

# **Symbol Mining Limited**

# **Prospectus**

#### **Public Offer**

For an offer of up to 190,000,000 Shares 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.

# Re-compliance with Chapters 1 and 2

In addition to the purpose of making the Offer, this Prospectus is issued for the purpose of recomplying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the nature and scale of the Company's activities.

# Important notice

This Prospectus is issued by Swala Energy Limited ACN 161 989 546, which will be renamed Symbol Mining Limited upon, and subject to, completion of the Proposed Acquisition. This Prospectus is important and it should be read in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered highly speculative.

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#### IMPORTANT INFORMATION

#### NOTICE

This Prospectus is issued by Swala Energy Limited ACN 161 989 546 (**Company**), which will be renamed Symbol Mining Limited upon, and subject to, completion of the Proposed Acquisition.

This Prospectus is dated 5 July 2017 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

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

Persons wishing to apply for Shares pursuant to the Offers must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for Shares investors should carefully read this Prospectus so that they can make an informed assessment of the rights and liabilities attaching to the Shares, the assets and liabilities of the Company, its financial position and performance, profits and losses, and prospects.

Any investment in the Company should be considered highly speculative. Applicants should read this Prospectus in its entirety and persons considering applying for Shares pursuant to this Prospectus should obtain professional advice.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus. Any such information or representations may not be relied upon as having been authorised by the Directors.

#### **COMPETENT PERSON'S STATEMENT**

Information contained in this Prospectus that relates to exploration results and mineral resources of Symbol Mining 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 Symbol Mining is undertaking, to qualify as an expert and competent person as defined in the VALMIN Code and JORC Code.

Mr Castle consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

#### FOREIGN INVESTOR RESTRICTIONS

The offers of Shares under this Prospectus do not constitute offers in any jurisdiction outside Australia. The Offers are not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. Any persons in such places who come into possession of this Prospectus should seek advice on and comply with any legal restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any regulatory or other consents are required or whether any other formalities need to be considered and followed. See section 10.12 for information on selling restrictions that apply to the Shares in certain jurisdictions outside Australia.

#### PROSPECTUS AVAILABILITY

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the Company's ASX announcement's platform at www.asx.com.au or Symbol Mining's website at www.symbolmining.com.au. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company on +61 8 6211 5099.

#### **EXPOSURE PERIOD**

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Investors should be aware that this examination may result in the identification of deficiencies in this

Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

#### **NO COOLING OFF RIGHTS**

Applicants have no cooling off rights in relation to Shares for which they apply. This means that an applicant is not permitted or entitled to withdraw its application once submitted, other than in certain specified circumstances as detailed in the Corporations Act.

#### **RISKS**

Before deciding to invest in the Company, investors should read the entire Prospectus and in particular, in considering the prospects of the Company, investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered highly speculative. Refer to section 4 for information relating to risk factors.

#### **DISCLAIMER**

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

Certain statements in this Prospectus constitute forward looking statements. These forward looking statements are identified by words such as "may". "could", "believes", "expects", "intends", and other similar words that involve risks and uncertainties. Investors should note that these statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated performance results. implied values. achievements expressed, projected or implied in the statements.

This Prospectus uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information but has taken reasonable care in reproducing it. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those in section 4.

#### **FINANCIAL AMOUNTS**

All references in this Prospectus to "\$", "AUD", "dollars" or "cents" are references to Australian currency unless otherwise stated.

All references in this Prospectus to "USD" or "\$US" are references to the currency of the United States of America.

Any discrepancies between the totals and sums of components in tables contained in this Prospectus are due to rounding.

#### **EXCHANGE RATE**

All amounts in USD that have been converted to AUD in the Investigating Accountant's Report have been converted using Bloomberg's exchange rate as at 31 December 2016 of A\$1 = US\$0.7201. Subject to the foregoing, unless otherwise stated, all amounts in USD that have been converted to AUD in this Prospectus have been converted using the Reserve Bank of Australia's foreign currency exchange rate on 30 June 2017 of A\$1 = US\$0.7692. The Company notes that exchange rates are subject to change. Investors are advised to take this into consideration when considering historical figures in USD that have been converted into AUD using an exchange rate as at a historical date.

#### PHOTOGRAPHS AND DIAGRAMS

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

Diagrams used in this Prospectus are for illustration only and may not be to scale.

#### **DEFINITIONS AND TIME**

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in section 12 or in the Independent Geologist's Report.

All references to time relate to the time in Perth, Western Australia unless otherwise stated or implied.

#### **GOVERNING LAW**

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each applicant submits to the exclusive jurisdiction of the courts of Western Australia.

#### CORPORATE DIRECTORY

#### INTERIM DIRECTORS

Stephen Hewitt-Dutton
Non-Executive Director & Company Secretary

Sean McCormick
Non-Executive Director

John Gilfillan Non-Executive Director

#### PROPOSED DIRECTORS

Andrew Simpson Non-Executive Chairman

Barry Bolitho Non-Executive Director

Ian McCubbing
Non-Executive Director

#### PROPOSED COMPANY SECRETARY

Patrick McCole

#### REGISTERED OFFICE

c/- Trident Capital Pty Ltd Level 24, 44 St Georges Terrace Perth WA 6000

Telephone: +61 8 6211 5099

#### SHARE REGISTRY

Link Market Services Limited Level 12, 250 St Georges Terrace Perth WA 6000

#### **WEBSITE**

www.symbolmining.com.au

#### **ASX CODE**

Existing: SWE

Proposed: SL1

#### CORPORATE ADVISER TO SYMBOL MINING

Argonaut Capital Limited Level 30, 77 St Georges Terrace Perth WA 6000

#### CORPORATE ADVISER TO THE COMPANY

Trident Capital Pty Ltd Level 24, 44 St Georges Terrace Perth WA 6000

# **AUDITOR**

BDO Audit (WA) Pty Ltd 38 Station Street Subjaco WA 6008

#### **INVESTIGATING ACCOUNTANT**

BDO Corporate Finance (WA) Pty Ltd 38 Station Street Subjaco WA 6008

#### INDEPENDENT GEOLOGIST

Malcolm Castle Agricola Mining Consultants Pty Ltd PO Box 473 South Perth WA 6951

# **AUSTRALIAN LEGAL ADVISER**

Price Sierakowski Corporate Level 24, 44 St Georges Terrace Perth WA 6000

# **NIGERIAN LEGAL ADVISER**

Ivory Chambers Plot 576 Independence Avenue Bedside Honda Place Central Business District, Abuja, Nigeria

# LETTER FROM THE BOARD

5 July 2017

Dear Investor

On behalf of the board of directors of Swala Energy Limited (**Company**), I am pleased to present this Prospectus to you.

After entering voluntary administration on 24 June 2016, the Company successfully effectuated its deed of company arrangement on 26 June 2017, giving the Company a fresh start and enabling it to focus on new opportunities.

The Company has since entered into an agreement to move away from its previous activities as an oil and gas explorer to becoming a mineral exploration company through the acquisition of Symbol Mining Corporation Pty Ltd (**Proposed Acquisition**). The Proposed Acquisition was approved by Shareholders at the Company's Annual General Meeting on 22 June 2017.

Symbol Mining is a mineral exploration company which holds 60% interests in 2 base metals projects in Nigeria – the Imperial Project and the Tawny Project – which are prospective for zinc and lead. Symbol Mining holds these interests via incorporated joint venture structures under which it acts as operator. Further details on the Projects are set out in section 3, the Independent Geologist's Report in section 6, and the Legal Tenement Report in section 7.

In order to complete the Proposed Acquisition and fund further exploration on the Projects, the Company is undertaking an offer of Shares to the public under this Prospectus to raise \$5,600,000 to \$7,600,000 before costs. The Offer is made subject to the conditions set out in section 1.3.

Funds raised under the Offer will also be used to pay expenses of the Offer; repay certain debts owed by Symbol Mining and fund general working capital expenses

On completion of the Proposed Acquisition, Stephen Hewitt-Dutton, John Gilfillan and myself, who have acted as caretaker Directors to see the Company through its post-DOCA phase, will step off the Board and Andrew Simpson, Barry Bolitho and Ian McCubbing (**Proposed Directors**) will comprise the new Board as Symbol Mining's nominated Directors. The Proposed Directors collectively have significant expertise and experience in mineral exploration and project development, and are well placed to take the Company forward.

Investors should note that Symbol Mining has not commenced mining operations and is still in its exploration stage. Accordingly, any investment made in the Company should be considered highly speculative. An investment in the Company is subject to risks, including Company specific risks and general risks. Information about certain risks is set out in section 4, which I encourage you to read carefully.

We would like to thank our existing Shareholders for all of their support to date, and we look forward to welcoming new Shareholders who would like to participate in the future of the Company and Symbol Mining.

Yours faithfully

Sean McCormick Interim Director Swala Energy Limited

# **KEY OFFER DETAILS**

Key financial information	Minimum Subscription	Full Subscription
Existing Shares on issue	1,376,288	1,376,288
Shares to be issued under the Public Offer	140,000,000	190,000,000
Issue price per Share	\$0.04	\$0.04
Amount to be raised under the Public Offer (before costs)	\$5,600,000	\$7,600,000
Shares to be issued to the Sellers	199,999,999	199,999,999
Shares to be issued to the Noteholders	61,250,000	61,250,000
Shares to be issued to the Creditor	50,000,000	50,000,000
Shares to be issued to the Corporate Advisers	12,250,000	12,250,000
Shares on issue upon completion of the Offer	464,876,287	514,876,287
Class A Options to be issued to Trident Capital	6,750,000	6,750,000
Class B Options to be issued to Argonaut	20,000,000	20,000,000
Indicative market capitalisation upon completion of the Offer <sup>1</sup>	\$18,595,051	\$20,595,051

#### Notes:

- 1. Market capitalisation is determined by multiplying the total number of Shares on issue by the price at which the Shares trade on the ASX from time to time. In the table above, the market capitalisation is calculated at the issue price of each Share under the Offer, being \$0.04. Please note that there is no guarantee that the Shares will be trading at \$0.04 upon the Company listing.
- 2. Please refer to section 1.7 for further details relating to the proposed capital structure of the Company.

Event	Date
Lodgement of this Prospectus with ASIC	5 July 2017
Opening Date for the Offers	13 July 2017
Closing Date for the Offers	31 July 2017
Issue of Shares under the Offers Completion of the Proposed Acquisition	7 August 2017
Holding statements sent to Shareholders	10 August 2017
Expected date for Shares to be reinstated to trading on the ASX	14 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. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to apply for Shares under this Prospectus.

# **INVESTMENT OVERVIEW**

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

Topic	Summary	More information
The Company		
Who is the issuer of this Prospectus?	Swala Energy Limited ACN 161 989 546 (to be renamed Symbol Mining Limited) ( <b>Company</b> ).	Section 2.1
Who is the Company and what does it do?	The Company was incorporated on 17 January 2013, and listed on the ASX on 17 April 2013 as an oil and gas exploration company.	Section 2.1
	On 24 June 2016, the Board announced to ASX that it had placed the Company into voluntary administration and the Company was subsequently subject to a deed of company arrangement ( <b>DOCA</b> ). The Company satisfied its obligations under the DOCA (including to past creditors) on 26 June 2017 and, as a result, the Company is no longer subject to the DOCA.	
	Although the Company remains listed on the ASX, it has been suspended from trading since 21 April 2016.	
What are the Company's key assets and liabilities?	Following its release from the DOCA, the Company has no material assets or liabilities as at the date of this Prospectus.	Section 2.1
What is the Company's business strategy?	The Company has entered into an agreement to acquire 100% of the issued share capital in Symbol Mining Corporation Pty Ltd ACN 154 347 332 (Symbol Mining), completion of which is inter-conditional with completion of the Offer (Proposed Acquisition).	Section 2.2
	Upon completion of the Proposed Acquisition, the Company's focus will become that of Symbol Mining's, being the exploration of minerals.	
Symbol Mining		
Who is Symbol Mining and what does it do?	Symbol Mining is a mineral exploration company focused on the development and commercialisation of high margin, high grade base metals projects located in Nigeria.	Section 3.1
What are Symbol	Symbol Mining's key objectives are to:	Section 3.3
Mining's key objectives?	<ul> <li>discover and develop world class Zn/Pb (Ag) deposits;</li> </ul>	
	<ul> <li>use Shareholder funds effectively with the goal of returning significant value to Shareholders;</li> </ul>	
	<ul> <li>work safely and minimise environmental impact; and</li> </ul>	
	respect the rights of all stakeholders and work to	

Topic	Summary	More information
	improve local conditions within Symbol Mining's capacities.	
What are Symbol	Symbol Mining's key assets are its 60% interest in:	Section 3.5
Mining's key assets?	the Imperial Project; and	
	the Tawny Project,	
	which are held via incorporated joint venture structures with joint venture partners.	
Who are Symbol	Symbol Mining's joint venture partners are:	Section 9.2
Mining's joint ventures partners and how are the joint ventures governed?	<ul> <li>for the Imperial Project – Goidel Resources Limited, a company registered in Nigeria; and</li> </ul>	
	<ul> <li>the Tawny Project – Adudu Farms Nigeria Limited, a company registered in Nigeria.</li> </ul>	
	Neither partner is otherwise related to the Company or Symbol Mining.	
	Symbol Mining has entered into shareholders agreements with the partners to govern the affairs of the joint venture entities, namely Imperial JV Limited and Tawny JV Limited.	
What is the Imperial Project?	The Imperial Project is Symbol's Mining's flagship Project having delineated an Indicated and Inferred JORC Resource. The Project is located in the Benue Trough, Nigeria, and is prospective for zinc and lead.	Sections 3.5.1, 6 and 7
	The Imperial Project comprises 3 exploration licences (one of which is subject to Imperial JV undertaking further drilling) covering up to 510km <sup>2</sup> .	
What is the Tawny Project	The Tawny Project is located in the Benue Trough, Nigeria, and is prospective for zinc and lead. The Project includes one exploration licence covering 6.4km <sup>2</sup> .	Section 3.5.2, 6 and 7
What are Symbol	Symbol Mining's initial business plans are to:	Section 3.6
Mining's business plans?	expand the Macy Deposit through further drilling;	
	<ul> <li>regionally explore the Imperial Project; and</li> </ul>	
	explore the Tawny Project.	
What is the financial	As at 31 December 2016, Symbol Mining had:	Section 4
position and performance of Symbol	a cash balance of \$186,348;	
Mining?	<ul> <li>total assets of \$4,554,918;</li> </ul>	
	<ul><li>total liabilities of \$4,288,715;</li></ul>	
	<ul> <li>net assets of \$266,203; and</li> </ul>	
	<ul><li>total equity of \$266,203.</li></ul>	
	As a mineral exploration company, Symbol Mining has only made losses to date. Symbol Mining's net losses for the following periods are as follows:	

Topic	Summary	More information
	• \$49,990 for the half year ended 31 December 2016;	
	• \$196,548 for the year ended 30 June 2016; and	
	• \$7,108 for the year ended 30 June 2015.	
	Further financial information regarding the Company and Symbol Mining is set out in the Investigating Accountant's Report at section 4.	
	Applicants should note that past performance is not a reliable indicator of future performance.	
Proposed Acquisition		
What is the Proposed Acquisition?	Under the Proposed Acquisition, the Company will acquire 100% of the issued share capital in Symbol Mining from the Sellers, and undertake associated transactions such as the Offer.	Section 2.2
What are the key terms of the Share Purchase Agreement?	Under the Share Purchase Agreement, the Company will obtain all of the issued share capital in Symbol Mining in consideration of issuing 199,999,999 Shares to the Sellers and paying \$125,000 to the Major Sellers in reimbursement of expenditure on the Projects.	Section 9.1
	Completion of the Share Purchase Agreement is subject to, among other things, the Company raising at least the Minimum Subscription and the Company being able to satisfy ASX's conditions to re-quotation.	
	In addition, the Proposed Directors will replace the Interim Directors as the directors of the Company, and the Company will change its name to "Symbol Mining Limited".	
Have Shareholders approved the Proposed Acquisition?	Shareholders approved the Proposed Acquisition and associated transactions, including the Offer, at the Annual General Meeting of the Company on 22 June 2017.	Section 2.3
Why is the Company required to re-comply with Chapters 1 and 2 of the Listing Rules	Completion of the Proposed Acquisition will constitute a significant change to the nature (from oil and gas exploration to resource exploration) and scale of the Company's activities and, accordingly, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Acquisition.	Section 2.3
The Offer		
What is the Offer?	The Company is offering up to up to 190,000,000 Shares at an issue price of \$0.04 each to raise \$7,600,000 before costs, with a minimum subscription to raise at least \$5,600,000 before costs ( <b>Offer</b> or <b>Public Offer</b> ).	Section 1.1
What are the Additional	In addition, the Company is offering	Section 1.1
Offers and why are they being undertaken?	• up to 203,124,999 Shares to the Sellers under the	

Topic	Summary	More information
	Seller Offer;	
	<ul> <li>37,500,000 Shares to the Class A Noteholders under the Class A Noteholder Offer;</li> </ul>	
	<ul> <li>up to 25,000,000 Shares to the Class B Noteholders under the Class B Noteholder Offer; and</li> </ul>	
	<ul> <li>50,000,000 Shares to the Creditor under the Creditor Offer.</li> </ul>	
	The Additional Offers are being made under this Prospectus to remove any on-sale restrictions that might otherwise apply to certain securities to be issued to the Additional Offerees.	
What is the Minimum Subscription?	The minimum subscription for the Offer is \$5,600,000.	Section 1.4
What are the conditions	The Offers are conditional on:	Section 1.3
to the Offers?	• the Company achieving the Minimum Subscription;	
	completion of the Proposed Acquisition; and	
	<ul> <li>the Company being able to re-comply with the admission requirements under Chapters 1 and 2 of the Listing Rules.</li> </ul>	
	If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies without interest in accordance with the Corporations Act.	
Why is the Offer being	The principal purposes of the Offer are to:	Section 1.5
conducted?	<ul> <li>re-comply with Chapters 1 and 2 of the Listing Rules;</li> </ul>	
	<ul> <li>complete the Proposed Acquisition;</li> </ul>	
	<ul> <li>provide funding for the purposes set out in section 1.6;</li> </ul>	
	<ul> <li>provide Symbol Mining with access to equity capital markets for future funding needs; and</li> </ul>	
	<ul> <li>enhance the public and financial profile of Symbol Mining to facilitate its growth.</li> </ul>	
How will funds raised under the Offer be used?	Funds raised under the Offer are proposed to be applied towards:	Section 1.6
	<ul> <li>expenses of the Offers;</li> </ul>	
	<ul> <li>exploration and other geological work on the Projects;</li> </ul>	
	creditor repayments; and	
	general working capital.	

Topic	Summary	More information
What is the effect of the Offer on the capital structure of the Company?	The effect of the Offer on the capital structure of the Company will depend on the amount raised under the Offer as summarised in section 1.7.	Section 1.7
Key risk factors		
risk factors set out in sect affect the value of the S considered highly specu	e that subscribing for Shares in the Company involves a ion 4, and other general risks applicable to all investments shares in the future. Accordingly, an investment in the lative. This section summarises only some of the risks by and investors should refer to section 4 for further informations.	in listed shares, may Company should be s which apply to an
Reinstatement to the official list of ASX	Due to the Company's change in nature and scale of activities which will result from completion of the Proposed Acquisition, ASX requires the Company to recomply with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company will not be able to satisfy one or more of these requirements and that its securities will consequently remain suspended from quotation.	Section 4.1.1
Exploration and development	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.	Section 4.1.2
	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.	
Future profitability	Symbol Mining is in the growth stage of its development and has only made losses since its inception in November 2011. The Company's profitability will be impacted by, among other things, the success of its exploration and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted	Section 4.1.3
Nigerian country risks	The Projects are located in Nigeria and, following completion of the Proposed Acquisition, 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.	Section 4.1.4
	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.	

Topic	Summary	More information
Debt Repayment Agreement	Prior to completion of the Offer, Symbol Mining, Symbol UK and the Creditor intend to enter into the Debt Repayment Agreement to restructure the payment of debt owed by Symbol Mining to the Creditor. The agreement contains various undertakings and default triggers in favour of the Creditor which, if breached, may accelerate the payment requirements of Symbol Mining. If the Company is unable to pay any amounts due under the Debt Repayment Agreement when they fall due, or the Company otherwise breaches the Debt Repayment Agreement then it risks defaulting and enabling the Creditor to enforce its security over Symbol UK and its interests in Imperial JV and Tawny JV.	Section 4.1.6
Operational risks	The operations of the Company may be affected by various factors, including:	Section 4.1.7
	failure to locate or identify mineral deposits;	
	<ul> <li>failure to achieve predicted grades in exploration and mining; and</li> </ul>	
	<ul> <li>operational and technical difficulties encountered in mining.</li> </ul>	
	In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected.	
Commodity prices	The value of the Company's assets and potential earnings may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated zinc price and the AUD / USD exchange rate.	Section 4.1.8
	These prices can significantly fluctuate, and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions.	
Joint venture and contractual risk	Through its wholly owned subsidiary, Symbol Mining UK, Symbol Mining has a 60% shareholding in Imperial JV Limited, which owns the Imperial Project, and a 60% shareholding in Tawny JV Limited, which owns the Tawny Project. The relationships between Symbol Mining UK and each of the other shareholders are governed by the shareholders agreements summarised in sections 9.2.1 and 9.2.2.	Sections 4.1.9, 9.2.1 and 9.2.2
	The agreements 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 agreement which may impact on the Company's business.	
Joint venture funding risk	In order to fund the Imperial Project and the Tawny Project, Symbol Mining has agreed to initially contribute 100% of funds required by the Projects, despite only	Section 4.1.10

Topic	Summary		More information
	holding a 60% interest. For the expenditure at the Imperial Projution will effectively be repaid to Symdiversion of 20% of dividends the otherwise receive from Imperial guarantee if and when Symbol I these funds, which could ultimate under the facility. For the first Utat the Tawny Project, Adudu's 4 be free carried.	ect, Goidel's 40% share bol Mining through the lat Goidel would JV. There is no Mining will be repaid tely amount to US\$6m S\$15m of expenditure	
Environmental risk	The Company's activities are suenvironmental laws inherent in those specific to Nigeria. The Conduct its activities in an environmental in compliance with However, the Company may be or unforeseen circumstances the Company to extensive liability.	the mining industry and ompany intends to onmentally responsible all applicable laws.  the subject of accidents	Section 4.1.14
Future funding needs	The funds raised under the Pub Raisings are considered sufficie immediate objectives of the Cormay be required by the Compar exceed estimates or revenues of to support its ongoing operation strategies.	ent to meet the mpany. Further funding ny in the event costs do not meet estimates,	Section 4.1.18
Liquidity and expiry of escrow	ASX may determine that the Sellers, Noteholders and Corporate Advisers are required to be held in escrow for a period of 12 or 24 months. Following the end of these escrow periods a significant portion of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price.		Section 4.1.22
Other Offer details			
What are the important dates of the Offer?	Important dates		Page 7
dates of the Offer :	Prospectus lodged	5 July 2017	
	Opening Date	13 July 2017	
	Closing Date	31 July 2017	
	New Shares issued		
	Proposed Acquisition completes	7 August 2017	
	Holding statements sent	10 August 2017	
	Trading re-commences	14 August 2017	
The above dates are indicative only and may change			

Summary	More information
without notice.	
Certain key rights and liabilities attaching to the Shares are described in section 10.1.	Section 10.1
No, the Offer is not underwritten.	Section 1.9
Argonaut has been engaged to provide broking services in connection with the Offer. Argonaut will receive a capital raising fee of 6% (plus GST) in respect of funds it raises under the Offer as well as other benefits.	Sections 9.5.1 and 9.5.2
Trident Capital has been engaged to provide corporate advisory services to the Company. The Company will pay Trident Capital a fee of 6% of the funds it raises under the Offer as well as other benefits.	
The Company will apply to ASX no later than 7 days from the date of this Prospectus for re-admission of the Company to the official list of ASX, and official quotation of the Shares offered under this Prospectus under the code, "SL1".	Section 1.16
All Application Forms must be completed in accordance with their instructions and, for the Public Offer, must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.04 per Share. Cheques must be made to "Swala Energy Limited – Subscription Account" and should be crossed "Not Negotiable".	Section 1.2
Applications under the Offer must be for a minimum of 50,000 Shares (\$2,000).	
Holding statements confirming allocations under the Offer will be sent to successful applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 10 August 2017.	Section 1.15 and Page 7
Questions relating to the Offer and completion of Application Forms can be directed to the Company on +61 8 6211 5099.	Section 1.21
<ul> <li>The Interim Directors of the Company are:</li> <li>Stephen Hewitt-Dutton – Non-Executive Director;</li> <li>Sean McCormick – Non-Executive Director; and</li> <li>John Gilfillan – Non-Executive Director.</li> <li>Upon completion of the Proposed Acquisition, the Directors of the Company will be:</li> </ul>	Sections 8.2 and 8.3
	without notice.  Certain key rights and liabilities attaching to the Shares are described in section 10.1.  No, the Offer is not underwritten.  Argonaut has been engaged to provide broking services in connection with the Offer. Argonaut will receive a capital raising fee of 6% (plus GST) in respect of funds it raises under the Offer as well as other benefits.  Trident Capital has been engaged to provide corporate advisory services to the Company. The Company will pay Trident Capital a fee of 6% of the funds it raises under the Offer as well as other benefits.  The Company will apply to ASX no later than 7 days from the date of this Prospectus for re-admission of the Company to the official list of ASX, and official quotation of the Shares offered under this Prospectus under the code, "SL1".  All Application Forms must be completed in accordance with their instructions and, for the Public Offer, must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.04 per Share. Cheques must be made to "Swala Energy Limited — Subscription Account" and should be crossed "Not Negotiable".  Applications under the Offer must be for a minimum of 50,000 Shares (\$2,000).  Holding statements confirming allocations under the Offer will be sent to successful applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 10 August 2017.  Questions relating to the Offer and completion of Application Forms can be directed to the Company on +61 8 6211 5099.  The Interim Directors of the Company are:  Stephen Hewitt-Dutton — Non-Executive Director; and  John Gilfillan — Non-Executive Director.  Upon completion of the Proposed Acquisition, the

Topic	Summary	More information
	Barry Bolitho – Non-Executive Director; and	
	Ian McCubbing – Non-Executive Director.	
Who comprises the senior management	Upon completion of the Proposed Acquisition, the Company's senior management team will comprise:	Section 8.5
team of the Company?	<ul> <li>lan Goldberg – Chief Financial Officer;</li> </ul>	
	<ul> <li>Patrick McCole – General Manager (Commercial); and</li> </ul>	
	<ul> <li>Carmichael Olowoyo – General Manager (Corporate).</li> </ul>	
What are the significant interests of the	Upon completion of the Offer, the Proposed Directors will be remunerated as follows:	Section 8.6
Directors?	<ul> <li>Andrew Simpson – \$90,000 per annum plus superannuation;</li> </ul>	
	<ul> <li>Barry Bolitho – \$60,000 per annum plus superannuation; and</li> </ul>	
	<ul> <li>lan McCubbing – \$60,000 per annum plus superannuation.</li> </ul>	
	More information on the security holdings, interests and remuneration of the Directors is set out in section 8.6.	
Miscellaneous matters		
What material contracts is the Company or	The material contracts of the Company or Symbol Mining include:	Section 9
Symbol Mining a party to?	• the Share Purchase Agreement with the Sellers;	
	<ul> <li>the shareholders agreements for Imperial JV and Tawny JV;</li> </ul>	
	<ul> <li>the convertible note agreements for the Class A Notes and Class B Notes;</li> </ul>	
	• the Debt Repayment Agreement with the Creditor;	
	<ul> <li>corporate advisory agreements with the Corporate Advisers;</li> </ul>	
	• employment agreements with senior management;	
	<ul> <li>deeds of access, indemnity and insurance for each Director; and</li> </ul>	
	<ul> <li>escrow agreements to be entered into prior to relisting.</li> </ul>	
Will any Shares be subject to escrow?	No Shares issued under the Offer will be subject to escrow. The Company expects that ASX will impose mandatory escrow on certain securities to be issued to the Sellers, Noteholders and Corporate Advisers.	Section 1.8
Will the Company pay dividends?	The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the relevant	Section 1.20

Topic	Summary time.	More information
What are the tax implications of investing in Shares under the Offer?	The tax consequences of any investment in Shares will depend upon each applicant's particular circumstances. Investors should obtain their own tax advice before deciding to invest.	Section 10.10

# 1. OFFER DETAILS

#### 1.1 OVERVIEW

#### **Public Offer**

Under this Prospectus, the Company is offering up to 190,000,000 Shares at an issue price of \$0.04 each to raise \$7,600,000 before costs (**Offer** or **Public Offer**). The Offer has a minimum subscription requirement of \$5,600,000. There is no allowance for oversubscriptions.

The Offer is open to the general public however non-Australian resident investors should consider the statements and restrictions set out in sections 1.11 and 10.12 before applying for Shares.

The Shares to be issued under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in section 10.1.

Applications for Shares must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to section 10.1 and the Application Form for further details and instructions.

#### **Additional Offers**

In addition, the Company is offering:

- up to 203,124,999 Shares to the Sellers under the Seller Offer in accordance with the Share Purchase Agreement summarised in section 9.1;
- 37,500,000 Shares to the Class A Noteholders under the Class A Noteholder Offer in accordance with the Class A Notes summarised in section 9.4.1;
- up to 25,000,000 Shares to the Class B Noteholders under the Class B Noteholder Offer in accordance with the Class B Notes summarised in section 9.4.2; and
- 50,000,000 Shares to the Creditor under the Creditor Offer in accordance with the Debt Repayment Agreement summarised in section 9.3.

The reason for issuing the Shares under this Prospectus is so that they are issued under a disclosure document and are therefore not subject to the 12 month on-sale restrictions in section 707(3) of the Corporations Act. The Company notes, however, that some of these Shares will be subject to ASX imposed escrow for 12 to 24 months from admission. See section 1.8 for further details on escrow arrangements.

The Company is not offering Shares under the Additional Offers for the purpose of the Additional Offerees selling or transferring their Shares. However, the Company considers that such persons should be entitled, if they wish, to on-sell their Shares prior to the expiry of 12 months, subject to any escrow restrictions.

The Shares to be issued under the Additional Offers are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in section 10.1. Shares will be issued under the Additional Offers at the same time as Shares are issued under the Public Offer.

Applications for Shares under the Additional Offers must be made using the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Applications may only be made by the Additional Offerees (and/or their respective nominees) for the relevant number of Shares that are due to receive in accordance with the Share Purchase Agreement, Class A Notes, Class B Notes or Debt Repayment Agreement (as applicable). Persons wishing to apply for Shares should refer to the relevant Application Form for

further details and instructions. No additional funds or consideration are payable by applicants under the Additional Offers.

#### 1.2 APPLICATIONS AND PAYMENT

Applications for Shares under the Public Offer can only be made using the Public Offer Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Offer must be for a minimum of 50,000 Shares (\$2,000). No brokerage, stamp duty or other costs are payable by applicants. Cheques must be made payable to "Swala Energy Limited – Subscription Account" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm WST on the Closing Date by being posted or delivered to the following address:

Swala Energy Limited c/- Trident Capital Pty Ltd Level 24, 44 St Georges Terrace Perth WA 6000

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Application Form together with a cheque for the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an application as valid and how to construe, amend or complete the Application Form is final.

It is the responsibility of applicants outside Australia to obtain all necessary approvals in order to be issued Shares under the Offer. The return of an Application Form or otherwise applying for Shares under the Offer will be taken by the Company to constitute a representation by the applicant that it:

- has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- agrees to be bound by the terms of this Prospectus and the Constitution;
- makes the representations and warranties in sections 1.11 and 10.12 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Shares under the Offer:
- declares that all details and statements in the Application Form are complete and accurate:
- declares that it is over 18 years of age and has full legal capacity and power to perform all
  of its rights and obligations under the Application Form;
- acknowledges that once the Application Form is returned or payment is made its acceptance may not be withdrawn;
- agrees to being issued the number of new Shares it applies for at \$0.04 each (or such other number issued in accordance with this Prospectus);

- authorises the Company to register it as the holder(s) of the Shares issued to it under the Offer;
- acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- authorises the Company and its officers or agents to do anything on its behalf necessary
  for the new Shares to be issued to it, including correcting any errors in its Application
  Form or other form provided by it and acting on instructions received by the Share
  Registry using the contact details in the Application Form.

#### 1.3 CONDITIONAL OFFER

The Offers are conditional upon the following events occurring:

- the Company raising the minimum subscription amount of \$5,600,000 under the Public Offer (see section 1.4 for further information);
- completion of the Proposed Acquisition (refer to section 2.2 for further information); and
- the Company being reasonably satisfied of its ability to re-comply with the admission requirements under Chapters 1 and 2 of the Listing Rules (see section 2.3 for further information).

If these conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies without interest in accordance with the Corporations Act.

#### 1.4 MINIMUM SUBSCRIPTION

The minimum subscription requirement for the Offer is \$5,600,000, representing the subscription of 140,000,000 Shares at an issue price of \$0.04 each (**Minimum Subscription**). No Shares will be issued until the Offer has reached the Minimum Subscription. Subject to any extension, if the Minimum Subscription has not been achieved within 4 months of the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

#### 1.5 PURPOSE OF THE OFFER

The principal purposes of the Offer are to:

- facilitate the Company's re-compliance with the admission requirements in Chapters 1 and 2 of the Listing Rules;
- complete the Proposed Acquisition;
- provide funds for the purposes set out in section 1.6;
- provide Symbol Mining with access to equity capital markets for future funding needs; and
- enhance the public and financial profile of Symbol Mining to facilitate further growth of its business.

#### 1.6 PROPOSED USE OF FUNDS

The Company intends to use the funds raised under the Offer as follows:

Hom	Minimum Sub	scription	Full Subsc	Full Subscription		
Item	Amount	%	Amount	%		
Expenses of the Offers <sup>1</sup>	\$670,215	12%	\$792,265	10.4%		
Exploration and other geological work on the Imperial Project <sup>2</sup>	\$1,000,000	17.9%	\$2,000,000	26.3%		
Exploration and other geological work on the Tawny Project <sup>3</sup>	\$500,000	8.9%	\$700,000	9.2%		
Creditor repayments <sup>4</sup>	\$1,715,000	30.6%	\$1,715,000	22.6%		
General working capital <sup>5</sup>	\$1,714,785	30.6%	\$2,392,735	31.5%		
Total	\$5,600,000	100%	\$7,600,000	100%		

#### Notes:

- Additional expenses of the Offers have been paid using existing cash reserves including from funds raised from the issue of Class A Notes and Class B Notes. See section 10.8 for further information on the expenses of the Offer.
- See section 3.6.2 for further information.
- 3. See section 3.6.2 for further information.
- 4. Creditor repayments include the amount payable to the Creditor under the Debt Repayment Agreement, the amount of the Cash Reimbursement payable to Andrew Simpson and Barry Bolitho under the Share Purchase Agreement (subject to ASX's approval), and other amounts payable to creditors generally.
- 5. 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.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including, but not limited to, the success of the Company's exploration and evaluation programs, as well as regulatory developments and economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

If Full Subscription is not achieved then this may affect the rate at which any business plans are undertaken by the Company, such as exploration programs. Additional funding through debt and/or equity may be considered by the Board where it is appropriate to accelerate a specific project or transaction.

If the Company decides to make any significant acquisitions such as competitor or complementary businesses or other assets, then it is possible that such acquisitions will be funded by additional financing through debt or equity (subject to any necessary Shareholder approvals).

The Board is satisfied that upon completion of the Offer, the Company will have sufficient capital to meet its objectives stated in this Prospectus.

#### 1.7 CAPITAL STRUCTURE

The table below provides a summary of the capital structure of the Company at the date of this Prospectus and upon completion of the Offer.

		Completion			
Capital structure	Existing	Minimum Subscription	Full Subscription		
Existing Shares <sup>1</sup>	1,376,288	1,376,288	1,376,288		
Shares under Public Offer <sup>2</sup>	-	140,000,000	190,000,000		
Shares to the Sellers <sup>3</sup>	-	199,999,999	199,999,999		
Shares to the Noteholders <sup>4</sup>	-	61,250,000	61,250,000		
Shares to the Creditor <sup>5</sup>	-	50,000,000	50,000,000		
Shares to the Corporate Advisers <sup>6</sup>	-	12,250,000	12,250,000		
Total Shares	1,376,288	464,876,287	514,876,287		
Existing Options <sup>7</sup>	72,498	72,498	72,498		
Class A Options <sup>8</sup>	-	6,750,000	6,750,000		
Class B Options <sup>9</sup>	-	20,000,000	20,000,000		
Fully diluted Share capital	1,448,786	491,698,785	541,698,785		

#### Notes:

- 1. Assumes that no additional Shares are issued between the date of this Prospectus and completion of the Offer.
- 2. See section 1.1 for details of the Public Offer.
- 3. Shares to be issued to the Sellers (and/or their nominees) under the Share Purchase Agreement. See section 9.1 for a summary of the Share Purchase Agreement. To the extent that ASX does not permit the Company to pay cash as part of the Cash Reimbursement under the Share Purchase Agreement (up to \$125,000), the Company will issue additional Shares at a deemed value of \$0.04 each to Andrew Simpson and Barry Bolitho (and/or their nominees) in lieu of cash. Accordingly, if no cash is paid as part of the Cash Reimbursement, an additional 3,125,000 Shares will be issued between Andrew Simpson and Barry Bolitho.
- 4. Shares to be issued to the Noteholders (and/or their nominees) on conversion of the Class A Notes and Class B Notes at a conversion price \$0.02 each. See section 9.4.1 for a summary of the Class A Notes and section 9.4.2 for a summary of the Class B Notes. As at the date of this Prospectus, Symbol Mining has raised \$475,000 from the issue of Class B Notes and can raise a further \$25,000 based on what Shareholders approved at the Annual General Meeting. If all additional Class B Notes are issued prior to completion of the Offer, the number of Shares to be issued to Noteholders will increase by 1,250,000.
- 5. Shares to be issued to the Creditor (and/or its nominees) under the Debt Repayment Agreement. See section 9.3 for a summary of the Debt Repayment Agreement.
- 6. Includes 750,000 Shares at \$0.02 each and 5,750,000 Shares at nil cash consideration to be issued to Trident Capital (and/or its nominees), and 5,750,000 Shares at nil cash consideration to be issued to Argonaut (and/or its nominees) for services provided to the Company in connection with the Proposed Acquisition.
- 7. Existing Options on issue are excisable at \$36 each and expire on either 12 April 2018, 27 September 2018 or 25 October 2018.

- 8. Class A Options are exercisable at \$0.04 each and expire 4 years after being issued which will occur at completion of the Share Purchase Agreement. Class A Options are to be issued to Trident Capital (and/or its nominees) for services provided to the Company in connection with the Proposed Acquisition. See section 10.2 for full terms and conditions of the Class A Options.
- 9. Class B Options are exercisable at \$0.06 each and expire on 31 December 2018. Class B Options are to be issued to Argonaut (and/or its nominees) for services provided to the Company in connection with the Offer. See section 10.3 for full terms and conditions of the Class A Options.

#### 1.8 ESCROW ARRANGEMENTS

Under the Listing Rules, ASX may determine that securities issued to promoters, seed capital investors and sellers 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 re-quotation of the Company's Shares, during which time they must not be transferred, assigned or otherwise disposed of.

No Shares issued under the Offer will be subject to escrow. However the Company does expect that certain Shares to be issued to the Sellers, Noteholders and Corporate Advisers, and Options to be issued to the Corporate Advisers, will be subject to escrow. Prior to re-quotation of its Shares, the Company will enter into escrow agreements with the relevant holders in relation to the securities subject to mandatory escrow in accordance with the Listing Rules.

The Company intends to apply for "look through" and "cash formula" relief from the escrow restrictions to minimise mandatory escrow on certain Sellers and seed capitalists. The Company will announce final escrow arrangements to ASX prior to re-quotation of its Shares.

#### 1.9 UNDERWRITING

The Offer is not underwritten.

#### 1.10 CAPITAL RAISING FEES

Argonaut has been engaged to provide broking services in connection with the Offer. Argonaut will receive a capital raising fee of 6% (plus GST) in respect of funds it raises under the Offer as well as other benefits. See section 9.5.1 for a summary of Symbol Mining's agreement with Argonaut.

Trident Capital has been engaged to provide corporate advisory services to the Company. The Company will pay Trident Capital a capital raising fee of 6% (plus GST) in respect of funds it raises under the Offer as well as other benefits. See section 9.5.2 for a summary of the Company's agreement with Trident Capital.

The Company reserves the right to pay to any licensed securities dealer (including an Australian Financial Services licensee) a capital raising fee of up to 6% (plus GST) in respect of funds it raises under the Offer.

#### 1.11 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained. See section 10.12 for information on selling restrictions that apply to the Shares in certain jurisdictions outside Australia.

#### 1.12 RISK FACTORS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in section 4. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

#### 1.13 EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure Period of 7 days from the date of lodgement with ASIC. The Exposure Period may be extended by ASIC by a further period of up to 7 days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. During the Exposure Period, this Prospectus can be viewed online on the Company's ASX www.asx.com.au Symbol Mining's announcement's platform at or www.symbolmining.com.au, and hard copies of this Prospectus will be made available upon request to the Company. Applications received during the Exposure Period will not be processed until after expiration of the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all such applications will be treated as if they were simultaneously received on the Opening Date.

#### 1.14 APPLICATION MONIES HELD IN TRUST

All Application Monies will be held in a separate subscription account on behalf of applicants until the Shares are issued pursuant to the Offer. If the Minimum Subscription is not achieved within a period of 4 months of the date of this Prospectus, all Application Monies will be refunded in full without interest, and no Shares will be issued under the Offer. Any interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

#### 1.15 ALLOCATION AND ISSUE OF SHARES

The Board reserves the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for re-quotation of the Company's Shares, the issue of Shares will occur as soon as practicable after the Offer closes. All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. Holding statements will be sent to successful applicants as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statement will do so at their own risk.

#### 1.16 ASX LISTING AND QUOTATION

The Company will apply to ASX no later than 7 days from the date of this Prospectus for readmission of the Company to the official list of ASX, and official quotation of the Shares offered under the Offer. Subject to any extension, if the Shares are not admitted to quotation within 3 months of the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant admission of the Company to the official list and official quotation of the Shares being offered is

not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

#### 1.17 CHESS AND ISSUER SPONSORSHIP

The Company will apply to CHESS. All trading on the ASX in existing Shares will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The 2 sub-registers together make up the Company's principal register of securities.

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

#### 1.18 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company on +61 8 6211 5099.

#### 1.19 FINANCIAL FORECASTS

After considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings of the Company and, accordingly, financial forecasts are not included in this Prospectus.

# 1.20 DIVIDENDS

The Board can provide no guarantee as to the extent of future dividends, as these will depend on, among other things, the actual levels of profitability and the financial and taxation position of the Company at the relevant time.

#### 1.21 ENQUIRIES

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Offers and the completion of Application Forms can be directed to the Company on +61 8 6211 5099.

# 2. PROPOSED ACQUISITION OVERVIEW

#### 2.1 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.

The Company's securities were suspended from trading on 21 April 2016 and, on 24 June 2016, the Board announced to ASX that it had placed the Company into voluntary administration.

On 21 October 2016, the Company, the Administrator and Trident Capital entered into a deed of company arrangement (**DOCA**) which embodied a proposal by Trident Capital for the recapitalisation of the Company. The DOCA was wholly effectuated on 26 June 2017.

As a result of the DOCA being wholly effectuated, the Company has no material assets or liabilities and no subsidiaries as at the date of this Prospectus.

#### 2.2 PROPOSED ACQUISITION

The Company has entered into agreements with the Sellers to acquire 100% of Symbol Mining Corporation Pty Ltd (**Proposed Acquisition**). An overview of Symbol Mining and its Projects is set out in section 3.

In connection with the Proposed Acquisition, the Company has:

- consolidated its securities on a 1 for 120 basis;
- raised \$1,225,000 by issuing:
  - Class A Notes with a conversion price of \$0.02 per Share to raise \$750,000; and
  - Class B Notes with a conversion price of \$0.02 per Share to raise \$475,000 (funds raised by Symbol Mining) (n.b. at the date of this Prospectus, Symbol Mining has raised \$475,000 from the issue of Class B Notes and can raise a further \$25,000 based on what Shareholders approved at the Annual General Meeting);
- restructured its Board, with the previous Directors (Kenneth Russell, Mohammed Ishtiaq Peter Grant and Frank Moxon) having stepped down as Directors, and Stephen Hewitt-Dutton, Sean McCormick and John Gilfillan having being appointed as Directors as caretaker directors for the period from 27 April 2017 to completion of the Proposed Acquisition; and
- fully satisfied its obligations under the DOCA, resulting in:
  - the Company being released from its liabilities and obligations to past creditors;
  - all previous assets of the Company being transferred to the Creditors' Trust; and
  - control of the Company reverting to the Directors.

In addition, the Company intends to:

- raise up to \$7,615,000 by issuing:
  - up to 190,000,000 Shares under the Offer at an issue price of \$0.04 each to raise up to \$7,600,000; and

 750,000 Shares to Trident Capital at an issue price of \$0.02 each to raise \$15,000 and as consideration of services provided to the Company in connection with the Offer and Proposed Acquisition;

#### issue:

- 37,500,000 Shares to the Class A Noteholders in full conversion of the Class A Notes;
- 23,750,000 Shares to the Class B Noteholders in full conversion of the Class B Notes (n.b. at the date of this Prospectus, Symbol Mining has raised \$475,000 from the issue of Class B Notes and can raise a further \$25,000 based on what Shareholders approved at the Annual General Meeting. If all additional Class B Notes are placed, the number of Shares to be issued to the Class B Noteholders will increase by 1,250,000);
- in consideration of services provided to the Company in connection with the Offer and Proposed Acquisition, issue:
  - 5,750,000 Shares and 6,750,000 Class A Options to Trident Capital; and
  - 5,750,000 Shares and 20,000,000 Class B Options to Argonaut;
- acquire 100% of the shares in Symbol Mining:
- issue 199,999,999 Shares to the Sellers;
- make a cash payment of \$125,000 to Andrew Simpson and Barry Bolitho in reimbursement of expenditure on the Projects or, to the extent that ASX does not permit the Company to pay the full amount in cash, issues Shares in lieu of cash at a deemed issue price of \$0.04 each (Cash Reimbursement).
- restructure Symbol Mining's debt to the Creditor by instead:
  - issuing 50,000,000 Shares; and
  - paying US\$1,000,000 in tranches under a payment plan,

in accordance with the Debt Repayment Agreement;

- change its name to "Symbol Mining Limited";
- restructure its Board, with Andrew Simpson, Barry Bolitho and Ian McCubbing replacing the Interim Directors from completion of the Proposed Acquisition; and
- re-commence trading on the ASX.

## 2.3 RE-COMPLIANCE WITH CHAPTERS 1 AND 2

Completion of the Proposed Acquisition will constitute a significant change to the nature (from an oil and gas exploration business to a mineral exploration and, potentially, development business) and scale of the Company's activities and, accordingly, the Company is required to re-comply with Chapters 1 and 2 of the Listing Rules in order to complete the Proposed Acquisition.

The Company obtained Shareholder approval for the change in nature and scale at the Annual General Meeting under Listing Rule 11.1.2 as well as other transactions contemplated by the Proposed Acquisition, and it will take all other necessary steps to meet the requirements of Chapters 1 and 2 as if it were applying for admission to the official list of ASX. A primary purpose

of this Prospectus is to facilitate the Company in re-compliance with the admission requirements under the Listing Rules.

The Company will remain suspended until it has re-complied 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 Chapters 1 and 2. In the event that the conditions to the Offers are not satisfied or ASX does not otherwise approve the re-quotation of the Company's Shares then the Company will not proceed with the Offer, and all Application Monies will be refunded without interest and any Shares issued will be deemed void in accordance with the Corporations Act.

#### 2.4 BOARD CHANGES

Under the Share Purchase Agreement, Symbol Mining is entitled to nominate 3 Directors to replace the Company's existing Directors from completion. Accordingly, Andrew Simpson, Barry Bolitho and Ian McCubbing will form the Board upon completion of the Share Purchase Agreement, and the Interim Directors, who have acted as caretaker Directors following the release of the Company from the DOCA, will step down.

Further information on the Proposed Directors is set out in section 8.3.

#### 2.5 NAME CHANGE

The Company has obtained Shareholder approval to change its name from "Swala Energy Limited to "Symbol Mining Limited". The new name will take effect upon a new certificate of registration being issued by ASIC for the Company. The Company will not change its name if completion of the Proposed Acquisition does not occur.

# 3. SYMBOL MINING OVERVIEW

This section 3 contains a summary of the Projects. Investors should ensure they read the Independent Geologist's Report in section 6 where the Projects and proposed exploration programs are described in more detail. Investors should also ensure that they read the Legal Tenement Report in section 7 for further legal details of the Projects.

#### 3.1 BACKGROUND

Incorporated in November 2011, Symbol Mining is a mineral exploration company focused on the development and commercialisation of high margin, high grade base metal projects located in Nigeria.

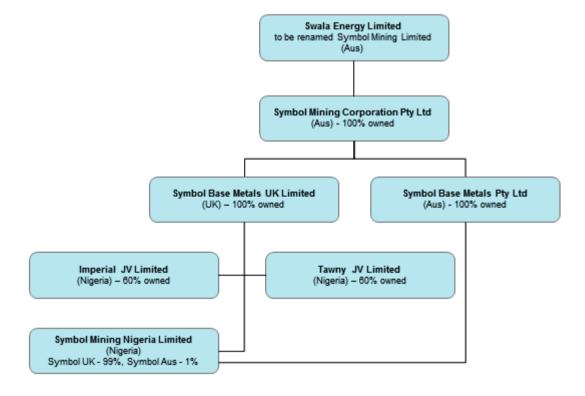
Symbol Mining is the 100% owner of Symbol Mining UK which is the beneficial owner of a 60% interest in:

- the Imperial Project; and
- the Tawny Project.

Symbol Mining's interests in its Projects are held via incorporated joint venture structures with joint venture partners that are otherwise not related to Symbol Mining. The shareholders agreements for the Projects are summarised in 9.2.1 for the Imperial Project and 9.2.2 or the Tawny Project.

#### 3.2 CORPORATE STRUCTURE

Assuming completion of the Proposed Acquisition, the corporate group structure of Symbol Mining is set out below.



Name	Place and date of registration	Comments
Swala Energy Limited ACN 161 989 546 (to be renamed Symbol Mining Limited) (Company)	Australia 17 January 2013	The Company was placed into voluntary administration on 24 June 2016 and became subject to the DOCA. As a result of the DOCA being wholly effectuated on 26 June 2017, the Company has no material assets or liabilities and no subsidiaries as at the date of this Prospectus. If the Proposed Acquisition completes, Symbol Mining will become a wholly owned subsidiary of the Company and the Company will become the ultimate parent company of the corporate group of Symbol Mining.
Symbol Mining Corporation Pty Ltd ACN 154 347 332 ( <b>Symbol Mining</b> )	Australia 18 November 2011	Holds 100% of the issued capital in Symbol UK and Symbol Base Metals.
Symbol Base Metals Pty Ltd ACN 601 336 878 (Symbol Base Metals)	Australia 19 August 2014	Holds 1% of the issued capital in Symbol Nigeria. Symbol Base Metals is responsible for providing management and technical services to the corporate group of Symbol Mining.
Symbol Base Metals UK Limited (Company No. 09555060) (Symbol UK)	England and Wales 22 April 2015	Holds 60% of the issued capital in Imperial JV and Tawny JV and 99% of the issued capital in Symbol Nigeria. Symbol UK is the holding company of Symbol Mining's joint venture interests.
Imperial JV Limited (Company No. RC 1232694) (Imperial JV)	Nigeria 27 April 2015	40% owned by Goidel Resources Limited as part of an incorporated joint venture structure with Symbol UK. Imperial JV holds and operates the Imperial Project. The affairs of Imperial JV are governed by the shareholders agreement summarised in section 9.2.1.
Tawny JV Limited (Company No. RC 1257352) ( <b>Tawny JV</b> )	Nigeria 27 April 2015	40% owned by Adudu Farms Nigeria Limited as part of an incorporated joint venture structure with Symbol UK under which Adudu has an initial \$6m free carried interest. Tawny JV holds and operates the Tawny Project. The affairs of Tawny JV are governed by the shareholders agreement summarised in section 9.2.2.
Symbol Mining Nigeria Limited (Company No. RC 1257341) (Symbol Nigeria)	Nigeria 27 April 2015	Currently a shell company.

# 3.3 OBJECTIVES AND STRATEGY

Symbol Mining's strategy is to grow shareholder value through the successful identification, exploration, development and commercialisaton of high margin zinc  $(\mathbf{Zn})$ , lead  $(\mathbf{Pb})$  and silver  $(\mathbf{Ag})$  projects in Nigeria.

Symbol Mining's key objectives are to:

- discover and develop world class Zn/Pb (Ag) deposits;
- use funds effectively with the goal of returning value to Shareholders;
- work safely and minimise environmental impact; and
- respect the rights of all stakeholders and work to improve local conditions within Symbol Mining's capacities.

Symbol Mining aims to create Shareholder value by:

- subject to completing the drilling contemplated in Phase 1A of section 3.6.2 and depending on its success, generating cash flows from the development of the Macy Deposit, with a focus on ensuring low capital and operational cost requirements;
- expanding production through aggressive exploration of high-grade targets;
- funding further exploration through early cash flows; and
- becoming a substantial producer of Zn/Pb (Ag) concentrates from high grade, low cost mining operations in Nigeria.

#### 3.4 KEY MILESTONES

A brief description of some of the key milestones that Symbol Mining has achieved over the years is set out below.

Time	Event
November 2011	Symbol Mining Corporation Pty Ltd incorporated.
2012 and 2013	Reconnaissance plus commercial and geological research into high grade Zn/Pb (Ag) opportunities in Nigeria.
December 2014	Projects identified and heads of agreement executed to acquire an interest in the Imperial Project and the Tawny Project.
April 2015	Imperial JV Limited and Tawny JV Limited incorporated.
May 2015	Agreements executed for the acquisition of 60% interests in Imperial JV and Tawny JV, and shareholder agreements executed to govern the activities of Imperial JV and Tawny JV. See section 9.2 for summaries of the agreements.
June 2015	Agreement executed with the Creditor to fund the purchase of the 60% interests in Imperial JV and Tawny JV and to fund the maiden exploration program on the Imperial Project.
July 2015	Internal scoping study for the Imperial Project commences.
	Mapping and exploration target program commences at the Imperial Project.
September 2015	Site camp at the Imperial Project established.
	Maiden drilling campaign commences at the Imperial Project.
	Community relations established with local and regional presence.

March 2016	Inferred JORC Resource of 120,000 tonnes at 19% Zn identified at the Macy Deposit.
December 2016	Infill drilling campaign commences on the Macy Deposit.
2017	Geological mapping and exploration field programs undertaken at the Imperial Project plus preliminary feasibility studies over the three licences.
June 2017	Delineated an Indicated and Inferred JORC Resource of 122,800 tonnes at 22% Zn and 2.5% Pb at the Macy Deposit.

#### 3.5 PROJECT OVERVIEW

Symbol Mining has 60% interests in two base metals projects – the Imperial Project and the Tawny Project – which are located in the Benue Trough of northeastern Nigeria. The Benue Trough is a sedimentary basin that extends from the Gulf of Guinea in the southwest to the Chad Basin in the northwest for approximately 800km in length and 150km in width.

Lead sulphide and zinc sulphide (with varying amounts of silver and barite) mineralisation in the Benue Trough has been of economic interest for more than a century. Mineralisation is located along a northeast trending belt extending approximately 800km within the Benue Trough, with a thick sequence of slightly deformed and weakly metamorphosed sedimentary Cretaceous sequences of up to 5km thick.

The known mineralisation consists of structurally controlled, discordant high-grade sphalerite (zinc sulphide) and galena (lead sulphide) veins. The known prospects are fault controlled veins that have many of the characteristics of significant Zn/Pb (Ag) deposits described as poly metallic or clastic hosted veins.

Figure 1 shows a comparison of the size of the Benue Trough to the Couer d'Alene mining district located in northern Idaho, USA, a region that was 40km in length and 15km in width that produced, until the end of 2000, 1.14Boz of Ag, 7.2Mt of Pb and 3.6Mt of Zn at an average grade of 247g/t Ag, 5% Pb and 2.5% Zn (among other commodities).

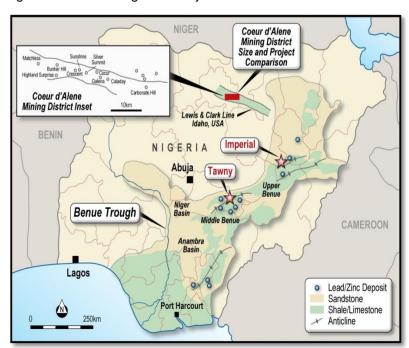


Figure 1: Benue Trough and Project locations

#### 3.5.1 IMPERIAL PROJECT

The Imperial Project is covered by exploration licences (**EL**) EL 18444 and EL 18445. Imperial JV also has a right to acquire EL 18448 from Goidel if Imperial JV completes geological studies and mapping to carry out at least 4,000m of reverse circulation and diamond drilling on the Imperial Project by 31 December 2017. Licences 18444 and 18445 cover an area of 186km<sup>2</sup> each and EL 18448 covers an area of 138km<sup>2</sup>. All licences are valid for copper, lead and zinc. The Imperial Project is located on the border of Bauchi and Taraba states approximately 420km east/northeast of Abuja.

The Imperial Project has been subject to historical open pit mining and artisanal workings. The workings are exposed across 1.6km of strike length being oriented in a north/northwest direction focused on zones of silicification, quartz veining, fault gouges and brecciation. The southern portion of the strike length has been subject to modest industrial mining with a number of open pits and underground development. The largest of these pits extends for 150m and is up to 25m deep. A decline portal located under the pits has also been developed and is understood to extend to a depth of at least 45m.

Significant tonnage has been extracted from the Imperial Project vein historically. The mineralisation is clearly defined with extensive weathered massive sulphides of galena, sphalerite, pyrite and chalcopyrite through multiple veins.

Aside from the work Symbol Mining is currently undertaking, there has been little modern exploration in the region. Significant small scale historical mining has occurred as artisanal miners followed the surface expressions of high grade Zn and Pb mineralisation. It is understood that the Imperial Project vein was previously mined at grades of approximately 38% Pb and 19% Zn with discrete layers of galena and sphalerite over significant strike distance.

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. With up to 510km<sup>2</sup> of tenement package Symbol Mining considers that there is significant regional prospectivity.

A Zn vein varying in thickness but typically 1m to 6m in true thickness has been interpreted, along with a separate thin Pb vein generally 1m or less true width thickness.

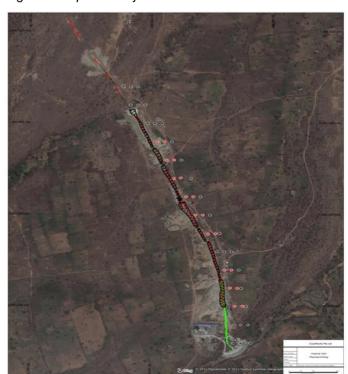


Figure 2: Imperial Project vein

There have been 28 diamond holes drilled for a total of 2,484m at the Macy Deposit. The key drill intersections are summarised in table 1 below.

Table 1: Macy Deposit key drill intersections

Zinc lode i	ntersectio	ns						
HoleID	From	То	Thickness*	Zn %	Pb %	East	North	RL
SDD025	65.82	70.10	4.28m	51.70%	2.14%	698,077.76	1,060,662.40	347.90
SDD023	66.30	67.30	1.00m	43.39%	5.41%	698,057.10	1,060,707.50	344.65
SDD020	29.60	39.00	9.40m	39.31%	0.14%	698,041.90	1,060,752.29	371.49
SDD026	41.80	47.90	6.10m	36.05%	3.31%	698,097.14	1,060,606.99	361.72
SDD017	27.00	38.00	11.00m	23.52%	0.64%	698,094.85	1,060,634.18	373.23
SDD011	47.00	60.00	13.00m	23.03%	1.16%	698,090.02	1,060,635.91	359.02
SDD021	30.20	38.03	7.83m	22.29%	0.22%	698,049.05	1,060,728.93	373.43
SDD013	48.00	62.26	14.26m	19.32%	1.30%	698,046.51	1,060,728.87	354.92
SDD022	33.18	36.75	3.57m	19.15%	15.31%	698,057.74	1,060,707.20	372.82
Lead lode	intersection	ons						
HoleID	From	То	Thickness*	Pb %	Zn %	East	North	RL
SDD012	33.70	34.00	0.30m	65.43%	3.70%	698,074.39	1,060,685.06	374.07
SDD020	24.96	25.32	0.36m	37.81%	3.17%	698,046.39	1,060,754.40	379.20
SDD017	17.00	18.00	1.00m	33.55%	0.41%	698,102.45	1,060,637.89	385.62
SDD014	51.00	51.50	0.50m	32.85%	3.91%	698,037.21	1,060,785.23	360.74
SDD025	63.24	64.24	1.00m	29.86%	0.76%	698,080.25	1,060,663.17	351.22
SDD013	28.40	28.75	0.35m	17.63%	0.26%	698,060.77	1,060,734.06	376.59
SDD011	41.40	42.00	0.60m	12.35%	4.50%	698,097.15	1,060,638.50	368.06

<sup>\*</sup>Downhole thickness

The Macy Deposit lies to the north within the 1.6km of strike length. An Indicated and Inferred JORC Resource of 122,900t at 21.9% Zn and 4.4% Pb has been defined at the Macy Deposit after a localised exploration program.

Figure 3: Drilling at the Macy Deposit





**Note:** The above pictures depict drilling work being undertaken at the Macy Deposit. The property depicted is not owned by Symbol Mining, and the personnel depicted are not employees of Symbol Mining.

The drilling results at the Macy Deposit below show a total Indicated and Inferred JORC Resource of 122,900t at 21.9%Zn and 4.4% Pb.

Table 2: Indicated and Inferred JORC Resource at the Macy Deposit

Macy Zinc Resource				Macy Lead Resource					
Category	Tonnes	Zn%	Pb%	% of Total	Category	Tonnes	Pb%	Zn%	% of Total
Indicated	78,300	23.48	2.23	69	Indicated	3500	29.51	2.21	37
Inferred	35,400	23.48	2.42	31	Inferred	5700	31.23	2.62	63
TOTAL	113,700	23.48	2.29	100	TOTAL	9,100	30.58	2.47	100
Reporte	Reported under 2012 JORC using a Zinc cut-off grade of 2%			Reported	under 2012 J	ORC using a L	ead cut-off g	rade of 2%	

# 3.5.2 TAWNY PROJECT

The Tawny Project is covered by EL 19242 over an area of 6.4km<sup>2</sup> and is valid for copper, lead and zinc. The Project is located approximately 150km east/southeast of Abuja.

The Tawny Project is located 150km east/southeast of the capital Abuja in the state of Nasawarra – only 4km from a major highway. The Project has been subject to historical open pit mining and underground mining with a decline developed in 2009 and reported grades of 41% Pb and 24% Zn. A number of XRF (X-ray fluorescence) readings were taken by others which revealed zinc values of up to 45%, lead values of up to 25% and silver of 600 parts per million (**ppm**). An arsenic value of 1.5% was returned.

Records also indicate high levels of Ag associated with the galena which could add to the Project's value.

Figure 4: Artisanal and historic workings at the Tawny Project

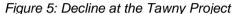


At the Tawny Project, Zn/Pb (Ag) mineralisation is found within an easterly dipping fault zone. The north/south trending fault structures hosting the mineralisation have excellent strike continuity with expected pinch and swell boudinaged higher-grade zones present.

The mineralised structure at the Tawny Project comprises a 5m wide fault zone with zones of high grade sphalerite and galena veins which vary in width from 0.5 to 2 metres at surface and silver values of up to 600 ppm.

The initial drilling program at the Tawny Project will be focused on the southern portion of the mineralised structure.

Within the Tawny 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 in circa 2009 and was reportedly 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.





# 3.6 BUSINESS PLANS

#### 3.6.1 EXPLORATION POTENTIAL

At the Imperial Project, Symbol Mining has completed very high resolution (VHR) photogeology with 502km² surveyed over EL18445, EL18444 and EL 18448. This has identified 120 priority target features. Geological mapping and sampling over some of the priority targets has been completed, and aerial geophysical survey data has recently been acquired

The Aisha prospect, which is 1.5km north of the Macy Deposit, is understood to have produced 1,000 tonnes per month (for approximately 7 months in 2015 to 2016) of high-grade galena from artisan mining from surface to 30m depth via pits and crude shafts.

The currently known prospects on both Projects are all fault-controlled veins that have many 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.

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 occur in the vicinity of the Macy Deposit vein at the Imperial Project. Such occurrences will likely be north-plunging owing to bedding geometry. The unconformity of the

overlying Gombe formation might be critical in localising any MVT-style (Mississippi Valley Type) occurrences.

# 3.6.2 EXPLORATION PROGRAM

The Company's exploration program will include 3 phases:

- Phase 1:
  - expanding the Macy Deposit
  - regional exploration of the Imperial Project
- Phase 2 further regional exploration of the Imperial Project
- Phase 3 exploration of the Tawny Project

# Phase 1A - Expanding the Macy Deposit

The Company intends to complete further studies including an infill and extension drill program to determine the economic viability of mining activities at the Macy Deposit.

The Macy Deposit mineralisation remains open at depth and along strike to the north. The Resource extends to only 50 to 60m vertical depth and is limited by shallow drilling. Deeper drilling is required to test depth extensions and this is planned for October 2017.

Additionally, recent geological mapping and reconnaissance has extended the potential of the Imperial Project vein by at least 2,300m (Imperial Extension) which includes approximately 360m of shallow artisanal workings to the north containing visible galena, sphalerite and copper sulphides.

One of the most northerly Macy Deposit drill holes, SDD 020, returned 9.4m at 39.3% Zn from 29.6m (with a true width of approximately 6m) thereby underlining the mineralisation potential to the north. The October 2017 drilling program will rigorously test the northerly potential.

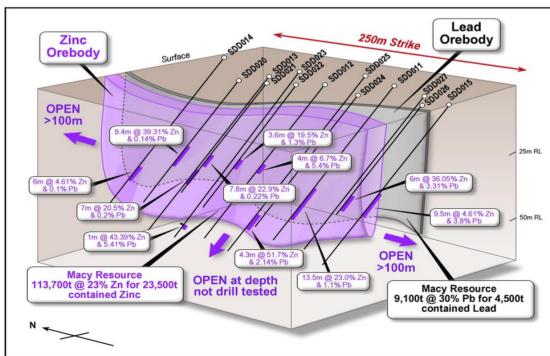


Figure 6: Drilling section at the Macy Deposit

# Phase 1B - Regional exploration of the Imperial Project

A geology team has been engaged to complete sampling, mapping and target identification from the geophysics and known artisanal workings throughout the 510km² of the Imperial Project. The Company intends to undertake a drilling campaign to test the high priority targets with the objective of delineating and creating a pipeline of viable deposits for commercialisation and growth.

A recent ground survey has highlighted excellent potential for numerous additional Zn/Pb (Ag) zones of mineralisation at the Imperial Project. Mineralised veins have been emplaced along structures that display significant brecciation, silicification and open-space quartz veining caused by hydrothermal fracturing of the country rock (healed shatter zones or HSZs). These zones vary from approximately 2m to 15m wide at surface, and are readily identified due to boulders with brecciated texture, silicification and veining at the surface

Some of the more obvious HSZs have been subject to shallow artisanal workings where visible galena, sphalerite and sometimes copper minerals are present. These workings are shallow due to the hard nature of the HSZs and, in some cases, high water table. The HSZs represent excellent drill targets for Zn/Pb (Ag) mineralisation along strike and down dip.

Seven main areas of new mineralisation have been identified at the Imperial Project, including the following:

- Ruga South A cluster of lodes and four strong HSZs with outcropping strike of 4.2km within a broad fault zone with past artisanal activity. Outcropping oxidised pyrite points to abundant sulphides at depth.
- **Imperial Extension** 2.3km of intense HSZ textures along strike from the Imperial Project vein. Important implications for greatly extending the Macy Deposit to the north. Galena, sphalerite and copper sulphide minerals in the northern shallow workings.
- Imperial West 830m of moderate HSZs with past workings.
- Imperial South 650m of moderate HSZs marked by a cluster of artisanal pits and gouges.
- Wum Village At least 500m of HSZs with some workings containing visible galena and copper sulphides.
- **Tapere Area** A total of 1,400m of shaft, trench and slot workings.
- Aisha Vein The vein system extends for at least 600m and was the subject of artisanal mining in 2015 for high grade massive galena.

Additionally, numerous other areas of small scale artisanal workings have been noted and include Fulani and Fulani East, Hard Yakka and the River prospects.

Figure 7 shows HSZs which Symbol Mining considers represent excellent drill targets and a program of at least 5,000m of RC drilling is scheduled in late 2017.

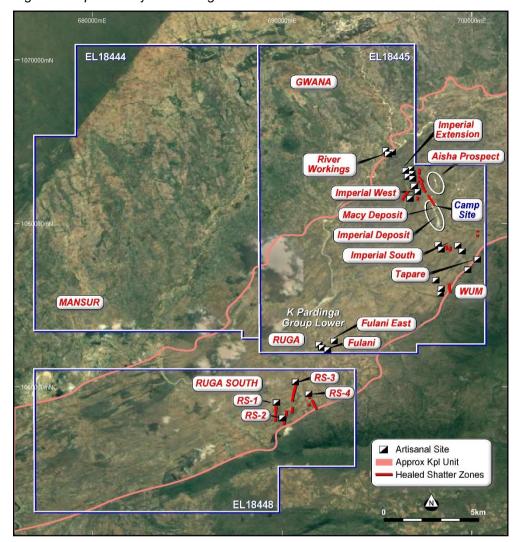


Figure 7: Imperial Project showing identified healed shatter zones or HSZs

Phase 2 - Further regional exploration of the Imperial Project

The Aisha vein is located approximately 2km north/northeast of the Macy Deposit and 1km east of the Imperial Extension. This vein system extends for at least 600m and was the subject of artisanal mining in 2015. High grade galena (approximately 60% Pb) was mined at a rate of approximately 1,000t per month from a series of shallow shafts. Aisha is a priority drilling target for high grade mineralisation and will be drill tested during the drilling program referred to in Phase 1B.

Further regional exploration is also planned for late 2017 as the initial program was limited due to poor road access and the commencement of the wet season. Larger areas of the Lower Pindinga Group unit have not been surveyed yet but a recent photogeological survey indicated 120 target linear features of which 57 grade one exploration targets require detailed geological assessment.

# Phase 3 – Exploration of the Tawny Project

Given the historical production and mineralisation at the Tawny Project, 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. It is anticipated that a drilling program will be undertaken in the middle of 2018.

# 3.7 MACY DEPOSIT

Symbol Mining has completed a drilling campaign to delineate an Indicated and Inferred JORC Resource of 122,900t at 21.9% zinc and 4.4% lead at the Macy Deposit, and has undertaken internal scoping studies, financial modelling and business plans to consider the potential of mining at the Macy Deposit.

The scoping study referred to in the Independent Geologist's Report is based on low-level technical and economic assessments, and is insufficient to support estimates of Ore Reserves or provide assurance of an economic development case at this stage, or provide certainty that the conclusions of the study will be realised. However, the scoping study provides adequate information to indicate that there is a reasonable prospect for eventual economic extraction of the mineral resource.

Subject to completing the drilling contemplated in Phase 1A of section 3.6.2 and depending on its success, the Company will assess whether or not the Macy Deposit can be economically developed, with a primary objective of achieving early cash flow. The Independent Geologist's Report summarises the mining and processing stages contemplated in developing the Macy Deposit, highlighting the straightforward nature to the development.

The Company notes that Symbol Mining's payment obligations to the Creditor under the Debt Repayment Agreement commence on the earlier of 6 months after production commences at the Macy Deposit, and 30 June 2018. See section 9.3 for a summary of the Debt Repayment Agreement.

# 3.8 SUSTAINABILITY

# 3.8.1 COMMUNITY

Symbol Mining considers the community as an integral part of its growth strategy and will endeavour to improve standards of health, education and wellbeing for all persons surrounding its projects. Through community consultation, Symbol Mining will work to move early stage initiatives into self-sustaining projects, making for long term mutually beneficial relationships.

The overall objective of Symbol Mining's corporate social responsibility plan is to enhance the quality of lives of its employees, their immediate families and immediate communities. Symbol Mining will also seek to commit to local community participation in its workforce through employment, training and eventually contracting opportunities.

Symbol Mining's commitment to local community can already be evidenced by its contribution towards the refurbishment of the Gwana Primary School and provision of education supplies.

#### 3.8.2 HEALTH AND SAFETY

The health and safety of Symbol Mining's employees, contractors and stakeholders is integral to the way it operates. Symbol Mining aims to achieve a zero-incident work environment by having a safety culture based on teamwork and leadership so as to provide an injury and illness free environment.

As health and safety are its first priority, Symbol Mining's goal of having a zero-incident work environment requires ongoing effort to achieve. All levels of supervision are expected to lead by example and are held accountable for safety performance and creating a workplace culture that recognises that safety is paramount.

All employees and subcontractors are expected to take personal responsibility and be involved in setting and complying with Symbol Mining's standards and improvement initiatives. In turn, Symbol Mining provides support and training to enable its personnel to maintain a safe working environment.

# 3.8.3 ENVIRONMENT

Symbol Mining understands the impact that exploration and mining activities can have on the physical environment around a site and, as such, has developed policies and procedures which have been designed to protect the environment and minimise those impacts.

Symbol Mining is committed to the development of robust environmental management systems and resource efficiency programs that will sustain the natural environment for future generations and instill a sense of pride in its staff.

# 4. RISK FACTORS

The Shares offered under this Prospectus should be considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers, before deciding whether to apply for Shares.

There are specific risks which relate directly to the Company and the Symbol Mining's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

# 4.1 SPECIFIC RISKS

# 4.1.1 REINSTATEMENT TO THE OFFICIAL LIST OF ASX

Due to the Company's change in nature and scale of activities which will result from completion of the Proposed Acquisition, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company in its re-compliance with these requirements. It is anticipated that the Company's securities will remain suspended until completion of the Proposed Acquisition and Offer, and satisfaction of ASX's conditions to relisting. There is a risk that the Company will not be able to satisfy one or more of these requirements and that its securities will consequently remain suspended from quotation.

The Company anticipates that it will be required to obtain a waiver from Listing Rule 10.1 in order to allow the Creditor to hold a charge over Symbol Mining's shareholding in Symbol UK. The Company will apply for this waiver on or about the date of this Prospectus. In the event that the Company is unable to obtain the waiver, then it may need to re-negotiate the terms of the Debt Repayment Agreement with the Creditor, which may in turn require the Company to issue a supplementary or replacement prospectus, or withdraw the Offer.

In the event that the conditions of the Offers set out in section 1.3 are not satisfied or the Company does not otherwise obtain re-quotation of its Shares, the Company will not proceed with the Offer and will repay all Application Monies received without interest.

# 4.1.2 EXPLORATION AND DEVELOPMENT

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.

# 4.1.3 FUTURE PROFITABILITY

Symbol Mining is in the growth stage of its development and has only made losses since its inception in November 2011. The Company's profitability will be impacted by, among other things, the success of its exploration and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

# 4.1.4 NIGERIAN COUNTRY RISK

The Projects are located in Nigeria and, following completion of the Proposed Acquisition, 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 nationalisation, 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.

The Company will conduct it operations in accordance with international laws and standards, which may not be consistent with local customs or practices that could result in loss, reduction of production, logistics and sales, in which the Company's operational and financial performance may be adversely affected.

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.

# 4.1.5 NIGERIAN MINING TENEMENTS

Mining in Nigeria is governed by the *Nigerian Minerals and Mining Act 2007* (**Mining Act**). Under the Mining Act, a person who obtains any mineral in the course of exploration or mining operations is liable to pay a royalty as prescribed in the regulations. Furthermore, the holder of an exploration licence who sells any mineral resources as provided for in the Mining Act is subject to the payment of royalty as if the mineral resources sold were obtained under a mining lease. The

royalty rater varies from 3% to 5% depending on mineral type. The requirement to pay a royalty under the legislation will impact on the Company's future performance.

The Company's mining exploration activities are dependent upon the maintenance (including renewal) of its licences granted in respect of the Projects. Although the Company has no reason to think that the licences will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed on the Projects.

For further information on laws and regulations attaching to the Projects, refer to the Legal Tenement Report in section 7.

#### 4.1.6 DEBT REPAYMENT AGREEMENT

Prior to completion of the Offer, Symbol Mining, Symbol UK and the Creditor intend to enter into the Debt Repayment Agreement to restructure the payment of debt owed by Symbol Mining to the Creditor. The agreement contains various undertakings and default triggers in favour of the Creditor which, if breached, may accelerate the payment requirements of Symbol Mining. If the Company is unable to pay any amounts due under the Debt Repayment Agreement when they fall due, or the Company otherwise breaches the Debt Repayment Agreement then it risks defaulting and enabling the Creditor to enforce its security over Symbol UK and its interests in Imperial JV and Tawny JV.

Further, although execution of the Debt Repayment Agreement is expected to occur on or about the date of this Prospectus, and noting that a non-binding term sheet setting out the principal terms of the repayment structure has been entered into, there is no certainty that the parties will be able to agree final terms and formally enter into the Debt Repayment Agreement. In these circumstances, the Company would either seek to re-negotiate terms with the Creditor repayment (which may require the Company to issue of a supplementary prospectus with or without withdrawal rights), or consider withdrawing its Offer entirely.

# 4.1.7 OPERATIONAL RISKS

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.

# 4.1.8 COMMODITY PRICES

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

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

In the event the Company achieves exploration success leading to viable mining production, the Company's financial performance will be highly dependent on commodity prices and exchange rates.

# 4.1.9 JOINT VENTURE AND CONTRACTUAL RISK

Through its wholly owned subsidiary, Symbol Mining 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 Mining 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 Mining UK and each of the other shareholders are governed by the shareholders agreements summarised in section 9.2.

The agreements 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 agreement which may impact the Company's business and its performance.

# 4.1.10 JOINT VENTURE FUNDING RISK

In order to fund the Imperial Project and the Tawny Project, Symbol Mining has agreed to initially contribute 100% of funds required by the Projects, despite only holding a 60% interest. For the first US\$15m of expenditure at the Imperial Project, Goidel's 40% share will effectively be repaid to Symbol Mining through the diversion of 20% of dividends that Goidel would otherwise receive from Imperial JV. There is no guarantee if and when Symbol Mining will be repaid these funds, which could ultimately amount to US\$6m under the facility. For the first US\$15m of expenditure at the Tawny Project, Adudu's 40% share will effectively be free carried.

Therefore, for both Projects, the Company will be heavily relied on to provide necessary funding. There is no guarantee that the Company will be able to access funds (whether debt or equity) on reasonable terms in the future to support its Projects. Further, funding may incur additional costs and potentially be subject to foreign exchange and repatriation risk that may adversely affect the Company's operational and financial performance

For more information on the arrangements between the joint venture partners, see the shareholders agreements summarised in section 9.2.

# 4.1.11 RESOURCE AND RESERVE ESTIMATES

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even is a resource is identified, no assurance can be provided that this can be economically extracted.

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretation which may prove to be inaccurate.

#### 4.1.12 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.

# 4.1.13 GRANT OF FUTURE AUTHORISATIONS TO EXPLORE AND MINE

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

# 4.1.14 ENVIRONMENTAL RISK

The Company's activities are 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.

# 4.1.15 REHABILITATION OF TENEMENTS

In relation to the Company's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time.

# 4.1.16 CLIMATE CHANGE REGULATION

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increase regulation and government policy designed to mitigate climate change may

adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

# 4.1.17 CONTRACT RISK

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Proposed Directors are unable to completely avoid the risk of:

- financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;
- insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its exploration activities; or
- insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such contract risks.

#### 4.1.18 FUTURE FUNDING NEEDS

The funds raised under the Offer 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.

# 4.1.19 INTERNATIONAL OPERATIONS

The Company initially intends to operate in Nigeria. The Company may also consider expanding into other markets internationally in the future. Therefore, the Company will be exposed to risks relating to operating in those countries. Many of these risks are inherent in doing business internationally, and will include, but are not limited to:

- changes in the regulatory environment;
- trade barriers or the imposition of taxes:
- difficulties with staffing or managing any foreign operations;
- issues or restrictions on the free transfer of funds:
- technology export or import restrictions; and

delays in dealing across borders caused by customers or regulatory authorities.

# 4.1.20 FOREIGN EXCHANGE RISK

The Company's costs and expenses in Nigeria and other foreign countries are likely to be in foreign currencies. Accordingly, the depreciation of the Australian dollar and/or the appreciation of the foreign currency relative to the Australian dollar could result in a translation loss on consolidation which is taken directly to shareholder equity.

Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue. The Company will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the other foreign currencies, and will have to monitor this risk.

#### 4.1.21 CORRUPTION RISK

Due to the nature of the industry sector and the region in which Symbol Mining operates, the Company may be exposed to accusations of poor practice regarding compliance with the requirements of the Bribery Act 2010 (UK). Violations of the Bribery Act 2010 (UK) may result in criminal action being bought against the Company, Symbol Mining or any of their personnel, leading to reputational damage, possible imprisonment and fines.

The Company has adopted an Anti-Corruption Compliance Policy in accordance with the UK Bribery Act 2010 and intents to develop and adhere to the six guidance principals issued by the UK Ministry of Justice to foster an anti-bribery culture within the group and to ensure that it has appropriate procedures in place to mitigate the risk of bribery and that all employees, agents and other associated person are made fully aware of the Company's policies and procedures with regard to ethical behaviour, business conduct and transparency.

# 4.1.22 LIQUIDITY AND EXPIRY OF ESCROW

ASX may determine that Shares to be held by the Sellers, Noteholders and Corporate Advisers are subject to escrow for a period of 12 or 24 months, resulting in up to 273,499,999 Shares (representing 58.8% of the total number of Shares on issue upon completion of the Offer assuming Minimum Subscription) not being tradeable for those periods. This may reduce the volume of trading in the Company's Shares on the ASX, which may in turn negatively impact a Shareholder's ability to sell Shares.

However, the Company notes that it intends to apply for "look through" and "cash formula" relief to minimise escrow imposed on certain Sellers and seed capitalists.

Following the end of these escrow periods, a significant portion of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Company's Share price. Please see in section 1.8 for further information on anticipated escrow arrangements.

# 4.1.23 CONCENTRATION OF OWNERSHIP OF SHARES

Upon completion of the Offer, Andrew Simpson and Barry Bolitho will hold up to 86,799,341 Shares each, together representing 37.4% of the Shares and voting rights in the Company assuming that only Minimum Subscription is achieved.

Although they are not considered to be associates of one another, each of these Shareholders individually would exert significant influence over matters requiring the approval of Shareholders, including the election of directors, and in doing so may not vote in the interests of other minority Shareholders. This concentration of ownership could also discourage, delay or prevent a takeover offer for, or other change in control of, the Company which may deprive Shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company.

# 4.2 GENERAL RISKS

# 4.2.1 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.

# 4.2.2 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.

#### 4.2.3 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.

#### 4.2.4 INSURANCE COVERAGE

The Company intends to 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.

# 4.2.5 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.

# 4.2.6 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.

#### 4.2.7 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.

# 4.2.8 COMMERCIAL RISK

The mining industry is competitive and there is no assurance that, even if commercial quantities are discovered by the Company, 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.

#### 4.2.9 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.

# 4.2.10 CHANGES TO LEGISLATION OR 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 and the regulation of trade practices and competition, government grants and incentive schemes, accounting standards, and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.

#### 4.2.11 INVESTMENT RISK

The Shares to be issued under the Offer should be considered highly speculative. There is no guarantee as to the payment of dividends, return of capital or the market value of the Shares from time to time. The price at which an investor is able to trade the Shares may be above or below the price paid for Shares under the Offer. Whilst the Directors commend the Offer, investors must make their own assessment of the risks and determine whether an investment in the Company is appropriate in their own circumstances.

# 4.2.12 SHARE MARKET

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors including the following:

- the general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- terrorism and other hostilities; and
- other factors beyond the control of the Company.

#### 4.2.13 FORCE MAJEURE RISK

Events may occur within or outside the markets in which the Company operates that could impact upon the global, Australian and Nigerian 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, labour 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 adversely affected if any of the events described above occurs.

#### 4.2.14 TAXATION

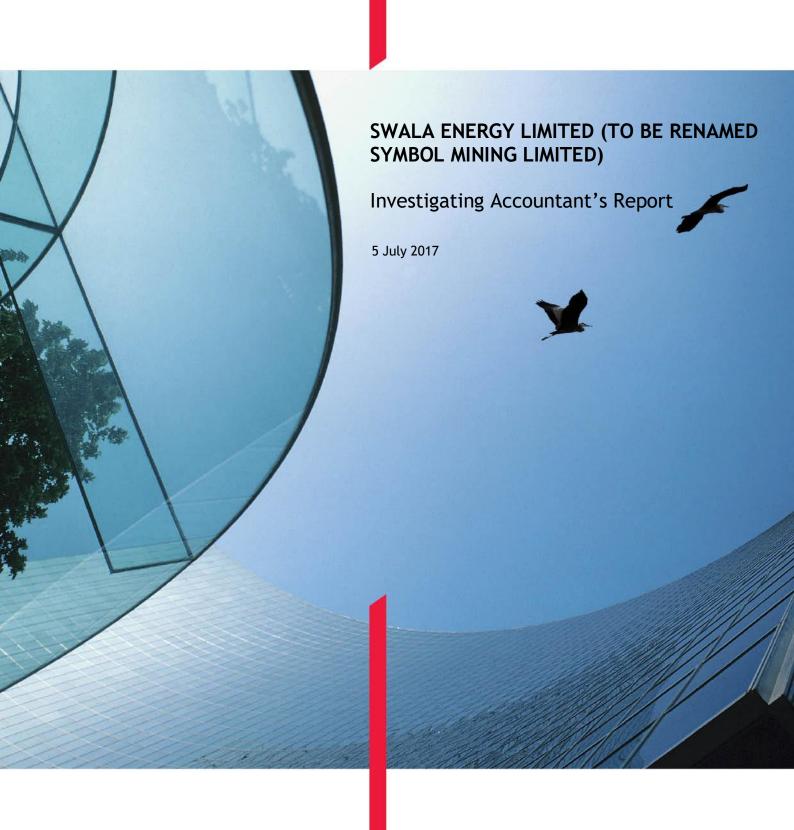
The acquisition and disposal of Shares may have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors of the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

# 4.3 OTHER RISKS

This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this section 4 as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its Shares. Therefore, the Shares offered under the Offer carry no guarantee with respect to the payment of dividends, return of capital or their market value.

Investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offer.

5.	INVESTIGATING ACCOUNTANT'S REPORT







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5 July 2017

The Directors Swala Energy Limited C/o Trident Capital Pty Ltd Level 24, St Martins Tower PERTH WA 6000

**Dear Directors** 

# INVESTIGATING ACCOUNTANT'S REPORT

#### 1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by Trident Capital Pty Ltd ('Trident') who is the Deed of Company Arrangement ('DOCA') proponent and corporate advisor to the acquisition of Symbol Mining Corporation Pty Ltd ('Symbol') by Swala Energy Limited ('Swala' or 'the Company'). Trident have requested an Investigating Accountant's Report ('Report') to be prepared in relation to the historical financial information and pro forma historical financial information of Swala, for inclusion in a Prospectus ('Prospectus').

Swala was placed in administration on 24 June 2016 pursuant to section 439A of the Corporations Act 2001 (Cth) ('Corporations Act' or 'the Act'). On 24 October 2016, the Company executed a DOCA effective as at 21 October 2016 with Trident the preferred party to recapitalise the Company. The DOCA embodied a proposal by Trident to restructure the Company under a Recapitalisation Proposal ('Recapitalisation Proposal').

Funds raised under the Recapitalisation Proposal have enabled Swala to terminate the DOCA. 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 will allow Swala to pursue new projects by acquisition or investment. Swala has also obtained shareholder approval to consolidate the existing shares on issue on a 120:1 basis. All references to shares on issue in this Report are on a post consolidation basis unless specified.

In addition to the Recapitalisation Proposal, Trident entered into a heads of agreement with Symbol 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') to the Board of Swala. Mr Simpson and Mr Bolitho are current directors of Symbol.

Accordingly, the Prospectus is required for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Australian Securities Exchange ('ASX') Listing Rules following a change to the nature and scale of the Company's activities.

The Prospectus will offer a minimum of 140 million shares at an issue price of \$0.04 each to raise \$5.6 million before costs and up to 190 million shares at \$0.04 each to raise \$7.6 million before costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158).

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

# Scope

You have requested BDO to perform a review engagement in relation to the historical and proforma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Historical Financial Information

You have requested BDO to review the following historical financial information (together the 'Historical Financial Information') included as appendices to our Report:

- the audited historical consolidated Statements of Financial Position, Performance and Cash Flows for Swala for the years ended 31 December 2016, 2015 and 2014; and
- the audited historical Statements of Financial Position, Performance and Cash Flows for Symbol for the half year ended 31 December 2016 and for the years ended 30 June 2016, and 2015.

The Historical Financial Information of Swala has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian equivalents to International Financial Reporting Standards ('AIFRS') and the Company's adopted accounting policies. The Historical Financial Information of Swala has been extracted from the financial reports for the years ended 31 December 2016, 31 December 2015 and 31 December 2014. The financial report for the year ended 31 December 2016 was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards.

BDO Audit (WA) Pty Ltd issued a disclaimer of opinion on the 31 December 2016 financial report as the Company entered into a DOCA on 24 June 2016 and the duties and responsibilities of the Swala directors were suspended from that date. In addition, the directors of Swala did not have oversight or control over Swala'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.

As a result of this matter, BDO Audit (WA) Pty Ltd were unable to obtain sufficient appropriate audit evidence or determine whether any adjustments might have been found necessary in respect of Swala's Historical Financial Information.

Swala's directors have also made a number of assumptions in assessing the going concern basis of preparation. In particular, 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, was 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.

BDO Audit (WA) Pty Ltd 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 from the date of the auditor's report. Further information can be found at note 1a) in Appendix 5.

The Historical Financial Information of Symbol has been extracted from the financial report for the six month period ended 31 December 2016 and the years ended 30 June 2016 and 30 June 2015, which was audited by C Campagna & Associates in accordance with Australian Accounting Standards and Symbol's adopted accounting policies. C Campagna & Associates issued an unmodified audit opinion on the financial report.

# Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') included as appendices in our Report:

the pro forma historical Statement of Financial Position as at 31 December 2016.

The Pro Forma Historical Financial Information has been derived from the historical financial information of Swala, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 6 and Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Swala to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Swala's financial position as at 31 December 2016. As part of this process, information about Swala's financial position has been extracted by Swala from its financial statements for the year ended 31 December 2016.

# 3. Directors' responsibility

The directors of Swala are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical

Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

# 4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our review procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

# 5. Conclusion

Historical Financial Information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical consolidated Statements of Financial Position, Performance and Cash Flows for Swala for the years ended 31 December 2016, 2015 and 2014; and
- the audited historical Statements of Financial Position, Performance and Cash Flows for Symbol for the half year ended 31 December 2016 and for the years ended 30 June 2016, and 2015.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

 the pro forma historical Statement of Financial Position of Swala as at 31 December 2016,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

# 6. Subsequent Events

The pro forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2016:

 On effectuation of the DOCA, the Company's creditor claims (including priority and contingent creditors) were extinguished and released against the Company. As such, Swala's existing cash and trade and other receivables balances were 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;
- The Company has raised \$15,000 at \$0.02 per share 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 to the ASX. These funds form part of the Recapitalisation Proposal and will be used to cover costs associated with the DOCA;
- The Company has raised an additional \$0.75 million at \$0.02 per share as part of the Recapitalisation Proposal to cover costs associated with the DOCA;
- The Company expects to spend \$0.536 million on costs of the DOCA, the remaining creditors and the Recapitalisation Proposal. The net effect of the \$15,000 and \$0.75 million capital raisings and the repayment of the Company's creditors will result in Swala holding \$0.229 million cash and having no other assets or liabilities;
- We have adjusted the cash balance of Symbol to reflect the additional \$0.15 million of convertible notes raised under the Vendor PE Placement subsequent to 31 December 2016. Accordingly, we have also increased the convertible loan balance by \$0.15 million. The convertible notes issued via the Vendor PE Placement will convert to Swala shares post transaction at \$0.02 per share. Refer to the pro forma adjustments below for the equity conversion. We also note that Symbol can increase this total Vendor PE Placement balance to \$0.5 million by raising an additional \$0.025 million prior to the Company relisting on the ASX;
- We have adjusted Symbol's cash balance to reflect the decrease in cash from 1 January 2017 to 31 May 2017. The majority of the \$0.257 million expenditure over this period relates to exploration costs associated with the development of the Tawny and Imperial projects. This amount has been expensed; and
- We have adjusted the Symbol project exploration and development expenses balance to reflect the independent market valuation completed by Agricola Mining Consultants Pty Ltd in January 2017. 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.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Swala not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

# 7. Assumptions Adopted in Compiling the Pro forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 1. This has been prepared based on the financial statements as at 31 December 2016, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of a minimum 140 million shares and up to 190 million shares under the Prospectus at an issue price of \$0.04 per share to raise between \$5.6 million and \$7.6 million, before costs, pursuant to the Prospectus;
- We have adjusted the minimum capital raising balance to reflect \$0.67 million of costs of the Offer. \$0.34 million of this balance relates to the issue of new shares which has been offset against the contributed equity. We have adjusted the maximum capital raising balance to reflect \$0.79 million of costs of the Offer. \$0.47 million of this balance relates to the issue of new shares which has been offset against the contributed equity;
- Symbol's convertible loan balance of \$0.475 million (which includes the \$0.150 million that was raised post 31 December 2016) will convert to Swala shares at \$0.02 per share. We also note that Symbol can increase this balance to \$0.5 million by raising an additional \$0.025 million prior to the Company relisting on the ASX;
- Symbol has a US\$2,776,001 loan with Noble Resources International Pte Ltd ('Noble') as at 31 December 2016. Symbol intends to enter into a debt repayment agreement with Noble prior to the Company relisting on the ASX where US\$2.0 million of the balance will be repaid by issuing 50 million Swala shares at a deemed issue price of A\$0.04 per share to Noble and repaying Noble US\$1.0 million in three tranches from any future cash flows in the event that 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\$1.0 million balance (converted to A\$1.39 million using an USDAUD exchange rate of 1:1.3887 at 31 December 2016) to be repaid from any future cash flows;
- Swala will issue 11.5 million Facilitation Shares to Trident who assisted in facilitating the acquisition of Symbol. These shares are to be issued at a deemed price of \$0.04;
- Swala will issue 20 million options to Argonaut Securities Pty Ltd for services in relation to the Recapitalisation Proposal. These Promoter Options ('Promoter 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;
- The Company will make a cash payment of up to \$0.125 million to Mr Simpson and Mr 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 \$0.125 million in cash, then the Company will issue shares in lieu of cash at \$0.04 each;
- Symbol has approved a payment of bonuses which total \$0.143 million to Mr Patrick
  McCole ('Mr McCole') and \$0.179 million (less \$0.023 million to repay cash advances) to
  Mr Carmichael Olowyo ('Mr Olowyo'). The total of these amounts equal \$0.299 million.
  These payments are also contingent on the completion of the Acquisition. We note that
  if the Acquisition is not completed then these payments are terminated; and
- Swala will be acquiring all the shares in Symbol by issuing a total of 199,999,999 ordinary shares in Swala to Symbol shareholders. As such, this transaction is determined to be a reverse acquisition where 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).

# 8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Recapitalisation Proposal other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO is the auditor of Swala and from time to time, BDO also provides Swala with certain other professional services for which normal professional fees are received.

# 9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

**Adam Myers** 

Director

APPENDIX 1

SWALA ENERGY LIMITED

PRO FORMA STATEMENT OF FINANCIAL POSITION

		Swala	Symbol audited as at	Subsequent	Pro forma a	diustments	Pro forma a	after offer
		31-Dec-16	31-Dec-16			_	\$5.6 million	
	Notes	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS								
Cash and cash equivalents	2	412,361	186,348	(290,361)	4,506,756	6,384,706	4,815,104	6,693,054
Trade and other receivables	3	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	(1,026,345)	4,506,756	6,384,706	4,833,698	6,711,648
NON CURRENT ASSETS								
Property plant & equipment	4	72,673	-	(72,673)	-	-	-	-
Project exploration and development expenses	5	-	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	(3,016,769)	-	-	1,405,880	1,405,880
TOTAL ASSETS		1,221,018	4,554,918	(4,043,114)	4,506,756	6,384,706	6,239,578	8,117,528
CURRENT LIABILITIES								
Trade and other payables	6	1,216,724	2,803	(1,216,724)	-	-	2,803	2,803
Income tax	7	4,299	-	(4,299)	-	-	-	-
Other liabilities	8	967,071	-	(967,071)	-	-	-	-
TOTAL CURRENT LIABILITIES		2,188,094	2,803	(2,188,094)	-	-	2,803	2,803
NON CURRENT LIABILITIES								
Convertible loan	9	-	325,000	150,000	(475,000)	(475,000)	-	-
Noble loan	10	-	3,836,424	-	(2,447,724)	(2,447,724)	1,388,700	1,388,700
Unsecured loans from directors	11	-	124,488	-	(124,488)	(124,488)	-	-
TOTAL NON CURRENT LIABILITIES		-	4,285,912	150,000	(3,047,212)	(3,047,212)	1,388,700	1,388,700
TOTAL LIABILITIES		2,188,094	4,288,715	(2,038,094)	(3,047,212)	(3,047,212)	1,391,503	1,391,503
NET ASSETS		(967,076)	266,203	(2,005,020)	7,553,968	9,431,918	4,848,075	6,726,025
EQUITY								
Contributed equity	12	28,164,098	711,822	(27,399,098)	8,991,526	10,871,526	10,468,348	12,348,348
Reserves	13	4,311,140	-	(4,311,140)	400,000	400,000	400,000	400,000
Non-controlling interests	14	(2,592,649)	-	2,592,649		-	-	-
Accumulated losses	15	(30,849,665)	(445,619)	27,112,569	(1,837,558)	(1,839,608)	(6,020,273)	(6,022,323)
TOTAL EQUITY		(967,076)	266,203	(2,005,020)	7,553,968	9,431,918	4,848,075	6,726,025

The pro forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5 and the prior year financial information set out in Appendices 2, 3 and 4.

# **APPENDIX 2**

# **SWALA ENERGY LIMITED**

# HISTORICAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the	Audited for the	Audited for the
Consolidated Statement of Profit or Loss and Other	year ended	year ended	year ended
Comprehensive Income	31-Dec-16	31-Dec-15	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)

# APPENDIX 2 (cont.)

# SYMBOL MINING CORPORATION PTY LTD

# HISTORICAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the	Audited for the	Audited for the
Consolidated Statement of Profit or Loss and Other	period 1-Jul-16	year ended	year ended
Comprehensive Income	31-Dec-16	30-Jun-16	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)

These Historical Statements of Profit or Loss and Other Comprehensive Income shows the historical financial performance of Swala and Symbol and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5. Past performance is not a guide to future performance.

# APPENDIX 3 SWALA ENERGY LIMITED

# HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated 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)

# APPENDIX 3 (cont.)

# SYMBOL MINING CORPORATION PTY LTD

# HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position	Audited as at 31-Dec-16 \$		Audited 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		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)	
Accumulated losses	(445,619)	(395,629)	(199,081)
TOTAL EQUITY	266,203	16,193	212,741

These Historical Statements of Financial Position show the historical financial position of Swala and Symbol and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5.

# **APPENDIX 4**

# **SWALA ENERGY LIMITED**

# HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the A	Audited for the	Audited for the
Consolidated Statement of Cash Flows	year ended	year ended	year ended
Consolidated Statement of Cash Flows	31-Dec-16	31-Dec-15	31-Dec-14
	\$	\$	\$
Cash flows from operating activities			
Cash flows from Joint Operations	-	-	500,000
Payments to suppliers and employees	(1,184,481)	(2,864,956)	(3,576,611)
Payments for exploration and evaluation	(732,977)	(5,180,100)	(8,590,646)
Reimbursement of past exploration and evaluation costs	564,340	8,257,444	-
Deposit received under DOCA	50,000	-	-
Interest received	648	2,655	50,413
Net cash (used)/provided in operating activities	(1,302,470)	215,043	(11,616,844)
Cash flows from investing activities			
Payment for property, plant and equipment	-	(7,455)	(70,196)
Net cash provided by/(used in) investing activities	-	(7,455)	(70,196)
Cash flows from financing activities			
Proceeds from issuing of shares	-	-	75,000
Proceeds from issuing of shares by Swala Oil & Gas (Tanzania) Plc	_	-	2,381,003
Proceeds from convertible notes	_	-	917,656
Proceeds from convertible notes issued by Swala Oil & Gas (Tanzania) Plc	-	-	1,355,460
Repayment of convertible notes	-	(841,688)	· · · ·
Proceeds from borrowings	-	1,379,957	-
Repayment of borrowings	-	(1,379,957)	-
Net cash (used in)/provided by financing activities	-	(841,688)	4,729,119
Net increase/(decrease) in cash held	(1,302,470)	(634,100)	(6,957,921)
Cash at beginning of financial year	1,714,831	2,348,931	9,306,852
Cash and cash equivalents at end of financial year	412,361	1,714,831	2,348,931

# APPENDIX 4 (cont.)

# SYMBOL MINING CORPORATION PTY LTD

# HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS

	Audited for the	Audited for the	Audited for the
Consolidated Statement of Cook Floor	period 1-Jul-16	year ended	year ended
Consolidated Statement of Cash Flows	31-Dec-16	30-Jun-16	30-Jun-15
	\$	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees	(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 and 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	-	-	(10,000)
Proceeds from the issue of shares	-	-	368,570
Proceeds from the issue of convertible notes	325,000	3,738,266	-
Cost of the issue of convertible notes	(19,500)	-	-
Net cash inflow from financing activities	395,990	3,745,368	542,138
Net increase/(decrease) in cash held	177,116	4,872	(11,945)
Cash at beginning of financial year	9,231	4,359	16,304
Cash and cash equivalents at end of financial year	186,347	9,231	4,359

The Historical Statements of Cash Flows show the historical cash flows of Swala and Symbol and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 5.

# **APPENDIX 5**

#### **SWALA ENERGY LIMITED**

#### NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

# 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

# Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

This report should be read in conjunction with any public announcements made by the Company during the entire reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.

# **Going Concern**

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

# **Reporting Basis and Conventions**

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

# a) Incomplete records

On 24 June 2016 the Board resolved to place the Company into Voluntary Administration and appointed James Thackray as Administrator of the Company.

Following appointment of the Administrator, the powers of the Company's officers (including directors) were suspended and the Administrator assumed control of the Company's business, property and affairs.

The financial report has been prepared by the Directors. The newly appointed Directors were appointed on 27 April 2017 and were not in office for the periods presented in this report, nor were they parties involved with the Company and did not have oversight or control over the

group's financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company. Mr Ken Russell is a Non-Executive Chairman and did not have oversight or control over the group's financial reporting systems including but not limited to being able to obtain access to complete accounting records of the Company. Mr Mohammed Ishtiaq is a Non-Executive Director of the Company. The Administrator and former directors have made numerous attempts to contact Mr Ishtiaq and received no response. In addition, as the Administrator was only appointed to Swala Energy Limited the Directors have not been able to source detailed financial records for subsidiary companies. Accordingly, the consolidated financial report has been prepared based on limited financial information only which was available to the Directors through the Administrator, or in the case of Swala Oil and Gas (Tanzania) PLC, from public records. Reasonable effort has been made by the Directors to ascertain the true position of the Company as at 31 December 2016.

To prepare the financial report, the Directors have reconstructed the financial records of the Company using data extracted from the accounting system. However, there may be information that the current directors have not been able to obtain, the impact of which may or may not be material on the accounts.

These financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the administration process and/or the change in directorships and key management personnel.

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state that this financial report gives a true and fair view of the Company's financial position as at 31 December 2016 and for the year then ended.

# b) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all those entities over which the Company has both the power and the rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intragroup transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position respectively.

# c) Income Tax

The income tax expense or benefit (revenue) for the year is the tax payable on the current year's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base

of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

# d) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

# e) Trade and Other Receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

# f) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

#### Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

# g) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to

settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

# h) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

# i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

# j) Exploration and Evaluation Expenditure

Exploration and development costs related to an area of interest are expensed as incurred except where they may be carried forward as an item in the consolidated statement of financial positon where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting
  date reached a stage which permits a reasonable assessment of the existence or
  otherwise of economically recoverable reserves, and active and significant operations in,
  or in relation to, the area of interest are continuing.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the asset relates.

Capitalised exploration and evaluation expenditure is written off where the above conditions are no longer satisfied.

All capitalised exploration and evaluation expenditure is assessed for impairment if facts and circumstances indicate that an impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

# k) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of

the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cashgenerating unit to which the asset belongs.

# Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

#### Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

# l) Restoration, Rehabilitation and Environmental Costs

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure. Costs are estimated on the basis of current undiscounted costs, current legal requirements and current technology.

# m) Joint Arrangements

Interests in joint operations are brought to account by including in the respective classifications the Company's share of individual assets employed, liabilities and expenses incurred. The Company's interest in joint operations will be brought to account using the cost method. Where part of a joint operation is farmed out in consideration of the farminee undertaking to incur further expenditure on behalf of both the farminee and the entity in the joint operation area of interest, exploration expenditure incurred and carried forward prior to farmout continues to be carried forward without adjustment.

Any cash received in consideration for farming out part of a joint operation is treated as a reduction in the carrying value of the related mineral property.

# n) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new Shares or Options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

#### o) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

## Consolidation of group subsidiaries

As detailed in note 1a) the administrator appointed on 24 June 2016 was only appointed to Swala Energy Limited so the directors have not been able to source detailed financial records for subsidiary companies.

#### Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

#### p) Property, Plant and Equipment

Plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment. Depreciation on each class of depreciable assets is calculated on either the diminishing value basis or straight line method over the estimated useful life of the asset as follows:

• Plant and equipment 1 year to 10 years.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the Statement of Profit or Loss and Other Comprehensive Income in the year that the item is derecognised.

	Audited as at	Audited as at Pro forma after	
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$	\$
Cash and cash equivalents	412,361	4,815,104	6,693,054
Audited balance of Swala as at 31 December 2016		412,361	412,361
Audited balance of Symbol as at 31 December 2016		186,348	186,348
Subsequent events:			
Existing Swala cash balance to be used to repay creditors		(412,361)	(412,361)
Cash raised from DOCA recapitalisation shares with 9 free attaching options		15,000	15,000
Cash raised from DOCA recapitalisation shares		750,000	750,000
DOCA costs		(536,000)	(536,000)
Funds raised via the Symbol convertible note		150,000	150,000
Symbol expenses incurred from 1 January 2017 to 31 May 2017		(257,000)	(257,000)
		(290,361)	(290,361)
Pro-forma adjustments:			
Proceeds from shares issued under the Offer		5,600,000	7,600,000
Costs of the Offer		(670,215)	(792,265)
Repayment of Andrew Simpson and Barry Bolitho's previous expenditure*		(124,488)	(124,488)
Payment to Mr McCole and Mr Olowoyo		(298,541)	(298,541)
	-	4,506,756	6,384,706
Pro-forma Balance	-	4,815,104	6,693,054

\*We note that if Swala is not permitted to pay the full balance above in cash, then the Company will issue shares to Mr Simpson and Mr Bolitho in lieu of cash at \$0.04 each.

	Audited as at	Pro forma	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 3. TRADE AND OTHER RECEIVABLES	\$	\$	\$
Trade and other receivables	735,984	13,328	13,328
Audited balance of Swala as at 31 December 2016		735,984	735,984
Audited balance of Symbol as at 31 December 2016		13,328	13,328
Subsequent events:			
Reduction of Swala's trade and other receivables balance to reflect DOCA adjustment		(735,984)	(735,984)
	-	(735,984)	(735,984)
Pro-forma Balance	-	13,328	13,328

	Audited as at 31-Dec-16	Pro forma a \$5.6 million	
NOTE 4. PROPERTY PLANT AND EQUIPMENT	\$		\$
Property plant and equipment	72,673	-	-
Audited balance of Swala as at 31 December 2016 Audited balance of Symbol as at 31 December 2016		72,673 -	72,673
Subsequent events:			
Reduction of Swala's property plant and equipment balance to reflect DOCA adjustment		(72,673)	(72,673)
	-	(72,673)	(72,673)
Pro-forma Balance	_		

	Audited as at	Pro forma a	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 5. PROJECT EXPLORATION AND DEVELOPMENT EXPENSES	\$	\$	\$
Project exploration and development expenses	-	1,405,000	1,405,000
Audited balance of Swala as at 31 December 2016 Audited balance of Symbol as at 31 December 2016		- 4,349,096	4,349,096
Subsequent events:			
Impairment of Symbol's project exploration and development expenses		(2,944,096)	(2,944,096)
	-	(2,944,096)	(2,944,096)
	_		
Pro-forma Balance		1,405,000	1,405,000

	Audited as at	Pro forma a	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 6. TRADE AND OTHER PAYABLES	\$	\$	\$
Trade and other payables	1,216,724	2,803	2,803
Audited balance of Swala as at 31 December 2016		1,216,724	1,216,724
Audited balance of Symbol as at 31 December 2016		2,803	2,803
Subsequent events:			
Reduction of Swala's trade and other payables balance to reflect DOCA adjustment		(1,216,724)	(1,216,724)
		(1,216,724)	(1,216,724)
	_		
Pro-forma Balance		2,803	2,803

	Audited as at 31-Dec-16	Pro forma a	
NOTE 7. INCOME TAX	\$	\$	\$
Income tax	4,299	-	-
Audited balance of Swala as at 31 December 2016		4,299	4,299
Audited balance of Symbol as at 31 December 2016		-	- [
Subsequent events:			
Reduction of Swala's income tax balance to reflect DOCA adjustment		(4,299)	(4,299)
	<del>-</del>	(4,299)	(4,299)
Pro-forma Balance	-	-	-

	Audited as at 31-Dec-16	Pro forma a \$5.6 million	
NOTE 8. OTHER LIABILITIES (CURRENT)	\$	\$	\$
Other liabilities	967,071	-	-
Audited balance of Swala as at 31 December 2016		967,071	967,071
Audited balance of Symbol as at 31 December 2016		-	-
Subsequent events:			
Reduction of Swala's other liabilities balance to reflect DOCA adjustment		(967,071)	(967,071)
	·	(967,071)	(967,071)
Pro-forma Balance	-	-	-

	Audited as at	Pro forma a	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 9. CONVERTIBLE LOAN	\$	\$	\$
Convertible loan	-	-	-
Audited balance of Swala as at 31 December 2016		-	-
Audited balance of Symbol as at 31 December 2016		325,000	325,000
Subsequent events:			
Additional funds raised under a convertible note	_	150,000	150,000
		150,000	150,000
Pro-forma adjustments:			
Conversion of convertible note		(475,000)	(475,000)
	_	(475,000)	(475,000)
	_		
Pro-forma Balance		-	-

	Audited as at	Pro forma a	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 10. NOBLE LOAN	\$	\$	\$
Noble loan	-	1,388,700	1,388,700
Audited balance of Swala as at 31 December 2016		-	
Audited balance of Symbol as at 31 December 2016		3,836,424	3,836,424
Pro-forma adjustments:			
Reduction in Noble debt due to issue of 50 million shares (US\$1 million remains*)		(2,447,724)	(2,447,724)
	=	(2,447,724)	(2,447,724)
	<u>-</u>		
Pro-forma Balance	_	1,388,700	1,388,700

<sup>\*</sup> the remaining US\$1 million loan balance has been converted to A\$1.39 million using an USDAUD exchange rate of 1:1.3887 at 31 December 2016.

	Audited as at 31-Dec-16	Pro forma a	
NOTE 11. UNSECURED LOANS FROM DIRECTORS	\$		\$
Unsecured loans from directors	-	-	-
Audited balance of Swala as at 31 December 2016		-	
Audited balance of Symbol as at 31 December 2016		124,488	124,488
Pro-forma adjustments:			
Repayment of Andrew Simpson and Barry Bolitho's previous expenditure*		(124,488)	(124,488)
	<del>-</del>	(124,488)	(124,488)
Pro-forma Balance	-	-	-

<sup>\*</sup>We note that if Swala is not permitted to pay the full balance above in cash, then the Company will issue shares to Mr Simpson and Mr Bolitho in lieu of cash at \$0.04 each.

	Audite	d as at	Pro forma	after offer
	31-De	ec-16	\$5.6 million	\$7.6 million
NOTE 12. ISSUED CAPITAL	\$		\$	\$
Issued capital	28,164	4,098	10,468,348	12,348,348
Fully paid ordinary share capital of Swala at 24 June 2016	` '	Number of shares (max) 165,154,565		\$ 28,164,098
Fully paid ordinary share capital of Symbol at 31 December 2016		184,989,884		711,822
Subsequent events: Elimination of Swala's issued capital upon Acquisition (refer Note 16)	-	-	(28,164,098)	(28,164,098)
Swala share consolidation (120:1)	1,376,288	1,376,288	-	-
DOCA recapitalisation shares with 9 free attaching options	750,000	750,000	15,000	15,000
DOCA recapitalisation shares	37,500,000	37,500,000	750,000	750,000
	39,626,288	39,626,288	(27,399,098)	(27,399,098)
Pro-forma adjustments:				
Proceeds from shares issued under this Prospectus	140,000,000	190,000,000	5,600,000	7,600,000
Costs of the Offer	-	-	(336,000)	(456,000)
Issue of Consideration Shares under the Acquisition	199,999,999	199,999,999	792,526	792,526
Issue of shares for repayment of Noble debt	50,000,000	50,000,000	2,000,000	2,000,000
Issue of shares on conversion of Symbol Convertible Notes	23,750,000	23,750,000	475,000	475,000
Issue of shares to facilitator	11,500,000	11,500,000	460,000	460,000
	425,249,999	475,249,999	8,991,526	10,871,526
Pro-forma Balance	464,876,287	514,876,287	10,468,348	12,348,348

	Audited as at	Pro forma	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 13. RESERVES	\$	\$	\$
Reserves	4,311,140	400,000	400,000
Audited balance of Swala as at 31 December 2016		4,311,140	4,311,140
Audited balance of Symbol as at 31 December 2016		-	-
Subsequent events:			
Reduction of Swala's reserves balance to reflect DOCA adjustment		(4,311,140)	(4,311,140)
	-	(4,311,140)	(4,311,140)
Pro-forma adjustments:			
Issue of Promoter Options		400,000	400,000
	-	400,000	400,000
Pro-forma Balance		400,000	400,000

Using the Black-Scholes option valuation methodology the fair value of the Promoter Options to be issued has been calculated. The following inputs were used:

Options to be issued		Promoter Options
Number of options	20	0,000,000
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
Value per tranche	\$	400,000

	Audited as at	Pro forma a	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 14. NON CONTROLLING INTERESTS	\$	\$	\$
Non controlling interests	(2,592,649)	-	-
Audited balance of Swala as at 31 December 2016		(2,592,649)	(2,592,649)
Audited balance of Symbol as at 31 December 2016		-	-
Subsequent events:			
Reduction of Swala's non controlling interests to reflect DOCA adjustment		2,592,649	2,592,649
	-	2,592,649	2,592,649
Pro-forma Balance	-	-	-

	Audited as at	Pro forma	after offer
	31-Dec-16	\$5.6 million	\$7.6 million
NOTE 15. ACCUMULATED LOSSES	\$	\$	\$
Accumulated losses	(30,849,665)	(6,020,273)	(6,022,323)
Audited balance of Swala as at 31 December 2016		(30,849,665)	(30,849,665)
Audited balance of Symbol as at 31 December 2016		(445,619)	(445,619)
Subsequent events:			
Elimination of Swala's accumulated losses upon Acquisition (refer Note 12)		30,849,665	30,849,665
DOCA costs		(536,000)	(536,000)
Symbol expenses incurred from 1 January 2017 to 31 May 2017		(257,000)	(257,000)
Impairment of Symbol's project exploration and development expenses		(2,944,096)	(2,944,096)
	•	27,112,569	27,112,569
Pro-forma adjustments:			
Costs of the Offer to be expensed		(334,215)	(336,265)
Amount recognised as ASX listing expense upon Acquisition (refer Note 16)		(792,526)	(792,526)
Facilitators fee		(460,000)	(460,000)
Issue of Promoter Options		(400,000)	(400,000)
Gain on satisfaction of Noble debt from issue of 50 million shares		447,724	447,724
Payment to Mr McCole and Mr Olowoyo		(298,541)	(298,541)
		(1,837,558)	(1,839,608)
Pro-forma Balance		(6,020,273)	(6,022,323)

#### NOTE 16: ACQUISITION ACCOUNTING

# Provisional accounting for the Acquisition of Symbol

A summary of the details with respect to the Acquisition as included in our Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 31 December 2016, and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in changes to the value as disclosed below.

Under the Acquisition, Swala acquires all the shares in Symbol by issuing a total of 199,999,999 ordinary shares in Swala to Symbol shareholders, giving Symbol shareholders a controlling interest in Swala and equating to a controlling interest in the combined entity following the Acquisition. Symbol has thus been deemed the acquirer for accounting purposes as it will own a controlling stake in the consolidated entity (prior to the shares issued in relation to the Offer and conversion of any convertible notes) and have control of the Board. The acquisition of Symbol by Swala is not deemed to be a business combination, as Swala is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of these two companies is on the basis of the continuation of Symbol with no fair value adjustments, whereby Symbol is deemed to be the accounting parent. Therefore, the most appropriate treatment for the Acquisition is to account for it under AASB 2 Share Based Payments, whereby Symbol is deemed to have issued shares to Swala shareholders in exchange for the net assets held by Swala.

In this instance, the value of the consideration paid has been determined as 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. We have deemed this value to be \$792,526. Therefore, the value of the share based payment expense is \$792,526.

The net assets/(liabilities) acquired, and the amount recognised as an ASX listing expense, are as follows:

Acquisition  Net assets acquired:  Cash and cash equivalents Trade and other receivables Property plant & equipment Income tax Other liabilities Other liabilities  Existing Swala assets used to repay all creditors (so net assets become zero)  Total adjusted net assets acquired on Acquisition  Amount recognised as ASX listing expense upon Acquisition  Acquisition  At acquisition  412,361  412,361  72,673  735,984  Property plant & equipment 72,673  Trade and other payables (1,216,724)  Income tax (4,299) Other liabilities (967,071)  Net assets of Swala (967,076)  792,526  792,526		Acquiree's carrying
Net assets acquired:  Cash and cash equivalents  Trade and other receivables  Property plant & equipment  Trade and other payables  Income tax  Other liabilities  Subsequent events:  Existing Swala assets used to repay all creditors (so net assets become zero)  Total adjusted net assets of Swala upon acquisition  Fair value of Consideration Shares  Total adjusted net assets acquired on Acquisition  412,361  72,673  72,673  71,216  72,673  72,673  72,673  72,673  72,673  72,673  72,673  72,673  735,984  72,673  72,673  72,673  72,673  735,984  72,673  72,673  735,984  72,673  735,984  735,98		,
Cash and cash equivalents  Trade and other receivables  Property plant & equipment  Trade and other payables  Income tax  Other liabilities  Other liabilities  Subsequent events:  Existing Swala assets used to repay all creditors (so net assets become zero)  Total adjusted net assets of Swala upon acquisition  Fair value of Consideration Shares  Total adjusted net assets acquired on Acquisition  412,361  735,984  712,673  (1,216,724)  (1,216,724)  (967,071)  (967,071)  Possible property plant & equipment  72,673  (1,216,724)  (967,071)  (967,076)  796,076	NOTE 16. PROVISIONAL ACCOUNTING FOR THE ACQUISITION	Acquisition
Trade and other receivables Property plant & equipment Trade and other payables Income tax Income tax Other liabilities Other liabilities Other system of Swala  Subsequent events: Existing Swala assets used to repay all creditors (so net assets become zero) Total adjusted net assets of Swala upon acquisition  Fair value of Consideration Shares Total adjusted net assets acquired on Acquisition  735,984 (1,216,724) (1,216,724) (967,071) (967,071) (967,076)  792,526 Total adjusted net assets used to repay all creditors (so net assets become zero) 792,526 Total adjusted net assets acquired on Acquisition	Net assets acquired:	
Property plant & equipment 72,673 Trade and other payables (1,216,724) Income tax (4,299) Other liabilities (967,071) Net assets of Swala (967,076)  Subsequent events: Existing Swala assets used to repay all creditors (so net assets become zero) 967,076  Total adjusted net assets of Swala upon acquisition -  Fair value of Consideration Shares 792,526  Total adjusted net assets acquired on Acquisition -	Cash and cash equivalents	412,361
Trade and other payables Income tax (4,299) Other liabilities (967,071) Net assets of Swala (967,076)  Subsequent events: Existing Swala assets used to repay all creditors (so net assets become zero) Total adjusted net assets of Swala upon acquisition  Fair value of Consideration Shares Total adjusted net assets acquired on Acquisition  792,526	Trade and other receivables	735,984
Income tax (4,299) Other liabilities (967,071) Net assets of Swala (967,076)  Subsequent events: Existing Swala assets used to repay all creditors (so net assets become zero) 967,076  Total adjusted net assets of Swala upon acquisition -  Fair value of Consideration Shares 792,526  Total adjusted net assets acquired on Acquisition -	Property plant & equipment	72,673
Other liabilities (967,071)  Net assets of Swala (967,076)  Subsequent events: Existing Swala assets used to repay all creditors (so net assets become zero) 967,076  Total adjusted net assets of Swala upon acquisition -  Fair value of Consideration Shares 792,526  Total adjusted net assets acquired on Acquisition -	Trade and other payables	(1,216,724)
Net assets of Swala  Subsequent events: Existing Swala assets used to repay all creditors (so net assets become zero) Total adjusted net assets of Swala upon acquisition  Fair value of Consideration Shares Total adjusted net assets acquired on Acquisition  792,526	Income tax	(4,299)
Subsequent events:  Existing Swala assets used to repay all creditors (so net assets become zero)  Total adjusted net assets of Swala upon acquisition  Fair value of Consideration Shares  Total adjusted net assets acquired on Acquisition  -	Other liabilities	(967,071)
Existing Swala assets used to repay all creditors (so net assets become zero)  Total adjusted net assets of Swala upon acquisition  Fair value of Consideration Shares  Total adjusted net assets acquired on Acquisition  -	Net assets of Swala	(967,076)
Total adjusted net assets of Swala upon acquisition -  Fair value of Consideration Shares 792,526  Total adjusted net assets acquired on Acquisition -	Subsequent events:	
Fair value of Consideration Shares 792,526 Total adjusted net assets acquired on Acquisition -	Existing Swala assets used to repay all creditors (so net assets become zero)	967,076
Total adjusted net assets acquired on Acquisition	Total adjusted net assets of Swala upon acquisition	-
	Fair value of Consideration Shares	792,526
Amount recognised as ASX listing expense upon Acquisition 792,526	Total adjusted net assets acquired on Acquisition	-
	Amount recognised as ASX listing expense upon Acquisition	792,526

# NOTE 17: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

# NOTE 18: COMMITMENTS AND CONTINGENCIES

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. As such, no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

6.	INDEPENDENT GEOLOGIST'S REPORT					



Malcolm Castle

Agricola Mining Consultants Pty Ltd
P.O. Box 473, South Perth, WA 6951

Mobile: 61 (4) 1234 7511

Email: mcastle@castleconsulting.com.au

ABN: 84 274 218 871

30 June 2017
The Directors
Symbol Mining Corporation Pty Ltd
10 Salter Point Parade
Salter Point, W.A. 6152

Dear Sirs.

# Re: INDEPENDENT GEOLOGIST'S REPORT ON MINERAL PROJECTS IN NIGERIA

Agricola Mining Consultants Pty Ltd ("Agricola") has been commissioned by the Directors of Symbol Mining Corporation Pty Ltd ACN 154 347 332 ("Symbol Mining") to provide an independent technical report ("Report") on mineral exploration projects in Nigeria ("Projects") held by Symbol Mining. This Report is to be included in a Prospectus to be lodged by Swala Energy Limited ACN 161 989 546 ("Swala") with the Australian Securities and Investments Commission ("ASIC") in respect of Swala's public offer of shares ("Offer"). The funds raised under the Offer will be used for undertaking detailed geological exploration and working capital requirements.

# The Projects

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 Mining 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 recorded grades of 38% Pb and 19% Zn with discrete layers of galena and sphalerite over significant strike distance. With over  $400 \text{km}^2$  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.

A Mineral Resource has been estimated in the Indicated and Inferred categories in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

The **Tawny project** 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 recorded estimated grades 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.

#### **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.

Aspects reviewed in this Report may include prices, socio-political issues and environmental considerations however this Report is not a Valuation Report (as defined in the VALMIN Code) and does not express an opinion as to the value of the mineral assets or make any comment on the fairness and reasonableness of any transactions related to the Offer.

# Sources of Information

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by the title holders, along with technical reports prepared 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 Symbol Mining along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this Report, Agricola did not carry out a site visit to the Project areas. Based on its professional knowledge and experience and the availability of extensive databases and technical reports made available by various government agencies, Agricola considers that sufficient current information was available to allow an informed appraisal to be made without such a visit.

This Report has been compiled based on information available up to and including the date

of this Report. Consent has been given for the inclusion of this Report in the Prospectus relating to the Offer and 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.

This Report contains statements attributable to third persons. These statements are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. Where the authors of these previous reports have not consented to the statements' use in this Report these statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72.

Qualifications and Experience

The people responsible for the preparation of this report are:

Malcolm Castle, B.Sc.(Hons), GCertAppFin (Sec Inst), MAusIMM

Malcolm Castle has over 50 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 30 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.

Mr Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd, an independent geological consultancy established over 10 years ago. He is a Member of the Australasian Institute of Mining and Metallurgy ("MAusIMM").

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 Symbol Mining.'

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 Symbol Mining 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 Symbol Mining and have no material interest in the projects. The relationship with Symbol Mining 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 \$10,000 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Agricola and Malcolm Castle consent to the inclusion of the matters based on the information in the form and context in which they appear in Symbol Mining's initial public offer.

Yours faithfully

Malcolm Castle

B.Sc.(Hons), MAusIMM,

GCertAppFin (Sec Inst)

Agricola Mining Consultants Pty Ltd

## THE IMPERIAL AND TAWNY PROJECTS

#### TENEMENT SCHEDULE

Symbol Mining 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 northeastern Nigeria.



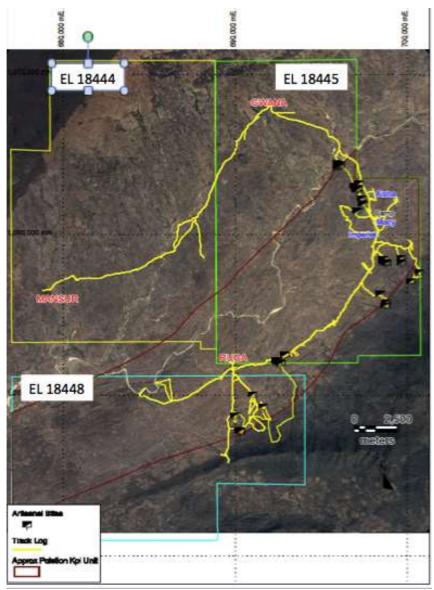
Location of the Imperial and Tawny projects

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 valid for copper, lead and zinc. These licences can be further renewed twice for periods of two years each (additional 4 years' extension). EL18444 and EL18445 were transferred to Imperial JV Ltd on 15 June 2015. It is anticipated that EL 18448 will be transferred from Goidel Resources to Imperial JV Limited by 31 December 2017.

The Tawny Project is covered by EL 19242 over an area of 6.4km<sup>2</sup> 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. EL 19242 was transferred to Tawny JV Ltd on 11 June 2015.

Tenement	Registered Holder	Minerals	Area	Grant Date	Expiry Date		
Imperial Pr	oject						
EL 18444	Imperial JV Ltd	Cu, Pb, Zn	$186 \text{ km}^2$	3-Nov-14	2-Nov-17		
EL 18445	Imperial JV Ltd	Cu, Pb, Zn	$186.2~\mathrm{km}^2$	3-Nov-14	2-Nov-17		
EL 18448	Goidel Resources Ltd	Cu, Pb, Zn, Ag	$138.8~\mathrm{km}^2$	14-May-15	14-May-18		
Tawny Project							
EL 19242	Tawny JV Ltd	Cu, Pn, Zn	$6.4 \text{ km}^2$	2-Feb-15	1-Feb-18		

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.



Location of the Imperial Project<sup>1</sup>

# GEOLOGICAL SETTING<sup>2</sup>

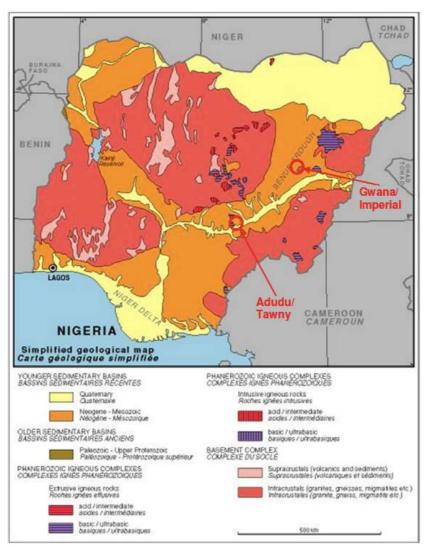
Lead - zinc (with varying amounts of silver and barite) mineralisation in the Benue Trough of Nigeria has been of economic interest for more than a century. Mineralisation is intermittently localised along a northeast southwest trending belt extending about 800 kilometres within the Benue Trough, a thick 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

<sup>&</sup>lt;sup>1</sup> Symbol Mining Plan Date 2017, Competent Person: Barry Bolitho

<sup>&</sup>lt;sup>2</sup> Reference: Fatoye et al, 2014

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.



Simplified geology of Nigeria with approximate localities of the Gwana/Imperial and Adudu/Tawny projects. <sup>3</sup>

# **Benue Trough**

The Benue Trough of Nigeria is a sedimentary basin that extends from the Gulf of Guinea in the southwest to the Chad Basin in the northwest for about 800 km in length and 150 km in width.

The Benue Trough originated from Early Cretaceous rifling of the central West African basement uplift. It forms a regional structure, which is exposed from the northern frame of the Niger Delta and runs northeastwards for about 1000km to underneath Lake Chad, where it terminates. Regionally, the Benue Trough is part of an Early Cretaceous rift complex known as the West and Central African Rift System.

Tectonic phases and basin development on the Benue Trough are divisible into:

(1) An Early Cretaceous rift phase with fluviatile and lacustrine deposits;

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<sup>&</sup>lt;sup>3</sup> Source: Mining Journal 2006 - Publication

- (2) Late Early to Middle Cretaceous phase of rapid basin subsidence and initiation of marine transgression in all rift segments, characterised by submarine gravity flows with megaslumps and turbidites;
- (3) Prolonged shelf and deep basin deposition especially in the southern part (Abakiliki Rift) under predominantly oxygen-deficient bottom conditions,
- (4) Tectonism, involving deformation and a- magnetism and the formation of lead-zinc deposits from circulating hot brines,
- (5) Late Cretaceous post-deformation subsidence with westward displacement of depocentres, especially in the Anambra Basin, where extensive coal forming swamps developed. Although several sub-basins or depocentres have been identified in the Benue Trough on geophysical (gravity) evidence, structurally and in terms of sediments three segments, the Lower, the Middle and the Upper Benue Trough, have been recognised.

Lead-zinc-barytes occurs in almost the entire length of the Benue Trough. Lead-zinc-barytes mineralisation in the Trough is believed to be hydrothermal in origin and is associated with brine springs. Fracturing and jointing are intense in the areas of mineralisation.

Lead- zinc minerals in the form of their ores of galena and sphalerite respectively and barytes mineralization are often associated with copper, quartz, iron minerals (siderite, marcasite and pyrite), gold and silver as gangue occurring in the form of veins and veinlets associated with the host sedimentary rocks in the axial zone of the Benue Trough. The mineralization occurs in form of dissemination, stockwork and narrow beds with poorly developed wall-rock silicification (alteration).

The host lithologies are highly varied ranging in the Lower Benue Trough (LBT) from shale to siltstone, sandstone and occasionally igneous bodies; in the Middle Benue Trough from shale to sandstone, siltstone, conglomeratic ironstone, minor limestone beds and occasionally igneous bodies; and in the Upper Benue Trough from shale to sandstone, mudstone, limestone, clay and porphyritic granites.

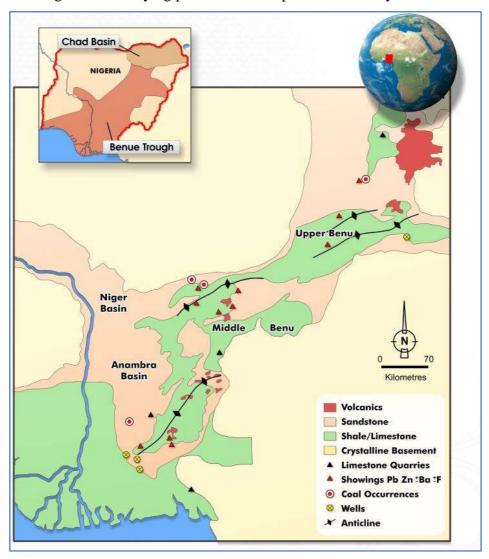
In the Upper Benue Trough (UBT) that hosts the Imperial Project, lead-zinc-barytes mineralization is fracture-controlled vein deposits restricted to Albian–Cenomanian sediments of Bima and Yolde Formations. This mineralisation is located in and around Isimiya, Diji, Gidan Dari, Alkaleri and Gwana in Bauchi State. At Isimiya, quartz veins hosted by sandstone striking N-W host the mineralization while the veins are hosted in grey shale member of the Yolde Formation at Gidan Dari. The host lithologies include; sandstone, shale, mudstone, limestone and clays.

In the Middle Benue Trough (MBT) that hosts the Tawny Project, lead-zinc-barytes mineralization also occurs as epigenetic fracture-controlled vein deposits restricted to Albian–Cenomanian sediments of Asu River Group, Awe and Keana Formations. The fractures occur as single linear structures or as a series irregular fractures interconnected and spaced over a considerable width and distance. The lithologies were cut by E-W and NW-SE trending mineralized veins. At Akiri, the mineralization is associated with the following gangue minerals: quartz, feldspar, hematite, calcite, and copper. In Akwana and Arufu, lead-zinc-barytes mineralization is associated with the above gangue minerals and occasionally with native silver. Limestone wall rock at Akwana and Arufu is highly silicified, which appears to be related to the mineralization process as the intensity of the silicification decreases away from the vein.

At Azara, the veins are very rich in barytes with plenty sphalerite and with occasional cubic galena. In all, about 20 veins have been mapped in Azara, and conservative estimates carried out in three rich veins, out of the 20 occurrences in this locality, indicated a reserve of up to 130,000 tonnes of contained BaSO<sub>4</sub>, and for only 10m depth. The host lithologies varied from shale to sandstone, siltstone, conglomeratic ironstone, minor limestone beds and occasionally igneous bodies. There are also other known occurrences of lead-zinc-barytes mineralization in the Middle Benue Trough at Aloshi, Wuse, Gbende, Sardauna, Karim Lamido, Yoro, Lau, Wukari and Ibi areas. However, Azara barytes deposit is the best known deposit of baryte in Nigeria.

## Mining in the Benue Trough

The Pb-Zn ores are usually found together and occur in commercial quantities in a narrow belt extending over 560 km stretching from Ishiagu in the south-east to Bauchi State in the northwest. There was an estimated inventory of 2–2.5 million tonnes of combined lead and zinc ore deposits in this region in Nigeria prior to the civil war and revised exploration interest in the region is identifying potential new deposits which may add to this estimate.



Benue Trough Geology<sup>4</sup>

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<sup>&</sup>lt;sup>4</sup> Source: Bettenay 2014, Competent Person: Leigh Bettenay

Small-scale mining has taken place in the Abakaliki area in the Lower Benue Trough for a number of years. Inventory of ~100,000t of lead and 80,000t of zinc have been estimated there. Other major lead-zinc occurrences are at Ameka, Ameri in Ebonyi State, Arufu as well as Zurak in the Upper Benue Trough which has silver occurring with it.

The Zurak mine operated from 2009 - 2012 and produced a total of ~50,750t of very high grade Pb-Zn ore during that time. The Gwana deposit produced a total of ~19,760t of high grade Pb-Zn ore during the period 2010-2011 prior to abandonment. The geology of the Zurak area comprises mainly Cretaceous sediments with sporadic igneous intrusions (granites).

These sediments are medium to fine grained sandstone of the Bima Formation (Upper Albian age) and the Yolde Formation (Cenomanian age). The sandstone beds contain major northsouth trending faults and the Pb–Zn-Ag mineralisation is within hydrothermal veins that penetrate these faults.

# Deposit characteristics

- At least 30 known base metal occurrences are spread over at least 550km.
- All described occurrences are "epigenetic fracture-controlled veins" that are markedly discordant to strike of lithology and typically in N-S or NW-SE fractures (with some E-W in the MBT).
- Some are multiple close-spaced Arufu and Akwana in the MBT are said to have associated strata-bound breccia or replacement zones in carbonate hosts near to the veins
- They are variable from Pb-Zn(-Ag) through to Barite-dominant with minor base metals. In the LBT there seems to be a progression from base metal-dominant in the SE to barite-dominant in the SW. However, there is no consistent (or agreed) zonation across the entire Benue Trough.
- In all 3 areas (LBT, MBT and UBT) the veins are said to be restricted to the basal parts of the stratigraphy (Albian-Cenomanian sediments i.e. middle part of the Cretaceous, 100 my 92 m.y. ago). However, the Gwana vein is the only one we currently have detailed mapping for and it extends into higher stratigraphy; hence this observation must be viewed with caution.
- Host rocks are clearly highly variable including sandstone, siltstone, mudstone/shale and limestone (plus occasionally intrusives in the LBT).
- Quartz is a major gangue mineral in MBT and UBT veins (and silicification of host rocks is a feature of some prospects).
- There seems to be a close association with intrusive bodies in the LBT, and some mineralized veins are hosted in intrusives within the LBT.
- UBT veins are barite-dominant, while MBT veins may contain fluorite in addition to barite.
- Coarse crystalline salmon-pink siderite occurs in the Adudu vein.
- Both fracture/vein and stratabound/concordant barite in an area of the LBT but do not make it clear if these are interpreted to be one and the same event.

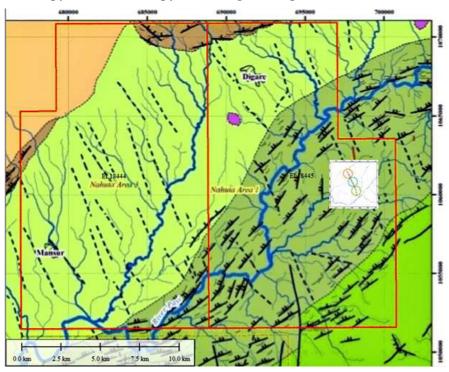
• The EcoPhoenix mapping and sampling indicates the Gwana vein is strongly zoned from Zn-rich in the south to Pb-rich and then to Cu-rich in the north. None of the other veins seem to have this strong zonation described.

## **Imperial Project**

The **Imperial** project (including the Gwana deposit) 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.



Gwana Licences EL 18444 (on left) and EL184545 (on right) shown in red outline superimposed on detailed mapping by EcoPheonix. The location of the Gwana vein is shown by the inset with coloured circles. Note the offset of sedimentary units to the SW of the tenements, and the number of interpreted NW-trending structures parallel to the Gwana vein that are mappet elsewhere in the tenement. <sup>5</sup>

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

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<sup>&</sup>lt;sup>5</sup> Source: Bettenay 2014, Competent Person: Leigh Bettenay

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.

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.

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 drill holes 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 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.



Artisanal workings at Imperial Project showing Drill Hole Locations overlain on aerial photography<sup>6</sup>

# **Tawny Project**

The **Tawny** project (including the Adudu deposit) 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 associated with the galena. 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

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<sup>&</sup>lt;sup>6</sup> Source: Coxrocks 2016, Competent Person: Simon Coxhell

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.



Satellite Image from Google Earth showing the location of the Adudu (Tawny) Licence in Nasawara State<sup>7</sup>

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.

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.

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

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<sup>&</sup>lt;sup>7</sup> Source: Pearson 2015, Competent Person: Genevieve Pearson

an orange limonitic rich rock with intermittent artisanal workings (small open pits and narrow stopes) extending over approximately 1.4 kilometres of strike.



Artisinal and historic workings at the Tawny Project showing adit and open cut operations overlain on aerial photography<sup>8</sup>

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.

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<sup>&</sup>lt;sup>8</sup> Source: Coxhell 2015. Competent Person: Simon Coxhell

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.



Tawny Project Massive galena and Sphalerite

# PREVIOUS EXPLORATION

# **Imperial Project**

A decline shaft was constructed ~2009 but it was observed to be currently flooded. The base of this shaft is believed to be situated within a sphalerite-rich wide ore zone with parallel galena-rich veins but this is unverified.

It is understood that previous mining produced ~20,000t of high grade Pb-Zn ore which was sold directly to Chinese smelters during 2010-2011. The underground mining was selective with blasted material brought to surface then hand-sorted, resulting in a high amount of waste stockpiles, which are visible on site. Mining eventually ceased due to this poor mining practice, which resulted in dilution of the run-of-mine thus creating financial issues for the owners. The owners would not provide maps or share data with the local miners so the extent of any orebody remains largely unknown and thus requires detailed exploration to determine the dimensions of the orebody.

There are observable diggings currently underway with minimal production further along strike and an estimated total of some 1,500t concentrate ore has been produced since more

formal mining ceased.

Furthermore, it is reported that artisanal miners have discovered another 700m vein ~1 km from the principal vein. This vein is ~1m wide and has been mined to ~30m depth by artisanals. The ore comprises massive coarse galena with substantial chalcopyrite.



Artisanal Workings: Gwana Vein Structure

### Past Exploration Work

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. The focus of the exploration was on the "Nahuta vein" (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.

The Gwana vein has been traced over at least 1600 metres. In approximately 2010 a decline to approximately 45 metres depth was excavated at the southern end of the vein and reportedly 20,000 tonnes of high-grade ore was mined and shipped out with the ore being derived from a shallow open cut and the decline. The vein in the vicinity of the decline was reported as being at least 5 metres in width with predominant massive sphalerite associated with massive galena.

Interestingly and critical to understanding the geological setting high grade copper grades of up to 10% copper were reported from the northern end of the vein structure, however

details are scant. The presence of copper suggests a higher temperature source fluid than a straight lead, zinc and silver deposit and highlights the potential for possible gold associated with the vein.

The past work is not clearly documented and future initial work as a priority should consist of systematic rock chip sampling along the length of the structure. Many zoned veins are also zoned in a vertical sense, potentially to more copper-rich or even gold-bearing systems at depth.

The Adudu prospect is even less well documented than is the case for Gwana. A report dated 2010 records Adudu as hosting a high-grade base metal vein similar in style to Gwana with a strike length of over 600 metres. The vein is recorded as a northerly trending vein dipping 65 degrees east consisting of massive sulphides comprising both coarse and fine-grained galena and sphalerite hosted within a meta-sedimentary sequence including black shales. A decline has been developed at Adudu to at least 50 metres depth. The depth of the mineralisation extends to at least 70 metres depth but there is little further information.

Both the Gwana and Adudu vein are reported to contain silver in addition to Pb (as galena) and Zn (as sphalerite). A number of the other Benue Trough deposits are also reported to contain silver so this is credible. However, the tenor of Ag is not well established. The Zurak vein is located approximately 30km SSE of Gwana and approximately 50,000t of high grade massive galena and sphalerite has been mined and shipped to China.

# Exploration by Symbol Mining

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 has 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.

28 NQ diamond holes have been drilled, for a total of 2,482m. Assaying has been carried out by Intertek Laboratories with the resource estimate focusing on Zn and Pb.

Zinc Lode Intersections								
HoleID	EAST	NORTH	RL	From	To	Int. *	Zn%	Pb%
SDD025	698,078	1,060,662	348	65.82	70.10	4.28	51.7	2.14
SDD023	698,057	1,060,708	345	66.30	67.30	1.00	43.39	5.41
SDD020	698,042	1,060,752	371	29.60	39.00	9.40	39.31	0.14
SDD026	698,097	1,060,607	362	41.80	47.90	6.10	36.05	3.31
SDD017	698,095	1,060,634	373	27.00	38.00	11.00	23.52	0.64
SDD011	698,090	1,060,636	359	47.00	60.00	13.00	23.03	1.16
SDD021	698,049	1,060,729	373	30.20	38.03	7.83	22.29	0.22
SDD013	698,047	1,060,729	355	48.00	62.26	14.26	19.32	1.30
SDD022	698,058	1,060,707	373	33.18	36.75	3.57	19.15	15.31
SDD015	698,108	1,060,587	372	32.00	40.50	8.50	12.58	4.99
SDD012	698,071	1,060,684	369	38.00	42.00	4.00	5.43	1.58
SDD014	698,034	1,060,784	357	53.50	59.50	6.00	4.61	0.10
SDD019	698,035	1,060,784	365	41.00	45.00	4.00	2.44	0.05
		Lead	Lode 1	Intersectio	ons			
HoleID	EAST	NORTH	RL	From	To	Int. *	Zn%	Pb%
SDD012	698,074	1,060,685	374	33.70	34.00	0.30	65.43	3.70
SDD020	698,046	1,060,754	379	24.96	25.32	0.36	37.81	3.17
SDD017	698,102	1,060,638	386	17.00	18.00	1.00	33.55	0.41
SDD014	698,037	1,060,785	361	51.00	51.50	0.50	32.85	3.91
SDD025	698,080	1,060,663	351	63.24	64.24	1.00	29.86	0.76
SDD013	698,061	1,060,734	377	28.40	28.75	0.35	17.63	0.26
SDD011	698,097	1,060,639	368	41.40	42.00	0.60	12.35	4.50
SDD015	698,113	1,060,589	378	29.00	29.25	0.25	8.33	11.14
SDD024	698,087	1,060,664	383	21.70	21.92	0.22	4.18	0.67
SDD019	698,038	1,060,785	370	36.70	37.00	0.30	1.38	0.06

<sup>\*</sup>downhole (apparent) thicknesses and do not represent true width

Intersection averages for the zinc and lead lodes separately, with the coordinates of the centre of gravity of each intersection

Refer to Appendix 1 for details of the material drill results

# **Tawny Project**

The Adudu area was originally examined by Symbol Mining representatives in 2011. During this trip observations were made of a 600m strike length of highly mineralised shear-hosted calcite dominated vein striking N-S and dipping 650 to the east exposed at surface, ranging in thickness from 1-4.5m.

The project was formerly mined by a Chinese entity, which explored the area and undertook development of a decline to 70m as well as vent shaft. This decline shaft is ~4.5m x 4.5m in dimension to allow for trucks to enter. However it is now flooded and currently inaccessible from surface. The entire tunnel is currently underwater due to groundwater seepage and it is unknown at what depth this is. The underground workings were not observed but are reported to contain significant broken material within the ore

zone of ~10m thick. Previously ~1,000t material was mined from the base of the decline and manually hand-sorted. A total of 480 30t truck loads were transported between July 16th 2009 – November 2010 totalling an estimated 14,000-15,000t of concentrated ore. The material was shipped out direct to China from Lagos.



Tawny Decline and Adit

Since then, small-scale mining has been carried out to and locals have been manually opening up some areas. It is understood that excavator opened the areas with >100 local labourers in different organised groups. They mined the ore total of 17 pits with hammer and chisel and manually removed material, which was later hand-sorted. This hand-sorting extracted all known mineralisation however the tailings have not been tested and may contain residual ore of low-grade, creating upside for the project.

The government has carried out regional geophysical work but this has not been made available to landowners. No regional work has been carried out to date on this project but a regional exploration and drilling programme is scheduled to commence as soon as possible.

# Mineral Resource Estimate - Macy Deposit, Imperial Project

The Macy Mineral Resource has been classified in the Indicated and Inferred categories, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). A range of criteria has been considered in determining this classification

The resource classification methodology incorporated a number of parameters derived from the kriging algorithms in combination with drill hole spacing and continuity and size of mineralised domains.

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.

Geological Logging - Logging of the core took place, with recovery, RQDs and geological logging completed on all core. Core was marked up into metre intervals with logging recording lithology, alteration, mineralisation and estimated percentage of any base metals identified. Core photographs (wet and dry) have been taken of all the drilling. Data is stored on site computers and is regularly uploaded to Dropbox for secure storage and backup.

Geological Interpretation - The geological interpretation is confined to the definition on cross sections of one Zinc vein and one separate Lead vein. A nominal 2% cutoff is used for both metals in conjunction with geological logging.

*Geological Continuity* - Geological continuity is understood with reasonable confidence. The classification reflects this level of confidence.

Data Quality - Resource classification is based on information and data provided from the Imperial database, which has subsequently been validated by Widenbar. Descriptions of drilling techniques, survey, sampling/sample preparation, analytical techniques and database management/validation provided indicate that data collection and management is within industry standards. Widenbar considers that the database represents an accurate record of the drilling undertaken at the project.

*Drilling Spacing* - Drill hole location plots have been used to ensure that local drill spacing conforms to the minimum expected for the resource classification. Five of the nine sections have two holes, with down-dip mineralisation intersections typically between 10 and 20m apart.

Modelling Technique - The resource model was generated using an Ordinary Kriging interpolation method, with a multi-pass search approach. The search ellipsoid had dimensions of 50m (N-S) by 50m vertically by 5m across the mineralisation, with a minimum of 6 samples and a maximum of 12. This pass also requires a minimum of 2 holes, with a minimum of 2 samples per hole and a maximum of 6 samples per hole. The number of samples used, the kriging variance and the average distance of samples from each block, were all stored in the block model. In general the kriging variance, search pass and average distance are all broadly correlated with a combination of drill hole spacing and domain thickness.

Cut-off parameters - In general, either the zones are mineralized or not. Nominal downhole cut-offs of 2% Zn (for the Zinc vein) and 2% Pb (for the Lead Vein) have been used to define the mineralised zones. The basis of the cutoffs is an economic analysis coupled to mining dilution considerations, with this cutoff correlating reasonably well with the mineralised zones as logged from the diamond core.

The above parameters were used as a guide in combination with drill spacing to arrive at a final resource classification. A summary of the current resource estimates at various cutoffs over the full range for the deposit is shown below.

Refer to JORC Table 1 for further information.

Imperial Zn Vein Resource (Widenbar 28 March 2017)							
Classification	Zn Cutoff	Volume	Tonnes	ISBD	Zn%	Pb%	% of Total
Indicated	30	6,600	23,000	3.5	36.30	1.54	74%
Indicated	25	9,600	33,500	3.5	33.52	1.65	68%
Indicated	20	13,200	46,200	3.5	30.46	1.90	67%
Indicated	10	20,100	70,200	3.5	25.38	2.36	67%
Indicated	2	22,400	78,300	3.5	23.48	2.23	69%
Indicated	0	22,400	78,300	3.5	23.48	2.23	69%
Classification	Zn Cutoff	Volume	Tonnes	ISBD	Zn%	Pb%	% of Total
Inferred	30	2,300	8,000	3.5	33.71	2.33	26%
Inferred	25	4,500	15,900	3.5	30.59	2.46	32%
Inferred	20	6,600	23,000	3.5	28.12	2.48	33%
Inferred	10	9,800	34,200	3.5	23.98	2.47	33%
Inferred	2	10,100	35,400	3.5	23.48	2.42	31%
Inferred	0	10,100	35,400	3.5	23.48	2.42	31%

Macy Zinc Vein Resource Estimate

Imperial Pb Vein Resource (Widenbar 28 March 2017)							
Classification	Pb Cutoff	Volume	Tonnes	ISBD	Pb%	Zn%	% of Total
Indicated	30	300	1,400	4.5	40.57	2.26	34%
Indicated	25	500	2,200	4.5	35.89	2.06	35%
Indicated	20	600	2,800	4.5	32.87	2.05	37%
Indicated	10	700	3,400	4.5	30.17	2.21	39%
Indicated	2	800	3,500	4.5	29.51	2.21	38%
Indicated	0	800	3,500	4.5	29.51	2.21	38%
Classification	Pb Cutoff	Volume	Tonnes	ISBD	Pb%	Zn%	% of Total
Inferred	30	600	2,700	4.5	40.86	2.26	66%
Inferred	25	900	4,000	4.5	36.60	2.24	65%
Inferred	20	1,100	4,800	4.5	34.29	2.23	63%
Inferred	10	1,200	5,400	4.5	32.51	2.20	62%
Inferred	2	1,300	5,700	4.5	31.30	2.62	63%
Inferred	0	1,300	5,700	4.5	31.23	2.62	63%

Macy Lead Vein Resource Estimate

Details of the Mineral Resource estimates and the parameters are included in the report: Widenbar. L. 2017, "Macy Vein Deposit Mineral Resource Estimate March 2017" Widenbar and Associates for Symbol Base Metals Pty Ltd (the "Widenbar Report")

# Competent Person's Statement – Widenbar Report

The information in the report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate based on data and geological information supplied by Symbol Mining. Mr Widenbar 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, Minerals Resources and Ore Reserves. Mr Widenbar is not an employee or a related party of Symbol Mining. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

Symbol Mining confirms that it is not aware of any new information or data that materially affects the information included in the Widenbar report relating to the Mineral Resource estimate and that all the material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

The information contained in this Mineral Resource summary replicates information contained in the Widenbar report. The author of this Report is not aware of any new information or data that materially affects the information included in the Mineral Resource estimates and, in the case of mineral resources that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context in which the findings of Mr Widenbar are presented have not been materially modified.

# **Conceptual Scoping Studies Studies – Macy Deposit**

Symbol Mining carried out significant conceptual scoping studies on the Macy Deposit including proposed mining and processing activities. The studies were based in the then current Inferred Resource and details of the proportion and relative sequencing of the inferred mineral resource within the scoping study have not been included in this Report.

The Scoping Study referred to in this report is based on low-level technical and economic assessments, and is insuficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

There is a marked visual appearance between sphalerite and galena facilitating very efficient and effective ore sorting. Although both minerals are massive sulphides, it is easy to visually differentiate between the two minerals. Sphalerite is lustrous black whereas galena is shiny steel grey. Likewise the gangue or waste has a marked colour differentiation to sphalerite and galena as the gangue is light colour ranging from off white to light brown.

## Mining

Conventional mining will be incorporated using a hydraulic excavator, articulated 4wd trucks and small dozer for level control and ripping. Where ripping is not capable of breaking the waste (and to a far lesser extent the ore), drill and blast will be used. A contractor will supply drill and blast services.

Ore will be extracted with the excavator and dumped into haulage trucks. Where possible, labourers will be used to gather high-grade ore from waste prior to the use of the excavator and also to reject waste from the ore zone. This should significantly reduce contamination of the high-grade ore with waste. Ore will only be mined on day shift.

Ore will be sent to 3 stockpiles. High-grade Zn, high-grade Pb and mixed product. The stockpiles will be processed separately.

# **Processing**

All ore will require crushing and a two stage crushing circuit will be required to reduce the ore to at least 100% passing 10mm. Crushing the 100% passing 10mm will be necessary to liberate the mineralisation from the host rock and also to allow proper sampling prior to bagging and dispatch.

All ore will be processed on day shift and will be processed at a rate of about 45 tonnes per hour. Ore will be recovered from the respective stockpiles by a small Front-end loader and fed to a small jaw crusher. Underflow from the jaw crusher will be washed and screened.

Washed to clean the surface of the ore and screened at 1mm. Minus 1mm material will be pumped to a stockpile (mixed product). The plus 1mm material will be conveyed to a cone crusher set to reduce the product to at least passing 15mm.

Manual ore sorting will be carried out on the cone crusher feed conveyor and the cone crusher discharge conveyor.

The products of the processing circuit (including in pit hand sorting) will be as follows;

- · Sphalerite. 50% Zn (approximately 14% of the ore)
- · Galena. 60% Pb (approximately 3% of the ore)
- · Mixed. 35% Zn & 4% Pb (19% of the ore)

Products will be bagged into one tonne bags using a simple hopper and bag suspension frame. Each bag will be weighed.

Tailings will grade ~1% Zn and ~1% Pb and will comprise approximately 63% of the ore. Tailings will be stockpiled for potential later retreatment using an enhanced gravity separator.

Metal Price and Risk

Average realised pricing after smelter deductions has been estimated in the financial model to be:

- Silver US\$17/oz (initial 2016 US\$16/oz)
- Lead US\$2,289/t (initial 2016 US\$2,214/t)
- Zinc US\$2,182/t (initial 2016 US\$2,108/t)

The key areas of risk that require amelioration include security, political/sovereign risk, logistics, industry and marketing risk, environmental risk, tenement security, artisan mining, social risk and management risk. Meetings with Government Ministers and official, logistics mining, marketing and security experts have deemed that Symbol Mining these risks are manageable.

The Conceptual Scoping Studies provide adequate information to indicate there is a reasonable prospect for eventual economic extraction of the mineral resource.

#### EXPLORATION POTENTIAL AND PROPOSED BUDGET

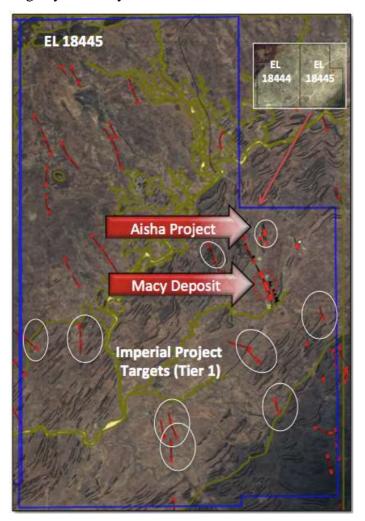
Symbol Mining has completed very high-resolution (VHR) photogeology with 502km<sup>2</sup> surveyed over EL18444, EL18445 and EL 18448. This has identified 120 priority target features (57 priority 1) of which some priority targets are east and south of EL18445. Geological mapping/sampling over the priority 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 of high-grade 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.

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.



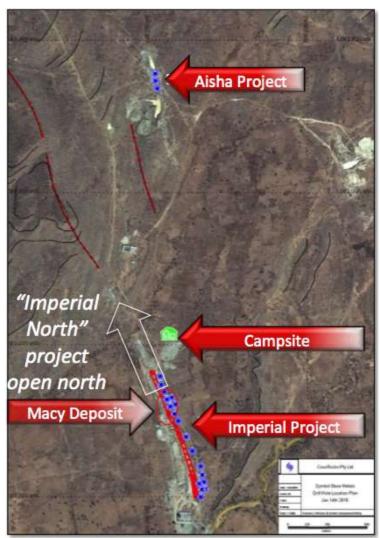
Additional targets within EL18445 over high resolution Satellite Imagery–Imperial

# Project.9

The exploration plan needs to encompass three aspects namely: testing the known prospects (Prospect-scale exploration), identifying other prospects within the Licenses (Project scale exploration) and regional targeting for giant deposits

# Prospect Scale Exploration

The distribution of the mineralised zones in not well understood at present and particularly the location of the thickest and highest grades is not clear. Known mineralisation at Imperial extends well in excess of one kilometre and the location of a high grade core, is not understood. The extent of the previous mining, both by the artisanal miners and the underground miners accessing the veins via the declines at both prospects, needs to be properly documented.



Drill hole location plan at Imperial Project showing possible extensions and the Aisha Project over High Resolution satellite imagery. <sup>10</sup>

1) Detailed surface and underground sampling will be completed as a priority to help determine the likely grades and widths at depth of the mineralised structures. Initially

 $<sup>^9</sup>$  Source: Symbol Mining Presentation, November 2016, Competent Person: Simon Coxhell

<sup>&</sup>lt;sup>10</sup> Source: Symbol Mining Presentation, November 2016, Competent Person: Simon Coxhell

systematic surface sampling along the exposed portions of the veins and mined material spatially along the veins could be collected rapidly and provide valuable information.

- 2) The underground workings may not be accessible, however systematic surface sampling along outcrops of the vein will be invaluable at gaining a clear understanding of likely grades and metal distribution. Any pertinent geological observations can be recorded at this same time.
- 3) The presence of high copper values at the northern end of Imperial has been highlighted by previous work, but additional knowledge is required to verify and confirm the metal tenor and mineralogy.
- 4) Survey control of the mined areas and known mineralised zones will assist with the knowledge and the planning of future drilling and provide valuable information of the extent of the previous mining. There may be underground survey plans, which would provide critical information, related to past mining and highlight areas along the veins, which are higher grade and or thicker zones of mineralisation. This information is ideally required prior to commencing a resource drill out.

This surface exploration is completed to a large extent and subsequent drilling has allowed a mineral Resource to be estimated.

## Feasibility Studies

Symbol Mining has carried out significant conceptual scoping studies on the Macy Deposit including proposed mining and processing activities. These studies will be upgraded to full feasibility level based on the recent Mineral Resource estimate.

# Project Scale Exploration

- 1) In conjunction with the prospect scale exploration, additional mapping and sampling to investigate any unknown occurrences within the current license areas at Imperial and Tawny is recommended.
- 2) The known mineralisation at Imperial and Tawny comprises zones of massive galena and sphalerite sulphide mineralisation. It is possible that ground based geophysical methods such as electromagnetic (EM) techniques may be useful for detecting such mineralisation and the technique should be trialled around Imperial and Tawny. Both surface techniques and down hole EM should be trialled. If successful the technique may also be useful at confirming the results from the drilling and identify vectors where greater and possibly deeper exploration is warranted.
- 3) In addition, if the EM works is successful at the known prospects, the technique could be used to explore other project areas. The acquisition of air- borne EM data may identify significant targets which are currently unknown and/or untested.
- 4) It is recommended that the JV license areas should be systematically assessed via soil sampling techniques. The licenses may contain unidentified areas of mineralisation and soil sampling would be a relatively cheap method of evaluating their prospectivity outside of the known mineralised areas. Initially, a wide spaced pattern could be sampling and selectively infilling the better areas. Portable XRF units allow rapid reconnaissance and evaluation of these sample types and enable interactive planning and modification to active programs.
- 5) The majority of the Imperial area appears to be quite suitable for soil sampling because the bedrock in most areas appears to be sub-cropping, with limited cover or weathering.

The situation at Tawny is not as clear but this license area may also be suitable for such sampling techniques.

6) Regional soil sampling also provides job opportunities for local people and encourages interaction between Symbol Mining and the surrounding population.

Regional Targeting (District Scale Exploration)

#### Recommendations for this are:

- 1) The knowledge gained from exploration at the Tawny and Imperial projects may well lead to a greater understanding on the lithological and structural controls in a regional sense and application of this knowledge may assist in identifying new opportunities. In addition, there is potential to leverage off existing knowledge, contacts and experience within the country.
- 2) Related to this concept there have been a number of attempts to obtain regional digital datasets through the Nigerian Geological Survey. At this stage no real data has been obtained. A greater effort may result in the acquisition of important regional datasets and prevent reinventing the wheel in certain circumstances. The countrywide radiometric and magnetic datasets should obtained and given to a group such as Southern Geoscience Consultants (Bill Peters) to manipulate and interpret.
- 3) Hyvista is a remote sensing technique that captures mineral alteration patterns on a regional scale and may be useful for exploration in Nigeria. If the bedrock is largely outcropping in the areas of interest, any alteration minerals may be apparent and provide vectors for further focus. In addition to the mapping of various mineral species Hyvista also now captures high-resolution digital photography and elevation data, which would be useful at providing a totally up to date ortho-mosaic of the area of interest. The Hyvista methodology is ideally suited to surveying large areas and would not be cost-effective over the current Adudu lease area. However, if tenement acquisition was successful and Symbol Mining's control of areas under exploration increased, then Hyvista may be very useful. The alteration patterns around the known mineralisation at Imperial and Tawny are not well understood at present and greater understanding in the known areas may lead to the ability to priorities techniques and efficiently explore other areas.

Costs associated with this aspect of the budget mainly involve in time for experienced consultant, for research and data compilation into a GIS environment and purchases of any available regional data sets.

EXPLORATION BUDGET - SUMMARY	Year 1	Year 2	Total
Imperial Project	. • •		
Data review	50,000	25,000	75,000
Field Surveys	150,000	100,000	250,000
Geophysics	75,000	10,000	85,000
Drilling	250,000	300,000	550,000
Scoping Studies		23,000	23,000
TOTAL	525,000	458,000	983,000
Tawney Project			
Data review	75,000	25,000	100,000
Field Surveys	50,000	100,000	150,000
Geophysics	75,000	25,000	100,000
Drilling	100,000	200,000	300,000
Scoping Studies		5,000	5,000

TOTAL 300,000 355,000 655,000

The budget will be spent on the granted tenement. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress.

It is considered that Symbol Mining has a reasonable proposed exploration budget over two years consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of gold mineralisation.

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aeolian Formed or deposited by wind.

aerial Photographs of the earths surface taken from an aircraft.

photography Photographs of the earth's surface taken from an anciant.

A survey undertaken by helicopter or fixed-wing aircraft for the aeromagnetic purpose of recording magnetic characteristics of rocks by

measuring deviations of the earths magnetic field.

airborne Data pertaining to the physical properties of the earths crust at

geophysical data or near surface and collected from an aircraft.

Drilling method employing a drill bit that yields sample

aircore material which is delivered to the surface inside the rod string

by compressed air.

alluvial Pertaining to silt, sand and gravel material, transported and

deposited by a river.

alluvium

Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries,

and flood plains, on lakes, shores and in fans at the base of

mountain slopes and estuaries.

The change in the mineral composition of a rock, commonly alteration

due to hydrothermal activity.

An intermediate volcanic rock composed of andesine and one or andesite

more mafic minerals.

An area where exploration has revealed results higher than the anomalies

local background level.

A fold in the rocks in which strata dip in opposite directions anticline

away from the central axis.

An anticline-like structure. antiformal

The oldest rocks of the Precambrian era, older than about 2,500 Archaean

million years.

The testing and quantification metals of interest within a assayed

sample.

A drill sampling method using an auger to penetrate upper auger sampling

horizons and obtain a sample from lower in the hole.

The plane that intersects the crest or trough of a fold, about axial plane

which the limbs are more or less symmetrically arranged. A volcanic rock of low silica (<55%) and high iron and

basalts

magnesium composition, composed primarily of plagioclase

and pyroxene.

A non-precious metal, usually referring to copper, lead and polymetallics

bedrock Any solid rock underlying unconsolidated material.

A rock consisting essentially of iron oxides and cherty silica, **BIF** 

and possessing a marked banded appearance.

Rock deformation characterised by brittle fracturing and brittle

brecciation.

An era of geological time spanning the period from 65 million Cainozoic

years ago to the present.

Rock of sedimentary or hydrothermal origin, composed

primarily of calcium, magnesium or iron and CO<sub>3</sub>. Essential carbonate

component of limestones and marbles.

Gold (Au), silver (Ag), barium (Ba), copper Cu), zinc (Zn), chemical symbols

lead (Pb) antimony (As), Antimony (Sb).

Fine grained sedimentary rock composed of cryptocrystalline chert

silica.

A green coloured hydrated aluminium-iron-magnesium silicate chlorite

mineral (mica) common in metamorphic rocks.

Pertaining to a rock made up of fragments or pebbles (clasts). clastic A fine-grained, natural, earthy material composed primarily of clays

hydrous aluminium silicates.

A loose, heterogeneous and incoherent mass of soil material colluvium

deposited by slope processes.

The main pathways that facilitate the movement of conduits

hydrothermal fluids.

A rock type composed predominantly of rounded pebbles, conglomerate

cobbles or boulders deposited by the action of water.

An extrusive rock composed mainly of plagioclase, quartz and dacite

pyroxene or hornblende or both.

depletion The lack of gold in the near-surface environment due to

leaching processes during weathering.

diamond drill

Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of

rock.

dilational Open space within a rock mass commonly produced in response

to folding or faulting.

hole

dolerite A medium grained mafic intrusive rock composed mostly of

pyroxenes and sodium-calcium feldspar.

ductile Deformation of rocks or rock structures involving stretching or

bending in a plastic manner without breaking.

dykes A tabular body of intrusive igneous rock, crosscutting the host

strata at a high angle.

en-echelon Repeating parallel, but offset, occurrences of lenticular bodies

such as ore veins.

The group of physical and chemical processes by which earth or

erosional rock material is loosened or dissolved and removed from any

part of the earths surface.

fault zone A wide zone of structural dislocation and faulting.

feldspar A group of rock forming minerals.

felsic An adjective indicating that a rock contains abundant feldspar

and silica.

folding A term applied to the bending of strata or a planar feature about

an axis.

Banded rocks, usually due to crystal differentiation as a result of

metamorphic processes.

follow-up A term used to describe more detailed exploration work over

targets generated by regional exploration.

Grams per tonne, a standard volumetric unit for demonstrating

the concentration of precious metals in a rock.

A fine to coarse grained, dark coloured, igneous rock composed

gabbro mainly of calcic plagioclase, clinopyroxene and sometimes

olivine.

geochemical Pertains to the concentration of an element.

geophysical Pertains to the physical properties of a rock mass.

GIS database

A system devised to present partial data in a series of

compatible and interactive layers.

gneissic Coarse grained metamorphic rocks characterised by mineral

banding of the light and dark coloured constituent minerals.

granite A coarse-grained igneous rock containing mainly quartz and

feldspar minerals and subordinate micas.

granoblastic A term describing the texture of a metamorphic rock in which

the crystals are of equal size.

granodiorite A coarse grained igneous rock composed of quartz, feldspar and

hornblende and/or biotite.

greenschist A metamorphosed basic igneous rock which owes its colour and

schistosity to abundant chlorite.

greenstone belt

A broad term used to describe an elongate belt of rocks that

have undergone regional metamorphism to greenschist facies.

greywackes A sandstone like rock, with grains derived from a dominantly

volcanic origin.

GSWA Geological Survey of Western Australia.

gypsum Mineral of hydrated, or water-containing, calcium sulphate.

halite Impure salt deposit formed by evaporation.

hangingwall The mass of rock above a fault, vein or zone of mineralisation.

hematite Iron oxide mineral, Fe<sub>2</sub>O<sub>3</sub>.

hinge zone A zone along a fold where the curvature is at a maximum.

hydrothermal Pertaining to hot aqueous solutions, usually of magmatic origin,

fluids which may transport metals and minerals in solution.

igneous Rocks that have solidified from a magma.

Refers to sampling or drilling undertaken between pre-existing

sample points.

insitu In the natural or original position.

Refers to the occurrence of other rock types between individual

lava flows within a stratigraphic sequence.

intermediate A rock unit which contains a mix of felsic and mafic minerals.

A body of igneous rock which has forced itself into pre-existing

rocks.

intrusive contact The zone around the margins of an intrusive rock.

ironstone A rock formed by cemented iron oxides.

isoclinal A series of folds that dip in the same direction at the same

angle.

joint venture A business agreement between two or more commercial

entities.

komatiitic Magnesium-rich mafic to ultramafic extrusive rock.

laterite A cemented residuum of weathering, generally leached in silica

with a high alumina and/or iron content.

A significant linear feature of the earth's crust, usually equating

a major fault or shear structure.

lithological

contacts

The contacts between different rock types.

lithotypes Rock types.

metamorphic A rock that has been altered by physical and chemical processes

involving heat, pressure and derived fluids.

metasedimentary A rock formed by metamorphism of sedimentary rocks.

A granular plutonic rock containing approximately equal

monzogranite amounts of orthoclase and plagioclase feldspar, but usually with

a low quartz content.

Moz Millions of ounces.
Mt Million Tonnes.

A hard compact rock with a streaky or banded structure

mylonite produced by extreme granulation of the original rock mass in a

fault or thrust zone.

nickel laterite

Nickel ore hosted within the laterite profile, usually derived

from the weathering of olivine-rich ultramafic rocks.

open pit A mine working or excavation open to the surface.

Orthoimage A geographically located composite plan using aerial

photography as a base.

outcrops Surface expression of underlying rocks.

palaeochannels An ancient preserved stream or river.

pegmatite

A very coarse grained intrusive igneous rock which commonly occurs in dyke-like bodies containing lithium-boron-fluorine-

rare earth bearing minerals.

Describes the prevalence of rounded manganese, iron or

pisolitic alumina-rich chemical concretions, frequently comprising the

upper portions of a laterite profile.

playa lake

Broad shallow lakes that quickly fill with water and quickly

evaporate, characteristic of deserts.

polymictic Referring to coarse sedimentary rocks, typically conglomerate,

containing clasts of many different rock types.

porphyries Felsic intrusive or sub-volcanic rock with larger crystals set in a

fine groundmass.

Proterozoic

Parts per billion; a measure of low level concentration.

An era of geological time spanning the period from 2,500

million years to 570 million years before present.

pyroxenite A coarse grained igneous intrusive rock dominated by the

mineral pyroxene.

quartz reefs Old mining term used to describe large quartz veins.

Compositional term relating to rocks containing abundant

quartzofeldspathic quartz and feldspar, commonly applied to metamorphic and

sedimentary rocks.

quartzose Quartz-rich, usually relating to clastic sedimentary rocks.

A relatively inexpensive and less accurate drilling technique

RAB drilling involving the collection of sample returned by compressed air

from outside the drill rods.

A drilling method in which the fragmented sample is brought to

RC drilling the surface inside the drill rods, thereby reducing

contamination.

regolith The layer of unconsolidated material which overlies or covers

insitu basement rock.

residual Soil and regolith which has not been transported from its point

or origin.

resources Insitu mineral occurrence from which valuable or useful

minerals may be recovered.

rhyolite Fine-grained felsic igneous rock containing high proportion of

silica and felspar.

rock chip
compling
The collection of rock specimens for mineral analysis.

sampling The concetion of rock specimens for innicial analysis.

Disintegrated, in-situ rock, partially decomposed by the

chemical and physical processes of oxidation and weathering. The images produced by photography of the earth's surface

satellite imagery

from satellites.

A crystalline metamorphic rock having a foliated or parallel

structure due to the recrystallisation of the constituent minerals.

The rubble composed of rocks that have formed down the slope

scree of a hill or mountain by physical erosion.

sedimentary A term describing a rock formed from sediment.

A white or pale apple green potassium mica, very common as sericite

an alteration product in metamorphic and hydrothermally

altered rocks.

A fine grained, laminated sedimentary rock formed from clay, shale

mud and silt.

A zone in which rocks have been deformed primarily in a sheared

ductile manner in response to applied stress.

Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events.

sheet wash Superficial deposit formed by low temperature chemical

processes associated with ground waters, and composed of fine

grained, water-bearing minerals of silica.

Superficial deposit formed by low temperature chemical

silcrete processes associated with ground waters, and composed of fine

grained, water-bearing minerals of silica.

Dioxide of silicon, SiO<sub>2</sub>, usually found as the various forms of silica

quartz.

Sheets of igneous rock which is flat lying or has intruded sills

parallel to stratigraphy.

Fine-grained sediments, with a grain size between those of sand

and clay.

The collection of soil specimens for mineral analysis. soil sampling

A small intrusive mass of igneous rock, usually possessing a stocks

circular or elliptical shape in plan view.

Sedimentary rock layers. strata

silts

syncline

stratigraphic Composition, sequence and correlation of stratified rocks. The collection of samples of stream sediment with the intention stream sediment

sampling of analysing them for trace elements.

Horizontal direction or trend of a geological structure. strike

subcrop Poorly exposed bedrock.

A general term to cover minerals containing sulphur and sulphide

commonly associated with mineralisation.

Process of mineral enrichment produced by the chemical

remobilisation of metals in an oxidised or transitional supergene

environment.

An intrusive igneous rock composed essentially of alkali syenite

feldspar and little or no quartz and ferromagnesian minerals.

A fold in rocks in which the strata dip inward from both sides

towards the axis.

A hydrous magnesium silicate, usually formed due to talc

weathering of magnesium silicate rocks.

Pertaining to the forces involved in or the resulting structures of tectonic

movement in the earth's crust.

tholeiitic A descriptive term for a basalt with little or no olivine.

A reverse fault or shear that has a low angle inclination to the thrust fault

horizontal.

A grey or white metamorphic mica of the amphibole group, tremolite

usually occurring as bladed crystals or fibrous aggregates.

Igneous rocks consisting essentially of ferromagnesian minerals ultramafic

with trace quartz and feldspar.

veins A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics Pertaining to clastic rock containing volcanic material.
volcanics Formed or derived from a volcano.
A lustrous, blueish-white metallic element used in many alloys

including brass and bronze.

Appendix 1

Drill Hole Collars – Macy Deposit, Imperial Project

HoleID	EAST	NORTH	RL	Azimuth	Dip	Depth
ASDD001	698,039	1,062,736	400	260	-55	69
ASDD002	698,051	1,062,685	400	260	-60	80
SDD001	698,272	1,060,304	400	260	-60	90.8
SDD002	698,344	1,060,099	400	260	-60	203
SDD003	698,353	1,060,055	400	265	-55	167
SDD004	698,334	1,060,148	400	260	-50	180
SDD005	698,323	1,060,204	400	255	-50	150
SDD007	698,232	1,060,399	400	255	-50	80
SDD009	698,161	1,060,551	400	250	-60	90
SDD010	698,162	1,060,609	400	250	-50	100
SDD011*	698,122	1,060,648	400	250	-50	74
SDD012*	698,095	1,060,693	400	250	-50	74
SDD013*	698,076	1,060,740	400	250	-55	75
SDD014*	698,068	1,060,797	400	250	-50	75
SDD015*	698,130	1,060,595	400	250	-50	77
SDD016	698,141	1,060,655	400	250	-50	118
SDD017*	698,112	1,060,642	400	250	-55	60
SDD018	698,332	1,060,050	400	270	-50	150
SDD019*	698,058	1,060,792	400	250	-55	60
SDD020*	698,059	1,060,760	400	250	-55	45
SDD021*	698,069	1,060,738	400	250	-50	45
SDD022*	698,079	1,060,715	400	250	-50	45
SDD023*	698,092	1,060,720	400	250	-55	70
SDD024*	698,100	1,060,668	400	250	-50	50
SDD025*	698,120	1,060,675	400	250	-50	75
SDD026*	698,119	1,060,616	400	250	-55	51
SDD027	698,128	1,060,622	400	250	-60	70
SDD028	698,141	1,060,570	400	250	-55	75

<sup>\*</sup> Includes material intersections

## **Material Diamond Drill intercepts – Mineral Resource Estimate**

Assays are reported as down hole values and do not represent true width

HoleNo	Easting	Northing	RL	From	То	Thick	Pb%	Zn%	Ag g/t	Cu ppm
SDD001	698238	1060297	341	68.2	69.2	1.00	0.01	4.53	2	213
SDD001	698238	1060297	340	69.2	69.55	0.35	0.01	40.29	Х	200
SDD001	698238	1060297	340	69.55	70	0.45	0.00	1.40	Х	Х
SDD001	698237	1060297	339	70	71	1.00	0.01	0.29	Х	Х
SDD001	698237	1060296	338	71	72	1.00	0.00	0.49	Х	Х
SDD001	698236	1060296	337	72	73	1.00	0.01	0.30	Х	Х
SDD001	698236	1060296	336	73	74	1.00	0.01	1.66	Х	Х
SDD001	698235	1060296	336	74	75	1.00	0.01	0.77	Х	Х
SDD001	698235	1060296	335	75	75.5	0.50	0.00	0.81	Х	Х
SDD001	698235	1060296	334	75.5	76	0.50	0.05	2.85	Х	72
SDD001	698234	1060296	334	76	77	1.00	0.01	0.19	1	Х
SDD001	698233	1060296	330	80	81	1.00	1.23	0.33	2	65
SDD011	698097	1060639	368	41.4	42	0.60	12.35	4.50	14	4832
SDD011	698094	1060638	364	46	47	1.00	0.02	0.10	Х	Х
SDD011	698093	1060638	364	47	48	1.00	0.01	16.55	Х	51
SDD011	698093	1060637	363	48	49	1.00	0.00	25.76	Х	92
SDD011	698092	1060637	362	49	50	1.00	0.17	4.61	Х	52
SDD011	698091	1060637	361	50	51	1.00	0.01	18.22	1	61
SDD011	698091	1060637	361	51	51.75	0.75	0.04	1.89	Х	Х
SDD011	698091	1060637	360	51.75	52	0.25	17.73	22.14	19	356
SDD011	698090	1060636	360	52	53	1.00	0.02	16.37	Х	118
SDD011	698090	1060636	359	53	54	1.00	0.01	33.26	Х	126
SDD011	698089	1060636	358	54	55	1.00	0.01	48.40	2	200
SDD011	698088	1060636	357	55	56	1.00	0.00	23.13	X	119
SDD011	698088	1060636	357	56	57	1.00	9.36	39.14	9	1059
SDD011	698087	1060635	356	57	58	1.00	1.03	19.72	1	456
SDD011	698087	1060635	355	58	59	1.00	0.01	36.28	1	107
SDD011	698086	1060635	354	59	60	1.00	0.02	10.70	Х	X
SDD011	698086	1060635	354	60	60.5	0.50	0.00	23.63	X	86
SDD011	698085	1060635	353	60.5	61.5	1.00	0.00	0.15	X	27
SDD011	698085	1060634	353	61.5	62.5	1.00	0.00	0.19	X	X
SDD011	698084	1060634	352	62.5	63.5	1.00	0.00	0.16	1	X
SDD011	698083	1060634	351	63.5	64	0.50	0.01	0.10	X	X
SDD011	698083	1060634	351	64	65	1.00	0.00	10.81	Х	44
SDD011	698082	1060634	350	65	66	1.00	0.06	15.44	2.9	50
SDD011	698082	1060633	349	66	67	1.00	0.57	1.87	2	X
SDD011	698081	1060633	348	68	68.4	0.40	0.06	3.30	0.5	31
SDD012	698075	1060686	374	33.7	34	0.30	65.43	3.70	108.1	1174
SDD012	698073	1060685	372	36.4	36.8	0.40	18.88	4.28	18.6	1629
SDD012	698072	1060685	371	38	38.5	0.50	0.07	0.30	0.6	Х
SDD012	698072	1060684	370	38.5	39	0.50	0.22	8.77	1.7	89
SDD012	698071	1060684	370	39	39.5	0.50	0.10	17.25	1.2	118
SDD012	698071	1060684	370	39.5	40	0.50	0.77	2.08	2	653
SDD012	698071	1060684	369	40	41	1.00	1.12	1.63	2.4	127
SDD012	698070	1060684	368	41	42	1.00	4.63	5.88	11	322
SDD012	698069	1060684	368	42	42.5	0.50	30.59	10.49	30.4	3700
SDD012	698069	1060684	367	42.5	43.5	1.00	0.16	0.61	1.1	305
SDD012	698067	1060683	365	45.4	45.8	0.40	7.12	0.46	9.3	1237
SDD013	698060	1060734	377	28.4	28.75	0.35	17.63	0.26	26.5	305
SDD013	698049	1060731	361	47	48	1.00	0.05	0.66	X	41
SDD013	698049	1060730	360	48	49	1.00	0.02	34.34	3.1	161
SDD013	698048	1060730	359	49	50	1.00	0.02	3.92	0.9	28
SDD013	698048	1060730	359	50	51	1.00	0.02	7.69	0.7	85
SDD013	698047	1060730	358	51	52	1.00	0.00	31.61	1.1	155
SDD013	698047	1060730	357	52	53	1.00	0.03	20.83	1	231
SDD013	698046	1060730	356	53	54	1.00	0.04	36.58	1.8	126
SDD013	698046	1060729	355	54	55	1.00	0.01	8.35	0.7	80
SDD013	698045	1060729	354	55.64	56	0.36	0.01	1.86	1.6	30
SDD013	698044	1060729	354	56.4	57	0.60	0.02	6.14	X	93
SDD013	698044	1060729	353	57	58	1.00	0.01	1.85	0.9	110
SDD014	698037	1060785	361	50.5	51	0.50	0.09	0.12	1	25
SDD014	698037	1060785	361	51	51.5	0.50	32.85	3.91	30.3	149
SDD014	698037	1060785	360	51.5	52.5	1.00	0.06	0.05	1.2	X
SDD014 SDD014	698036	1060783	359	52.5	53.5	1.00	0.00	0.05	1.5	X
000017	555555	.000704	000	02.0	00.0	1.00	0.0 <u>L</u>	0.00		``

SDD014	698036	1060784	359	53.5	54	0.50	0.01	7.07	2.5	3796
SDD014	698035	1060784	358	54	55	1.00	0.01	4.49	0.5	473
SDD014	698034	1060784	357	55	56	1.00	0.01	5.31	1.5	71
SDD014	698034	1060784	357	56	57	1.00	0.02	0.25	1	59
SDD014	698033	1060783	356	57	58	1.00	0.38	5.26	2.9	652
SDD014	698033	1060783	355	58	59	1.00	0.18	6.55	2.6	43
SDD014	698032	1060783	355	59	59.5	0.50	0.01	4.50	1.3	27
SDD014	698027	1060781	348	67.8	68	0.20	0.04	2.41	1.5	291
SDD015	698125	1060594	391	11.8	12	0.20	18.68	0.82	39.5	233
SDD015	698114	1060591	378	29	29.25	0.25	8.33	11.14	16.5	313
SDD015	698112	1060590	375	32	33	1.00	0.04	5.48	0.8	27
SDD015	698112	1060590	374	33	34	1.00	0.03	2.53	1.6	99
SDD015	698111	1060589	374	34	34.5	0.50	0.04	7.87	1.6	94
SDD015	698111	1060589	373	34.5	35.25	0.75	0.03	4.41	Х	40
SDD015	698110	1060589	372	36.5	37	0.50	0.03	2.31	0.6	34
SDD015	698109	1060589	371	37	38	1.00	18.34	20.95	21.7	2755
SDD015	698109	1060589	371	38	38.5	0.50	0.04	4.25	0.7	Х
SDD015	698109	1060588	370	38.5	39	0.50	1.66	14.07	4.7	72
SDD015	698108	1060588	370	39	40	1.00	16.35	26.73	37.8	183
SDD015	698108	1060588	369	40	40.5	0.50	0.20	35.53	3.8	238
SDD015	698107	1060588	369	40.5	41.5	1.00	0.32	5.03	1.7	86

Other assay results were considered to be immaterial as they were outside the mineralised zone. Drill intercepts are reported as 'down hole' widths. True widths have not been determined.

Appendix 2

JORC Code, 2012 Edition, Table 1

# **Section 1 Sampling Techniques and Data**

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul> <li>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.</li> <li>A second diamond drilling program was carried out in 2916, consisting of an additional nine holes for 481m.</li> <li>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 to 1.0 metre and were based on geological boundaries were appropriate.</li> <li>Drill hole collar locations were recorded by handheld GPS survey with accuracy +/-2 metres.</li> <li>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 FP1/0E, whereby sodium peroxide fusion and subsequent hydrochloric acid to dissolve the melt is completed followed by analysis via ICP.</li> </ul>
Drilling techniques	<ul> <li>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.).</li> </ul>	HQ Triple Tube from surface (78 mm) was used for all drilling.
Drill sample recovery	<ul> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul> <li>Sample recovery was recorded as a percentage which in general was greater than 95%.</li> <li>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.</li> </ul>
Logging	Whether core and chip samples have been geologically	<ul> <li>HQ core was logged in detail, photographed wet and dry,</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul> <li>and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul> <li>RQDs, structural measurements on all completed. Core was orientated where possible.</li> <li>Logging and recording of critical data for the diamond core is a combination of qualitative and quantitative measurements and observations</li> <li>All drilling was logged.</li> </ul>
Sub-sampling techniques and sample preparation	<ul> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul> <li>HQ diamond core was sawn in half along orientation lines or cut lines marked by the geologist in the field.</li> <li>Sample preparation for all recent samples follows industry best practice</li> <li>Sample preparation involving oven drying, fine crushing to 95% passing 4mm, followed by rotary splitting and pulverisation to 85% passing 75 microns.</li> <li>QC for sub sampling follows Intertek procedures.</li> <li>Field duplicates were taken at a rate of 1:17.</li> <li>Blanks were inserted at a rate of 1:17.</li> <li>Standards were inserted at a rate of 1:17.</li> <li>Sample sizes are considered appropriate to the grain size of the material being sampled.</li> </ul>
Quality of assay data and laboratory tests	<ul> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul> <li>The methods are considered appropriate to the style of mineralisation. Extractions are considered near total.</li> <li>No geophysical tools were used to determine any element concentrations at this stage.</li> <li>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.</li> </ul>
Verification of sampling and assaying	<ul> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul> <li>Symbol Mining's Geologist has visually reviewed the samples collected.</li> <li>No twin holes were drilled.</li> <li>Data and related information is stored in a validated Mapinfo or Micromine database. Data has been visually checked for import errors.</li> <li>No adjustments to assay data have been made.</li> </ul>
Location of data points	<ul> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul> <li>All drillholes have been located by GPS with precision of sample locations considered +/-2m.</li> <li>Location grid of plans and cross sections and coordinates in use WGS84, UTM Zone 32: Northern Hemisphere</li> <li>Topographic data and RL values are assumed.</li> </ul>
Data spacing and distribution	<ul> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul> <li>The holes are nominally spaced on 25 metre sections (approx. E-W) with hole spacing down dip being 10 to 20 metres.</li> <li>Data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation classification applied.</li> <li>Sample compositing has not occurred.</li> </ul>
Orientation of data in relation to geological structure	<ul> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul> <li>The orientation of sampling is considered adequate and there is not enough data to determine bias if any.</li> <li>Mineralisation strikes north-north-west. Drilling was orthogonal to this apparent strike and comprised angled diamond drill holes.</li> </ul>
Sample security	The measures taken to ensure sample security.	<ul> <li>Chain of custody is managed by Symbol Mining and samples are transported to the laboratory via 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.</li> </ul>
Audits or	<ul> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	No review or audit of sampling techniques or data

Criteria	JORC Code explanation	Commentary
reviews		compilation has been undertaken at this stage.

# **Section 2 Reporting of Exploration Results**

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul> <li>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.</li> <li>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.</li> </ul>	<ul> <li>The Imperial Project is covered by Exploration Licences EL 18444 and EL 18445 awarded to Goidel Resources Limited (now transferred to Imperial JV 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).</li> <li>The tenement is in good standing</li> <li>No impediments to operating on the permit are known to exist.</li> </ul>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	<ul> <li>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.</li> <li>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.</li> </ul>
Geology	Deposit type, geological setting and style of mineralisation.	<ul> <li>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 Mining 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.</li> <li>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.</li> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul> <li>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:         <ul> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul> <li>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.</li> <li>A second drill program by Century in 2016 infilled in the northern area, with nine holes for 481m.</li> <li>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 (the Macy Deposit) has been systematically assessed via drill holes on 25 metre centres, with a maximum of 3 holes per section over 250 metres of strike length.</li> <li>Downhole surveys were completed by Century using a KSP-2D Compass Inclinometer on nominal 30 metre downhole intervals. Drill holes SDD010 to 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.</li> </ul>
Data aggregation methods	<ul> <li>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.</li> <li>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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul> <li>No averaging or aggregation techniques have been applied.</li> <li>No top cuts have been applied to exploration results.</li> <li>No metal equivalent values are used in this report.</li> </ul>
Relationship between mineralisatio n widths and intercept lengths	<ul> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	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	<ul> <li>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.</li> </ul>	Appropriate maps are included in main body of report with gold results and full details are in the tables reported.
Balanced reporting	<ul> <li>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.</li> </ul>	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.	<ul> <li>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.</li> </ul>

Criteria	JORC Code explanation	Commentary
Further work	<ul> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul> <li>Future diamond drilling will be completed to reduce the drill density of the deposit leading to an upgrade in resource status and classification.</li> <li>Refer to maps in main body of report for potential target areas.</li> </ul>

# **Section 3 Estimation and Reporting of Mineral Resources**

Criteria	JORC Code explanation	Commentary
Database integrity	<ul> <li>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.</li> <li>Data validation procedures used.</li> </ul>	<ul> <li>Data was provided as a Excel spreadsheets of collar, down hole survey, and sample intervals, together with four laboratory spreadsheets of assay results. The data was digitally imported and merged using Micromine software (V2016 SP5). Validation routines were run to confirm validity of all data.</li> <li>Analytical results have all been electronically merged to avoid any transcription errors.</li> </ul>
Site visits	<ul> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul> <li>The CP has not made a site visit at this stage due to time constraints.</li> <li>All logging has been done by site geologists under the supervision of Mr S Coxhell who has visited site twice. The controls on mineralisation have been communicated to the CP so that the CP has confidence in the resource estimation procedures and the lack of a site visit does compromise the estimate.</li> </ul>
Geological interpretatio n	<ul> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul> <li>The confidence in the geological interpretation is good.</li> <li>Geological logging and interpretation allows extrapolation of drill intersections between adjacent sections.</li> <li>Alternative interpretations are likely to result in similar tonnage and grade estimation techniques.</li> <li>Geological boundaries are determined by the spatial locations of the various mineralised structures, and the geological host rocks.</li> <li>Factors affecting continuity are cross faults, old historic workings and the potential complexity of the mineralized systems.</li> <li>The drill density is appropriate to the level of classification.</li> </ul>
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.	<ul> <li>The lateral dimensions of the resources at Macy 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.</li> </ul>
Estimation and modelling techniques	<ul> <li>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.</li> <li>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>The assumptions made regarding recovery of byproducts.</li> <li>Estimation of deleterious elements or other nongrade variables of economic significance (eg sulphur for acid mine drainage characterisation).</li> <li>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> </ul>	<ul> <li>Sample data was composited to 1m down-hole composites prior to analysis and estimation. Breaks in mineralised zone interpretation. Were honoured by the compositing process</li> <li>Statistical and variogram analysis was carried out to determine optimal parameters for resource estimation.</li> <li>Search ellipsoids used an unfolding methodology to account for variations in dip and strike.</li> <li>The search ellipsoid had dimensions of 50m (N-S) by 50m vertically by 5m across the mineralisation, with a minimum of 6 samples and a maximum of 12. This pass also requires a minimum of 2 holes, with a minimum of 2 samples per hole and a maximum of 6 samples per hole.</li> <li>The number of samples used, the kriging variance and the average distance of samples from each block, were all stored in the block model for later use in resource classification.</li> <li>Grade estimation using an Ordinary Kriging methodology has been used. Two wireframes have been used to subset and constrain the data points used in the interpolation and only individual grades from individual wireframes were used.</li> <li>All estimation was carried out in Micromine 2016 (SP5) software.</li> <li>The block models were constructed using a 1m (E) by 5m (N) by 5m (Z) block size, constrained by a series of individual wireframes, with sub-cells to 0.25m x 1m x 1m to accurately represent wireframe shapes.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<ul> <li>No deleterious elements have been identified</li> <li>No assumptions regarding recovery of by-products have been made</li> <li>The geological interpretation follows a steeply dipping fault in contact with flat lying and variably reactive sedimentary host</li> </ul>
Moisture	Whether the tonnages are estimated on a dry boor with natural moisture, and the method of determination of the moisture content.	sis • Tonnages are estimated on a dry basis.
Cut-off parameters	The basis of the adopted cut-off grade(s) or qual parameters applied.	<ul> <li>In general, either the zones are mineralized or not. Nominal downhole cut-offs of 2% Zn (for the Zinc vein) and 2% Pb (for the Lead Vein) have been used to define the mineralised zones. The basis of the cutoffs is an economic analysis coupled to mining dilution considerations, with this cutoff correlating reasonably well with the mineralised zones as logged from the diamond core.</li> </ul>
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and inter (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 minim methods, but the assumptions made regarding mining methods and parameters when estimatin Mineral Resources may not always be rigorous. Where this is the case, this should be reported wan explanation of the basis of the mining assumptions made.	g ng
Metallurgical factors or assumptions	The basis for assumptions or predictions regard metallurgical amenability. It is always necessary 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 wan explanation of the basis of the metallurgical assumptions made.	y as metal recoveries, via conventional gravity concentration.  ne
Environment al 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 environmen 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 the 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.	Mining Proposal is well advanced. The area has been extensively mined in the past and no environmental impediments are expected.  tal . al
Bulk density	<ul> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have be measured by methods that adequately account you'd spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates to</li> </ul>	<ul> <li>mineralogical review and analytical results.</li> <li>Additional testwork (Archimedes Method) of material of various geological and mineralisation types is under way and will be used to update the model in due course. The following densities are applied to the resource model.</li> <li>Zinc Vein 3.5 t/bcm.</li> <li>Lead Vein 4.5 t/bcm.</li> </ul>

Criteria	JORC Code explanation	Commentary
Classification	<ul> <li>in the evaluation process of the different materials.</li> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>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).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul> <li>The Mineral Resources have been classified as Indicated and Inferred.</li> <li>The Resource model uses a classification scheme based upon drill hole spacing plus block estimation parameters, kriging variance, number of composites in search ellipsoid informing the block cell and average distance of data to block centroid.</li> <li>The results of the Mineral Resource Estimation reflect the views of the Competent Person.</li> </ul>
Audits or reviews	<ul> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	•
Discussion of relative accuracy/confidence	<ul> <li>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.</li> <li>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.</li> <li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<ul> <li>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 Code.</li> <li>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.</li> <li>No production data is available for comparisons.</li> </ul>

7.	LEGAL	MENT	REPORT

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# TITLE REPORT

## PREPARED FOR SWALA ENERGY LIMITED

IN RESPECT OF

IMPERIAL JV LIMITED

**AND** 

TAWNY JV LIMITED

**APRIL 2017** 

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### **PREAMBLE**

#### 1. INTRODUCTION

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This title report on Imperial JV Limited ("IMPERIAL JV") and Tawny JV Limited ("TAWNY JV") (the "Title Report") has been prepared by Ivory Chambers Legal Practitioners ("Ivory Chambers") at the request of Swala Energy Limited ("SWALA") in connection with its proposed transaction to acquire all of the shares in Symbol Mining Corporation Pty Ltd, which through its wholey owned subsidiary Symbol Base Metals (UK) limited owns a 60% interest in both Imperial JV and Tawny JV, both Nigerian incorporated companies and the associated Prospectus capital raising and relisting on the Australian Securities Exchange (the "Proposed Transaction").

1.2 For the purpose of this Title Report, we applied for a search to be conducted on the records of IMPERIAL JV and TAWNY JV at the Mining Cadastre Office, Abuja (the "Cadastre") in order to determine the status of the various mining exploration licences held and applied for by IMPERIAL JV and TAWNY JV. We have received an official search report from the Cadastre, details of which are provided below. We have also conducted a due diligence on original documents held by IMPERIAL JV and TAWNY JV in respect of its mining concessions which were made available to us for our review.

#### 2. SCOPE AND PURPOSE OF THE REPORT

- 2.1 We have compiled this Title Report in accordance with the agreed scope of work between Imperial JV and Ivory Chambers.
- 2.2 This Title Report focuses exclusively on the title to mining concessions owned by IMPERIAL JV and TAWNY JV. Thus, the purpose of this Title Report is solely to draw the attention of SWALA to any material issues or deficiencies relating to IMPERIAL JV and TAWNY JV's title to the mining concessions and which may be relevant in the context of the Proposed Transaction. The reservations and qualifications contained in paragraph 3 below should be noted.

### 3. QUALIFICATIONS

- 3.1 This Title Report does not constitute a full audit of the legal affairs of IMPERIAL JV and TAWNY JV but has been prepared on the basis of the official search report issued by the Cadastre as well as documents provided by IMPERIAL JV and TAWNY JV. We have not independently verified the authenticity or accuracy of any documents relating to the mining licences held by IMPERIAL JV and TAWNY JV, we do not warrant or represent that any related documents and/or information are authentic or accurate and we do not accept any liability if that is not the case.
- 3.2 This Title Report, and the information contained herein, is subject to the following assumptions, reservations and qualifications:
  - i unless the context clearly indicates to the contrary, this Title Report must be read as a synopsis of documentation and information provided to Ivory Chambers;

- ii each executed document has been properly signed by the duly authorised representative(s) of the Cadastre;
- iii we have relied on the accuracy and completeness of the original search report as issued by the Cadastre we have assumed that the same is, and remains, up to date and is not misleading in any way;
- iv we have relied on the accuracy and completeness of the original copies of documents made available to us directly by IMPERIAL JV and TAWNY JV and we have assumed that the same were, and remain, up to date and are not misleading in any way;
- v references to matters within our knowledge are to matters within the actual knowledge of the partners and legal staff of Ivory Chambers as of the date of this Title Report (subject to the other qualifications referred to in this Report) who, in each case, have been directly involved in this assignment;
- vi we cannot and do not express any opinion concerning the value of any assets, and in particular whether any such value is higher or lower than book value, or the value which has or will be assigned to any such asset for the purpose of any past, present or contemplated transaction;
- vii we have reported and opined only as to the law of the Federal Republic of Nigeria and express no opinion and accept no responsibility as to the law of any other jurisdiction or any documents, agreements or arrangements which may be subject to, or be construed in accordance with any such law; and
- viii this Title Report is expressed as of the date stated at the end of this preamble and we assume no obligation to update or supplement any views contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective.

Yours Faithfully

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**Ivory Chambers** Chijioke Ozoemena Senior Partner - 24 April 2017

### MINING EXPLORATION LICENCES HELD BY IMPERIAL JV

### 4. Due Diligence on Mining Exploration Licences held by IMPERIAL JV

#### 4.1. Status of Mining Exploration Licences at the Cadastre

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On the basis of an application for a search to be conducted on the data base of IMPERIAL JV at the Cadastre which is the agency with sole responsibility for all matters pertaining to the administration of mineral titles in Nigeria, we were provided with an official due diligence report dated 2 Mar 2017. We have presented in the table below, information regarding the status of the various licences granted to, and applied for by the Company.

	Code No.	Holder	Payment <sup>1</sup>	Status
1	18444EL	IMPERIAL JV	Paid	Granted & Transferred
2	18445EL	IMPERIAL JV	Paid	Granted & Transferred
3	18448EL	GOIDEL RESOURCES	Paid	Granted

Following our search at the Cadastre, IMPERIAL JV provided for our review, originals of all licences held by the IMPERIAL JV in respect of the mining concessions. Based on our review of the licences, we have provided in the table below a summary of the status of the licences held by IMPERIAL JV:

	Code No.	Holder	Payment	Status
1	18444EL	IMPERIAL JV	Paid	Granted & Transferred
2	18445EL	IMPERIAL JV	Paid	Granted & Transferred
3	18448EL	GOIDEL RESOURCES	Paid	Granted

### 4.2. Exploration Licences

The details of each original licence held by IMPERIAL JV which we sighted in the course of our due diligence exercise is as follows:

### 4.2.1. <u>18444</u> EL

Number of Cadastre Units – 930

Area  $(Km^2) - 186$ 

Local Government Area – Bauchi/Taraba State – Alkaleri/Karim Lamido

Effective Date – 3 November 2014

Expiry Date – 2 November 2017

Issue Date - 15 June 2015

<sup>&</sup>lt;sup>1</sup> Payment of the annual service fees as at 4 November 2014

#### 4.2.2. **18445** EL

Number of Cadastre Units – 930

Area  $(Km^2) - 186$ 

Local Government Area – Bauchi/Taraba State – Alkaleri/Karim Lamido

Effective Date – 3 November 2014

Expiry Date – 2 November 2017

Issue Date - 15 June 2015

### 4.2.3. **18448** EL

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The details of the original licence held by GOIDEL RESOURCES which we sighted in the course of our due diligence exercise is as follows:

Number of Cadastre Units - 649

Area  $(Km^2) - 138.8$ 

Local Government Area – Plateau/Taraba State – Kanam/Karim Lamido

Effective Date – 14 May 2015

Expiry Date – 13 May 2018

Issue Date – 14 October 2015

### 4.3. Payment of Annual Fees

Pursuant to the provisions of the Mineral Title Applications and Administrative Guidelines, the holder of a mineral title is required to pay an annual service fee to the Cadastre. Consequently, we were provided with originals of receipts obtained in respect of the payment the annual service fee for the following licences:

Licence No.	Amount	Date of Receipt
18444 EL	N- 930,000.00	20/08/15
18445 EL	N- 930,000.00	20/08/15
18448 EL	N- 649,000.00	20/08/15

Note: The 2016 annual fees have not been raised as of the date of this report. Provision has been made to pay immediately upon invoicing.

#### 4.4. 18448 EL

Pursuant to a conditional agreement between Symbol Base Metals (UK) Limited and Goidel Resources Limited, Imperial JV Limited will, subject to completing the geological studies and mapping to carry out at least 4000m of reverse circulation and diamond drilling by 31 December 2017, lodge a transfer to effect the transfer EL 18448 from Goidel Resources to Imperial JV Limited.

### 4.5. Encumbrances

Based on the official search report received from the Cadastre dated 2 Mar 2017, there are no encumbrances, mortgages, charges or sub-leases in respect of the above-mentioned licences which have been issued, granted and/or approved in favour of IMPERIAL JV and GOIDEL RESOURCES.

### MINING EXPLORATION LICENCES HELD BY TAWNY JV

### 5. Due Diligence on Mining Exploration Licences held by TAWNY JV

#### 5.1. Status of Mining Exploration Licences at the Cadastre

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On the basis of an application for a search to be conducted on the data base of TAWNY JV at the Cadastre which is the agency with sole responsibility for all matters pertaining to the administration of mineral titles in Nigeria, we were provided with an official due diligence report dated 7 Mar 2017. We have presented in the table below, information regarding the status of the various licences granted to, and applied for by the Company.

	Code No.	Holder	Payment <sup>2</sup>	Status
1	19242 EL	TAWNY JV	Paid	Granted & Transferred

Following our search at the Cadastre, TAWNY JV provided for our review, original of the licence held by the TAWNY JV in respect of the mining concessions. Based on our review of the licence, we have provided in the table below a summary of the status of the licence held by TAWNY JV:

	Code No.	Holder	Payment	Status
1	19242 EL	TAWNY JV	Paid	Granted & Transferred

### **5.2.** Exploration Licences

The details of each original licence held by TAWNY JV which we sighted in the course of our due diligence exercise is as follows:

#### 5.2.1. **19242** EL

Number of Cadastre Units – 32 Area (Km<sup>2</sup>) – 6.4 Local Government Area – Nasawara State - Obi Effective Date – 2 February 2015 Expiry Date – 1 February 2018 Issue Date – 11 June 2015

#### **5.3.** Payment of Annual Fees

Pursuant to the provisions of the Mineral Title Applications and Administrative Guidelines, the holder of a mineral title is required to pay an annual service fee to the Cadastre. Consequently, we were provided with original of receipt obtained in respect of the payment the annual service fee for the following licence:

Licence No.	Amount	Date of Receipt
19242 EL	<del>N</del> 32,000.00	13/05/16

<sup>&</sup>lt;sup>2</sup> Payment of the annual service fees as at 7 March 2017

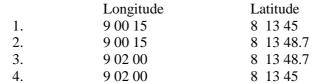
#### 5.4. Encumbrances

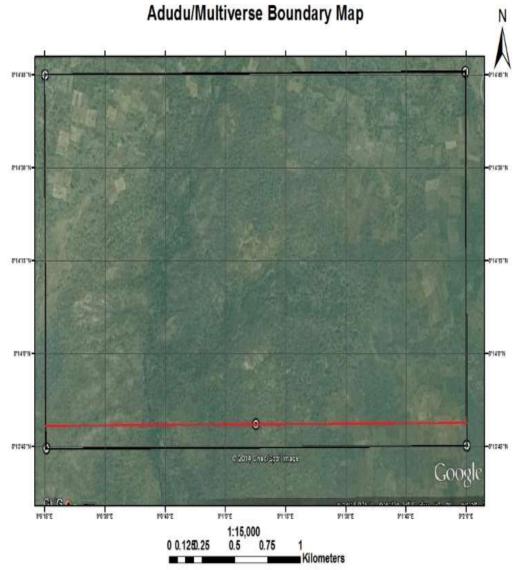
Based on the official search report received from the Cadastre dated 7 Mar 2017, there are no encumbrances, mortgages, charges or sub-leases in respect of the above-mentioned licences which have been issued, granted and/or approved in favour of TAWNY JV.

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### 5.5. Grant of Mineral Rights

In respect to Exploration Licence 19242 TAWNY JV has granted mineral and mining rights over the southern portion of the tenement being the area below the latitude coordinates (8 13 45) which overlaps with 16879 EL to Multiverse Limited ("Multiverse"), the holder of 16879 EL. The area within the following coordinates, as shown on the Map as the area below the red line, constitute the "Multiverse Exclusive Use Area" in which all rights to explore and mine all minerals is retained by Multiverse.





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### REGULATORY AND COMPLIANCE

### 6. Regulation of the Nigerian Mining Industry

### 6.1 Nigerian Minerals and Mining Act

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#### **6.1.1** Ownership and Control of Minerals

By virtue of the Nigerian Minerals and Mining Act<sup>3</sup> ("Mining Act"), the entire property in and control of all mineral resources in, under or upon any land in Nigeria, its contiguous continental shelf and all rivers, streams and water courses throughout Nigeria, any area covered by its territorial waters or constituency and the exclusive economic zone is and shall be vested in the Government of the Federation for and on behalf of the people of Nigeria<sup>4</sup>. However, the property in mineral resources shall pass from the Government to the person by whom the mineral resources are lawfully won, upon their recovery in accordance with the provisions of the Mining Act<sup>45</sup>.

#### **6.1.2** Grant of Mineral Titles

Subject to the provisions of the Mining Act, the right to search for or exploit mineral resources is obtained through one of the following mineral titles in the form of:

- (a) a Reconnaissance Permit;
- (b) an Exploration Licence;
- (c) a Small Scale Mining Lease;
- (d) a Mining Lease;
- (e) a Quarry Lease; and
- (f) a Water Use Permit

Any person who undertakes or is involved in the search for or exploitation of mineral resources without the requisite mineral title or authority shall be deemed guilty of an offence.

### **6.1.3** Qualification for an Exploration Licence

In order to qualify for an Exploration Licence, the applicant must, among other things, be a body corporate duly incorporated under the Companies and Allied Matters  $\operatorname{Act}^6$ .

<sup>&</sup>lt;sup>3</sup> 2007 Act No. 20

<sup>&</sup>lt;sup>4</sup> Section 1 of the Mining Act

<sup>&</sup>lt;sup>5</sup> Section 1(3) of the Mining Act

<sup>&</sup>lt;sup>6</sup> Section 48 of the Mining Act

### **6.1.4** Duration of an Exploration Licence

The duration of an exploration licence is 3 (three) years and it may be renewed for two further periods of 2 (two) years each provided:

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- (a) the title holder has complied with his minimum work obligation commitments; and
- (b) all other requirements of the Mining Act and its regulations have been met.

### 6.1.5 Rights of Exploration Licence Holder

Pursuant to the provisions of section 60 of the Mining Act, the holder of an exploration licence shall have the exclusive right to conduct exploration upon the land within the area of his licence.

#### **6.1.6** Free Transferability of Funds

Pursuant to section 27 of the Mining Act, the holder of a mineral title shall be guaranteed free transferability through the Central Bank of Nigeria in convertible currency, of:

- **6.1.6.1** Payments in respect of loan servicing where a certified foreign loan has been obtained by the holder for his mining operations; and
- **6.1.6.2** The remittance of foreign capital in the event of the sale or liquidation of the mining operations or any interest therein attributable to foreign investment

### 6.1.7 Tax Relief Period

Where a company is granted any type of mineral title under the Mining Act, it shall be entitled to a tax relief period which shall commence on the date of operation and subject to the provisions of the Mining Act or any other relevant financial enactment, shall continue for 3 (three) years. At the end of the initial period of 3 (three) years, the relief period may be extended for one further period of 2 (two) years.

It is pertinent to note, however, that the extension of the relief period shall be subject to the Minister being satisfied as to the following:

- **6.1.7.1** The rate of expansion, standard of efficiency and level of development of the company in mineral operations for which the mineral title was granted;
- **6.1.7.2** The implementation of any conditions upon which a lease was granted; and
- **6.1.7.3** The training and development of Nigerian personnel in the operation of the mineral concerned<sup>7</sup>.

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<sup>&</sup>lt;sup>7</sup> Section 28 of the Mining Act

#### **6.1.8 Royalty**

Any mineral obtained in the course of exploration or mining operations shall be liable to pay royalty as prescribed in the regulations made under the Mining Act. Furthermore, the holder of an exploration licence who sells any mineral resources as provided for in the Mining Act shall be subject to the payment of royalty as if the mineral resources sold were obtained under a mining lease. The royalty rater varies from 3% to 5% depending on mineral type.

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### **6.1.9** Environmental Impact Assessment

Every holder of an exploration license shall, prior to the commencement of mining operations or upon application for an extension of the term or upon application for the conversion of a mineral title, submit the following to the Mines Environmental Compliance Department:

- 6.1.9.1 An environmental impact assessment statement approved by the Federal Ministry of Environment in respect of the exploration or mining operations to be conducted within the mineral title area; and
- 6.1.9.2 An Environmental Protection and Rehabilitation Program containing such details as may be provided for in the environmental regulations issued pursuant to the Mining Act.

#### 6.1.10 Transfer of Mineral Title

The rights arising from a mineral title or permit which are transferable under the Mining Act can be wholly or partially assigned, sub-leased, pledged, mortgaged, charged, hypothecated or subject to any security interest. However, transfer of a mineral title or permit is subject to the approval of the Minister and registration of the transfer with the Mining Cadastre Office<sup>8</sup>.

### 6.2 Mineral Title Applications and Administrative Guidelines

The Mineral Title Applications and Administrative Guidelines (the "Guidelines") are made pursuant to the Mining Act. We have provided below, some salient provisions of the Guidelines:

#### **6.2.1** Grant of Mineral Titles and Authorizations

An exploration licence is usually granted in response to an individual request or as a result of a competitive bidding procedure which is solely administered by the Cadastre according to the relevant Guidelines. Typically, where a mineral title is issued or revoked, the Cadastre shall publish such issuance or revocation in the Gazette, the Central Mining Cadastre Office as well as the respective Zonal Mining Cadastre Office.

<sup>&</sup>lt;sup>8</sup> Section 147 of the Mining Act

#### **6.2.2** Exploration Licence Application

The Guidelines make provision for the processes involved in procuring an exploration licence application. Generally, the procedure is as follows:

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- An applicant shall pay a non-refundable Exploration License Application Processing Fee as specified in the Guidelines;
- 6.2.2.2 The applicant shall submit 3 copies of the Application for Exploration Licence (Form A-2) to the Cadastre or to the Zonal Mining Cadastre Office responsible for the area being applied for, for registration and processing;
- 6.2.2.3 The Application, which shall be completed and signed by the applicant or his authorized representative, shall specify the complete identification and contact information of the applicant as well as the contiguous area applied for, in accordance with the method prescribed in the Guidelines;
- **6.2.2.4** The Application shall have the following documentation annexed to it:
- **6.2.2.4.1** Receipt for Payment of Exploration Licence Application Processing Fee;
- 6.2.2.4.2 Where the applicant is a body corporate as is the status of IMPERIAL JV AND TAWNY JV, a certified copy of the certificate of incorporation or other constitutive document provided under the Companies' Law as well as Form AT 1 (Attestation of No Minerals and Mining Act Offence or Felony Conviction) attesting that the applicant, including all its members or directors or any of its shareholders holding a controlling share, has not been convicted of a felony or an offence under the Mining Act; and
- **6.2.2.4.3** Such other information as the applicant desires to include;
- **6.2.2.5** whether the application is complete and shall reject and not register any incomplete application; and
- **6.2.2.6** Where the application is complete upon verification, the Cadastre shall register the exploration licence application and shall give a copy to the applicant and also have the area applied for, to be recorded in the Cadastral Maps.

### **6.2.3** Renewal of Exploration Licence

Please note that the application for the renewal of a mining exploration licence must be submitted no later than 3 (three) months before the expiration of an exploration licence. However, where an application for exploration licence renewal is received less than 3 (three) months prior to the expiry of the original term of the exploration licence, the Director General of the Cadastre may deny or consider the application but shall impose on the holder of the licence, upon such licence renewal, a non-refundable late filing fee as specified in the Guidelines. Please note further that, subject to the title holder complying with the required obligations under the Guidelines, the term of an exploration licence, including all renewals, shall not exceed 7 (seven) years.

#### **6.2.4** Exploration Licence Area

An exploration license is typically granted in respect of an area not exceeding 200 (two hundred) square kilometers. Please note that after an exploration licence is issued, the licence area cannot be enlarged.

## Page | 13 6.2.5 Obligations of an Exploration Licence Titleholder

Pursuant to the Guidelines, an exploration licence titleholder shall satisfy all obligations imposed under any regulation made pursuant the Mining Act. Specifically, a titleholder may apply once annually to the Cadastre to suspend the obligation to work in respect of the license; the Cadastre shall, upon the show of good cause, suspend the licence for a period of one year and direct that any or part of the period of suspension shall not be reckoned in the currency of the licence, such that the holder shall be exempted from paying the requisite fees for the suspension period. Failure of a titleholder to meet any relevant obligation shall, if so stated in the relevant regulation, result in the revocation of the licence by the Cadastre.

### 6.2.6 Minimum Work Obligations and Exploration Licence Reports

Pursuant to the Guidelines, an exploration licence holder shall meet the minimum annual work obligations as well as the reporting requirements as established by such other guidelines as may come into force under the Mining Act and that are administered by the Inspectorate. Please note that upon receipt of a notice from the Inspectorate that a titleholder has failed to meet the prescribed minimum annual work obligation as well as the reporting requirement, the Cadastre shall proceed to revoke the license.

### **6.2.7** Transfer and Assignment

Under the Guidelines, the titleholder of an exploration license may apply to transfer or assign the ownership of that mineral title. The applicant shall submit, in addition to an authenticated copy of the proposed instrument of transfer or assignment, 3 (three) copies of a written application (containing the terms and conditions of the transfer or assignment) to the Cadastre, for registration and processing as well as payment of a non- refundable Mineral Title/Assignment Application Processing Fee. The Director General, upon being satisfied that the applicant has complied with all the relevant requirements, shall approve such application.

### 6.2.8 Annual Service Fee

Under the Guidelines, the holder of a mineral title shall pay an annual service fee to the Cadastre equal to the number of Cadastral Units that comprise the title area multiplied by the fee per Cadastral Unit for that type of title as set out in the Guidelines, and such amount shall be payable regardless of whether the mineral title area was held for less than a full Calendar Year. It is pertinent to note that a mineral title may be liable to revocation where the holder of such title fails to pay the prescribed fees<sup>9</sup>.

<sup>&</sup>lt;sup>9</sup> Section 11 of the Mining Act

### 6.3 Participation of Foreign Entities in the Nigerian Mining Industry

**6.3.1** Foreign participation in Nigerian entities is generally regulated by the Nigerian Investment Promotion Commission Act ("NIPC Act")<sup>10</sup>, which provides that a non-Nigerian may invest and participate in the operation of any enterprise in Nigeria, except items on the negative list. Furthermore, the NIPC Act permits a foreign enterprise to buy the shares of any Nigerian enterprise in any convertible foreign currency.

With respect to the repatriation of funds invested in Nigerian entities by non-Nigerians, the NIPC Act and the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act11 ("Foreign Exchange Act") guarantee the unconditional transferability of such funds outside Nigeria, provided the funds are in-flowed through an Authorised Dealer who is required to issue a Certificate of Capital Importation ("CCI") within 24 hours of the funds being in-flowed into Nigeria. An Authorised Dealer is any Nigerian Bank duly licensed and authorised by the Central Bank of Nigeria.

It is pertinent to note that the Mining Act expressly provides that the provisions of the Foreign Exchange Act and the NIPC Act shall apply to any foreign investment or investment in foreign currency made in respect of any mineral title granted pursuant to the Mining Act<sup>12</sup>.

### 6.4 Small Scale Mining Lease and Full Mining Lease

#### 6.4.1 Application process

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- **6.4.1.1** In order to qualify for the grant of a small scale mining lease or a full mining lease an applicant must:
  - (a) demonstrate under the conditions stated in the regulations that a commercial quantity of Mineral Resources exists in the area in respect of which the application is made; and
  - (b) have fulfilled all the conditions attached to the Exploration Licence in respect of the area subject to the application.
- **6.4.1.2** A small scale mining lease shall not be granted in respect of an area within an exploration licence, full mining lease or quarry lease to an applicant who is not the holder of such an exploration licence, full mining lease or quarry lease.
- **6.4.1.3** The following are required to be provided to the Cadastre by an applicant:
  - (a) feasibility report sealed and signed by an engineer or geoscientist registered with the Council of Nigerian Mining Engineers & Geoscientists;
  - (b) a prospecting plan or reserve estimation;
  - (c) evidence of financial capability with sufficient working capital;

<sup>&</sup>lt;sup>10</sup> CAP N117 Laws of the Federation of Nigeria 2004

<sup>&</sup>lt;sup>11</sup> CAP F34 Laws of the Federation of Nigeria 2004

<sup>&</sup>lt;sup>12</sup> Section 29 of the Mining Act

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- (d) evidence of technical competence for proposed operations;
- (e) irrevocable consent from the land owners or occupiers;
- (f) payment of the N 20,000 processing fee for a Small Scale Mining Lease or the N 50,000 fee for a Full Mining Lease to the Cadastre;
- (g) details of the minerals to be exploited under the lease;
- (h) a survey plan for the area to be subject to the lease; and
- (i) written notice from the land owner or occupier of the amount of rent which the owner or occupier desires should be paid by the applicant to the owner or occupier.
- **6.4.1.4** Upon receiving a valid application, the Cadastre shall grant either a small scale mining lease or full mining lease within 45 days.

### **6.4.2** Pre-development conditions

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- **6.4.2.1** Following the grant of a small scale mining lease or a full mining lease, a licence holder must meet the conditions below before commencing mining operations:
  - (a) provide the Mines Environmental Compliance Department with an environmental impact statement and a mine closure and rehabilitation plan;
  - (b) obtain reports from the Mineral Resources and Environmental Management Committee and other relevant state bodies;
  - (c) enter into a community development agreement with the host community of the area subject to the lease that ensures the transfer of social and economic benefits of the operations to the host community and lodging such an agreement with the Cadastre; and
  - (d) obtain approval from a Government licensed valuation body of any arrangements with the land owner or occupier under which compensation for the disruption to the land is payable by the licence holder to the owner or occupier in addition to any rent paid.

#### 6.4.3 Term

- 6.4.3.1 The duration of a small scale mining lease is 5 years, and is renewable for further periods of 5 years provided that the holder has complied with the associated minimum work obligations. A processing fee of N 30,000 is payable for an application of renewal.
- 6.4.3.2 The duration of a full mining lease is 25 years, which is renewable every 24 years provided that the holder has complied with the associated minimum work programme and all other legal and regulatory requirements. A processing fee of N 250,000 is payable for an application of renewal.

#### **6.4.4** Area

- 6.4.4.1 The area of land that may be subject to a small scale mining lease shall be no larger than 3km<sup>2</sup>.
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  The area of land the subject of a full mining lease is determined in relation to the ore body as defined in the feasibility study provided as part of the application. This area cannot exceed 50km<sup>2</sup>.

#### 6.4.5 Annual fees

- **6.4.5.1** Small scale mining leases are subject to an annual service fee of N 10,000 per Cadastre unit (roughly 20 hectares).
- **6.4.5.2** Full mining leases are subject to an annual service fee of N 25,000 per Cadastre unit.

### 8. KEY PERSONS AND CORPORATE GOVERNANCE

#### 8.1 BOARD OF DIRECTORS

The Board is responsible for:

- setting and reviewing strategic direction and planning;
- reviewing financial and operational performance;
- identifying principal risks and reviewing risk management strategies; and
- considering and reviewing significant capital investments and material transactions.

In accordance with the terms of the Share Purchase Agreement and with effect from completion of the Proposed Acquisition, the Interim Directors will retire as Directors of the Company and the Proposed Directors will be appointed to the Board of the Company.

Collectively, the Proposed Directors have significant experience in the mineral exploration and development industry. Brief profiles of the Interim Directors and Proposed Directors are set out in sections 8.2 and 8.3 respectively.

#### 8.2 INTERIM DIRECTORS

#### **Stephen Hewitt-Dutton**

(Bachelor of Business, Affiliate of the Institute of Chartered Accountants)
Non-Executive Director

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 both public and private companies for in excess of 15 years.

Stephen was appointed as a Director and the Company Secretary on 27 April 2017 and is proposed to step down from both positions on completion of the Offer.

#### Sean McCormick

(BEc (Hons), LLB) Non-Executive Director

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 and 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.

Sean was appointed as a Director on 27 April 2017 and is proposed to step down on completion of the Offer.

#### John Gilfillan

Non-Executive Director

John Gilfillan is an accredited financial advisor with 23 years of 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 Limited.

John was appointed as a Director on 27 April 2017 and is proposed to step down on completion of the Offer.

### 8.3 PROPOSED DIRECTORS

#### **Andrew Simpson**

(Grad Dip Bus, MAICD) Non-Executive Chairman

Andrew Simpson is a senior marketing executive with extensive global marketing experience in the resource and mining industry, including more than 30 years of international marketing and distribution of minerals and metals. He is currently the managing director of Resource & Technology Marketing Services Pty Ltd, a company providing specialist marketing and business assessment advisory services to the mineral resources and technology industries, both in Australia and internationally.

Andrew graduated from Curtin University holding a Graduate Diploma in Business and Administration (majoring in Marketing and Finance). He has also completed the Advanced Management Program at the University of Western Australia and is a member of the Australian Institute of Company Directors.

Andrew has extensive executive and commodity marketing experience. He is currently chairman of ASX listed Swick Mining Limited (ASX: SWK), non-executive director of Vital Metals Limited (ASX: VML) and former Chairman of Territory Resources Limited (ASX: TTY).

Andrew was appointed as a director of Symbol Mining on 24 October 2006 and is proposed to become the Non-Executive Chairman of the Company on completion of the Offer.

### **Barry Bolitho**

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

Barry Bolitho has over 40 years of experience as a mining professional. He has been responsible for the commissioning and management of a number of gold mining operations, both in Western Australia and internationally. He has gained extensive experience in the executive management of resource based companies with particular emphasis in exploration, operations, project management, administration and corporate development.

Barry has been an executive and non-executive director of a number of ASX and TSX listed resource companies over a long period and has worked closely with financiers, brokers and analysts

Barry has extensive executive, operational mining and exploration experience. He was previously chairman of ASX listed Jabiru Metals Limited (ASX: JML) and non-executive director of ASX and TSX listed Andean Resources Limited (ASX: AND).

Barry is proposed to become a Non-Executive Director of the Company on completion of the Offer.

#### Ian McCubbing

Non-Executive Director

lan McCubbing is a Chartered Accountant with more than 25 years of 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.

lan is a former non-executive director of Territory Resources Limited (ASX: TTY) and is also a non-executive director of Swick Mining Limited (ASX: SWK).

lan is proposed to become a Non-Executive Director of the Company on completion of the Offer.

#### 8.4 PROPOSED COMPANY SECRETARY

#### Patrick McCole

General Manager (Commercial) & Company Secretary

Patrick McCole is an in-house legal counsel with extensive corporate and commercial legal experience. He has a broad range of company secretariat experience and has acted as legal counsel and company secretary at several listed Australian public companies.

Patrick has previously held company secretary positions at Alinta Limited, Territory Resources Limited, Blackwood Corporation Limited, Monarch Gold Mining Company Limited and Foodland Australia Limited.

Patrick is proposed to become the General Manger (Commercial) and Company Secretary of the Company on completion of the Offer. A summary of the proposed services agreement with Patrick is set out in section 9.6.2.

#### 8.5 SENIOR MANAGEMENT TEAM

The Board has delegated responsibility for the business operations of the Company to the senior management team. The senior management team is accountable to the Board. Brief profiles of the persons to comprise the senior management team are set out below.

#### lan Goldberg

Chief Financial Officer

lan Goldberg has more than 20 years of experience in the accounting profession and with several listed Australian public companies. He has extensive experience in the disciplines of financial accounting, project development, mine site operations management, corporate finance and company secretarial functions.

lan has acted as a CFO for the past 10 years in various companies trading in base metals and bulk commodities and has raised over \$100 million during this time, including through share issues and bank debt.

lan is a Chartered Accountant and holds a Bachelor of Commerce degree.

lan is proposed to become the Chief Financial Officer of the Company on completion of the Offer. A summary of the proposed services agreement with lan is set out in section 9.6.1.

#### **Patrick McCole**

General Manager (Commercial) & Company Secretary

See section 8.4.

#### **Carmichael Olowoyo**

General Manager (Corporate)

Carmichael Olowoyo has significant M&A and capital markets experience having worked on numerous domestic and cross border transactions. He has worked in financial markets for the last 15 years focusing on capital raising and corporate advisory for global and African projects. Carmichael has established and funded numerous Nigerian projects from early stage venture capital through to initial public offering. He has advised various companies on their financing, asset acquisition and renewable energy strategies.

Carmichael holds a Bachelor of Commerce degree from Curtin University, majoring in Finance.

A summary of the services agreement with Carmichael is set out in section 9.6.3. However, the Company notes that Carmichael and Symbol Mining have discussed the possibility of Carmichael reducing to a part time role of 3 to 4 days per week following re-listing, in which case he will be paid on a daily rate. Any change will likely be confirmed after completion of the Offer.

## 8.6 DIRECTOR INTERESTS

Other than as disclosed in this Prospectus, no existing or proposed Director holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to an existing or proposed Director for services in connection with the formation or promotion of the Company or the Offer, or to induce them to become, or qualify as, a Director.

#### 8.6.1 REMUNERATION

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Directors prior to the first annual general meeting. The aggregate remuneration for all non-executive directors has been set at an amount of \$500,000 per annum by the Directors. The remuneration of the Directors must not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the proposed increase has been given to Shareholders in the notice convening the meeting.

Set out below is the initial remuneration payable by the Company to each Interim Director and Proposed Director.

Director	Role	Annual salary (plus superannuation)
Interim Directors		
Stephen Hewitt-Dutton	Non-Executive Director	\$36,000
Sean McCormick	Non-Executive Director	\$36,000
James Gilfillan	Non-Executive Director	\$36,000
Proposed Directors		
Andrew Simpson	Non-Executive Chairman	\$90,000
Barry Bolitho	Non-Executive Director	\$60,000
lan McCubbing	Non-Executive Director	\$60,000

#### 8.6.2 SECURITY HOLDINGS

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

The table below sets out the anticipated relevant interests of each Interim Director and Proposed Director in the Shares of the Company upon completion of the Offer.

		Voting power				
Director	Shares <sup>1</sup>	Minimum Subscription	Full Subscription			
Interim Directors						
Stephen Hewitt-Dutton	2,500,000	0.5%	0.5%			
Sean McCormick	2,500,000	0.5%	0.5%			
John Gilfillan	2,500,000	0.5%	0.5%			
Proposed Directors						
Andrew Simpson <sup>2</sup>	85,236,841	18.3%	16.6%			
Barry Bolitho <sup>3</sup>	85,236,841	18.3%	16.6%			
lan McCubbing	2,500,000	0.5%	0.5%			

#### Notes:

- 1. Assumes that Interim Directors and Proposed Director apply for 2,500,000 Shares each under the Public Offer.
- Includes Shares to be issued to Andrew Simpson (and/or his nominee) under the Share Purchase Agreement.
   Assumes that the Cash Reimbursement is paid in cash rather than Shares. If no cash is payable as part of the Cash Reimbursement, an additional 1,562,500 Shares will be issued to Andrew Simpson.
- 3. Includes Shares to be issued to Barry Bolitho (and/or his nominee) under the Share Purchase Agreement. Assumes that the Cash Reimbursement is paid in cash rather than Shares. If no cash is payable as part of the Cash Reimbursement, an additional 1,562,500 Shares will be issued to Barry Bolitho.

#### 8.7 CORPORATE GOVERNANCE

# 8.7.1 BOARD COMPOSITION

The Board currently comprises of, and upon completion of the Proposed Acquisition is proposed to comprise of, 3 Non-Executive Directors (including the Non-Executive Chairman).

The Board considers an independent Director to be a Non-Executive Director who is not a substantial Shareholder or a member of management and who is free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the independent exercise of that Director's judgment. The Company considers lan McCubbing to be an independent Director.

The composition of the Company's Board will not initially be in line with the recommendations of the ASX Corporate Governance Council as a majority of its members will not be independent Directors. The Company has at this stage decided to select directors with the expertise and experience to support the Company's business strategy rather than strictly adhere with this recommendation. The Company will consider ways of restructuring its Board in the future to ensure that a majority of its members are independent.

#### 8.7.2 POLICIES

The Board recognises the importance of good corporate governance and establishing the accountability of the Board and management. To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the *Corporate Governance Principles and Recommendations* (3<sup>rd</sup> Edition) published by ASX Corporate Governance Council (Recommendations).

The Board has adopted the following suite of corporate governance policies which are available on Symbol Mining's website at www.symbolmining.com.au.

- Board Charter
- Corporate Code of Conduct
- Audit And Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Continuous Disclosure Policy

- Risk Management Policy
- Trading Policy
- Diversity Policy
- Shareholder Communications Strategy
- Anti-Corruption Compliance Policy

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

As the Company's activities develop in size, nature and scope the implementation of additional corporate governance structures will be given further consideration.

The Company is required to report any departures from the Recommendations in its annual financial report. At the date of this Prospectus, the Company complies with the Recommendations other than to the extent set out below.

## No. Recommendation

# **Explanation for non-compliance**

# 1. Lay a solid foundation for management and oversight

- 1.5 A listed entity should:
  - (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
  - (b) disclose that policy or a summary of it; and
  - (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
    - (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these

Given the Company's size the Board does not consider it appropriate to set quantitative objectives regarding gender diversity at this time. As the operations grow, the Board will give consideration to the setting of such objectives and their achievement through the appointment of appropriate candidates to the Board and senior executive positions as they become available

purposes); or

(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

#### 2. Structure the Board to add value

- 2.1 The board of a listed entity should:
  - (a) have a nomination committee which:
    - (1) has at least three members, a majority of whom are independent directors; and
    - (2) is chaired by an independent director, and disclose:
    - (3) the charter of the committee;
    - (4) the members of the committee; and
    - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed at www.symbolmining.com.au.

# 4. Safeguard integrity in financial reporting

- 4.1 The board of a listed entity should:
  - (a) have an audit committee which:
    - (i) has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and
    - (ii) is chaired by an independent director, who is not the chair of the board,

and disclose:

- (iii) the charter of the committee;
- (iv)the relevant qualifications and experience of the members of the committee; and
- (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of the Audit committee are undertaken by the Board.

The full Board in its capacity as the Audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external Auditors. The duties of the full Board in its capacity as the Audit committee are set out in the Company's Audit Committee Charter which is available at www.symbolmining.com.au.

When the Board meets as an Audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

#### No. Recommendation

(b) if it does not have an Audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external Auditor and the rotation of the Audit engagement partner.

# **Explanation for non-compliance**

The Board is responsible for the initial appointment of the external Auditor and the appointment of a new external Auditor when any vacancy arises. Candidates for the position of external Auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external Auditor based on criteria relevant to the Company's business and circumstances. The performance of the external Auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed at www.symbolmining.com.au.

# 6. Respect the rights of shareholders

6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

## 7. Recognise and manage risk

- 7.1 The board of a listed entity should:
  - (a) have a committee or committees to oversee risk, each of which:
    - (i) has at least 3 members, a majority of whom are independent directors; and
    - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv)the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee is carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed at www.symbolmining.com.au.

#### No. Recommendation

## **Explanation for non-compliance**

- 7.3 A listed entity should disclose:
  - (a) if it has an internal Audit function, how the function is structured and what role it performs; or
  - (b) if it does not have an internal Audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Audit and Risk Management Committee Charter.

# 8. Remunerate fairly and responsibly

- 8.1 The board of a listed entity should:
  - (a) have a remuneration committee which:
    - (i) has at least 3 members, a majority of whom are independent directors; and
    - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv)the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available at www.symbolmining.com.au.

When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed at www.symbolmining.com.au.

# 9. MATERIAL CONTRACTS

Set out in this section 9 is a summary of the material contracts to which the Company is a party that may be material in terms of the Offers, for the operation of the business of the Company or Symbol Mining, or otherwise may be relevant to a potential investor in the Company.

The whole of the provisions of the contracts are not repeated in this Prospectus and any intending applicant who wishes to gain a full knowledge of the content of the material contracts should inspect the same at the registered office of the Company.

# 9.1 SHARE PURCHASE AGREEMENT

The Company has entered into agreements with the Sellers to acquire 100% of the shares in Symbol Mining.

Conditions to completion include the following:

- the Company raising at least the Minimum Subscription; and
- the Company and the Major Sellers being satisfied of the Company's ability to satisfy ASX's conditions to re-listing.

On completion, the Company will obtain all of the issued share capital in Symbol Mining in consideration of:

- issuing 199,999,999 Shares to the Sellers; and
- paying \$125,000 to the Major Sellers in reimbursement of expenditure on the Projects (subject to ASX approval, failing which the Company will issues additional Shares in lieu of cash at a deemed issue price of \$0.04 per Share) (Cash Reimbursement).

In addition, on completion:

- the Company will change its name to "Symbol Mining Limited";
- the Company will issue all other securities contemplated by the Proposed Acquisition;
   and
- the Proposed Directors will replace the Interim Directors as the directors of the Company.

The agreements are otherwise on terms and conditions considered standard for agreements of this nature, including warranties and indemnities given by the Major Sellers in favour of the Company which expire 1 year after completion (except in relation to tax, which expire 5 years after completion).

## 9.2 SHAREHOLDERS AGREEMENTS

#### 9.2.1 IMPERIAL JV

In 2015, Symbol Mining (via Symbol UK), Goidel Resources Limited (**Goidel**) and Imperial JV Limited (**Imperial JV**) entered into a shareholders agreement to govern the affairs of Imperial JV. The key terms of the agreement are set out below.

• (**Shareholder interests**) At the date of this Prospectus, Symbol Mining holds a 60% interest in Imperial JV and Goidel holds the remaining 40% interest.

- (**Objectives**) The objectives of the parties include, among other things, to evaluate the Imperial Project and, if appropriate, proceed with development and production of minerals.
- (**Board**) The board consists of 3 directors, 2 of which are nominated by Symbol Mining, and the other is nominated by Goidel. A quorum for board meetings requires the presence of both Symbol Mining directors.
- (Management) Symbol Mining will provide all senior management personnel required to undertake the management and operations of Imperial JV. Except for board representation and as a shareholder, Goidel has no operational role in the management or operations of Imperial JV and has no authority to transact on Imperial JV's behalf.
- (Reserved matters) Matters that require the approval of Symbol Mining and Goidel include:
  - issues of new shares;
  - a material change in the nature of Imperial JV's main undertaking;
  - ceasing to explore and mine the Imperial Project;
  - borrowings above US\$1,000,000;
  - a security granted by Imperial JV that requires a shareholder to give a guarantee, bond or other security; and
  - dividends.
- (**Budget**) At least 2 months before the end of each financial year, the board will adopt a business plan and budget for Imperial JV.
- (Funding) Imperial JV will initially be financed by an equity facility (expected to be an interest free debt facility in practice to reduce costs) of up to US\$15m provided by Symbol Mining. Goidel's 40% contribution (i.e. up to US\$6m) will be funded by Symbol Mining which will effectively be repaid by diverting 20% of dividends (excluding the first dividend) that it would otherwise receive to Symbol Mining. At the date of this Prospectus, Symbol Mining has provided US\$1,975,140 to Imperial JV under the facility.
- (**Dividends**) Unless otherwise agreed, 90% of available net cash after tax will be declared as dividends and distributed to the shareholders.
- (Marketing rights) Imperial JV has granted Symbol Mining an irrevocable, exclusive, worldwide, royalty-free licence to sell 70% of the marketing rights for material produced from the Imperial Project.
- (**Pre-emptive rights**) If a shareholder wants to transfer any shares in Imperial JV, that shareholder must first offer the shares to the other shareholder in accordance with standard pre-emptive right provisions.
- (**Termination**) The agreement can be terminated by the written agreement of Symbol Mining and Goidel.
- (**Disputes**) Disputes are to be resolved by arbitration in accordance with the London Court of International Arbitration Rules. The agreement is governed by English law.

Further, the parties have agreed that:

- upon and subject to Imperial JV completing geological studies and mapping to carry out at least 4,000m of reverse circulation and diamond drilling on the Imperial Project by 31 December 2017, Goidel will transfer EL 18448 to Imperial JV; and
- if requested by Symbol Mining, Goidel will transfer small scale mining leases SSML 20137 SSML 20138 and SSML 20139 to Imperial JV. Prior to any decision to commence mining, the Company will assess whether the size and scope of the minieralisation make it appropriate to undertake mining activities under these small scale mining leases and therefore proceed with the transfer, other whether it will apply for a full mining leases.

#### 9.2.2 TAWNY JV

In 2015, Symbol Mining (via Symbol UK), Adudu Farms Nigeria Limited (**Adudu**) and Tawny JV Limited (**Tawny JV**) entered into a shareholders agreement to govern the affairs of Tawny JV. The key terms of the agreement are set out below.

- (**Shareholder interests**) At the date of this Prospectus, Symbol Mining holds a 60% interest in Tawny JV and Adudu holds the remaining 40% interest.
- (**Objectives**) The objectives of the parties include, among other things, to evaluate the Tawny Project and, if appropriate, proceed with development and production of minerals.
- (**Board**) The board consists of 3 directors, 2 of which are nominated by Symbol Mining, and the other is nominated by Adudu. A quorum for board meetings requires the presence of both Symbol Mining directors.
- (Management) Symbol Mining will provide all senior management personnel required to undertake the management and operations of Tawny JV. Except for board representation and as a shareholder, Adudu has no operational role in the management or operations of Tawny JV and has no authority to transact on Tawny JV's behalf.
- (Reserved matters) Matters that require the approval of Symbol Mining and Adudu include:
  - issues of new shares:
  - a material change in the nature of Tawny JV's main undertaking;
  - ceasing to explore and mine the Tawny Project; and
  - a security granted by Tawny JV that requires a shareholder to give a guarantee, bond or other security.
- (**Budget**) At least 2 months before the end of each financial year, the board will adopt a business plan and budget for Tawny JV.
- (Funding) Tawny JV will initially be financed by an interest free debt facility of up to US\$15m provided by Symbol Mining. Tawny JV will repay the debt from available cash pro rata to the interests of the shareholders, effectively making Adudu's 40% interest in Tawny JV free carried for the first US15m of expenditure. Symbol Mining is under no obligation to provide funds requested by Tawny JV under the facility. Separately, Symbol Mining has contributed an additional US\$52,000 to Tawny JV on behalf of Adudu, all of which Adudu will effectively repay (in Niara) by diverting 20% of dividends that it would otherwise receive to Symbol Mining.
- (**Dividends**) Unless otherwise agreed, 90% of available net cash after tax will be declared as dividends and distributed to the shareholders.

- (Marketing rights) Tawny JV has granted Symbol Mining an irrevocable, exclusive, worldwide, royalty-free licence to sell 70% of the marketing rights for material produced from the Tawny Project.
- (**Pre-emptive rights**) If a shareholder wants to transfer any shares in Tawny JV, that shareholder must first offer the shares to the other shareholder in accordance with standard pre-emptive right provisions.
- (**Termination**) The agreement can be terminated by the written agreement of Symbol Mining and Adudu.
- (**Disputes**) Disputes are to be resolved by arbitration in accordance with the London Court of International Arbitration Rules. The agreement is governed by English law.

#### 9.3 DEBT REPAYMENT AGREEMENT

Prior to completion of the Offer, Symbol Mining, Symbol UK and Noble Resources International Pte. Ltd. (**Creditor**) intend to enter into a debt repayment agreement (**Debt Repayment Agreement**) to set out the terms and conditions upon which Symbol Mining will repay its debt to the Creditor.

The agreement will become effective upon completion of the Offer, at which point the Company will issue 50,000,000 Shares to the Creditor.

Following completion, Symbol Mining must make the following payments to the Creditor:

- US\$250,000 to be paid on the earlier of 6 months after production commences on the Macy Deposit and 30 June 2018;
- US\$250,000 to be paid on the earlier of 6 months after production commences on the Macy Deposit and 30 September 2018; and
- US\$500,000 to be paid on the earlier of 6 months after production commences on the Macy Deposit and 31 December 2018.

No interest is payable on an instalment unless the payment is overdue, in which case interest will be charged at the rate of 12.5% per annum.

Symbol Mining's obligations under the agreement will be secured by a first ranking charge over its 100% shareholding in Symbol UK in favour of the Creditor, which security is governed by a separate security agreement. Enforcement of the charge is subject to the Company's compliance with Listing Rule 10.1.

Symbol Mining gives undertakings not to do certain things without the Creditor's prior consent, including:

- incur any aggregate payment exceeding \$250,000 or \$500,000 (to be agreed by the parties), other than wages; and
- sell any asset with a value exceeding \$100,000.

The agreement contains default events that, if triggered, may make all outstanding payments due immediately, including a:

- failure to make a payment within 3 business days of its due date;
- breach of an undertaking;
- change in control without the Creditor's consent; and

material breach of the agreement or security agreement.

Symbol Mining grants the Creditor a first right of refusal to provide any debt funding that Symbol Mining, Imperial JV or Tawny JV require in the future. This will operate subject to the existing facilities provided by Symbol Mining to Imperial JV and Tawny JV.

The Creditor can assign its rights under the agreement to a related body corporate.

## 9.4 CONVERTIBLE NOTE AGREEMENTS

#### 9.4.1 CLASS A NOTES

The Company has entered into a convertible note agreement under which it has issued convertible notes (**Class A Notes**) to raise \$750,000 from the Class A Noteholders. These funds have been applied to expenses of the Offer and working capital.

At completion of the Offer, the Company will issue 37,500,000 Shares to the Class A Noteholders in conversion of all Class A Notes at a conversion price of \$0.02 per Share. No Class A Notes will remain on issue following completion of the Offer.

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

#### 9.4.2 CLASS B NOTES

Symbol Mining has entered into a convertible note agreement under which it has issued convertible notes (**Class B Notes**) to raise \$475,000 from the Class B Noteholders These funds have been applied to expenses of the Offer and working capital.

At completion of the Offer, the Company will issue 23,750,000 Shares to the Class B Noteholders in conversion of all Class B Notes at a conversion price of \$0.02 per Share. No Class B Notes will remain on issue following completion of the Offer.

A further \$25,000 can be raised from the issue of Class B Notes based on what Shareholders approved at the Annual General Meeting. If all additional Class B Notes are issued prior to relisting then an additional 1,250,000 Shares will be issued to Class B Noteholders upon conversion.

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

#### 9.5 CORPORATE ADVISORY AGREEMENTS

# 9.5.1 ARGONAUT

Symbol Mining has engaged Argonaut as its corporate adviser. Among other things, Argonaut has assisted Symbol Mining issue the Class B Notes, and will assist with raising funds under the Offer.

Symbol Mining paid Argonaut a fee of 6% in respect of the funds raised under the Class A Noteholder Offer and will pay a capital raising fee of 6% of the total funds raised by Argonaut under the Offer. The Company will also issue 5,750,000 Shares and 20,000,000 Class B Options to Argonaut upon completion of the Offer.

Symbol Mining may terminate the engagement with immediate effect by providing Argonaut with written notice. Where there has been no material breach by Argonaut, on termination Symbol Mining will pay Argonaut the sum of \$30,000 plus outstanding expenses. Argonaut can terminate the engagement by providing 7 days' written notice to Symbol Mining.

Symbol Mining indemnifies Argonaut against any legal expenses or other expenses incurred by it arising out of any claim, demand, loss, expense, and liability or action related to the services provided by Argonaut under the agreement.

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

#### 9.5.2 TRIDENT CAPITAL

The Company has engaged Trident Capital Pty Ltd (**Trident Capital**) as its corporate adviser. Among other things, Trident Capital provides the following services to the Company:

- corporate and structuring advice;
- assistance with document preparation;
- assistance with the due diligence process;
- capital raising services; and
- investor presentations.

The Company has paid Trident Capital a capital raising fee of 5% plus a management fee of 1% in respect of funds it raised from the Class A Notes. It will pay Trident Capital a capital raising fee of 5% plus a management fee of 1% in respect of funds raised by Trident Capital under the Offer and any other future capital raisings within the term of the agreement. To avoid doubt, the Company will not pay Trident Capital any capital raising fee or management fee on funds raised by Argonaut under the Offer. The Company will also issue 6,500,000 Shares (750,000 of which will be issued at \$0.02 each) and 6,750,000 Class A Options to Trident Capital upon completion of the Proposed Acquisition.

The Company will pay Trident Capital a fee of \$120,000 plus GST upon completion of the Proposed Acquisition, less the following corporate advisory fees. Since 1 December 2016, the Company has paid Trident Capital corporate advisory fees of \$15,000 plus GST per month, and will continue to do so until the earlier of the Proposed Acquisition and 30 November 2017.

The Company's engagement of Trident Capital as corporate adviser will expire on 30 November 2017 unless terminated by either party beforehand. The Company may terminate the engagement by providing one month's written notice to Trident Capital. Trident Capital may terminate the engagement by providing 30 days' written notice to the Company, provided Trident Capital provides reasonable assistance to the Company in connection with the engagement of any replacement corporate adviser.

The Company indemnifies Trident Capital against any legal expenses or other expenses incurred by it arising out of any claim, demand, loss, expense, and liability or action related to the services provided by Trident Capital under the agreement.

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

## 9.6 EMPLOYMENT AGREEMENTS

#### 9.6.1 CHIEF FINANCIAL OFFICER

Upon completion of the Proposed Acquisition, Ian Goldberg will be engaged as the Chief Financial Officer of the Company pursuant to a services agreement.

lan will receive a salary of \$220,000 per annum and will have the potential to earn up to an additional \$110,000 by achieving performance milestones to be determined.

Among other things, lan's duties will include:

- managing the Company's financial team;
- ensuring the timely and accurate delivery of the Company's financial accounts;
- providing commentary and analysis on the financial position of the Company to the Board:
- liaising with bankers, tax advisers and financiers; and
- ensuring the compilation, analysis and presentation of the Company's business plans.

Either party may terminate the agreement without cause by providing 3 months' written notice to the other party.

During his employment and for 6 months following termination, Ian must not compete with the Company or solicit any of the Company clients or executives.

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

# 9.6.2 GENERAL MANAGER (COMMERCIAL)

Upon completion of the Proposed Acquisition, Patrick McCole will be engaged as the General Manager (Commercial) of the Company and Company Secretary pursuant to a services agreement with the Company.

Patrick will receive a salary of \$220,000 per annum and will have the potential to earn up to an additional \$110,000 by achieving performance milestones to be determined.

Among other things, Patrick's duties will include:

- planning, developing and implementing agreed commercial, legal and contractual strategies for the commercial development and legal compliance of the Company;
- ensuring the effective management and administration of the Company's commercial contracts and arrangements;
- managing the Company's insurance program and developing and maintain risk management strategies;
- responsibility for all corporate governance and company secretarial functions; and
- ensuring the Company's HR policies and procedures are commercially sound.

Either party may terminate the agreement without cause by providing 3 months' written notice to the other party.

During his employment and for 6 months following termination, Patrick must not compete with the Company or solicit any of the Company clients or executives.

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

#### 9.6.3 GENERAL MANAGER (CORPORATE)

Carmichael Olowoyo is engaged as the General Manager (Corporate) of Symbol Mining pursuant to a services agreement.

Under this agreement, Carmichael receives a salary of \$220,000 per annum and will have the potential to earn up to an additional \$110,000 by achieving performance milestones to be determined.

Among other things, Carmichael's duties will include:

- responsibility for managing, coordinating and administering all corporate activities of Symbol Base;
- developing and implementing Symbol Base's overall financing strategy;
- engaging Nigerian stakeholders for the development of a rail haulage logistics chain;
- periodically reporting on the strategic targets across the business of Symbol Base; and
- developing and implementing a corporate social responsibility program.

Either party may terminate the agreement without cause by providing 3 months' written notice to the other party.

During his employment and for 6 months following termination, Carmichael must not compete with the Company or solicit any of the Company clients or executives.

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

The Company notes that Carmichael and Symbol Mining have discussed the possibility of Carmichael reducing to a part time role of 3 to 4 days per week following re-listing, in which case he will be paid on a daily rate. Any change will likely be confirmed after completion of the Offer.

# 9.7 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

The Company has entered into deeds of access, indemnity and insurance with each Interim Director and Proposed Director which confirm each person's right of access to certain books and records of the Company for a period of 7 years after the Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires. The deeds also require the Company to provide an indemnity for liability incurred as an officer of the Company, to the maximum extent permitted by law.

Under the deeds, the Company must arrange and maintain Directors' and Officers' insurance during each Director's period of office and for a period of 7 years after a Director ceases to hold office. This 7 year period can be extended where certain proceedings or investigations commence before the 7 years expires.

The deeds are otherwise on terms and conditions considered standard for deeds of this nature in Australia.

# 9.8 ESCROW AGREEMENTS

Please see Section 1.8 for details of the escrow agreements to be entered into by the Company prior to re-admission to the official list of ASX. The escrow agreements will be on ASX's standard terms and conditions as set out in Appendix 9B of the Listing Rules.

# 10. ADDITIONAL INFORMATION

## 10.1 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution. A copy of the Company's Constitution is available upon request by contacting the Company on +61 6211 5099.

#### **Ranking of Shares**

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Shares issued pursuant to this Prospectus will rank equally with existing Shares.

#### Voting rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

#### **Dividend rights**

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

#### Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of 75% of the Shares, or with the sanction of a special resolution passed at a general meeting.

## **Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Listing Rules require or permit the Company to do so.

# Annual general meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, annual general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

#### Rights on winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

- divide among the shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders.

Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

## 10.2 CLASS A OPTIONS

The terms and conditions of the Class A Options are set out below.

#### (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.

#### (I) 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.

## 10.3 CLASS B OPTIONS

The terms and conditions of the Class B Options are set out below.

#### (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.

#### (I) 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.

## 10.4 CONTINUOUS DISCLOSURE

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which will require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

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

## 10.5 SUBSTANTIAL HOLDERS

Subject to who applies for Shares under the Public Offer, the Company anticipates that the only persons (and/or their nominees) who will hold 5% or more of the total Shares on issue upon completion of the Offer are set out below. Following completion of the Offer but prior to Shares commencing trading on ASX, the Company will announce to ASX details of its top 20 Shareholders by number of Shares.

		Voting power						
Shareholder	Shares	Minimum Subscription	Full Subscription					
Southern Silicon Pty Ltd ACN 100 554 050 as trustee for Simpson Family Superannuation Fund	85,236,841	18.3%	16.6%					
Bolitho Mining Company Pty Ltd ACN 052 278 734 as trustee for BMC Employees Superannuation <sup>2</sup>	85,236,841	18.3%	16.6%					
Noble Resources International Pte. Ltd.	50,000,000	10.8%	9.7%					

#### Notes:

- This entity is controlled by Andrew Simpson, a Proposed Director. Includes Shares to be issued to Andrew Simpson (and/or his nominee) under the Share Purchase Agreement. Assumes that Andrew Simpson applies for 2,500,000 Shares under the Public Offer and that the Cash Reimbursement is paid in cash rather than Shares. If no cash is payable as part of the Cash Reimbursement, an additional 1,562,500 Shares will be issued to Andrew Simpson.
- This entity is controlled by Barry Bolitho, a Proposed Director. Includes Shares to be issued to Barry Bolitho (and/or his nominee) under the Share Purchase Agreement. Assumes that Barry Bolitho applies for 2,500,000 Shares under the Public Offer and that the Cash Reimbursement is paid in cash rather than Shares. If no cash is payable as part of the Cash Reimbursement, an additional 1,562,500 Shares will be issued to Barry Bolitho.

## 10.6 EXPERT AND ADVISER INTERESTS

Other than as set out below or elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, holds at the

date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers.

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offer.

Argonaut Capital Limited has acted as the corporate adviser to Symbol Mining in relation to the Offer. Total fees payable to Argonaut for these services are set out in section 9.5.1.

Trident Capital Pty Ltd has acted as the corporate adviser to the Company in relation to the Offer. Total fees payable to Trident Capital for these services are set out in section 9.5.2.

BDO Corporate Finance (WA) Pty Ltd has prepared the Investigating Accountant's Report which is included in section 5 of this Prospectus. Total fees payable to BDO Corporate Finance (WA) Pty Ltd for these services are approximately A\$12,000 plus GST.

Malcolm Castle has prepared the Independent Geologist's Report which is included in section 6 of this Prospectus. Total fees payable to Malcolm Castle for these services are approximately A\$10,000 plus GST.

Price Sierakowski Corporate has acted as the Australian legal adviser to the Company in relation to the Offer. Total fees payable to Price Sierakowski Corporate for these services are approximately A\$80,000 plus GST.

Ivory Chambers has prepared the Legal Tenement Report which is included in section 7 of this Prospectus. Total fees payable to Ivory Chambers for the Legal Tenement Report are approximately A\$15,000 including VAT.

#### 10.7 CONSENTS

Each of the parties referred to below:

- does not make the Offers;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statement in this Prospectus that are specified below in the form and context in which the statements appear.

Argonaut Capital Limited has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the corporate adviser to Symbol Mining in the form and context in which it is named. Argonaut Capital Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Trident Capital Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the corporate adviser to the Company in the form and context in which it is named. Trident capital Pty Ltd 733 has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

BDO Corporate Finance (WA) Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the investigating accountant and to the inclusion of the Investigating Accountant's Report in section 5 of this Prospectus in the form and context in which it is included. BDO Corporate Finance (WA) Pty Ltd has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Investigating Accountant's Report.

Malcolm Castle has given and has not before lodgement of this Prospectus withdrawn his written consent to be named in this Prospectus as the independent geologist of the Company in the form and context in which Malcolm Castle is named and to the inclusion of the Independent Geologist's Report in section 6 of this Prospectus in the form and context in which it is included. Malcolm Castle has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to his name and the Independent Geologist's Report.

Price Sierakowski Corporate has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Australian legal adviser to the Company in the form and context in which it is named. Price Sierakowski Corporate has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Ivory Chambers has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as Nigerian legal adviser to the Company in the form and context in which it is named and to the inclusion of the Legal Tenement Report in section 7 of this Prospectus in the form and context in which it is included. Ivory Chambers has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name and the Legal Tenement Report.

Link Market Services Limited has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than being named as the Share Registry. Link Market Services Limited has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

# 10.8 OFFER EXPENSES

The expenses of the Offer are expected to comprise the following amounts which are exclusive of any GST payable by the Company.

Expense	Minimum Subscription	Full Subscription
Capital raising fees	\$336,000	\$456,000
Adviser fees (corporate, geologist, accounting, legal, other)	\$248,200	\$248,200
ASX and ASIC fees	\$81,015	\$83,065
Printing	\$5,000	\$5,000
Total	\$670,215	\$792,265

# 10.9 LITIGATION

Neither the Company nor Symbol Mining (including any subsidiary) is involved in any litigation that is material for the purposes of this Prospectus, and the Directors are not aware of any circumstances that might reasonably be expected to give rise to such litigation.

# 10.10 TAXATION

The tax consequences of any investment in Shares will depend upon each applicant's particular circumstances. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer by consulting their own professional tax advisers. Accordingly, the Company strongly recommends that all applicants obtain their own tax advice before deciding on whether or not to invest. Neither the Company nor any of its Directors accepts any liability or responsibility in respect of the taxation consequences of an investment in Shares under the Offer.

## 10.11 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 Class A Options and Class B Options 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 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 securities to related parties up to 3 months after the Annual General Meeting, instead of 1 month.

Further, prior to completion of the Offer, the Company will seek the following waivers from ASX:

- a waiver with respect Listing Rule 10.1 to enable the creation of the charge over Symbol Mining's shareholding in Symbol UK in favour of the Creditor without obtaining shareholder approval. In the event that this waiver is not granted, the parties may consider alternative arrangements. At the date of this Prospectus, the Company has no reason to believe that the waiver will not be granted;
- a waiver with respect to Listing Rule 1.1 condition 11 to enable the Company to pay the Cash Reimbursement in cash rather than Shares; and
- a waiver with respect to Listing Rule 9.1.3 so that certain securities to be issued under the Additional Offers can benefit from "look-through" and "cash formula" escrow relief.

## 10.12 FOREIGN INVESTOR RESTRICTIONS

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. No action has been taken to register or qualify Shares that are offered under this Prospectus or otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

#### **10.12.1 HONG KONG**

This Prospectus has not been, and will not be, registered as a prospectus under the New Companies Ordinance (Cap. 622) of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than:

- to "professional investors" (as defined in the SFO); or
- in other circumstances that do not result in this Prospectus being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within 6 months following the date of issue of such Shares.

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

#### **10.12.2 SINGAPORE**

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

#### 10.12.3 UNITED KINGDOM

Neither the information in this document nor any other document relating to the Offers has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **relevant persons**). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

#### 10.12.4 UNITED STATES OF AMERICA

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

# 11. DIRECTORS' AUTHORISATION

5 July 2017

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Swala Energy Limited.

Sean McCormick

Interim Director

Swala Energy Limited

# 12. DEFINITIONS

**Additional Offerees** means the Sellers, Class A Noteholders, Class B Noteholders and Creditor, or any one or more of them, as the context requires or as applicable.

**Additional Offers** means the Seller Offer, Class A Noteholder Offer, Class B Noteholder Offer and Creditor Offer, or any one or more of them, as the context requires or as applicable.

**Administrator** means James Gerard Thackray of HQ Advisory, Level 3, 8 Colin Street, West Perth, Western Australia.

**Annual General Meeting** means the annual general meeting of Shareholders held by the Company on 22 June 2017.

**Application Monies** means the amount of money payable for Shares under the Offer at \$0.04 each.

**Application Form** means a Public Offer Application Form, Seller Offer Application Form, Class A Noteholder Offer Application Form, Class B Noteholder Offer Application Form and/or Creditor Offer Application Form, as the context requires or as applicable.

Argonaut means Argonaut Capital Limited ACN 099 761 547.

ASIC means Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691, or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

**ASX Settlement Operating Rules** means the official settlement and operating rules of ASX Settlement.

Board means the board of Directors.

Cash Reimbursement has the meaning given in section 9.1.

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

**Class A Note** means a convertible note issued by the Company on the terms set out in section 9.4.1.

Class A Noteholder means a holder of one or more Class A Notes.

**Class A Noteholder Offer** means the offer of 37,500,000 Shares to the Class A Noteholders (and/or their nominees) as consideration for funds advanced pursuant to the Class A Notes.

**Class A Noteholder Offer Application Form** means a "Class A Noteholder Offer Application Form" in the form accompanying this Prospectus pursuant to which Class A Noteholders may apply for Shares under the Class A Noteholder Offer.

Class A Option means an option to acquire a Share on the terms set out in section 10.2.

Class B Note means a convertible note issued by Symbol Mining on the terms set out in section 9.4.2.

Class B Noteholder means a holder of one or more Class B Notes.

Class B Noteholder Offer means the offer of up to 25,000,000 Shares to the Class B Noteholders (and/or their nominees) as consideration for funds advanced pursuant to the Class B Notes.

**Class B Noteholder Offer Application Form** means a "Class B Noteholder Offer Application Form" in the form accompanying this Prospectus pursuant to which Class B Noteholders may apply for Shares under the Class B Noteholder Offer.

Class B Option means an option to acquire a Share on the terms set out in section 10.3.

**Closing Date** means the date that the Offers close being 5.00pm (WST) on 31 July 2017, or any other time and date determined by the Company.

**Company** means Swala Energy Limited ACN 161 989 546 (to be renamed Symbol Mining Limited).

Constitution means the constitution of the Company.

Corporate Advisers means Argonaut and/or Trident Capital, as the context requires.

Corporations Act means the Corporations Act 2001 (Cth).

Creditor means Noble Resources International Pte. Ltd. (UEN 201115304N).

**Creditor Offer** means the offer of 50,000,000 Shares to the Creditor (and/or its nominees) in consideration of discharging debt pursuant to the Debt Repayment Agreement.

**Creditor Offer Application Form** means a "Creditor Offer Application Form" in the form accompanying this Prospectus pursuant to which the Creditor may apply for Shares under the Creditor Offer.

**Debt Repayment Agreement** means the debt repayment agreement to be entered into by Symbol Mining, Symbol UK and the Creditor prior to completion of the Offer, as summarised in section 9.3.

**Director** means a director of the Company.

**DOCA** means the deed of company arrangement dated 21 October 2016 between the Company, the Administrator and Trident Capital in relation to the Company, which was wholly effectuated on 26 June 2017.

**Exposure Period** means the period of 7 days after the date of lodgement of this prospectus which period may be extended by ASIC by up to a further 7 days pursuant to section 727(3) of the Corporations Act.

**Full Subscription** means the subscription of 190,000,000 Shares at an issue price of \$0.04 each to raise \$7,600,000 before costs under the Offer.

**Imperial JV** means Imperial JV Limited (Company No. RC 1232694), a company registered in Nigeria.

**Imperial Project** means the Imperial Project described in section 3.5.1.

**Independent Geologist's Report** means the independent geologist's report prepared by Malcolm Castle and included in section 6.

Interim Directors means Stephen Hewitt-Dutton, Sean McCormick and John Gilfillan.

**Investigating Accountant's Report** means the investigating accountant's report prepared by BDO Corporate Finance (WA) Pty Ltd and included in section 5.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (2012 Edition).

**Legal Tenement Report** means the legal tenement report prepared by Ivory Chambers and included in section 7.

Listing Rules means the official listing rules of ASX.

Macy Deposit means the Macy Deposit at the Imperial Project described in section 3.5.1.

**Minimum Subscription** means the subscription of 140,000,000 Shares at an issue price of \$0.04 each to raise \$5,600,000 before costs under the Offer.

**Noteholder** means a Class A Noteholder and/or a Class B Noteholder, as the context requires or as applicable.

**Offer** or **Public Offer** means the offer of up to 190,000,000 Shares under this Prospectus at an issue price of \$0.04 each to raise up to \$7,600,000 before costs, with a minimum subscription to raise at least \$5,600,000 before costs.

**Offers** means the Public Offer and the Additional Offers, or any one or more of them, as the context requires or as applicable.

**Opening Date** means the date that the Offers open being 9:00am WST on 13 July 2017, subject to any extension of the Exposure Period by ASIC.

Projects means the Imperial Project and/or the Tawny Project, as the context requires.

Proposed Directors means Andrew Simpson, Barry Bolitho and Ian McCubbing.

**Proposed Acquisition** means the proposed acquisition of Symbol Mining by the Company pursuant to the Share Purchase Agreement and, together with associated transactions, as described in section 2.2.

Prospectus means this prospectus dated 5 July 2017.

**Public Offer Application Form** means a "Public Offer Application Form" in the form accompanying this Prospectus pursuant to which investors may apply for Shares under the Offer.

**Seller Offer** means the offer of up to 203,124,999 Shares (depending on the extent to which the Cash Reimbursement can be paid in cash rather than Shares) to the Sellers (and/or their nominees) as consideration for their shares in Symbol Mining pursuant to the Share Purchase Agreement.

**Seller Offer Application Form** means a "Seller Offer Application Form" in the form accompanying this Prospectus pursuant to which Sellers may apply for Shares under the Seller Offer.

**Sellers** means Bolitho Mining Company Pty Ltd ACN 052 278 734 as trustee for BMC Employees Superannuation, Southern Silicon Pty Ltd ACN 100 554 050 as trustee for Simpson Family Superannuation Fund, Barry Bolitho, Andrew Simpson, David 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.

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

**Share Purchase Agreement** means the share purchase agreement between the Company, the Major Sellers and Symbol Mining, and the letter agreements between the Company and each other Seller, in relation to the sale and purchase of all the issued share capital of Symbol Mining, as summarised in section 9.1.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shareholder means a holder of one or more Shares.

**Symbol Mining** means Symbol Mining Corporation Pty Ltd ACN 154 347 332, and/or any one or more of its wholly owned subsidiaries being Symbol Base Metals, Symbol UK and Symbol Nigeria, as the context requires or as applicable.

Symbol Mining Base Metals means Symbol Mining Base Metals ACN 601 336 878.

**Symbol Nigeria** means Symbol Mining Nigeria Limited (Company No. RC 1257341), a company registered in Nigeria.

**Symbol UK** means Symbol Mining Base Metals UK Limited (Company No. 09555060), a company registered in England and Wales.

**Tawny JV** means Tawny JV Limited (Company No. RC 1257352), a company registered in Nigeria.

**Tawny Project** means the Tawny Project described in section 3.5.2.

Trident Capital means Trident capital Pty Ltd ACN 100 561 733.

**VALMIN Code** means the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets for Independent Expert Reports (2015 Edition).

WST means Western Standard Time, being the time in Perth, Western Australia.

# **PUBLIC OFFER APPLICATION FORM**

# Swala Energy Limited (to be renamed Symbol Mining Limited) ACN 161 989 546 Fill out this Application Form if you wish to apply for Shares in Swala Energy Limited. x Please read the Prospectus dated 5 July 2017. x Follow the instructions to complete this Application Form (see reverse). y Print clearly in capital letters using black or blue pen.

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By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of Swala Energy Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

# Guide to the Application Form

#### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BRICK LETTERS. These instructions are cross-referenced to each section of the Application Form.

#### Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 50,000). Multiply by \$0.04 to calculate the total for Shares and enter the dollar amount at B.
- F. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- C. Write your full name. Initials are not acceptable for first names
- G. Complete cheque details as requested. Make your cheque payable to "Swala Energy Limited – Subscription Account", cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- D. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.

#### NB: Your registration details provided must match your CHESS account exactly.

#### **Correct form of Registrable Title**

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<j a="" c="" d="" family="" smith=""></j>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<est a="" c="" john="" lte="" smith=""></est>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

#### Lodgement

Post or deliver your completed Application Form with cheque(s) attached to the following address:

Swala Energy Limited c/- Trident Capital Pty Ltd Level 24, 44 St Georges Terrace Perth WA 6000

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact the Company on +61 8 6211 5099.

# **Privacy Statement**

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting the Company on +61 8 6211 5099.

# SELLER OFFER APPLICATION FORM **Swala Energy Limited** (to be renamed Symbol Mining Limited) ÀCN 161 989 546 Fill out this Application Form if you wish to apply for Shares under the Seller Offer. You must be a Seller to apply under the Seller Offer. Please read the Prospectus dated 5 July 2017. Follow the instructions to complete this Application Form (see reverse). Print clearly in capital letters using black or blue pen. Offer closes at 5.00pm WST on 31 July 2017 A Number of Shares you are applying for B Write the name(s) you wish to register the Shares in (see reverse for instructions) Applicant 1 Name of Applicant 2 or < Account Designation > Name of Applicant 3 or < Account Designation > C Write your postal address here Number / Street Suburb/Town State Postcode D CHESS participant - Holder Identification Number (HIN) sections C & D do not match exactly with your registration details X held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister. E Enter your Tax File Number(s), ABN, or exemption category Applicant #3 F Contact telephone number (daytime/work/mobile)

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of Swala Energy Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

# Guide to the Application Form

#### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BRICK LETTERS. These instructions are cross-referenced to each section of the Application Form.

#### Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A.
- Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN / ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- Enter your contact details so we may contact you regarding your Application Form.

## NB: Your registration details provided must match your CHESS account exactly.

#### **Correct form of Registrable Title**

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<j a="" c="" d="" family="" smith=""></j>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<est a="" c="" john="" lte="" smith=""></est>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

#### Lodgement

Post or deliver your completed Application Form with cheque(s) attached to the following address:

Swala Energy Limited c/- Trident Capital Pty Ltd Level 24, 44 St Georges Terrace Perth WA 6000

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact the Company on +61 8 6211 5099.

## **Privacy Statement**

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting the Company on +61 8 6211 5099.

# **CLASS A NOTEHOLDER OFFER APPLICATION FORM**

(to	vala Energy Limited be renamed Symbol Mining Limited) 161 989 546
Fill ou x x x x	th this Application Form if you wish to apply for Shares under the Class A Noteholder Offer. You must be a Class A Noteholder to apply under the Class A Noteholder Offer. Please read the Prospectus dated 5 July 2017. Follow the instructions to complete this Application Form (see reverse). Print clearly in capital letters using black or blue pen.  Offer closes at 5.00pm WST on 31 July 2017
Α	Number of Shares you are applying for
В	Write the name(s) you wish to register the Shares in (see reverse for instructions)
	Applicant 1  Name of Applicant 2 or < Account Designation >
	Name of Applicant 2 of Account Designation >
	Name of Applicant 3 or < Account Designation >
С	Write your postal address here
	Number / Street
	Suburb/Town State Postcode
D	CHESS participant – Holder Identification Number (HIN)  X   Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.
Ε	Enter your Tax File Number(s), ABN, or exemption category
	Applicant #1 Applicant #2
	Applicant #3
F	Contact telephone number (daytime/work/mobile)

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of Swala Energy Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

# Guide to the Application Form

#### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BRICK LETTERS. These instructions are cross-referenced to each section of the Application Form.

#### Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A.
- Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN / ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- F. Enter your contact details so we may contact you regarding your Application Form.

#### NB: Your registration details provided must match your CHESS account exactly.

#### **Correct form of Registrable Title**

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<j a="" c="" d="" family="" smith=""></j>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<est a="" c="" john="" lte="" smith=""></est>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

#### Lodgement

Post or deliver your completed Application Form with cheque(s) attached to the following address:

Swala Energy Limited c/- Trident Capital Pty Ltd Level 24, 44 St Georges Terrace Perth WA 6000

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact the Company on +61 8 6211 5099.

## **Privacy Statement**

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting the Company on +61 8 6211 5099.

# **CLASS B NOTEHOLDER OFFER APPLICATION FORM**

(to	vala Energy Limited be renamed Symbol Mining Limited) 161 989 546
Fill ou x x x x	t this Application Form if you wish to apply for Shares under the Class B Noteholder Offer. You must be a Class B Noteholder to apply under the Class B Noteholder Offer. Please read the Prospectus dated 5 July 2017. Follow the instructions to complete this Application Form (see reverse). Print clearly in capital letters using black or blue pen.  Offer closes at 5.00pm WST on 31 July 2017
Α	Number of Shares you are applying for
В	Write the name(s) you wish to register the Shares in (see reverse for instructions)  Applicant 1
	Name of Applicant 2 or < Account Designation >  Name of Applicant 3 or < Account Designation >
С	Write your postal address here  Number / Street
	Suburb/Town State Postcode
D	CHESS participant – Holder Identification Number (HIN)  X
E	Enter your Tax File Number(s), ABN, or exemption category  Applicant #1  Applicant #3
F	Contact telephone number (daytime/work/mobile)

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of Swala Energy Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

# Guide to the Application Form

#### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BRICK LETTERS. These instructions are cross-referenced to each section of the Application Form.

#### Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A.
- E. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN / ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- Enter your contact details so we may contact you regarding your Application Form.

#### NB: Your registration details provided must match your CHESS account exactly.

#### **Correct form of Registrable Title**

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<j a="" c="" d="" family="" smith=""></j>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<est a="" c="" john="" lte="" smith=""></est>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

#### Lodgement

Post or deliver your completed Application Form with cheque(s) attached to the following address:

Swala Energy Limited c/- Trident Capital Pty Ltd Level 24, 44 St Georges Terrace Perth WA 6000

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact the Company on +61 8 6211 5099.

## **Privacy Statement**

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting the Company on +61 8 6211 5099.

# **CREDITOR OFFER APPLICATION FORM**

(to	vala Energy Limited be renamed Symbol Mining Limited) 161 989 546
Fill ou x x x x	At this Application Form if you wish to apply for Shares under the Creditor Offer.  You must be a Creditor to apply under the Creditor Offer.  Please read the Prospectus dated 5 July 2017.  Follow the instructions to complete this Application Form (see reverse).  Print clearly in capital letters using black or blue pen.
Α	Offer closes at 5.00pm WST on 31 July 2017  Number of Shares you are applying for
В	Write the name(s) you wish to register the Shares in (see reverse for instructions)  Applicant 1
	Name of Applicant 2 or < Account Designation >
	Name of Applicant 3 or < Account Designation >
С	Write your postal address here
	Number / Street
	Suburb/Town State Postcode
D	CHESS participant – Holder Identification Number (HIN)    X
Е	Enter your Tax File Number(s), ABN, or exemption category  Applicant #1  Applicant #3
F	Contact telephone number (daytime/work/mobile)

By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of Swala Energy Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

# Guide to the Application Form

#### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

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#### Instructions

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- E. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN / ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
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