is unsealed, is at Mpanda city 50-100km to the southeast (Figure 6). From Mpanda, access to the Kapalagulu tenements is via the sealed B8 road to Ilukutwa and then via an unnamed road to all bar the western-most tenements; the latter more mountainous tenements would have to be accessed on foot. For the Kabulwanyele tenements, access from Mpanda would also be via sealed road B8, but rather southwards and then via an unmarked and unnamed road through to the tenements. There is a railway line at Mpanda, linking the region to the port at Dar es Salam. From Google Maps the tenements are in variably hilly country from the igneous intrusions, where the western tenements closer to Lake Tanganyika tend to be more topographically distinct. Small presumably subsistence plots dot the flatter-lying areas, particularly adjacent to the riverbeds (Figure 7). The hillier areas tend to be uninhabited and covered with low trees and natural vegetation.

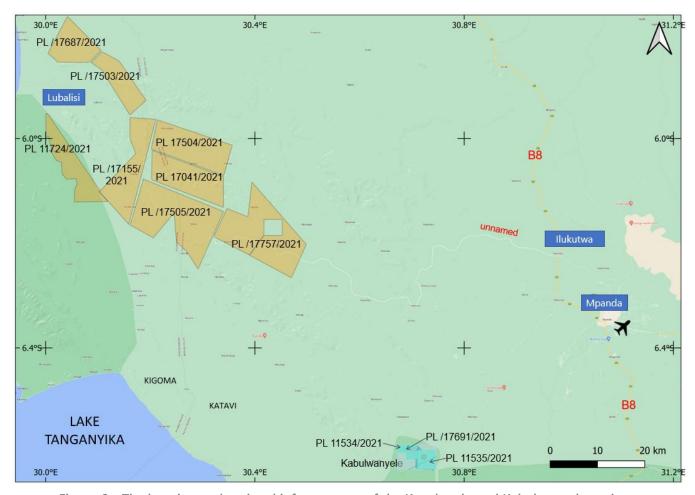


Figure 6 – The location and regional infrastructure of the Kapalagulu and Kabulwanyele projects (source: QGIS and Google Road from Google Maps)



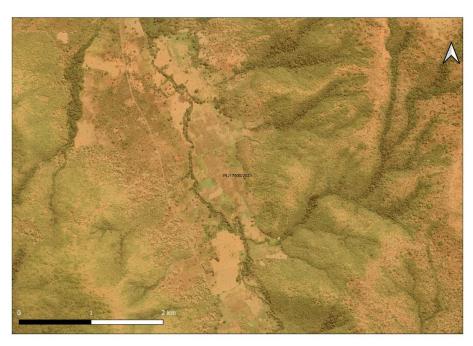


Figure 7 – An aerial shot of part of tenement PL/17505/2021 in the Kapalagulu project showing land use (source: QGIS and Google Hybrid from Google Maps)

The closest airport to the southern Mbinga, Liparamba and Kitai projects is at Songea 70km northeast of granted licence PL 11726/2021 (Figure 8). The town of Mbinga, population ~405,000, between the Kitai and the Mbinga licences, is on the A19 main road providing access to these two project areas (Figure 8). The A19 road from Songea to Mbamba Bay port on Lake Malawi southwest of the Mbinga tenements is sealed from Songea to Mbinga and unsealed (but being upgraded) to Mbamba Bay. Access to the two Liparamba tenements is from an unsealed regional road (unnamed) at the town of Mirambo between Songea and the Mozambiquan Boarder post of Mkwenda 100km south. Beyond the A19 and unnamed regional roads, access to the tenements would be via local rural unsealed roads to within approximately 10km in the case of Kitai – local rural roads go to the edges of tenements at Mbinga and Liparamba. The closest railway line is at Makambako, approximately 225km north-northwest of Songea. From Google Maps the Liparamba and Mbinga tenements are a mixture of cultivated crops and natural vegetation in the low undulating landscape. Cultivated plots interspersed with blocks of natural vegetation characterise the Kitai tenement, which appears to be hillier than the other tenements in this southern region (Figure 9).

In VRM's opinion, the dotted homes and cultivated plots across most of the tenements increases permitting complexity in the event an economic mineral deposit is discovered.



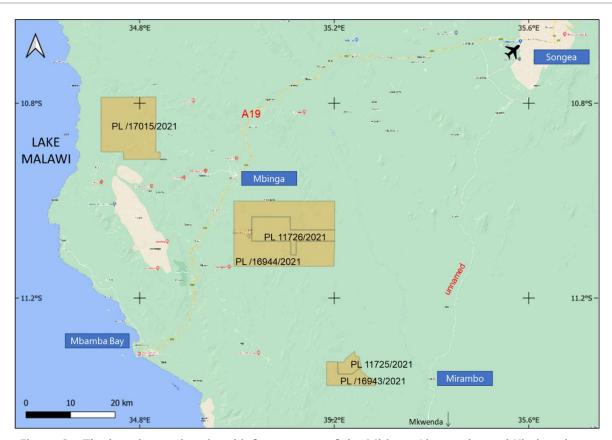


Figure 8 – The location and regional infrastructure of the Mbinga, Liparamba and Kitai projects (source: QGIS and Google Road from Google Maps)

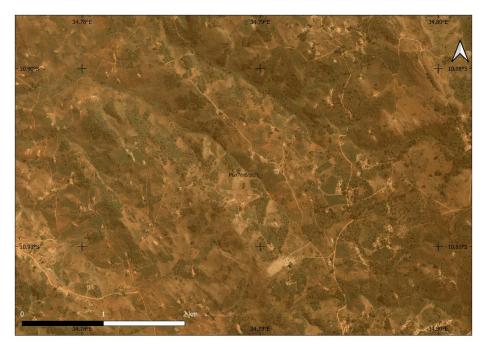


Figure 9 – An aerial shot of part of the Katai tenement PL/17015/2021 showing land use (source: QGIS and Google Road from Google Maps)



Tanzania has a varied climate (Tanzania: Climate-Data.org; Figure 10). The climate of the Ngara District, which hosts the Kabanga North tenement is classified as tropical, with an average of 1,248mm rain per year. There is a wet season (October to March) and a dry season (April to September), and temperatures range from 16-26°C throughout the year. The Morogoro region hosting the Kapalagulu and Kabulwanyele tenements is also classified as tropical, with well-defined wet and dry seasons and an annual average rainfall of 972mm. Temperatures range from 15-26°C throughout the year, but it is usually 3-4°C cooler in June and July than the rest of the year. In the Mbinga region, the climate is warm and temperate, with an average rainfall of 1,786mm, falling mostly in the summer from October to March. The average temperatures in the Mbinga region range from around 17°C in winter (July) to 29°C in summer (November).



Figure 10 – Average temperature and rainfall charts for the three areas hosting tenements (source: <u>kabanga climate - Search (bing.com)</u>; <u>mpanda climate - Search (bing.com)</u>; <u>mbinga climate - Search (bing.com)</u>)

From previous activity in all three regions, field work is typically only undertaken in the dry months (between May and November) due to the tropical climate and associated high number of rain days (Goldstream Annual Report 2003).

In VRM's opinion, the lack of infrastructure, challenging access, and large number of homesteads across most of the tenements that will increase the complexity of permitting should an economic nickel/PGE deposit be discovered are all factors for consideration when valuing the mineral assets.



3. Kabulwanyele and MNTL Projects

3.1. Regional Geological Setting

The geology of Tanzania, a country situated in the southern part of the African Rift System, comprises predominantly Archean granites, greenstones and associated metamorphic rocks of the stable Tanzania Craton in the central region surrounded by Proterozoic Kibaran, Ubendian and Mozambique (Usagaran) mobile belts and metamorphic terranes (**Figure 11**). Overlying the basement and mobile belts are Lower Jurassic through Quaternary eastern continental and marine sedimentary rocks, which include coal-bearing Karoo successions and Mesozoic-Cenozoic sediments in eastern Tanzania. The East African rift Neogene volcanic rocks overlying the Precambrian rocks in the north and south of the country are also important components of the geological landscape (Manya, 2018).

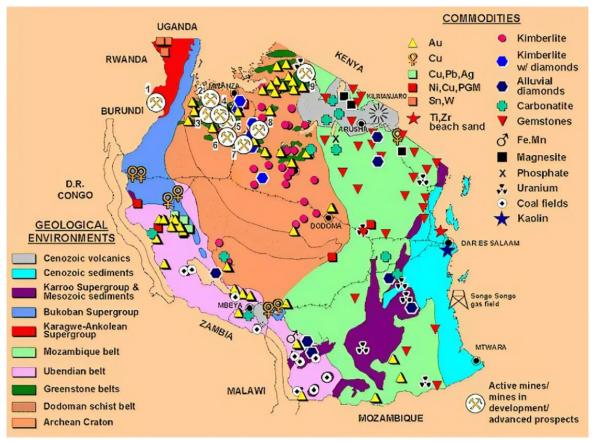


Figure 11 – Simplified geology and commodities of Tanzania (source: https://www.gemlabmarseille.com/voyages/tanzanie/geologie.htm)

Kabanga-Musongati-Kapalagulu ultramafic belt

The northern projects (Kabanga North, Kapalagulu and Kabulwanyele) occur in the central sector of the 1.4 billion year old (Ga) Kabanga–Musongati–Kapalagulu mafic–ultramafic belt (KMK Belt) that extends for >500km from Uganda in the north to Lake Tanganyika in the south (Evans *et al.*, 2016, Wilhelmij and Cabri, 2016 and Maier *et al.*, 2010; Figure 12). Together with the northern sector, which extends through Lake



Victoria and into Rwanda, and the southern sector, which occurs south of the Tanzania Craton along the eastern shores of Lake Tanganyika, these three sectors of the KMK form the East African Nickel Belt (EANB).

The EANB comprises a series of mafic and ultramafic intrusions emplaced into the Mesoproterozoic Kibaran (1.1-1.4Ga) orogenic belt around Kabanga and Musongati in the north and central regions and Paleo-Proterozoic Ubendian basement (>1.8Ga) in the south around Kapalagulu.

The Kibaran orogenic belt extends in a northeast/southwest direction for ~1,500km from Zambia through the Democratic Republic of Congo, Burundi, Rwanda, and Tanzania to Uganda and is thought to have been the result of the collision of the Tanzania craton and Bangweulu block with the Congo-Kasai craton in the west (Maier *et al.*, 2007). In addition to the mafic-ultramafic intrusions, Kibaran fold belt comprises S-type and A-type granites and clastic metasediments of the Karagwe-Ankolean Supergroup. The Karagwe-Ankolean sedimentary sequence, which unconformably overlies the Archean to Early Proterozoic granite gneiss basement of the Tanzania craton, comprises a succession up to 5,000m thick of alternating pelitic and arenaceous rocks that have been subdivided into the lower, middle, and upper series. The "lower series" comprising mainly graphite- and sulphide-bearing pelitic rocks with intercalated quartzite, conglomerate, sandstone, siltstone, bimodal volcanics, and locally, turbidites. The "middle series" comprises more mature, arenaceous sediments and minor basaltic—rhyolitic sills and lavas. The "upper series" is only locally developed and contains immature clastic sedimentary rocks at its base overlain by chert-bearing siltstones and shales. The lower and middle series are thought to represent an early rifting phase of the intra-cratonic Kibaran basin (Maier *et al.*, 2007).

In the vicinity of the Kapalagulu Project, the EANB mafic to ultramafic intrusions are hosted in the deformed Wakole terrane of the Paleoproterozoic (1.8-2.0Ga) Ubendian Belt (Evans *et al.*, 2016). The Ubendian Belt comprises high-grade, mainly amphibolite or granulite facies, metamorphic sedimentary and igneous rocks, including granulite, amphibolite, migmatite, gneiss, schist, quartzites and marble.



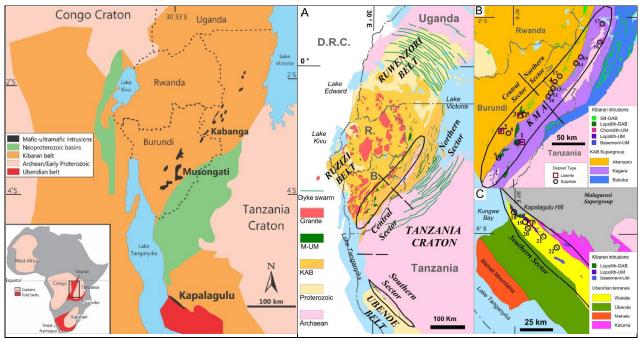


Figure 12 – Regional geology of the northern projects: Left – country-scale view; right – sector-scale view (source: Left: Wilhelmij and Cabri, 2016; right: Evans et al., 2016)

Evans *et al.*, (2016) note that in addition to coeval A- and S-type felsic granites, the Mesoproterozoic EANB contains large, layered intrusions several kilometres thick and tens of square kilometres in surface and subsurface outcrop (e.g. Musongati and Kapalagulu), numerous sills and chonolitic bodies thought to represent dynamic magma conduits metres to hundreds of metres thick (e.g. Kabanga) and dyke swarms (e.g. Lake Victoria Dyke Swarm).

In the northern and central sectors, the granites and clastic metasediments of the Karagwe-Ankolean Supergroup form a thick succession called the Karagwe-Ankole Belt, where the distribution of the intrusive suites and related metamorphic and tectonic features define three domains (Evans et al., 2016). The Eastern Domain, characterised by the absence of granites and lower degrees of metamorphism and tectonism, is separated from the more highly metamorphosed and polyphase deformed Western Domain that contains abundant Kibaran granites, by a Transitional Domain, which coincides with the interpreted boundary between Archean and Paleoproterozoic lithospheric domains and is broadly defined by a northeast/ southwest-trending line of mafic-ultramafic intrusions called the Kabanga-Musongati Alignment, or KMA (Evans et al., 2016). The KMA divides the region geologically into a western part that hosts the abundant Kibaran S-type granites and an eastern part, where these are absent and have been replaced by large arcuate mafic dyke swarms. More importantly, the nickel deposits of the region are exclusively found within the magnesium-rich mantel-derived mafic-ultramafic intrusions, particularly those along this KMA trend (Evans et al., 2016). The KMA mafic-ultramafic intrusions are characterised by well-differentiated lopolithic layered intrusions (dunite-peridotite-pyroxenite-gabbronorite-anorthosite) and small, concentrically zoned chonolitic tube-like sills. On a more regional scale, poorly differentiated and more evolved gabbronoritic dykes and sills occur outside of the KMA belt (Evans et al., 2016).



Nickel mineralisation

Evans *et al.*, (2016) summarise nickel mineralisation in the EANB to occur as sulphides in fresh ultramafic intrusive rocks (e.g. Kabanga), laterites developed over the olivine-rich ultramafic portions of the larger layered intrusions (e.g. Musongati) or a combination of the two, where sulphide mineralisation is associated with the fresh layered intrusion and lateritic enrichment over the main ultramafic zone (e.g. Kapalagulu).

Sulphide mineralisation in ultramafic intrusions is well-understood (e.g., Naldrett, 2004). In summary (from Evans *et al.*, 2016), nickel, released from the mantle by large-degree partial melting, is carried up through the crust in primitive (picritic or komatiitic) magmas along deep lithospheric-scale structures. *En route* through the crust, these superheated magmas interact with crustal material, which results in assimilation of crustal material and subsequent contamination of the magma, which in turn causes sulphur to exceed its saturation limit in the contaminated magma. Once the sulphur saturation limit has been reached, the sulphur forms a separate immiscible molten sulphide liquid that occurs as fine droplets in the magma. Nickel, copper, and the platinum group elements (PGEs) preferentially partition into the sulphide liquid. Because the sulphide liquid has different density and viscosity characteristics to the magma, fluid dynamic processes can lead to physical segregation and enrichment of the molten sulphide and its emplacement as discrete massive sulphide bodies, either within or at the base of its parental intrusive body or within the host rocks. Upon cooling and solidification, the sulphide liquid crystallises into its low-temperature minerals, viz., pyrrhotite (Fe_{1-x}S), pentlandite ((Fe,Ni)₉S₈) and chalcopyrite (CuFeS₂).

Nickel mineralisation occurs either as weak disseminated sulphides (0.5-1.0%) in the mineralised intrusions (including the lopolothic layered intrusions) or massive and net-textured accumulations in the small, chonolitic tube-like sills and dykes (Evans et al., 2016). It should be noted that all of the ultramafic intrusions in the EANB with cumulate olivine and pyroxene contain disseminated magmatic sulphides; however, not all contain sufficient tonnage to be considered economic. Further, only a few of the chonolitic intrusions host massive accumulations, e.g., Kabanga. It is thought that the difference grade of the various intrusions is the result of a number of factors, including the initial amount of nickel in the mantle-derived magma, the amount of sedimentary sulphur assimilated from the country rocks, the number of magma pulses intruded and the degree of metal scavenging as well as the intersection of fractures with the deep lithosphere being just a few (Evans et al., 2016). At Kabanga, Maier et al. (2011) propose the high abundance of nickel sulphides is the combination of massive assimilations of barren sedimentary sulphides (mainly pyrrhotite) into the magma on its ascent through the crust and the passage of multiple pulses of nickel-rich magma through structurally focussed conduits. At Kabanga North, Maier et al. (2011) propose that sulphide upgrading was the result repeated pulses of magma scavenging metals from earlier-emplaced dense sulphide pools with more nickel-rich compositions. The mechanism to upgrade metals the Kapalagulu intrusions is unknown; however, the presence of a PGE-reef and massive sulphide associated with a large layered igneous intrusion with harzburgite horizons is thought to suggest that mechanisms similar to those that formed the Kabanga deposits may also have taken place at Kapalagulu (Goldstream Annual Report, 2003). The disseminated sulphide nickel mineralisation in the numerous intrusions around Kapalagulu (e.g. Katobala and Nkenja



layered intrusions) are typically hosted in pyroxenites and harzburgites and commonly associated with chromite (Goldstream Annual Report 2003).

The nickel laterite deposits of the EANB are the result of classic laterite processes described for other deposits such as those in New Caledonia, Cuba, or the Philippines (Golightly, 1981). During intense tropical weathering nickel is leached from the near-surface layers of oxidised olivine-rich rocks (e.g., dunite, harzburgite or serpentinite) and carried downwards to precipitate in newly forming nickel-rich iron hydroxides in the near surface. In the stable tectonic environment of the Tanzania Craton, the repetitive variation of the water table during alternating wet and dry periods over significant periods of time during the Mesozoic and Cenozoic, has led to significant accumulations of nickel in the saprolitic and ferralitic zones of the weathering profile in Central Africa (Evans *et al.*, 2016 after Bandyayera, 1997).

The ultramafic protoliths of the laterites in the EANB are derived from metal sulphide-bearing layered intrusions. In terms of enrichment, the PGEs, copper, and cobalt are found preferentially in the ferralite zones whereas the nickel is preferentially enriched in the saprolite zone (Evans *et al.*, 2016). Laterite mineralisation is known to occur at Kapalagulu, where zone both PGE- and nickel-rich zones have been previously identified (Goldstream ASX Release, 2004/12/31).

Southern Projects

The southern projects, viz. Mbinga, Liparamba and Kitai, occur in the Neoproterozoic Mozambique Belt south of the Tanzania Craton (**Figure 13**). Also termed the Usagaran Belt, the Mozambique Belt forms part of the ~1000km-long structurally complex domain of discontinuous high-grade metamorphic terrains of similar tectonostratigraphic character from northern Tanzania through northern Mozambique representing the major structural growth that took place in Africa between 1,100-950Ma (Kröner *et al.*, 2003).

In the area around Masai, the closest geological reference that could be sourced, Usagaran Belt rocks comprise highly metamorphosed pyroxene-gneiss, biotite-hornblende gneiss, charnockite and smaller occurrences of graphitic schist, quartzites and crystalline limestone. Pegmatites are ubiquitous and, in a few places, mafic and ultramafic intrusions have been noted to intrude the metasedimentary gneisses, e.g., Ntaka Ultramafic Complex (Kröner *et al.*, 2003 and Barnes *et al.*, 2019).

There has been much less information published on the geology of the region hosting the southern projects than for the Kapalagulu and Kabanga regions. VRM could find no scientific publication describing the presence of nickel mineralisation or mafic and ultramafic intrusions in the region and only found a few ASX releases from Jacana Resources (Tanzania) Limited, which was demerged from Syrah Resources in 2014 (e.g. <u>Jacana Replacemen Prospectus 2014</u> and <u>Jacana Demerger ppt 20141001</u>). Jacana Resources conducted exploration on the Mbinga (PL 9046/2013 and PL 9352/2013 equals PL 11726/2021) and Liparamba (PL 9960/2014 equals PL 11725/2021) tenements in 2013/2014 but only referenced nickel sulphide targets identified from conductive airborne electromagnetic anomalies in "favourable geological settings".



The Ntaka Ultramafic Complex (Figure 13), which hosts predominantly disseminated nickel-sulphides in harzburgites, is located approximately 450km east-northeast of the Liparamba tenement, and this is the only reference to nickel mineralisation in southwestern Tanzania (Barnes *et al.*, 2019).

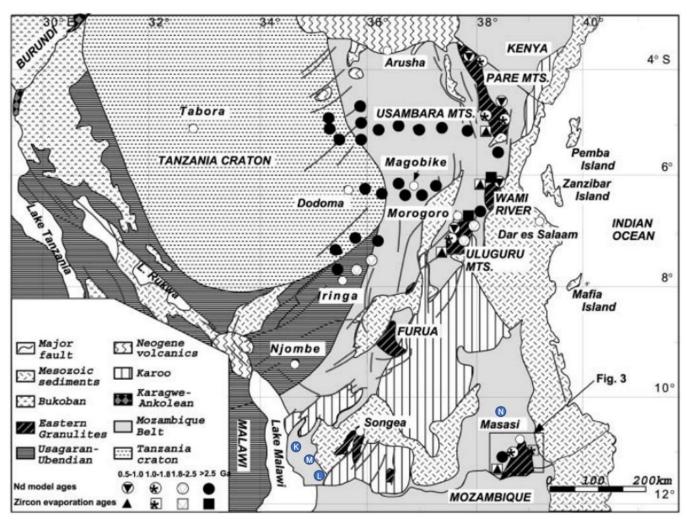


Figure 13 – Regional geology of the southern projects: K – Kitai; M – Mbinga; L – Liparamba; N – Ntaka complex

(source: modified from Kröner et al., 2003)

3.2. Local Geology and Previous Exploration

3.2.1. Kabulanywele Project

The Kabulanywele Project comprises two granted Prospecting Licences, PL/11534/2021 and PL/11535/2021, covering approximately 20.5 km² in total, with one prospecting licence application covering approximately 0.27 km². Historic exploration and geological information for the Project is largely outlined in RMC (2021a and b) and is summarised herein.



The Kabulanywele Project tenements are located within the lower Proterozoic Ubendian Belt, and comprises largely of acidic gneiss, granulite, amphibolite, and ultramafic intrusive rocks. The region had been initially identified as prospective based on the discovery of nickel and manganese occurrences at Kabulwanyele Hill in pits dug by a private prospector in 1944 (Temperley, 1947). These were subsequently reviewed by the Geological Division of Department of Lands and Mines, Tanganyika Territory in 1947 (GST, 1955), and in 1958 Western Rift Exploration Ltd completed regional geochemical exploration work that reported cobalt values in the range between 120ppm to 1000ppm (WRE, 1960). Most recently prior to 2021, Technoexport completed a geological survey in 1973 to assess the mineral potential in the central part of the Western Rift in Mpanda area and reported the existence of manganiferous iron at Kabulwanyele Hill (see Smirnov *et al*, 1973). Although VRM has not sited the aforementioned data they have been disclosed publicly and are considered relevant to be reported here (see RMC 2021b and Competent Person (CP) statement therein).

Exploration campaigns in 2021 by RMC represent the most recent modern-day exploration in the area (RMC, 2021b). A mapping and soil sampling program has been completed and reported by the Company, with the following highlights noted (see RMC 2021b and CP statement therein):

- Soil and rock samples have delineated a Ni and Co anomaly with a strike length of 2km coincident with a historically mapped Ni laterite occurrence;
- Nineteen (19) rock chip samples were collected and returned a maximum value of 1.27% Ni;
- 254 soil samples were collected and returned a maximum value of 0.85% Ni; and
- Over 38 soils samples returned assays above 500 ppm Ni with over 20 samples above 0.2% Ni.

Given these results, the Company is justifiably planning a follow-up drilling program to test the identified anomalies. Locations of the proposed holes are presented in Figure 14 –. The distribution of recent sampling at Kabulwanyele Project and the correlation of anomalous results to mapped laterite in the area by historic explorers and the Company, is presented in Figure 14 –and Figure 15 –.



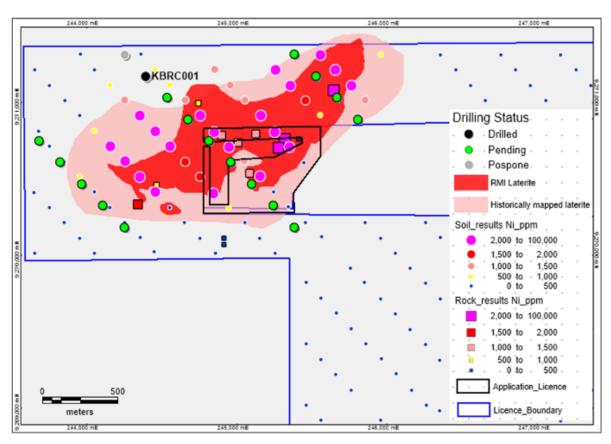


Figure 14 – Ni results from soil and rock chip sampling correlated to identified laterite at Kabulyanwele (Source: RMC 2021b)

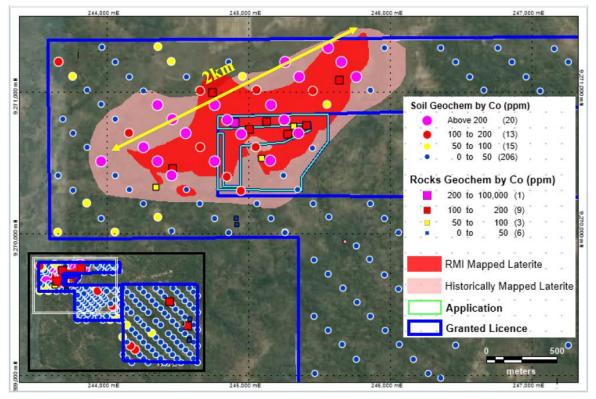


Figure 15 – Co results from soil and rock chip sampling correlated to identified laterite at Kabulyanwele (Source: RMC 2021b)



3.2.2. Kabanga North Project

The Kabanga North Project is a single tenement 22.54 km² in area, located approximately 30km to the NW of the Kabanga Nickel Deposit (Figure 16; RMC, 2022b). The tenement covers stratigraphic successions of mafic/ultramafic, micaceous phyllite and banded semi-pelitic rocks, interpreted to be similar to those that host the Kabanga Nickel deposit (see RMC, 2022a and CP statement therein). Current Mineral Resource estimates for the Kabanga Nickel Deposit are significant, and include cobalt and copper (Glencore, 2014).

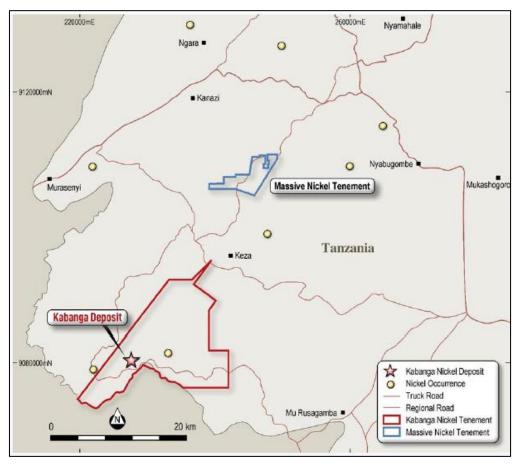


Figure 16 – Location of Kabanga North Project and proximity to the Kabanga Nickel Deposit in the southwest (Source: RMC 2022b)

3.2.3. Kapalagulu Project

The Kapalagulu Project area is interpreted to potentially contain the regionally extensive Kapalagulu Intrusion, a 30 km long and up to 3 km wide dike-like layered ultramafic and mafic intrusion, emplaced between the Paleoproterozoic Ubendian basement and overlying Neoproterozoic Itiaso Group metasedimentary rocks (see Maier *et al.*, 2007). The south-eastern extension of this intrusive body is known to contain high-grade PGE mineralisation (from 1–6 g/t Pt+Pd+Au), largely associated with chromite and sulfide-bearing harzburgite (known as the Lubalisi Zone; see Cabri *et al.*, 2017). Importantly, this zone is also covered by a layer of nickel-rich (from 0.2–2%Ni) laterite regolith that contains linear areas of PGE mineralisation.



Regionally and along strike of the broader tenement area (e.g., at Mibango; see Goldstream 2005, 2006), drilling and surface sampling within what is considered the Kapalagulu Intrusion has noted the following features:

- A contact zone of heterogenous although variable thickness that contains disseminated and massive sulphides; and
- A basal zone of between 100m and 170m thick mela olivine gabbronorite which is apparently present along the entire length of the Kapalagulu intrusion and contains lenses of massive pyrrhotite with variable chalcopyrite, pyrite, sphalerite, pentlandite and magnetite.

Historic exploration in the area reports over 32km of mapped mafic/ultramafic sequence, with reports noting nickel, PGE and copper anomalism and numerous geophysical surveys in the area (see RMC 2022a and CP statement therein). Although reported for the area, Versatile Time Domain Electromagnetic (VTEM) data has not been made available for this review. Nonetheless, numerous high conductivity target areas have been allocated within the central and southern tenements and require validation (Figure 17). In addition, drilling within the central tenement is reported, however results are not available for interpretation.

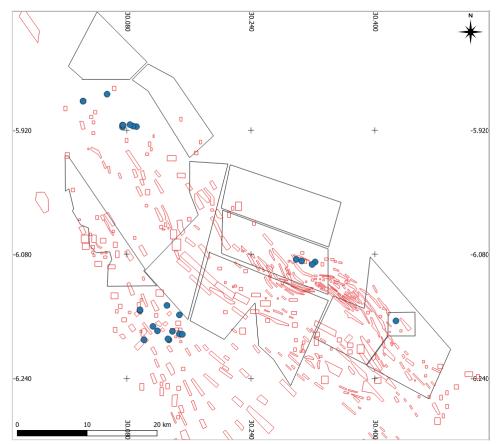


Figure 17 – Distribution of the tenements (black) at the Kapalagulu Project showing VTEM targets (red) and historic drilling

(Source: RMC data room)



3.2.4. The Southern Projects – Mbinga, Liparamba and Kitai

The Mbinga, Limparamba and Kitai Projects are located within the Usugaran Belt, which is dominated by Paleoproterozoic metaigneous, metasedimentary and sedimentary rocks, as well as both mafic and ultramafic intrusive sequences. Occurrences of gabbro norites, norite- troctolites and olivine gabbros have been noted within the broader Project areas of Mbinga and Liparamba (Jacana, 2014).

The area has seen limited exploration activity, mainly commencing in 2005. The Albidon-BHP Billiton team undertook stream sediment sampling which identified nickel and copper anomalies, with reported peak values of up to 582 ppm Ni and up to 176 ppm Cu at Mbinga (Jacana, 2014).

Follow up geophysical work in 2007 by BHP Billiton included a VTEM airborne electromagnetic survey which comprised a total of 3,016 line km covering 414 km² over several prospective mafic-ultramafic intrusion complexes. A zone of very high conductivity correlated well with a mapped ultramafic at Liparamba (Figure 18), with similar correlations made at Kitai (Figure 19).

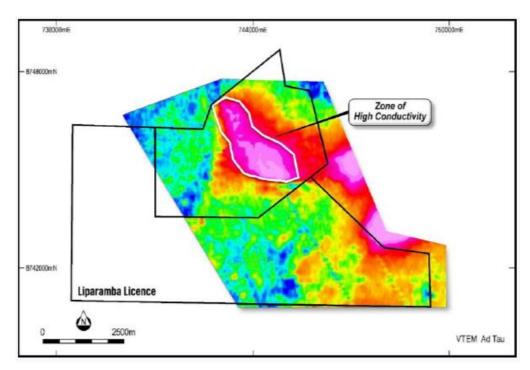


Figure 18 – Location of the Liparamba Project tenement, and position of the high conductivity anomaly from VTEM

(Source: RMC, 2022b)



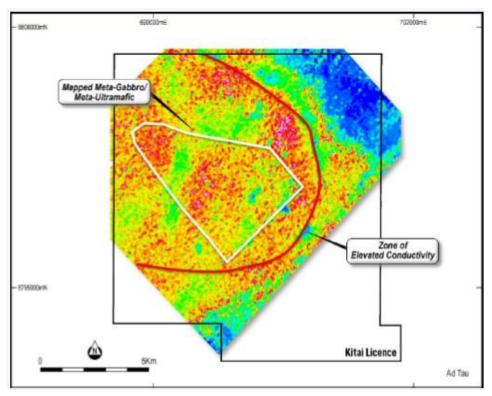


Figure 19 – Location of the Kitai Project tenement, and position of the high conductivity anomaly from VTEM

Data

(Source: RMC, 2022b)

In addition, Jacana Minerals reported correlation of several of Ni anomalies from soil sampling being coincident with Co, Pt and Pd anomalies, and asserted that this supported an interpretation that the Ni anomalies reflect nickel sulphide mineralisation as opposed to nickel oxides (i.e., laterites; see Jacana, 2014).

Most recently, RMC interpret the potential for ultramafic intrusive rocks in the area, as based on a distinct magnetic low feature within the tenement (Figure 20; RMC 2022b). The Company further considers the Project area to host ultramafic lithologies over considerable strike lengths, and an association with Ni anomalism (see RMC 2022a and CP statement therein).



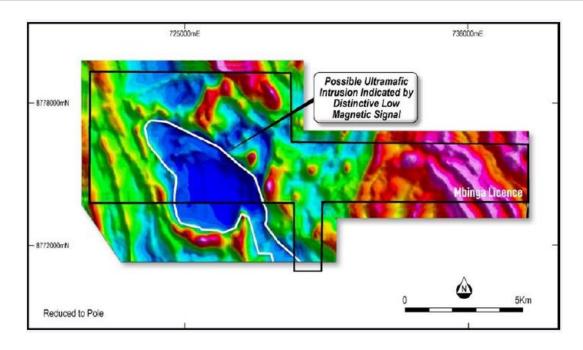


Figure 20 – Location of the Mbinga Project tenement showing location of the magnetic low feature.

(Source: RMC, 2022b)



4. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 3 and provides a guide as to the most applicable valuation techniques for different assets.

Table 3 - VALMIN Code 2015 valuation approaches suitable for mineral Properties

Valuation Approaches suitable for mineral properties					
Valuation	Exploration	Pre-development	Development	Production	
Approach	Projects	Projects	Projects	Projects	
Market	Yes	Yes	Yes	Yes	
Income	No	In some cases	Yes	Yes	
Cost	Yes	In some cases	No	No	

The Kabulwanyele and MNTL Projects are best described as exploration projects. As there are no Mineral Resource estimates within the project areas, they are at an early stage of exploration rather than advanced exploration although in some areas drilling has been undertaken or is soon to commence. Therefore, none of the properties can be considered as development or production projects as defined in VALMIN.

As exploration projects, the most suitable valuation approaches are market- or cost-based. VRM has conducted the valuation applying a geoscientific (Kilburn) approach, this valuation method being cost-based as it considers exploration spend to retain tenure. This has been cross checked applying a comparable transaction (market-based approach) using a tenement area basis which is considered a secondary method.

4.1. Previous Valuations

VRM is not aware of any previous valuations of the Kabulwanyele and MNTL Projects.

4.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 9 May 2022 being the valuation date of this Report and considering information up to 4 July 2022. This valuation is subject to change due to updates in the geological understanding, variable assumptions and potential mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of any potential development. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.



4.3. General assumptions

The Mineral Assets of the Kabulwanyele and MNTL Projects are valued using appropriate methodologies as described Table 3 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the Kabulwanyele and MNTL Mineral Assets located within the tenements controlled by the Company and not the Company itself nor its shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe,
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The AUD\$ to US\$ exchange rate of 1.4572 (www.xe.com) as at 4 July 2022 was applied to convert US\$ tenement holding costs to the AUD\$ equivalent.
- The nickel price used to normalise the comparable transactions was that as at 4 July 2022 being AUD\$32,765.89 (S&P Capital IQ).
- All currency in this report is Australian Dollars or AUD\$, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

4.4. Market Based Valuations

As the projects being valued in this Report are dominantly prospective for nickel it is important to note the current market conditions and supply and demand fundamentals of the commodity markets.

The nickel price is fundamentally related to demand from China who currently makes up around 50% of the demand in the form of both concentrate and direct shipping material for smelters. Nickel (and cobalt) prices are subject to large volatility swings with price often related to the level of London Metal Exchange (LME) stocks and are also often impacted by geopolitical events. Recent demand for nickel is driven largely by its application in steel making and in Electric Vehicle (EV) lithium-ion batteries supporting a transition to low-carbon energy sources.

Surging nickel prices in early 2022 became chaotic in March 2022 as a response to political uncertainty in Europe following the Russian invasion of Ukraine on 24 February 2022. With Russia being the third-largest producer of nickel globally, supply fears drove prices upwards as sanctions were imposed by the West. The responding extreme volatility prompted a rare market shutdown by the LME to curb large amounts of the metal being bought by the world's top nickel producers to ensure future contracts. By May 2022 prices retreated somewhat from the March peaks as demand decreased with global inflation numbers and this trend continued into July 2022.



At the time of reporting price forecasts remain favourable and overall, the nickel market is considered elevated compared to recent times as shown in Figure 21.

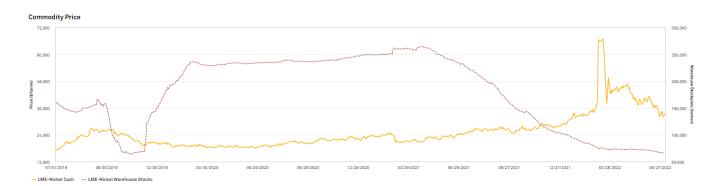


Figure 21 – Three-year Nickel price graph (July 2019 to July 2022). (Source: www.spglobal.com)

4.5. Valuation of Exploration Properties

There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation;
- Comparable transactions (purchase) based on the Properties' area;
- Joint Venture terms based on the Properties' area; and
- A prospectivity enhancement multiplier (PEM)

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method for exploration properties as this best takes into account the underlying licence geology and exploration potential. The area based comparable transaction multiples and Joint Venture terms can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure as past records of these were not provided and in many cases were historic.

4.5.1.Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the



tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 4 documents the ranking criteria that were used in conjunction with the base acquisition cost (BAC) for each licence to determine the technical valuation of the projects. VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment and rental required on the tenement. For the Kabulwanyele and MNTL Projects the BAC has been determined using the exploration commitments for Prospecting Licences and the annual rent payments in Tanzania and then converting these to Australian Dollars from US Dollars.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 4 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.



Table 4 - Ranking criteria are used to determine the geoscientific technical valuation

Geoscientifi	c Ranking Criteria			
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets	Exploration targets		Favourable geological
2.5	identified	identified	Significant intersections	setting
3.0	Along strike or adjacent	Mine or abundant	– not correlated on section	Mineralised zones
3.5	to known mineralisation	workings with significant previous production	Several significant ore grade intersections that	exposed in prospective host rocks
4.0	Along strike from a major mine(s)	Major mine with significant historical	can be correlated	
5.0	Along strike from world class mine	production		

The technical valuation was adjusted to derive a market valuation by applying a market factor and a locational factor. A market factor was derived to account for the status of the nickel market which is currently elevated as shown in Figure 21. On that basis, the technical valuations were adjusted up by 10% for the status of the nickel market conditions and there was a 20% discount applied for the locational risks associated with the projects being in Tanzania. Tanzania is currently rated as having "medium" risk by S&P Global based on medium political, security and terrorism risk and high operational risk. This data is provided by Control Risks and is current for 2022 and provided on a subscription basis via S&P Capital IQ database.



5. Kabulwanyele and MNTL Projects Valuation

5.1. Kabulwanyele Project

The RMC mineral asset valued in this ITAR is the Kabulwanyele Project. There are two granted PLs and a small application covering a total of 20.74km². While infrastructure and access to the Project is reasonable and there is a railway line from Mpanda (50-100km away) linking to the Port of Dar es Salam, small subsistence plots dot the flatter lying areas of the licences.

Along with the other projects located in the northern half of Tanzania, Kabulwanyele occurs in the KMK Belt that hosts mafic-ultramafic units that host known nickel deposits. Nickel and manganese occurrences occur within the tenure and mapping and soil sampling reported by the Company has identified anomalous results that are currently being followed up with drilling.

5.2. MNTL Projects

The MNTL mineral assets valued in this ITAR are the Kapalagulu and Kabanga North Projects in the northern half of Tanzania and the Kitai, Mbinga and Liparamba Projects in southern Tanzania.

The geographic setting of Kapalagulu is similar to that of Kabulwanyele but the licence area is considerably larger, albeit that seven of eight licences remain under application at the time of reporting. This Project area is interpreted to potentially contain the regionally extensive Kapalagulu Intrusion and the south-eastern extension of this intrusive body is known to contain high-grade PGE mineralisation, known as the Lubalisi Zone (Cabri *et al.*, 2017). Importantly, this zone is also hosts laterite regolith that contains nickel and PGE mineralisation. Historic exploration in the area is reported, including drilling within the central tenement is reported, however results are not available for interpretation.

Kabanga North also occurs in the KMK Belt and is located along strike of the Kabanga Nickel Deposit approximately 30km to the northeast. While the Company reports similar host rocks within the licence application previous exploration has not been compiled and therefore the prospectivity of the area cannot be confidently assessed.

The southern MNTL Project areas occur in the Usagaran Belt that extends from northern Tanzania through northern Mozambique. The belt is structurally complex and less well-studied than the northern areas of Tanzania, but some areas of mafic and ultramafic intrusions have been recorded, notably at Ntaka, which is approximately 450km east-northeast of the Liparamba Project. Ntaka is the only reference to nickel mineralisation in southwestern Tanzania (Barnes *et al.*, 2019). Despite this the area has been subject to limited previous exploration activity including regional geophysics and stream sediment sampling (Jacana, 2014) have identified some targets for ongoing exploration at Mbinga, Kitai and Liparamba.



5.3. Geoscientific Valuation

There are several specific inputs that are critical in determining a valid Geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the projects.

In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment and rent to maintain the licences in good standing. In Tanzania, the annual rent on a prospecting licence for its initial prospecting period is calculated by multiplying the area of the licence in square kilometres allocated in the grant by US\$100. In addition to rent, the Tanzanian Mining Act stipulates that the minimum expenditure required for a prospecting licence for the initial prospecting period is US\$500 per square kilometre per annum. VRM applied an amount of USD\$600 per annum converted to AUD\$874 to derive the BAC for all licences. However, given many licences remain at application stage and this rent and expenditure has not yet commenced, while others have been recommended but have not yet been granted a discount has been applied to the BAC to inform the valuation. For applications, a 50% discount was applied, while for applications that are recommended for grant a 25% discount was factored into the BAC.

The Geoscientific rankings were derived for each of the Kilburn ranking criteria with the off-property criteria, on-property criteria, the anomaly factor and geology criteria estimated for each tenement following the ratings listed in Table 4. When these ranking criteria are combined with the base acquisition cost this has determined the technical value as detailed in Appendix A. To convert the technical value to a market value two other factors were then applied based on the location and a commodity market discount or premium. The current nickel market is considered to represent a premium and therefore a factor of 110% was applied to the technical value with the location value discount of 20% (i.e., 80% applied) noting the project locations in Tanzania. Overall, the market valuation is detailed in Table 5.

For the Kapalagulu and MNTL Projects exploration properties the market valuation as determined by the Geoscientific or Kilburn valuation method has resulted in a value between \$1.7 million and \$6.1 million with a preferred valuation of \$3.9 million on an equity ownership basis.



Table 5 - Market Valuation for the Kabulwanyele and MNTL Projects exploration licences

Market Valuation Su	ummary by Tenement			
Project	Tenement	Lower	Preferred	Upper
Kabulwanyele	PL 11534/2021*	0.0	0.1	0.1
Kabulwanyele	PL 11535/2021*	0.1	0.1	0.2
Kabulwanyele	PL/17691/2021*	0.0	0.0	0.0
Subtotal		0.1	0.2	0.2
Kabanga North	PL/17511/2021	0.1	0.1	0.2
Kapalagulu	PL 11724/2021	0.1	0.2	0.4
Kapalagulu	PL/17041/2021	0.5	0.9	1.4
Kapalagulu	PL/17155/2021	0.2	0.5	0.8
Kapalagulu	PL/17503/2021	0.0	0.1	0.1
Kapalagulu	PL/17504/2021	0.1	0.2	0.3
Kapalagulu	PL/17505/2021	0.3	0.6	0.9
Kapalagulu	PL/17687/2021	0.0	0.1	0.2
Kapalagulu	PL/17757/2021	0.1	0.3	0.4
Mbinga	PL 11726/2021	0.0	0.1	0.2
Mbinga	PL/16944/2021	0.1	0.4	0.6
Liparamba	PL 11725/2021	0.0	0.0	0.1
Liparamba	PL/16942/2021	0.0	0.0	0.1
Kitai	PL/17015/2021	0.0	0.2	0.3
MNTL subtotal		1.6	3.7	5.9
Total		1.7	3.9	6.1

Note Appropriate rounding has been undertaken, totals may not correctly sum due to rounding.

5.4. Comparable Transactions – African Nickel Exploration Multiples

VRM reviewed a series of African nickel property transactions using the S&P Capital IQ subscription database. This provided a list of 31 properties that had been transacted between 1997 and 2022 with primary commodity nickel. Most of these involved mines and were therefore not considered comparable. An addition search of African exploration properties within the database returned a list of 40 properties with primary commodity nickel that have been reported by listed companies. Of these, nine properties had been transacted where a company acquired another company (potentially involving multiple assets), while six included transactions where a company had acquired a property / mineral asset. Tenement area information was able to be calculated for four of these asset transactions and a transaction multiple was calculated for the price paid per square kilometre of tenure. The multiple was then normalised to take into account the nickel price at the transaction date versus the current nickel price in Australian Dollars at 4 July 2022.

The final set of data used to derive the valuation including the four transactions highlighted as at a similar stage style and jurisdiction is detailed in Appendix B. From the analysis of completed transactions, VRM determined average, median, and various percentiles of the data at the transaction date as well as normalised to the valuation date.



The four comparable data points show a large range in values from AUD\$202/km² to AUD\$1,469/km². Based on this observation VRM elected to use the median of AUD\$1148/km² of the comparable transactions to calculate the preferred value by this method. The high was determined to be 50% above this and the low 50% below this as VRM considers this range to be appropriate for exploration properties with high risk / uncertainty. The differing status of prospecting licences was not taken into account as this was equally not considered to inform the comparable transaction information. However, the equity ownership of the projects was considered.

In VRM's opinion these multiples can be applied to the Kapalagulu and MNTL Projects exploration properties on an area basis as a secondary valuation technique as summarised below in Table 6.

Table 6 - Comparable transaction valuation of the Kabulwanyele and MNTL Projects

Table 6 - Comparab	ie transaction valuation	of the Kabulw	ranyele and ivily	TL Projects
Market Valuation Su	mmary by Tenement			
Project	Tenement	Lower	Preferred	Upper
Kabulwanyele	PL 11534/2021*	0.0	0.0	0.0
Kabulwanyele	PL 11535/2021*	0.0	0.0	0.0
Kabulwanyele	PL/17691/2021*	0.0	0.0	0.0
Subtotal		0.0	0.0	0.0
Kabanga North	PL/17511/2021	0.0	0.0	0.0
Kapalagulu	PL 11724/2021	0.0	0.1	0.1
Kapalagulu	PL/17041/2021	0.1	0.1	0.2
Kapalagulu	PL/17155/2021	0.1	0.1	0.2
Kapalagulu	PL/17503/2021	0.0	0.1	0.1
Kapalagulu	PL/17504/2021	0.1	0.1	0.2
Kapalagulu	PL/17505/2021	0.1	0.2	0.3
Kapalagulu	PL/17687/2021	0.0	0.1	0.1
Kapalagulu	PL/17757/2021	0.1	0.2	0.3
Mbinga	PL 11726/2021	0.0	0.1	0.1
Mbinga	PL/16944/2021	0.1	0.3	0.4
Liparamba	PL 11725/2021	0.0	0.0	0.0
Liparamba	PL/16942/2021	0.0	0.0	0.1
Kitai	PL/17015/2021	0.1	0.2	0.3
MNTL subtotal		0.8	1.6	2.4
Total		8.0	1.6	2.4

Appropriate rounding has been undertaken

For the Kabulwanyele and MNTL Projects exploration properties the market valuation as determined by the comparable transaction (area basis) valuation method has resulted in a value between \$0.8 million and \$2.4 million with a preferred valuation of \$1.6 million on an equity ownership basis.



5.5. Royalty Valuation - MNTL Projects

VRM has also considered the value of the royalty deed between MNTL and KHPL for a 1.5% NSR payable in relation to potential future production from the MNTL Projects. Given the very early stage of exploration on these projects and the high uncertainty at this time of whether future exploration will result in the definition of any Mineral Resource or Ore Reserve estimates or potential future mineral production, VRM is of the opinion that the royalty value is currently not material.



6. Risks and Opportunities

As with all mineral assets there are several associated risks and opportunities and therefore also with the valuation of those assets. Some non-geological or mining related technical risks and opportunities that are common to most projects include the risks associated with security of tenure, native title claims, environmental approvals, social, geopolitical, and regulatory approval risks. In VRM's opinion, the dotted homes and cultivated plots across most of the licences with the Kabulwanyele and MNTL Projects tenements increases permitting complexity in the event an economic mineral deposit is discovered.

As with all exploration projects, a key technical risk is that further exploration will not result in identifying a body of mineralisation sufficiently large or high enough grade to be considered an economic resource. This is particularly the case for properties at an early stage of exploration such as those in the southern Tanzanian region for some of the MNTL Projects. However, the limited exploration conducted to date on many licences can also be considered an opportunity as targets remain that have not been drill tested.

The MNTL Projects are mostly in the applications stage and Prospecting Licences have only been granted for three of the fourteen licences in this property that is proposed to be acquired. While it appears that this is part of the normal process for land acquisition in Tanzania, VRM cautions that we are not expert in tenement law in Tanzania. But this risk has been considered in our valuation and where appropriate a discount has been applied to account for this as outlined in the valuation sections above.

Tanzania is currently rated as having 'medium' risk by S&P Global based on medium political, security and terrorism risk and high operational risk and may not be as secure to explore in as other jurisdictions that are prospective for nickel.



7. Preferred Valuations

Based on the valuation techniques detailed above, Table 7 provides a summary of the valuations derived by the two techniques outlined above with the preferred valuation range shown at the bottom of the tabulation.

The preferred valuation that VRM has determined is based on the Geoscientific / Kilburn approach as this more closely considers the geological prospectivity of the licences, whereas the comparable transaction approach, while market based relates primarily to the size of the tenure.

Table 7 - Kabulwanyele and MNTL Projects Mineral Assets Valuation Summary by method

Valuation summary by various methods					
Valuation Technique	Lower (\$ million)	Preferred (\$ million)	Upper (\$ million)		
Kilburn / Geoscientific (Exploration properties)	\$1.7	\$3.9	\$6.1		
Comparable Transactions (Area based)	\$0.8	\$1.6	\$2.4		
Preferred Valuation	\$1.7	\$3.9	\$6.1		

Note appropriate rounding has been applied to the valuations.

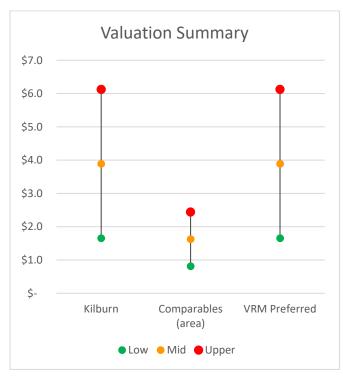


Figure 22 – Summary of Valuation techniques used to determine the preferred valuation and range of likely market values for the Kabulwanyele and MNTL Projects



Based on the rationale outlined in the body of this Report, VRM is of the view that the Kabulwanyele and MNTL Project licences are valued between a low valuation of \$1.7 million to a high valuation of \$6.1 million with a preferred valuation of \$3.9 million.

The breakdown by Project is shown in tabulations above, with the overall preferred value of the Kabulwanyele and MNTL Projects summarised in Table 8.

Table 8 - Kabulwanyele and MNTL Projects Mineral Assets Valuation Summary

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Valuation summary			
Valuation Technique	Lower (\$ million)	Preferred (\$ million)	Upper (\$ million)
Kabulwanyele Project	\$0.1	\$0.2	\$0.2
MNTL Projects	\$1.6	\$3.7	\$5.9
Total Valuation	\$1.7	\$3.9	\$6.1



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9. Glossary

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

The following terms are taken from the 215 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 21 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing



buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material. **Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

- (a) **Early-stage Exploration Projects** Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- (b) **Advanced Exploration Projects** Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- (c) **Pre-Development Projects** Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- (d) **Development Projects** Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.
- (e) **Production Projects** Tenure holdings particularly mines, wellfields, and processing plants that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

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Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals. **Modifying Factors** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to http://www.spe.org for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.



Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.



Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Geoscientific / Kilburn Valuation

Licences	Project	Interest	Grant	Expiry	Area	BAC	Risk	(Off)n	And	maly	Geo	logy
					(Km ²)	(AUD\$)	factor	Pro	perty	Pro	perty	Fa	ctor	Fac	ctor
							appln	Low	High	Low	High	Low	High	Low	High
PL 11534/2021	Kabulwanyele	74.25%	Active		7.00	6,120	100%	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5
PL 11535/2021	Kabulwanyele	74.25%	Active		13.47	11,777	100%	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5
PL/17691/2021	Kabulwanyele	74.25%	Application		0.27	236	75%	1.5	2.0	1.5	2.0	1.5	2.0	2.0	2.5
PL/17511/2021	Kabanga North	99%	Application		22.54	19,708	50%	3.0	3.5	1.0	1.5	1.0	1.5	2.0	2.5
PL 11724/2021	Kapalagulu	99%	15/10/2021	14/10/2025	75.18	65,733	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5
PL/17041/2021	Kapalagulu	99%	Recommended		96.46	84,339	75%	2.0	2.5	1.5	2.0	1.5	2.0	2.0	2.5
PL/17155/2021	Kapalagulu	99%	Recommended		101.41	88,667	75%	2.0	2.5	1.0	1.5	1.0	1.5	2.0	2.5
PL/17503/2021	Kapalagulu	99%	Application		57.62	50,380	50%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5
PL/17504/2021	Kapalagulu	99%	Application		106.66	93,258	50%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5
PL/17505/2021	Kapalagulu	99%	Application		172.83	151,113	50%	2.0	2.5	1.0	1.5	1.0	1.5	2.0	2.5
PL/17687/2021	Kapalagulu	99%	Application		62.17	54,358	50%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5
PL/17757/2021	Kapalagulu	99%	Application		168.05	146,934	50%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5
PL 11726/2021	Mbinga	99%	15/10/2021	14/10/2021	75.51	66,022	100%	1.0	1.5	1.0	1.5	1.5	2.0	0.5	0.9
PL/16944/2021	Mbinga	99%	Recommended		256.22	224,025	75%	1.0	1.5	1.0	1.5	1.5	2.0	0.5	0.9
PL 11725/2021	Liparamba	99%	15/10/2021	14/10/2025	17.24	15,074	100%	1.0	1.5	1.0	1.5	1.5	2.0	0.5	0.9
PL/16942/2021	Liparamba	99%	Recommended		35.90	31,389	75%	1.0	1.5	1.0	1.5	1.0	1.5	0.5	0.9
PL/17015/2021	Kitai	99%	Application		167.6	146,540	50%	1.0	1.5	1.0	1.5	1.5	2.0	0.5	0.9

The BAC has been determined based on the tenement rent of USD\$100/km² and minimum expenditure commitment of USD\$500/km² per annum. The exchange rate to convert to Australian dollars at the 4 July 2022 was 1.46.

When these ranking criteria and the BAC are multiplied the technical valuation for the licences is between \$1.88 million and \$6.96 million with a mid-point of \$4.42 million. The technical valuation is converted to a market valuation after a market premium for nickel of 110% and a geopolitical / location discount of 20% has been applied. This results in a market valuation of between \$1.7 million and \$6.1 million with a preferred (mid-point) valuation of \$3.9 million.

<u>Appendix B - Comparable Transaction Valuation</u>

Project	Country	Transaction Date	Purchaser	Consideration 100% basis AUD\$ M)	Equity acquired %	Licence Area (km2)	\$/km2	Normalised \$/km2
Dablo	Burkina Faso	10/01/2018	Pegasus Metals	0.36	100	488.8	737	1,469
Haneti	Tanzania	20/08/2020	Power Metal Resources	0.05	10	363.7	125	202
Kitgum-Pader	Uganda	22/02/2022	Blencow Resources	2.08	100	2348.2	886	1,180
Molopo Farms Complex	Botswana	18/05/2022	Power Metal Resources	1.17	58.72	1489.9	784	1,116

VRM has analysed these transactions and applied a median normalised value of \$1,148/km² using this method.

Annexure B - Option Terms

(a) Entitlement

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

(b) Expiry Date

An Option not exercised before the expiry date will automatically lapse on the expiry date.

(C) Exercise Period

The Options are exercisable at any time on or prior to the expiry date (Exercise Period).

(d) 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.

(e) 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).

(f) Timing of issue of Shares on exercise

Within five business days after the Exercise Date, the Company will:

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

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

(g) Shares issued on exercise

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

(h) 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.

(i) 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.

(j) 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.

(k) Transferability

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

Annexure C – Summary of material terms and conditions of the Securities Incentive Plan

Set out below is a summary of the terms of the Resource Mining Corporation Limited Securities Incentive Plan (**Plan**). Capitalised terms not otherwise defined below have the meaning given to them in the Plan.

- (a) (Eligible Participant): Eligible Participant means a person that:
 - (i) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000);
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (Purpose): The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
 - (iii) link the reward of Eligible Participants to Shareholder value creation;
 - (iv) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities; and
 - (v) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.
- (c) (Plan administration): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) (Eligibility, invitation and application): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for securities in the capital of the Company, including Shares, options and performance rights, (Securities) on such terms and conditions as the Board decides.
 - On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company.
 - The Board may accept an application from an Eligible Participant in whole or in part.
 - If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.
- (e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) (**Terms of Convertible Securities**): Each '**Convertible Security**' (being, for example, an option or a performance right) represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan.
 - Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security other than as set out in the Plan rules. Except due to the operation of law, a Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
- (g) (Vesting of Convertible Securities): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board or in accordance with the Rules of the Plan, a vesting notice will be sent to the Participant by the

Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested.

- (h) (Automatic vesting): To the extent permitted by Applicable Laws, where an Eligible Participant is a Director, any outstanding Vesting Conditions attaching to Convertible Securities issued to the Eligible Person or their Nominated Party will be deemed to have been waived in the event that the Eligible Participant:
 - (i) stood for election or re-election as a Director at a meeting of Shareholders (**Meeting**) and was not elected or re-elected (as applicable) by a resolution passed at that Meeting; or
 - (ii) otherwise was removed as a Director by a resolution passed at that Meeting.

In such circumstances, the Company must promptly give the Participant a Vesting Notice in respect of those Convertible Securities and the relevant Convertible Securities will continue in force and remain exercisable until the Expiry Date. For clarity, this provision will not apply in the event that the Eligible Participant is a Bad Leaver (as defined below).

(i) (Exercise of Convertible Securities and cashless exercise): To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. More than one signed Notice of Exercise can be delivered by a Participant in relation to a holding of Convertible Securities from the date of a vesting notice until the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. A Convertible Security may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date on which the Participant is entitled to exercise that security in accordance with those rules.

An invitation may specify that, at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

- (j) (Delivery of Shares on exercise of Convertible Securities): As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) (Forfeiture or non forfeiture of Convertible Securities): Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested and/or vested Convertible Securities held by that Participant that have not been exercised to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

Good Leaver Subject to paragraph (h), where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Good Leaver, unless the Board determines otherwise, vested Convertible Securities that have not been exercised will continue in force and remain exercisable until the expiry date and unvested Convertible Securities will be forfeited unless the Board determines otherwise. A **Good Leaver** means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose

employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where an Eligible Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

Bad Leaver Unless the Board determines otherwise, where an Eligible Participant (who, or whose nominated party, holds Convertible Securities) becomes a Bad Leaver, unvested Convertible Securities will be forfeited and vested Convertible Securities that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant. A Bad Leaver means an Eligible Participant (who, or whose nominated party, holds Convertible Securities) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Eligible Participant's employment or engagement is terminated, or the Eligible Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a Group Company and the Eligible Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Eligible Participant's contract of employment or engagement or office, or at common law; (ii) the Eligible Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Eligible Participant's employment contract; or (iii) the Eligible Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act.

Discretion The Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at the time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (I) (Change of control): If a Change of Control Event occurs in relation to the Company, or the Board determines that such an event is likely to occur, then subject to applicable laws and the Listing Rules, all vesting conditions for all Convertible Securities will be deemed to have been waived. A Change of Control Event includes, but is not limited to: (i) a change in Control of the Company; (ii) members of the Company approving a scheme which will result in any person owning more than 50% of the Company's shares; (iii) a takeover bid for the Company becoming unconditional and the bidder having a relevant interest in more than 50% of the Company's shares; and (iv) any Group Company entering into agreements to sell in aggregate a majority in value of the businesses or assets of the Group.
- (m) (Rights attaching to Plan Shares): All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
- (n) (Disposal restrictions on Plan Shares): If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (o) (Adjustment of Convertible Securities): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to

the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) (Participation in new issues): Other than as set out above, there are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) (Amendment of Plan): Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.
 - No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
- (r) (Plan duration): The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.
 - If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Annexure D – Summary of material terms of Performance Rights (Resolution 15)

- (a) (**Terms of Performance Rights**): Each Performance Right represents a right to acquire one fully paid ordinary share in the capital of the Company (**Share**), subject to the terms and conditions of the Performance Right.
 - Prior to a Performance Right being exercised a holder does not have any interest (legal, equitable or otherwise) in any Share the subject of the Performance Right by virtue of holding the Performance Right other than as set out in the terms. Except due to the operation of law, a holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Performance Right that has been granted to them.
- (b) (Vesting of Performance Rights): If all the vesting conditions are satisfied and/or otherwise waived by the Company's board of directors (Board) or in accordance with the terms of the Performance Rights, a vesting notice will be sent to the Performance Right holder (holder) by the Company informing them that the relevant Performance Rights have vested. Unless and until the vesting notice is issued by the Company, the Performance Rights will not be considered to have vested.
- (c) (Automatic vesting): To the extent permitted by applicable laws and the Listing Rules, where the holder is a Director, any outstanding vesting conditions attaching to Performance Rights that they hold will be deemed to have been waived in the event that the holder:
 - stood for election or re-election as a director of the Company (Director) at a meeting of the Company's shareholders (Meeting) and was not elected or re-elected (as applicable) by a resolution passed at that Meeting; or
 - (ii) otherwise was removed as a Director by a resolution passed at that Meeting.

In such circumstances, the Company must promptly give the holder a vesting notice in respect of those Performance Rights and the relevant Performance Rights will continue in force and remain exercisable until the expiry date. For clarity, this provision will not apply in the event that the holder is a Bad Leaver (as defined below).

- (d) (Exercise of Performance Rights): To exercise a Performance Right, the holder must deliver a signed notice of exercise at any time prior to the earlier of any date specified in the vesting notice and the expiry date. More than one signed notice of exercise can be delivered by a holder in relation to a holding of Performance Rights from the date of a vesting notice until the earlier of any date specified in the vesting notice and the expiry date. A Performance Right may not be exercised unless and until that security has vested in accordance with its terms, or such earlier date on which the holder is entitled to exercise that security in accordance with those terms.
- (e) (Delivery of Shares on exercise of Performance Rights): As soon as practicable after the valid exercise of a Performance Right by a holder, the Company will issue or cause to be transferred to that holder the number of Shares to which the holder is entitled and issue a substitute certificate for any remaining unexercised Performance Rights held by that holder.
- (f) (Forfeiture or non forfeiture of Performance Rights): Where the Board determines that the holder has acted fraudulently or dishonestly, or wilfully breached his or her duties to a member of the Company group, the Board may in its discretion deem all unvested and/or vested Performance Rights held by that the holder that have not been exercised to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the terms of the Performance Rights:

- (i) any Performance Rights which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (ii) any Performance Rights which have not yet vested will be automatically forfeited on the expiry

Good Leaver Subject to paragraph (c), where the holder becomes a Good Leaver, unless the Board determines otherwise, vested Performance Rights that have not been exercised will continue in force

and remain exercisable until the expiry date and unvested Performance Rights will be forfeited unless the Board determines otherwise. A **Good Leaver** means a holder whose employment, office or engagement with any group company ceases and who is not a Bad Leaver, and includes where a holder's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.

Bad Leaver Unless the Board determines otherwise, where a holder becomes a Bad Leaver, unvested Performance Rights will be forfeited and vested Performance Rights that have not been exercised will be forfeited on the date of the cessation of employment or office of such holder. A Bad Leaver means a holder whose employment, office or engagement with a group company ceases in any of the following circumstances: (i) the holder's employment or engagement is terminated, or the holder is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a group company and the holder; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the holder's contract of employment or engagement or office, or at common law; (ii) the holder ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the holder's employment contract; or (iii) the holder becomes ineligible to hold his or her office for the purposes of Part 2D.6 of the Corporations Act.

Discretion The Board may decide (on any conditions which it thinks fit) that some or all of the holder's Performance Rights will not be forfeited at the time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (g) (Change of control): If a Change of Control Event occurs in relation to the Company, or the Board determines that such an event is likely to occur, then subject to applicable laws and the Listing Rules, all vesting conditions for all Performance Rights will be deemed to have been waived. A Change of Control Event includes, but is not limited to: (i) a change in Control (as defined in section 50AA of the Corporations Act) of the Company; (ii) members of the Company approving a scheme which will result in any person owning more than 50% of the Company's Shares; (iii) a takeover bid for the Company becoming unconditional and the bidder having a relevant interest in more than 50% of the Company's Shares; and (iv) any group company entering into agreements to sell in aggregate a majority in value of the businesses or assets of the group.
- (h) (Rights attaching to Shares): All Shares issued to a holder upon the valid exercise of a Performance Right will rank pari passu in all respects with the Shares of the same class.
- (i) (Adjustment of Performance Rights): If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of the holder will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder is entitled, upon exercise of the Performance Rights, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.

Unless otherwise determined by the Board, a holder of Performance Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (j) (Participation in new issues): Other than as set out above, there are no participation rights or entitlements inherent in the Performance Rights and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Performance Rights without exercising the Performance Rights.
- (k) (Other rights): A Performance Right does not confer on the holder:
 - (i) any right to vote at a meeting of the shareholders of the Company;
 - (ii) any entitlement to a dividend, whether fixed or at the discretion of the Directors;
 - (iii) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or
 - (iv) any right to participate in the surplus profit or assets of the Company upon a winding up.

(I) (Amendment of terms): Subject to the following paragraph, the Board may at any time amend the terms and conditions upon which any Performance Rights have been granted and determine that any amendments be given retrospective effect, immediate effect or future effect.

No amendment to any terms may be made if the amendment materially reduces the rights of any holder as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things.



MR RETURN SAMPLE 123 SAMPLE STREET SAMPLE SURBURB SAMPLETOWN VIC 3030



Need assistance?



Phone:

1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by a 10:30am (AWST) on Tuesday, 27 September 2022.

Proxy Form

RMIRM

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:



Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia

By Fax:

1800 783 447 within Australia or +61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Change of address. If incorrect,
mark this box and make the
correction in the space to the left.
Securityholders sponsored by a
broker (reference number
commences with 'X') should advise
your broker of any changes.



IND

Proxy Form

Please mark X to indicate your directions

Cton 4	A	B	M-1	V	1 10
Step 1	Appoint a	Proxy to	vote on	Your Be	nait

I/We being a member/s of Resource Mining Corporation Limited hereby appoint

XX

the Chairman	OR	PLEASE NOTE: Leave this box blank if you have selected the Chairman of the
of the Meeting		you have selected the chairman of the Meeting. Do not insert your own name(s
or failing the individual of	or body	corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Resource Mining Corporation Limited to be held at Ground Floor, 16 Ord Street, West Perth WA 6005 on Thursday, 29 September 2022 at 10:30am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 11, 12, 13, 14, and 15 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 11, 12, 13, 14, and 15 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 11, 12, 13, 14, and 15 by marking the appropriate box in step 2.

Step 2

Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		.	A	A In 4 !			F	A	A In 4 !
		For	Against	Abstain			For	Against	Abstain
1	Election of David Round as a Director				11	Adoption of Securities Incentive Plan			
2	Election of Noel O'Brien as a Director				12	Grant of Performance Rights to Trevor Matthews			
3	Election of Asimwe Kabunga as a Director				13	Grant of Performance Rights to David Round			
4	Ratification of Issue of Placement Shares in May				14	Grant of Performance Rights to Noel O'Brien			
5	Ratification of Issue of Placement Options in May				15	Grant of Performance Rights to Asimwe Kabunga			
6	Ratification of Option Issue to Consultant								
7	Ratification of Issue of Placement Shares in June								
8	Ratification of Issue of Placement Options in June								
9	Approval to Issue Debt Repayment Securities								
10	Approval of Massive Nickel Transaction								

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3	Signature of Securityholder(s)	This section must be completed.

Individual or Securityholder 1 Securityholder 2		Securityholder 3		
			11	
Sole Director & Sole Company Secretary Director		Director/Company Secretary	Date	
Update your communication details (Optional)		By providing your email address, you consent to re	ceive future Notice	
Mobile Number	Email Address	of Meeting & Proxy communications electronically		





