Swala Energy Limited
(Subject to Deed of Company Arrangement)
ACN 161 989 546

Notice of Annual General Meeting

Annual General Meeting to be held at
Trident Capital, Level 24, 44 St Georges Terrace
Perth WA 6000 on Thursday, 22 June 2017,
commencing at 10:00am (WST).

Important

In considering the Resolutions, Shareholders should bear in mind the current financial circumstances of the Company.

If Shareholders do not approve the Proposed Transaction, then the Deed Administrator will, in the absence of any other deed of company arrangement proposal or a variation to the terms of the DOCA, have no other option but to recommend to the Creditors that the Company be put into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice.

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

The Administrator (including in its capacity as Deed Administrator) and the Directors have not independently verified any of the information contained in this Notice. The Administrator and its servants, agents and employees and the Directors do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Notice of Annual General Meeting. To the extent permissible by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from this Notice of Annual General Meeting and accompanying Explanatory Statement. Notwithstanding this, the Administrator and the Directors consent to convening the Annual General Meeting and the issue and dispatch of this Notice of Annual General Meeting and accompanying Explanatory Statement.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an annual general meeting of the shareholders of Swala Energy Limited (Subject to Deed of Company Arrangement) ACN 161 989 546 will be held at Trident Capital, Level 24, 44 St Georges Terrace, Perth WA 6000 on Thursday, 22 June 2017, commencing at 10:00am (WST).

Important: Each DOCA Resolution is subject to, and conditional on, each of the other DOCA Resolutions being passed. Accordingly, the DOCA Resolutions should be considered collectively as well as individually.

Each Transaction Resolution is subject to, and conditional on, each of the other Transaction Resolutions being passed. Accordingly, the Transaction Resolutions should be considered collectively as well as individually.

In considering the Resolutions, Shareholders should bear in mind the current financial circumstances of the Company. If the Transaction Resolutions are passed and the Public Offer is completed, the Company will be in a position to seek reinstatement of its securities to quotation on the ASX. Reinstatement will be subject to compliance with the regulatory requirements of the Listing Rules and the Corporations Act.

If Shareholders reject the Transaction Resolutions (and, therefore, the Proposed Transaction), it is possible that the Company will proceed into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders. The Transaction Resolutions are therefore important and will affect the future of the Company. Shareholders are urged to give careful consideration to the Notice and the contents of the Explanatory Statement.

If Shareholders pass the DOCA Resolutions but reject one or more of the other Transaction Resolutions then the Proposed Transaction will not complete in full and the Company will not be in a position to seek reinstatement of its securities to quotation on the ASX unless and until it can identify and receive Shareholder approval for an alternative transaction which is then completed.

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes in more detail the matters to be considered.

Business

Resolution 1 – Consolidation of securities

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

> *"That, subject to all other DOCA Resolutions being passed, for the purposes of section 254H of the Corporations Act and Listing Rule 11.1.2, and for all other purposes, approval is given for the consolidation of the Company's existing securities on the basis that:*
>
> *(a) every 120 Shares be consolidated into 1 Share; and*
>
> *(b) every 120 Options be consolidated into 1 Option,*
>
> *with fractional entitlements rounded down to the nearest whole number, on the terms and conditions set out in the Explanatory Statement."*

Resolution 2 – Issue of securities under Proponent Placement

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

> *"That, subject to all other DOCA Resolutions being passed, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue up to 750,000 Shares (on a post-Consolidation basis) at an issue*

price of $0.02 each, together with 9 free attaching New Options for each Share issued, to Trident Capital (and/or its nominees), on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Trident Capital, and any associate of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 3 – Issue of Shares to Unrelated Swala Noteholders

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, subject to all other DOCA Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue up to 37,500,000 Shares (on a post-Consolidation basis) to the Swala Noteholders pursuant to the conversion of Swala Notes (which are to be issued on or about the date of the Annual General Meeting), on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 4(a), (b) and (c) – Right for Interim Directors to participate in issue of Swala Notes

To consider and, if thought fit, to pass each of the following Resolutions as **ordinary resolutions**:

"That, subject to all other DOCA Resolutions being passed, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue:

(a) up to 5,000,000 Shares (on a post-Consolidation basis) to John Gilfillan (and/or his nominees);

(b) up to 1,000,000 Shares (on a post-Consolidation basis) to Sean McCormick (and/or his nominees); and

(c) up to 1,000,000 Shares (on a post-Consolidation basis) to Stephen Hewitt-Dutton (and/or his nominees),

pursuant to the conversion of Swala Notes, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on: Resolution 4(a) by John Gilfillan; Resolution 4(b) by Sean McCormick; and Resolution 4(c) by Stephen Hewitt-Dutton, and any associate of those persons (as applicable)

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 5(a), (b) and (c) – Appointment of Proposed Directors

To consider and, if thought fit, to pass each of the following Resolutions as **ordinary resolutions**:

"That, subject to all other Transaction Resolutions being passed, for all purposes:

(a) Andrew Simpson;

(b) Barry Bolitho; and

(c) Ian James McCubbing,

having each provided conditional consent to act as a Director, be appointed as Directors pursuant to clause 6.1 of the Constitution with effect from completion of the Share Purchase Agreement."

Resolution 6 – Change to nature and scale of activities

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 11.1.2, and all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 7 – Issue of Shares to Vendors

To consider and, if thought fit, to pass each of the following Resolutions as **ordinary resolutions**:

"That, subject to all other Transaction Resolutions being passed, for the purposes of item 7 of section 611 of the Corporations Act, section 208 of the Corporations Act, and all other purposes, approval is given for:

(a) the Company to issue to the Vendors (and/or their nominees) up to 203,124,999 Shares (on a post-Consolidation basis); and

(b) the Vendors (and/or their nominees) to acquire a Relevant Interest in the Company's Shares as a result of being issued Shares at completion of the Share Purchase Agreement, which increases the Vendors' Voting Power in the Company from 20% or below to more than 20%,

in consideration of the Company acquiring 100% of the issued share capital in Symbol Mining Corporation Pty Ltd, on the terms and conditions set out in the Explanatory Statement."

Independent Expert's Report

Shareholders should carefully consider the Independent Expert's Report prepared by BDO for the purposes of Shareholder approval required under item 7 of section 611 of the Corporations Act for this Resolution. The Independent Expert's Report comments on the fairness and reasonableness of the transaction to the non-associated Shareholders. The Independent Expert has determined that the transaction is **fair and reasonable** to the non-associated Shareholders.

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any Vendor and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 8 – Issue of Shares to Symbol Noteholders

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue up to 25,000,000 Shares (on a post-Consolidation basis) to the Symbol Noteholders pursuant to the conversion of the Symbol Notes, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 9 – Issue of Shares under the Prospectus

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue up to 190,000,000 Shares under the Prospectus at an issue price of $0.04 each to raise up to $7,600,000, with a minimum subscription requirement to raise at least $5,600,000, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 10(a), (b) and (c) – Right for Interim Directors to participate in the Public Offer

To consider and, if thought fit, to pass each of the following Resolutions as **ordinary resolutions**:

"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue:

(a) up to 2,500,000 Shares (on a post-Consolidation basis) to John Gilfillan (and/or his nominees);

(b) up to 2,500,000 Shares (on a post-Consolidation basis) to Sean McCormick (and/or his nominees);

(c) up to 2,500,000 Shares (on a post-Consolidation basis) to Stephen Hewitt-Dutton (and/or his nominees),

at an issue price of $0.04 each under the Public Offer, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on: Resolution 10(a) by John Gilfillan; Resolution 10(b) by Sean McCormick; and Resolution 10(c) by Stephen Hewitt-Dutton, and any associate of those persons (as applicable)

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolutions 11(a), (b) and (c) – Right for Proposed Directors to participate in the Public Offer

To consider and, if thought fit, to pass each of the following Resolutions as **ordinary resolutions**:

"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue:

(a) up to 2,500,000 Shares (on a post-Consolidation basis) to Andrew Simpson (and/or his nominees);

(b) up to 2,500,000 Shares (on a post-Consolidation basis) to Barry Bolitho (and/or his nominees);

(c) up to 2,500,000 Shares (on a post-Consolidation basis) to Ian James McCubbing (and/or his nominees),

at an issue price of $0.04 each under the Public Offer, on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on: Resolution 11(a) by Andrew Simpson; Resolution 11(b) by Barry Bolitho; and Resolution 11(c) by Ian James McCubbing, and any associate of those persons (as applicable)

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 12 – Issue of Shares to Trident Capital

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

> *"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 10.11 and section 208 of the Corporations Act, and for all other purposes, approval is given for the Company to issue 11,500,000 Shares (on a post-Consolidation basis) to Trident Capital (and/or its nominees) for services in relation to the Proposed Transaction, on the terms and conditions set out in the Explanatory Statement."*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by Trident Capital, and any associate of that person.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 13 – Issue of Promoter Options to Argonaut

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

> *"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 20,000,000 Promoter Options (on a post-Consolidation basis) to Argonaut (and/or its nominees) for services in relation to the Proposed Transaction, on the terms and conditions set out in the Explanatory Statement."*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 14 – Issue of Shares to Noble

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

> *"That, subject to all other Transaction Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 50,000,000 Shares (on a post-Consolidation basis) to Noble (and/or its nominees) under the Debt Repayment Agreement, on the terms and conditions set out in the Explanatory Statement."*

Voting exclusion statement

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Shareholder) if the Resolution is passed, and any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Resolution 15 – Change of name

To consider and, if thought fit, to pass the following Resolution as a **special resolution**:

> *"That, subject to all Transaction Resolutions being passed, for the purposes of section 157(1) of the Corporations Act, and for all other purposes, the name of the Company be changed from "Swala Energy Limited" to "Symbol Mining Limited" with effect from the date that ASIC alters the Company's registration and that, for the purpose of section 136(2) of the Corporations Act, and for all other purposes, all references to "Swala Energy Limited" in the Company's Constitution be replaced with references to "Symbol Mining Limited".*

Business of Annual General Meeting

Annual Report

To receive and consider the Annual Report of the Company for the financial year ended 31 December 2016, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 16 – Approval of Remuneration Report

To consider and, if thought fit, to pass the following Resolution as an **advisory only resolution**:

> *"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 31 December 2016 be adopted."*

Note: The votes on this Resolution are advisory only and do not bind the Directors or the Company.

Voting exclusion statement

The Company will disregard any votes cast on the Resolution:

- by or on behalf of a member of Key Management Personnel as disclosed in the Remuneration Report;
- by or on behalf of a Closely Related Party of a member of Key Management Personnel; and
- as a proxy by a member of Key Management Personnel or a Closely Related Party,

unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the Proxy Form or by the Chair pursuant to an express authorisation to exercise the proxy.

Resolutions 17(a), (b) and (c) – Re-election of Directors

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

(a) *"That, for all purposes, Sean McCormick, having been appointed to fill a casual vacancy, retires as required in accordance with clause 6.1(e) of the Company's constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."*

(b) *That, for all purposes, John Gilfillan, having been appointed to fill a casual vacancy, retires as required in accordance with clause 6.1(e) of the Company's constitution and, being eligible, having offered himself for re-election, be re-elected as a Director.*

(c) *That, for all purposes, Stephen Hewitt-Dutton, having been appointed to fill a casual vacancy, retires as required in accordance with clause 6.1(e) of the Company's constitution and, being eligible, having offered himself for re-election, be re-elected as a Director.*

Resolution 18 – Re-election of Kenneth Russell

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

> *"That, for all purposes, Kenneth Russell, who retires by rotation in accordance with clause 6.1(f) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."*

Sean McCormick
Interim Director
Swala Energy Limited (Subject to Deed of Company Arrangement)

23 May 2017

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the shareholders of Swala Energy Limited (Subject to Deed of Company Arrangement) ACN 161 989 546 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Trident Capital, Level 24 44 St Georges Terrace, Perth WA 6000 on Thursday, 22 June 2017, commencing at 10:00am (WST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

Important: Each DOCA Resolution is subject to, and conditional on, each of the other DOCA Resolutions being passed. Accordingly, the DOCA Resolutions should be considered collectively as well as individually. Each Transaction Resolution is subject to, and conditional on, each of the other Transaction Resolutions being passed. Accordingly, the Transaction Resolutions should be considered collectively as well as individually.

This Notice and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their professional adviser prior to voting.

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms in Section 4.

References to “$” and “A$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated.

References to “US$” in this Notice and Explanatory Statement are references to the currency of the United States of America.

References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Reference to Shares and Options in this Explanatory Statement assume that the Consolidation has occurred and are therefore to be interpreted as being on a post-Consolidation basis, unless otherwise stated.

Voting exclusion statements

Certain voting restrictions apply to the Resolutions as detailed beneath the applicable Resolutions in the Notice.

Proxies

Please note that:

- a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- a proxy need not be a Shareholder;
- a Shareholder may appoint a body corporate or an individual as its proxy;

- a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and

- Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Members of the Key Management Personnel will not be able to vote as proxy on Resolution 16 unless the Shareholder directs them how to vote or, in the case of the Chair, unless the Shareholder expressly authorises him or her to do so. If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chair) as their proxy, the Shareholder should ensure that they direct the member of Key Management Personnel how to vote on Resolution 16.

If a Shareholder intends to appoint the Chair as their proxy for Resolution 16, Shareholders can direct the Chair how to vote by marking one of the boxes for Resolution 16 (for example, if the Shareholder wishes to vote 'for', 'against' or to 'abstain' from voting). If the Shareholder does not direct the Chair how to vote, then by submitting the Proxy Form, the Shareholder will be expressly authorising the Chair to exercise the proxy in respect of Resolution 16 even though it is connected to the remuneration of members of the Key Management Personnel.

To vote by proxy, please complete and sign the enclosed Proxy Form and send by:

- post to the Company at c/- Trident Capital, Level 24, 44 St Georges Terrace, Perth, WA 6000;

- facsimile to Trident Capital on (61-8) 9218 8875; or

- email to Trident Capital at info@tridentcapital.com.au,

so that it is received by no later than 10.00am (WST) on Tuesday, 20 June 2017. Proxy Forms received later than this time will be invalid.

Voting entitlements

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 10.00am (WST) on Tuesday, 20 June 2017. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

1. PROPOSED TRANSACTION

1.1 Background

The Company was registered on 17 January 2013 and listed on the ASX on 18 April 2013. Since its incorporation, the Company has primarily operated as an oil and gas company, engaged in the exploration of hydrocarbons in Tanzania and Kenya.

Via its wholly owned subsidiary Swala Energy (BVI) Limited (**Swala BVI**), a limited liability company incorporated in the British Virgin Islands, the Company holds the interests set out below.

(a) A 56% interest in Swala Oil and Gas (Tanzania) Limited (**SOGTL**), a Tanzanian registered company listed on the Dar es Salaam Stock Exchange. SOGTL holds the following participating interests in and is the operator of the following oil and gas exploration licences in Tanzania:

   (i) a 25% participating interest in the Pangani licence (acquired February 2012), which covers a gross area of approximately 17,156km^2; and

   (ii) a 25% participating interest in the Kilosa-Kilombero licence (acquired February 2012), which covers a gross area of approximately 17,675km^2.

   SOGTL's joint venture partners in each of these licences are Otto Energy (Tanzania) Limited (50%) and Tata Petrodyne Limited (25%). The JV partners have agreed to surrender the Pangani licence and are waiting on the Tanzanian government to confirm termination.

(b) A 100% interest in Swala Energy (Kenya) Limited (**Swala Kenya**), which previously held a 50% participating interest in Block 12B in Kenya – covering a gross area of approximately 8,000km^2. The remaining 50% participating interest in Block 12B is held by Tullow Kenya BV, the operator of the licence. Swala Kenya is deemed to have transferred its participating interest in Block 12B to Tullow Kenya BV on 1 September 2016 due to Swala Kenya's failure to remedy a default notice in respect of various breaches of the JV within the remedy period.

(c) A 100% interest in Swala Energy (Uganda) Limited (**Swala Uganda**), which had previously submitted an application to the Ugandan Ministry of Energy and Mineral Development for various exploration licences in Uganda. The assessment period for these proposals extended to 31 December 2016 and Swala Uganda was not a shortlisted party by the government of Uganda. Accordingly, it is likely that these applications will be refused.

The Company has no other material assets aside from various loans to its subsidiaries. Pursuant to the terms of the DOCA and Creditors' Trust, all underlying assets of the Company will be transferred to the Creditors' Trust immediately upon effectuation of the DOCA. The Deed Administrator will act as Trustee of the Creditors' Trust and will be responsible for realising the trust assets for the benefit of the trust beneficiaries, which include the creditors and shareholders of the Company as at 24 June 2016 (being the commencement date of the voluntary administration).

Following the execution of the DOCA, Trident Capital Pty Ltd (**Proponent** or **Trident Capital**) has been negotiating a potential acquisition transaction for the Company, which is intended to be settled after completion of the DOCA.

Specifically, the Company has been presented with the opportunity to acquire Symbol Mining Corporation Pty Ltd ACN 154 347 332 (**Symbol Mining**) which holds exploration projects prospective for Zinc in Nigeria. It is proposed that the Company will enter into a share purchase agreement (**Share Purchase Agreement** or **Agreement**) with Symbol Mining and the Vendors to acquire 100% of the issued share capital of Symbol Mining Corporation Pty Ltd ACN 154 347 332 (**Symbol Mining**) (together with the matters described in Section 1.3, the **Proposed Transaction**).

Completion of the Proposed Transaction will constitute a significant change to the nature and scale of the Company's activities. Therefore, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Transaction. Accordingly, the Company is seeking approval under Listing Rule 11.1.2 (Resolution 6) and will take the necessary steps to meet the requirements of Chapters 1 and 2 as if the Company were applying for admission to the official list of ASX.

1.2 Administration and the DOCA

On 24 June 2016, the Board announced to ASX that it had placed the Company into voluntary administration following the voluntary suspension of trading in the Company's securities that had been in place since 21 April 2016. The Board appointed James Gerard Thackray (**Administrator**) as voluntary administrator of the Company pursuant to section 436A(1) of the Corporations Act.

At a meeting of the Company's Creditors held on 18 October 2016 pursuant to section 439A(1) of the Corporations Act, the Creditors resolved pursuant to section 439C of the Corporations Act that the Company enter into a deed of company arrangement (**DOCA**) and a creditor's trust deed (**Creditors' Trust Deed**).

On 21 October 2016, the Company, the Administrator and Trident Capital Pty Ltd (**Trident Capital**) entered into the DOCA, which embodied a proposal by Trident Capital for the recapitalisation of the Company. Under the DOCA, the Administrator became the administrator of the DOCA (**Deed Administrator**). A summary of the DOCA is set out in Section 1.4.

1.3 Proposed Transaction

Under the Proposed Transaction, and subject to Shareholders approving the Resolutions, the Company will:

- consolidate its existing securities on a 1 for 120 basis;
- raise up to $8,865,000 by issuing:
  - up to 190,000,000 Shares under the Prospectus at an issue price of $0.04 each to raise up to $7,600,000, with a minimum subscription requirement to raise at least $5,600,000;
  - up to 37,500,000 Shares to Swala Noteholders in full conversion of the Swala Notes at a conversion price of $0.02 per Share to raise up to $750,000;
  - 750,000 Shares to Trident Capital at an issue price of $0.02 each to raise $15,000, together with 6,750,000 free attaching New Options; and
  - up to 25,000,000 Shares to the Symbol Noteholders in full conversion of the Symbol Notes at an effective conversion price of $0.02 per Share to raise up to $500,000 (funds being raised by Symbol);
- acquire 100% of the issued share capital of Symbol Mining;
- issue 199,999,999 Shares to the Vendors;

- issue:
  - 11,500,000 Shares to Trident Capital (and/or its nominees); and
  - 20,000,000 Promoter Options to Argonaut (and/or its nominees);

  in consideration of services provided to the Company in connection with the Proposed Transaction;
- make a cash payment of $125,000 in total to Andrew Simpson and Barry Bolitho in reimbursement of expenditure in accordance with Listing Rule 1.1 (Condition 11(a)) or, to the extent that the Company is not permitted to pay the full amount of $125,000 in cash to Andrew Simpson and Barry Bolitho, Shares in lieu of cash valued at $0.04 each (**Cash Reimbursement**);
- restructure Symbol Mining's US$2,776,001 debt to Noble by instead:
  - issuing 50,000,000 Shares to Noble (and/or its nominees); and
  - paying US$1,000,000 to Noble (and/or its nominees) under a payment plan;
- change its name to "Symbol Mining Limited";
- restructure its Board, with the previous Directors (Peter Grant and Frank Moxon) having stepped down as Directors on 27 April 2017, John Gilfillan, Sean McCormick, and Stephen Hewitt-Dutton having joined Kenneth Russell and Mohammed Ishtiaq as Directors for the period from 27 April 2017 to completion of the Share Purchase Agreement, and Andrew Simpson, Barry Bolitho and Ian James McCubbing replacing the existing Directors from completion of the Share Purchase Agreement;
- be released from its obligations to past creditors, enabling the DOCA to be fully effectuated and control of the Company to revert to its Board; and
- re-commence trading on the ASX.

1.4 Deed of Company Arrangement

The key terms of the DOCA (as amended) are as follows:

(a) The Deed Administrator is to establish a fund (**Deed Fund**) for the benefit of the Deed Administrator and the Creditors, into which the following moneys are to be paid:

(i) an amount of $500,000 (**Agreed Amount**) is to be paid by the Proponent, as follows:

(A) $50,000 in the form of non-refundable deposits;

(B) a further amount of $450,000 after receiving Shareholder approval to the DOCA Resolutions;

(ii) all property and undertakings of the Company as at 24 June 2016 and any proceeds or realisation of assets including cash, inventory, inter-company receivables and debtors, plant and equipment, and recoveries;

(iii) any cash-on-hand or at bank;

(iv) the investment in the Company's overseas subsidiaries, including any realisation proceeds of any subsidiaries of the Company; and

(v) any other monies or property transferred by the Company into the Deed Fund.

(b) Subject to:

(i) Shareholders approving the DOCA Resolutions;

(ii) the Company paying the sum of $10 to the Trustee;

(iii) the Proponent paying the Agreed Amount to the Deed Administrator;

(iv) the completion of the capital raising contemplated by Resolutions 2 and 3;

(v) the Creditors' Trust Deed being executed and delivered by the parties;

(vi) the Secured Creditor releasing the Registered Security; and

(vii) the Company retaining its ASX listing and ASX confirming to the Company and the Proponent that nothing contemplated by the DOCA will prevent the Company retaining its ASX listing,

the Company and the Trustee will enter into the Creditors' Trust Deed, the Deed Fund moneys are to be paid to the Trust Fund established under the Creditors' Trust Deed, and the following will occur:

(viii) the DOCA will be completed and will terminate, and the Deed Administrator must notify ASIC that the DOCA has been fully effectuated; and

(ix) the Creditors will forgive all provable debts owed by the Company to Creditors in return for the Creditors becoming beneficiaries of the Trust Fund.

(c) Upon the satisfaction of the DOCA, the Deed Administrator will return control of the Company to the Directors and will have no further responsibilities as Deed Administrator.

The DOCA contains other provisions considered standard for documents of this nature.

The Company anticipates that the DOCA will be completed and fully effectuated within 5 Business Days of Shareholders approving the Resolutions at the Annual General Meeting.

1.5 Creditors' Trust Deed

Upon the satisfaction of the DOCA, the Company and the Trustee will execute the Creditors' Trust Deed. The Deed Fund moneys are to be paid into the Trust Fund established under the Creditors' Trust Deed, and the Trustee will hold the Trust Fund moneys pursuant to the terms of the Creditors' Trust Deed.

Upon the payment of the Deed Fund moneys into the Trust Fund, all Claims against the Company will be discharged and extinguished and substituted for the rights pursuant to the Creditors' Trust Deed. The only moneys available for distribution to Creditors are the moneys of the Trust Fund, to be distributed according to the order of priority set out in the Creditors' Trust Deed.

The DOCA and the Creditors' Trust Deed may be pleaded by the Company against any Creditor in bar of any debt or Claim admissible under the Creditors' Trust Deed or DOCA. The Creditors must accept their entitlements under the Creditors' Trust Deed and must, if called upon, execute and deliver to the Trustee, Company and Directors such forms of release as the Trustee requires.

Upon payment of the final dividend or the expiry of the perpetuity period, the Trust will terminate and the Trustee will resign.

The Creditors' Trust Deed contains other provisions considered standard for documents of this nature.

1.6 Share Purchase Agreement

Upon completion of the DOCA, the Company proposes to enter into the Share Purchase Agreement with Symbol Mining and the Vendors to acquire 100% of the issued share capital in Symbol Mining. The key terms of the Agreement are set out below.

(a) In consideration of acquiring 100% of the issued capital of Symbol Mining, the Company will issue 199,999,999 Shares to the Vendors (pro rata to their respective shareholdings).

(b) In addition, the Company will:

  (i) discharge the Symbol Notes by issuing up to 25,000,000 Shares to the Symbol Noteholders in full conversion of the Symbol Notes; and

  (ii) make a cash payment of $125,000 in total to Andrew Simpson and Barry Bolitho in reimbursement of expenditure in accordance with Listing Rule 1.1 (Condition 11(a)) or, to the extent that the Company is not permitted to pay the full amount of $125,000 in cash to Andrew Simpson and Barry Bolitho, Shares in lieu of cash valued at $0.04 each.

(c) In consideration for services provided in relation to the Proposed Transaction, the Company will issue:

  (i) 11,500,000 Shares to Trident (and/or its nominees); and

  (ii) 20,000,000 Promoter Options to Argonaut (and/or its nominees).

(d) Completion is subject to the following conditions:

  (i) each party obtaining all necessary regulatory and shareholder approvals;

  (ii) the Company being satisfied with its due diligence inquiries into Symbol;

  (iii) the Company completing the Capital Raisings;

  (iv) the Company being reasonably satisfied of its ability to re-comply with Chapters 1 and 2 of the Listing Rules;

  (v) the Company completing the Consolidation;

  (vi) the DOCA being fully effectuated in accordance with its terms;

  (vii) execution of the Debt Repayment Agreement; and

  (viii) no material adverse change having occurred.

(e) On completion, the Board will be replaced with the Proposed Directors.

(f) As soon as practicable following completion, the Company will change its name to 'Symbol Mining Limited'.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature, including warranties and indemnities given by Andrew Simpson and Barry Bolitho in favour of the Company.

1.7 Debt Repayment Agreement

Symbol Mining intends to enter into an agreement (**Debt Repayment Agreement**) with Noble Resources International Pte Ltd (**Noble**) to set out the terms on which the Company will repay the US$2,776,001 owing by Symbol Mining to Noble. The key terms of the proposed agreement are set out below.

(a) Symbol UK's obligations under the Debt Repayment Agreement are to be secured by a first-ranking security over Symbol Mining's shareholding in Symbol UK in favour of Noble. (N.b. Prior to completion of the Proposed Transaction, the Company will seek a waiver from Listing Rule 10.1 to enable the creation of the security without obtaining shareholder approval and otherwise having to comply with the requirements of Listings Rules 10.7 and 10.10. In the event that this waiver is not granted, the parties will consider alternative arrangements. The Company has no reason to believe that the waiver will not be granted.)

(b) Symbol UK defaults on its obligations in the following circumstances:

  (i) it fails to pay any amount due under the Debt Repayment Agreement within three days of it falling due;

  (ii) an application or order is made, or a resolution is passed, for its winding up;

  (iii) a receiver, controller or holder of a security interests takes control of any of its assets;

  (iv) it fails to comply with a statutory demand; and

  (v) other events of default considered standard for agreements of this nature.

(c) If Symbol UK defaults on its obligations then Noble may sell some or all of the shares in the joint ventures held by Symbol UK in order to satisfy any of the funds that are due to be paid to Noble under the Debt Repayment Agreement.

(d) The Company is to issue 50,000,000 Shares to Noble (and/or its nominees) at completion of the Share Purchase Agreement.

(e) The Company is to make the following cash payments to Noble (and/or its nominees):

  (i) US$250,000 on the earlier of:

    (A) the date that is 6 months after the commencement of mining on the Macy deposit of the Imperial Project; and

    (B) 30 June 2018;

  (ii) US$250,000 on the earlier of:

    (A) the date that is 9 months after the commencement of mining on the Macy deposit of the Imperial Project; and

    (B) 30 September 2018; and

(iii) US$500,000 on the earlier of:

(A) the date that is 12 months after the commencement of mining on the Macy deposit of the Imperial Project; and

(B) 31 December 2018.

(f) If the Company fails to make the cash payments in accordance with item (g), interest will be payable on the cash payments at the rate of 12.5% per annum accruing day to day from the relevant due date for payment until the payment is made.

(g) Each party releases the other from any claim, right, action, proceedings or demand arising against them from the original loan arrangements.

(h) The agreement contains warranties given by the parties in favour of each other considered standard for agreements of this nature.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

1.8 Overview of Symbol Mining

Symbol Mining is a mineral exploration company focused on the development and commercialisation of high margin base metals projects in Nigeria.

Symbol Mining is the 100% owner of Symbol Base Metals UK Limited which is the beneficial owner of a 60% interest in:

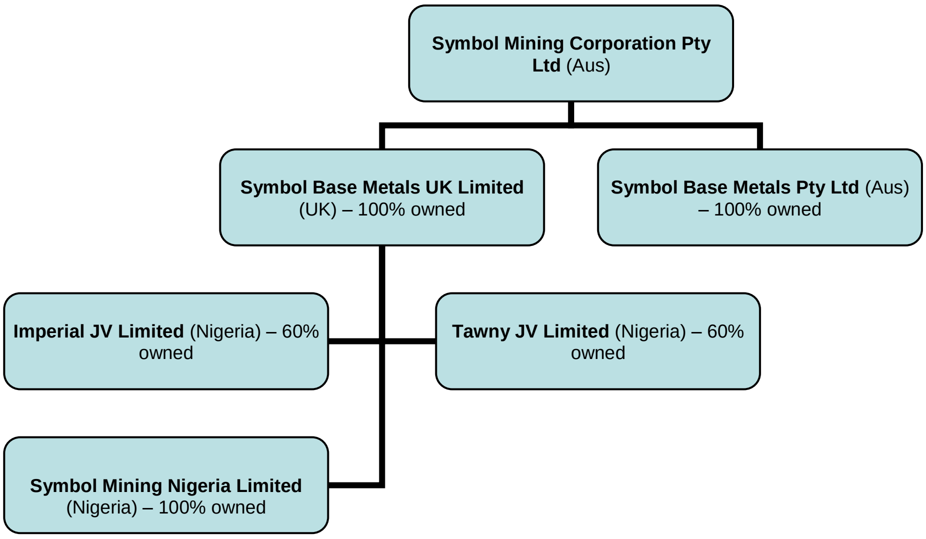
(a) the Imperial Project; and

(b) the Tawny Project.

Symbol Mining's interests in both Projects are held via incorporated joint venture structures with joint venture partners that are unrelated to Symbol Mining.

Symbol Base Metals UK Limited is the 100% owner of Symbol Mining Nigeria Limited, which remains a shell company for now. Symbol Mining is also the 100% owner of Symbol Base Metals Pty Ltd which is also a shell company.

The corporate group structure of Symbol Mining is set out below. If the Proposed Transaction completes, Symbol Mining Corporation Pty Ltd will become a wholly owned subsidiary of the Company and the Company will become the ultimate parent company of the Symbol Mining corporate group.



1.9 Imperial Project

The Imperial Project comprises two exploration licences located on the border of Bauchi and Taraba states approximately 420km east/north-east of Abuja, Nigeria. Aside from the work Symbol is currently doing, there has been little modern exploration on the site. Significant historical mining has occurred as artisanal miners followed the surface expressions of high grade lead and zinc.

The known prospects are fault controlled veins that have many of the characteristics of significant Pb/Zn deposits described as poly metallic or clastic hosted veins.

Product previously mined at the site had grades of 38% Pb and 19% Zn with discrete layers of Galena and Sphalerite over significant strike distance. With over 400km^2 of tenement package there is significant regional prospectivity.

The Imperial main vein is a sandstone hosted 1,600m strike length of artisanal, open pit and underground historical mining. Significant tonnage has been extracted from the site historically. The orebody is clearly defined with extensive weathered massive sulphides of galena, sphalerite, pyrite and chalcopyrite through multiple veins.

Details of the two exploration licences comprising the Imperial Project are set out below.

Tenement	Registered holder	Status	Location	Grant date	Expiry date
EL 18444	Imperial JV Limited	Granted	Bauchi	15/06/2015	02/11/2017
EL 18445	Imperial JV Limited	Granted	Bauchi	15/06/2015	02/11/2017

Imperial joint venture

In 2015, Symbol Base Metal UK Limited (**Symbol UK**), Goidel Resources Limited (**Goidel**) and Imperial JV Limited (**JV Company**) entered into a shareholders deed setting out the terms and conditions governing the relationship of Symbol UK and Goidel as shareholders of the JV Company. The key terms of the deed are set out below.

(a) At commencement, Symbol UK held a 60% interest in the JV Company and Goidel held a 40% interest in the JV Company (interests currently remain the same).

(b) The objectives of the shareholders in operating the JV Company are (amongst others) to evaluate the relevant tenements and if thought fit by the board of the JV Company, proceed with development and production of saleable minerals. The JV Company will initially seek to bring the Imperial Project into production at a rate of at least 100,000 tonnes per annum of high grade ore;

(c) The board of the JV Company will consist of 3 directors, of which:

(i) Symbol UK is entitled to nominate 2 directors, which will be executive directors with management functions; and

(ii) Goidel is entitled to nominate 1 director, which will be a non-executive director with no management functions.

(d) Symbol UK may nominate one of its nominee directors as chairperson (currently Barry Bolitho), who has a casting vote in the event of a deadlock.

(e) The following matters require the unanimous approval of all shareholders and/or all directors of the JV Company: directors' fees, issue of new shares, change of business, cessation of business, provision of any security, borrowing above US$1,000,000, certain sales contracts, distribution of dividends, establishment of cash reserves and the appointment or removal of the auditors of the JV Company.

(f) Any participation by Goidel or its directors, officers, employee, agents and associates in the affairs of the JV Company is subject to prior approval of the board of the JV Company.

(g) The board of the JV Company must approve (by simple majority) business plans and budgets annually before the start of each relevant financial year. All business plans and budgets must include an operating budget regarding all of the JV Company's projects, comparisons of actual results with projections, and a forecast of working capital requirements.

(h) Symbol UK present in person or by proxy, attorney or representative at any annual general meeting shall constitute a quorum and a quorum will not be constituted in any other circumstance.

(i) Subject to the prudent financial management of the JV Company the board will adopt a policy whereby 90% of the 'Available Net Cash' after tax of the JV Company will be declared as dividends and distributed to the shareholders at half yearly intervals.

(j) The JV Company will not declare or pay any dividends during certain defined periods where Symbol UK has provided a loan to the JV Company.

(k) In relation to the management of the JV Company and the Imperial Project:

(i) a trust will be established whereby a percentage of the mines net operating revenue will be allocated to be applied in a manner that maximizes the social and commercial benefit of the local communities in the areas surrounding the Imperial Project;

(ii) a training program will be established by the JV Company to train Nigerian nationals employed at the Imperial Project in all aspects of mine operations;

(iii) when required, the Imperial Project will be operated and managed by a suitable qualified professional management team including an independent international mining contractor;

(iv) the accounts will be managed by an international accounting firm and all relevant taxes, dividends and royalties will be fully paid in a timely manner; and

(v) each of the directors and proposed directors of Symbol UK may continue to provide consultation services to Noble without breaching the deed.

(l) If the board of the JV Company considers that further funding is required, funding will sought to be met as follows: firstly, from the 'Staged Subscription' to the extent that it is available; secondly, from 'Available Net Cash'; thirdly, from loans provided to the JV Company by Symbol UK; fourthly, from loans from third parties; and fifthly, through the issue of further shares.

(m) A shareholder cannot assign all or part of its interest in shares to a third party which:

(i) is a material competitor of any non-assigning shareholder, Noble or the JV Company;

(ii) is not of good standing, financial substance and reputation; or

(iii) would breach or be an event of default of any of the JC Company's debt facilities or any agreement to which it is a party.

(n) Other than an assignment outlined above, if a shareholder wishes to assign its shares, it must do so in accordance with the pre-emptive rights set out in the deed (unless an exception applies). Shares will initially be offered to the other shareholders.

(o) If any difference or dispute in connection with the deed cannot be resolved between the parties or their representative, then either party can request that an arbitrator be appointed under the London Court of International Arbitration Rules.

(p) The deed is governed in accordance with the laws in England.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

1.10 Tawny Project

The Tawny Project comprises one exploration licence and is located 150km east/south-east of the capital Abuja in the state of Nasawarra, Nigeria, only 4km from a major highway. Significant artisanal mining shows as an estimated grade of 41% Pb and 24% Zn. Records also indicated high levels of Ag as well, which could add further to the project's value.

The Tawny mineralised structure is located within a flat lying sequence of carbonaceous grey shales, within a wide north south trending fault zone. The project has been subject to historical open pit mining and underground mining, with a decline developed in 2009.

Details of the exploration licence comprising the Tawny Project are set out below.

Tenement	Registered holder	Status	Location	Grant date	Expiry date
EL 19242	Tawny JV Limited	Granted	Nasawara	11/06/2015	01/02/2018

Tawny joint venture

In 2015, Symbol Base Metal UK Limited (**Symbol UK**), Adudu Farms Nigeria Limited (**Adudu**) and Tawny JV Limited (**JV Company**) entered into a shareholders deed setting out the terms and conditions governing the relationship of Symbol UK and Adudu as shareholders and the relationship between the shareholders and the JV Company. The key terms of the deed are set out below:

(a) At commencement, Symbol UK held a 60% interest in the JV Company and Adudu held a 40% interest in the JV Company (interests currently remain the same).

(b) The objectives of the shareholders in operating the JV Company are (amongst others) to evaluate the relevant tenements and if thought fit by the board of the JV Company, proceed with development and production of saleable minerals. The JV Company will initially seek to bring the Tawny Project into a production rate of at least 50,000 tonnes per annum of high grade ore.

(c) The board of the JV Company shall consist of three directors, of which:

(i) Symbol UK is entitled to nominate two 2 directors, which will be executive directors with management functions; and

(ii) Adudu is entitled to nominate 1 director, which will be a non-executive director with no management functions.

(d) Symbol UK may nominate one of its nominee directors as chairperson (currently Barry Bolitho), who has a casting vote in the event of a deadlock.

(e) The following matters require the unanimous approval of all shareholders and/or the board of the JV Company: remuneration of directors, issue of new shares, any material change in the nature of the main undertaking of the business of the JV Company, and the provision of any security by the JV Company.

(f) Any participation by Adudu or its directors, officers, employee, agents and associates in the affairs of the JV Company must be subject to prior approval of the board of the JV Company.

(g) The board of the JV Company must approve (by simple majority) business plans and budgets annually before the start of each relevant financial year. All business plans and budgets must include an operating budget regarding all of the JV Company's projects and projects that it may acquire, as well as comparisons of recent actual results with projections and forecasts of working capital requirements.

(h) Symbol UK present in person or by proxy, attorney or representative at any annual general meeting shall constitute a quorum and a quorum will not be constituted in any other circumstance.

(i) Subject to the prudent financial management of the JC Company the board will adopt a policy whereby 90% of the 'Available Net Cash' after tax of the JV Company will be declared as dividends and distributed to the shareholders at half yearly intervals.

(j) The JV Company will not declare or pay any dividends during certain defined periods where Symbol UK has provided an 'advance' to the JV Company in accordance with the deed.

(k) In relation to the management of the JV Company and the Tawny Project:

(i) a trust will be established whereby a percentage of the mines net operating revenue will be allocated to be applied in a manner that maximizes the social and commercial benefit of the local communities in the areas surrounding the Tawny Project;

(ii) a training program will be established by the JV Company to train Nigerian nationals employed at the Tawny Project in all aspects of mine operations;

(iii) when required, the Tawny Project will be operated and managed by a suitable qualified professional management team including an independent international mining contractor;

(iv) the accounts will be managed by an international accounting firm and all relevant taxes, dividends and royalties will be fully paid in a timely manner; and

(v) each of the directors and proposed directors of Symbol UK may continue to provide consultation services to Noble without breaching the deed.

(l) Where the board of the JV Company resolves to raise funds by way of loan financing over and above the amount that can be raised pursuant to the loan facility of US$5,000,000, the JV Company must first offer Symbol UK the exclusive right to loan the funds to the JV Company ahead of any third party.

(m) A shareholder cannot assign all or part of its interest in shares to a third party which:

(i) is a material competitor of any non-assigning shareholder, Noble or the JV Company;

(ii) is not of good standing, financial substance and reputation; or

(iii) would breach or be an event of default of any of the JC Company’s debt facilities or any agreement to which it is a party.

(n) Where an ‘Event of Default’ occurs as defined, Symbol UK will have an option to acquire 100% of Abudu’s legal and beneficial interest in all shares held by Abudu.

(o) Other than an assignment outlined above, if a shareholder wishes to assign its shares, it must do so in accordance with the pre-emptive rights set out in the deed (unless an exception applies). Shares will initially be offered to the other shareholders.

(p) If any difference or dispute in connection with the deed cannot be resolved between the parties or their representative, then either party can request that an arbitrator be appointed under the London Court of International Arbitration Rules.

(q) The deed is governed in accordance with the laws in England.

The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

1.11 Business model

Imperial Project

Symbol has established camp and site operations at its Imperial Project located 450 kms due east of the capital Abuja in the Upper Benue Trough.

Symbol has completed its infill drilling program of its Macy Deposit with an inferred JORC resource of 120,000 tonnes at 19% Zn and 20,000 tonnes at 17% Pb, and is currently undertaking the analysis to delineate the resource to an indicated category.

The Company intends to update the mining resource inventory and mine pit design to determine the economic viability for the commencement of mining activities at the Macy Deposit.

Upon completion of a commercially viable mining resource inventory, the Company intends to complete the environmental assessment statement and community agreement to undertake operations under a small scale mining lease or a full mining lease to consist of mining direct shipping ore material from a shallow open pit, with run-of-mine being processed through a simple crushing, screening and washing circuit to produce a less than 10mm product to be trucked to Lagos in 1 tonne bulk bags for loading into sea containers for shipping and export. The type of mining lease will be determined on completion of the update of the mining resource inventory and mine pit design, and the timing of the completion of the environmental assessment statement and community agreement.

Symbol Mining has engaged a geology team to complete sampling, mapping and target identification from the geophysics and known artisanal workings throughout its 400km^2 of contiguous tenements. It is intended that the Company will undertake a drilling campaign to test the high priority targets with the view of delineating and creating a pipeline of potentially viable deposits for commercialisation and growth.

Tawny Project

Given the historical production and mineralisation of the area the Company intends to undertake sampling, mapping and target identification for exploration activities to test the grade and potential size and extent of the mineralisation following the completion of the drilling program at the Imperial Project.

1.12 Financial information

Financial information in relation to Symbol Mining is set out in Schedule 7.

1.13 Key risks

Shareholders should be aware that if the Resolutions are approved, the Company will be changing the nature and scale of its activities which will expose the Company to various risk factors. These risks are both specific to the industry in which the Company operates and also relate to the general business and economic environment in which the Company will operate. An investment in the Company is not risk free and Shareholders should consider the risk factors described below, together with information contained elsewhere in this Explanatory Statement. The following is not intended to be an exhaustive list of the risk factors to which the Company will be exposed to.

(a) **Exploration and development risk**

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves (amongst other things):

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration on the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

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

(b) **Nigerian country risk**

The Projects are located in Nigeria and, following completion of the Proposed Transaction, the Company will be subject to the risks associated with operating in that country, including various levels of political, sovereign, economic and other risks and uncertainties.

These risks and uncertainties also include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Nigeria may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Outcomes in courts in Nigeria may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company or its subsidiaries in Nigeria.

Any material adverse changes in government policies, legislation, political, legal and social environments in Nigeria or any other country that the Company has economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.

(c) **Operational risk**

The operations of the Company may be affected by various factors, including:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- insufficient or unreliable infrastructure, such as power, water and transport;
- difficulties in commissioning and operating plant and equipment;

- mechanical failure or plant breakdown;
- unanticipated metallurgical problems which may affect extraction costs; and
- adverse weather conditions.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.

Further, operations in countries like Nigeria involve an exposure to security related issues such as rebel activity which may cause physical damage to property or other damage to assets of the Company or employee and others. The basis for this activity may be personally motivated, by ideology or for commercial gain and the Company may have limited control over or warning (if any) of such actions. Such actions could have an adverse effect on the operations of the Company.

(d) **Results of studies**

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

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

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

(e) **Joint venture risk**

Through its wholly owned subsidiary, Symbol UK, Symbol Mining has a 60% shareholding in Imperial JV Limited, which owns the Imperial Project. The remaining 40% of the issued capital in Imperial JV Limited is held by Goidel Resources Limited, a company registered in Nigeria. Similarly, through Symbol UK, Symbol Mining has a 60% shareholding in Tawny JV Limited, which owns the Tawny Project. The remaining 40% of the issued capital in Tawny JV Limited is held by Adudu Farms Nigeria Limited, a company registered in Nigeria. The relationships between Symbol UK and each of the other shareholders are governed by the shareholders deeds summarised in Sections 1.9 and 1.10.

The deeds grant significant powers to Symbol Mining with respect to control of Imperial JV Limited and Tawny JV Limited. Despite this, there is an inherent risk of default under or breach of either deed which may impact on the Company's business.

(f) **Security interest risk**

Under the security interest deed between Symbol Mining and Noble dated 25 June 2015, Noble holds a first-ranking security interest over Symbol Mining's shareholding in Symbol UK. If Symbol UK defaults on its obligations under the Debt Repayment Agreement, then Noble may sell some or all of the shares in the joint ventures held by Symbol UK in order to satisfy any of the funds that are due to be paid to Noble under the Debt Repayment Agreement. There is a risk that Symbol UK will not meet its obligations under the Debt Repayment Agreement and that Symbol Mining's interest in the Projects will be reduced.

(g) **Future funding needs**

The funds to be raised under the Public Offer and Capital Raisings are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company in the event costs exceed estimates or revenues do not meet estimates, to support its ongoing operations and implement its strategies. For example, funding may be needed undertake further exploration activities, or acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Offer price or may involve restrictive covenants that limit the Company's operations be business strategy.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

(h) **Environmental risk**

The Company's activities will be subject to the environmental laws inherent in the mining industry and those specific to Nigeria. The Company intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

In addition, environmental approvals may be required from relevant government or regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the Company from undertaking its planned activities. Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(i) **Change in the nature and scale of activities**

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation on the ASX.

(j) **Acquisitions**

The Company may make acquisitions of, or significant investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

(k) **Safety**

Safety is a fundamental risk for any exploration and production company in regards to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

(l) **Litigation**

The Company may in the ordinary course of business become involved in litigation and disputes, for example with service providers, customers or third parties infringing the Company's intellectual property rights. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors, customers or other stakeholders. Such outcomes may have an adverse impact on the Company's business, reputation and financial performance.

(m) **Insurance coverage**

The Company intends to maintain adequate insurance over its operations within the ranges that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, the Company may not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(n) **Force majeure**

Events may occur within or outside the markets in which the Company operates that could impact upon the global and Australian economies, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labor strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations may be materially and adversely affected if any of the events described above occur

(o) **Key management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The Company may be detrimentally affected if one or more of the key management or other personnel cease their engagement with the Company.

(p) **Share market risk**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment;
- the demand for, and supply of, capital; and

- terrorism or other hostilities.

(q) **Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments and financial obligations as and when they fall due. It is the Company's aim in managing its liquidity to ensure that there are sufficient funds to meets its liabilities as and when they fall due. The Company manages liquidity risk by continuously monitoring its actual cash flows and forecast cash flows.

There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

(r) **Credit risk**

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation, resulting in the Company incurring a financial loss. Credit risk arises from cash and cash equivalents (e.g. deposits and investments held with banks and financial institutions), favourable derivative contracts (derivative assets), loans and receivables, guarantees given on behalf of others and loans and commitments granted but not drawn down at the end of the reporting period.

(s) **Commercial risk**

The mining industry is competitive and there is no assurance that, even if commercial quantities are discovered, a profitable market will exist for sales of such commodities. There can be no assurance that the quality of the commodity will be such that the properties in which the Company holds and interest can be mined at a profit.

(t) **Competition risk**

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

(u) **Changes to laws and regulations**

The Company may be affected by changes to laws and regulations (in Australia, Nigeria and other countries in which the Company may operate) concerning property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

1.14 Capital Raisings

As part of the Proposed Transaction, subject to Shareholder approval, the Company will undertake the Public Offer and Capital Raisings described below.

Public Offer

As part of the Proposed Transaction, the Company will offer up to 190,000,000 Shares under the Prospectus at an issue price of $0.04 each to raise up to $7,600,000 before costs, with a minimum subscription requirement to raise at least $5,600,000 before costs (**Public Offer**).

Subject to foreign investor restrictions, the Public Offer will be open to members of the general public.

The Public Offer will not be underwritten.

Funds raised under the Public Offer will be used in accordance with the table set out in Section 1.16.

It is currently anticipated that the Public Offer will open on 7 July 2017 and close on 21 July 2017.

Capital Raisings

As part of the Proposed Transaction, the Company will also:

(a) raise $750,000 by issuing 37,500,000 Shares to the Swala Noteholders in full conversion of the Swala Notes; and

(b) raise $15,000 by issuing 750,000 Shares to Trident Capital at $0.02 each, with 9 free attaching New Options for each Share issued.

At the date of this Notice, Symbol has raised $400,000 by issuing Symbol Notes, and may raise a further $100,000 through their issue. The Company proposes to issue Shares to the Symbol Noteholders in full conversion of the Symbol Notes at an effective conversion price of $0.02 per Share.

Funds raised under the Capital Raisings will be used in accordance with the table set out in Section 1.16.

1.15 Indicative timetable

The indicative timetable for the Proposed Transaction is set out below.

Event	Date
Interim Directors appointed to the Board	27 April 2017
Notice of Annual General Meeting sent to Shareholders	23 May 2017
Annual General Meeting to approve the Resolutions	22 June 2017
Completion of the DOCA Securities registered on a post-Consolidation basis	28 June 2017
Prospectus lodged with ASIC	22 June 2017
Public Offer opens	7 July 2017
Public Offer closes	21 July 2017
Completion of the Proposed Transaction Issue of Shares under the Public Offer Issue of Shares and New Options to Trident Capital Issue of Shares to Swala Noteholders Issue of Shares to Vendors Issue of Shares to Symbol Noteholders Issue of Promoter Options to Argonaut Issue of Shares to Noble Completion of the Share Purchase Agreement Proposed Directors appointed to the Board	28 July 2017
Expected date for Shares to be reinstated to trading on ASX	4 August 2017

Note: The dates shown in the table above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws.

1.16 Proposed use of funds

The Company intends to use the funds raised from the Public Offer and Capital Raisings as follows:

Item	Minimum Subscription		Full Subscription	
	Amount	%	Amount	%
DOCA repayment	$500,000	7.39%	$500,000	5.70%
Expenses of the Proposed Transaction	$972,000	14.37%	$1,092,000	12.46%
Exploration on Imperial Project	$425,000	6.28.%	$1,980,000	21.45%
Exploration on Tawny Project	$260,000	3.84%	$700,000	7.99%
General working capital	$2,893,000	42.76%	$2,878,000	32.84%
Noble debt repayment	$1,370,000	20.25%	$1,370,000	15.63%
Other debt repayments	$220,000	3.25%	$220,000	2.51%
Cash Reimbursement to Proposed Directors	$125,000	1.85%	$125,000	1.43%
Total	**$6,765,000**	**100%**	**$8,865,000**	**100%**

Notes:

1. Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, other items of a general administrative nature and cash reserves which may be used in connection with any project, investment or acquisition, as determined by the Board at the relevant time.
2. If the Full Subscription is achieved, the Company intends to allocate further funds to the exploration on the Projects. The expenses of the Offer will also increase. These costs will reduce working capital under the Full Subscription.

1.17 Pro forma capital structure

The pro forma capital structure of the Company, assuming the Resolutions are passed and the Proposed Transaction completes, is as follows:

Capital structure	Existing[1]	Completion	
		Minimum Subscription	Full Subscription
Existing Shares[2]	1,376,288	1,376,288	1,376,288
Shares to Trident[3]	-	12,250,000	12,250,000
Shares to Swala Noteholders[4]	-	37,500,000	37,500,000
Shares to Vendors[5]	-	199,999,999	199,999,999
Shares in lieu of Cash Reimbursement[6]	-	3,125,000	3,125,000
Shares to Symbol Noteholders[7]	-	20,000,000	25,000,000
Shares to Noble[8]	-	50,000,000	50,000,000
Shares under Public Offer[9]	-	140,000,000	190,000,000
Total Shares	**1,376,288**	**464,251,287**	**519,251,287**
Existing Options[10]	72,498	72,498	72,498
New Options[11]	-	6,750,000	6,750,000
Promoter Options[12]	-	20,000,000	20,000,000
Fully diluted Share capital	**1,448,786**	**491,073,785**	**546,073,785**

Notes:

1. Assumes completion of the Consolidation of securities on a 1 for 120 basis.
2. Assumes no additional Shares are issued between the date of this Notice and completion of the Proposed Transaction, including pursuant to an exercise of existing Options.
3. 750,000 shares to be issued to Trident Capital (and/or its nominees) under the Proponent Placement and 11,500,000 shares to be issued to Trident Capital (and/or its nominees) in consideration of services provided to the Company in connection with the Proposed Transaction. See Section 2.2 for further information.
4. Shares to be issued to Swala Noteholders in full conversion of the Swala Notes. See Section 2.3 for further information.
5. Shares to be issued to the Symbol Vendors under the Share Purchase Agreement in consideration for their shares in Symbol Mining. See Section 2.7 for further information.
6. Shares to be issued to Andrew Simpson and Barry Bolitho in lieu of cash reimbursement of expenditure. Assumes the full amount of the Cash Reimbursement is paid in Shares. See Section 1.6 for further information.

7. Shares to be issued to the Symbol Noteholders in full conversion of the Symbol Notes. See Section 2.8 for further information.

8. Shares to be issued to Noble (and/or its nominees) under the Debt Repayment Agreement. See Sections 1.7 and 2.14 for further information.

9. See Section 2.9 for further information on the Public Offer.

10. Particulars of existing Options are set out in Section 2.1(b).

11. New Options are to be issued to Trident Capital under the Proponent Placement. New Options will have an exercise price of $0.04 and expire 4 years from issue. See Section 2.2 for further information.

12. Promoter Options to be issued to Argonaut in consideration of services provided to the Company in connection with the Proposed Transaction. Promoter Options will have an exercise price of $0.06 and expiry date of 31 December 2018. See Section 2.13 for further information.

1.18 Pro forma statement of financial position

The pro forma statement of financial position of the Company, assuming the Resolutions are passed and implemented, is set out in Schedule 6.

1.19 Independent Expert's Report

The Independent Expert's Report assesses whether the acquisition of Shares by the Vendors under the Share Purchase Agreement is fair and reasonable to the Shareholders who are not associated with the Vendors. The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the proposed acquisition under the Share Purchase Agreement. This assessment is designed to assist Shareholders in reaching their voting decision.

BDO has prepared the Independent Expert's Report and has provided an opinion that it believes the proposal as outlined in the Share Purchase Agreement is, on balance, **fair and reasonable** to Shareholders not associated with Symbol Mining. It is recommended that all Shareholders read the Independent Expert's Report in full which is enclosed as Annexure A of this Notice.

1.20 Advantages of the Proposed Transaction

The Proponent is of the view that the following non-exhaustive list of advantages of the Proposed Transaction may be relevant to a Shareholder's decision on how to vote on the Resolutions:

(a) The Company is currently subject to a deed of company arrangement. If the DOCA is not fully effectuated in accordance with the terms of the DOCA then it is probable that the Company will be placed into liquidation. In those circumstances, it is unlikely that there will be any return to Shareholders. Completion of the Proposed Transaction will give the Company an opportunity to avoid liquidation and continue operating.

(b) By completing the Proposed Transaction, the Company will be fully released from all claims of creditors capable of being released by a DOCA and the DOCA will be terminated. Upon termination of the DOCA, control of the Company will pass back to the Board and the Company will be in a position to continue operating, which it intends to do so in accordance with the business model set out in Section 1.11.

(c) By Completing the Proposed Transaction the Agreed Amount will be paid to the Creditors' Trust to meet all of the costs of voluntary administration and the DOCA and to enable part payment of the Company's priority employee entitlement claims. All of the existing assets of the Company will be transferred to the Creditors' Trust for distribution to creditors and if creditors are paid in full, to shareholders in cash or "in specie" on a parri passu basis.

(d) By completing the Proposed Transaction, the Company's securities will be reinstated to quotation on the ASX which will give Shareholders an opportunity to trade their Shares for value.

(e) The Proposed Transaction will significantly strengthen the Company's balance sheet by providing the Company with, at least, approximately $6,765,000 (before costs) in capital and removing the liabilities owing to creditors. A stronger balance sheet will make the Company more attractive to investors which may improve the Company's ability to raise further funds as and when required via equity and debt markets.

(f) The funds raised will provide the Company with sufficient capital moving forward to effectively evaluate its assets and new assets with a view to increasing the value of Shares.

(g) A larger market capitalisation and enhanced Shareholder base resulting from the Proposed Transaction may provide a more liquid market for the Company's Shares than what existed prior to the Company entering administration.

(h) The change in nature of the Company's activities could attract new investors and may allow the Company to more readily raise additional working capital (if required) as such, the Company may increase its ability to acquire further projects.

(i) The Independent Expert has concluded that the proposed 100% acquisition of Symbol is fair and reasonable to non-associated Shareholders.

1.21 Disadvantages of the Proposed Transaction

The Proponent is of the view that the following non-exhaustive list of disadvantages of the Proposed Transaction may be relevant to a Shareholder's decision on how to vote on the Resolutions:

(a) Shareholders would suffer dilution. Assuming that the Offer is fully subscribed, the Proposed Transaction will result in Shareholders' interests in the Company being diluted by approximately 99.72%. This will in turn reduce the respective Voting Power of each existing Shareholder.

(b) Upon completion of the Proposed Transaction, the Company will be changing the nature of its activities from oil and gas exploration to mineral exploration, which may not be consistent with the objectives of Shareholders.

(c) The Company and its Shareholders will be exposed to the risks associated with Symbol Mining and its business including those risks set out in Section 1.13.

(d) Shareholders may believe that there is a possibility for a superior proposal to emerge in the foreseeable future to recapitalise and re-list the Company. As at the date of this Notice, no superior proposal has been received by the Company or the Administrator. If the Proposed Transaction is unsuccessful and the DOCA does not complete then the Company would likely either be placed into liquidation with no return to Shareholders, or subject to another deed of company arrangement proposal. While it is possible that a superior proposal would emerge, at the date of this Notice, there is no reason to believe that a superior proposal is likely to be forthcoming.

2. REGULATORY INFORMATION

2.1 Resolution 1 – Consolidation of securities

Resolution 1 is an ordinary resolution which proposes that the issued capital of the Company be altered by consolidating the existing securities on a 1 for 120 basis (**Consolidation**). The record date for determining the Consolidation will be 5.00pm on 28 June 2017. Any fractional entitlements as a result of holdings not being evenly divisible by 120 will be rounded down to the nearest whole number.

Section 254H of the Corporations Act

Section 254H of the Corporations Act enables a company to convert all of its ordinary securities into a smaller number of securities by a resolution passed at a general meeting. The conversion proposed by Resolution 1 is permitted under section 254H of the Corporations Act.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders. The purpose of the Consolidation is to satisfy ASX's requirements in order to qualify for a waiver of the '20 cent rule' and enable the Company to offer Shares under the Public Offer for $0.04 each. The Consolidation is also required for the purposes of re-complying with Chapters 1 and 2 of the Listing Rules.

The Consolidation will reduce the number of existing securities on issue. For example, a Shareholder currently holding 1,200 Shares will, as a result of the Consolidation, hold 10 Shares, and an Option holder currently holding 1,200 Options will, as a result of the Consolidation, hold 10 Options.

The Company's balance sheet and tax position will remain unaltered as a result of the Consolidation.

(a) **Shares**

The Company's issued share capital as a result of the Consolidation on a 1 for 120 basis will be as follows (subject to rounding):

	Pre-Consolidation	Post-Consolidation
Shares on issue	165,154,565	1,376,288

(b) **Options**

The Listing Rules require the Company to consolidate the number of existing Options of the Company on the same 1 for 120 ratio with the exercise price being amended in inverse proportion to that ratio. Accordingly, the existing Options will be consolidated as follows (subject to rounding):

	Pre-Consolidation		Post-Consolidation	
Expiry date	**Number of Options**	**Exercise price**	**Number of Options**	**Exercise price**
12/04/18	8,050,000	$0.30	67,083	$36.00
12/04/18	50,000	$0.30	416	$36.00

27/09/18	550,000	$0.30	4,583	$36.00
25/10/18	50,000	$0.30	416	$36.00
Total	**8,700,000**		**72,498**	

(c) **Holding statements**

Following the Consolidation, all holding statements for existing Shares will cease to have any effect, except as evidence of entitlement to a certain number of Shares (on a post-Consolidation basis). After the Consolidation becomes effective, the Company will arrange for new holding statements for Shares to be issued to Shareholders.

(d) **Timetable**

If Resolution 1 and all other DOCA Resolutions are passed, the Consolidation will take effect in accordance with the timetable set out in paragraph 8 of Appendix 7A of the Listing Rules. The anticipated timetable for the Consolidation is set out below.

Event	Date
Company notifies ASX that Shareholders have approved the Consolidation	22 June 2017
Trading would normally commence in the reorganised Shares on a deferred settlement basis	26 June 2017
Last day for the Company to register transfers on a pre-Consolidation basis	27 June 2017
Securities registered on a post-Consolidation basis	28 June 2017
Issue of new holding statements for consolidated Shares	4 July 2017

The above dates are indicative only and are subject to change.

Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- if ASX requires, obtain shareholder approval and comply with any requirements of ASX in relation to the associated notice of meeting; and
- if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the entity were applying for admission to the official list of ASX.

If the DOCA Resolutions are approved, the Consolidation will proceed irrespective of whether or not the balance of the Proposed Transaction completes. Therefore, the Company is required to seek the approval of Shareholders under Listing Rule 11.1.2 for a change in the scale of its activities as a result of the Consolidation. Accordingly, Resolution 1 also seeks approval from Shareholders for a change to the scale of the activities of the Company.

As required by ASX Guidance Note 12: *Significant Changes to Activities*, the following information is provided in relation to Resolution 1:

(a) **Material terms of the transaction**

The key terms of the Consolidation are set out above in this Section 2.1. Other key information relating to the DOCA Resolutions is set out in Sections 2.2, 2.3 and 2.4.

(b) **Financial effect of the transaction on the entity and on the interests of security holders**

The effect of the Consolidation on the capital structure of the Company is set out above in this Section 2.1.

Upon completion of the Consolidation and issues of Shares under the Proponent Placement and pursuant to the issue of Swala Notes, the number of Shares on issue will be approximately 39,626,288, and existing Shareholders will be diluted by approximately 96.53%. Further, if the 6,750,000 New Options are converted into Shares, existing Shareholders will be diluted by approximately a further 0.5%.

The issues of securities will raise $765,000 for the Company which will be applied towards the payment of the Agreed Amount to the Deed Administrator under the DOCA, and costs associated with Proposed Transaction.

(c) **Details of how the entity will be modifying its business model to accommodate the significant change in the scale of the entity's activities**

From completion of the DOCA, the Company intends to focus on completing the Proposed Transaction to adopt the business model described in Section 1.11.

(d) **Information about the entity's need to borrow any funds or raise any capital in the short term as a result of the transaction**

Other than as disclosed elsewhere in this Notice, there is no current intention of borrowing any funds or raising any capital in the short term in connection with the DOCA or the Proposed Transaction. However, final decisions regarding further funding will only be made by the Company in light of material information and circumstances at the relevant time. Accordingly, this statement is a statement of current intention only, which may change as new information becomes available or as circumstances change.

(e) **Changes proposed to the entity's board or senior management**

The Company will restructure its Board, with the previous Directors (Peter Grant and Frank Moxon) having stepped down as Directors on 27 April 2017, John Gilfillan, Sean McCormick, and Stephen Hewitt-Dutton having joined Kenneth Russell and Mohammed Ishtiaq as Directors for the period from 27 April 2017 to completion of the Share Purchase Agreement, and Andrew Simpson, Barry Bolitho and Ian James McCubbing replacing the existing Directors from completion of the Share Purchase Agreement.

(f) **Timetable for implementing the transaction**

Completion of the DOCA and Consolidation is anticipated to occur on or about 28 June 2017. The indicative timetable for the Proposed Transaction is set out in Section 1.15. Further issues of Shares may occur from time to time after completion as a result of New Options being converted into Shares in accordance with their terms.

2.2 Resolution 2 – Issue of securities under Proponent Placement

Resolution 2 seeks Shareholder approval for the issue to Trident Capital (and/or its nominees) of up to 750,000 Shares at an issue price of $0.02 each to raise up to $15,000, and up to 6,750,000 free attaching New Options.

Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Trident Capital is a related party of the Company under section 228 of the Corporations Act as it has nominated 3 Directors to the Board (i.e. the Interim Directors) for the period from 27 April 2017 to completion of the Share Purchase Agreement and may therefore be considered to have, or be expected to have, a level of control over the Company.

Accordingly, the Company is seeking Shareholder approval to Resolution 2 for the purposes of section 208 of the Corporations Act.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolution 2:

(a) **Related party to whom the financial benefit is given**

Trident Capital (and/or its nominees).

(b) **Nature of the financial benefits**

Up to 750,000 Shares and 6,750,000 New Options.

(c) **Valuation of the financial benefits**

The Company is offering its Shares to the public under the Public Offer at an issue price of $0.04 each, which implies that each Share will initially have a market value of $0.04. Based on this Share price, the indicative maximum value of the Share component or the financial benefit to be given to Trident Capital is $30,000, however would need to pay $15,000 for these Shares. The value of the benefit of the Shares will depend on the price at which the Shares trade on the ASX from time to time.

Each New Option has been valued at $0.031 using the Black-Scholes method as set out in Schedule 4. Accordingly, the indicative maximum value of the Option component of the financial benefit to be given to Trident Capital is $209,250.

(d) **Reason for the financial benefit**

The Shares and New Options are being issued in partial consideration of services provided by Trident Capital to the Company in connection with the Proposed Transaction.

(e) **Current remuneration and security interests**

Trident Capital will receive a cash fee of $120,000 upon completion of the Proposed Transaction. At the date of this Notice, Trident Capital does not have a relevant interest in any securities in the Company.

(f) **Terms of the securities**

The Shares that may be issued to Trident Capital pursuant to Resolutions 2 will rank equally in all respects with existing Shares on issue.

The terms and conditions of the New Options are set out in Schedule 2.

(g) **Dilution**

If all Shares are issued pursuant to the Resolutions in this Notice and no other Shares are issued by the Company, then the Shares to be issued under Resolution 2 would dilute Shareholders by approximately 0.0005%. Further, if all New Options issued under Resolution 2 are exercised into Shares, then the total Shares issued would dilute Shareholders by approximately 0.0047%.

(h) **Opportunity costs to the Company**

The Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Shares and New Options to Trident Capital under Resolution 2.

(i) **Intended use of funds**

The funds raised from the issue of Shares will be used in accordance with Section 1.16.

No funds will be raised by the issue of New Options under Resolution 2 as they are being issued as consideration for services provided by Trident Capital to the Company in relation to the Proposed Transaction. The proceeds from any future exercise of the New Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the New Options at the discretion of the Board.

(j) **Directors' interests**

No Director has a material personal interest in the outcome of Resolution 2.

(k) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolution 2.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a related party without the approval of holders of ordinary securities. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, Trident Capital is a related party of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares and New Options to Trident Capital.

If Resolution 2 is approved, the Shares and New Options issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 2:

(a) **Name of the person**

Trident Capital (and/or its nominees).

(b) **Maximum number of securities to be issued**

750,000 Shares and 6,750,000 New Options.

(c) **Date by which the entity will issue the securities**

The Shares and New Options will be issued at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares or New Options will be issued to Trident Capital later than 3 months after the Annual General Meeting or such longer period as permitted by ASX.

(d) **Relationship that requires Shareholder approval**

Trident Capital is a related party of the Company under section 228 of the Corporations Act as it has nominated 3 Directors to the Board (i.e. the Interim Directors) for the period from 27 April 2017 to completion of the Share Purchase Agreement and may therefore be considered to have, or be expected to have, a level of control over the Company.

(e) **Issue price of the securities**

The issue price for the Shares is $0.02 each.

The issue price for the New Options is nil as they are free attaching to the Shares on a 9 for 1 basis.

(f) **Terms of the issue**

The Shares will rank equally in all respects with existing Shares on issue.

The New Options will be exercisable at $0.04 with an expiry date 4 years from issue, and will otherwise be on the terms set out in Schedule 2.

(g) **Intended use of the funds raised**

The funds raised from the issue of Shares will be used in accordance with Section 1.16.

No funds will be raised by the issue of New Options under Resolution 2 as they are being issued as consideration for services provided by Trident Capital to the Company in relation to the Proposed Transaction. The proceeds from any future exercise of the New Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the New Options at the discretion of the Board.

2.3 Resolution 3 – Issue of Shares to Swala Noteholders

Under Resolution 3, the Company is seeking Shareholder approval under Listing Rule 7.1 to issue up to 37,500,000 Shares to the Swala Noteholders pursuant to the conversion of the Swala Notes.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 3 seeks approval for the issue of up to 37,500,000 Shares for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 3 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 3:

(a) **Maximum number of securities the entity is to issue**

37,500,000 Shares.

(b) **Date by which the entity will issue the securities**

The Shares will be issued to the Swala Noteholders at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to the Swala Noteholders later than 3 months after the Meeting or such longer period as permitted by ASX.

(c) **Issue price of the securities**

Effective price of $0.02 each.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Swala Noteholders (and/or their nominees).

(e) **Terms of the securities**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

The funds raised from the issue of Shares have been or will be used in accordance with Section 1.16.

2.4 Resolution 4(a), (b) and (c) – Right for Interim Directors to participate in issue of Swala Notes

Resolutions 4 (a), (b) and (c) are ordinary resolutions which seek approval to enable each Interim Director to apply for, and the Company to issue in total, up to 7,000,000 Shares to the Interim Directors (and/or their nominees) pursuant to the conversion of Swala Notes.

Section 208 of the Corporations Act

John Gilfillan, Sean McCormick and Stephen Hewitt-Dutton are related parties of the Company for the purposes of section 228 of the Corporations Act as they are Directors.

The Company considers that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Shares to those related parties due to the “arm’s length” exception in section 210. To this end, the Company notes the following:

- Interim Directors who wish to participate in the issue of the Swala Notes will only be entitled to apply for Shares on the same terms as Unrelated Swala Noteholders.
- The ability of the Interim Directors to participate in the issue of Swala Notes may assist the Company with raising funds. Therefore, the participation of the Interim Directors in the issue of Swala Notes may facilitate the Company’s ability to complete the Proposed Transaction.
- The dilutionary impact on existing Shareholders would be the same irrespective of whether the Shares are issued to the Interim Directors or Unrelated Swala Noteholders.
- The issue of Shares to the Interim Directors under the issue of Swala Notes would be reasonable in the circumstances if the Company were dealing at arm’s length.
- There are benefits to the Company in the Interim Directors holding or otherwise having an interest in Shares as this will help to incentivise their performance as Directors and, in doing so, further align their interests with those of Shareholders.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a related party without the approval of holders of ordinary securities. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, each Interim Director is a related party of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares to the Interim Directors under the Public Offer.

Resolutions 4(a) to (c) seek approval for the issue of up to 7,000,000 Shares to the Interim Directors for the purpose of satisfying the requirements of Listing Rule 10.11. If Resolutions 4(a) to (c) are approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 4(a) to (c):

(a) **Name of the person**

John Gilfillan, Sean McCormick and Stephen Hewitt-Dutton (and/or their nominees).

(b) **Maximum number of securities to be issued**

The maximum number of securities that may be issued pursuant to Resolutions 4(a) to (c) is as follows:

Recipient	Shares
John Gilfillan	5,000,000
Sean McCormick	1,000,000
Stephen Hewitt-Dutton	1,000,000
Total	**7,000,000**

(c) **Date by which the entity will issue the securities**

The Shares will be issued under this Resolution at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to the Interim Directors later than 3 months after the Annual General Meeting or such longer period as permitted by ASX..

(d) **Issue price of the securities**

Effective price of $0.02 each.

(e) **Terms of the issue**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

The funds raised from the issue of Shares have been or will be used in accordance with Section 1.16.

2.5 Resolutions 5(a), (b) and (c) – Appointment of Proposed Directors

Resolutions 5(a), (b) and (c) are ordinary resolutions that seek Shareholder approval to the appointment of Andrew Simpson, Barry Bolitho and Ian James McCubbing as directors of the Company. In accordance with the Share Purchase Agreement, the Proposed Directors are the 3 nominees of Symbol Mining.

Clause 6.1 of the Constitution provides that a person may be elected to the office of a director at a general meeting by Directors' nomination. The Directors may appoint any natural person to be a director either as an addition to the existing Directors or to fill a casual vacancy.

The appointment of the Proposed Directors will become effective from completion of the Proposed Transaction. Brief profiles of the Proposed Directors are set out in in Section 3.3.

2.6 Resolution 6 – Change to nature and scale of activities

Resolution 6 seeks Shareholder approval to the change in the nature and scale of the Company's activities contemplated by the Proposed Transaction.

Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;

- if ASX requires, obtain shareholder approval and comply with any requirements of ASX in relation to the associated notice of meeting; and
- if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the entity were applying for admission to the official list of ASX.

The Company is required to seek the approval of Shareholders under Listing Rule 11.1.2 for a change in the nature and scale of its activities as a result of the Proposed Transaction. Accordingly, Resolution 6 seeks approval from Shareholders for a change to the nature and scale of the activities of the Company.

Further, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Transaction under Listing Rule 11.1.3. Accordingly, the Company will take the necessary steps to meet the requirements of Chapters 1 and 2 as if the Company were applying for admission to the official list of ASX.

As required by ASX Guidance Note 12: *Significant Changes to Activities*, the following information is provided in relation to Resolution 6:

(a) **Material terms of the transaction**

A summary of the key terms of the Share Purchase Agreement is set out in Section 1.6, and a summary of the Proposed Transaction generally is set out in Section 1.

(b) **Financial effect of the transaction on the entity and on the interests of security holders**

The effect of the Proposed Transaction on the financial position of the Company is set out in Schedule 6.

The effect of the Proposed Transaction on the capital structure of the Company is set out in Section 1.17. Upon completion of the Proposed Transaction, assuming Full Subscription, existing Shareholders will be diluted by approximately 99.71%. Further, there will be an additional 26,750,000 convertible securities on issue (New Options and Promoter Options) which, if converted into Shares, would dilute existing Shareholders by approximately a further 0.01%. Please see the table below for further details.

Scenario	Dilution
All Shares are issued and no New Options or Promoter Options are exercised	99.71%
All Shares are issued, and all New Options and Promoter Options are exercised	99.72%

(c) **Details of how the entity will be modifying its business model to accommodate the significant change in the scale of the entity's activities**

From completion of the Proposed Transaction, the Company will change from oil and gas exploration to mineral exploration. The Company will adopt the business model as described in Section 1.11.

(d) **Information about the entity's need to borrow any funds or raise any capital in the short term as a result of the transaction**

Other than as disclosed elsewhere in this Notice, there is no current intention of borrowing any funds or raising any capital in the short term in connection with the

Proposed Transaction. However, final decisions regarding further funding will only be made by the Company in light of material information and circumstances at the relevant time. Accordingly, this statement is a statement of current intention only, which may change as new information becomes available or as circumstances change.

(e) **Changes proposed to the entity's board or senior management**

The Company will restructure its Board, with the previous Directors (Peter Grant and Frank Moxon) having stepped down as Directors on 27 April 2017, John Gilfillan, Sean McCormick, and Stephen Hewitt-Dutton having joined Kenneth Russell and Mohammed Ishtiaq as Directors for the period from 27 April 2017 to completion of the Share Purchase Agreement, and Andrew Simpson, Barry Bolitho and Ian James McCubbing replacing the existing Directors from completion of the Share Purchase Agreement.

(f) **Timetable for implementing the transaction**

Completion of the Proposed Transaction is anticipated to occur on or about 28 July 2017, and the Company is anticipated to resume trading on the ASX on or about 4 August 2017. Further issues of Shares may occur from time to time after completion as a result of Options being converted into Shares in accordance with their terms.

2.7 Resolution 7 – Issue of Shares to Vendors

Resolution 7 is an ordinary resolution which seek approval to the issue of 203,124,999 Shares to the Vendors (and/or their nominees), which includes 199,999,999 Shares in consideration of the Company acquiring 100% of the issued share capital in Symbol Mining, and 3,125,000 Shares to Andrew Simpson and Barry Bolitho in lieu of the Cash Reimbursement assuming that the Company is not permitted to pay the full amount of $125,000 in cash under the Listing Rules.

The Shares will be allocated to the Vendors in accordance with Schedule 1.

Takeover prohibition

Section 606 of the Corporations Act prohibits a person from acquiring a Relevant Interest in the issued voting shares of a listed company if the acquisition would result in that person's (or another person's) Voting Power in the company increasing:

- from 20% or below to more than 20%; or
- from a starting point that is above 20% and below 90%.

Voting Power

The Voting Power of a person in a company is determined in accordance with section 610 of the Corporations Act. It is aimed at grouping together and counting the percentage of all voting shares in a company that are controlled by a person and its associates (i.e. their Relevant Interests).

Relevant Interests

Section 608(1) of the Corporations Act provides that a person has a Relevant Interest in securities if that person:

- is the holder of the securities;

- has power to exercise, or control the exercise of, a right to vote attached to the securities; or

- has power to dispose of, or exercise control over the disposal of, the securities.

It is immaterial whether the power or control is direct or indirect, and it does not matter how remote the Relevant Interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

In addition, section 608(3) of the Corporations Act provides that, if a body corporate has a Relevant Interest in securities, a person will also have a Relevant Interest in those securities if:

- the person has Voting Power in the body which is above 20%; or

- the person controls the body.

Associates

In determining who is an associate for the purposes of calculating a person's Voting Power, section 12(2) of the Corporations Act provides that:

- the following entities are associates of a body corporate:

  - another body corporate which it controls;

  - another body corporate which controls it; and

  - another body corporate that is controlled by the same entity which controls it;

- a person will be an associate of another person if they have, or propose to enter into, a relevant agreement for the purpose of controlling or influencing:

  - the composition of a body's board; or

  - the conduct of the body's affairs; and

- a person will be an associate of another person if they are acting, or propose to act, in concert in relation to the affairs of a body.

Item 7 of section 611 of the Corporations Act

Item 7 of section 611 of the Corporations Act provides an exception to the prohibition in section 606 where the acquisition of the Relevant Interest has been approved by shareholders in a general meeting, provided that:

- no votes are cast in favour of the resolution by the person proposing to make the acquisition or their associates; and

- shareholders are given all information known to the acquirer or the company that was material to the decision on how to vote.

The acquisition of Shares by the Vendors as a result of being issued Shares at completion of the Share Purchase Agreement will result in the Vendors acquiring a Relevant Interest in the Company's Shares which will potentially increase its Voting Power in the Company:

- from 20% or below to more than 20%; and

- from a starting point that is above 20% and below 90%.

Based on certain assumptions, the maximum Voting Power that the Vendors may obtain in the Company as a result of being issued Shares at completion of the Share Purchase Agreement is 44.83%. Please refer below for further information on the Voting Power that may be acquired by the Vendors pursuant to the Share Purchase Agreement.

The Vendors do not consider they will be associates of one another after completion of the Proposed Transaction and, therefore, do not consider that their Voting Power in the Company will exceed 20% after this time. However, at the point in time when the Shares are issued, they may be considered associates due to their common understanding and intentions with respect to the Proposed Transaction and by agreeing to effectively sell their shares in Symbol Mining to the Company.

In addition, the Vendors have entered into a Share Purchase Agreement which contains provisions influencing the composition of the Board. By reason of this “relevant agreement” to alter the composition of the Board, the Symbol Vendors are may be considered associates of each other for the purposes of section 12(2)(b) of the Corporations Act. However, the Vendors do not consider that they will be associates with respect to their interests in the Company following completion of the Proposed Transaction.

The Company is seeking the approval of Shareholders under item 7 of section 611 of the Corporations Act for the purposes of section 606 of the Corporations Act because, at the time of issuing the Shares pursuant to Resolution 7, the Vendors may be considered associates of one another and they will hold Voting Power in the Company of up to 44.83% (assuming that $5,600,000 is raised under the Public Offer).

Accordingly, Resolution 7 seeks Shareholder approval for the purposes of item 7 of section 611 of the Corporations Act.

Prescribed information

The following information is required to be provided to Shareholders under the Corporations Act and *ASIC Regulatory Guide 74: Acquisitions approved by members* for the purposes of obtaining approval under item 7 of section 611 of the Corporations Act. Shareholders are also referred to the Independent Expert’s Report prepared by BDO contained in Annexure A of this Notice.

Identity of the acquirers and their associates

The Shares to be issued under Resolution 7 will be issued to the Vendors in consideration of all of the issued capital in Symbol Mining and assuming that the Cash Reimbursement is to be paid in Shares.

The Vendors are comprised of:

- Andrew Simpson (see background in Section 3.3);
- Barry Bolitho (see background in Section 3.3);
- David John Bies as trustee for the Bies Family Trust;
- Goodall Business and Resources Management Pty Ltd ACN 009 305 506 as trustee for the Goodall Superannuation Fund;
- Carmichael Olowoyo; and
- Patrick McCole.

Effect on the acquirers' Voting Power

As at the date of this Notice, the Company has 165,154,565 Shares on issue. Following the Consolidation, the number of Shares will decrease to approximately 1,376,288 Shares.

Assuming all Shares are issued pursuant to the Resolutions (except that only the minimum of 20,000,000 Shares are issued pursuant to Symbol Notes, shares are issued in lieu of the Cash Reimbursement, and that only the Minimum Subscription is raised under the Public Offer) and no other Shares are issued, the capital structure of the Company upon completion of Proposed Transaction will consist of 464,251,287 Shares. See section 1.17 for the indicative capital structure table.

The maximum Voting Power that the Symbol Vendors may obtain in the Company as a result of being issued Shares at completion of the Share Purchase Agreement and acquiring Shares under the Public Offer is approximately 44.83%.

Please refer to Schedule 1 for details of the potential effect of the issue of Shares on the Vendors' Voting Power in the Company.

Reasons for the proposed acquisition

In accordance with the Share Purchase Agreement, the Vendors are to acquire the Shares in consideration of transferring all of the issued share capital in Symbol Mining to the Company. Please refer to Sections 1.20 and 1.21 for a summary of the key advantages and disadvantages of the Proposed Transaction.

Timing of the proposed acquisition

The Vendors will acquire up to 203,124,999 Shares at completion of the Share Purchase Agreement, and which is anticipated to be on or about 28 July 2017. Upon being issued those Shares, the Vendors will acquire a Relevant Interest in up to 203,124,999 Shares.

The Vendors may also acquire Shares under the Public Offer, which will complete at the same time as the Share Purchase Agreement. Andrew Simpson and Barry Bolitho are limited to applying for 2,500,000 Shares each under the Public Offer.

Material terms of the proposed acquisition

Details of the Proposed Transaction are set out in Section 1 and a summary of the key terms of the Share Purchase Agreement is set out in Section 1.6.

Other relevant agreements

Details of other contracts that may be considered relevant to the Proposed Transaction are set out in Section 1. No other relevant agreements exist.

Acquirers' intentions regarding the future of the Company

Upon completion of the Proposed Transaction, the management team of the Company will comprise the following persons, on the following proposed terms:

Name	Position	Remuneration
Andrew Simpson	Non-Executive Chairman	$90,000 per annum plus superannuation
Barry Bolitho	Non-Executive Director	$60,000 per annum plus superannuation

Ian James McCubbing	Non-Executive Director	$60,000 per annum plus superannuation
To be appointed	Chief Executive Officer	$400,000 per annum, 80% to be charged to the Imperial Joint Venture and 20% to Symbol Mining
Ian Goldberg	Chief Financial Officer	$200,000 per annum, 50% to be charged to Imperial Joint Venture and 50% to Symbol Mining
Patrick McCole	General Manager – Commercial, and Company Secretary	$200,000 per annum
Carmichael Olowoyo	General Manager – Corporate and Marketing/Logistics	$50,000 per annum

Other than as disclosed elsewhere in this Notice, the Vendors:

(a) have no current intention of making any changes to the business of the Company;

(b) does not propose to inject further capital into the Company;

(c) does not intend to change the employment arrangements of the Company;

(d) does not propose to transfer any assets between the Company and the Vendors, or its associates;

(e) has no intention to otherwise redeploy the fixed assets of the Company; and

(f) does not intend to change the financial or dividend distribution policies of the Company.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Vendors at the date of this Notice. Final decisions regarding these matters will only be made by the Vendors in light of material information and circumstances at the relevant time. Accordingly, the statements set out above are statements of current intention only, which may change as new information becomes available to them or as circumstances change.

Directors' interests

No Director has a material personal interest in the outcome of Resolution 7.

Independent Expert's Report

The Independent Expert's Report assesses whether the acquisition of Shares by the Vendors under the Share Purchase Agreement is fair and reasonable to the Shareholders who are not associated with the Vendors. The Independent Expert's Report also contains an assessment of the advantages and disadvantages of the proposed acquisition under the Agreement. This assessment is designed to assist Shareholders in reaching their voting decision.

BDO has prepared the Independent Expert's Report and has provided an opinion that it believes the proposal as outlined in the Share Purchase Agreement is, on balance, **fair and**

reasonable to Shareholders not associated with the Symbol Vendors. It is recommended that all Shareholders read the Independent Expert's Report in full which is enclosed as Annexure A of this Notice.

Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Of the Vendors, Andrew Simpson and Barry Bolitho are related parties of the Company for the purposes of section 228 of the Corporations Act as both are proposed to be directors of the Company from completion of the Proposed Transaction.

Accordingly, the Company is seeking Shareholder approval to Resolution 7 for the purposes of section 208 of the Corporations Act.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolution 7:

(a) **Related parties to whom the financial benefit is given**

Andrew Simpson and Barry Bolitho (and/or its nominees).

(b) **Nature of the financial benefits**

84,299,341 Shares each.

(c) **Valuation of the financial benefits**

The Company is offering its Shares to the public under the Public Offer at an issue price of $0.04 each, which implies that each Share will initially have a market value of $0.04. Based on this Share price, the indicative maximum value of the financial benefit to be given to Andrew Simpson and Barry Bolitho is $3,371,973,64 each. The value of the benefit of the Shares will depend on the price at which the Shares trade on the ASX from time to time.

(d) **Reason for the financial benefit**

The Shares are being issued in consideration of the share capital of Symbol Mining held by Andrew Simpson and Barry Bolitho pursuant to the Share Purchase Agreement.

(e) **Current remuneration and security interests**

When appointed as directors at completion of the proposed transaction, Andrew Simpson will receive remuneration of $90,000 per annum plus superannuation and Barry Bolitho will receive remuneration of $60,000 per annum plus superannuation.

At completion of the Proposed Transaction, Andrew Simpson and Barry Bolitho will hold no more than 86,799,341 Shares each, with a maximum voting power of 18.70% each. At the date of this Notice, Andrew Simpson and Barry Bolitho do not have a relevant interest in any securities in the Company.

(f) **Terms of the securities**

The Shares that may be issued to Andrew Simpson and Barry Bolitho pursuant to Resolution 7 will rank equally in all respects with existing Shares on issue.

(g) **Dilution**

If all Shares are issued pursuant to the Resolutions in this Notice and no other Shares are issued by the Company, then the Shares to be issued under Resolution 7 would dilute Shareholders by approximately 0.22%.

(h) **Opportunity costs to the Company**

The Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Shares to Andrew Simpson and Barry Bolitho under Resolution 7.

(i) **Intended use of funds**

No funds will be raised by the issue of Shares under Resolution 7 as they are being issued in consideration of the share capital of Symbol Mining held by Andrew Simpson and Barry Bolitho pursuant to the Share Purchase Agreement.

(j) **Directors' interests**

No Director has a material personal interest in the outcome of Resolution7.

(k) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolution 7.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a related party without the approval of holders of ordinary securities. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, Andrew Simpson and Barry Bolitho are related parties of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares to Andrew Simpson and Barry Bolitho.

If Resolution 7 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 2:

(a) **Name of the person**

Andrew Simpson and Barry Bolitho (and/or its nominees).

(b) **Maximum number of securities to be issued**

84,299,341 Shares each.

(c) **Date by which the entity will issue the securities**

The Shares will be issued at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to Andrew Simpson or Barry Bolitho later than 3 months after the Annual General Meeting or such longer period as permitted by ASX.

(d) **Relationship that requires Shareholder approval**

Andrew Simpson and Barry Bolitho are related parties of the Company under section 228 of the Corporations Act as both are proposed to be directors of the Company from completion of the Proposed Transaction.

(e) **Issue price of the securities**

The issue price for the Shares is $0.04 each.

(f) **Terms of the issue**

The Shares will rank equally in all respects with existing Shares on issue.

(g) **Intended use of the funds raised**

No funds will be raised by the issue of Shares under Resolution 7 as they are being issued in consideration of the share capital of Symbol Mining held by Andrew Simpson and Barry Bolitho pursuant to the Share Purchase Agreement.

2.8 Resolution 8 – Issue of Shares to Symbol Noteholders

Resolution 8 seeks Shareholder approval for the issue of up to 25,000,000 Shares to the Symbol Noteholders in full conversion of the Symbol Notes.

Symbol will or has issued the Symbol Notes to raise funds for its ongoing operational costs and costs associated with the Proposed Transaction. At the date of this Notice, Symbol has raised $400,000 by the issue of the Symbol Notes. Symbol may raise up to a total of $500,000 from their issue.

Under the Share Purchase Agreement, the Company proposes to discharge the Symbol Notes by issuing Shares in itself to the Symbol Noteholders at an effective conversion price of $0.02 per Share.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 8 seeks approval for the issue of up to 25,000,000 Shares for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 8 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 8:

(a) **Maximum number of securities the entity is to issue**

25,000,000 Shares.

(b) **Date by which the entity will issue the securities**

The Shares will be issued to the Symbol Noteholders at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to the Symbol Noteholders later than 3 months after the Meeting or such longer period as permitted by ASX.

(c) **Issue price of the securities**

The Shares have an effective price of $0.02 each.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Symbol Noteholders (and/or their nominees).

(e) **Terms of the securities**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

The funds raised from the issue of Shares will have been or will be used in accordance with Section 1.16.

2.9 Resolution 9 – Issue of Shares under the Prospectus

Resolution 9 is an ordinary resolution which seeks approval for the issue of up to 190,000,000 Shares at an issue price of $0.04 each to raise up to $7,600,000, with a minimum subscription requirement to raise at least $5,600,000 under the Prospectus (**Public Offer**).

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 9 seeks approval for the issue of up to 190,000,000 Shares to raise up to $7,600,000, with a minimum subscription requirement to raise at least $5,600,000. If Resolution 9 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided in relation to Resolution 9:

(a) **Maximum number of securities the entity is to issue**

190,000,000 Shares.

(b) **Date by which the entity will issue the securities**

The Shares will be issued at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued later than 3 months after the Meeting or such longer period as permitted by ASX.

(c) **Issue price of the securities**

$0.04 each.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

The Shares will be issued to persons who apply for Shares under the Public Offer. Subject to foreign investor restrictions, the Public Offer will be open to members of the general public. No Shares will be issued to related parties of the Company except to the extent permitted by Resolutions 10 and 11, and no Shares will be issued in contravention of the takeover prohibition in section 606 of the Corporations Act.

(e) **Terms of the securities**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

Funds raised under the Public Offer will be used in accordance with the table set out in Section 1.16.

2.10 Resolutions 10(a), (b) and (c) – Right for Interim Directors to participate in the Public Offer

Resolutions 10 (a), (b) and (c) are ordinary resolutions which seek approval to enable each Interim Director to apply for, and the Company issue to each Interim Director (and/or its nominees), up to 2,500,000 Shares at an issue price of $0.04 each under the Public Offer.

Section 208 of the Corporations Act

John Gilfillan, Sean McCormick and Stephen Hewitt-Dutton are related parties of the Company for the purposes of section 228 of the Corporations Act as they are Directors.

The Company considers that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Shares to those related parties due to the “arm’s length” exception in section 210. To this end, the Company notes the following:

- Interim Directors who wish to participate in the Public Offer will only be entitled to apply for Shares under the Public Offer on the same terms (including the offer price of $0.04 per Share) as those that apply to other applicants who are not related parties of the Company.

- The ability of the Interim Directors to participate in the Public Offer may assist the Company with raising funds and, in particular, meeting the Minimum Subscription for the Public Offer. Therefore, the participation of the Interim Directors in the Public Offer may facilitate the Company's ability to complete the Proposed Transaction.

- The dilutionary impact on existing Shareholders would be the same irrespective of whether the Shares are issued to the Interim Directors or any other person under the Public Offer.

- The issue of Shares to the Interim Directors under the Public Offer would be reasonable in the circumstances if the Company were dealing at arm's length.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a related party without the approval of holders of ordinary securities. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, each Interim Director is a related party of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares to the Interim Directors under the Public Offer.

Resolutions 10(a) to (c) seek approval for the issue of up to 2,500,000 Shares to each Interim Director for the purpose of satisfying the requirements of Listing Rule 10.11. If Resolutions 10(a) to (c) are approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 10(a) to (c):

(a) **Name of the person**

John Gilfillan, Sean McCormick and Stephen Hewitt-Dutton (and/or their nominees).

(b) **Maximum number of securities to be issued**

The maximum number of securities that may be issued pursuant to Resolutions 10(a) to (c) is as follows:

Recipient	Shares
John Gilfillan	2,500,000
Sean McCormick	2,500,000
Stephen Hewitt-Dutton	2,500,000
Total	**7,500,000**

(c) **Date by which the entity will issue the securities**

Any Shares to be issued to the Interim Directors under the Public Offer will be issued at the same time as Shares are issued to other applicants under the Public Offer, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to the Interim Directors (and/or their nominees) later than 3 months after the Meeting or such longer period as permitted by ASX.

(d) **Issue price of the securities**

$0.04 each.

(e) **Terms of the issue**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

Funds raised under the Public Offer will be used in accordance with the table set out in Section 1.16.

2.11 Resolutions 11(a), (b) and (c) – Right for Proposed Directors to participate in the Public Offer

Resolutions 11(a), (b) and (c) are ordinary resolutions which seek approval to enable each Proposed Director to apply for, and the Company issue to each Proposed Director (and/or its nominees), up to 2,500,000 Shares at an issue price of $0.04 each under the Public Offer.

Section 208 of the Corporations Act

Andrew Simpson, Barry Bolitho and Ian James McCubbing are related parties of the Company for the purposes of section 228 of the Corporations Act as they are proposed to be directors of the Company from completion of the Share Purchase Agreement (see Section 1.6 for further information).

The Company considers that Shareholder approval under section 208 of the Corporations Act is not required for the issue of Shares to those related parties due to the "arm's length" exception in section 210. To this end, the Company notes the following:

- Proposed Directors who wish to participate in the Public Offer will only be entitled to apply for Shares under the Public Offer on the same terms (including the offer price of $0.04 per Share) as those that apply to other applicants who are not related parties of the Company.

- The ability of the Proposed Directors to participate in the Public Offer may assist the Company with raising funds and, in particular, meeting the Minimum Subscription for the Public Offer. Therefore, the participation of the Proposed Directors in the Public Offer may facilitate the Company's ability to complete the Proposed Transaction.

- The dilutionary impact on existing Shareholders would be the same irrespective of whether the Shares are issued to the Proposed Directors or any other person under the Public Offer.

- The issue of Shares to the Proposed Directors under the Public Offer would be reasonable in the circumstances if the Company were dealing at arm's length.

- There are benefits to the Company in the Proposed Directors holding or otherwise having an interest in Shares as this will help to incentivise their performance as Directors and, in doing so, further align their interests with those of Shareholders.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a related party without the approval of holders of ordinary securities. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, each Proposed Director is a related party of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares to the Directors under the Public Offer.

Resolutions 11(a) to (c) seek approval for the issue of up to 2,500,000 Shares to each Director for the purpose of satisfying the requirements of Listing Rule 10.11. If Resolutions 11(a) to (c) are approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 11(a) to (c):

(a) **Name of the person**

Andrew Simpson, Barry Bolitho and Ian James McCubbing (and/or their nominees).

(b) **Maximum number of securities to be issued**

The maximum number of securities that may be issued pursuant to Resolutions 11(a) to (c) is as follows:

Recipient	Shares
Andrew Simpson	2,500,000
Barry Bolitho	2,500,000
Ian James McCubbing	2,500,000
Total	**7,500,000**

(c) **Date by which the entity will issue the securities**

Any Shares to be issued to Directors under the Public Offer will be issued at the same time as Shares are issued to other applicants under the Public Offer, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to Directors (and/or their nominees) later than 3 months after the Meeting or such longer period as permitted by ASX.

(d) **Issue price of the securities**

$0.04 each.

(e) **Terms of the issue**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

Funds raised under the Public Offer will be used in accordance with the table set out in Section 1.16.

2.12 Resolution 12 – Issue of Shares to Trident Capital

Resolution 12 seeks Shareholder approval for the issue to Trident Capital (and/or its nominees) 11,500,000 Shares in consideration of services provided to the Company in relation to the Proposed Transaction. In particular, Trident Capital has acted as proponent to the Proposed Transaction, and will assist the Company with raising funds under issue of Swala Notes and the Public Offer.

Section 208 of the Corporations Act

Section 208(1)(a) of the Corporations Act prohibits a company from giving a financial benefit (including an issue of securities) to a related party of the company without the approval of shareholders by a resolution passed at a general meeting at which no votes are cast in relation to the resolution in respect of any shares held by the related party or by an associate of the related party.

Trident Capital is a related party of the Company under section 228 of the Corporations Act as it has nominated 3 Directors to the Board (i.e. the Interim Directors) for the period from 27 April 2017 to completion of the Share Purchase Agreement and may therefore be considered to have, or be expected to have, a level of control over the Company.

Accordingly, the Company is seeking Shareholder approval to Resolution 12 for the purposes of section 208 of the Corporations Act.

As required by section 219 of the Corporations Act, the following information is provided in relation to Resolution 12:

(a) **Related party to whom the financial benefit is given**

Trident Capital (and/or its nominees).

(b) **Nature of the financial benefits**

11,500,000 Shares.

(c) **Valuation of the financial benefits**

The Company is offering its Shares to the public under the Public Offer at an issue price of $0.04 each, which implies that each Share will initially have a market value of $0.04. Based on this Share price, the indicative maximum value of the Share component or the financial benefit to be given to Trident Capital is $460,000. The value of the benefit of the Shares will depend on the price at which the Shares trade on the ASX from time to time.

(d) **Reason for the financial benefit**

The Shares are being issued in partial consideration of services provided by Trident Capital to the Company in connection with the Proposed Transaction.

(e) **Current remuneration and security interests**

Trident Capital will receive a cash fee of $120,000 upon completion of the Proposed Transaction. At the date of this Notice, Trident Capital does not have a relevant interest in any securities in the Company.

(f) **Terms of the securities**

The Shares that may be issued to Trident Capital pursuant to Resolution 12 will rank equally in all respects with existing Shares on issue.

(g) **Dilution**

If all Shares are issued pursuant to the Resolutions in this Notice and no other Shares are issued by the Company, then the Shares to be issued under Resolution 12 would dilute Shareholders by approximately 2.44%.

(h) **Opportunity costs to the Company**

If Shareholders do not approve Resolution 12 then the Company may need to compensate Trident Capital for its services using cash.

The Company does not consider that there are any opportunity costs to the Company or benefits foregone by the Company in issuing the Shares to Trident Capital under Resolution 12.

(i) **Intended use of funds**

No funds will be raised by the issue of Shares under Resolution 12 as they are being issued as consideration for services provided by Trident Capital to the Company in relation to the Proposed Transaction.

(j) **Directors' interests**

No Director has a material personal interest in the outcome of Resolution 12.

(k) **Other information**

Other than as set out in this Explanatory Statement, there is no further information that is known to the Company or any of the Directors which Shareholders would reasonably require in order to decide whether or not it is in the Company's best interests to pass Resolution 12.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue equity securities to a related party without the approval of holders of ordinary securities. Further, exception 14 of Listing Rule 7.2 states that approval pursuant to Listing Rule 7.1 is not required if shareholder approval is obtained under Listing Rule 10.11.

As set out above, Trident Capital is a related party of the Company for the purposes of section 228 of the Corporations Act. Accordingly, Shareholder approval is sought under Listing Rule 10.11 to permit the issue of Shares to Trident Capital.

If Resolution 12 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 12:

(a) **Name of the person**

Trident Capital (and/or its nominees).

(b) **Maximum number of securities to be issued**

11,500,000 Shares.

(c) **Date by which the entity will issue the securities**

The Shares will be issued at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to Trident Capital later than 3 months after the Meeting or such longer period as permitted by ASX.

(d) **Relationship that requires Shareholder approval**

Trident Capital is a related party of the Company under section 228 of the Corporations Act as it has nominated 3 Directors to the Board (i.e. the Interim Directors) for the period from 27 April 2017 to completion of the Share Purchase Agreement and may therefore be considered to have a level of control over the Company.

(e) **Issue price of the securities**

Nil as they are being issued as consideration for services provided by Trident Capital to the Company in relation to the Proposed Transaction.

(f) **Terms of the issue**

The Shares will rank equally in all respects with existing Shares on issue.

(g) **Intended use of the funds raised**

No funds will be raised by the issue of Shares under Resolution 12 as they are being issued as consideration for services provided by Trident Capital to the Company in relation to the Proposed Transaction.

2.13 Resolution 13 – Issue of Promoter Options to Argonaut

Resolution 13 is an ordinary resolution and seeks Shareholder approval under Listing Rule 10.11, for the issue of 20,000,000 Promoter Options to Argonaut for services provided in relation to the Proposed Transaction. In particular, Argonaut will assist Symbol with raising funds under the issue of Symbol Notes, and the Company with raising funds under the Public Offer.

Each Promoter Option has been valued at $0.02 using the Black-Scholes method as set out in Schedule 5. Accordingly, the indicative maximum value of the Promoter Options to be issued to Argonaut is $400,000.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 13 seeks approval for the issue of 20,000,000 Promoter Options for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 13 is approved, the Promoter Options issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 13:

(a) **Maximum number of securities the entity is to issue**

20,000,000 Promoter Options.

(b) **Date by which the entity will issue the securities**

The Promoter Options will be issued to Argonaut at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Options will be issued to Argonaut later than 3 months after the Meeting or such longer period as permitted by ASX.

(c) **Issue price of the securities**

No cash consideration is payable for the Promoter Options as they are being issued in consideration of services provided to the Company in relation to the Proposed Transaction.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

Argonaut (and/or its nominees).

(e) **Terms of the securities**

The Promoter Options will be exercisable at $0.06 and expire on 31 December 2018, and will otherwise be on the terms set out in Schedule 3.

(f) **Intended use of the funds raised**

No funds will be raised by the issue of Promoter Options under Resolution 13 as they are being issued as consideration for services provided by Argonaut to Symbol and the Company in relation to the Proposed Transaction. The proceeds from any future exercise of the Promoter Options are intended to be applied towards meeting working capital requirements of the Company relevant at, or about, the time of the exercise of the Promoter Options at the discretion of the Board.

2.14 Resolution 14 – Issue of Shares to Noble

Resolution 14 seeks Shareholder approval for the issue of 50,000,000 Shares to Noble (and/or its nominees) in accordance with the Debt Repayment Agreement. A summary of the Debt Repayment Agreement is set out in Section 1.7. The debt restructure contemplated under the Debt Repayment Agreement will only become effective once the Company issues the 50,000,000 Shares to Noble (and/or its nominees) at completion of the Proposed Transaction.

Listing Rule 7.1

Listing Rule 7.1 provides that, subject to certain exceptions, prior approval of shareholders is required for an issue of securities by a company if those securities, when aggregated with the securities issued by the company without approval and which were not subject to an exception during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

Listing Rule 7.1 provides that where a company approves an issue of securities, the company's 15% capacity will be replenished and the company will be able to issue further securities up to that limit.

Resolution 14 seeks approval for the issue of 50,000,000 Shares for the purpose of satisfying the requirements of Listing Rule 7.1. If Resolution 14 is approved, the Shares issued will not affect the capacity of the Company to issue securities in the next 12 months under Listing Rule 7.1 as those securities, once issued, will be excluded from the calculations under Listing Rule 7.1.

For the purposes of Listing Rule 7.3, the following information is provided to Shareholders in relation to Resolution 14:

(a) **Maximum number of securities the entity is to issue**

50,000,000 Shares.

(b) **Date by which the entity will issue the securities**

The Shares will be issued to Noble (and/or its nominees) at completion of the Proposed Transaction, which is anticipated to be on or about 28 July 2017. In any event, however, no Shares will be issued to Noble (and/or its nominees) later than 3 months after the Meeting or such longer period as permitted by ASX.

(c) **Issue price of the securities**

Effective price of $0.04 per Share.

(d) **Names of the persons to whom the entity will issue the securities (if known) or basis upon which those persons will be identified or selected**

Noble (and/or its nominees).

(e) **Terms of the securities**

The Shares will rank equally in all respects with existing Shares on issue.

(f) **Intended use of the funds raised**

No funds will be raised by the issue of Shares as they are being issued to reduce the Company's debt to Noble under the Debt Repayment Agreement.

2.15 Resolution 15 – Change of name

Resolution 15 is a special resolution which seeks approval to change the name of the Company to "Symbol Mining Limited", consistent with the new focus and direction of the Company upon completion of the Proposed Transaction.

Section 157 of the Corporations Act

The change requires Shareholder approval for the purposes of section 157 of the Corporations Act by way of special resolution, meaning that at least 75% of votes must be cast in favour of the Resolution in order for it to be passed.

The change does not affect the legal status of the Company. The change will take effect upon a new certificate of registration being issued by ASIC.

2.16 Annual Report

The Annual Report of the Company for the financial year ended 31 December 2016, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report, will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve the Annual Report. However, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Report and the management of the Company.

A representative of the Company's auditor, BDO Audit (WA) Pty Ltd, is anticipated to be in attendance to respond to any questions raised of the auditor or on the Auditor's Report in accordance with section 250T of the Corporations Act.

2.17 Resolution 16 – Approval of Remuneration Report

Section 249L(2) of the Corporations Act requires a company to inform shareholders that a resolution on the remuneration report will be put at the annual general meeting. Section 250R(2) of the Corporations Act requires a resolution that the remuneration report adopted be put to a vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. However, the Directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration practices.

Following consideration of the Remuneration Report for the financial year ended 31 December 2016, the Chair, in accordance with section 250SA of the Corporations Act, will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

If at least 25% of the votes cast on a resolution for the adoption of a Remuneration Report are voted against at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution proposing that another general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) would be up for re-election.

The Directors encourage all Shareholders to vote on Resolution 1.

2.18 Resolutions 17(a), (b) and (c) – Re-election of Directors

As part of the Proposed Transaction, on 27 April 2016, Sean McCormick, John Gilfillan and Stephen Hewitt-Dutton were appointed as Directors in accordance with clause 6.1(d) of the Constitution. Under this clause, the Board may at any time appoint a person to be a Director to fill a casual vacancy, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with clause 6.1(e) of the Constitution, a Director appointed to fill a casual vacancy holds office until the next annual general meeting of the Company and is then eligible for re-election.

Sean McCormick, John Gilfillan and Stephen Hewitt-Dutton retire as required under clause 6.1(e) of the Constitution at this Annual General Meeting and, being eligible, offer themselves for re-election. Brief background information on each Interim Director is set out in Section 3.2.

Directors' recommendations

Other than Mr McCormick, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 17(a).

Other than Mr Gilfillan, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 17(b).

Other than Mr Hewitt-Dutton, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 17(c).

2.19 Resolution 18 – Re-election of Director

In accordance with clause 6.1(f) of the Constitution, at every annual general meeting, an election of Directors must be held whereby one or more Directors retire from office by rotation and are eligible for re-election.

The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment, who have been longest in office since their appointment or last re-appointment, or, if the Directors have been in office for an equal length of time, by agreement.

Kenneth Russell retires by rotation in accordance with clause 6.1(f) of the Constitution at this Annual General Meeting and, being eligible, offers himself for re-election. Brief background information on Mr Russell is set out in section 3.2.

Directors' recommendations

Other than Mr Russell, who does not make any recommendation in relation to his own re-election, the Directors unanimously recommend that Shareholders vote in favour of Resolution 18.

3. ADDITIONAL INFORMATION

3.1 Scope of disclosure

The law requires that this Explanatory Statement sets out all other information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions and which is known to the Company.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than as is disclosed in this Explanatory Statement or previously disclosed to Shareholders by the Company by notification to the ASX.

3.2 Existing Directors' profiles

Kenneth Russell
Non-Executive Chairman
Appointed 17 January 2013

Kenneth Russell has over 40 years of oil and gas industry experience. During that time, he has held a number of managerial roles and directorships within the industry. He is not a Director of any other listed company and has not been a director of any other listed company in the last three years.

Mohammed Ishtiaq
Non-Executive Director
Appointed 8 August 2014

Mohammed Ishtiaq is also a Director of the Hayaat Group, a private investment company headquartered in Abu Dhabi that holds a 9.4% shareholding in the Company. He is not a Director of any other listed company and has not previously been a director of any other listed company.

Interim Directors

John Gilifillan, Sean McCormick and Stephen Hewitt-Dutton have joined as Interim Directors for the period from 27 April 2017 to completion of the Share Purchase Agreement.

John Gilfillan

John Gilfillan is an accredited Financial Advisor with 23 years' experience in the Financial Services Industry, including owning and operating his own practice for the last 15 years. He has also consulted to various corporate advisors and been involved in numerous ASX initial public offerings (IPOs), reverse takeover transactions (RTOs) and seed investments as a private investor. John has been a Non-Executive Director of Assemblebay Limited (ASX: ASY) since 19 November 2015 and is a director of the public unlisted Company First Class Financial Group.

Sean McCormick (BEc (Hons), LLB)

Sean McCormick is an Associate at Trident Capital, which provides corporate advisory services to ASX listed companies across a wide spectrum of industries, including the resources and technology sectors, and is experienced in advising on initial public offerings, seed capital, mergers & acquisitions and reverse takeovers. Sean has previously worked in the restructuring division of a big four professional services firm and prior to that as an associate advisor for a national Australian stockbroker.

Stephen Hewitt-Dutton (Bachelor of Business, Affiliate of the Institute of Chartered Accountants)

Stephen Hewitt-Dutton has over 20 years of experience in corporate finance, accounting and company secretarial. He is an Associate Director of Trident Capital and has worked assisting clients by providing equity market, IPO, M&A advice and has also held Financial Controller and Company Secretary positions for bother public and private companies for in excess of 15 years.

3.3 Proposed Directors' profiles

Andrew Simpson (Grad Dip Bus, MAICD)
Non-Executive Chairman

Andrew Simpson has extensive executive and commodity marketing experience. He is currently Chairman of ASX listed Swick Mining (ASX: SWK) and India Resources (ASX: IRL), Non-Executive Director of Vital Metals (ASX: VML) and ex-Chairman of Territory Resources (ASX: TTY).

Barry Bolitho (B App Sc, Dip App Chem, Assoc Deg Vit, FAusIMM.)
Non-Executive Director

Barry Bolitho has extensive executive, operational mining and exploration experience. He was previously Chairman of ASX listed Jabiru Metals (ASX: JML) and Non-Executive Director of ASX & TSX listed Andean Resources (ASX: AND).

Ian James McCubbing
Non-Executive Director

Ian McCubbing is a Chartered Accountant with more than 25 years' experience, principally in the areas of corporate finance and mergers and acquisitions. He spent more than 14 years working with ASX200 and other listed companies in senior finance roles, including positions as Finance Director and Chief Financial Officer in mining and industrial companies.

Ian is a former Non-Executive Director of Territory Resources (ASX: TTY) and is also a Non-Executive Director of Swick Mining (ASX: SWK). Ian will also be Chairman of the Finance committee.

3.4 Relevant Interests of existing Directors

The table below sets out the Relevant Interests of the existing Directors in the Shares of the Company as at the date of this Notice and on a pre-Consolidation basis.

Name	Shares	Voting Power
Kenneth Russell	175,578	0.11%
Mohammed Ishtiaq	-	0%
John Gilfillan	-	0%
Sean McCormick	-	0%
Stephen Hewitt-Dutton	-	0%
Total	**-**	**0%**

3.5 Relevant Interests of Proposed Directors

The table below sets out the Relevant Interests of the Proposed Directors in the Shares of the Company as at the date of this Notice and on a pre-Consolidation basis.

Name	Shares	Voting Power
Andrew Simpson	-	0%
Barry Bolitho	-	0%
Ian James McCubbing	-	0%
Total	**-**	**0%**

3.6 Directors' recommendations

To the extent that an existing Director is legally required to provide a recommendation on a Resolution, the Director recommends that Shareholders vote in favour of the Resolution for the reasons set out in Section 1.20. In all other cases, the existing Director abstains from giving a recommendation on the basis that the Company is subject to the DOCA and the Directors do not currently control the Company.

3.7 Voting intentions of the Chair

The Chair intends to vote all available proxies in favour of all Resolutions.

3.8 Competent Person's Statement

Information contained in this Notice and Explanatory Statement that relates to exploration results, mineral resources or ore reserves is based on information compiled by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle is a mineral exploration consultant who has been providing services and advice to the international mining industry since 1966. Mr Castle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which he is undertaking to qualify as an expert and a competent person under the JORC Code. Mr Castle consents to the inclusion of the matters based on his information in the form and context in which it appears in this Notice and Explanatory Statement.

3.9 ASX waivers

The Company has obtained the following waivers from ASX:

- a waiver with respect to Listing Rule 1.1 condition 12, to enable the Company to issue the New Options ($0.04) and the Promoter Options ($0.06) with an exercise price of less than $0.20 each;
- a waiver with respect to Listing Rule 2.1 condition 12 to enable the Company to issue Shares under the Public Offer ($0.04) at a price less of than $0.20 each; and
- a waiver with respect to Listing Rule 10.13.3 to enable the Company to issue Shares and New Options to related parties up to 3 months after the Annual General Meeting, instead of 1 month.

Prior to completion of the Proposed Transaction, the Company will seek a waiver from Listing Rule 10.1 to enable the creation of a security interest over Symbol Mining's shareholding in Symbol UK without obtaining shareholder approval. In the event that this waiver is not granted, the parties will consider alternative arrangements. The Company has no reason to believe that the waiver will not be granted. See Section 1.7 for further information.

3.10 Escrow arrangements

Under the Listing Rules, ASX may determine that securities issued to promoters, seed capital investors and vendors of classified assets have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months from quotation of the Company's Shares, during which time they must not be transferred, assigned or otherwise disposed of.

The Company expects that certain Shares to be issued to the Vendors, Swala Noteholders, Symbol Noteholders and Trident Capital, and all New Options and Promoter Options, will be subject to escrow. Prior to re-admission to the official list of ASX, the Company will enter into escrow agreements with the relevant holders in relation to the securities subject to escrow in accordance with the Listing Rules.

The Company will announce final escrow arrangements to ASX prior to re-quotation of its Shares.

3.11 Taxation

The Proposed Transaction and/or the passing of the Resolutions may give rise to income tax implications for the Company and Shareholders.

Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal position and neither the Company, nor any Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Proposed Transaction or the Resolutions.

3.12 ASIC and ASX's Role

The fact that the Notice of Annual General Meeting, Explanatory Statement and other relevant documentation has been received by ASX and ASIC is not to be taken as an indication of the merits of the Resolutions or the Company. ASIC, ASX and their respective officers take no responsibility for any decision a Shareholder may make in reliance on any of that documentation.

4. DEFINITIONS

In this Notice of Annual General Meeting and Explanatory Statement, the following terms have the following meanings:

Administrator means James Gerard Thackray of care of HQ Advisory, Level 3, 1282 Hay Street, West Perth, Western Australia.

Admitted Claim means any claim by a creditor against the Company is admitted to proof by the Deed Administrator in accordance with this or by the Trustee in accordance with the Creditors' Trust Deed.

Admitted Creditor means a Creditor who has an Admitted Claim.

Annual General Meeting or **Meeting** means the annual general meeting convened by this Notice to be held on Thursday, 22 June 2017, commencing at 10:00am.

Argonaut means Argonaut Securities Pty Ltd ABN 72 108 330 650.

Appointment Date means 24 June 2016, the date on which the Administrator was appointed as administrator of the Company.

ASIC means the Australian Securities and Investments Commission.

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

BDO means BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045.

Board means the board of Directors.

Business Day means a day other than a Saturday, Sunday or public holiday in Perth, Western Australia.

Capital Raisings means the capital raisings described in Section 1.14.

Cash Reimbursement has the meaning given in Section 1.3.

Consolidation means consolidation of the existing Shares on a 1 for 120 basis, with any fractional entitlements being rounded down.

Chair means the chairperson of the Meeting.

Claim means a debt owing by, or a claim subsisting against the Company in favour of a person, or a debt or claim the circumstances giving rise to which occurred, or any action, suit, causes of action , arbitration, cost, demand, verdict, or judgment at law or in equity or under any statute which arose (whether at law , in equity, whether present, prospective or contingent whether liquidated or sounding only in damages and whether sounding in contract, or tort or how ever arising) on or before the Appointment Date.

Closely Related Party means a closely related party of a member of Key Management Personnel as defined in section 9 of the Corporations Act, being:

(a) a spouse or child of the member;

(b) a child of that member's spouse;

(c) a dependent of that member or of that member's spouse;

(d) anyone else who is one of that member's family and may be expected to influence that member, or be influenced by that member, in that member's dealings with the Company;

(e) a company that is controlled by that member; or

(f) any other person prescribed by the regulations.

Company means Swala Energy Limited (Subject to Deed of Company Arrangement) ACN 161 989 546.

Consolidation means the consolidation of the share capital of the Company on a 1 for 120 basis.

Constitution means the constitution of the Company.

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

Creditor means a person having a Claim against the Company.

Creditors' Trust Deed means the trust deed entered into by the Deed Administrators as Trustees, pursuant to the terms of this Deed, for and on behalf of the Company's Creditors.

Debt Repayment Agreement means the agreement between Noble and the Company summarised in Section 1.7.

Deed Administrator means the Administrator, in his capacity as administrator of the DOCA.

Deed Fund means the trust fund established pursuant to the DOCA.

Director means a director of the Company.

DOCA means the deed of company arrangement dated 21 October 2016 between the Company, the Administrator and the Proponent.

DOCA Resolutions means Resolutions 1 to 4(c) (inclusive).

Exempt Investor means a sophisticated and/or professional investor to whom securities may be offered by the Company without disclosure under section 708 of the Corporations Act.

Explanatory Statement means this explanatory statement incorporated in the Notice.

Full Subscription means $7,600,000 is raised under the Public Offer, and $500,000 is raised via the issue of Symbol Notes.

Interim Directors means John Gilfillan, Sean McCormick and Stephen Hewitt-Dutton.

Imperial Project means the tenements referred to in Section 1.8

Independent Expert's Report means the Independent Expert's Report prepared by BDO which is attached as Annexure A.

JORC Code means the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (2012 Edition).

Key Management Personnel means the key management personnel of the Company as defined in section 9 of the Corporations Act and Australian Accounting Standards Board accounting standard 124, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the official listing rules of ASX.

Minimum Subscription means $5,600,000 is raised under the Public Offer, and $400,000 is raised via the issue of Symbol Notes.

New Option means an Option on the terms set out in Schedule 2.

Noble means Noble Resources International Pte Ltd UEN 201115304N.

Notice or **Notice of Annual General Meeting** means the notice of annual general meeting incorporating this Explanatory Statement.

Option means an option to acquire a Share.

PPSR means the Personal Property Securities Register established under the *Personal Property Securities Act 2009* (Cth).

Projects means the Tawny Project and the Imperial Project.

Promoter Option means an Option on the terms set out in Schedule 3.

Proponent or **Trident Capital** means Trident Capital Pty Ltd ACN 100 561 733.

Proponent Placement means the proposed offer to Trident Capital (and/or its nominees) of 750,000 Shares at an issue price of $0.02 each, together with 9 free attaching New Options for each Share issued, to raise $15,000.

Proposed Directors means Andrew Simpson, Barry Bolitho and Ian James McCubbing.

Proposed Transaction means the transactions summarised in Section 1.3 and described in more detail throughout Section 1.

Prospectus means the Prospectus to be issued by the Company for the purposes of, among other things, undertaking the Public Offer and re-complying with Chapters 1 and 2 of the Listing Rules.

Proxy Form means the proxy form attached to this Notice.

Public Offer means the proposed offer to the public of 140,000,000 new Shares under the Prospectus at an offer price of $0.04 each as referred to in Section 1.14.

Registered Security means the security interest registered by or on behalf of the Secured Creditor on the PPSR against the Company.

Relevant Interest has the meaning given in the Corporations Act.

Resolution means a resolution contained in the Notice.

Secured Creditor means HAYAAT International Limited.

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

Shareholder means a holder of one or more Shares.

Share Purchase Agreement or **Agreement** means the share purchase agreement to be entered into between the Company, the Symbol Mining Shareholders and Symbol Mining in relation to the sale and purchase of all the issued capital of Symbol Mining.

Swala Noteholder means a holder of one or more Swala Notes.

Swala Note means a convertible note issued by the Company pursuant to which each note has a face value of $1.00 and will convert into Shares upon completion of the Proposed Transaction at an effective conversion price of $0.02 per Share.

Symbol Mining means Symbol Mining Corporation Pty Ltd ACN 154 347 332.

Symbol Noteholder means a holder of one or more Symbol Notes.

Symbol Note means a convertible note issued by Symbol Mining pursuant to which each note has a face value of $1.00, and will convert into Shares in the Company upon completion of the Proposed Transaction at an effective conversion price of $0.02 per Share.

Tawny Project means the tenement referred to in Section 1.8.

Transaction Resolutions means Resolutions 1 to 14 (inclusive).

Trust Fund means the trust fund established pursuant to the Creditor's Trust Deed.

Unrelated Swala Noteholder means a Swala Noteholder other than any Swala Noteholder who is also an Interim Director.

Vendors means the persons listed in Schedule 1.

Voting Power has the meaning given in the Corporations Act.

WST means Western Standard Time, being the time in Perth, Western Australia.

SCHEDULE 1 – VENDORS

Name	Existing	Consideration Shares	Shares in lieu of Cash Reimbursement[1]	Shares under Public Offer[2]	Voting Power[3]	
					Minimum Subscription	Full Subscription
Andrew Simpson	-	82,736,841	1,562,500	2,500,000	18.70%	16.72%
Barry Bolitho	-	82,736,841	1,562,500	2,500,000	18.70%	16.72%
David John Bies as trustee for the Bies Family Trust	-	4,210,526	-	-	0.91%	0.81%
Goodall Business and Resources Management Pty Ltd ACN 009 305 506 as trustee for the Goodall Superannuation Fund	-	6,315,789	-	-	1.36%	1.22%
Carmichael Olowoyo	-	18,000,000	-	-	3.88%	3.47%
Patrick McCole		6,000,002	-	-	1.29%	1.16%
Total	**-**	**199,999,999**	**3,125,000**	**5,000,000**	**44.83%**	**40.08%**

Notes:

1. Assumes that no cash is paid as part of the Cash Reimbursement and, instead, Shares are issued to Andrew Simpson and Barry Bolitho at a deemed issue price of $0.04 each.
2. Assumes that Andrew Simpson and Barry Bolitho apply for 2,500,000 Shares each under the Public Offer at an issue price of $0.04 per Share.
3. Assumes that the Proposed Transaction has completed and the capital structure is as set out in Section 1.17.

SCHEDULE 2 – TERMS OF NEW OPTIONS

(a) **Entitlement**

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

(b) **Expiry Date**

Each Option will expire at 5.00pm (WST) on the date that is 4 years after the date that the Option is issued (**Expiry Date**).

(c) **Exercise Price**

Each Option will have an exercise price equal to $0.04 (**Exercise Price**).

(d) **Exercise period and lapsing**

Subject to clause (i), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) **Exercise Notice and payment**

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed “Not Negotiable”.

(f) **Shares issued on exercise**

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

Subject to clause (i) (Shareholder and regulatory approvals), within 5 business days after the later of the following:

(i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

(ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

(iii) allot and issue the Shares pursuant to the exercise of the Options;

(iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and

(v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(i) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Quotation**

The Company will not apply for quotation of the Options on ASX.

(o) **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company’s sole discretion.

SCHEDULE 3 – TERMS OF PROMOTER OPTIONS

(a) **Entitlement**

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

(b) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 31 December 2018 (**Expiry Date**).

(c) **Exercise Price**

Each Option will have an exercise price equal to $0.06 (**Exercise Price**).

(d) **Exercise period and lapsing**

Subject to clause (i) (Shareholder and regulatory approvals), Options may be exercised at any time after the date of issue and prior to the Expiry Date. After this time, any unexercised Options will automatically lapse.

(e) **Exercise Notice and payment**

Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Option being exercised. Any Exercise Notice for an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(f) **Shares issued on exercise**

Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(g) **Quotation of Shares**

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

Subject to clause (i) (Shareholder and regulatory approvals), within 5 business days after the later of the following:

(i) receipt of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised by the Company if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and

(ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

(iii) allot and issue the Shares pursuant to the exercise of the Options;

(iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and

(v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of the Options.

(i) **Shareholder and regulatory approvals**

Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing the Shares to the holder. If exercise of the Options would result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(m) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) **Quotation**

The Company will not apply for quotation of the Options on ASX.

(o) **Transferability**

Options can only be transferred with the prior written consent of the Company, which consent may be withheld in the Company's sole discretion.

SCHEDULE 4 – VALUATION OF NEW OPTIONS

New Options	
Number of New Options	6,750,000
Underlying share price	$0.04
Exercise price	$0.04
Expected volatility	120%
Expiry date (years)	4.00
Expected dividends	Nil
Risk free rate	2.16%
Value per Option	0.031
Total value	$209,250

SCHEDULE 5 – VALUATION OF PROMOTER OPTIONS

Promoter Options	
Number of Promoter Options	20,000,000
Underlying share price	$0.04
Exercise price	$0.06
Expected volatility	120%
Expiry date (years)	1.88
Expected dividends	Nil
Risk free rate	1.79%
Value per Option	0.020
Total value	$400,000

SCHEDULE 6 – PRO FORMA STATEMENT OF FINANCIAL POSITION

	Swala audited as at 31-Dec-16 $	Symbol audited as at 31-Dec-16 $	Adjustment 1 $	Adjustment 2 $	Adjustment 3 $	Adjustment 4 $	Adjustment 5 $	Adjustment 6 $	Adjustment 7 $	Adjustment 8 $	Adjustment 9 $	Adjustment 10 $	Adjustment 11	Adjustment 12 Min $	Adjustment 12 Max $	PRO FORMA Min $	PRO FORMA Max $
CURRENT ASSETS																	
Cash and cash equivalents	412,361	186,348	(412,361)	15,000	750,000	(536,000)	(127,000)	-	-	-	-	-	(124,488)	4,664,000	6,544,000	4,827,860	6,707,860
Trade and other receivables	735,984	13,328	(735,984)	-	-	-	-	-	-	-	-	-	-	-	-	13,328	13,328
Input tax credit control account	-	5,266	-	-	-	-	-	-	-	-	-	-	-	-	-	5,266	5,266
TOTAL CURRENT ASSETS	1,148,345	204,942	(1,148,345)	15,000	750,000	(536,000)	(127,000)	-	-	-	-	-	(124,488)	4,664,000	6,544,000	4,846,454	6,726,454
NON CURRENT ASSETS																	
Property plant & equipment	72,673	-	(72,673)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project exploration and development expenses	-	4,349,096	-	-	-	-	-	(2,944,096)	-	-	-	-	-	-	-	1,405,000	1,405,000
Preliminary expenses	-	880	-	-	-	-	-	-	-	-	-	-	-	-	-	880	880
TOTAL NON CURRENT ASSETS	72,673	4,349,976	(72,673)	-	-	-	-	(2,944,096)	-	-	-	-	-	-	-	1,405,880	1,405,880
TOTAL ASSETS	1,221,018	4,554,918	(1,221,018)	15,000	750,000	(536,000)	(127,000)	(2,944,096)	-	-	-	-	(124,488)	4,664,000	6,544,000	6,252,334	8,132,334
CURRENT LIABILITIES																	
Trade and other payables	1,216,724	2,803	(1,216,724)	-	-	-	-	-	-	-	-	-	-	-	-	2,803	2,803
Income tax	4,299	-	(4,299)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	967,071	-	(967,071)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CURRENT LIABILITIES	2,188,094	2,803	(2,188,094)	-	-	-	-	-	-	-	-	-	-	-	-	2,803	2,803
NON CURRENT LIABILITIES																	
Convertible loan	-	325,000	-	-	-	-	75,000	-	-	(400,000)	-	-	-	-	-	-	-
Noble loan	-	3,836,424	-	-	-	-	-	-	(2,454,424)	-	-	-	-	-	-	1,382,000	1,382,000
Unsecured loans from directors	-	124,488	-	-	-	-	-	-	-	-	-	-	(124,488)	-	-	-	-
TOTAL NON CURRENT LIABILITIES	-	4,285,912	-	-	-	-	75,000	-	(2,454,424)	(400,000)	-	-	(124,488)	-	-	1,382,000	1,382,000
TOTAL LIABILITIES	2,188,094	4,288,715	(2,188,094)	-	-	-	75,000	-	(2,454,424)	(400,000)	-	-	(124,488)	-	-	1,384,803	1,384,803
NET ASSETS	**(967,076)**	**266,203**	**967,076**	**15,000**	**750,000**	**(536,000)**	**(202,000)**	**(2,944,096)**	**2,454,424**	**400,000**	**-**	**-**	**-**	**4,664,000**	**6,544,000**	**4,867,531**	**6,747,531**
EQUITY																	
Contributed equity	28,164,098	713,572	(27,371,572)	15,000	750,000	-	-	-	2,000,000	400,000	460,000	-	-	4,664,000	6,544,000	9,795,098	11,675,098
Capital raising costs	-	(1,750)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,750)	(1,750)
Reserves	4,311,140	-	(4,311,140)	-	-	-	-	-	-	-	-	400,000	-	-	-	400,000	400,000
Non-controlling interests	(2,592,649)	-	2,592,649	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated losses	(30,849,665)	(445,619)	30,057,139	-	-	(536,000)	(202,000)	(2,944,096)	454,424	-	(460,000)	(400,000)	-	-	-	(5,325,817)	(5,325,817)
TOTAL EQUITY	**(967,076)**	**266,203**	**967,076**	**15,000**	**750,000**	**(536,000)**	**(202,000)**	**(2,944,096)**	**2,454,424**	**400,000**	**-**	**-**	**-**	**4,664,000**	**6,544,000**	**4,867,531**	**6,747,531**

Adjustment 1

On effectuation of the DOCA, the Company's creditor claims (including priority and contingent creditors) will be extinguished and released against the Company. As such, Swala's existing cash and trade and other receivables balances will be used to repay outstanding creditors in accordance with the terms of the DOCA. Therefore, we have adjusted these balances to illustrate Swala's post DOCA remaining assets and liabilities. We have also removed the intercompany receivables balance as this relates to investments and secured loans in Swala's subsidiaries. This balance has been adjusted to nil to reflect the current sale status and recoverability of these investments and loans.

Accounting for acquisition of Symbol:

This transaction is determined to be a reverse acquisition whereby Symbol is deemed to be the 'acquirer' for accounting purposes. Therefore the equity balances of Swala are eliminated on consolidation. The value of the Swala shares provided should be the notional number of equity instruments that the shareholders of Symbol would have had to issue to Swala to give the owners of Swala the same percentage ownership in the combined entity. This typically equates to the market capitalisation of Swala. The pre-acquisition equity balances of Swala are eliminated against this increase in share capital on consolidation and the balance is deemed to be the amount paid for the ASX listing status of Swala which goes to the P&L as a share based payment or cost of ASX listing (or accumulated losses in the pro forma)."

Adjustment 2

Trident will raise $15,000 at $0.02 per share (post consolidation) with nine free attaching options that have a $0.04 exercise price and expiry date no greater than 4 years following the date of reinstatement of the Company. These funds form part of the recapitalisation proposal and will be used to cover costs associated with the DOCA.

Adjustment 3

Trident is raising an additional $750,000 at $0.02 per share (post consolidation) as part of the recapitalisation proposal to cover costs associated with the DOCA.

Adjustment 4

The Company expects to spend $536,000 on costs of the DOCA, the remaining creditors and the recapitalisation proposal. The net effect of the capital raisings in adjustments 2 and 3 and the payment in adjustment 4 will result in Swala's holding $299,000 cash and will have no other assets and liabilities.

Adjustment 5

"We have adjusted Symbol's cash balance to reflect the decrease in cash from 1 January 2017 to 31 March 2017. The majority of this expenditure relates to exploration costs associated with the development of the Tawny and Imperial projects. We also note Symbol has spent approximately $28,000 on general administration and working capital expenses over this period.

We have also adjusted the cash balance of Symbol to reflect the additional $75,000 of convertible notes which was raised under the Vendor PE Placement subsequent to 31 December 2016. We note that Symbol can increase the Vendor PE Placement by an additional $100,000 prior to completion of the Transaction. Accordingly, we have increased the convertible loan balance by $75,000. The convertible notes issued via the Vendor PE Placement will convert to Swala shares post transaction at $0.02 per share. Refer to note 8 below for the equity conversion."

Adjustment 6

We have adjusted the Symbol project exploration and development expenses balance to reflect the independent market valuation completed by Agricola Mining Consultants Pty Ltd. Agricola Mining Consultants Pty Ltd considered a range of valuation methodologies when valuing the exploration assets of Symbol. Agricola Mining Consultants Pty Ltd's preferred value of the Imperial and Tawny projects is $1,405,000. As such, we have impaired Symbol's project exploration and development expenses balance to reflect the independent market valuation completed by Agricola Mining Consultants Pty Ltd.

Adjustment 7

Symbol has a US$2,776,001 loan with Noble Resources International Pte Ltd as at 31 December 2016. Symbol intends to enter into a debt repayment agreement with Noble where US$2,000,000 of the balance will be repaid by issuing 50,000,000 (post consolidation) Swala shares at a deemed issue price of A$0.04 per share to Noble (and/or its nominees) and repaying Noble US$1,000,000 in three tranches from future cash flows once the Macy deposit at the Imperial project enters production. Accordingly, we have reduced the Noble debt to reflect the portion of the loan which converts to equity which leaves a US$1,000,000 balance to be repaid from future cash flows.

Adjustment 8

Symbol's convertible loan balance of $325,000 as at 31 December 2016 has increased by an additional $75,000. The balance of $400,000 will convert to Swala shares at $0.02 per share as part of the Transaction. Accordingly, we have removed the balance of the convertible note and adjusted the contributed equity balance to reflect the conversion of 20 million notes. Symbol may also raise an additional $100,000 of convertible notes prior to completion of this Transaction.

Adjustment 9

Swala will issue 11.5 million Facilitator Shares to Trident who assisted in facilitating the acquisition of Symbol. These shares are to be issued at a deemed price of $0.04.

Adjustment 10

Swala will issue 20 million options (post consolidation) to Argonaut Securities Pty Ltd for services in relation to the recapitalisation proposal. These options have an exercise price of $0.06 each and an expiry date of 31 December 2018 and have been valued using the Black Scholes option valuation model. Accordingly, we have adjusted reserves and accumulated losses to reflect the valuation price per option of $0.02 for a tranche value of $400,000.

Adjustment 11

The Company will make a cash payment of up to $125,000 to Andrew Simpson and Barry Bolitho for reimbursement of previous expenditure. Accordingly, we have reduced cash and removed Symbol's other liabilities balance which is the total expenditure to be repaid. If the Company is not permitted to pay the full $125,000 in cash then the Company will issue shares in lieu of cash at $0.04 each.

Adjustment 12

The issue of a minimum 140,000,000 shares and up to a maximum 190,000,000 shares (post the Consolidation) under the prospectus at an issue price of $0.04 per share to raise between $5,600,000 and $7,600,000 before costs. We have adjusted the minimum capital raising by $936,000 and the maximum capital raising by $1,056,000 to reflect the costs of the Offer.

SCHEDULE 7 – SYMBOL MINING FINANCIAL INFORMATION

The financial statements for the period 1 July 2016 to 31 December 2016 and the financial years ended 30 June 2016 and 30 June 2015 for the Symbol Mining group have been prepared by C. Campagna & Assoc. in accordance with the recognition and measurement requirement's specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

The financial information in this Schedule 7 is presented in an abbreviated form insofar as it does not contain all of the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports usually provided in an annual report prepared in accordance with the Corporations Act.

Statement of Financial Performance

	Audited 31-Dec-16 AUD$	Audited 30-Jun-16 AUD$	Audited 30-Jun-15 AUD$
Income			
Interest received	24	50	531
Total income	24	**50**	**531**
Expenses			
Accountancy	800	8,960	1,450
Advertising & promotion	-	-	200
Bank fees & charges	197	877	150
Borrowing costs	19,500	-	-
Cleaning & rubbish removal	-	1,677	-
Consultants fees	-	49,772	-
Computer expenses	-	14,377	-
Electricity	520	2,331	-
Fees & charges	630	416	-
Filing Fees	807	804	243
Foreign Exchange Loss	190	6,368	-
General expenses	-	996	-
Insurance	1,039	15,568	-
Legal fees	-	36,487	-
Printing & Stationary	649	4,021	3,882
Rent on land & buildings	3,496	33,010	-
Repairs & Maintenance	-	1,675	-
Staff amenities	568	387	-
Sundry expenses	2,159	7,210	-
Superannuation	-	1,673	-
Telephone	1,375	6,914	1,715
Travel & accommodation	18,084	12,384	-
Wages	-	3,426	-
Total expenses	**50,014**	**196,598**	**7,640**
Loss from Ordinary Activities before income tax	**49,990**	**196,548**	**7,108**
Income Tax Expense	**-**	**-**	**-**
Loss from Ordinary Activities after income tax	**49,990**	**196,548**	**7,108**

Statement of Financial Position

	Audited 31-Dec-16 AUD$	Audited 30-Jun-16 AUD$	Audited 30-Jun-15 AUD$
Current Assets			
Cash Assets			
Cash At Bank	183,750	6,634	1,761
Tawny Bank Account	2,597	2,597	2,598
	186,347	9,231	4,359
Receivables			
Loan: BridgeCo Partners P/L	3,328	3,328	10,000
Input tax credits	5,266	2,320	1,956
Prepayments	-	4,143	-
Advance Cami	10,000	-	-
	18,594	9,791	11,956
Total Current Assets	**204,942**	**19,022**	**16,315**
Non-Current Assets			
Other			
Preliminary expenses	880	880	880
Other	-	-	23,901
Project development expenses	4,349,096	4,069,922	518,387
	4,349,976	4,070,802	543,168
Total Non-Current Assets	**4,349,976**	**4,070,802**	**543,168**
Total Assets	**4,554,918**	**4,089,824**	**559,483**

	Audited 31-Dec-16 AUD$	Audited 30-Jun-16 AUD$	Audited 30-Jun-15 AUD$
Current Liabilities			
Trade Creditors	2,803	1,367	13,174
Total Current Liabilities	2,803	1,367	13,174
Non-Current Liabilities			
Financial Liabilities			
Unsecured:			
Loans Andrew Simpson	42,711	161,999	166,784
Loans Barry Bolitho	81,777	171,999	166,784
Convertible notes – US$ denominated	3,836,424	3,738,266	-
Convertible notes A$	325,000	-	-
	4,285,912	4,072,264	333,568
Total Non-Current Liabilities	**4,285,912**	**4,072,264**	**333,568**
Total Liabilities	**4,288,715**	**4,073,631**	**346,742**
Net Assets	**266,203**	**16,193**	**212,741**
Equity			
Issued Capital			
Shares Fully Paid $1.00	2	2	2
Shares Fully Paid to 0.001	163,570	163,570	163,570
Sharers Fully Paid 0.02568	550,000	250,000	250,000
Capital Raising Costs	(1,750)	(1,750)	(1,750)
Retained profits / (accumulated losses)	(445,619)	(395,629)	(199,081)
Equity attributable to the owners of Symbol Mining Group	**266,203**	**16,193**	**212,741**
Non-controlling interest	**-**	**-**	**-**
Total Equity	**266,203**	**16,193**	**212,741**

Statement of Cash Flows

	Audited 31 Dec 16 AUD$	Audited 30 June 16 AUD$	Audited 30 June 15 AUD$
Cash flows from operating activities			
Payments to suppliers and employees (incl GST)	(37,881)	(189,011)	(36,227)
Interest received	24	50	531
Net cash (outflow) from operating activities	**(37,857)**	**(188,961)**	**(35,696)**
Cash flows from investing activities			
Payment for exploration & development	(181,017)	(3,551,535)	(518,387)
Net cash (outflow) from investing activities	**(181,017)**	**(3,551,535)**	**(518,387)**
Cash flows from financing activities			
Loan proceeds from related party	90,490	7,102	183,568
Loan proceeds to related party	325,000	-	(10,000)
Proceeds from the issue of Shares	(19,500)	-	368,570
Proceeds from the issue of Convertible notes	-	3,738,266	-
Net cash inflow from financing activities	**395,990**	**3,745,368**	**542,138**
Cash and cash equivalents at the beginning of the financial period	**9,231**	**4,359**	**16,304**
Net Increase/(decrease) in cash and cash equivalents	177,116	4,872	(11,945)
Cash and cash equivalents at end of the period	**186,347**	**9,231**	**4,359**

PROXY FORM

Swala Energy Limited
(Subject to Deed of Company Arrangement)
ACN 161 989 546

I/We ______________________________

of ______________________________

being a member of Swala Energy Limited (Subject to Deed of Company Arrangement) ACN 161 989 546 entitled to attend and vote at the Annual General Meeting, hereby

Appoint ______________________________

Name of Proxy

OR ☐ Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Annual General Meeting to be held at Trident Capital, Level 24, 44 St Georges Terrace, Perth WA on Thursday, 22 June 2017 at 10:00am (WST), and at any adjournment thereof.

The Chair intends to vote all available proxies in favour of all Resolutions. If you have appointed the Chair as your proxy (or the Chair becomes your proxy by default), and you wish to give the Chair specific voting directions on a Resolution, you should mark the appropriate box(es) opposite those Resolutions in the panel below (directing the Chair to vote for, against or to abstain from voting).

Important: Each DOCA Resolution (Resolutions 1 to 4(c)) is subject to, and conditional on, each of the other DOCA Resolutions being passed. Accordingly, the DOCA Resolutions should be considered collectively as well as individually. Each Transaction Resolution (Resolutions 1 to 14) is subject to, and conditional on, each of the other Transaction Resolutions being passed. Accordingly, the Transaction Resolutions should be considered collectively as well as individually.

Important for Resolution 16: If I/we have appointed the Chair as my/our proxy or the Chair becomes my/our proxy by default, by signing and submitting this Proxy Form I/we expressly authorise the Chair to exercise my/our proxy in respect of Resolution 16 (except where I/we have indicated a different voting intention below) even though Resolution 16 are connected directly or indirectly with the remuneration of a member of Key Management Personnel or their Closely Related Parties and even if the Chair has an interest in the outcome of Resolution 16 and that votes cast by the Chair, other than as proxy holder, would be disregarded because of that interest.

OR

Voting on business of the Annual General Meeting		**For**	**Against**	**Abstain**
Resolution 1	Consolidation of securities	☐	☐	☐
Resolution 2	Issue of securities under Proponent Placement	☐	☐	☐
Resolution 3	Issue of Shares to Unrelated Swala Noteholders	☐	☐	☐
Resolution 4(a)	Right for John Gilfillan to participate in issue of Swala Notes	☐	☐	☐
Resolution 4(b)	Right for Sean McCormick to participate in issue of Swala Notes	☐	☐	☐
Resolution 4(c)	Right for Stephen Hewitt-Dutton to participate in issue of Swala Notes	☐	☐	☐
Resolution 5(a)	Appointment of Proposed Director – Andrew Simpson	☐	☐	☐
Resolution 5(b)	Appointment of Proposed Director – Barry Bolitho	☐	☐	☐
Resolution 5(c)	Appointment of Proposed Director – Ian James McCubbing	☐	☐	☐
Resolution 6	Change to nature and scale of activities	☐	☐	☐

Resolution 7	Issue of Shares to Vendors	☐	☐	☐
Resolution 8	Issue of Shares to Symbol Noteholders	☐	☐	☐
Resolution 9	Issue of Shares under the Prospectus	☐	☐	☐
Resolution 10(a)	Right for John Gilfillan to participate in Public Offer	☐	☐	☐
Resolution 10(b)	Right for Sean McCormick to participate in Public Offer	☐	☐	☐
Resolution 10(c)	Right for Stephen Hewitt-Dutton to participate in Public Offer	☐	☐	☐
Resolution 11(a)	Right for Andrew Simpson to participate in Public Offer	☐	☐	☐
Resolution 11(b)	Right for Barry Bolitho to participate in Public Offer	☐	☐	☐
Resolution 11(c)	Right for Ian James McCubbing to participate in Public Offer	☐	☐	☐
Resolution 12	Issue of Shares to Trident Capital	☐	☐	☐
Resolution 13	Issue of Promoter Options to Argonaut	☐	☐	☐
Resolution 14	Issue of Shares to Noble	☐	☐	☐
Resolution 15	Change of name	☐	☐	☐
Resolution 16	Approval of Remuneration Report	☐	☐	☐
Resolution 17(a)	Re-election of Interim Director – Sean McCormick	☐	☐	☐
Resolution 17(b)	Re-election of Interim Director – John Gilfillan	☐	☐	☐
Resolution 17(c)	Re-election of Interim Director – Stephen Hewitt-Dutton	☐	☐	☐
Resolution 18	Re-election of Kenneth Russell	☐	☐	☐

Note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _________%

Signature of Member(s): **Date:** ___________________________

Individual or Member 1	**Member 2**	**Member 3**
Sole Director/Company Secretary	**Director**	**Director/Company Secretary**

Contact Name: ____________________________ **Contact Ph (daytime):** ______________________________

Instructions for Proxy Form

1. Your name and address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

2. Appointment of a proxy

You are entitled to appoint no more than two proxies to attend and vote on a poll on your behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of your voting rights. If you appoint two proxies and the appointment does not specify this proportion, each proxy may exercise half of your votes.

If you wish to appoint the Chair of the Annual General Meeting as your proxy, please mark the box. If you leave this section blank or your named proxy does not attend the Annual General Meeting, the Chair will be your proxy. A proxy need not be a Shareholder.

3. Voting on Resolutions

You may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item your vote will be invalid on that item.

4. Signing instructions

You must sign this form as follows in the spaces provided:

- (**Individual**) Where the holding is in one name, the holder must sign.
- (**Joint holding**) Where the holding is in more than one name, all of the shareholders should sign.
- (**Power of attorney**) If you have not already lodged the power of attorney with the Company's share 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) does not have a company secretary, as 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 indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

5. Return of a Proxy Form

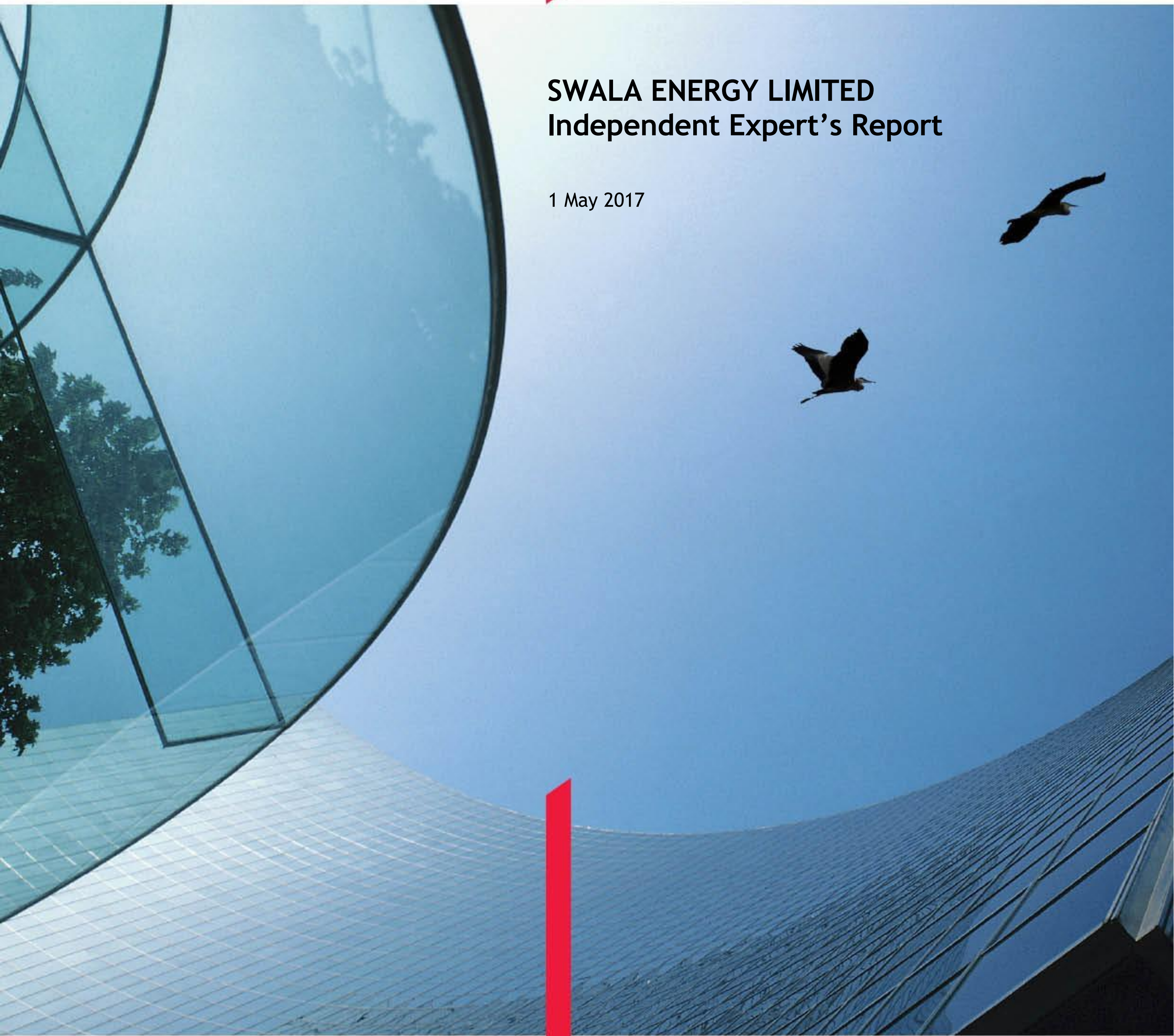
To vote by proxy, please complete and sign the enclosed Proxy Form (and any power of attorney and/or second Proxy Form) and return by:

- post to the Company at c/- Trident Capital, Level 24 44 St Georges Terrace, Perth WA 6000;
- facsimile to Trident Capital on (61-8) 9218 8875; or
- email to the Trident Capital at info@tridentcapital.com.au,

so that it is received by no later than 10.00am (WST) on Tuesday, 20 June 2017.

Proxy Forms received later than this time will be invalid.

ANNEXURE A – INDEPENDENT EXPERT'S REPORT



SWALA ENERGY LIMITED
Independent Expert's Report

1 May 2017

Financial Services Guide

1 May 2017

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (‘**we**’ or ‘**us**’ or ‘**ours**’ as appropriate) has been engaged by Trident Capital Pty Ltd who is the Deed of Company Arrangement proponent and Corporate Advisor to the transaction to prepare an Independent Expert Report regarding the acquisition of Symbol Mining Corporation Pty Ltd by Swala Energy Limited (‘**Swala**’). You will be provided with a copy of our report as a retail client because you are a shareholder of Swala.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (‘**FSG**’). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

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, 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
BDO Corporate Finance (WA) Pty Ltd is 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 services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that 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.

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.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate 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.

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 $20,000.

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.

Other Assignments
BDO Audit (WA) Pty Ltd is the appointed Auditor of Swala Energy Limited. 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. BDO Audit (WA) Pty Ltd has performed work for Swala Energy Limited over the past two years for a collective fee of $68,649.

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 Swala for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

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

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('**FOS**'). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

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

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www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

1 May 2017

The Directors
Swala Energy Limited
C/o Trident Capital Pty Ltd
Level 24, St Martins Tower
PERTH WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 24 June 2016, the Directors of Swala Energy Limited ('**Swala**' or '**the Company**') (Subject to a Deed of Company Arrangement) resolved that the Company be placed into administration and that Mr James Thackray of HQ Advisory be appointed as Voluntary Administrator ('**the Administrator**') pursuant to section 439A of the Corporations Act 2001 (Cth) ('**Corporations Act**' or '**the Act**').

On 24 October 2016, Swala announced that it had executed a Deed of Company Arrangement ('**DOCA**') effective as at 21 October 2016 with Trident Capital Pty Ltd ('**Trident**') the preferred party to take control of the Company. The DOCA embodied a proposal by Trident to restructure the Company under a recapitalisation proposal ('**Recapitalisation Proposal**').

Completion of the Recapitalisation Proposal will restructure the Company's issued capital and net asset base, provide working capital to finalise and complete the Recapitalisation Proposal and terminate the DOCA, and will allow Swala to pursue new projects by acquisition or investment.

In addition to the Recapitalisation Proposal, Trident entered into a heads of agreement with Symbol Mining Corporation Pty Ltd ('**Symbol**') and Symbol's shareholders ('**Symbol Shareholders**') on 8 November 2016 whereby the Company will acquire 100% of Symbol to be satisfied by the issue of shares in the Company ('**the Acquisition**'). The consideration for the Acquisition includes the issue of 199,999,999 Swala shares to the Symbol Shareholders ('**the Consideration**') and the appointment of Mr Andrew Simpson ('**Mr Simpson**') and Mr Barry Bolitho ('**Mr Bolitho**') who are both current directors of Symbol to the Board of Swala.

The Consideration to be issued as part of the Acquisition will result in the Symbol Shareholders holding in excess of 20% of the voting power in the Company. Accordingly, this report is required under section 611 of the Act.

The Recapitalisation Proposal and the Acquisition are contained in the accompanying notice of meeting and they are contingent on each other. The Recapitalisation Proposal and the Acquisition are collectively referred to as '**the Transaction**'. This is more specifically defined in section 4 of this report.

2. Summary and Opinion

2.1 Purpose of the report

Trident, as the preferred party to take control of Swala, 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 Transaction is fair and reasonable to the non-associated shareholders of Swala (‘**Shareholders**’).

Our Report is prepared pursuant to section 611 of the Act and is to be included in the Notice of Meeting for Swala in order to assist the Shareholders in their decision whether to approve the Transaction.

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 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 Transaction as outlined in the body of this report. We have considered:

- How the value of a Swala share prior to the Transaction compares to the value of a Swala share following the Transaction;
- The likelihood of an alternative offer being made to Swala;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Transaction; and
- The position of Shareholders should the Transaction not proceed.

Under RG111.31 we are required to assess the value of a Swala share prior to the Transaction on a controlling basis and the value of a Swala share following the Transaction on a minority basis.

2.3 Opinion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to Shareholders.

In our opinion, the Transaction is fair because the value of a Swala share prior to the Transaction on a controlling basis is lower than the value of a Swala share following the Transaction on a minority basis.

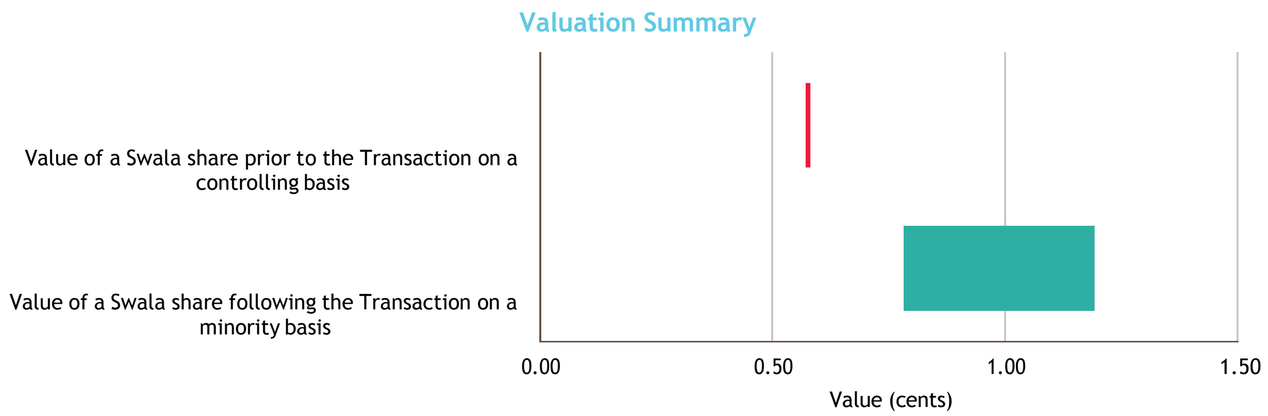
2.4 Fairness

In section 12 we compare the value of a Swala share prior to the Transaction against the value of a Swala share following the Transaction, as detailed below:

	Ref	Low cents	Preferred cents	High cents
Value of a Swala share prior to the Transaction on a controlling basis	10.1	0.578	0.578	0.578
Value of a Swala share following the Transaction on a minority basis	11.1	0.783	0.858	1.192

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both

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

In our opinion, the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved. Accordingly, in the absence of any other relevant information we believe that the Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4.1	The Transaction is fair	13.5.1	Dilution of existing Shareholders' interest
13.4.2	Completion of the Transaction will give the Company an opportunity to avoid liquidation and continue operating	13.5.2	Exposure to the exploration and development risks associated with mining operations in Nigeria
13.4.3	Release the Company from all creditor claims		
13.4.4	Re-listing on the Australian Securities Exchange ('**ASX**') which will provide Shareholders with the opportunity to buy and sell shares in the Company		

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4.5	Change of nature and scale of Swala's operations could attract new investors		
13.4.6	The Transaction provides the Company with a cash injection		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposals
13.2	Practical level of control
13.3	Consequences of not approving the Transaction

3. Scope of the Report

3.1 Purpose of the Report

Section 606 of the Corporations Act expressly prohibits the acquisition of shares by a party if that acquisition will result in that person (or someone else) holding an interest in 20% or more of the issued shares of a public company, unless a full takeover offer is made to all shareholders or another exception under section 611 applies.

If Shareholders approve the Transaction, the Symbol Shareholders could increase their collective holding to 44.8% if Mr Simpson and Mr Bolitho also subscribe for 5 million shares under the minimum capital raising (as proposed) and if 3.125 million shares are issued to Mr Simpson and Mr Bolitho to satisfy $0.125 million of accrued expenses in lieu of a cash repayment.

Section 611 permits such an acquisition if the shareholders of that entity have agreed to the issue of such shares. This agreement must be by resolution passed at a general meeting at which no votes are cast in favour of the resolution by any party who is associated with the party acquiring the shares, or by the party acquiring the shares. 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 the obligation to supply shareholders with all information that is material can be satisfied by the non-associated directors of Swala, by either:

- undertaking a detailed examination of the Transaction themselves, if they consider that they have sufficient expertise, experience and resources; or
- by commissioning an Independent Expert's Report.

Trident has commissioned this Independent Expert's Report on behalf of Swala to satisfy this obligation.

3.2 Regulatory guidance

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

This regulatory guide 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 Transaction is a control transaction as defined by RG 111 and we have therefore assessed the Transaction 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 the value of a Swala share prior to the Transaction on a control basis and the value of a Swala share following the Transaction on a minority basis (fairness – see Section 12 'Is the Transaction 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 Transaction Reasonable?').

Under RG111.31 we are required to assess the value of a Swala share prior to the Transaction on a controlling basis and the value of a Swala share following the Transaction on a minority basis.

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 DOCA, Recapitalisation Proposal and the Transaction

On 24 June 2016, the Directors of the Company resolved that the Company be placed into voluntary administration and that Mr James Thackray of HQ Advisory be appointed as the Administrator pursuant to section 439A of the Corporations Act.

On the 24 October 2016, the Company announced it had executed a DOCA with Trident as the preferred party to take control of the Company and the Administrator was appointed as the Deed Administrator of the DOCA. The DOCA became effective on 21 October 2016.

4.1 Key terms of the DOCA

The key terms of the DOCA include:

- Trident will pay cash consideration of $0.50 million (in two tranches) for the benefit of the creditors of the Company (‘**Creditor Payment**’) as follows:
  - Tranche 1 - $0.05 million (non-refundable deposits) has been paid; and
  - Tranche 2 - $0.45 million will be paid within ten business days after receiving certain shareholder approvals relating to the Recapitalisation Proposal.
- This consideration and the Company's underlying assets are to be transferred to the creditors' trust to be used in full and final settlement of all creditor claims (including those of the Administrator), in accordance with the provisions of section 556 of the Act. The DOCA will bind all creditors (including priority and contingent creditors) of the Company once executed, and will deal with the statutory liabilities of the administration (including claims for remuneration).

4.2 Creditors’ trust deed

The creditors’ trust will be established on execution of the Proposed Trust Deed, and the Administrator will be appointed as the Trustee of the creditors’ trust. Key aspects of the creditors’ trust include:

- The two tranches of the Creditor Payment will be transferred to the creditors’ trust in accordance with the terms of the DOCA;
- The assets of the Company, including the Company’s shareholding in Swala Energy (BVI) Limited (Swala BVI) and loans to the Company’s subsidiaries will be transferred to the creditors’ trust;
- The Trust Fund will comprise the Creditor Payment and any net realisable funds from the Company’s assets which are transferred to the creditors’ trust;
- The Company’s creditor claims (including priority, unsecured and contingent creditors) will be extinguished and released against the Company, and each creditor will be entitled to make an equivalent claim against the Trust Fund as a beneficiary of the creditors’ trust;
- All creditors (in their capacity as beneficiaries of the creditors’ trust) will be required to submit proofs of debt for dividend adjudication purposes to the Trustee. The Trustee will adjudicate on the claims of the Company’s creditors and the Trust Fund will be distributed in accordance with the Proposed Trust Deed;
- Where the amount due to an admitted creditor in respect of a dividend payment would be less than $25, the Trustee need not pay that dividend to the admitted creditor; and

- The liabilities of the administration (including Administrator's, Deed Administrator's and Trustee's claims for remuneration) will be met from the Trust Fund.

4.3 Conditions precedent of the DOCA

The implementation of the DOCA is conditional on the following:

- Receiving the relevant shareholder approvals for the resolutions at the extraordinary general meeting of the shareholders of the Company;
- Trident paying the balance of the Creditor Payment to the creditors' trust;
- The Company's secured creditors (if any) releasing any registered securities they have over the Company;
- The retirement of the Company's directors from the Company and the appointment of new directors to be nominated by Trident; and
- The retirement of the Administrator from the Company, and control of the Company vesting in the new directors of the Company.

4.4 Recapitalisation Proposal

Under the Recapitalisation Proposal, subject to shareholder approval, it is proposed that the Company will:

- Consolidate the existing shares and options on issue on a 120:1 consolidation ('**the Consolidation**');
- Replace the Directors of the Company with the proposed directors, Andrew Simpson, Barry Bolitho and Ian McCubbing ('**Proposed Directors**');
- Issue up to 0.75 million shares (post the Consolidation) at $0.02 to raise $15,000 together with nine free attaching new options for each share issued. The 6.75 million options to be issued will have an exercise price of $0.04 each and an expiry date four years from the date of issue ('**Recapitalisation Options**');
- Convert $0.75 million of convertible notes to be issued into 37.5 million shares (post the Consolidation);
- Issue 199,999,999 shares (post the Consolidation) to the Symbol Shareholders and up to 3,125,000 shares (post the Consolidation) between Andrew Simpson and Barry Bolitho;
- The issue of a minimum 140 million shares and up to 190 million shares (post the Consolidation) under the prospectus at an issue price of $0.04 per share to raise between $5.6 million and $7.6 million before costs (the '**Capital Raising**');
- Issue 11.5 million shares (post the Consolidation) to Trident (and/or its nominees) ('**Facilitation Shares**');
- Issue 20 million new options (post the Consolidation) to Argonaut Securities Pty Ltd ('**Argonaut**') (and/or its nominees) which have an exercise price of $0.06 each and an expiry date of 31 December 2018 ('**Facilitation Options**');

- Issue 50 million shares (post the Consolidation) to Noble Resources International Pte Ltd (‘**Noble**’) (and/or its nominees) to convert a portion of the US$2.78 million debt in Symbol Base Metals UK Limited (‘**SBMUK**’) to equity;
- Change its name to Symbol Mining Limited; and
- Achieve reinstatement on the ASX following the reconstruction of the Company subject to compliance with ASX and the Corporations Act regulatory requirements.

4.5 Details of the acquisition of Symbol Mining

On 8 November 2016 Trident, entered into a heads of agreement with Symbol and Symbol Shareholders whereby the Company will acquire 100% of Symbol to be satisfied by the issue of shares in the Company. Symbol is the 100% owner of SBMUK which owns 60% of two lead/zinc exploration projects in Nigeria.

The Consideration for the acquisition includes the issue of 199,999,999 Swala shares to Symbol Shareholders at a deemed price of $0.04 each post the Consolidation. The acquisition is subject to the satisfaction of each of the proposed resolutions under the Recapitalisation Proposal outlined in section 4.4.

Additionally, Symbol has recently completed a capital raising of $0.325 million via the issue of convertible notes as at 31 December 2016. These convertible notes are to be converted to Swala shares at $0.02 per share as part of the Transaction. Symbol has since raised an additional $0.075 million post 31 December 2016 and also has the option to increase this balance to $0.5 million by raising an additional $0.1 million (the ‘**Vendor PE Placement**’).

Mr Simpson and Mr Bolitho are also seeking to have up to $0.125 million of expenditure repaid in cash as part of the Transaction however, if the Company is not permitted to pay the full $0.125 million in cash to Mr Simpson and Mr Bolitho then Swala shares in lieu of cash will be issued at a deemed issue price of $0.04 per share.

4.6 Capital structure following the Transaction

Capital structure based on the minimum Capital Raising

The table below illustrates the effect of the DOCA and the Transaction under the minimum Capital Raising scenario on the share capital of the Company:

Transaction	Shares	%	Shares	%	Options
	Min		Max		
Existing shares as at 31 December 2016	165,154,565				8,700,000
Swala shares post 120:1 consolidation as part of DOCA effectuation*	1,376,288				72,498
DOCA recapitalisation shares (with 9 free attaching options, $0.04 strike)	750,000				6,750,000
DOCA recapitalisation shares	37,500,000				
Post DOCA structure	**39,626,288**	8.6%	**39,626,288**	8.5%	**6,822,498**
Consideration shares	199,999,999	43.4%	199,999,999	42.9%	
Vendor PE Placement	20,000,000	4.3%	25,000,000	5.4%	
Noble Debt	50,000,000	10.8%	50,000,000	10.7%	
Facilitators Shares	11,500,000	2.5%	11,500,000	2.5%	
Minimum Capital Raising	140,000,000	30.4%	140,000,000	30.0%	
Facilitation Options ($0.06 strike expiry 31 -Dec-18)					20,000,000
TOTAL	**461,126,287**	**100%**	**466,126,287**	**100%**	**26,822,498**

* There is a slight rounding issue of the post consolidation options due to rounding of the different tranches. These options post the Consolidation will have a new exercise price of $36 per option.

As a result of the Consideration, Symbol Shareholders will collectively hold between 42.9% and 43.4% of the issued capital of the Company following the Transaction based on the minimum Capital Raising and assuming no shares are issued to Mr Simpson and Mr Bolitho for the repayment of expenditure in lieu of cash and not taking into account the additional 5 million shares Mr Simpson and Mr Bolitho are proposing to purchase in the Capital Raising. We note that the collective holding of the Symbol Shareholders in the Company under the minimum Capital Raising will increase to 44.8% should the 3.125 million shares in lieu of the cash repayment be issued to Mr Simpson and Mr Bolitho and if we include the 5 million shares Mr Simpson and Mr Bolitho propose to subscribe for in the Capital Raising in our calculation.

Capital structure based on the maximum Capital Raising

The table below illustrates the effect of the DOCA and the Transaction under the maximum Capital Raising scenario on the share capital of the Company:

Transaction	Shares	%	Shares	%	Options
	Min		Max		
Existing shares as at 31 December 2016	165,154,565				8,700,000
Swala shares post 120:1 consolidation as part of DOCA effectuation*	1,376,288				72,498
DOCA recapitalisation shares (with 9 free attaching options, $0.04 strike)	750,000				6,750,000
DOCA recapitalisation shares	37,500,000				
Post DOCA structure	**39,626,288**	7.8%	**39,626,288**	7.7%	**6,822,498**
Consideration shares	199,999,999	39.1%	199,999,999	38.8%	
Vendor PE Placement	20,000,000	3.9%	25,000,000	4.8%	
Noble Debt	50,000,000	9.8%	50,000,000	9.7%	
Facilitators Shares	11,500,000	2.2%	11,500,000	2.2%	
Maximum Capital Raising	190,000,000	37.2%	190,000,000	36.8%	
Facilitation Options ($0.06 strike expiry 31-Dec-18)					20,000,000
TOTAL	**511,126,287**	**100%**	**516,126,287**	**100%**	**26,822,498**

* There is a slight rounding issue of the post consolidation options due to rounding of the different tranches. These options post the Consolidation will have a new exercise price of $36 per option.

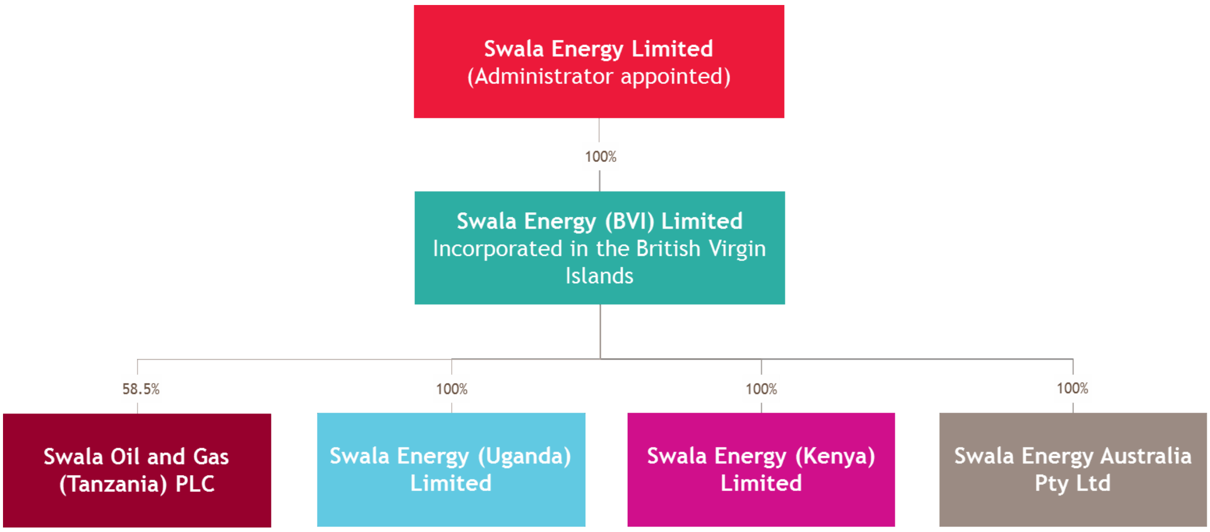
Under the maximum Capital Raising scenario and as a result of the Consideration, Symbol Shareholders will collectively hold between 39.1% and 38.8% of the issued capital of the Company following completion of the Transaction and assuming no shares are issued to Mr Simpson and Mr Bolitho for the repayment of expenditure in lieu of cash and not taking into account the additional 5 million shares Mr Simpson and Mr Bolitho are proposing to purchase in the Capital Raising. We note that the collective holding of the Symbol Shareholders in the Company under the maximum Capital Raising will increase to 40.5% should the 3.125 million shares in lieu of the cash repayment be issued to Mr Simpson and Mr Bolitho and if we include the 5 million shares Mr Simpson and Mr Bolitho propose to subscribe for in the Capital Raising in our calculation.

5. Profile of Swala

5.1 History

Swala was incorporated on 17 January 2013 and was admitted to the ASX on 18 April 2013. The Company is effectively a mining investment holding company in Australia as its oil and gas exploration activities are conducted via its overseas subsidiaries.

The structure of Swala is illustrated below:



We note that the administration of the Company does not include its subsidiaries.

Swala Energy (BVI) Limited (‘**Swala BVI**’) is a limited liability company incorporated in the British Virgin Islands and is a holding company for its operating subsidiaries. Swala Oil and Gas (Tanzania) PLC (‘**Swala Tanzania**’), Swala Energy (Uganda) Limited (‘**Swala Uganda**’) and Swala Energy (Kenya) Limited (‘**Swala Kenya**’) hold participating interests and various oil and gas exploration licences across Africa. Each of these subsidiaries have outstanding default notices on the licences or have breached joint venture conditions so most licences have lapsed and participating interests surrendered. Swala Energy Australia Pty Ltd (‘**Swala Australia**’) is a dormant subsidiary registered in Australia.

On 24 June 2016, the Directors of Swala resolved that the Company be placed into Administration and that Mr James Thackray of HQ Advisory be appointed as the Administrator.

The first meeting of creditors was held on 5 July 2016 whereby a Committee of Creditors was appointed and Mr James Thackray as the Administrator took the necessary steps to safeguard the Company’s assets in order to try and achieve the best return for the creditors which included a sale and/or recapitalisation process. 31 parties were interested in the sale process and after careful consideration, the Administrator nominated Trident as the preferred bidder for the acquisition of the Company on 24 August 2016 pursuant to their DOCA proposal and subject to the approval of the Company's creditors and shareholders.

The second meeting of creditors was held on 18 October 2016. The purpose of the second meeting was to inform creditors about the Company's business, property, affairs and financial circumstances. Mr James Thackray in his capacity as the Administrator provided the following three options to creditors at the second meeting;

- whether it would be in the creditors' interest for the administration to end;
- whether it would be in the creditors' interest for the Company to execute a DOCA; and
- whether it would be in the creditors' interest for the Company to be wound up.

The Administrator recommended that the Company execute a DOCA as it provides a better estimated return in a shorter timeframe for the creditors of the Company than a liquidation scenario. Additionally, it was not in the best interests for the creditors of the Company for the administration to end and for control of the Company to be returned to the directors.

5.2 Historical Balance Sheet

Statement of Financial Position	Audited as at 31-Dec-16 $	Audited as at 31-Dec-15 $	Audited as at 31-Dec-14 $
CURRENT ASSETS			
Cash and cash equivalents	412,361	1,714,831	2,348,931
Trade and other receivables	735,984	1,005,797	1,996,014
TOTAL CURRENT ASSETS	1,148,345	2,720,628	4,344,945
NON-CURRENT ASSETS			
Property, plant and equipment	72,673	79,771	99,391
TOTAL NON-CURRENT ASSETS	72,673	79,771	99,391
TOTAL ASSETS	1,221,018	2,800,399	4,444,336
CURRENT LIABILITIES			
Trade and other payables	1,216,724	1,300,041	5,356,332
Income tax	4,299	28,851	-
Other liabilities	967,071	181,310	144,748
TOTAL CURRENT LIABILITIES	2,188,094	1,510,202	5,501,080
TOTAL LIABILITIES	2,188,094	1,510,202	5,501,080
NET ASSETS	(967,076)	1,290,197	(1,056,744)
EQUITY			
Issued capital	28,164,098	27,988,749	27,442,440
Reserves	4,311,140	4,274,079	3,877,410
Non-controlling interests	(2,592,649)	(2,283,481)	(4,200,671)
Accumulated losses	(30,849,665)	(28,689,150)	(28,175,923)
TOTAL EQUITY	(967,076)	1,290,197	(1,056,744)

Source: Swala's audited financial reports for the years ended 31 December 2014, 2015 and 2016.

We note that Swala's auditor issued a disclaimer of opinion in relation to the financial statements for the year ended 31 December 2016 ('**FY16**'). The basis for the disclaimer of opinion is as follows:

- The Company was placed into administration on 24 June 2016 and the duties and responsibilities of the directors were suspended from that date. For the period in which the Company was in administration, the directors did not have oversight or control over the group's financial reporting systems, including being able to access financial records that correctly record and explain the transactions included in the remuneration report for the year ended 31 December 2016. Swala's directors have not provided a representation letter on this basis.
- As a result of the Company entering into administration, the auditor was unable to obtain sufficient appropriate audit evidence or determine whether any adjustments might have been found necessary in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.
- The directors state in the financial report for the year ended 31 December 2016 that the consolidated financial report has been prepared on a going concern basis. In assessing the going concern basis of preparation, the directors have made a number of assumptions including the assumption that once the DOCA is effectuated it will extinguish all liabilities associated with the previous operations of the Company. A condition precedent to the effectuation of the DOCA, among others, is the Company receiving Shareholder approval to raise $0.765 million. These assumptions also include the issuing of a prospectus to raise between $5.6 million and up to $7.6 million which will enable the Company to be reinstated to trading on the ASX.
- The auditor has been unable to obtain alternative evidence which would provide sufficient appropriate audit evidence as to whether the Company may be able to raise such capital, and hence remove significant doubt of its ability to continue as a going concern for a period of 12 months.

In addition to the auditor's disclaimer of opinion in the FY16 financial report, we note the following in relation to the Company's historical statement of financial position:

- We acknowledge that Swala's auditor issued an unqualified audit opinion in relation to the financial statements for the years ended 31 December 2014 (**'FY14'**) and 31 December 2015 (**'FY15'**) however, an emphasis of matter on going concern was issued for both years. The audit opinion on the financial report was given for the consolidated accounts of Swala BVI, Swala Tanzania, Swala Uganda, Swala Kenya and Swala Australia but for the purpose of this report we have only considered the parent entity Swala Energy Limited.
- For the financial year end 31 December 2014 Swala's auditor noted that the Company had incurred a net loss of $11,521,794 and had a net asset deficiency of $1,056,744. The auditor concluded that the Company's ability to continue as a going concern depended on its ability to raise funds in the future. This condition, along with other matters indicated the existence of a material uncertainty around the Company's ability to continue as a going concern.
- For the financial year ended 31 December 2015 Swala's auditor noted that the Company had incurred a net profit of $1,722,137 (2014: net loss of $11,521,794). The auditor concluded that the Company's ability to continue as a going concern depended on its ability to raise further capital in the next twelve months to fund operation and investment activities. These conditions, along with other matters indicated the existence of a material uncertainty around the Company's ability to continue as a going concern.

- We acknowledge that the Company has a number of possible contingent and ambit claims lodged with the Administrator. In particular, Otto Energy (Tanzania) Limited has filed a claim against Swala Tanzania which relates to a farm out arrangement that was completed in 2015. The total amount of the Otto Energy (Tanzania) Limited claim is c.US$1 million however, we have been informed that all creditors, including the contingent liabilities will be removed from the Company and transferred to the creditors trust as part of the Transaction.

5.3 Historical Statement of Comprehensive Income

Statement of profit or loss and other comprehensive income	Audited for the year ended 31-Dec-16 $	Audited for the year ended 31-Dec-15 $	Audited for the year ended 31-Dec-14 $
Revenue			
Other income	333,496	8,260,099	446,641
Expenses			
Other expenses	(528,881)	(1,757,785)	(2,029,069)
Administrator's costs	(81,818)	-	-
Exploration and evaluation	(716,944)	(2,455,626)	(7,484,339)
Depreciation and amortisation	(7,790)	(23,834)	(23,258)
Employee benefits	(1,249,214)	(1,662,019)	(1,555,422)
Share based payments expense	(175,349)	-	-
Movements in fair value of financial instruments	-	(295,155)	(876,347)
Impairment of assets on relinquishment of Swala Zambia	-	(315,507)	-
Profit / (loss) before income tax	(2,426,500)	1,750,173	(11,521,794)
Income tax expense	(1,021)	(28,036)	-
Profit / (loss) from continuing operations after income tax	**(2,427,521)**	**1,722,137**	**(11,521,794)**
Foreign currency translation differences	(5,101)	131,029	(231,204)
Total comprehensive profit / (loss) for the year	**(2,432,622)**	**1,853,166**	**(11,752,998)**

Source: Swala's audited financial reports for the years ended 31 December 2014, 2015 and 2016.

We note the following in relation to the Company's historical statement of profit or loss and other comprehensive income:

- The Company has been loss making for the periods above with the exception of the 12 months to 31 December 2015 during which Swala recognised revenue of $8.26 million as a reimbursement payment for past exploration and evaluation costs which related to the Tata Petrodyne Limited farm-out agreement. Swala also recognised $0.4 million in reimbursements from CEPSA Kenya Limited in the 12 months to 31 December 2014.
- Swala had two convertible notes on issue as at 31 December 2014. Both convertible notes were extinguished in the 12 months to 31 December 2015. Accordingly, the movements in the fair value of financial instruments balance reduced to nil in the 12 months to 31 December 2016.
- On 31 August 2015, Swala exited its Zambian operation to focus on its core areas in East Africa. As such, the Company entered into an agreement to relinquish control of Swala Energy (Zambia) Limited to local Zambia shareholders which realised a loss of $0.32 million in the 12 months to 31 December 2015.

5.4 Capital Structure (pre the Consolidation)

The share structure of Swala as at 5 July 2016 is outlined below:

	Number
Total ordinary shares on issue	165,154,565
Top 20 shareholders	96,994,578
Top 20 shareholders - % of shares on issue	58.73%

Source: Share registry information.

The range of shares held in Swala as at 5 July 2016 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	31	7,226	0.00%
1,001 - 5,000	91	319,037	0.19%
5,001 - 10,000	99	865,086	0.52%
10,001 - 100,000	479	19,647,597	11.90%
100,001 - and over	176	144,315,619	87.38%
TOTAL	**876**	**165,154,565**	**100.00%**

Source: Share registry information.

The ordinary shares held by the most significant shareholders as at 5 July 2016 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Ocra Trustees (Isle of Man) Limited	21,393,240	12.95%
Mr Neil Catto Taylor	18,725,369	11.34%
Hayaat International Limited	14,533,743	8.80%
Energy Tanzania Limited	5,000,000	3.03%
Subtotal	59,652,352	36.12%
Others	105,502,213	63.88%
Total ordinary shares on Issue	**165,154,565**	**100.00%**

Source: Share registry information.

The options on issue as at 5 July 2016 are detailed below:

Current Options on Issue	Number
Options with an exercise price of $0.30 and expiry 12 Apr 18	8,050,000
Employee options with an exercise price of $0.30 and expiry 12 Apr 18	50,000
Employee options with an exercise price of $0.30 and expiry 27 Sep 18	550,000
Unlisted options with an exercise price of $0.30 and expiry of 25 Oct 18	50,000
TOTAL	**8,700,000**

Source: Share registry information.

6. Profile of Symbol

6.1 History

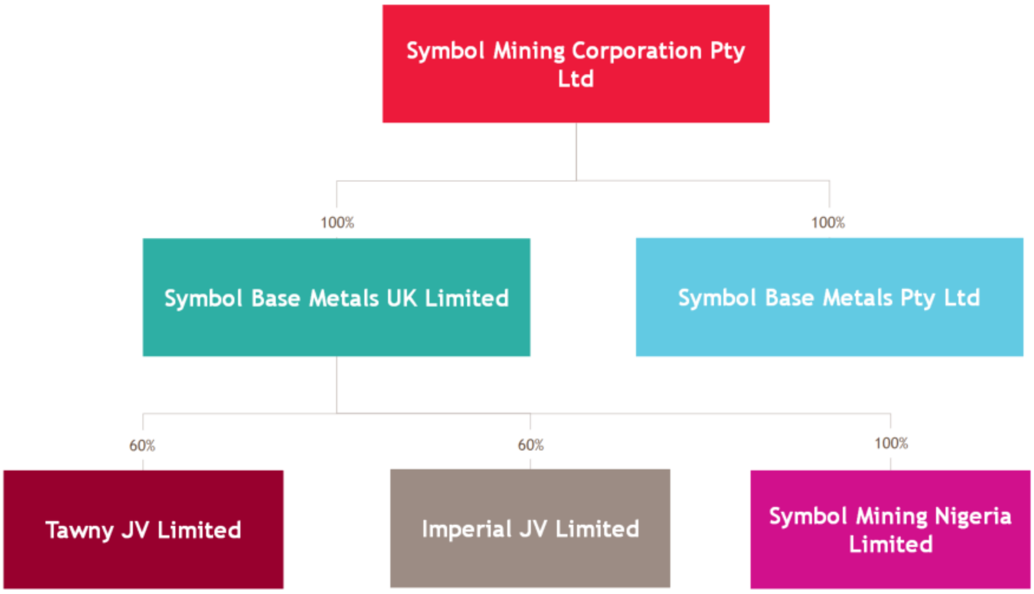
Symbol is a private Australian mining and exploration company formed in 2011 to identify and invest in early stage projects that require additional funding to move into production. Since inception, Symbol has identified two zinc and lead projects which are located in Nigeria.

The current directors and key management of Symbol are:

- Andrew Simpson – Chairman;
- Barry Bolitho – Director;
- Carmichael Olowoyo – General Manager Corporate; and
- Patrick McCole – General Manager and Company Secretary.

Symbol, through its 100% owned subsidiary SBMUK has a 60% JV interest in two separate projects located in central north eastern Nigeria covering approximately 430 square kilometres (‘**km^2**’). The licences are prospective for base metal mineralisation and comprise of the Imperial Project (421 km^2) and the Tawny Project (6.8 km^2). Nigerian based company Goidel Resources Limited is the JV partner and 40% owner of the Imperial Project and Nigerian based company Adudu Farms Nigeria Limited is the JV partner and 40% owner of the Tawny Project.

The current corporate structure of Symbol is below:



SBMUK’s 100% owned subsidiary, Symbol Mining Nigeria Limited, is a dormant company that was incorporated to facilitate in-country debt facilities with Nigerian banks. Symbol management has advised that the Nigerian debt facility option has not progressed so this company has been dormant since incorporation.

Symbol has a bilateral investment treaty between Nigeria and the UK. This treaty also flows through the UK into the Australian parent entity.

Imperial Project

The Imperial Project is located on the boarder of Bauchi and Taraba states and is approximately 420kms East, North East of Abuja.

The Imperial Project has been subject to significant historical mining predominantly by artisanal miners. Chinese interests recently constructed declines in 2009-2010 and the Imperial Project also has a series of small open cuts to a depth of approximately 40 metres which was used to extract up to 80,000 tonnes of high grade ore in 2010-2012 with grades of 35% lead and 19% zinc. Accordingly, the Imperial Project comprises of a 1,600 metre strike length of artisanal, open pit and underground workings orientated in a north- south direction.

In June 2015, the Company completed a series of Global Positioning System (‘**GPS**’) observations and recorded and mapped structures plus documented the previous mining completed at the site. Symbol is currently completing reverse circulation and diamond drilling operations at the Imperial Project. This drilling program has recently identified two inferred Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (‘**JORC Code**’) compliant resources:

- Macy zinc deposit: 120,000 tonnes at 19% zinc and 1% lead; and
- Macy lead deposit: 19,500 tonnes at 17% lead and 2% zinc.

Tawny Project

The Tawny Project is located 150km East, South East of the capital Abuja in the state of Nasawarra. The Tawny Project is conveniently located 4km from a major highway. The Tawny Project has also been subject to historical open pit mining and underground mining with the decline developed in 2009.

Further information on Symbol’s projects may be found in Appendix 3.

Material contract between SBMUK and Noble

On 25 June 2015 SBMUK entered into a loan agreement (‘**Loan Agreement**’) with Noble whereby Noble advanced SBMUK US$2.78 million to fund the exploration and development of the Imperial and Tawny Projects and for working capital purposes. Symbol is currently in advanced negotiations with Noble to repay the Noble debt with the key terms defined below:

(a) Swala is to issue 50 million shares (post the Consolidation) at a deemed price of $0.04 per share to Noble as part of the Transaction;

(b) Swala will also make the following cash payments to Noble following the Transaction:

  (i) US$0.25 million on the date that is the earlier of:

  - the date that is six months after the commencement of production of the Macy deposit of the Imperial Project or 30 June 2018;

  (ii) US$0.25 million on the date that is the earlier of:

  - the date that is nine months after the commencement of mining of the Macy deposit of the Imperial Project or 30 September 2018;

  (iii) US$0.50 million on the earlier of:

- the date that is 12 months after the commencement of mining of the Macy deposit of the Imperial Project or 31 December 2018.

(c) No interest is payable on the cash payments in accordance with (b) above however, if Swala (post the Transaction) fails to make these cash payments, interest will be payable on the cash payments at the rate of 12.5% per annum accruing day to day from the relevant due date for payment until the payment is made;

(d) The security interest held by Noble is to be retained; and

(e) The repayment agreement contains warranties given by the parties in favour of each other considered standard for agreements of this nature.

6.2 Historical Balance Sheet

Detailed statement of financial position	Audited consolidated a/c's as at 31-Dec-16 $	Audited consolidated a/c's as at 30-Jun-16 $	Audited consolidated a/c's as at 30-Jun-15 $
CURRENT ASSETS			
Cash and cash equivalents	186,348	9,231	4,359
Trade and other receivables	13,328	7,471	10,000
Input tax credit control account	5,266	2,320	1,956
TOTAL CURRENT ASSETS	204,942	19,022	16,315
NON-CURRENT ASSETS			
Project exploration and development expenses	4,349,096	4,069,922	518,387
Preliminary expenses	880	880	880
Other	-	-	23,901
TOTAL NON-CURRENT ASSETS	4,349,976	4,070,802	543,168
TOTAL ASSETS	4,554,918	4,089,824	559,483
CURRENT LIABILITIES			
Trade and other payables	2,803	1,367	13,174
TOTAL CURRENT LIABILITIES	2,803	1,367	13,174
NON CURRENT LIABILITIES			
Convertible loan	325,000	-	-
Noble loan	3,836,424	3,738,266	-
Unsecured loans from directors	124,488	333,998	333,568
TOTAL NON CURRENT LIABILITIES	4,285,912	4,072,264	333,568
TOTAL LIABILITIES	4,288,715	4,073,631	346,742
NET ASSETS	266,203	16,193	212,741
EQUITY			
Issued capital	713,572	413,572	413,572
Capital raising costs	(1,750)	(1,750)	(1,750)
Accumulated losses	(445,619)	(395,629)	(199,081)
TOTAL EQUITY	266,203	16,193	212,741

Source: Symbol audited consolidated financial statements for the years ended 30 June 2015 and 30 June 2016 and for period ended 31 December 2016.

Symbol's accounts have been audited by Carmelo Campagna and Associates who issued unmodified audit opinions on the review periods 30 June 2015, 30 June 2016 and 31 December 2016.

We note the following in relation to Symbol's detailed statement of financial position:

- The project exploration and development expenses balance of $4.35 million as at 31 December 2016 relates to the exploration expenditure on Symbol's Imperial and Tawny Projects. Development costs are capitalised when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.
- As at 31 December 2016, Symbol has raised $0.325 million under the Vendor PE Placement via the issue of convertible notes. These notes will convert to Swala shares as part of the Transaction at $0.02 per share. Symbol has the option to increase this balance to $0.5 million by raising an additional $0.175 million.
- The A$3.84 million (US$2.78 million) Noble debt balance as at 31 December 2016 was used to fund the exploration and development of the Imperial and Tawny projects. The US$2.78 million balance has been converted to Australian dollars at an exchange ratio of USDAUD 1:1.382. We note that this loan is to be repaid in equity and cash as per the terms detailed in section 6.1.
- The unsecured loans from director's balance of $0.12 million at 31 December 2016 relates to expenditure incurred by Mr Simpson and Mr Bolitho. This balance is to be repaid in cash or Swala shares as part of the Transaction. We also note that $0.32 million of unsecured loans from directors as at 30 June 2016 converted to equity on 19 November 2016.

6.3 Historical Statement of Comprehensive Income

Detailed statement of profit or loss and other comprehensive income	Audited consolidated a/c's for the period 1-Jul-16 to 31-Dec-16 $	Audited consolidated a/c's for the year ended 30-Jun-16 $	Audited consolidated a/c's for the year ended 30-Jun-15 $
Revenue			
Interest received	24	50	531
Expenses			
Accountancy	(800)	(8,960)	(1,450)
Bank fees and charges	(197)	(877)	(150)
Borrowing costs	(19,500)	-	-
Computer expenses	-	(14,377)	-
Consulting fees	-	(49,772)	-
Filing fees	(807)	(804)	(243)
Insurance	(1,039)	(15,568)	-
Legal fees	-	(36,487)	-
Other	(4,067)	(8,325)	(200)
Printing and stationary	(649)	(4,021)	(3,882)
Rent	(3,496)	(33,010)	-
Superannuation	-	(1,673)	-
Telephone	(1,375)	(6,914)	(1,714)
Travel, accommodation and conference	(18,084)	(12,384)	-
Wages	-	(3,426)	-
Profit / (loss) before income tax	(49,990)	(196,548)	(7,108)
Income tax expense	-	-	-
Profit / (loss) from continuing operations after income tax	**(49,990)**	**(196,548)**	**(7,108)**
Total comprehensive profit / (loss) for the year	**(49,990)**	**(196,548)**	**(7,108)**

Source: Symbol audited consolidated financial statements for the years ended 30 June 2015 and 30 June 2016 and for period ended 31 December 2016.

We note the following in relation to Symbol's detailed statement of profit or loss and other comprehensive income:

- The expenses of Symbol for the periods above relate to costs associated with general working capital overheads. We note the increase in expenditure in the 12 months to 30 June 2016 which correlates to the ramp up of exploration and development on the Tawny and Imperial projects.
- Borrowing costs of $19,500 from 1 July 2016 to 31 December 2016 relates to expenses associated with the $0.325 million Vendor PE Placement raising.

6.4 Capital Structure

The Symbol shareholders as at 30 November 2016 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Andrew Simpson and related entities	87,626,787	47.37%
Barry Bolitho and related entities	87,626,787	47.37%
Goodall Business and Resource Management Pty Ltd	5,841,786	3.16%
David John Bies	3,894,524	2.11%
Total ordinary shares on Issue	**184,989,884**	**100.00%**

Source: Symbol board of directors meeting minutes dated 16 December 2016.

7. Economic analysis

Global outlook

The global economy has continued to grow, however at a slower rate than expected. Conditions have become challenging for a number of emerging market economies, while many advanced economies have seen conditions improve over the past year. China's growth rate has steadied, supported by growth in infrastructure and property construction, however mid-term risks to growth are still there. Inflation seems to be more balanced than it has been for some time.

Australia

The Australian economy is continuing its transition off the back of the mining investment boom. It is likely for the year-ended growth rate to slow, before picking up again. It is expected an increase in future exports of resources as more projects begin to come on line. Business investment is said to remain subdued in the near future, however measures of business sentiment remain above average.

Commodity prices

Commodity prices have risen throughout the year, reflected by stronger demand and cut-back in supply in some countries. The increase can be partly attributed to increased Chinese demand for bulk commodities along with the Chinese authorities restricting domestic production to reduce overcapacity.

The increase in commodity prices has seen an increase in Australia's terms of trade, which is expected to remain above the low point reached earlier this year. This comes as a change to Australia's decreasing terms of trade over the past four years, whereby it had fallen considerably. The overall higher commodity prices are providing a boost to national income.

Financial Markets

Financial markets seem to be healthy. Government bonds have increased, with the adjustment having been orderly. Funding costs continue to remain low, however they have increase for some borrowers. Monetary policy around the globe is still remarkably accommodative.

Labour market

Feelings within the labour market continue to be mixed. The unemployment rate has declined throughout 2016, although some measures of labour underutilisation are still there. Part-time employment has growing strongly, but overall employment growth has slowed down. The employment outlook points towards continued expansion in the near future.

Australian Dollar

An overall depreciating Australian dollar since 2013 has assisted the ongoing adjustment of the economy towards non-resource sectors following the end of the mining boom. However, over the last few months, the Australian dollar has gradually appreciated due to Australia's rise in the terms of trade.

Source: www.rba.gov.au Statement by Philip Lowe, Governor: Monetary Policy Decision, 6 December 2016.

Nigeria

The fall in the global price of crude oil has had a major impact on the Nigerian economy. The sluggish growth within the economy can be mainly attributed to a reduction in economic activity which has been impacted by the lack of supply of foreign exchange and aggravated by the foreign exchange restrictions targeted at imports. This has in turn resulted in cuts in production and shedding of labour in some sectors. However, the central bank has moved to reduce the cost of borrowing for government and the private sector to stimulate the economy.

Security continues to be a major worry in Nigeria, especially in the Northeast. The military have stepped up the fight against the Boko Haram insurgency, while the humanitarian situation has continued to deteriorate. Both the government and development partners continue to look for ways of improving the situation.

It is said the Federal Ministry of Power, Works and Housing will review the urban development policy and look for ways to improve service delivery and find a way for tapping opportunities provided by the growth of cities in Nigeria. Lagos is one of the seven mega-cities in Africa and has a high potential for innovation and job opportunities in sectors such as construction, information communications and technology and retail trade.

Source: www.imf.org *Statement by Pravin Gordhan, Minister of Finance: South Africa, October 8 2016.*

Implications for Swala

Weakening global commodity prices have slowed investment throughout the whole mining sector over the past few years, creating difficulty in raising capital for junior miners and explorers such as Swala. However, the recent strengthening of prices may create opportunity and increase profits for resource companies.

Australia's increasing terms of trade has led to a slightly stronger Australian dollar, which may positively impact the purchasing power of the capital of Swala. Additionally, healthier financial markets and a steady and controlled increase in government bonds should help Swala find opportunity to raise capital post the Transaction and via Australian investors.

The Company will become exposed to a number of country risks post the Transaction as Symbol's operations are in Nigeria. Poor governance can make it difficult to manage the legal framework of the country when assuming the ownership of land, negotiating contracts and incorporating new entities. Furthermore, limited human resources can make it difficult for companies operating in sectors which require highly technical skills such as geology, processing and refinement and mine planning, along with that of ever going security concerns.

The introduction of a new strategy by the Nigerian Power, Works and Housing aimed at improving service delivery and searching for new job opportunities may help the future of Swala post the Transaction by enticing foreign investment into the country and making it easier for foreign companies to hire staff and generate revenue.

8. Industry analysis

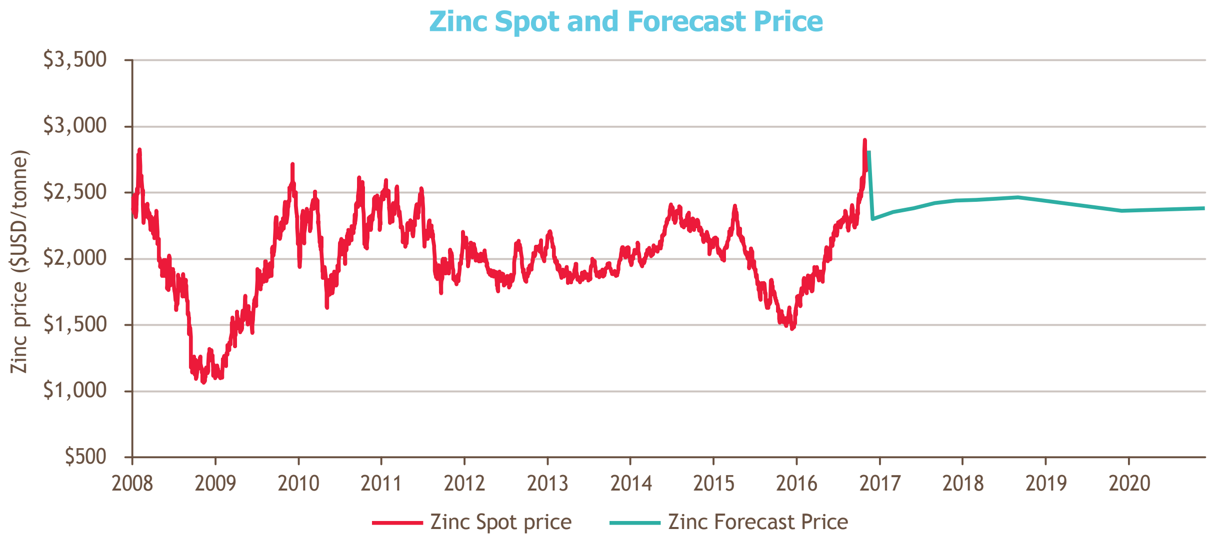
8.1 Zinc overview

Globally, Zinc is the most used metal after iron, aluminium and copper. It is typically found in complex deposits alongside lead and silver. It is an element known for its unique protective capacity given it is resistant to corrosion and as such a substantial portion of zinc is used for galvanising steel. Other uses include the production of zinc alloys, e.g. brass from the combination of zinc and copper, and bronze from the combination of zinc and silver. Zinc is also used in chemical forms, for example in the pharmaceutical industry for skin products.

Refined zinc is produced from a two staged process of mining and smelting. The mining process involves extraction from both underground and open pit mines, producing a zinc ore typically containing approximately 5% to 15% zinc. This ore is then crushed and ground to produce a zinc concentrate that contains approximately 55% zinc. The zinc concentrate is then put through a smelting process to produce refined zinc metal.

Zinc prices

The US dollar price for Zinc is listed on the London Metals Exchange. The global balance between demand for and supply of zinc, along with speculative influences determine the price of zinc. No single producer can influence zinc prices as it is an undifferentiated commodity.



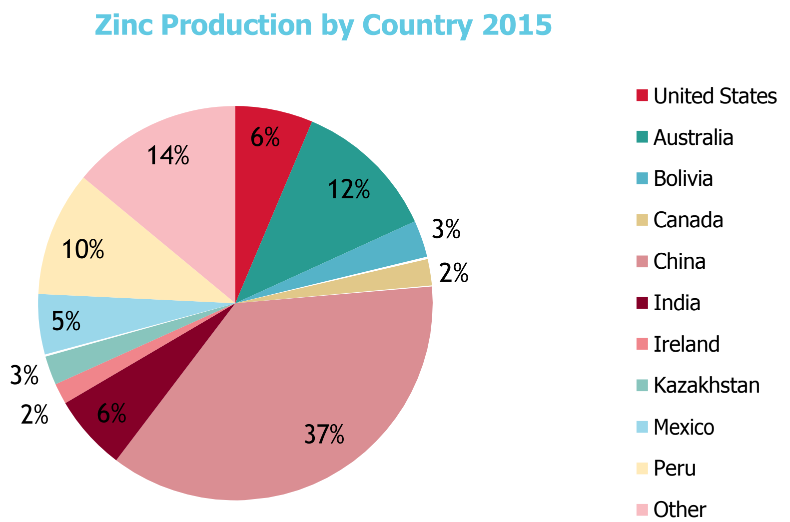
Source: Bloomberg and Consensus Economics.

As a result of the demand drivers and being positioned behind other base metals, the price of zinc has closely followed global economic conditions. Following the global financial crisis, the price of zinc decreased significantly from approximately US$2,800 per tonne in early 2008, to a low of around US$1,000/t in late 2008. Since the global financial crisis, the price of zinc has recovered and more recently has seen strong growth to be at US$2,817/t on 15 December 2016 due to the closure of zinc mines across the world. This has resulted in zinc being the best performed base metal throughout 2016. According to Consensus Economics the long term forecast zinc price is expected to decline through to 2019 to around US$2,400/t. The figure above illustrates the historical fluctuations in the zinc spot prices from January 2008 to December 2016 and the Consensus forecasts for zinc prices through to 2019.

Production and Usage

China accounts for over 40% of the global demand for refined zinc, with demand expected to continue to grow, supported by ongoing public sector spending on infrastructure and the production of manufactured goods. Other large consumers include India given their continuing economic development and Japan due to the continued rebuilding in the wake of the March 2011 earthquake and tsunami.

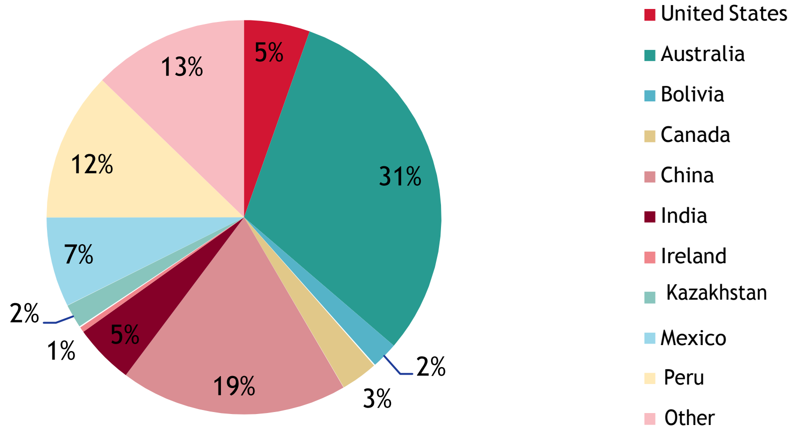
Total world production was essentially unchanged in 2015, from approximately 13.3Mt in 2014 up to 13.4Mt. Global refined zinc production in 2015 increased by around 4% to 140Mt and metal consumption rose a little to 13.9Mt, leading to a production-to-consumption surplus of about 100,000 tons of refined zinc.



Source: U.S. Geological Survey. ***note these are estimates**

Australia has the world's largest deposits for zinc, with a substantial portion of zinc reserves located in the state of Queensland. The Australian zinc industry is also highly concentrated in terms of market share with the three largest companies, BHP Billiton Limited, Glencore Xstrata and Minerals and Metals Group Limited accounting for the majority of the market share. Globally, China and Peru also have substantive portions of zinc reserves. The figure below outlines global zinc reserves by country for 2015.

Zinc Reserves by Country 2015



Source: U.S. Geological Survey. ***note these are estimates**

8.2 Lead overview

The price of lead which is mainly used in batteries can be closely related to that of zinc, due to the metals being co-produced. Identified world resources of lead total over 2 billion tons. Over recent times there have been significant lead resources found in association with zinc deposits in Australia, China, Ireland, Mexico, Peru, Portugal, Russia and the United States (specifically Alaska).

Much like the resurgence in its sister-metal zinc, the price of lead has seen strong growth over recent months, however mediocre supply and demand fundamentals would show the recent price spike in lead may be short-lived. Consensus economics expect lead prices to decline in the near future.

Outlook

Trends in mine output and metal prices should continue to have an impact on the zinc ore mining industry's performance into the foreseeable future, along with that of lead. Downstream demand for metal ore smelting and refining companies will also influence demand and growth for both zinc and lead. It is likely that output growth will strengthen, as metal prices are projected to improve over the next five years.

Source: US Geological Survey, Bloomberg and Consensus Economics.

9. Valuation approach adopted

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.

9.1 Valuation of shares in the Company prior to the Transaction

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of the shares of the Company we have chosen to employ the following methodology:

- NAV methodology.

We have chosen this methodology for the following reasons:

- For the QMP methodology to be considered relevant, a company’s shares must be listed on a regulated and observable market where the company’s shares can be traded. Swala listed on the ASX on 18 April 2013 however, its shares entered into a trading halt on 19 April 2016 and were suspended from official quotation on 21 April 2016. The Company’s shares have not traded again on the ASX so the QMP methodology is not relevant to consider as there has been no trading in the Company’s shares since 19 April 2016. Additionally, we do not believe the pre-suspension price is a valid indication of the value of a Swala share due to the Voluntary Administration proceedings;
- The DCF methodology is particularly applicable to businesses with limited lives, experiencing growth and that are in the start-up phase, with irregular cash flows. The DCF methodology has not been considered appropriate as the Company is in an exploration stage with no sign of production or positive cashflow in the foreseeable future. As such, we do not consider that we would have reasonable grounds, under RG 111, based on the Company’s historical performance to consider the DCF approach;
- The FME methodology is most commonly applicable to profitable businesses with relatively steady growth histories and forecasts. The FME methodology has not been considered appropriate given that the Company has been operating at a loss for most of the recent historical periods. This implies that we do not have a reasonable basis to assess future maintainable earnings of the Company; and
- A market based assessment cannot be completed as the Company is currently in a DOCA and subject to the Recapitalisation Proposal.

The NAV methodology has therefore been considered as the only appropriate valuation methodology to undertake in order to value the shares of the Company. All assets and liabilities of the entity are valued at market value under this methodology and this combined market value forms the basis for the entity’s valuation. Under this basis we assume a knowledgeable and willing, but not anxious, seller acting at arm's length. No realisation costs are taken into account under this approach.

9.2 Valuation of shares in the Company following the Transaction

In our assessment of the value of a Swala share following the Transaction, we have adopted the sum-of-parts approach which estimates the market value of a company by separately valuing each asset and liability of the company. The value of each asset may be determined using different methods. The value of a Swala share following the Transaction consists of the following components:

- The value of Swala prior to the Transaction using the NAV methodology;
- The value of Symbol using a NAV approach; and
- Adjustments to the value of Swala following the Transaction.

We have chosen the NAV approach in valuing Symbol for the following reasons:

- Being an exploration company, the core value of Symbol is in the exploration assets it holds. Accordingly, we have instructed Agricola Mining Consultants Pty Ltd ('**Agricola**') to value the Imperial and Tawny Projects. We have considered Agricola's market valuation in the context of the Company's other assets and liabilities on a NAV basis. This report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 ('**VALMIN Code**'). The valuation report prepared by Agricola can be found in Appendix 3.
- Symbol's shares are not listed on any exchange and hence, there is no regulated and observable market where Symbol's shares are traded. Accordingly, we cannot value the shares of Symbol based on the QMP basis.
- Symbol does not have reliable long term forecasts and as such we have insufficient reasonable grounds for a DCF approach to be undertaken. Additionally, any forward look statements such as long term forecasts, must be based on reasonable grounds under RG 170. We believe there are no reasonable grounds to support any forward looking statements as at the date of this report. Accordingly, we have not elected to use the DCF valuation approach.
- The FME approach is most commonly applicable to profitable businesses with relatively steady growth histories and forecasts. However, we are unable to use this approach with regard to the valuation of Symbol, as it has yet to make any revenues from operations. This implies that we do not have a reasonable basis to assess future maintainable earnings of Symbol.

We therefore conclude the most appropriate methodology to value Symbol is the NAV methodology, noting that the core value of Symbol is its interests in the Imperial and Tawny projects and that Agricola has used primary and secondary valuation methodologies to value these assets.

10. Valuation of the shares in the Company prior to the Transaction

Swala was placed into voluntary administration on 21 April 2016 and on 24 June 2016 James Gerard Thackray of HQ Advisory was appointed the Administrator of the Company. As such, the duties and responsibilities of the directors were suspended from that date. For the period in which the Company was in administration, the directors did not have oversight or control over the group's financial reporting systems, including being able to access financial records that correctly record and explain the transactions included in the remuneration report for the year ended 31 December 2016. Swala's directors have not provided a representation letter on this basis.

As a result of the Company entering into administration, the auditor was unable to obtain sufficient appropriate audit evidence or determine whether any adjustments might have been found necessary in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

Accordingly, we acknowledge that the Creditor Payment and the Company's underlying assets are to be transferred to the creditors' trust to be used in full and final settlement of all creditor claims (including those of the Administrator and any contingent liabilities), in accordance with the provisions of section 556 of the Act. The DOCA, will bind all creditors (including priority and contingent creditors) of the Company once executed, and will deal with the statutory liabilities of the administration (including claims for remuneration). Accordingly, the assets and liabilities on Swala's balance sheet will be extinguished with the exception of a small cash balance. These movements are detailed in section 10.1 below.

10.1 NAV methodology

We have determined that the NAV of Swala prior to the Transaction is shown below:

Statement of Financial Position	Note	Audited as at 31-Dec-16 $	Adjustments $	Adjusted value $
ASSETS				
Cash at bank	10.1.1	412,361	(183,361)	229,000
Trade and other receivables	10.1.2	735,984	(735,984)	-
Plant and equipment	10.1.2	72,673	(72,673)	-
TOTAL ASSETS		1,221,018		229,000
LIABILITIES				
Trade and other payables	10.1.2	1,216,724	(1,216,724)	-
Income tax	10.1.2	4,299	(4,299)	-
Other liabilities	10.1.2	967,071	(967,071)	-
TOTAL LIABILITIES		2,188,094		-
NET ASSETS		(967,076)		229,000
Shares on issue as at 31 Dec 2016	10.1.3	165,154,565	(125,528,277)	39,626,288
Value per share (cents)				0.578

Source: BDO analysis and 31 December 2016 audited financial accounts.

We have been advised that there has not been a significant change in the net assets of Swala since 31 December 2016. The table above indicates the net asset value of a Swala share is 0.578 cents.

The following adjustments were made to the net assets of Swala as at 31 December 2016 in arriving at our valuation:

10.1.1. Cash at bank

Swala's cash balance as at 31 December 2016 will be used to repay existing creditors. Trident will then raise $0.765 million in two tranches with $0.536 million allocated to the creditors of the Company and costs of the DOCA. The net effect on Swala's cash at bank is detailed below:

Note 10.1.1 Cash at bank	$'000
Opening balance	412,361
Less: existing cash to be used to repay creditors	(412,361)
Add: DOCA recapitalisation shares with 9 free attaching options	15,000
Add: DOCA recapitalisation shares	750,000
Less: DOCA costs	(536,000)
TOTAL cash post DOCA	229,000

Source: BDO analysis

10.1.2. Extinguish receivables and liabilities

On effectuation of the DOCA, the Company's creditor claims (including priority and contingent creditors) will be extinguished and released against the Company. As such, Swala's existing cash and trade and other receivables balances will be used to repay outstanding creditors as per the terms of the DOCA.

Accordingly, we have removed these balances to illustrate Swala's post DOCA remaining assets and liabilities.

10.1.3. Shares on issue

Swala will consolidate its shares on a 120 for 1 basis as part of the Recapitalisation Proposal. Swala will also issue 0.75 million shares at an issue price of $0.02 which have nine free attaching options with a $0.04 strike price plus an additional 37.50 million shares at an issue price of $0.02 to raise a total of $0.765 million before costs post the Consolidation. The effect on the share capital is summarised in the table below:

Note 10.1.3 Shares on issue at 31 December 2016	Number
Opening balance	165,154,565
Consolidation (120:1)	(163,778,277)
DOCA recapitalisation shares with 9 free attaching options	750,000
DOCA recapitalisation shares	37,500,000
TOTAL	39,626,288

Source: BDO analysis

10.2 Assessment of a Swala share

The results of the NAV is summarised in the table below:

	Valuation (cents)
Net assets value prior to the Transaction (Section 10.1)	0.578

Source: BDO analysis

Based on the results above we consider the value of a Swala share to be 0.578 cents.

11. Valuation of the shares in the Company following the Transaction

11.1 Value of Swala following the Transaction

The value of a Swala share following the Transaction is reflected in our valuation below:

NAV following the Transaction	Ref	Low value	Preferred value	High value
		$	$	$
NAV of Swala prior to the Transaction	10.1	229,000	229,000	229,000
NAV of Symbol	11.2	(3,236,893)	(2,879,893)	(2,343,893)
Conversion of Vendor PE Placement to equity	11.3.1	400,000	400,000	500,000
Reduction of Noble debt due to issue of Swala shares	11.3.2	2,454,424	2,454,424	2,454,424
Net cash raised from Capital Raising	11.3.3	4,539,512	4,539,512	6,419,512
Repayment of Mr Simpson and Mr Bolitho's previous expenditure	11.3.4	124,488	124,488	124,488
Value of Swala following the Transaction		**4,510,531**	**4,867,531**	**7,383,531**
Discount for minority interest	11.3.5	20%	19%	17%
Value of Swala post the Transaction (minority interest basis)		**3,608,425**	**3,957,342**	**6,152,943**
Number of shares on issue following the Transaction	11.3.6	461,126,287	461,126,287	516,126,287
Value per share ($)		**0.0078**	**0.0086**	**0.0119**
Value per share (cents)		**0.783**	**0.858**	**1.192**

Source: BDO analysis

11.2 Net Asset Value of Symbol

Statement of Financial Position	Note	Audited consolidated a/c's as at 31-Dec-16 $	Low value $	Preferred value $	High value $
CURRENT ASSETS					
Cash and cash equivalents	11.2.1	186,348	59,348	59,348	159,348
Trade and other receivables		13,328	13,328	13,328	13,328
Input tax credit control account		5,266	5,266	5,266	5,266
TOTAL CURRENT ASSETS		204,942	77,942	77,942	177,942
NON-CURRENT ASSETS					
Project exploration and development expenses	11.2.2	4,349,096	1,048,000	1,405,000	1,941,000
Preliminary expenses		880	880	880	880
TOTAL NON-CURRENT ASSETS		4,349,976	1,048,880	1,405,880	1,941,880
TOTAL ASSETS		4,554,918	1,126,822	1,483,822	2,119,822
CURRENT LIABILITIES					
Trade and other payables		2,803	2,803	2,803	2,803
TOTAL CURRENT LIABILITIES		2,803	2,803	2,803	2,803
NON CURRENT LIABILITIES					
Convertible loan	11.2.1	325,000	400,000	400,000	500,000
Noble loan		3,836,424	3,836,424	3,836,424	3,836,424
Unsecured loans from directors		124,488	124,488	124,488	124,488
TOTAL NON CURRENT LIABILITIES		4,285,912	4,360,912	4,360,912	4,460,912
TOTAL LIABILITIES		4,288,715	4,363,715	4,363,715	4,463,715
NET ASSETS		266,203	(3,236,893)	(2,879,893)	(2,343,893)

Source: BDO analysis

We have been advised that there has not been a significant change in the net assets of Symbol since 31 December 2016 apart from the adjustments discussed below:

11.2.1. Cash and cash equivalents

Cash and cash equivalents have decreased from 31 December 2016 to 31 March 2017 as detailed below:

Symbol Mining	Low value $	Preferred value $	High value $
Cash and cash equivalents			
Audited balance at 31 December 2016	186,348	186,348	186,348
Less: estimated administration expenditure from 1 Jan 17 to 31 Mar 17	(28,000)	(28,000)	(28,000)
Less: estimated exploration expenditure from 1 Jan 17 to 31 Mar 17	(174,000)	(174,000)	(174,000)
Additional cash raised under the convertible loan*	75,000	75,000	175,000
Closing balance	**59,348**	**59,348**	**159,348**

Source: BDO analysis

* There is a corresponding adjustment to the convertible loan balance in non-current liabilities.

We have adjusted Symbol's cash balance to reflect the decrease in cash from 1 January 2017 to 31 March 2017. The majority of this expenditure relates to exploration costs associated with the development of the Tawny and Imperial projects. We also note Symbol has spent approximately $28,000 on general administration and working capital expenses over this period.

We have also adjusted the cash balance of Symbol to reflect the additional $0.075 million of convertible notes which was raised subsequent to 31 December 2016. The high value cash balance is also adjusted to include the additional $0.1 million Symbol may raise under the Vendor PE Placement. Accordingly, we have also made the corresponding adjustments to the convertible loan balances under non-current liabilities. The convertible notes issued via the Vendor PE Placement will convert to Swala shares post transaction at $0.02 per share. Refer to note 1 in section 11.3.6 below for the equity conversion.

11.2.2. Project exploration and development expenses (exploration assets)

We instructed Agricola to provide an independent market valuation of the Imperial and Tawny projects held by Symbol. The range of values for each of Symbol's exploration assets as calculated by Agricola is set out below:

Symbol Mining Mineral Asset Valuation	Interest	Low value $	Preferred value $	High value $
Imperial Project mineral resources				
Macy deposit	60%	721,000	836,000	1,010,000
Other Imperial Project exploration assets	60%	311,000	550,000	908,000
Tawny project	60%	16,000	19,000	23,000
Total		**1,048,000**	**1,405,000**	**1,941,000**

Source: Independent Valuation Report prepared by Agricola

The table above indicates a range of values between $1.048 million and $1.941 million, with a preferred value of $1.405 million.

Agricola considered a number of different valuation methods when valuing the exploration assets of Symbol including the Multiple of Exploration Expenditure (MEE) method and the comparable transaction method. The MEE method is discussed in Appendix 2. The comparable transaction method involves calculating a value per common attribute in a comparable transaction and applying that value to the subject asset. A common attribute could be the amount of resource or the size of a tenement. We consider these methods to be appropriate given the pre-feasibility stage of development for Symbol's exploration assets. Further information on these independent valuations can be found in Appendix 3.

11.3 Adjustments arising from the Transaction

The following adjustments were made to the value of a Swala share following the Transaction:

11.3.1. Adjustments to the NAV of Symbol following the Transaction

As previously detailed in section 11.2.1 of our Report, Symbol has raised $0.4 million via the issue of convertible notes under the Vendor PE Placement ($0.325 million as at 31 December 2016). Symbol may also increase this balance to $0.5 million by raising an additional $0.1 million. The liability associated with the Vendor PE Placement will be extinguished following the Transaction by converting the debt to equity at a deemed issue price of $0.02 per share. Accordingly, we have made the corresponding increase in shares in section 11.3.6 below and have adjusted the net assets of Symbol to remove the liability.

11.3.2. Reduction of Noble debt due to issue of Swala shares

Symbol is in advanced negotiations with Noble to repay the Noble debt. The current terms of the repayment agreement include the issue of 50 million (post the Consolidation) Swala shares to Noble and repaying Noble US$1 million in three tranches from future cash flows once the Macy deposit at the Imperial project enters production. Refer to section 6.1 for additional details of the Loan Agreement.

Accordingly, we have removed $2.454 million of the $3.836 million Noble debt liability as this is extinguished from the issue of 50 million Swala shares (post the Consolidation). A US$1 million liability (A$1.382 million using an USDAUD exchange rate of 1:1.382 as at 1 February 2017) will remain on the balance sheet to reflect the future cash payment Swala will need to make to Noble. Symbol anticipates that this payment will be funded from future cash flows once the Macy deposit at the Imperial project enters production.

11.3.3. Net cash raised from the Capital Raising

We have included a value adjustment to the Post Transaction value of Swala to take into account the funds raised (net of costs) from the Capital Raising. The net cash proceeds from the Capital Raising on a minimum and maximum subscription basis is detailed in the table below:

Cash raised from Capital Raising	Minimum Subscription	Maximum Subscription
Number of shares to be issued	140,000,000	190,000,000
Issue price of shares	$0.04	$0.04
Cash raised from Capital Raising ($)	5,600,000	7,600,000
Less costs to the Transaction	(600,000)	(600,000)
Less broker commissions	(336,000)	(456,000)
Less repayment of Mr Simpson and Mr Bolitho's previous expenditure	(124,488)	(124,488)
Net cash proceeds from Capital Raising ($)	**4,539,512**	**6,419,512**

Source: BDO analysis

We have not adjusted this cash balance to include the cash repayment of the US$1 million Noble debt as this debt is reflected as a liability in the net assets of Symbol. There would be no change to the valuation if we adjusted the net cash proceeds balance to include the repayment of the US$1 million Noble debt as this would reduce cash but would also extinguish the US$1 million liability still outstanding on Symbol's balance sheet.

We have deducted $0.124 million from both the maximum and minimum subscription balances to reflect the repayment of Mr Simpson's and Mr Bolitho's accumulated expenses. We have also increased the net assets of Symbol to reflect the corresponding decrease in unsecured loans from directors that is detailed in section 11.3.4 below. We note this balance may increase to a maximum of $0.125. Additionally, if the Company is not permitted to pay the full $0.124 million in cash to Mr Simpson and Mr Bolitho then Swala shares in lieu of cash will be issued at a deemed issue price of $0.04 per share.

We also acknowledge that the issue of share in lieu of cash would not be dilutionary to the Company as the deemed issue price of $0.04 per share is above all our valuation ranges.

The low and preferred valuations in section 11.1 use the minimum subscription net cash proceeds above. The high valuation in section 11.1 uses the maximum subscription net cash proceeds from the table above.

11.3.4. Repayment of Mr Simpson and Mr Bolitho's previous expenditure

As mentioned in section 11.3.3, we have removed the unsecured loans from directors balance of $0.124 to reflect the repayment of Mr Simpson and Mr Bolitho's previous accumulated expenditure.

11.3.5. Discount for minority interest

RG 111.25 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 the Symbol Shareholders may not be obtaining 100% of Swala, RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.27 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in section 13.

When assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

(a) the acquirer is obtaining or increasing control of the target; and

(b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

In this instance as explained in section 3.3 of our Report, in assessing fairness we have compared the value of a Swala share prior to the Transaction on a control basis to the value of a Swala share following the Transaction on a minority interest basis.

The values derived from our valuations of Swala and Symbol using the net asset values methodology following the Transaction is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence in the operations and value of that company. Therefore, if the Transaction is approved, Shareholders will become minority interest shareholders in Swala as the Symbol Shareholders will hold a controlling interest. As such, Shareholders interests will not be considered significant enough to have an individual influence in the operations and value of the Company.

We have therefore adjusted our valuation of a Swala share following the Transaction, to reflect a minority interest holding. A minority interest is the inverse of a premium for control and is calculated using the formula 1 - (1 ÷ (1 + Control Premium)).

Control Premium

We have reviewed the control premiums paid by acquirers of companies listed on the ASX. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2016	20	634.85	43.91
2015	37	721.21	41.72
2014	42	475.59	34.56
2013	38	196.99	51.55
2012	49	358.29	46.38
2011	61	575.91	53.88
2010	64	785.58	42.12
2009	60	340.75	49.86
	Mean	**511.15**	**45.50**
	Median	**525.75**	**45.14**

Source: Bloomberg and BDO analysis

The mean and median figures above are calculated based on the average deal value and control premium for each respective year. To ensure our data is not skewed we have also calculated the mean and median of the entire data set comprising control transactions from 2009 onwards, as set out below:

Entire Data Set Metrics	Average Deal Value (AU$m)	Average Control Premium (%)
Mean	**511.67**	**46.64**
Median	**85.09**	**36.13**

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.

The tables above indicate that the long term average control premium paid by acquirers of companies listed on the ASX is approximately 46% since 2008. However, in assessing the sample of transactions that were included in the table, we noted transactions within the list that appear to be extreme outliers. These outliers include 30 transactions in which the announced control premium was in excess of 100%.

In a sample where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median control premium over the review period was approximately 36%.

In determining a control premium most appropriate for Swala, we have considered a number of factors which may differentiate Swala from other ASX listed companies considered in our analysis. Particularly, we consider the fact that Swala is in administration and has been suspended from the ASX since 19 April 2016 to be major factors that will influence the control premium. Accordingly, a potential acquirer would not be expected to pay a premium for control in line with historical averages.

Based on the above analysis, we consider that an appropriate premium for control to be paid by Symbol is between 20% and 25%. As such, we consider an appropriate minority discount to apply in our valuation of a Swala share following the Transaction is in the range of 17% to 20%.

11.3.6. Shares on issue following the Transaction

A summary of the share movements is detailed below:

Shares on issue following the Transaction	Sub note	Minimum raising	Maximum raising
Shares on issue prior to the Transaction		39,626,288	39,626,288
Issue of Consideration Shares		199,999,999	199,999,999
Vendor PE Placement	1	20.000,000	25,000,000
Noble Debt	2	50,000,000	50,000,000
Facilitators fee	3	11,500,000	11,500,000
Shares issued in Capital Raising	4	140,000,000	190,000,000
Total shares on issue following the Transaction		**461,126,287**	**516,126,287**

Source: BDO analysis

Note 1: Vendor PE placement

Symbol has recently completed a Vendor PE Placement whereby $0.325 million was raised by the issue of convertible notes as at 31 December 2016. These notes convert to Swala shares at $0.02 per share as part of the Transaction. Symbol has since raised an additional $0.075 million post 31 December 2016 and also has the option to increase this balance to $0.5 million by raising an additional $0.1 million. Accordingly, we have adjusted the share capital of Swala to reflect the conversion of 20 million notes under the minimum raising and up to 25 million notes under the maximum raising to Swala shares.

Note 2: Noble debt

These shares relate to the repayment agreement between Symbol and Noble. Noble will be issued 50 million Swala shares as part of the Transaction. Refer to section 6.1 for more information about this material agreement.

Note 3: Facilitator’s fee

Swala will issue 11.5 million Facilitator Shares to Trident who assisted in facilitating the acquisition of Symbol. These shares are to be issued at a deemed price of $0.04.

Note 4: Shares issued in Capital Raising

We have adjusted the shares issued pursuant to the Capital Raising on a minimum and maximum subscription basis. Accordingly, 140 million shares will be issued at $0.04 per share to raise $5.6 million before costs under the minimum subscription. 190 million shares will be issued at $0.04 per share to raise $7.6 million before costs under the maximum subscription.

Dilutionary effect of options

We have not determined the value of a Post-Transaction Swala share on a fully diluted basis. At present, the following options are out-of-the-money based on our valuation in section 11.1:

- exercise of 6.75 million Recapitalisation Options;
- exercise of 20 million Facilitation Options issued to Argonaut; and
- exercise of any other existing options as outlined in section 5 of our Report.

12. Is the Transaction fair?

The value of a Swala share prior to the Transaction is compared to the value of a Swala share following the Transaction below:

	Ref	Low cents	Preferred cents	High cents
Value of Swala share prior to the Transaction	10.1	0.578	0.578	0.578
Value of Swala share following the Transaction	11.1	0.783	0.858	1.192

We note from the table above that the range of values of a Swala share following the Transaction is higher than the range of values of a Swala share prior to the Transaction. Therefore, we consider that the Transaction is fair.

13. Is the Transaction reasonable?

13.1 Alternative Proposal

Following the Deed Administrators' appointment, a campaign to either sell the Company's business assets or alternatively seek a party willing to recapitalise the Company was undertaken. 31 parties expressed interest in the Administrators' sale process whereby interested parties were provided with confidentiality agreements and on execution, the Administrator provided an information flyer which included due diligence information for consideration.

Four parties were shortlisted on or about 9 August 2016 to complete a second stage due diligence process and after careful consideration, the Administrator nominated Trident as the preferred bidder for the recapitalisation.

Section 439A of the Corporations Act requires that the administrator must convene a meeting of the company's creditors and provide their opinion on the three courses of action that creditors can take in regard to a company that is under administration, as follows:

- Whether it would be in the creditors' interest for the company to execute a DOCA;
- Whether it would be in the creditors' interest for the administration to end; and
- Whether it would be in the creditors' interest for the Company to be wound up.

The Deed Administrators recommended that the DOCA would be in the best interests of the creditors and the creditors of the Company voted unanimously in favour of the DOCA.

Although Shareholders do not have the option to participate in the vote we consider it appropriate to identify whether any value would be returned to Shareholders if either of the alternative options were approved by the creditors. We note that it is probable that Shareholders would not receive a return if the Company were to be liquidated so this option would not be in the best interests of Shareholders.

In conclusion we do not consider that any other proposals that have been presented to the Company or the Deed Administrators are considered superior to the DOCA or would provide a greater value to Shareholders.

13.2 Practical level of control

If the Transaction is approved, then the Symbol Shareholders will have a collective holding of up to 44.8% of Swala if the Proposed Directors subscribe for 5 million shares under the capital raising and if 3.125 million shares are issued to the Proposed Directors to satisfy $0.125 million of accrued expenses.

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 requires 75% of shares on issue to be voted in favour to approve a matter. If the Transaction is approved, the Symbol Shareholders can block all special resolutions.

The Symbol Shareholders control of Swala following the Transaction will be significant when compared to all other shareholders and therefore will be able to significantly influence the activities of Swala.

13.3 Consequences of not Approving the Transaction

If the Transaction is not approved, Swala will be required to source a new project(s) to re-comply with the ASX Listing Rules and trade again on the ASX. Swala's directors may also need to raise additional funding to finance the review of alternative projects to comply with ASX listing rules which is unlikely to be possible without an alternative proposal being put to the administrators.

13.4 Advantages of Approving the Transaction

We have considered the following advantages when assessing whether the Transaction is reasonable:

13.4.1. The Transaction is fair

As set out in section 12 the Transaction is fair. RG 111.12 states that an offer is reasonable if it is fair.

13.4.2. Completion of the Transaction will give the Company an opportunity to avoid liquidation and continue operating

Swala is currently subject to a DOCA and may enter liquidation if the DOCA is not fully implemented in accordance with the terms of the DOCA. It is unlikely that Shareholders will receive any return if the Company enters liquidation.

If the Transaction is approved by Shareholders, Swala will acquire interests in projects in Nigeria that have the potential to derive revenues in the future. Accordingly, the Company's shares will have the potential for capital growth, plus, subject to the discretion of directors of the Company at that time, Shareholders may also benefit from the payment of dividends.

13.4.3. Release the Company from all creditor claims

By completing the Transaction, the Company will be fully released from all claims of creditors and the DOCA will be terminated. Control of Swala will go to the newly elected Directors and the Company will be in a positon to continue operating.

13.4.4. Re-listing on the ASX

Following the Transaction, the Company will relist on the ASX so shareholders can trade shares for value on the exchange.

13.4.5. Changing the nature and scale of Swala's operations could attract new investors

Changing the business operations of Swala could attract new cornerstone investors who may be willing to provide further capital to fund the development of the Imperial and Tawny Projects when required. Additionally, a larger market capitalisation and enlarged shareholder base resulting from the Transaction may provide more liquidity of the Company's shares prior to Swala entering administration.

13.4.6. The Transaction provides the Company with a cash injection

The Transaction provides the Company with a minimum $5.6 million and up to $7.6 million cash injection which will strengthen Swala's balance sheet and will remove any liabilities owing to creditors. The funds raised in the Transaction will also provide Swala with sufficient working capital to effectively evaluate Symbol's exploration assets. Furthermore, Swala is acquiring Symbol through the issue of shares meaning that Swala can allocate the majority of funds raised under the Transaction to progress the Nigerian projects.

13.5 Disadvantages of Approving the Transaction

If the Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed below:

13.5.1. Dilution of existing shareholders' interest

As set out in section 4.6, if the Transaction is approved, Shareholders' interests in Swala will be significantly diluted following the Transaction. This dilution will reduce the capacity for Shareholders to influence the operations of the Company.

13.5.2. Exposure to the exploration and development risks associated with mining operations in Nigeria

If the Transaction is approved, the Company will acquire Symbol and its existing operations in Nigeria. As discussed in section 7, Nigeria continues to encounter security issues, especially in the North East of the country. Whilst the Nigerian government and development partners continue to look for ways of improving the situation, there is little certainty for stability in the short term.

As such, there is significant country risks associated with the development of Symbol's projects.

14. Conclusion

We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Shareholders of Swala.

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 Swala for the years ended 31 December 2016, 2015 and 2014;
- HQ Advisory Administration report dated 11 October 2016;
- Audited financial statements for Symbol for the years ended 30 June 2015, 30 June 2016 and for the period ended 31 December 2016;
- Independent Valuation Report of Symbol's mineral assets dated 12 January 2017 performed by Agricola Mining Consultants Pty Ltd;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Trident and Symbol.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $20,000 (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 Swala in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Swala, 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 Symbol and Swala 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 Symbol and Swala 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 Swala.

A draft of this report was provided to Swala 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.

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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 Investment 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.

Adam Myers is a member of the Australian Institute of Chartered Accountants and is a CA BV Specialist. Adam's career spans 18 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants in Australia and New Zealand. He has over 29 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 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 Chairman of BDO in Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Natural Resources Leader for BDO in Australia.

18. Disclaimers and consents

This report has been prepared at the request of Swala for inclusion in the Notice of Meeting which will be sent to all Swala Shareholders. Trident as the preferred controlling party of Swala engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider if the Transaction to acquire 100% of the issued capital of Symbol is fair and reasonable to non-associated shareholders of the Company.

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 Directors of the Company are responsible for conducting appropriate due diligence in relation to Symbol. 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 Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Swala, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Symbol.

The valuer engaged for the mineral asset valuation, Agricola Mining Consultants Pty Ltd, possess 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

Adam Myers

Director

Sherif Andrawes

Director

Appendix 1 – Glossary of Terms

Reference	Definition
The Acquisition	The acquisition of Symbol
The Act	The Corporations Act 2001 Cth
The Administrator	Mr James Thackray of HQ Advisory
Agricola	Agricola Mining Consultants Pty Ltd
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
Argonaut	Argonaut Securities Pty Ltd
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
The Capital Raising	The issue of 140 million shares under the minimum subscription and up to 190 million shares under the maximum subscription (post the Consolidation) at an issue price of $0.04 per share to raise between $5.6 million and $7.6 million before costs
The Company	Swala Energy Limited (subject to Deed of Company Arrangement)
The Consideration	199,999,999 Swala shares to be issued to the Symbol Shareholders
Corporations Act	The Corporations Act 2001 Cth
Creditors Payment	A $0.50 million payment to Swala from Trident for the benefit of the creditors of the Company
DCF	Discounted Future Cash Flows
DOCA	Deed Of Company Arrangement
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Facilitation Options	20 million options to be issued to Argonaut for facilitating the Transaction
Facilitation Shares	11.5 million shares to be issued to Trident for the facilitation of the Transaction

Reference	Definition
FME	Future Maintainable Earnings
FOS	Financial Ombudsmen Service
FYXX	Financial year ending XX
GPS	Global Positioning System
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
Loan Agreement	The US$2.78 million loan agreement between SBMUK and Noble
Mr Bolitho	Mr Barry Bolitho who is a current director of Symbol and proposed director of Swala following the Transaction
Mr Simpson	Mr Andrew Simpson who is the current Chairman of Symbol and proposed director of Swala following the Transaction
NAV	Net Asset Value
Noble	Noble Resources International Pte Ltd
Post Transaction	The value of a Swala share following the Transaction
QMP	Quoted market price
RBA	Reserve Bank of Australia
Recapitalisation Options	The 9 free attaching options for each share subscribed for under the $15,000 recapitalisation raising.
Recapitalisation Proposal	The proposal to recapitalise the Company as set out in section 4.4
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
Proposed Directors	Mr Andrew Simpson, Mr Barry Bolitho and Mr Ian James McCubbing
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
SBMUK	Symbol Base Metals UK Limited (subsidiary of Symbol Mining)
Section 411	Section 411 of the Corporations Act

Reference	Definition
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of Swala not associated with Symbol Mining Corporation Pty Ltd
Swala	Swala Energy Limited (subject to Deed of Company Arrangement)
Swala Australia	Swala Energy Australia Pty Ltd
Swala BVI	Swala Energy (BVI) Limited
Swala Kenya	Swala Energy (Kenya) Limited
Swala Tanzania	Swala Oil and Gas (Tanzania) PLC
Swala Uganda	Swala Energy (Uganda) Limited
Symbol	Symbol Mining Corporation Pty Ltd
Symbol Shareholders	The vendors of Symbol Mining Corporation Pty Ltd
The Transaction	The proposal to acquire 100% of the issued capital of Symbol Mining Corporation Pty Ltd
Trident	Trident Capital Pty Ltd
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
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.
Vendor PE Placement	The minimum of $0.325 million and maximum $0.50 million capital raising currently being completed by Symbol via the issue of convertible notes
VWAP	Volume Weighted Average Price

The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('**EBIT**') or earnings before interest, tax, depreciation and amortisation ('**EBITDA**'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

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 prepared by Agricola

Malcolm Castle
Agricola Mining Consultants Pty Ltd
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ABN: 84 274 218 871

12 January 2017

The Directors
BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco, WA, 6008

Dear Sirs,

Re: INDEPENDENT VALUATION OF THE MINERAL ASSETS in NIGERIA

HELD BY SYMBOL MINING CORPORATION PTY LTD

Agricola Mining Consultants Pty Ltd ("Agricola") was commissioned by the Directors of BDO Corporate Finance (WA) Pty Ltd ("the Client") to provide a Mineral Asset Valuation Report ("Report") of the exploration assets of Symbol Mining Corporation Pty Ltd (the "Company") in Nigeria. This report serves to comment on the geological setting and exploration results on the properties and presents a technical and market valuation for the exploration assets based on the information in this Report.

The present status of the tenements is based on information made available by the Company. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

Scope of the Valuation Report

A valuation report expresses an opinion as to monetary value of a mineral asset but specifically excludes commentary on the value of any related corporate Securities. Agricola prepared this Report utilizing information relating to operational methods and expectations provided to it by various sources. Where possible, Agricola has verified this information from independent sources. This Report has been prepared for the purpose of providing information to the Company but Directors of Agricola accept no liability for any losses arising from reliance upon the information presented in this Report.

This mineral asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation.

This is commonly known as the *Spencer Test* after the Australian High Court decision upon which these principles are based and to which the Courts have used in their determinations of market value of a property. In attributing the price that would be paid to the hypothetical vendor by the hypothetical purchaser it is assumed that the property will be put to its “highest and best use”.

Applying the *Spencer Test* may not be confined to a technical valuation exercise but may involve a consideration of market factors. In a highly speculative market during ‘boom’ conditions or a depressed market during ‘bust’ conditions the hypothetical purchaser may expect to pay a premium or receive a discount commensurate with the current market for mineral properties.

The findings of the valuation Report include an assessment of the technical value (i.e. the value implied by a consideration of the technical attributes of the asset) and a market value (which considers the influences of external market forces and risk). A range of values (high, low and preferred) has been determined and stated in the Report to reflect any uncertainties in the data and the interaction of the various assumptions made.

The main requirements of the Valuation Report are:

- Prepared in accordance with the VALMIN Code 2015
- Experience and qualifications of key personnel to be set out
- Details of valuation methodologies
- Reasoning for the selection of the valuation approach adopted
- Details of the valuation calculations
- Conclusion on value as a range with a preferred value

The Mineral Assets

- Imperial Zinc-Lead Project
- Tawny Zinc-Lead Project

DECLARATIONS

Relevant codes and guidelines

This Report has been prepared as a technical assessment and valuation in accordance with the Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets (the “VALMIN Code”, 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (“AusIMM”) and the Australian Institute of Geoscientists (“AIG”), as well as the rules and guidelines issued by the Australian Securities and Investments Commission (“ASIC”) and the ASX Limited (“ASX”) which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011).

Where exploration results and mineral resources have been referred to in this report, the information was prepared and first disclosed under the ”Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia 2012.

Under the definition provided by the VALMIN Code, the mineral projects are classified as 'exploration projects' where mineralisation may or may not have been identified.

Sources of Information

The statements and opinion contained in this report are given in good faith and this review is based on information provided by the title holders, along with technical reports by consultants, previous tenements holders and other relevant published and unpublished data for the area. Agricola has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. A final draft of this report was provided to the Company, along with a written request to identify any material errors or omissions in the technical information prior to lodgment.

In compiling this report, Agricola did not carry out a site visit to the project areas. Based on its professional knowledge, experience and the availability of extensive databases and technical reports made available by various Government Agencies and the early stage of exploration, Agricola considers that sufficient current information was available to allow an informed appraisal to be made without such a visit.

The independent valuation report has been compiled based on information available up to and including the date of this report. Consent has been given for the distribution of this report in the form and context in which it appears. Agricola has no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The person responsible for the preparation of this report is:

Malcolm Castle, B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM

Malcolm Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including uranium, gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries. He has completed numerous Independent Geologist's Reports and Mineral Asset Valuations over the last decade as part of his consulting business.

Mr Castle is a qualified and competent witness in a court or tribunal capable of supporting his valuation reports or to give evidence of his opinion of market value issues.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc.(Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Declaration – VALMIN Code: The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a permanent employee of the Company.'

Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.'

Competent Persons Statement – JORC Code: The information in this report that relates to Exploration Results and Mineral Resources of the Company has been reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castle consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

Independence

Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees of $6,000 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Valuation Opinion

Based on an assessment of the factors involved, the estimate the market value for the 60% equity of the Company's Projects is in the range of <u>A$1.0 million to A$1.9 million with a preferred value of A$1.4 million</u>.

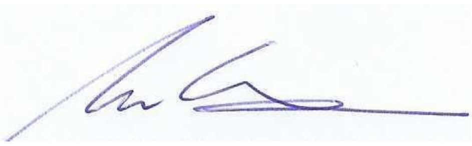
This valuation is effective on 12 January 2017.

Where mineral resources have been estimated for the project the valuation is based on the average recent metal price for the contained metals together with modifying factors as set out in the JORC Code.

Where no mineral resources have been estimated for the project, the valuation assessment is based on the proposed annual exploration expenditure ($400 to $450 per square kilometer) adjusted by an assessment of prospectivity. Changes in metal prices may be reflected in the market discount or premium if they are significant.

This mineral asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the *Spencer Test). It applies to the direct sale of 60% equity in the project.*

Yours faithfully



Malcolm Castle

B.Sc.(Hons) MAusIMM,
GCertAppFin (Sec Inst)
Agricola Mining Consultants Pty Ltd

PROJECT REVIEW - THE IMPERIAL AND TAWNY PROJECTS

The Company holds two base metal projects named Imperial (previously known as Gwana) and Tawny (previously known as Adudu), which are located in the Benue Trough of central north eastern Nigeria.

Lead ‐ zinc (+/ ‐ silver +/ ‐ barite) mineralisation in the Benue Trough of Nigeria has been of economic interest for more than a century. Mineralisation is intermittently localised along a north ‐ east south ‐ west trending belt extending about 800 kilometres within the Benue Trough, a thick sequence of deformed and weakly metamorphosed sedimentary Cretaceous sequences about 5000 metres thick.

The known mineralisation consists of structurally controlled, discordant high-grade galena and sphalerite veins ("polymetallic veins") together with reported silver but at currently unconfirmed grades. The veins were developed at a late stage in the structural evolution of the Benue Trough so that they manifest as infills within fractures and faults that cut across both the stratigraphy and the dominant fold structures in regionally dominant north ‐ south trending fractures and veins.

The **Imperial** project is located on the border of Bauchi and Taraba states approximately 420km ENE of Abuja. There has been little modern exploration on the site. Significant historical mining has occurred as artisanal miners followed the surface expressions of high grade lead and zinc.

The known prospects are fault-controlled veins that have many of the characteristics of significant Pb/Zn deposits described as poly metallic or clastic hosted veins. Mineralisation previously mined at the site indicated grades of 38% Pb and 19% Zn with discrete layers of Galena and Sphalerite over significant strike distance. With over 400km2 of tenement package there is significant regional prospecitivity.

The Imperial main vein is a sandstone hosted 1600m strike length of artisanal, open pit and underground historical mining. Significant tonnage has been extracted from the site historically. The orebody is clearly defined with extensive weathered massive sulphides of galena, sphalerite, pyrite and chalcopyrite through multiple veins.

The **Tawny** project is located 150km ESE of the capital Abuja in the state of Nasawarra, only 4km from a major highway. Significant artisanal mining shows as an estimated grade of 41% Pb and 24% Zn. Records also indicated high levels of Ag. The Tawny mineralised structure is located within a flat lying sequence of carbonaceous grey shales, within a wide north south trending fault zone. The project has been subject to historical open pit mining and underground mining, with a decline developed in 2009.

Both projects have been the focus for recent and past artisanal and Chinese mining interests including the development of declines at both Imperial and Tawny to access high grade Pb ‐ Zn (‐ Ag) veins characterized by coarse grained galena and sphalerite.

The structural setting of both prospects are broadly similar with an penetrative north – south fracture cleavage and compressional fault zones initially formed by interpreted north east – south west movement along the margins of the Benue Trough. Subsequent deformation focused on lithological contacts and anticlinal positions resulted in a more dilational environment with base metal rich fluids localised and focused on the pre existing and penetrative north south structures. Open space textures, quartz and carbonate veins accompany the base metal mineralisation observed.

Location of the Imperial and Tawny projects

Location and Access

The Imperial project is located approximately 350 kilometres due east of Abuja, whilst the Tawny project is located approximately 200 kilometres south east of Abuja. The licences can be readily accessed by a series of sealed and unsealed roads and tracks, with small population villages located adjacent to both licences.

Both Projects lie within the Benue Trough, a NE – trending belt some 800km long comprising Cretaceous sediments. Imperial lies in the area known as the Upper Benue Trough while Tawny is within the Middle Benue Trough.

The Gwana deposit (Imperial Project) is covered by Exploration Licences (EL) 18444 and 18445 awarded to Goidel Resources Limited on 3 November 2014, expiry 2 Novermber 2017 each covering an area of 186km^2 and are valid for copper, lead and zinc. These licences can be further renewed twice for periods of two years each (additional 4 years' extension). The project is located about 18km from Yellow, which is situated approximately 140km ESE from Bauchi and 410km ENE from Abuja.

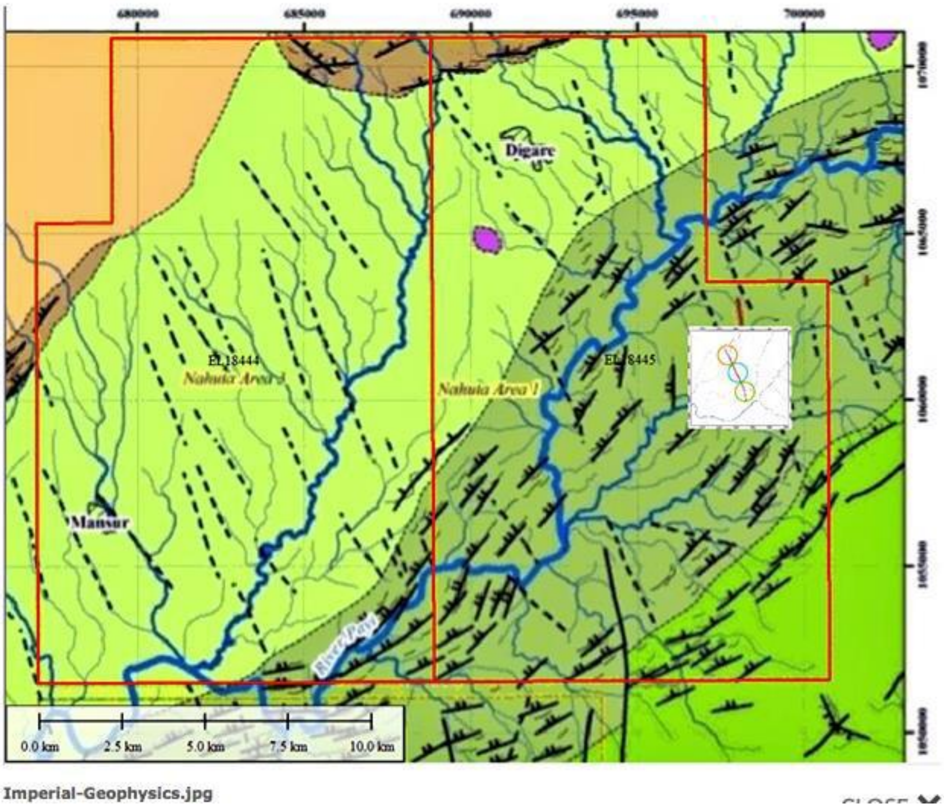
The Adudu deposit (Tawny Project) is covered by EL 19242 over an area of 6.4km^2 and is valid for copper, lead and zinc. The licence was awarded to Adudu Farms Nigeria on 2 February 2015, expiry 1 February 2018 and is valid for 3 years. The licence can be further renewed twice for periods of two years each (i.e. additional 4 years' extension). The project is located about 70km to Lafia (Capital of Nasarawa state). Distance from Lafia to Lagos port is roughly 1000km.

The status of the tenements has been verified based on a recent review of the Notification of Grant and Exploration Licence Certificates issued by the Federal Republic of Nigeria by Agricola, pursuant to section 7.2 of the Valmin Code, 2015. The tenements are believed to be in good standing. Some future events such as the grant (or otherwise) of expenditure exemptions and plaint action may impact of the valuation and may give grounds for a reassessment.

GEOLOGICAL SETTING

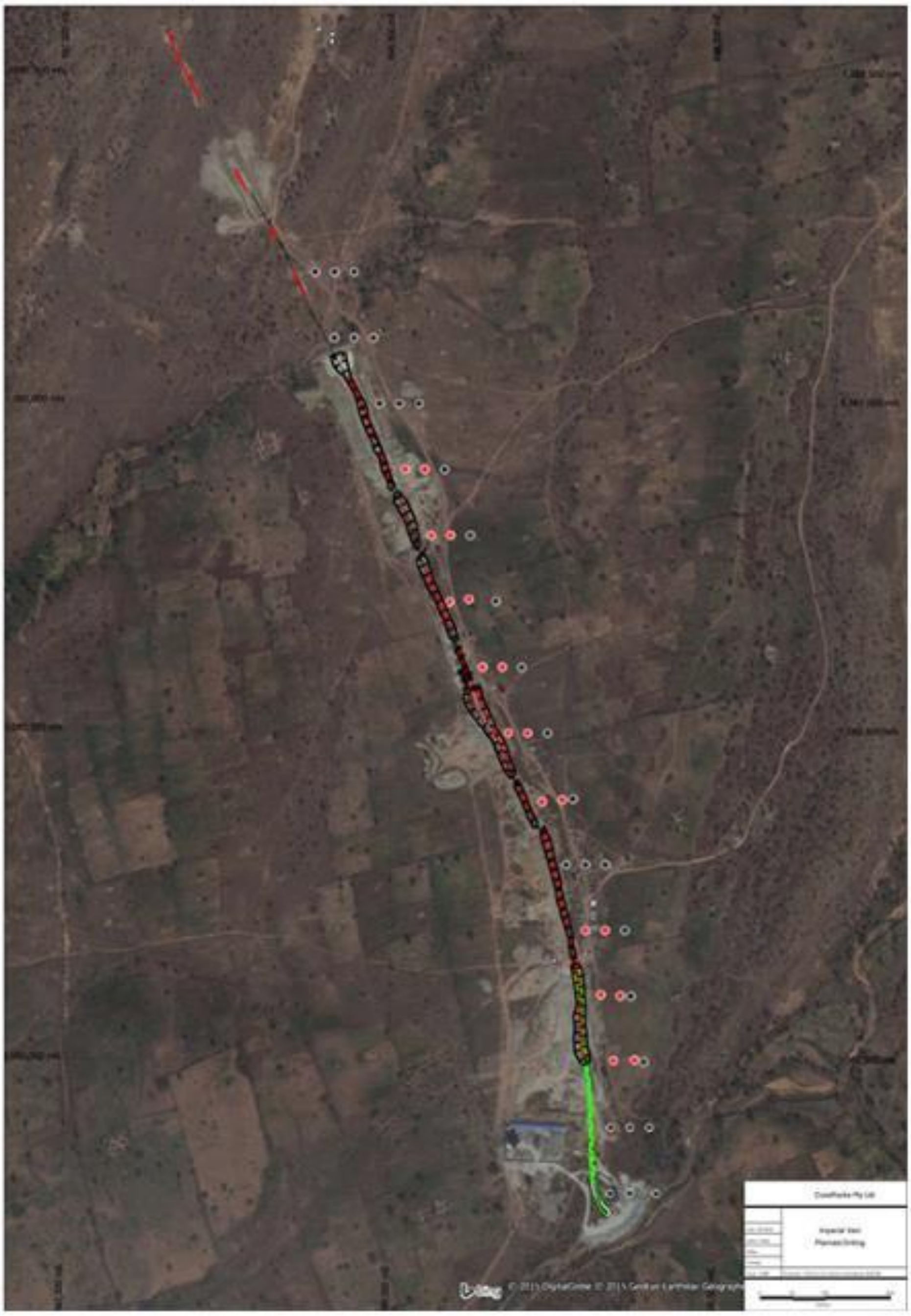
Imperial Project

At Imperial, mineralisation (Pb/Zn/Cu/Ag) is located in north ‐ south trending subvertical structures localised on an interpreted anticlinal axis and focused on a flat lying lithological contact between a lower carbonate sandstone and an upper shale unit. The shales may provide a capping for the mineralisation with limited permeability within these zones and more reactive (and permeable) carbonate sandstones providing a focus and conduit for the late stage mineralisation.



Imperial tenements and location of Artisanal workings

The Imperial Project includes a 1600 metre strike length of artisanal, open pit and underground workings orientated in a north – south direction focused on zones of silicification, quartz veining, fault gouges and brecciation. The northern half of the workings contains indications of copper as evidenced by patchy malachite associated chiefly with quartz breccia rocks. Minor lead and zinc are present, however all of the most of projected higher grade areas have been mined out by the previous mining and only narrow alteration selvedges comprising silicification and brecciation is present, with minor base metal veins. Little shear fabric is present within the fault zone, suggesting a brittle and fracture based system developed at relatively shallow levels.



Artisanal workings at Imperial

The northern portions of the wall rocks surrounding the veins are principally a variably altered shale with increasing sandstone (+/- calcareous and silicification) to the south. Importantly along the strike length of the vein the western side is dominated by shale and the eastern side is dominated by sandstone. The significance of this suggests that the strike extensive mineralised structure is a fault with kinematic indicators (boudins) suggesting dextral likely reverse movement on the fault. Both subvertical east and west dipping structures were observed.

The southern portion of the structure is where the largest mining operations have taken place with a number of open pits having been mined by excavator and truck. These open pits are now filled with water, but based on site measurements have been mined to between 20- 40 metres vertical depth.

Visual review by earlier workers suggests the likelihood of two mineralised veins of approximately 1 metres width at surface, each in the central portion of the workings localised within silicified sandstone. During the drilling, all drill holes should be extended until the surrounding flat lying sequence of shales and sandstones are encountered. Flattening the dips of some of the drillholes from ‐ 60 degrees to ‐ 50 degrees should be considered to allow for both steep east and west dipping veins and also to optimise the testing of any footwall and hanging wall structures.

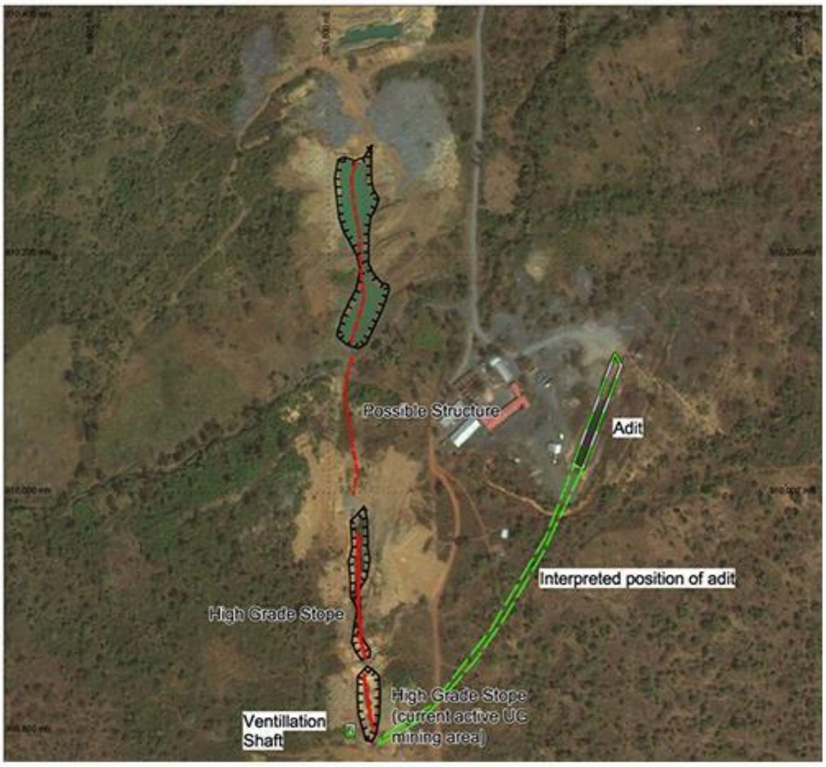
The most southern largest and deepest open pit extends for approximately 150 metres with the water table at 20 ‐ 25 metres vertical depth. Reportedly a decline located approximately 400 metres south is located immediately under the open pit and extended to the northern end of the pit at a reported depth of at least 45 metres. The timing and sequence of the mining suggests artisanal workings, followed by the decline and finally the development of the open pit. The physical spatial interaction between the open pit and decline is unclear. No polymetallic veins are obvious in this area and have been mined out to at least the base of the open pit/underground decline.

Another narrow north south trending galena vein is located approximately 1.5 kilometres to the north ‐ north east of the Macy deposit (the Aisha Prospect) and has been mined over a 500 metre strike length. The extensive artisanal workings imply good strike continuity with the southern end mined by open pit methods (perhaps by the Chinese) and now forms a large dam with limited bedrock exposure. The vein appears to be hosted within a predominantly shale sequence with minor silicified sandstone to the south. The northern part of the vein appears to be hosted exclusively within light grey shales. The vein appears to be narrower than Imperial, but represents an additional target. Review of aerial imagery over the tenement area suggests the presence of a number of additional smaller workings located east of the Aisha Prospect.

Tawny Project

At Tawny mineralisation (Pb/Zn/Ag) is found within an easterly dipping (70 degree) fault zone within a shallowly dipping iron/carbonate rich shale unit characterized by the presence of numerous north south trending fractures. The host north – south trending fault structures hosting the mineralisation have excellent strike continuity with expected pinch and swell boudinaged higher grade zones present.

The Tawny mineralised structure is located within a flat lying sequence of carbonaceous grey shales and comprises a 5 metres wide north –south trending fault zone characterized by clay alteration, predominance of calcite/siderite and containing a 60 - 70 degree east dipping zone of high grade sphalerite and galena veins which varies in width from 0.5 - 2 metres at surface and contains silver values of up to 1000 ppm.



Artisinal and historic workings at the Tawny Project

The weathering profile at Tawny is more strongly developed than at Imperial with local 2 - 4 metres zones of laterite overlying the mineralisation in places. The shales weather to an orange limonitic rich rock with intermittent artisanal workings (small open pits and narrow stopes) extending over approximately 1.4 kilometres of strike.

Within the Project area the main focus has been over 400 metres of strike with artisanal workings focused on higher-grade veins localised as boudinaged massive veins covering reasonably short strike lengths. A decline was developed by Chinese interests in circa 2009 and reportedly was mined to approximately 45 metres depth and extended for approximately 400 metres from its entry to the main area of interest, the obvious artisanal mining pits. Folklore suggests up to 3 veins were encountered (including the main vein) however this has not been verified and caution is required. The surface expression of the artisanal workings suggests only one vein to be present.

The decline is located approximately 350 metres to the north east of the current artisanal workings is located within a flat lying sequence of fresh carbonaceous grey shales. A very prominent series of regionally extensive north –south trending vertical fractures cuts the sequence and these may be responsible for the initial mineralisation controls at Tawny.

The observed polymetallic veins which are present dip more shallowly to the east (60 ‐ 70) than the regionally extensive penetrative steep north ‐ south fractures and are likely to have been focused / emplaced within these structure and as at Imperial possible dextral movement would cause dilation of these and allow open spaces for the migration of the base metal rich fluids.

At Tawny a predominance of carbonate alteration minerals are present (siderite veins), which occur within the polymetallic veins and differs from Imperial, which appears to more quartz rich. This is likely to be a reflection of a different composition of the ore source fluids and perhaps also reflects the different host rocks.

A number of XRF readings were taken which revealed zinc values of up to 45%, lead values of up to 25% and silver of 600 ppm. An arsenic value of 1.5% was returned. An unusual crystalline rock containing manganese of 3% and iron of 45% was observed which had a similar appearance to crystalline sphalerite. The initial drilling program at Tawny should be focused initially on the southern portion of the mineralised structure and a closer spaced pattern (50 metres spacing) completed. The veins maybe stacked within an overall north ‐ south trending zone and of shorter strike length than the Imperial veins.

Mineral Resource Estimate – Imperial Project

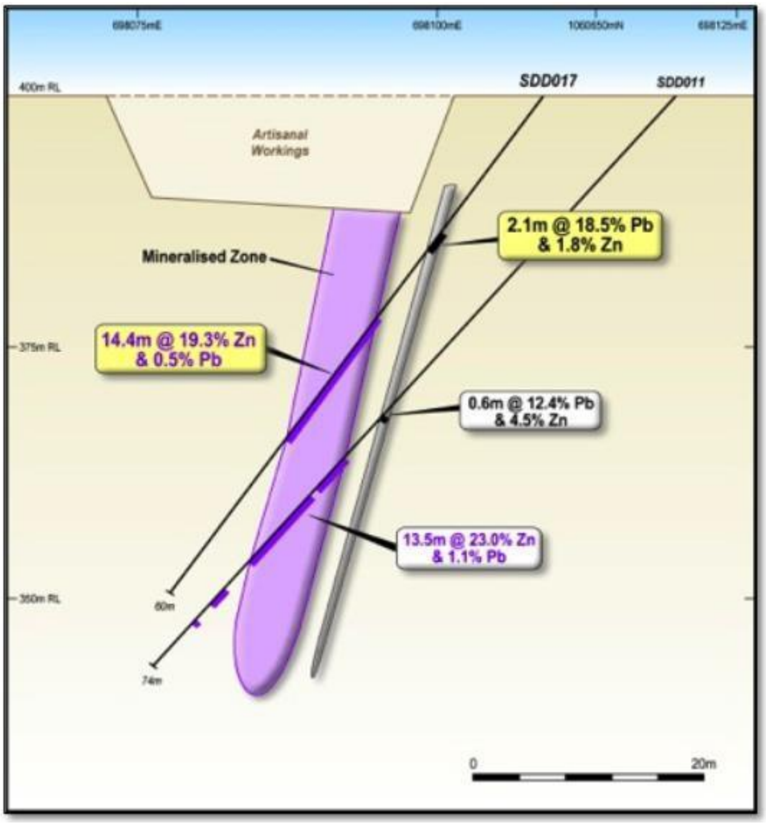
A drilling program to test the mineralised structures was conducted between November and December 2015. Century Mining Company Ltd ("Century") completed the drilling with a total of 19 NQ diamond holes for 2001 metres of drilling.

Collar locations were marked out in the field and have been surveyed with GPS with an expected accuracy of approximately +/- 5 metres. At Imperial, the southern end of the workings have been tested on nominal 50 metre centres and over approximately 200 metres of strike. The northern end of Imperial has been systematically assessed via drill holes on 50 metre centres, with a maximum of 3 holes per section over 300 metres of strike length.

Downhole surveys were completed by Century using a KSP-2D Compass Inclinometer on nominal 30 metre downhole intervals. Drill holes SDD010□SDD014 were not downhole surveyed due to problems with the driller's equipment. In general the diamond holes stayed relatively straight with the dips remaining relatively constant.

The mineralisation occurs in discrete sub vertical zones with a relatively steep dip east and west. and has a strong visual appearance with principally sphalerite, galena and minor chalcopyrite and pyrite being observed. In general the mineralisation occurs associated with zones of brecciation of the country rock and quartz veining and silicification. As observed in outcrop and diamond holes, a mixed flat lying sedimentary sequence of sandstones, shales and calcareous derivatives were observed in the drilling. Lithological contacts may provide a focus for the mineralisation and the zones of breccia play an important role in the focus of the base metal fluids.

A nominal 2.0% cutoff of either zinc or lead was used to define the veins, based on the one metre composited data and the original assay intervals for the high grade galena vein. This cut off broadly relates to the geology characterized as high-grade sphalerite and or galena veins found within brecciated country rock and associate with quartz veining and or silicification. No top cuts were applied to the data.



Cross section of the zinc and lead mineralised zones

Inferred Resource Estimate

The classification of Mineral Resources was based principally on data density, representativeness of sampling, geological confidence criteria and grade distribution. The resource block model and estimates is considered an Inferred Resource.

Cutoff Zn %	VOLUME	TONNES	ISBD	Zn (%/t)	Pb (%/t)	MATERIAL	Category
30	194	678	3.50	31.75	1.05	Zinc Vein	Inferred
25	2,994	10,478	3.50	27.02	1.48	Zinc Vein	Inferred
20	**17,963**	**62,869**	**3.50**	**22.67**	**1.01**	**Zinc Vein**	**Inferred**
10	34,244	119,853	3.50	19.16	1.54	Zinc Vein	Inferred
2	50,163	175,569	3.50	15.02	1.81	Zinc Vein	Inferred
Cutoff Pb %	VOLUME	TONNES	ISBD	Zn (%/t)	Pb (%/t)	MATERIAL	Inferred
2	2,063	9,281	4.50	3.22	14.47	Lead Vein	Inferred
0.5	3,584	16,130	4.50	2.29	16.57	Lead Vein	Inferred
0	**4,375**	**19,688**	**4.50**	**1.93**	**16.76**	**Lead Vein**	**Inferred**

The information relating to exploration activities, exploration potential and resource estimation is based on information compiled by Mr Simon Coxhell Principal of CoxsRocks, a consultant to Symbol Base Metals (UK) Limited, who is a member of the Australasian

Institute of Mining and Metallurgy. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Reserves". Mr Coxhell consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The preferred cut off value for the formal Resource Statement is 10% Zn for the zinc mineralisation and 0% Pb for the lead mineralisation. The Mineral Resource Statement can be restated within the order of accuracy for the resource category as:

Macy Inferred Resource:

119,900 tonnes at 19.2% Zn and 1.5% Pb, plus

19,700 tonnes at 16.8% Pb and 1.9% Zn

The Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and grade continuity to be confidently interpreted. While it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur.

Confidence in the estimate of Inferred Mineral Resources is not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning in Pre-Feasibility or Feasibility Studies. For this reason, there is no direct link from an Inferred Mineral Resource to any category of Ore Reserves. Caution should be exercised if Inferred Mineral Resources are used to support technical and economic studies such as Scoping Studies. *(JORC Code 2012, Clause 21)*

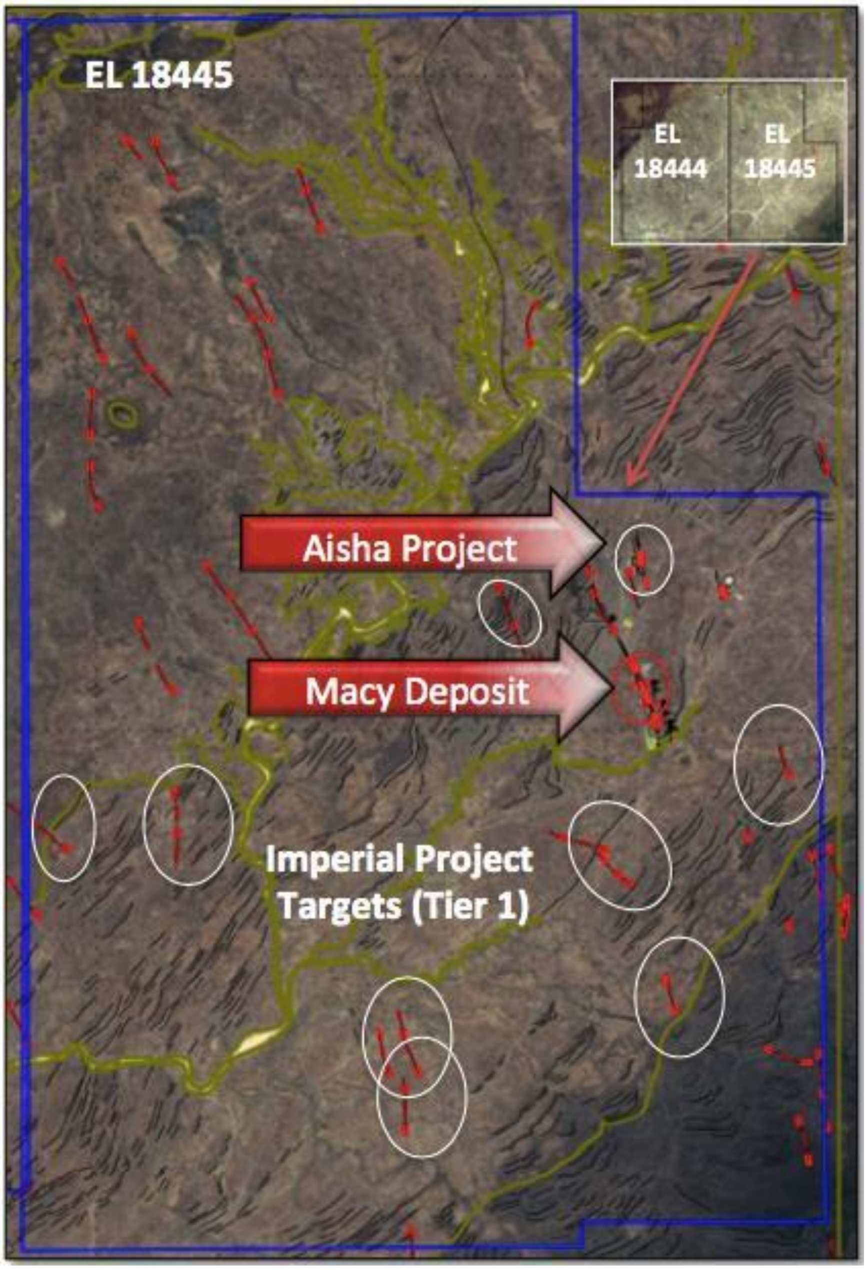
Further drilling is planned to upgrade the JORC category to Indicated Resource.

Exploration Potential

The Company has completed very high resolution (VHR) photogeology with 400km^2 surveyed over EL18445 and EL18444. This has identified 120 priority target features (57 priority 1) with additional priority targets east and south of EL18445. Geological mapping/sampling over the priority targets and trial geophysical techniques on known mineralised veins have been completed with geophysical survey over priority targets.

The Aisha Prospect, north of Macy, produced 1000tpm galena historically from artisan mining from surface to 30m depth via pits. The Prospect is 1.5km from Macy deposit.

The currently known prospects on both Imperial and Tawny are all fault-controlled veins that have many (but not all) of the characteristics of significant deposits described elsewhere as "polymetallic veins" or "clastic-hosted veins". It is possible that parallel or sheeted vein systems will be present and if so this offers the opportunity for bulk mining and increased tonnage per vertical metre.



Additional targets within EL18445 - Imperial

The best opportunity to find large-tonnage deposits will be as "blow-out Breccias" or replacement bodies or "mantos" where the veins intersect favourable host rocks. Typically, these favourable hosts will be thick competent sedimentary units (particularly massive carbonates) that fail under stress by brittle fracture and are chemically reactive to mineralising fluids that penetrate the fractures. From the stratigraphic descriptions, favourable sedimentary units with these favourable characteristics could well occur in the vicinity of the Macy vein (Imperial). Such occurrences will most likely be north-plunging owing to bedding geometry. The unconformity of the overlying Gombe Formation might be critical in localizing any MVT-style occurrences.

JORC Code, 2012 Edition

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• A diamond drilling program to test the mineralised structures was conducted between November and December 2015 by Century Mining Company Ltd ("Century") completed the drilling with a total of 19 NQ diamond holes for 2001 metres of drilling. • Interpreted mineralised intervals were marked up and cut via a diamond saw, with half core submitted for analysis. Length of intervals selected and cut ranged from 0.5→1.0 metre and were based on geological boundaries were appropriate. • Drill hole collar locations were recorded by handheld GPS survey with accuracy +/-2 metres. • Analysis was conducted by submitting the half core 2-4kg sample whole for preparation by crushing, drying and pulverising at Intertek Genalysis Laboratories for base metal analysis via FP1/OE, whereby sodium peroxide fusion and subsequent hydrochloric acid to dissolve the melt is completed followed by analysis via ICP.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• HQ Triple Tube from surface (78 mm) was used for all drilling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery was recorded as a percentage which in general was greater than 95%. • A number of duplicate samples were collected by comparing ¼ core with ½ core and results were within 15% of each other. The recorded data indicates no potential sampling bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• HQ core was logged in detail, photographed wet and dry, RQDs, structural measurements on all completed. Core was orientated where possible. • Logging and recording of critical data for the diamond core is a combination of qualitative and quantitative measurements and observations • All drilling was logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• HQ diamond core was sawn in half along orientation lines or cut lines marked by the geologist in the field. • Sample preparation for all recent samples follows industry best practice.. • Sample preparation involving oven drying, fine crushing to 95% passing 4mm, followed by rotary splitting and pulverisation to 85% passing 75 microns. • QC for sub sampling follows Intertek procedures. • Field duplicates were taken at a rate of 1:30. • Blanks were inserted at a rate of 1:30 • Standards were inserted at a rate of 1:30. • Sample sizes are considered appropriate to the grain size of the material being sampled.
Quality of assay data	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether*	• The methods are considered appropriate to the style of mineralisation. Extractions are considered near total.

Criteria	JORC Code explanation	Commentary
and laboratory tests	*the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• No geophysical tools were used to determine any element concentrations at this stage. • Laboratory QA/QC involves the use of internal lab standards using certified reference material, blanks, splits and duplicates as part of the in house procedures. Repeat and duplicate analysis for samples shows that the precision of analytical methods is within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The Company's Geologist has visually reviewed the samples collected. • No twin holes were drilled. • Data and related information is stored in a validated Mapinfo or Micromine database. Data has been visually checked for import errors. • No adjustments to assay data have been made.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drillholes have been located by GPS with precision of sample locations considered +/-2m. • Location grid of plans and cross sections and coordinates in use WGS84, UTM Zone 32: Northern Hemisphere • Topographic data and RL values are assumed.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The holes are nominally spaced on a 25-50 metre (E-W spacing) with hole spacing along each section ranging from 10-20 metres spacing along each section line. • Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation procedures. • Sample compositing has not occurred.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of sampling is considered adequate and there is not enough data to determine bias if any. • Mineralisation strikes north-north-west. Drilling was orthogonal to this apparent strike and comprised angled diamond drill holes.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by the Company and samples are transported to the laboratory via Company staff with samples safely consigned to Intertek for preparation and analysis. Whilst in storage, they are kept in a locked yard. Tracking sheets are used track the progress of batches of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No review or audit of sampling techniques or data compilation has been undertaken at this stage.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Imperial Project is covered by Exploration Licences EL 18444 and EL 18445 awarded to Goidel Resources Limited on 3 November 2014, expiry 2 November 2017 each covering an area of 186 square kilometres and are valid for copper, lead and zinc. These licences can be further renewed twice for periods of two years each (additional 4 years' extension). • The tenement is in good standing • No impediments to operating on the permit are known to exist.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Gwana project was previously explored by EcoPhoenix who held three base metal exploration licences in the Upper Benue Trough. Some basic mapping, sampling and broad interpretation was completed by EcoPhoenix, and this is summarised in a report by CSA Global (Chubb, 2009). The focus of the exploration was on the "Nahuta vein" (hereafter referred to as the Gwana vein), a well-defined north-south striking linear vein which has been worked by artisanal miners to a shallow depth. The vein was recognised to be perpendicular to the axial planes of the regional folds within the sedimentary sequence (which dips to the northwest) with a number of parallel structures and veins in the area also recognised, but less explored. • Based on the EcoPhoenix reported work, the Nahuta vein at surface consists of a 1-2 metre thick zone containing crystalline and massive aggregates of galena and sphalerite in a carbonate matrix with a host sequence of thinly bedded micritic limestones. Copper mineralisation, in the form of chalcocite was recognised by EcoPhoenix. .
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The **Imperial Project** is located on the border of Bauchi and Taraba states approximately 420km east/north-east of Abuja, Nigeria. Aside from the work Symbol is currently doing, there has been little modern exploration on the site. Significant historical mining has occurred as artisanal miners followed the surface expressions of high grade lead and zinc. • The known prospects are fault controlled veins that have many of the characteristics of significant Pb/Zn deposits described as poly metallic or clastic hosted veins. Product previously mined at the site had grades of 38% Pb and 19% Zn with discrete layers of Galena and Sphalerite over significant strike distance. With over 400km2 of tenement package there is significant regional prospectivity. • The Imperial main vein is a sandstone hosted 1,600m strike length of artisanal, open pit and underground historical mining. Significant tonnage has been extracted from the site historically. The orebody is clearly defined with extensive weathered massive sulphides of galena, sphalerite, pyrite and chalcopyrite through multiple veins. •

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• A drilling program to test the mineralised structures was conducted between November and December 2015. Century Mining Company Ltd ("Century") completed the drilling with a total of 19 NQ diamond holes for 2001 metres of drilling.
		• Collar locations were marked out in the field and have been surveyed with GPS with an expected accuracy of approximately +/- 5 metres. At Imperial, the southern end of the workings have been tested on nominal 50 metre centres and over approximately 200 metres of strike. The northern end of Imperial has been systematically assessed via drill holes on 50 metre centres, with a maximum of 3 holes per section over 300 metres of strike length.
		• Downhole surveys were completed by Century using a KSP-2D Compass Inclinometer on nominal 30 metre downhole intervals. Drill holes SDD010→SDD014 were not downhole surveyed due to problems with the driller's equipment. In general the diamond holes stayed relatively straight with the dips remaining relatively constant.

Criteria	JORC Code explanation	Commentary

Lode	HoleNo	From	To	Thick	Ag	Cu	Pb%	Zn%	Easting	Northing	Nom Rl
ZN	SDD011	47	60.5	13.5	1.4	191	1.12	23.03	698090	1060636	359
ZN	SDD012	38.5	42.5	4	7.8	682	5.4	6.7	698071	1060684	369
ZN	SDD013	48	55	7	1.3	124	0.02	20.47	698047	1060730	358
ZN	SDD014	53.5	59.5	6	1.7	535	0.1	4.61	698034	1060784	357
ZN	SDD015	32	41.5	9.5	7.3	358	3.8	10.11	698110	1060589	372
PB	SDD011	41.4	42	0.6	14	4832	12.35	4.5	698097	1060639	368
PB	SDD012	33.7	34	0.3	108.1	1174	65.43	3.7	698075	1060686	374
PB	SDD013	28.4	28.75	0.35	26.5	305	17.63	0.26	698060	1060734	377
PB	SDD014	50.5	51.5	1	15.7	87	16.47	2.02	698037	1060785	361
PB	SDD015	11.8	12	0.2	39.5	233	18.68	0.82	698125	1060594	391

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No averaging or aggregation techniques have been applied. • No top cuts have been applied to exploration results. • No metal equivalent values are used in this report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The orientation or geometry of the mineralised zones strikes in a north-northwest direction and dips in sub vertical to steep manner to the west.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps are included in main body of report with gold results and full details are in the tables reported.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All results for the target economic minerals being gold have been reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• An insitu bulk density of 3.5t/bcm and 4.5t/bcm was adopted for the zinc and lead zones respectively. Additional ISBD determinations are currently being conducted. No deleterious elements have been identified and a simple gravity concentration technique is likely to recover a high percentage of the sphalerite (zinc) and galena (lead) mineralization.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future diamond drilling will be completed to reduce the drill density of the deposit leading to an upgrade in resource status and classification. • Refer to maps in main body of report for potential target areas.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data was provided as a validated Access Database and was digitally imported into Micromine software. Validation routines were run to confirm validity of all data. • Analytical results have all been electronically merged to avoid any transcription errors.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A total of three site visit has been undertaken by the Competent Person, to initially map the project, then to design the diamond drilling program and finally to commence and superb=vise the drilling program. Drilling techniques and methods have been reviewed.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is good. • Geological logging and interpretation allows extrapolation of drill intersections between adjacent sections. • Alternative interpretations are likely to result in similar tonnage and grade estimation techniques. • Geological boundaries are determined by the spatial locations of the various mineralised structures, and the geological host rocks. • Factors affecting continuity are cross faults, old historic workings and the potential complexity of the mineralized systems. • The drill density is appropriate to the level of classification.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The lateral dimensions of the resources at Imperial are shown in the diagrams in the body of this release. The mineralisation dips steeply to the west and ranges from 1m to 10m thick. The resource extends over approximately 250 metres of strike and extends to a vertical depth of 60 metres.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• Grade estimation using an ID3 methodology has been applied to all Resources. A series of wireframes has been used to subset and constrain the data points used in the interpolation and only individual grades from individual wireframes were used. • All estimation was carried out in Micromine 2016 (64-bit SP3) software. • The block models were constructed using a 1m (E) by 20m (N) by 5m (Z) block size, constrained by a series of individual wireframes, with sub-cells to 1m x 1m x 0.5m to accurately represent wireframe shapes. • Block size is generally half the sample spacing or greater in areas of infill drilling, and typically one quarter in wider spaced drilling areas. • No deleterious elements have been identified • No assumptions regarding recovery of byproducts have been made • Search ellipsoids use orientations concordant with the mineralization to ensure blocks are filled in areas with sparser drilling. • Sample data was composited to 1m down-hole composites, while honouring breaks in mineralised zone interpretation. • The geological interpretation follows a steeply dipping fault in contact with flat lying and variably reactive sedimentary host rocks. • Geological interpretation was carried out of the mineralised zones; consistent, generally steeply-dipping mineralised structures with 1-12m true thickness were interpreted. • Validation was carried out in a number of ways, including o Visual inspection section, plan and 3D o Swathe plot validation o Model vs composite statistics
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• In general, either the zones are mineralized or not. A nominal downhole cut-off of 2.0 % Zn (and or Pb) has been used to define the mineralised zones. The basis of the 2.0 % Zn (or Pb) cutoff is an economic analysis coupled to mining dilution considerations, with this cut-off corresponds reasonably well with the mineralised zones as logged from the diamond core.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The resources defined to date would potentially be amenable to simple open pit mining, with a nominal 10:1 strip ratio.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Preliminary metallurgical testwork has suggested excellent base metal recoveries, via conventional gravity concentration.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Preliminary environmental studies have been completed and a Mining Proposal is well advanced. The area has been extensively mined in the past and no environmental impediments are expected.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density/specific gravity have been assigned based on mineralogical review and analytical results. • Additional testwork (Archimedes Method) of material of various geological and mineralisation types is underway and will be used to update the model in due course. The following densities are applied to the resource model. Zinc Lode ISBD = 3.5. Lead Lode ISBD=4.5 •
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the*	• The Mineral Resources have been classified as Inferred based on the drill spacing and geological continuity at the deposit. • The Resource model uses a classification scheme based upon drill hole spacing plus block estimation parameters, number of composites in search ellipsoid informing the block cell and average distance of data to block centroid. • The results of the Mineral Resource Estimation reflect the views of the Competent Person.

Criteria	JORC Code explanation	Commentary
	Competent Person's view of the deposit.	
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Symbol personnel have reviewed the block model relative to the drilling data and considers the estimate to be an accurate reflection of the base metal mineralisation at Imperial.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The relative accuracy of the Mineral Resource is reflected in the reporting of the Mineral Resource as being in line with the guidelines of the 2012 JORC. • The statement relates to global estimates of tonnes and grade, with reference made to resources above a certain cut-off that are intended to assist mining studies. • No production data is available for comparisons.

References

Bettenay, L & Coxhell, S., 2014 "Benue Trough Base Metal Occurrences Proposed Exploration Model, Strategy Plan And Budget" Symbol Mining Corporation Ltd, November 2014

Coxhell, S., 2015 "Benue Trough Mapping Of The Imperial And Tawny Prospects", July 2015. CoxsRocks Pty Ltd

Coxhell, S. 2016, "Mineral Resource Statement for the Imperial Base Metal Project, North East Nigeria" CoxRocks Pty Ltd, 21 March 2016

VALUATION ASSESSMENT

Three widely accepted Valuation Approaches are:

(a) Market-based, which is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance on an open market (*Comparable Transactions*, *$ per metal unit*).

(b) Income-based, which is based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analyzed (*Discounted Cash Flow*).

(c) Cost-based, which is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis and an assessment of prospectivity (*Prospectivity Exploration Multiplier and Geo-factor Rating, $ per sq. km.).*

Details of the assessment criteria are included in the notes attached to the Report.

The **Macy Deposit** within the Imperial Project has estimated Mineral Resources in the Inferred categories for zinc and lead. When a resource or defined body of mineralisation has been outlined and its economic viability has still to be established (i.e. there is no full feasibility study) then a *Comparable Transactions* approach is usually applied, often stated as a percentage of metal value. This can be applied to Mineral Resource estimates and Exploration Targets compiled in accordance with the JORC code with appropriate discounts for risk in the different categories.

The method requires allocating a dollar value to the mineral resource in the ground and applying appropriate discounts for JORC Category, operating factors and average acquisition cost for mineral projects. This may also apply to well-established zones of mineralisation that have not formally been categorized under the JORC code in certain cases. An additional risk weighting may be appropriate in these circumstances.

*The Mineral Resources are assumed to encapsulate all the value for **the immediately surrounding ground and prospect area** and a separate value for exploration potential for this portion of the tenements is not considered warranted. For the Macy deposit this area is assumed to be 10% of the area of EL 18445*

The remainder of the **Imperial and the Tawny Projects,** are classed as *'exploration projects'* and inherently speculative in nature. Several methods of valuation are available for such projects where a material Inventory has been estimated. These include the use of Cost-based valuations. The Geoscientific Rating method (potential for further discoveries) and Past Expenditure methods are appropriate for exploration ground that is not advanced enough to estimate mineral resources. These methods may be supported by reference to Yardstick (Rule of Thumb) methods as a reasonableness check.

Exploration projects can be extremely variable and the use of comparable transactions is unlikely to produce a statistical spread of values for "similar" projects. This method can be used with some certainty where a Mineral Resource has been estimated. The Prospectivity Exploration Multiplier (PEM) is based on past expenditure while the Kilburn Geoscience Rating (Geo-factor Rating) is based on opinions of the prospectivity hence tenements can have marked variation in value between the methods, especially where past expenditure has been poorly documented or wasted.

The 'Geo-factor Rating' method of valuation for exploration tenements is the preferred valuation method used by Agricola for the Company's current tenements as it focuses on the future prospectivity of the area.

The Geo-factor Rating method systematically assesses four key technical attributes of a tenement to arrive at a series of factors that are multiplied together to produce a prospectivity rating. The Basic Acquisition Cost (BAC) is the important input to the method and it is calculated by summing the application fees, annual rent, work required to facilitate granting (e.g. native title, environment etc) and statutory expenditure for a period of 12 months. This is usually expressed as average expenditure per square kilometre. Equity and grant status are also taken into account. Each factor is then multiplied serially to the BAC. The 'Base Value' is multiplied by the prospectivity rating to establish the overall technical value of each mineral property.

COMPARABLE TRANSACTIONS – Mineral Resources

MINERAL RESOURCE ESTIMATES

Resource Estimates in accordance with the JORC Code have been compiled for the Macy Deposit within the Imperial Project and are accepted here for the purpose of the valuation.

Macy Inferred Resource:

119,900 tonnes at 19.2% Zn and 1.5% Pb, plus

19,700 tonnes at 16.8% Pb and 1.9% Zn

Valuation Methodology

Contained metal is calculated from the deposit tonnes and grade in the categories of the JORC code.

MACY Deposit	**Zinc Body**	**Lead Body**
Inferred		
Tonnes, t	119,900	19,700
Grade, Zn%	19.20	1.90
Grade, Pb%	1.50	16.80
Metal Content - Zn (t)	23,021	374
Metal Content - Pb (t)	1,799	3,310

The estimated contained value for the Inferred Resource is estimated based on current metal prices. The average metal prices over the last six months is approximately **A$3,013** for zinc and **A$2,545** for lead and have been accepted for the valuation.

Month	Zinc Price Price	A$ Change	Lead Price Price	A$ Change
Jun-16	2,740.33	7.44%	2,316.45	-0.60%
Jul-16	2,900.74	5.85%	2,437.76	5.24%
Aug-16	2,985.20	2.91%	2,404.15	-1.38%
Sep-16	3,019.36	1.14%	2,565.38	6.71%
Oct-16	3,034.60	0.50%	2,657.81	3.60%
Nov-16	3,400.13	1205.00%	2,889.20	8.71%
Average	3,013.39		2,545.13	

Source: Indexmundi.com

Base Value

A discount factor is applied to the contained value to recognize the JORC category and allow for resource estimate risk.

Resource Category Discounts	
Measured Resource	80%
Indicated Resource	70%
Inferred Resource	60%
Exploration Target	50%

Allowances for modifying factors are also included in the assessment:

Modifying Factors	**Gold**	
Recovery	95%	Assume Standard
Mining	80%	Small Scale mining
Processing	95%	Concentrate production
Rail, Road Transport	90%	Road Transport
Port	90%	Available for requirements
Capex	90%	Staged buildup
Marketing	90%	Offtake Agreement
Total Modifying Discount	47%	

The base value for the project is estimated by multiplying the contained value by the discount factors.

Base Value = [Contained Value][Resource Discount]*[Modifying Discounts]*

Base Value A$	
Measured	-
Indicated	-
Inferred	23,732,000
Exploration Target	-
Total	23,732,000

Average Acquisition Cost

A range of average acquisition cost ("AAC") percentages are estimated based on a database of Merger and Acquisitions activity for the period 2006 to 2015 The percentage represents the amount paid for deposits compared to the contained value at the current metal price.

The AAC for projects lies in the range of 2.5% to 6.6%. The data set does not differentiate between resource categories and operational factors and this has been taken into account with risk related discounts applied to the Base Value. Information on sales internationally has shown a pattern for the AAC as shown in the percentile table.

AAC Percentiles 2006 - 2015 - Exploration Assets					
Percentile	10%	25%	50%	75%	90%
AAC	1.28%	1.75%	3.10%	5.10%	5.89%
AAC Percentiles 2006 - 2015 - Producing Assets					
Percentile	10%	25%	50%	75%	90%
AAC	8.06%	9.36%	11.20%	12.40%	13.05%

For the purpose of this valuation the Average Acquisition Cost for the lower, preferred and higher value is selected at the 25th, 50th and 75th percentiles. The Base Value is multiplied by AAC values at those percentiles to arrive at the estimated project technical value.

AVERAGE ACQUISITION COST	
Low, 25th Percentile	1.8%
High, 75th Percentile	5.1%
Preferred, 50th Percentile	3.1%

Technical Value

Technical Value = [Base Value][Average Acquisition Cost%]*

Total Project Technical Value, A$	
Low	415,000
High	1,210,000
Preferred	733,000
% of contained value	0.99%

The Technical Value is estimated for 100% equity in the projects

EXPLORATION PROJECTS - GEO-FACTOR RATING METHOD

BASE VALUE

This represents the exploration cost for the current period of the tenement. The current Base Acquisition Cost (BAC) for exploration projects or tenements at a similar stage is considered to be the average expenditure for the first year of the licence tenure. This is considered to be a BAC of $400 to $450 per square kilometre.

Base Value = [Area][Grant Factor]*[Equity]*[Base Acquisition Cost]*

SYMBOL MINING CORPORATION					Tenement Factors	
Tenement	**Equity**	Km^2	Granted	Expiry	Status	Grant
Nigerian Projects						
Imperial Project						
EL18444	100%	186.00	3-Nov-14	2-Nov-17	Granted	100%
EL18445	100%	167.40	3-Nov-14	2-Nov-17	Granted	100%
Tawny Project						
EL19242	100%	6.40	2-Feb-15	1-Feb-18	Granted	100%

Note: 90% of the Area for EL18445 has been allowed for exploration valuation

Prospectivity Assessment Factors

An assessment of the prospectivity of tenements was carried out. This includes a consideration of

- Regional mineralisation, old and current workings and the validity of conceptual models.
- Local mineralisation within the tenements and the application of conceptual models within the tenements.
- Identified anomalies warranting follow up within the tenements.
- The proportion of structural and lithological settings within the tenements and difficulty encountered by cover rocks and other factors.

Assessments in each category are based on a set scale and are multiplied together to arrive at a “prospectivity index.

	Rating	Address - Off Property	Mineralisation - On Property	Anomalies	Geology
Low	0.5	Very little chance of mineralisation, Concept unsuitable to environment	Very little chance of mineralisation, Concept unsuitable to environment	Extensive previous exploration with poor results - no encouragement	Unfavourable lithology over >75% of the tenement
Average	1	Indications of Prospectivity, Concept validated	Indications of Prospectivity, Concept validated	Extensive previous exploration with encouraging results - regional targets	Deep alluvium Covered favourable geology (40-50%)
	2	Significant RC drilling leading to advance project status	RAB &/or RC Drilling with encouraging intercepts reported	Several well defined surface targets with some RAB drilling	Exposed favourable lithology (60-70%)
High	3	Resource areas identified	Advanced Resource definition drilling - early stage	Several significant subeconomic targets - no indication of volume	Highly prospective geology (80 - 100%)

Prospectivity Index = [Off Site Factor][On Site Factor]*[Anomaly Factor]*[Geology Factor]*

SYMBOL MINING CORPORATION							**Prospectivity Factors**	
Tenement	**Off Site**		**On Site**		**Anomaly**		**Geology**	
	Low	**High**	**Low**	**High**	**Low**	**High**	**Low**	**High**
Nigerian Projects								
Imperial Project								
EL18444	1.75	1.85	1.50	1.60	1.50	1.60	2.50	2.60
EL18445	1.75	1.85	1.75	1.85	1.50	1.60	2.50	2.60
Tawny Project								
EL19242	1.75	1.85	1.75	1.85	1.75	1.85	2.50	2.60

TECHNICAL VALUE

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.

An estimate of technical value has been compiled for the tenements based on the base acquisition cost, area, grant status, equity and ratings for prospectivity.

A range of average acquisition cost ("AAC") percentages are estimated based on a database of Merger and Acquisitions activity for the period 2006 to 2015. The percentage represents the amount paid for deposits compared to the current metal price.

The AAC for projects lies in the range of 1.8% to 5.1% with a preferred value of 3.1% of the Base Value. The data set does not differentiate between resource categories and operational factors and this has been taken into account with risk related discounts applied to the Base Value. Information on sales internationally has shown a pattern for the AAC as shown in the percentile table.

AVERAGE ACQUISITION COST	
Low, 25th Percentile	1.8%
High, 75th Percentile	5.1%
Preferred, 50th Percentile	3.1%

For the purpose of this valuation the Average Acquisition Cost for the preferred value is selected at 40% of the difference between Low and High estimates.

Technical Value = [Base Value][Prospectivity Index]*

SYMBOL MINING CORPORATION Project	Technical Value, A$		
	Low	**High**	**Preferred**
Nigerian Projects			
Imperial Project			
EL18444	732,000	1,031,000	852,000
EL18445	769,000	1,073,000	891,000
Tawny Project			
EL19242	34,000	47,000	39,000

Comparison with Yardstick (Rule of Thumb) Method

A review of technical value (which is not influenced by market conditions) of exploration areas carried out by Agricola over the last few years suggests that ground without resources can be categorized as a matter of convenience into four groups:

- Advanced exploration areas located in a well mineralised area near existing mineral deposits with significant potential attract values well above $2000 per square kilometre
- Exploration areas along strike or structurally related to estimated mineral resources. Such areas attract values in the range $1200 to $2000 per square kilometre.
- Exploration areas in known mineral fields. Such areas attract values in the range of $700 to $1300 per square kilometre.

- Exploration areas in green fields or early exploration domains remote from mineral resources. Such areas attract values in the range of $400 to $800 per square kilometre.

SYMBOL MINING CORPORATION			
Project	Area, Sq.Km.	Preferred	$/sq.km.
Nigerian Projects			
Imperial Project		-	
EL18444	186	852,000	4,581
EL18445	167	891,000	5,323
Tawny Project		-	
EL19242	6.4	39,000	6,094

Based on the values estimated in this report, the exploration ground is well over A$2,000 per square kilometer, which is consistent with the geological setting, results and stage of exploration.

Summary of Technical Value

SYMBOL MINING CORPORATION			
Project	**Technical Value, A$**		
	Low	**High**	**Preferred**
Mineral Resources			
Macy Deposit	415,000	1,210,000	733,000
Imperial Project	1,501,000	2,104,000	1,742,000
Tawny Project	34,000	47,000	39,000
Total	1,950,000	3,361,000	2,514,000

The Technical Value is estimated for 100% equity in the projects

MARKET VALUE

Market Value is the estimated amount (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 where the parties had each acted knowledgeably, prudently and without compulsion. Market Value may be higher or lower than Technical Value.

In arriving at a fair market value for a particular exploration tenement, Agricola has considered the country risk and current market for exploration properties in Nigeria. Assessment of country risk and Business Climate have been provided by an independent specialist firm (source: www.coface.com). The rating for Nigeria is 'D' for country risk and 'D' for business climate, which are considered to be high risk. Strengths include the leading African power in terms of GDP and the country with the largest population in Africa, significant hydrocarbon resources and large agricultural potential and low level of public and external debts. Weaknesses include highly dependent on oil revenues (90% of exports and

75% of tax revenue), low fiscal receipts: 6% of GDP, insufficient refining, gas and electrical capacities due to price control, ethnic and religious tensions and a negative impact on the business climate from insecurity and corruption.

Confidence in the estimate of Inferred Mineral Resources is not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning in Pre-Feasibility or Feasibility Studies. For this reason, there is no direct link from an Inferred Mineral Resource to any category of Ore Reserves. Caution should be exercised if Inferred Mineral Resources are used to support technical and economic studies such as Scoping Studies. *(JORC Code 2012, Clause 21)*

The Company has completed considerable forward planning towards a Scoping Study for the Macy Deposit which demonstrates a positive outlook if further mineralisation can be added to the project inventory. The Scoping Study is based on 100% of the mining inventory in the Inferred Mineral Resource Category.

As part of the Scoping Study, preliminary capital and operating cost estimates were generated, and preliminary economic modelling was conducted to determine the potential viability of the project. Based on these preliminary studies it appears that the project has potential, but significant additional drilling, sampling and testwork are required to move the studies to the next stage of a preliminary feasibility study.

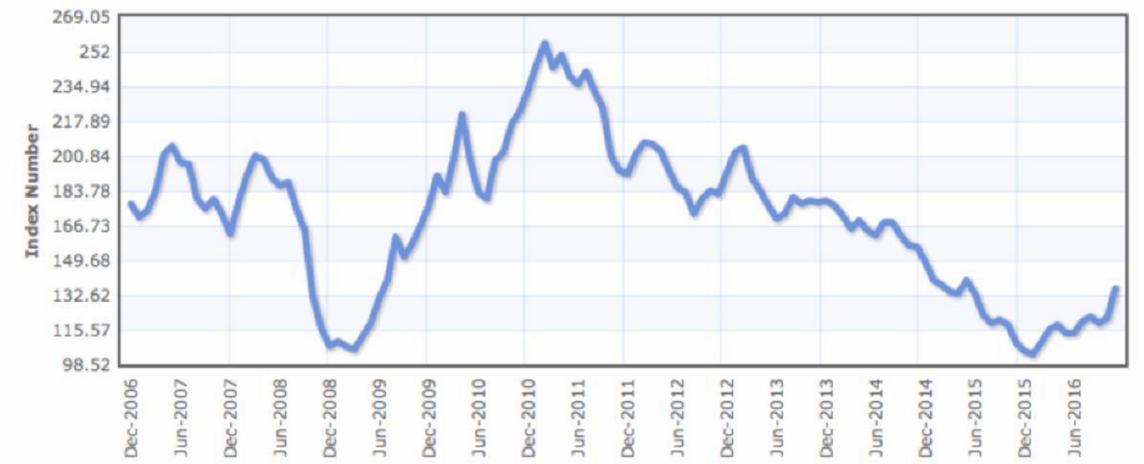
A Scoping Study is an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified. A Scoping Study must not be used as the basis for estimation of Ore Reserves.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. There is no implication that Ore Reserves have been established or that economic development is assured. (JORC *Code 2012, Clause 38)*

In the light of the significant exploration potential, the detailed scoping work that has been carried out, the current zinc and lead prices, changing economics and future market outlook a **market premium of 25%** has been applied to the technical value.

The Company's exploration projects are considered to be at a relatively early stage with some encouragement from early reconnaissance and geophysics. Prospectivity is estimated from geological information. There has been insufficient exploration to define a Mineral Resource (except at the Macy Deposit and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Choice of discount rates is mainly based on experience in the current resources market. While there is some investment interest it is almost exclusively directed towards advanced projects with a short-term path to development. The attitude of market sentiment is apparent in the Commodity metals price index shown below.



Description: Commodity Metals Price Index, 2005 = 100, includes Copper, Aluminum, Iron Ore, Tin, Nickel, Zinc, Lead, and Uranium Price Indices

Average for the period Dec 2006 - Nov 2016 is 170.75; End of 2016 is 135.70, Source: Indexmundi.com

A combination of early stage and the apparent recovery of market conditions from a low base level represented by the Commodity Metals Price Index suggest a **market discount of 20%** applied to the technical value of the exploration projects.

Market Value = [Technical Value][Adjusted Market Factor]*

SYMBOL MINING CORPORATION				
Project	**Market**	**Market Value, A$**		
	Factor	**Low**	**High**	**Preferred**
Mineral Resources				
Macy Deposit	125%	519,000	1,513,000	917,000
Imperial Project	80%	1,201,000	1,683,000	1,394,000
Tawny Project	80%	27,000	38,000	31,000
Total		**1,747,000**	**3,234,000**	**2,342,000**

The Market Value is estimated for 100% equity in the projects

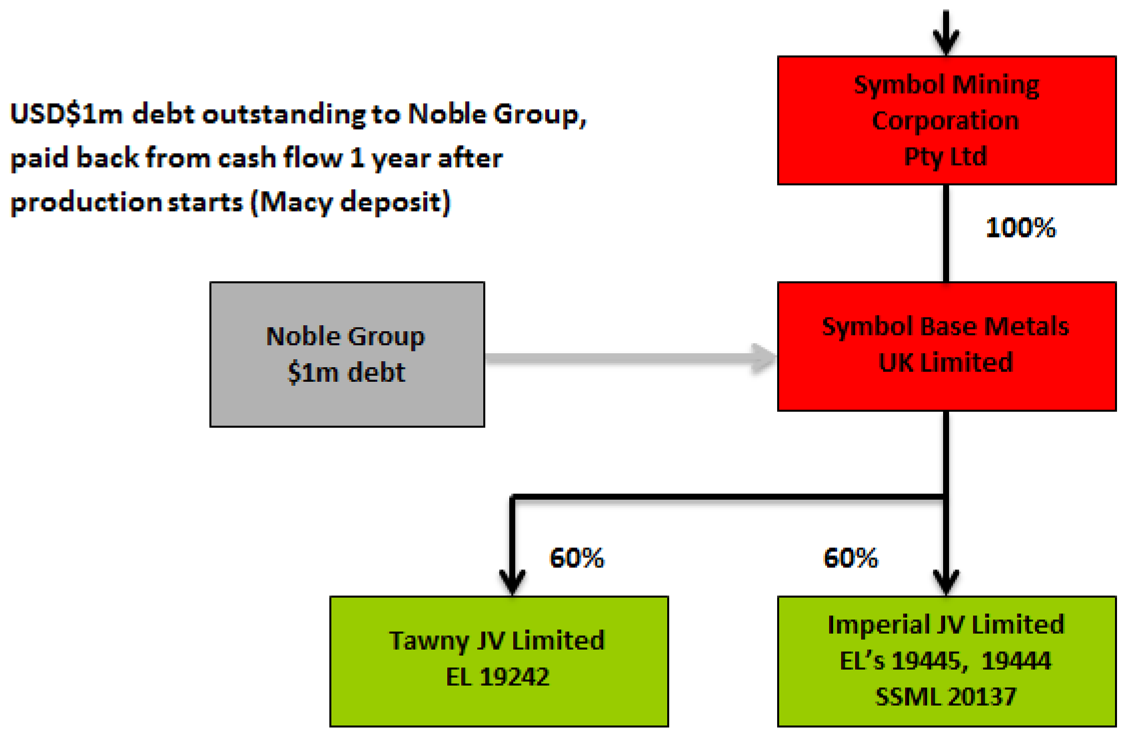
Agricola has reviewed alternative comparative valuation methods as set out in Regulatory Guide 111: Content of expert reports (RG 111) at RG 111.65, which considers that "an expert should, where possible, use more than one valuation methodology. We consider this reduces the risk that the expert's opinion is distorted by its choice of methodology. We also consider that an expert should compare the figures derived from using the different methodologies and comment of any differences".

Alternative methods such as Market Capitalization (MCap) and Enterprise Value (EV) are not prohibited by RG111 to form the basis of comparable transaction analysis both MCap and EV include elements relating to corporate valuation such as cash and debt levels, management skills and reputation and many others which are independent of mineral asset values.

Agricola considers that the expectation of future gain is the main driver for mineral asset valuation of exploration projects as it endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the Spencer Test). The method set out in this report is considered appropriate for valuation of mineral resources.

EQUITY

The Company holds the Imperial and Tawny Projects in Joint venture with the registered tenement owners and has 60% equity in each project.



The Market Value or the Company's equity share is estimated at:

SYMBOL MINING CORPORATION Project	EQUITY	Equity Market Value, A$		
		Low	**High**	**Preferred**
Mineral Resources				
Macy Deposit	60%	311,000	908,000	550,000
Imperial Project	60%	721,000	1,010,000	836,000
Tawny Project	60%	16,000	23,000	19,000
Total		**1,048,000**	**1,941,000**	**1,405,000**

Valuation opinion

Based on an assessment of the factors involved, the estimate the market value for the 60% equity of the Company's Projects is in the range of <u>A$1.0 million to A$1.9 million with a preferred value of A$1.4 million</u>.

This valuation is effective on 12 January 2017.

This mineral asset valuation endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the *Spencer Test). It applies to the direct sale of 60% equity in the project.*

MINERAL ASSETS VALUATION FOR EXPLORATION TENEMENTS

M. Castle – Updated 12 January 2017

Agricola Mining Consultants Pty Ltd ("Agricola") has prepared these notes as background to the Independent Valuation Report. The notes are general in nature and references to Western Australia are an example of exploration expenditures. They are appropriate for other states and other countries based on Agricola's experience in many areas of Australia and elsewhere. Parts of these notes may be repeated for clarity in the main report.

Table of Contents – Background Notes

The Meaning of Value – Scope of the Report

A Mineral asset valuation should endeavour to ascertain the price that a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation.

The test for determining the market value is based on the consideration of a hypothetical negotiation, namely, what is the price that a willing but not anxious purchaser would have to offer to induce a willing but not anxious vendor to sell the property rather than the price which an anxious vendor would obtain upon a forced sale. This is the price that a hypothetical prudent purchaser would entertain, if he desired to purchase it for the most advantageous purpose for which the property was adapted.

This test contemplates a prudent purchaser who has informed himself or herself of all of the relevant attributes and advantages that the property enjoyed which means not just being conversant with the property in its existing state but also any profitable uses to which it might be put. This embodies the concept of the highest and best use of the property.

Judicial interpretation

The High Court cast light on the ordinary meaning of 'market value' in 1907 in Spencer v. The Commonwealth of Australia. In this case, the Commonwealth had compulsorily acquired land for a fort at North Fremantle in Western Australia.

In discussing the concept of market value, Griffith CJ commented (page 432) that:

… the test of value of land is to be determined, not by inquiring what price a man desiring to sell could have obtained for it on a given day, i.e. whether there was, in fact, on that day a willing buyer, but by inquiring: What would a man desiring to buy the land have had to pay for it on that day to a vendor willing to sell it for a fair price but not desirous to sell?

Isaacs J subsequently expanded on the concept (page 441):

… to arrive at the value of the land at that date, we have … to suppose it sold then, not by means of a forced sale, but by voluntary bargaining between the plaintiff and a purchaser willing to trade, but neither of them so anxious to do so that he would overlook any ordinary business consideration. We must further suppose both to be perfectly acquainted with the land and cognisant of all circumstances which might affect its value, either advantageously or prejudicially, including its situation, character, quality, proximity to conveniences or inconveniences, its surrounding features, the then present demand for land, and the likelihood as then appearing to persons best capable of forming an opinion, of a rise or fall for what reasons so ever in the amount which one would otherwise be willing to fix as to the value of the property.

In this case, the High Court recognised the principles of:

- the willing but not anxious vendor and purchaser
- a hypothetical market
- the parties being fully informed of the advantages and disadvantages associated with the asset being valued (in the specific case, land)
- both parties being aware of current market conditions.

This is commonly known as the *Spencer test* after the High Court decision upon which these principles are based and to which the Courts have used in their determinations of market value or property. (*Spencer v Commonwealth* (1907) 5 CLR 418 at 432 per Griffiths CJ and 441 per Isaacs J.).

Although the *Spencer test* is based on both a hypothetical vendor and a hypothetical purchaser and therefore the market value from either hypothetical party's point of view should be the same, in some cases emphasis has been placed on what would be the best price which the vendor could hope to obtain.

The question as of "special value" of particular property has often been raised in cases. However in reality this is only part of the *Spencer* test that in attributing the price that would be paid to the hypothetical vendor by the hypothetical purchaser it is to be assumed that the property will be put to its "highest and best use".

Applying the *Spencer test* may not be confined to a technical valuation exercise but may involve a consideration of market factors. In a highly speculative market during 'boom' conditions or a depressed market during 'bust' conditions the hypothetical purchaser may expect to pay a premium or receive a discount commensurate with market conditions.

The *Spencer test* has been applied in stamp duty cases in determining the value of the dutiable property.

These principles apply equally to mineral assets

Regulatory Authorities

Mineral asset valuations are prepared in accordance with the *Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets (the "VALMIN Code*", 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the Australian Securities and Investments Commission ("ASIC") and the ASX Limited ("ASX") which pertain to Independent Expert Reports (*Regulatory Guides RG111, 2011 and RG112, 2011*).

Where exploration results or mineral resources have been referred to in this report, the classifications are consistent with the *"Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"),* prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia, effective 2012.

The VALMIN Code, 2015

The main requirements of the *Valuation Report* are

- *Prepared in accordance with the VALMIN code.*
- *Details of valuation methodologies*
- *Reasoning for the selection of the valuation approach adopted*
- *Details of the valuation calculations*
- *Conclusion on value*
- *Experience and qualifications of key personnel to be set out*

Competence - Competence or being Competent requires that the Public Report is based on work that is the responsibility of a suitably qualified and experienced person who is subject to an enforceable professional Code of Ethics. The Expert or Specialist must be competent at doing valuations. The person needs to be an expert in the particular exploration target being evaluated. Typically the person needs at least 5 years' experience in that commodity.

Materiality - 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. This means the valuer has to ensure that all important data that could have a significant impact on the valuation is included in the report. Materiality and Material refer to data or information which contribute to the determination of the Mineral Property value, such that the inclusion or omission of such data or information might result in the reader of a Valuation Report coming to a substantially different conclusion as to the value of the Mineral Property. Material data and information are those, which would reasonably be required to make an informed assessment of the value of the subject Mineral Property.

Transparency - 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. The report needs to explain how the valuation was done and the assumptions used in calculating the value. The objective is to provide sufficient information that other people can come up with the same answer. Transparency and Transparent means that the Material data and information used in (or excluded from) the Valuation of a Mineral Property, the assumptions, the Valuation approaches and methods, and the Valuation itself must be set out clearly in the Valuation Report, along with the rationale for the choices and conclusions of the expert or specialist.

Reasonableness – Reasonableness requires that an assessment that 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. A Reasonableness test serves to identify Valuations, which may be out of step with industry standards and industry norms. It is not sufficient for a expert or specialist to determine that he or she personally believes the value determined is appropriate without satisfying an objective standard of proof.

Independence - Independence or being Independent requires that there is no present or contingent interest in the Mineral Asset(s), nor is there any association with the Commissioning Entity or related parties that is likely to lead to bias.

The Expert or Specialist must act in a professional manner and not favour the buyer or the seller. In other words the price must be set at a "fair market value". To achieve independence, the Expert or Specialist must not receive any special benefit from doing the study. This subject is addressed fully in RG112 (112.42). Independence or Independent means that, other than professional fees and disbursements received or to be received in connection with the Valuation concerned, the Qualified Valuer or Qualified Person (as the case requires) has no pecuniary or beneficial (present or contingent) interest in any of the Mineral Properties being valued, nor has any association with the Commissioning Entity or any holder(s) of any rights in Mineral Properties which are the subject of the Valuation, which is likely to create an apprehension of bias. The concepts of "Independence" and "Independent" are questions of fact. For example, where anE's fees depend in whole or in part on an understanding or arrangement that an incentive will be paid based on a certain value being obtained, such Expert or Specialist is not Independent.

Methodology - The decisions as to the valuation methodology or methodologies to be used and the content of the Report are solely the responsibility of the Expert or Specialist whose decisions must not be influenced by the Commissioning Entity. The Expert or Specialist must state the reasons for selecting each methodology used in the Report. Methods chosen must be rational and logical and be based upon reasonable grounds.

The Expert or Specialist should make use of valuation methods suitable to the Mineral or Petroleum Assets under consideration. Selection of the appropriate valuation method will depend on, inter alia:

(a) the purpose of the Valuation;

(b) the development status of the Mineral or Petroleum Assets;

(c) the amount and reliability of relevant information;

(d) the risks involved in the venture; and

(e) the relevant market conditions for commodities.

The Expert or Specialist should choose, discuss and disclose the selected valuation method(s) appropriate to the Mineral Assets under consideration in the Report, stating the reasons why the particular valuation methods have been selected in relation to those factors and to the adequacy of available data. It may also be desirable to discuss why a particular valuation method has not been used. The disclosure should give a sufficient account of the valuation methods used so that another Expert could understand the procedure used and assess the Valuation. Should more than one valuation method be used and different valuations result, the Expert or Specialist should comment on the reasons for selecting the Value adopted.

Regulatory Guides RG111 and RG112, March 2011

It is not the Australian Securities and Investment Commission – ASIC's role or intention to limit the expert's exercise of skill and judgment in selecting the most appropriate method or methods of valuation. However, it is appropriate for the expert to consider:

(a) the discounted cash flow method;
(b) the amount which an alternative acquirer might be willing to offer if all the securities in the target company were available for purchase;

ASIC does not suggest that this list is exhaustive or that the expert should use all of the methods of valuation listed above. The expert should justify the choices of valuation method and give a sufficient account of the method used to enable another expert to replicate the procedure and assess the valuation. It may be appropriate for the expert to compare the values derived by more than one method and to comment on any differences.

The complex valuations in an expert's report necessarily contain significant uncertainties. Because of this an expert who gives a single point value will usually be implying spurious accuracy to his or her valuation. An expert should, however, give as narrow a range of values as possible. An expert report becomes meaningless if the range of values is too wide. An expert should indicate the most probable point within the range of values if it is feasible to do so.

The expert should carry out sufficient enquiries or examinations to establish reasonable grounds for believing that any profit forecasts, cash flow forecasts and unaudited profit figures that are used in the expert's report, and have been prepared on a reasonable basis.

If there are material variations in method or presentation the expert should adjust for or comment on them in the report.

The expert should discuss the implications to his or her valuation if:

(a) the current market value of the subject of the report is likely to change because of market volatility (for example, boom or depression); or
(b) the current market value differs materially from that derived by the chosen method.

The JORC Code, 2012

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.

The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.

The JORC Code was first published in 1989, with the most recent revision being published late in 2012. Since 1989 and 1992 respectively, it has been incorporated in the Listing Rules of the Australian and New Zealand Stock Exchanges, making compliance mandatory for listing public companies in Australia and New Zealand.

The current edition of the JORC Code was published in 2012 and after a transition period the 2012 Edition came into mandatory operation from 1 December 2013.

Changes to the JORC Code 2012

- Table 1 reporting on an 'if not, why not?' basis.
- Competent Person Attributions – Clause 9
- Exploration Targets – Clause 17
- Pre-Feasibility required for Ore Reserves – Clause 29
- Technical Studies definitions – Clause 37-40
- Annual Reporting – Clause 15
- Metal Equivalents – Clause 50
- *In situ* values – Clause 51
- Additional guidance on reporting in Table 1

VALUATION METHODOLOGY FOR EXPLORATION TENEMENTS

Fair Market Value of Mineral Assets

Mineral assets include, but are not limited to, mining and exploration tenements held or acquired in connection with the exploration, the development of, and the production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those tenements.

Mineral assets classification	
Early stage exploration areas	Mineralisation may or may not have been identified, but where a mineral resource has not been defined. Available information includes exploration results such as outcrop sampling, assays of drill hole intersections, geochemical results and geophysical survey results. *Valuation Methods: **Geoscience Factor**, Prospectivity Enhancement Multiplier, Yardstick (Rule of Thumb)*.
Advanced exploration areas	Mineral resources have been identified and their extent estimated (possibly incompletely). This includes properties at the early stage of assessment. Available information includes estimates of Exploration Targets, Inferred Resources, Indicated Resources, Measured Resources in accordance with the JORC Code 2012 and the exploration results from the surrounding area or prospect used to compile the estimates. Additional value for exploration potential in the immediate area is not considered to be warranted. *Valuation Methods: **Comparable Transactions**. Yardstick (Rule of Thumb)*
Pre-development projects	A positive development decision has not yet been made. This includes properties where a development decision has been negative, properties on care and maintenance and properties held on retention titles. Available information includes Mineral Resource estimates in accordance with the JORC Code and a scoping study. If a recent and valid Pre Feasibility Study has been prepared an Ore Reserve may have been estimated with due regard to modifying factors. *Valuation Methods: Comparable Transactions*, ***Discounted Cash Flow** (if Ore Reserves have been estimated)*
Development projects	Committed to production, but which, are not yet commissioned or not initially operating at design levels. Available information includes a Feasibility Study with supporting technical studies. *Valuation Methods: **Discounted Cash Flow**.*
Operating Mines	Mineral properties, particularly mines and processing plants, which have been fully commissioned and are in production. *Valuation Methods: **Discounted Cash Flow**.*

Agricola’s preferred valuation method is shown in bold type.

The value of a mineral asset usually consists of two components,

- The underlying or Technical Value (or stand alone value) which is an assessment of a mineral asset’s future net economic benefit under a set of appropriate assumptions, excluding any premium or discount for market, strategic or other considerations.
- The Market Component, which is a premium relating to market, strategic or other considerations which, depending on circumstances at the time, can be either positive, negative or zero.

When the technical and market components of value are combined the resulting value is referred to as the market value. A consideration of country risk should also be taken into account for overseas projects.

The value of mineral assets is time and circumstance specific. The asset value and the market premium (or discount) changes, sometimes significantly, as overall market conditions, commodity prices, exchange rates, political and country risk change.

Valuation is based on a calculation in which the geological prospectivity, commodity markets, financial markets, stock markets and mineral property markets are assessed independently.

Valuation of exploration properties is exceptionally subjective. If an economic resource is subsequently identified then a new valuation will be dramatically higher, or possibly lower. Alternatively if expenditure of further exploration dollars is unsuccessful then it is likely to decrease the value of the tenements. There are a number of generally accepted procedures for establishing the value of exploration properties and, where relevant, the use of more than one such method to enable a balanced analysis and a check on the result has been undertaken. The value will always be presented as a range with the preferred value identified. The preferred value need not be the median value, and will be determined by the Independent Valuer based on his experience.

The Independent Expert or Specialist, when determining a value for a mineral asset, must assess a range of technical issues prior to selection of a valuation methodology. Often this will require seeking advice from a specialist in specific areas. The key issues are:

- geological setting and style of mineralisation
- level of knowledge of the geometry of mineralisation in the district
- results of exploration including geological mapping, costeaning and drilling of interpretation of geochemical anomalies
- parameters used to identify geophysical and remote sensing data anomalies
- location and style of mineralisation identified on adjacent properties
- appropriate geological models

- mining history, including mining methods
- location and accessibility of infrastructure
- milling and metallurgical characteristics of the mineralisation

In addition to these technical issues the Independent Expert needs to make a judgement about the market demand for the type of property, commodity markets, financial markets and stock markets. The technical value of a property should not be adjusted by a "market factor" unless there is a marked discrepancy between the technical value and the market value. When this is done the factor should be clearly identified.

Where there are identified Ore Reserves it is appropriate to use financial analysis methods to estimate the net present value ("NPV") of the properties. This technique (the DCF Method) has deficiencies, which include assessment of only a very narrow area of risk, namely the time value of money given the real discount rate, and the underlying assumption that a static approach is applicable to investment decision making, which is clearly not the case.

When assessing value of exploration properties with no identified Ore Reserves it is inappropriate to prepare any form of financial analysis to determine the net present value. The valuation of exploration tenements or licences, particularly those without identified resources, is highly subjective and a number of methods are appropriate to give a guide as discussed below.

All of these valuation methods are relatively independent of the location of the mineral property. Consequently the valuer will make allowance for access to infrastructure etc when choosing a preferred value. It is observed that the Prospectivity Exploration Multiplier ("PEM") is heavily based on the expenditure; while the Geoscience Factor is more heavily based on opinions of the prospectivity hence tenements can have marked variation in value between the methods. If the Geoscience Factor assessment is high and the PEM is low it indicates effective well focused exploration, if the Geoscience Factor is low and the PEM high it suggests that the tenement is considered to have lower prospectivity.

Truly Comparable Transactions are rare for early stage properties without defined drill targets. This is natural in a recession, as companies focus on brownfields exploration. Inflated prices paid for property in fashionable areas should not be discounted because they reflect the true market value of a property at the transaction date. If however, the market sentiment is not so buoyant then adjustments must be made.

Methodologies commonly used for the valuation of early stage or exploration assets in order of the evidentiary value provided by each include:

Contemporaneous transactions in the asset

Where a transaction has taken place around the valuation date in the mineral asset in question, this provides the best evidence of value. This may occur when a body of mineralisation or confined geological domain is split by a tenement boundary and one part is sold.

If a property in the recent past was the subject of an arms-length transaction, for either cash or shares (i.e. from a company whose principal asset was the mineral property) then this forms the most realistic starting point, provided that the deal is still relevant in today's market. Complicating matters is the knowledge that properties rarely change hands for cash, except for liquidation purposes, estate sales, or as raw exploration property when sold by an individual prospector, or entrepreneur.

Any underlying royalty or net profits interests or rights held by the original vendor of the claims should be deducted from the resultant property value before determination of the company's interest. Also, reductions in value should be made where environmental, legal or political sensitivities could seriously retard the development of exploration properties.

It should be noted again that exploration is cyclical, and in periods of low metal prices there is often no market, or a market at very low prices, for ordinary exploration acreage (inventory property) unless it is combined with a significant mineral deposit, or with other incentives.

DCF value

Where a financial model has been prepared which considers the exploration results to date, the costs involved in taking the project to production and the probability-weighted returns expected from the project, in the absence of a contemporaneous transaction in the actual exploration interest, this provides the best evidence as to the value of the exploration interest. This method requires that a reasonable estimate can be made of expected cash flows. In accordance with the JORC Code 2012, the estimation of an Ore Reserve must be based on a Pre Feasibility Study or a Feasibility Study. The DCF Method, therefore, is only possible then these studies are available and an Ore Reserve has been estimated. ***(DCF Method – see below)***

Contemporaneous transactions in comparable assets

Where a transaction has taken place recently in an Asset of similar prospectivity in a similar or comparable mineral market, this provides evidence of value in the absence of an actual transaction or a financial model for the exploration interest. The comparison is typically made on the basis of a value per unit of contained resource. ***(Comparable Transactions Method – see below)***

Potential for Further Discoveries

The Geoscience Factor method provides the most appropriate approach to utilise in the technical valuation of the *exploration potential* of mineral properties on which there are no defined resources. Kilburn, a Canadian mining engineer was concerned about the haphazard way in which exploration tenements were valued. He proposed an approach that essentially requires the valuer to justify the key aspects of the valuation process in a systematic and defendable manner. The valuer must specify the key aspects of the valuation process and must specify and rank aspects that enhance or downgrade the intrinsic value of each property. The intrinsic value is the base acquisition cost ("BAC"), which is the average cost incurred to acquire a base unit area of mineral tenement and to meet all statutory expenditure commitments for a period of 12 months. Different practitioners use slightly differing approaches to calculate the BAC and its use with respect to different tenement types.

The Geoscience Factor method systematically assesses and grades four key technical attributes of a tenement to arrive at a series of multiplier factors. The multipliers are then applied serially to the BAC of each tenement with the values being multiplied together to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The successful application of this method depends on the selection of appropriate multipliers that reflect the tenement prospectivity. Furthermore, there is the expectation that the outcome reflects the market's perception of value, hence the application of the market factor. ***(Geoscientific Factor Method – see below)***

Past Expenditure

Where the other methods cannot be used, a valuer could also consider *previous exploration expenditure*, and apply a multiple to this based on its effectiveness and the valuer's judgment as to the prospectivity of the project based on the results as at the valuation date. The application of this method is very subjective, and is best used for very early stage exploration interests without resources or significant drilling results. ***(Prospectivity Enhancement Method – see below)***

Yardstick (Rule of Thumb) Method

A Rule-of-Thumb method sometimes used for valuing Mineral Assets without identified Resources is based upon conversion of comparable sales data to a unit area (per km^2 or per ha). It is probably the most difficult comparative tool to justify.

Share market trading in companies holding comparable exploration interests

Where information on the exploration tenements is not directly observable, valuers sometimes consider the recent share market trading in companies holding comparable exploration interests. This method may require the valuer to apportion the value of the company between its various assets, to determine the proportion of the enterprise value of the company that should be attributed to the comparable exploration interest. Once the valuer has estimated the proportion of the market capitalization or enterprise value of the company that should be attributed to the comparable exploration interest, the value per unit of contained resource or the value per km^2 of tenement approaches can be applied. This typically provides weak evidence of the value of specific exploration interests due to the difficulty in apportioning the enterprise value of a listed company to specific exploration interests, and the likelihood that the share price may include other 'noise' unrelated to the exploration interest.

Market Capitalisation (MCap) and Enterprise Value (EV: Mcap + Debt – Cash) are often used in comparable transaction valuations, often quoted as EV per unit of Resource or reserve. These measures say *nothing* about the technical value of individual mineral assets and are usually influenced by many commercial and emotional factors both within and external to the Company.

It is fair to assume that a company's share price is a reflection of the market value of the company and this is strongly influenced by the market value of mineral assets in the light of current market conditions. If a 'willing but not anxious buyer' were to make an offer for the company based on share price, appropriate due diligence has been completed and the offer may also include a premium for control.

MCap per unit and EV per unit for peer group companies may be a satisfactory measure of 'reasonableness' of the market value of the bundle of assets and should be viewed in that light and not as a direct measure of technical value.

Valuation of Development Projects by Discounted Cash Flow Methods

Agricola believes that the Discounted Cash Flow/Net Present Value method should never be applied to the valuation of a Mineral Property that is only at an exploration stage, based on the hypothetical cash flows from a postulated exploitation scenario. Valuers tend to consider before or after tax values only in the context of the DCF/NPV Method, with a general preference for determinations of after-tax value.

Of course, some owners can use tax losses and structure their affairs to minimise the impact of corporate taxes, but others cannot do so. Hence, it should be clearly stated on what taxation basis the fair market value is determined. This is another reason why care must be taken when using project sales data as a comparable basis for assessing value. The 'comparable' projects may be in different places subject to different taxation regimes, in any event.

Discounted cash flow analysis

A discounted cash flow ("DCF") analysis determines the Technical Value of a project by approximating the value if it were developed under the prevailing economic conditions.

Once a Mineral Resource has been assessed for mining by considering revenues and operating costs, the economically viable component of the resource becomes the Ore Reserve. When this is scheduled for mining, and the capital costs and tax regime are considered, the net present value ("NPV") of the project is established by discounting future annual cash flows using an appropriate discount rate.

The resulting 'classical' NPV has several recognised deficiencies linked to the fact that the approach assumes a static approach to investment decision making, however the NPV represents a fundamental approach to valuing a proposed or on-going mining operation and is widely used within the mining industry.

In terms of cash flow analysis, the DCF valuation technique is the most commonly used valuation tool. The technique has specific strengths over the methods considered in the market and cost approaches. These include its ability to consider the effects of royalties, leases, taxation and financial gearing on the resulting cash flow. In addition, the beneficial impact of unredeemed capital balances, assessed losses, depreciation and amortization on free cash flows can also be modelled.

Compiling cash flows on resources categorized as inferred, or those with even less geoscientific confidence (which in some cases are referred to as inventory), is prohibited by some international codes. It is only under exceptional circumstances that many securities exchanges will accept such cash flows and the effect of cash flow contributions from inferred resources on project performance should be demonstrated separately from those derived from other resource and reserve categories.

The DCF method is used to produce numerous quantitative results. On its own and as an investment tool, it is based on the principle that for any initial investment, the investor will look to the future cash flows of that entity to provide a minimum return. This return will be at least a predetermined return over the investor's hurdle rate for that investment. The hurdle rate represents the minimum return of a project, below which the decision to invest or develop a new project will be negative, and above which the project will be developed. The hurdle rate should always be greater than the cost of capital for the investor.

For a mining project, in a macroeconomic environment that is sufficiently favourable and stable for this method to be applied, the critical input data will generally be incorporated in a life of mine (LoM) plan. The LoM plan, such as that accompanying a pre-feasibility, feasibility or a bankable feasibility study, will include:

➢reserve and resource estimates in accordance with the JORC Code

➢forecast mining schedules of tonnage on a daily, monthly or annual basis

➢forecast grade profiles and associated recoveries from a processing facility. This, together with the tonnage profile, allows the valuer to calculate the volume of saleable product

➢ estimated working costs, preferably unitized to either an amount per tonne mined or milled or an amount per unit of metal or product sold

➢forecast capital expenditure profiles over the life of the operation, including ongoing or sustainable capital expenditure amounts and

➢rehabilitation liabilities or trust fund contributions, retrenchment costs, plant metal lock-up and any other specific factor that will impact on costs or revenue.

Changes in working capital balances are generally calculated based on historical balance ratios, applied to forecast revenues and working costs. They impact on short term cash flows and therefore must be modelled into the cash flows. Naturally, any working capital locked up during the life of the operation will be released at the end of this life.

Once the economic inputs have been assumed, the DCF can be determined. This is often stated as EBITDA (Earnings before Interest, Taxation, Depreciation and Amortisation) and is frequently taken as the technical value of the project, subject to a consideration of sensitivity to the assumptions.

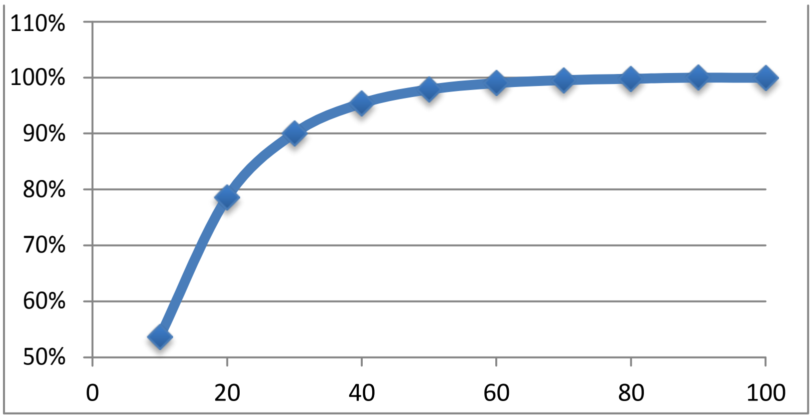
The resultant cash flow is then used to derive the net present value (NPV) of the operation at a predetermined discount rate or a range of discount rates. The derived NPV, on which the return on investment can be calculated, is used as a proxy for the operation's implicit value. This is often compared with the value or returns the market attributes to the operation, if it is a listed entity, or compared with other investment opportunities in order to optimize investment or development schedules.

In any cash flow determination, the impact of inflation on the final result cannot be overstated. One only has to consider the effect of taxation as applied to real taxable income as opposed to being levied against nominal taxable income. Converting the final cash flows to real money terms, the values derived from two similar cash flows will be quite different. The unredeemed capital balance will last longer in the real terms case, incorrectly enhancing the value of the same project. The real cash flow lines in Table X must be compared to recognize the impact of taxation on real and nominal cash flows.

As a result of the difficulty in obtaining agreement on appropriate inflation forecasts to use in the specific valuation of a project, valuers often exclude a forecast on inflation rates. This in itself may be construed as an inflation assumption, in that inflation is taken to be zero per cent per year. However, this reflects an ideal world, which is unrealistic.

The resulting 'classical' NPV has several recognised deficiencies linked to the fact that the approach assumes a static approach to investment decision making, assumption into the future which cannot be verified with any confidence and limited mine life. However the NPV represents a fundamental approach to valuing a proposed or on-going mining operation and is widely used within the mining industry.

As example of the shortcomings of the DCF Method a conceptual cash flow was modeled and NPV estimated at 8% over different time periods with the following outcome over 100 years:



Percent of maximum *NPV from 10 to 100 years.*

The estimated NPV reached a maximum value in 60 years and no amount of future income adds to this value.

Valuation of Resources by Comparable Transactions

When only a resource or defined body of mineralisation has been outlined and its economic viability has still to be established (i.e. there is no ore reserve) then a **Comparable Transactions** approach is usually applied, often stated as a percentage of metal value. This can be applied to Mineral Resource estimates and Exploration Targets in accordance with the JORC code with appropriate discounts for risk in the different Mineral Resource categories and operational factors to differentiate between deposits.

Agricola Mining Consultants prefers the comparable transactions approach where mineral resources have been estimated. The DCF method is inappropriate because there is no Pre Feasiblity or Feasibility Study available and no Ore Reserves has been (or can be) estimated under the JORC Code. The Geoscientific Factor method (potential for further discoveries) and Past Expenditure methods are appropriate for exploration ground that is not advanced enough to estimate mineral resources. The contemporaneous transactions over adjacent ground may be appropriate but the absence of such information the only viable method (in Agricola's opinion) is to compare the sale of other deposits on a 'dollar per unit' basis for the mineral resource estimated in accordance with the JORC Code. Agricola is not aware of a method to cross check the valuation for the technical value (as apposed to the Market value) under these circumstances except by comparison with earlier valuations.

With metal projects the Comparable Transactions method requires allocating a dollar value to resource tonnes or ounces in the ground. The dollar value must take into account a number of aspects of the resources including:

- The confidence in the resource estimation (the JORC Category)
- The quality of the resource (grade and recovery characteristics)
- Possible extensions of the resource in adjacent areas
- Exploration potential for other mineralisation within the tenements
- Presence and condition of a treatment plant within the project
- Proximity of infrastructure, development and capital expenditure aspects

This approach can be taken with metals or bulk commodities sold on the spot market and where current price can be estimated with appropriate adjustments for impurities if required. Value is estimated as a percentage of contained value by applying appropriate discounts for uncertainty relating to resource categorisation and operational issues (modifying factors) discount factors to the contained value. This is consistent with the JOC Code relating to contained values

JORC Code clause 51, page 24

The publication of in situ or 'in ground' financial valuations breaches the principles of the Code (as set out in Clause 4) as the use of these terms is not transparent and lacks material information. It is also contrary to the intent of Clause 28 of the Code. Such in situ or in ground financial valuations must not be reported by companies in relation to Exploration Results, Mineral Resources or deposit size.

The use of such financial valuations (usually quoted in dollars) has little or no relationship to economic viability, value or potential returns to investors.

These financial valuations can imply economic viability without the apparent consideration of the application of the Modifying Factors, (Clause 12 and Clauses 29 to 36), in particular, the mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, and governmental factors.

The contained value is modified for the JORC resource category on the basis the Measured Resources will command a higher price than Inferred Resources or Exploration targets. Different operational issues have been considered to do with the individual projects. This might include higher discounts for stranded iron ore deposits, underground versus open cut mining for gold and base metals, processing difficulty, high operating and capital costs transport issues and marketing.

There is a wide variety of things to consider but to bring this down to something manageable and this has been condensed this into a single table. These discounts or modifying factors can be combined with the spread of values from the gold sales database (the AAC) to give an indication of what a purchaser would be prepared to pay for a particular mineral asset.

Resource Category Discounts	
Measured Resource	80%
Indicated Resource	70%
Inferred Resource	60%
Exploration Target	45%

An example of appropriate discounts for operational factors is included below but these must be considered on a case-by-case basis.

Modifying Factors	Base Metals	Iron Ore	Coal	Gold	Rare Earths
Recovery	75%	75%	70%	95%	60%
Mining	75%	90%	75%	90%	100%
Processing	80%	70%	70%	95%	50%
Rail	80%	90%	70%	95%	75%
Port	80%	90%	50%	100%	90%
Capex	80%	70%	75%	90%	50%
Marketing	75%	80%	75%	100%	75%
Total Operating Discount	17%	21%	7%	69%	7%

Mergers and Acquisitions Activity

A recent review of Mergers and Acquisitions over the last eight years covering the mining boom, the GFC and the recovery phase of the Mining Market indicates the price paid for gold assets.

Merger and Acquisitions Activity (CAD)										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Gold Price	$700	$785	$1,021	$1,081	$1,311	$1,488	$1,552	$1,195	$1,290	$1,387
Producing Assets*	$74	$94	$115	$89	$207	$202	$200	$121	$120	$138
Percent of Price	10.57%	11.98%	11.26%	8.23%	15.78%	13.57%	12.88%	10.12%	9.30%	9.95%
Exploration Assets*	$54	$28	$31	$29	$71	$90	$47	$23	$17	$16
Percent of Price	7.71%	3.57%	3.04%	2.68%	5.41%	6.05%	3.03%	1.92%	1.32%	1.15%

*Estimated price paid per ounce of gold in the ground, updated December 31, 2015

Source: http://www.ibkcapital.com/capital-market-highlights/merger-acquisition-activity/

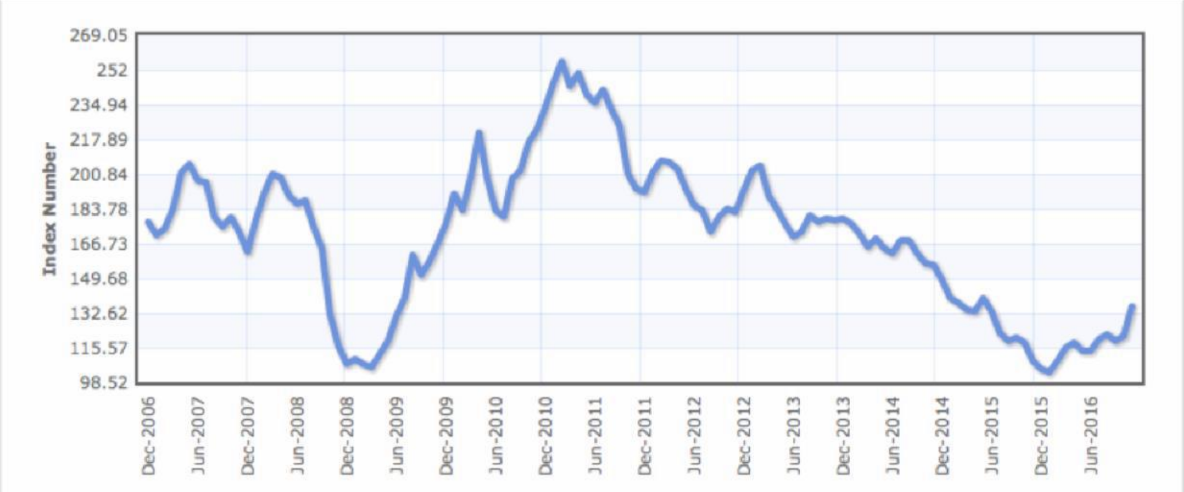
The information is based on Canadian experience and closely replicates values reported in Australia and similar metal markets elsewhere. The 'Apparent Acquisition Cost' ("AAC") for gold projects lies in the range of 1.5% to 7.6% of the gold price at the time. The data set does not differentiate between resource categories or variations in deposits type and individual assessment. It is implicit that this has been taken into account with risk related discounts. Information on sales internationally has shown a pattern for AAC. For the purpose of valuation the Average Acquisition Cost for the lower, preferred and higher value is selected at the 25th, 50th and 75th percentiles of the spread of values.

AAC Percentiles 2006 - 2015 - Exploration Assets					
Percentile	10%	25%	50%	75%	90%
AAC	1.28%	1.75%	3.10%	5.10%	5.89%
AAC Percentiles 2006 - 2015 - Producing Assets					
Percentile	10%	25%	50%	75%	90%
AAC	8.06%	9.36%	11.20%	12.40%	13.05%

The AAC method percentiles are derived from Canadian Merger and Acquisitions activity in the gold industry. The original database provided $/ounce values for producing and non-producing asset sales for a period of years and Agricola has recalculated this as a percentage of metal value so it can be related to current metal prices in other metals. The quoted prices are based on enterprise value (EV - Market Capitalisation plus debt minus cash) so they cannot be directly compared to technical value. A "top-down" approach is often taken to determine technical vale (for example for stamp duty assessment) where company specific elements such as cash, debt, goodwill, database value etc ate deducted from the EV. Agricola prefers a "bottom-up" approach in this Report where discount factors for resource category and operating factors are assessed for each deposit.

This, of course, is a subjective decision and AAC percentiles are used in conjunction with the resource category discounts and operational factors to "normalise' the rates for gold acquisitions to other metals. In the absence of a useful database of project sales for other metals this is considered to be a reasonable proxy for sales in most metal projects (the combination of AAC, discounts and Operational factors). Mineral asset sales are related to the current mineral price (or contained value) which is provided by the M & A database over the period 2006 - 2013 through a period of boom and bust and the valuation method is realistic when adjusted by factors that relate specifically to the metal involved and more specifically to the individual deposits.

Sensitivity to Metal Price



Description: Commodity Metals Price Index, 2005 = 100, includes Copper, Aluminum, Iron Ore, Tin, Nickel, Zinc, Lead, and Uranium Price Indices

Average for the period Dec 2006 - Nov 2016 is 170.75, Source: Indexmundi.com

Valuation of mineral resources is estimated at a specific date as stated in the report and metal prices are estimated from current information available at that time. Metal markets may be quite volatile from time to time and it is appropriate to consider the effect of variations in metal price (which may change on a daily basis).

The chart represent the Commodity Metal Price index over the last fifteen years and shows a marked decline in 2008/09 (GFC) and a similar decline in recent years.

There is an obvious need for reassessment of value if there is a significant change in metal/oxide prices.

Geoscience Factor Method

The Geoscience Factor method attempts to convert a series of scientific opinions about a subject property into a numeric evaluation system. The success of this method relies on the selection of multiplying factors that reflect the tenement's prospectivity.

Agricola Mining Consultants prefers the Geoscientific Factor method (potential for further discoveries) for exploration ground that is not advanced enough to estimate mineral resources. The contemporaneous transactions over adjacent ground may be appropriate but the absence of such information the only viable method (in Agricola's opinion) is to compare the sale of other deposits on a 'dollar per unit' basis for the mineral resource estimated in accordance with the JORC Code. Agricola uses Past Expenditure and yardstick (Rule of Thumb) methods as an appropriate way of cross checking the reasonableness of the valuation.

The Geoscience Factor method is essentially a technique to define a value based on geological prospectivity. The method appraises a variety of mineral property characteristics:

- location with respect to any off - property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies;
- location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor (grade) of any mineralisation known to exist on the property being valued;
- geophysical and/or geochemical targets and the number and relative position of anomalies on the property being valued;
- geological patterns and models appropriate to the property being valued.

It is recognised that application of this method can be highly subjective, and that it relies almost exclusively on the geoscience ratings adopted by the valuer. As such, it is good practice for valuers using this method to provide sufficient discussion supporting their selection of the various multiplying factors to allow another suitably qualified geoscientist to assess the appropriateness of the factors selected.

The successful application of this method depends on the selection of appropriate multipliers that reflect the tenement prospectivity. Furthermore, there is the expectation that the outcome reflects the market's perception of value, hence the application of the market factor. Agricola Mining Consultants prefers the Geoscience Factor approach because it endeavours to implement a system that is systematic and defendable. It also takes account of the key factors that can be reasonably considered to impact on the exploration potential. The keystone of the method is the BAC, which provides a standard base from which to commence a valuation. The acquisition and holding costs of a tenement for one year provides a reasonable, and importantly, consistent starting point. Presumably when a tenement is pegged for the first time by an explorer the tenement has been judged to be worth at least the acquisition and holding cost.

It may be argued that on occasions an EL may be converted to a ML expediently for strategic reasons rather than based on exploration success, and hence it is unreasonable to value such a ML starting at a relatively high BAC compared to that of an EL.

It has also been argued that the method is a valuation-by-numbers approach. In Agricola's opinion, the strength of the method is that it reveals to the public, in the most open way possible, just how a tenement's value was systematically determined. It is an approach that lays out the subjective judgements made by the valuer.

Area

The area of a tenement is usually stated in terms of square kilometres as a matter of convenience and cosistency. A graticular boundary (or block) system was introduced for exploration licences in mid 1991 in W.A. and a block is defined as one minute of latitude by one minute of longitude. The square kilometres contained within a block varies from place to place. For instance, at Kunnanurra (Latitude 15 deg. S) one block equals 3.31 square kilometres, at Mt Isa (Latitude 20 deg. S) one block equals 3.22 square kilometres. at Carnarvon or Bundaberg (Latitude 25 deg. S) one block equals 3.11 square kilometres and at Albany or Adelaide (Latitude 35 deg. S) one block equals 2.81 square kilometres.

Prospecting Licences and Mining Leases are granted in Hectares (100 hectares equals one square kilometre.

Basic Acquisition Cost

The Basic Acquisition Cost ("BAC") is the important input to the Geoscience Factor Method and it is estimated by summing the annual rent, statutory expenditure for a period of 12 months and administration fees for a first stage exploration tenement such as an Exploration Licence(the first year holding cost).

The notes are general in nature and references to Western Australia are an example of exploration expenditures. they are appropriate for other states and other countries based on Agricola's experience in many areas of Australia and elsewhere.

The current holding cost for exploration projects is considered to be the average expenditure for the first year of the licence tenure. Exploration Licences in Western Australia, for example, attract a minimum annual expenditure for the first three years of $300 per square kilometre per year with a minimum of $20,000 and annual rent of $46.80. A 15% administration fee is taken into account to imply a holding cost of $400 per square kilometre. A similar approach based on expenditure commitments could be taken for Prospecting Licences and Mining Leases (effective 1 July 2014). The Benchmark minimum expenditure for Exploration Licences in the Northern Territory is $10,000 plus $150 per block.

The BAC was originally based on calculations of exploration expenditures and other costs for Western Australia. Agricola's experience has confirmed this range to be appropriate for other parts of the world where exploration or valuations have been carried out.

Many overseas jurisdictions do not specify a minimum expenditure commitment but require that sufficient work be completed in the first year to allow granting of the tenement into the second year. This usually requires preparation of a report with results of exploration carried out. For example with a grass roots portfolio 500 square kilometres in the first year the expenditure (BAC) would be $200,000 to $225,000 which is appropriate for early work of desktop studies, field visits rock chip sampling and general research. Agricola believes an Australian company would consider this reasonable for the first phase of work in any country.

A company may well choose to spend more than that and budgets of $0.5 to $1.0 million are not uncommon but these budgets are usually based on significant previous encouragement such as scout drilling, aeromagnetic targets etc. The BAC is designed for grass roots projects where no earlier work is available and only regional selection information is available.

Where the Company in earlier work programs has received encouragement from earlier work then that aspect is addressed in the geofactors, which tend to upgrade the BAC based on earlier results and perceived prospectivity.

In Western Australia (from February 2006), an application for a Mining Lease required either a mining proposal or a statement describing when mining is likely to commence; the most likely method of mining; and the location, and the area, of land that is likely to be required for the operation of plant, machinery and equipment and for other activities associated with those mining operations. A mineralisation report is also required that has been prepared by a qualified person.

The mineralisation report must be completed by a qualified person and shall contain information of sufficient standard and detail to substantiate, to the satisfaction of the Director Geological Survey, that significant mineralisation exists within the ground applied for. A 'qualified person' means a person who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG). Significant mineralisation means a deposit of minerals located during exploration activities and that there is a reasonable expectation that those minerals will be extracted by mining operations.

The implication of the mineralisation report suggests that Mining leases should be valued on the body of significant mineralisation (usually a Mineral Resource estimated in accordance with the JORC Code) and not on the basis of prospectivity. The preferred method for valuing resources is by comparable transactions (Market Based).

The Mineral Resources are assumed to encapsulate all the value for the tenements or prospects on which they occur and the exploration results considered for the estimate. A separate value for exploration potential for this tenement is not considered warranted.

It is recognised that further exploration potential may exist within the tenement boundaries but when a mineral resource has already been estimated in accordance with the JORC Code a hypothetical willing but not too anxious purchaser would be unlikely to consider additional value for surrounding untested ground. The possibility of undrilled extensions to mineral resources may be considered in the market factor assessment.

Mining Leases granted prior to 2006 and Prospecting Licences may not have a mineralisation report available and may cover old workings or simply an expedient or strategic method of securing ground at the expiry of an Exploration Licence rather than based on exploration success. While these Licences carry all the obligations set out in the Mining Act, from a valuation point of view they are equivalent to Exploration Licences and it is unreasonable to value such these MLs (or PLs) starting at a relatively high holding cost compared to that of an EL where only exploration results are available. These tenements should be considered on the basis of a **BAC of $400 to $450**. To value these areas at the higher levels may not be considered to be reasonable under the VALMIN Code.

Tenement Status

Uncertainty may exist where a tenement is in the application stage. Competing applications may be present where a ballot is required to determine the successful applicant or Native Title issues and negotiations may add to the risk of timely grant. Other issues may also be present such as state parks or forestry and wildlife reserves, competing land use and compensation agreements. There is an inherent risk that the tenement may not be granted and this needs to be recognised in the base value assessment. A 'grant factor' of zero may be applied where there is no realistic chance of approval (e.g. sacred sites) and where no significant impediments are known the factor may increase to about 60% to reflect delays and compliance with regulations.

Equity

The equity a Company may hold in a tenement through joint venture arrangements or royalty commitments may be addressed in assessing base Value but it is often considered at the end of a valuations report.

Geoscience Factors

The multipliers or ratings and the criteria for rating selection across these four factors are summarised in the following table.

GEO-FACTOR RATING CRITERIA - GUIDELINES					
	Rating	**Address - Off Property**	**Mineralisation - On Property**	**Anomalies**	**Geology**
Low	0.5	Very little chance of mineralisation, Concept unsuitable to environment	Very little chance of mineralisation, Concept unsuitable to environment	Extensive previous exploration with poor results - no encouragement	Unfavourable lithology over >75% of the tenement
	0.75				Unfavourable lithology over >50% of the tenement
Average	1	Indications of Prospectivity, Concept validated	Indications of Prospectivity, Concept validated	Extensive previous exploration with encouraging results - regional targets	Deep alluvium Covered favourable geology (40-50%)
	1.5	RAB Drilling with some scattered results	Exploratory sampling with encouragement, Concept validated	Several early stage targets outlined from geochemistry and geophysics	Shallow alluvium Covered favourable geology (50-60%)
	2	Significant RC drilling leading to advance project status	RAB &/or RC Drilling with encouraging intercepts reported	Several well defined surface targets with some RAB drilling	Exposed favourable lithology (60-70%)
	2.5	Grid drilling with encouraging results on adjacent sections	Diamond Drilling after RC with encouragement	Several well defined surface targets with encouraging drilling results	Strongly favourable lithology (70-80%)
High	3	Resource areas identified	Advanced Resource definition drilling - early stage	Several significant subeconomic targets - no indication of volume	Highly prospective geology (80 - 100%)

	3.5	Along strike or adjacent to known mineralisation at Pre-Feasibility Stage	Resource areas identified	Subeconomic targets of possible significant volume - early stage drilling	

The selection of factors from the table must be tempered with an eye to the reasonableness of the outcome and an awareness of the inherent exploration risks in achieving progress to the next level. Some exploration licences are overly large and may cover several domains of prospective (or entirely unprospective) ground and this should be recognised in the Geology Factor. A conservative approach is considered mandatory.

Estimate of project value is carried out on a tenement-by-tenement basis and uses four calculations as shown below. The value estimate is shown as a range with a preferred value.

Base Value = [Area][Grant Factor]*[Equity]*[Base Acquisition Cost]*
Prospectivity Index = [Off Site Factor][On Site Factor]*[Anomaly Factor]*[Geology Factor]*
Technical Value = [Base Value][Prospectivity Index]*
Market Value = [Technical Value][Market Premium/Discount Factor]*

Prospectivity Enhancement Multiplier ("PEM")

Various valuation methods exist which make reference to historical exploration expenditure. One such method is based on a 'multiple of historical exploration expenditure'. Successful application of this method relies on the valuer assessing the extent to which past exploration expenditure is likely to lead to a target resource being discovered, as well as working out the appropriate multiple to apply to such expenditure.

Another such method is the 'appraised value method'. When adopting this approach, the valuer should only account for meaningful past exploration expenditure plus warranted future expenditures. Warranted future expenditures reflect a reasonable and justifiable exploration budget to test the identified potential of the target.

PEM Factors Used in this valuation method

PEM Range	Criteria
0.2 – 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5 – 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 – 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3 – 1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical)
1.5 – 2.0	Scout Drilling has identified interesting intersections of mineralisation
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest.
2.5 – 3.0	A resource has been defined at Inferred Resource Status, no feasibility study has been completed
3.0 – 4.0	Indicated Resources have been identified that are likely to form the basis of a prefeasibility study
4.0 – 5.0	Indicated and Measured Resources have been identified and economic parameters are available for assessment.

When historical expenditure approaches are adopted, it is good practice for valuers to provide full transparency in relation to all historical exploration expenditure on the subject property, details of those expenditures selected for use in the method (including details in relation to warranted future expenditures), and justification for any multiples applied.

Past expenditure on a tenement and/or future committed exploration expenditure can establish a base value from which the effectiveness of exploration can be assessed. Where exploration has produced documented results, a PEM can be derived which takes into account the valuer's judgment of the prospectivity of the tenement and the value of the database.

Future committed exploration expenditure is discounted to 60% by some valuers to reflect the uncertainty of results and the possible variations in exploration programmes caused by future undefined events. Expenditure estimates for tenements under application are often discounted to 60% of the estimated value by some valuers to reflect uncertainty in the future granting of the tenement. The PEM Factors are defined in the table.

Yardstick (Rule of Thumb) Method

A Rule-of-Thumb method sometimes used for valuing Mineral Assets without identified Resources is based upon conversion of comparable sales data to a unit area (per km^2 or per ha). It is probably the most difficult comparative tool to justify. This Method has found greater acceptance in North America, where tenement sizes appear to be smaller and where there are many more transactions forming a deep and liquid market than elsewhere. In addition, dealing in tenements is not discouraged by the mining legislation, especially in the US with its historic focus on property rights. It is used in Canada and Australia, though to a much lesser extent.

In Australia, many State jurisdictions grant large exploration tenements (say 300km2 maximum) on a graticular block system. This means a tenement is usually larger than geometrically necessary to cover the specific geologically prospective terrane. Also, most jurisdictions here require periodic significant reductions in the tenement’s size, so it is common to apply for more area than is actually needed to provide for this obligatory reduction. The sale of exploration tenements to third parties is discouraged (although sales, particularly if interests, certainly occur) because the basis of grant is that the applicants will carry out the granted tenement’s exploration obligations themselves. The State sees itself as the centralised, timely distributor of exploration rights, not the free market.

That said, some valuers still attempt to use this Rule-of-Thumb (based upon area) in Australia with an emphasis on market value. A review of technical value (which is not influenced by market conditions) of exploration areas carried out by Agricola over the last few years suggests that ground without resources can be categorized as a matter of convenience into four groups:

- Advanced exploration areas located in a well mineralised area near existing mineral deposits with significant potential attract values well above $2000 per square kilometre
- Exploration areas along strike or structurally related to estimated mineral resources. Such areas attract values in the range $1200 to $2000 per square kilometre.
- Exploration areas in known mineral fields. Such areas attract values in the range of $700 to $1300 per square kilometre.
- Exploration areas in green fields or early exploration domains remote from mineral resources. Such areas attract values in the range of $400 to $800 per square kilometre.

Adjustments to the Technical Value – Market Value

Mineral Assets are often bought and sold at a price that is different than their technical value or stand-alone value. To the extent that it exists, the amount of the transacted value differs from the technical value is often described as the 'acquisition premium or discount'.

The concept of market value implies the construction of a hypothetical transaction between willing, knowledgeable, but not anxious buyers and sellers. Therefore, when assessing the market value of resource projects, it is likely that valuers will consider whether it is appropriate to make an adjustment to the technical value of the project to reflect any observed 'acquisition premium or discount', or other adjustments. Such adjustments can either be implicit or explicit in the valuation method chosen. However, care should be taken not to treat as acquisition premium or discount something that is properly part of technical value, such as where assumed forward values for commodity prices are reflected in the technical value.

Particularly when valuing early stage exploration and development projects the technical value may be assessed for a project with reference to parameters that may be above or below those present in the financial markets as at the valuation date. Consequently, when applying these exploration valuation methods, it may be appropriate to reflect a series of high level adjustments to the technical value to account for differences in market conditions relative to those embedded within the method itself.

However, other valuation methods (particularly the DCF valuation method) are able to explicitly reflect a series of parameters that may apply to future financial market expectations. This is particularly the case if valuers adopt commodity price, exchange rate, inflation rate, and discount rate parameters, which are forecast with reasonable confidence, and resource to reserve conversion, cost structure and capital expenditure parameters which are consistent with the expectations in the market. Doing so will limit the need to make further adjustments to the resulting stand alone value to account for such factors as 'market considerations'.

To the extent that valuers choose to apply further adjustments to their assessed stand alone value, it is good practice to clearly identify how they have applied the adjustments are applied, and the rationale for doing so.

Agricola has reviewed alternative comparative valuation methods as set out in Regulatory Guide 111: Content of expert reports (RG 111) at RG 111.65, which considers that "an expert should, where possible, use more than one valuation methodology. We consider this reduces the risk that the expert's opinion is distorted by its choice of methodology. We also consider that an expert should compare the figures derived from using the different methodologies and comment of any differences".

Agricola considers that the expectation of future gain is the main driver for mineral asset valuation of exploration projects as it endeavours to ascertain the unencumbered price which a willing but not anxious vendor could reasonably expect to obtain and a hypothetical willing but not too anxious purchaser could reasonably expect to have to pay for the property if the vendor and the purchaser had got together and agreed on a price in friendly negotiation (the Spencer Test). The method set out in this report is considered appropriate for valuation of mineral resources.

The acquisition may include many commercial aspects, which do not directly relate to the mineral asset and may not be the same for another independent purchaser

Alternative methods such as Market Capitalisation (MCap) and Enterprise Value (EV) are not prohibited by RG111 to form the basis of comparable transaction analysis both MCap and EV include elements relating to corporate valuation such as cash and debt levels, management skills and reputation and many others which are independent of mineral asset values.

In conclusion, given the state of the market at the valuation date and current events, the best and appropriate method to determine a market value of the mineral assets was in accordance with the recommendations. "Observable market values" currently reflect many distortions that make it difficult to apply a reasonable or appropriate valuation to the relevant assets.

Boom and Bust Markets

Investment in the mining sector is cyclical, and sector valuation fluctuations between boom and bust are evident over time in share prices and index prices for miners. Mining is a capital intensive business, so the cycle is driven by liquidity – the availability of investment funding. Liquidity is the product of sentiment, which swings between greed and fear. While the shape of historic cycles reflected in share prices of miners differs from cycle to cycle, indicators of liquidity follow a similar pattern of evolution through each cycle.

Most recently, the mining sector has experienced a bust that produced sustained share price declines across most of the sector, starting in mid-2011. All busts end, and since mid-2013 there has been strengthening signals that a change in sentiment towards miners is underway.

In 2011, 2012 and most of 2013, miners fell whilst the rest of the equity market was positive. 2014 saw stabilisation in miners' equity performance and in 2015 miners have remained weak, but for the first time this has been against a falling broader market. The correlation between miners and the rest of the market for Australia's ASX200 index (ie Resources vs Industrials) was negative during calendar years 2011-14. Year to date in 2015 the correlation is strongly positive ($r2 = 0.72$), signifying that miners are no longer 'falling out of bed'. Combined with signals from liquidity indicators, there is a very strong sense that the sentiment of a bust is now passed. Although it is too early yet to call the next boom, this shift in sentiment strongly suggests the mining sector is now passing through the base of the cycle.

GLOSSARY OF TERMS

'Minerals Industry' (also Extractive Industry) – Defined as encompassing those engaged in exploring for, extracting, processing and marketing **'Minerals'**.

'Price' – The amount paid for a good or service and it is a historical fact. It has no real relationship with 'Value', because of the financial motives, capabilities or special interests of the purchaser; and the state of the market at the time.

Personal Property – Covers all items other than **'Real Estate'** and may be tangible (like a chattel or goods) or intangible (like a patent or debt). It has a moveable character.

'Real Property' – A non-physical, legal concept and it includes all the rights, interests and benefits related to the ownership of **'Real Estate'** and normally recorded in a formal document (eg, deed or lease). The rights are to sell, lease, enter, bequeath, gift, etc. There may be absolute single or partial ownership (subject to limitations imposed by Government, like taxation, planning powers, appropriation, etc). These rights may be affected by restrictive covenants or easements affecting title; or by security or financial interests, say conveyed by mortgages.

'Real Estate' – A physical concept, including land and all things that are a natural part of the land (eg, trees and Minerals). In addition it includes all things effectively permanently attached by people (eg, buildings, site improvements, and permanent physical attachments, like cooling systems and lifts) on, above or below the ground.

VALUATION AND VALUE

'Value' (also Valuation which is the result of determining 'Value') - The estimated likely future 'Price' of a good or service at a specific time, but it depends upon the particular qualified type of value (eg 'Market Value', 'Salvage Value', 'Scrap Value', 'Special Value', etc). There is also a particular value for tax and rating, or insurance purposes.

'Market Value' (IVS Definition) – The result of an objective Valuation of specific identified ownership rights to a specific asset as at a given date. It is the value in exchange not **'Value-in-Use'** set by the market place. It is the *"estimated amount for which a property should exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently, and without compulsion"*.

'Fair Value' (IVS definition) – An accountancy term used for values envisaged to be derived under <u>any and all conditions</u>, not just those prevailing in an open market for the normal orderly disposal of assets. Being a transaction price it reflects both existing and alternative uses, too. It is also a legal term for values involved in dispute settlements which may not also meet the strict **'Market Value'** definition. Commonly, it reflects the service potential of an asset ie, value derived by DCF/NPV analysis, not merely the result of comparable sales analysis. It is still the *"amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction"*.

'Highest-and-Best-Use' – for physical property, it is the reasonably probable and legal use of property, which is physically possible, appropriately supported and financially feasible, that results in the highest value. In the case of personal property, it is the same with the additional qualification that the highest value must be in the appropriate market place, consistent with the purpose of the appraisal. It may be, in volatile markets, the holding for a future use.

'Value-in-Use' – in contrast to '**Highest-and-Best-Use**', it is the specific value of a specific tangible asset that has a specific use to a specific user. It is not market-related. The focus is on the value that a specific property contributes to the enterprise of which it is a part (being part of a **'Going Concern Valuation'**). It measures the contributory value of a specified asset(s) used within that specific enterprise, although it is not the **'Market Value'** for that individual asset. It is the Value-to-the-Owner/Entity/Business in accountancy terms and may be the lower of net current replacement cost and its recoverable amount. It is also the net present value of the expected future net cash flows from the continued use of that asset, plus its disposal value at the end of its useful life (**'Scrap Value'**). At the **'Valuation Date'**, there must be recognition of its existing use by a particular user. This is in contrast to the alternative reasonable use to which an asset might be put by unspecified owner(s).

'Going Concern Value' – A business valuation concept rather than one relating to individual property valuation. It is the value of an operating business/enterprise (ie one that is expected to continue operating) as a whole and it includes goodwill, special rights, unique patents or licences, special reserves, etc. Apportionment of this total value may be made to constituent parts, but none of these components constitute a basis for **'Market Value'**.

'Forced Sale Value' (Liquidated Value) – The amount reasonably expected to be received from the sale of an asset within a short time frame for completion that is too short to meet the 'Market Value' definition. This definition requires a reasonable marketing time, having taken into account the asset's nature, location and the state of the market). Usually it also involves an unwilling seller and buyers who have knowledge to the disadvantage of the seller.

'Market Capitalization' - The total dollar market value of all of a company's outstanding shares. Market capitalization is calculated by multiplying a company's shares outstanding by the current market price of one share. The investment community uses this figure to determine a company's size, as opposed to sales or total asset figures. Frequently referred to as "market Cap" or MCap

'Enterprise Value - EV' - A measure of a company's value, often used as an alternative to straightforward market capitalization. Enterprise value is calculated as market cap plus debt, minority interest and preferred shares, minus total cash and cash equivalents. In the event of a buyout, an acquirer would have to take on the company's debt, but would pocket its cash. EV differs significantly from simple market capitalization in several ways, and many consider it to be a more accurate representation of a firm's value.

'Market Premium' - A control premium is an amount that a buyer is usually willing to pay over the current market price of a publicly traded company in order to acquire a controlling share in that company. The reason the buyer of a controlling interest is willing to offer a premium over the price currently established by other market participants is the additional prerogatives of control, including electing the company directors, firing and hiring key employees, declaring and distributing dividends, divesting or acquiring additional business assets, and entering into merger and acquisition transactions. The opposite of control premium is the minority discount.

'**Investment Value' (Worth)** – this is the value of a specific asset to a specific investor(s) for identified investment objectives or criteria. It may be higher or lower than 'Market Value' and is associated with 'Special Value'.

'**Property-with-Trading-Potential'** – refers to the valuation of specialised property (eg, hotel, petrol station, restaurant, etc) that is sold on an operating or going concern basis. It recognises that assets other than land and buildings are to be included in the 'Market Value' and it is often difficult to separate the component values for land and property.

'Special Value' – An extraordinary premium over and above the 'Market Value', related to the specific circumstances that a particular prospective owner or user of the property attributes to the asset. It may be a physical, functional or economic aspect or interest that attracts this premium. It is associated with elements of 'Going Concern Value' or 'Investment Value' since it also represents synergistic benefits. In a strict sense it could apply to very specialised or special purpose assets which are rarely sold on the open market, except as part of a business, because their utility is restricted to particular users. In some circumstances, it may be the lower value given by 'Value –in–Use'.

'Salvage Value' – The expected value of an asset at the end of its economic life (ie, being valued for salvage disposal purposes rather than for its originally intended purpose). Hence, it is the value of property, excluding land, as if disposed of for the materials it contains, rather than for its continued use, without special repairs or adaptation.

'Scrap Value' (Residual Value) – The remaining value (usually a net value after disposal costs) of a wasting asset at the end of a prescribed or predictable period of time (usually the end of its effective life) that was ascertained upon acquisition.

'Valuation Date' - Means the reference date to which a Valuation applies. Depending on the circumstances, it could be different to the date of completion or signing of the Valuation Report or the cut-off date of the available data (VALMIN Code,).

'Valuer' (also Valuer [Canada] or Appraiser [USA]) – Either the 'Expert' or 'Specialist' (Qualified Person in Canada) who is the natural person responsible for the Valuation to determine the 'Fair Market Value' after consideration of the technical assessment of the 'Mineral Asset' and other relevant issues. They must have demonstrable 'Competence' (and 'Independence', when required).

JORC CODE

'Competent Person - A 'Competent Person' is a minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation' (RPO), as included in a list available on the JORC and ASX websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking. If the Competent Person is preparing documentation on Exploration Results, the relevant experience must be in exploration. If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent Person is estimating, or supervising the estimation of Ore Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Ore Reserves. (*JORC 2012*)

'Independent/Independence' – Means that the person(s) making the Valuation have no '**Material'** pecuniary or beneficial (present or contingent) interest in any of the **'Mineral Assets'** being assessed or valued, other than professional fees and reimbursement of disbursements paid in connection with the assessment or Valuation concerned; or any association with the commissioning entity, or with the owners or promoters (or parties associated with them) likely to create an apprehension of bias. Hence, they must have no beneficial interest in the outcome of the transaction or purpose of the technical assessment/Valuation of the **'Mineral Asset'** (VALMIN Code). ASIC RG112, which deals with the Independence of Expert Reports, provides more detail on this concept. (*JORC 2012*)

'Exploration results' - Exploration Results include data and information generated by mineral exploration programmes that might be of use to investors but which do not form part of a declaration of Mineral Resources or Ore Reserves. The reporting of such information is common in the early stages of exploration when the quantity of data available is generally not sufficient to allow any reasonable estimates of Mineral Resources. Examples of Exploration Results include results of outcrop sampling, assays of drill hole intersections, geochemical results and geophysical survey results. *(JORC 2012)*

'Exploration Target' - An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. Any such information relating to an Exploration Target must be expressed so that it cannot be misrepresented or misconstrued as an estimate of a Mineral Resource or Ore Reserve. The terms Resource or Reserve must not be used in this context. (*JORC*

2012)

'Inferred Mineral Resource' - An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration**.** (*JORC 2012*)

'Indicated Mineral Resource' - An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve. (*JORC 2012*)

'Measured Mineral Resource' - A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve. (*JORC 2012*)

'Modifying Factors' - are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors**.** (*JORC 2012*)

'Scoping Study' - A Scoping Study is 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. A Scoping Study must not be used as the basis for estimation of Ore Reserves. (*JORC 2012*)

'Pre Feasibility Study' - A Preliminary Feasibility Study (Pre-Feasibility Study) is 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 which 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. (*JORC 2012*)

'Feasibility Study' - A Feasibility Study is 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. (*JORC 2012*)

<u>VALMIN CODE</u>

'Mineral(s)' – Any naturally occurring material found in or on the Earth's crust, that is useful to and/or has a value placed on it by mankind. The term specifically includes coal, shale and materials used in building and construction, but excludes crude oil and natural gas (*VALMIN Code*).

'Mineral Asset(s)' (Resource Assets or Mineral Properties) - All property including, but not limited to 'Real Property', intellectual property, mining and exploration tenements held or acquired in connection with the exploration, the development of and the production from those tenements; together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with those tenements. Most can be classified as 'Exploration Areas', 'Advanced Exploration Areas', 'Pre-Development Projects', 'Development Projects' or 'Operating Mines' (VALMIN Code).

'**Operating Mines'** – Mineral Properties, particularly mines and processing plants, which have been fully commissioned and are in production (VALMIN Code).

'**Development Projects'** – Mineral Properties which have been committed to production, but which are not yet commissioned or not operating at design levels (VALMIN Code).

'Advanced Exploration Areas' and 'Pre-development Projects' – Mineral Properties where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a positive development decision has not been made. Mineral Properties at the early assessment stage, those for which a development decision has been negative, those on care and maintenance and those held on retention titles are all included in this category if Mineral Resources have been identified. This is even if no further valuation or technical assessment work, delineation or advanced exploration is being undertaken (VALMIN Code).

'**Exploration Areas'** – Mineral Properties where mineralisation may or may not have been identified, but where a Mineral Resource has not been identified (VALMIN Code).

'**Fair Market Value'** (Market Value or Value) – The object and result of the Valuation. It is the estimated amount of money (or the cash equivalent of some other consideration) for which the 'Mineral Asset' should change hands on the 'Valuation Date'. It must be between a willing buyer and a willing seller in an 'arm's length' transaction in which each party has acted knowledgeably, prudently and without compulsion. It is usually comprised of two components, the underlying or 'Technical Value' and a premium or discount, relating to market, strategic or other considerations (VALMIN Code,).

'Technical Value' – An assessment of a **'Mineral Asset's'** future net economic benefit at the **'Valuation Date'** under a set of assumptions deemed most appropriate by the **'Valuer'**, excluding any premium or discount to account for market, strategic or other considerations (*VALMIN Code*,).

'Expert' – Means a **'Competent' (**and **'Independent',** where relevant) natural person who prepares and has overall responsibility for the Valuation Report. He/she must have at least 10 years of relevant '**Minerals Industry'** experience, using a relevant **'Specialist'** for specific tasks in which he/she is not **'Competent'**. An **'Expert'** must be a corporate member of an appropriate, recognised professional association having an enforceable Code of Ethics, or explain why not (*VALMIN Code*).

'Specialist' – Means a **'Competent' (**and **'Independent',** where relevant) natural person who is retained by the 'Expert' to provide subsidiary reports (or sections of the Valuation Report) on matters on which the 'Expert' is not personally expert. He/she must have at least 5 years of suitable and preferably recent '**Minerals Industry'** experience relevant to the subject matter on which he/she contributes. A **'Specialist'** must be corporate member of appropriate, recognised professional association having an enforceable Code of Ethics, or explain why not (*VALMIN Code*).

'Material/Materiality' - with respect to the contents and conclusions of a relevant Report, it means data and information of such importance that the inclusion or omission of the data or information concerned might result in a reader of the Report reaching a different conclusion than might otherwise be the case. **'Material'** data (or information) is that which would reasonably be required in order to make an informed assessment of the subject of the Report. The Australian Society of Accountants' Standard AAS5 indicates that **'Material'** data (or information) is such that the omission or inclusion of it could lead to changes in total value of greater than 10% (between 5% and 10% it is discretionary). Also the Supreme Court of New South Wales has stated that something is **'Material'** if it is significant in formulating a decision about whether or not to make an investment or accept an offer (*VALMIN Code*).

'Transparent/Transparency' - as applied to a valuation it means, as in the Concise Oxford Dictionary, "*easily seen through, of motive, quality, etc".* It applies to the factual information used, the assumptions made and the methodologies applied, all of which must be made plain in the Report (*VALMIN Code*).

'Competence' – it means having relevant expertise, qualifications and experience (technical or commercial), as well as, by implication, the professional reputation so as to give authority to statements made in relation to particular matters. (*VALMIN Code*).

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