

7 May 2018

EMG TO ACQUIRE HIGH GRADE DSO HEMATITE IRON PROJECT

- 100% owned **mining lease** with **Ministerial approval** to mine iron ore until 2030.
- JORC (2012) Inferred Mineral Resource estimate of **5Mt @ 64.1% Fe** at a 50% Fe cut-off.
- Resource expansion potential at depth and along strike.
- Premium product with high iron content and low impurities¹ **P (0.05%), Al₂O₃ (2.7%), LOI (1.6%) & SiO₂ (3.3%)** which may attract a premium price.
- Located ~490km by road, northeast of Geraldton port.
- Opportunity to utilise spare port and ship loading capacity at Geraldton Port.
- 100% Share-based consideration.
- \$4.5 million re-compliance capital raising at \$0.04 per share post 1:5 consolidation.
- EMG to complete the acquisition and capital raising with proceeds used to accelerate exploration and development.

Emergent Resources Ltd, ASX: EMG (**Emergent, EMG** or the **Company**) is pleased to advise that it has entered into a binding term sheet (**Acquisition Agreement**) to purchase the issued capital in Prometheus Mining Pty Ltd (**PML**) (**Acquisition**). PML owns 100% of mining lease M20/118 located approximately 65km from the mining town of Cue in the Midwest region of Western Australia (the **Project**).

The Project offers a potential near term low Capex development opportunity which aims to satisfy burgeoning demand for high grade, low impurity iron ore.

Project Tenure & Location

- 100% owned granted **mining lease** with **Ministerial approval** in place to mine iron ore.
- Historical high-grade iron oxide pigment production.
- Located ~490km by road, northeast of Geraldton port.

¹ Platts 62% Index (Jan 2018) 62% Fe, 4.0% SiO₂, 2.25% Al₂O₃, 0.09% P, LOI (NA)

- Opportunity to utilise spare port and ship loading capacity at Geraldton Port.

Deposit/Exploration Potential

- Current high grade JORC (2012) Inferred Mineral Resource **5Mt @ 64.1% Fe** at a 50% Fe cut-off grade.
- Premium product with high iron content and low impurities². **P (0.05%), Al₂O₃ (2.7%), LOI (1.6%) & SiO₂ (3.3%)** which may attract a premium price. Noting that Vale's 65% Fe Carajas ore (a high iron content low impurity product) recently sold for US\$95.15 (AU\$121.79)³.
- JORC (2012) Exploration Target for an additional **0.6Mt to 7.1Mt of predominantly hematite mineralisation** in a grade range of between **64.1% and 65.3% Fe** with low deleterious elements, and **a further 0.2Mt to 5.7Mt of goethite mineralisation grading approximately 58.0% to 59.5% Fe** with slightly elevated deleterious elements. *The Exploration Target Potential Mineralisation is in addition to the existing Inferred Mineral Resource of 5Mt. The potential quantity and grade of this Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Please see "Exploration Target" (page 7) for details.*
- Grades ranging from 64% to **68% Fe** intersected at depth with mineralisation quality at depth within eight drill holes, to be further confirmed through drilling, mineralisation modelling and metallurgical testing.
- Exploration program will test mineralisation expansion potential along strike & at depth.

Material Terms of the Transaction

- 100% Share-based consideration of 25m ordinary shares plus 112.5m performance shares, all on a post Consolidation basis (proposed 5:1 consolidation - see below). Performance shares are subject to mineral resource and significant production performance hurdles.
- PML issuing \$600,000 in convertible notes which will convert into 30m EMG shares (post consolidation) on completion of the Acquisition.
- EMG to conduct a \$4.5 million re-compliance capital raising at \$0.04 per EMG share (post consolidation) including \$2m fully underwritten priority offer to existing shareholders and a \$2.5m public offer.

Path Forward

EMG to complete the acquisition and capital raising with proceeds used to fund;

- **Drilling campaign:** targeting an increased resource and improved confidence
- **Metallurgical studies:** to confirm mineralisation classification & marketability
- **Scoping/pre-feasibility studies and approvals**
- **Logistics agreements:** Transport and shipping contracts

Iron Ridge Project Overview

The Iron Ridge Project (**Project**) is located approximately 65km northwest of Cue, Western Australia and consists of granted mining lease M20/118. The mining lease has an **existing ministerial approval** to work and mine for iron ore and has historically been mined for micaceous iron oxide (pigment).

² Platts 62% Index (Jan 2018) 62% Fe, 4.0% SiO₂, 2.25% Al₂O₃, 0.09% P, LOI (NA)

³ Recent cost and freight contracts for Vale 65% Fe Carajas ore achieved a price of US\$95.15 (AU\$121.79) with delivery to March 21-30 2018.

The current Project, as reported in accordance with the 2012 JORC Code, hosts an Inferred Mineral Resource of 5MT @ 64.1% Fe at a cut-off grade of 50% Fe. (see below for further details).

CSA Global has prepared an Exploration Target for the Project in accordance with the JORC Code (2012). The Exploration Target reveals total potential as tabulated:

Table 1: Exploration Target

Additional Mineralisation Potential	Tonnes (Mt)	Grade (% Fe)
Hematite	0.6 - 7.1	64.1 - 65.3
Goethite	0.2 - 5.7	58.0 - 59.5
Total	0.8 - 12.8	58.0 - 65.3

Further Hematite and goethite mineralisation **along strike and at depth** may result in an additional **0.6Mt to 7.1Mt of predominantly hematite mineralisation** in a grade range of between **64.1% Fe and 65.3%** with low deleterious elements, and **a further 0.1Mt to 5.7Mt of goethite mineralisation grading 58% to 59.5% Fe** with slightly elevated deleterious elements. The Exploration Target Potential Mineralisation is in addition to the existing Inferred Mineral Resource estimate of 5Mt.

A significant portion of the new funds to be raised under the re-compliance prospectus will be directed towards testing the Exploration Target and upgrading the existing Mineral Resource through drilling. The objective is to expand the current Inferred Mineral Resource with an emphasis directed to delineating additional hematite mineralisation. Previous drilling within the Main BIF unit, where a majority of the Inferred Mineral Resource has been identified, intersected hematite mineralisation ranging between 64 and up to 68% Fe intersected at depth within eight drill holes. This mineralisation will be further confirmed through drilling, mineralisation modelling and metallurgical testing.

The Inferred Mineral Resource estimate also displays low levels of contaminant and deleterious elements with **P (0.05%), Al₂O₃ (2.7%), and SiO₂ (3.3%)**. Confirmation of the elemental makeup of the mineralised body and a determination of the proportion of fines or lump product potential will be made through future metallurgical studies.

The high-grade nature of the deposit and low level of contaminant elements provides a potential for a material price premium to the Platts 62% Fe fines product which is currently traded at US\$71.00 [A\$90.88] 15/03/2018, (USD:AUD 1.28). Recent cost and freight contracts for Vale 65% Fe Carajas ore (high iron content and low impurities) achieved a price of US\$95.15 (AU\$121.79) with delivery to March 21-30.

As part of preparation of a scoping study and pre-feasibility study in relation to the Iron Ridge project, the Company will consider utilisation of contract mining and trucking to minimise upfront capital requirements.

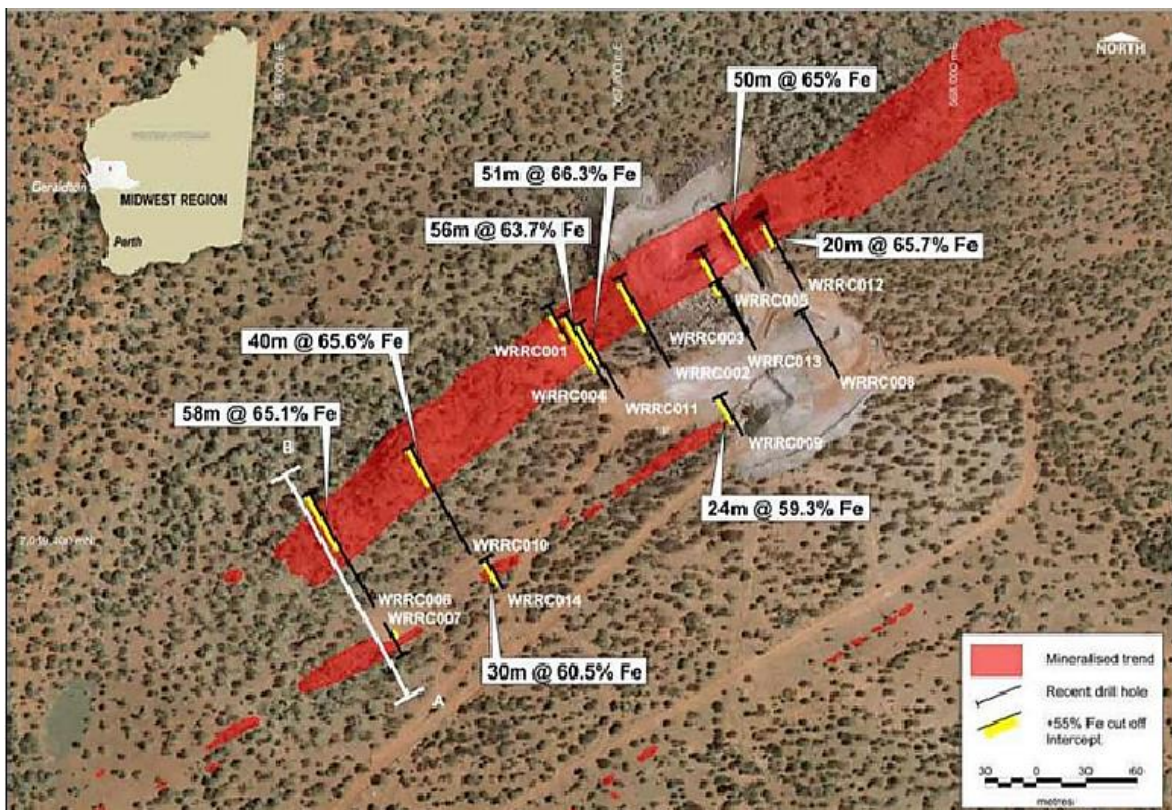


Figure 1 Iron Ridge Project historical drill results

1. Resource upgrade:

- Exploration campaign targeting increased resource along strike and at depth.

2. Metallurgical study

- Confirmation and upgrade of Mineral Resource classification including the determination of contaminant elements and proportion of “lump” product.

3. Offtake

- Negotiations and signing of multi-year fixed price offtake agreement/s.
- Production balance to be hedged on spot price.

4. Completion of scoping and PFS study and approvals

5. Finalisation of mining, transport and port contracts

6. Bulk Sample - Trial production and shipment

Geological Overview

The Iron Ridge project is part of a greenstone belt that is up to three kilometres wide and trends in a southwest to northeast direction for 60 kilometres. It comprises a series of hills that rise up to 250 meters above the surrounding plain and forms a series of parallel ridges with deeply incised valleys. It consists of BIF units which exhibit significant iron enrichment intermittently across a 40km strike length.

The mineralisation comprises a mixture of banded hematite, goethite and shaly limonite iron ore formed by remobilization of iron and replacement of jaspilites (BIF) during deep-seated thermal metamorphism. Subsequent supergene oxidation, leaching and hydration of the iron ore has resulted in the formation of goethite and the concentration of secondary hematite (occasionally in the form of red ochre).

Exploration has been carried out in the range for approximately 100 years targeting various commodities including iron ore. There has been past exploitation of iron ore on a small to moderate scale targeting high grade (>62% Fe) iron deposits at locations like Iron Ridge.

The Iron Ridge project currently under review has one identified Inferred Mineral Resource from the Iron Ridge prospect (5.0Mt @ 64.1% Fe)

A schematic sectional interpretation of the Iron Ridge Project is included as Figure 2.



Figure 2: Section of the Iron Ridge mineralisation

Historical Exploration

Field Mapping

The Iron Ridge project contains jaspitic BIF, of the Windaning Formation, dolerite and alluvial cover. The area consists of a main prospect named Iron Ridge.

Mineralisation is a combination of goethite and hematite which have been created through the supergene enrichment of BIF. The outcropping strike lengths of the various mineralised lens vary from a few metres to 520m with thickness's up to 70m. The strike of the deposit is north east to south west with the dip generally being 80° to the south east. There is a portion of the Iron Ridge lens which has a dip of approximately 80° to the north west. From historic drilling the depth of the BIF is in excess of 80m vertical in the Iron Ridge prospect

Drilling

In 1959 the Western Australian Government made a proposal to diamond drill the six then known iron ore lenses of the Iron Ridge. Drilling commenced in January 1961 and was completed in September 1962.

A total of 38 holes have been drilled within the tenement boundaries targeting the iron mineralization. Depths ranged from very shallow 5m vacuum drilling to 244m deep diamond drill holes. However, most of the previous drilling was carried out using RC methods and averaged 73m in depth.

Five inclined diamond holes for a total of 883m were drilled on what is now M20/118. All holes were drilled from the southeast side of the BIF at inclinations of 40° to 50°. The results were mixed with 3 holes confirming the continuity of the BIF at depth. Only 4 BIF intersections of between 5m and 25m estimated true width were assayed. One hole intersected 10.22m of BIF (estimated true thickness) at 66% Fe (acid soluble).

Universal Milling Pty Ltd held the ground in the 1970's however the only reference to its work is contained in later reports that mention the drilling of 11 vacuum drill holes, no logs or assays of this drilling have been located.

Commercial Minerals Limited (CML) commenced work in 1992 by compiling the previous exploration work and mapping the quarry at 1:250 & lease at 1:8,000. In March 1997, 6 RC holes totalling 329m were drilled in and around the existing quarry.

Atlas Iron Limited (AGO) acquired the Iron Ridge project in 2007 and carried out a RC drilling program in 2008 consisting of 14 RC holes for a total of 1,131m. The drill program focused testing the grade and continuity of the iron enrichment along 300m of the identified 500m strike length.

Full details of all drilling that underpin the updated reported Mineral Resource and the Exploration Target are contained in the respective JORC 2012 Table 1.

Updated Mineral Resource Estimate

The most recent mineral resource estimate for the Project was completed by Atlas Iron in December 2009, who estimated an Inferred Mineral Resource following a 1,131m drill program at the Project over a strike length of 600m and defined to a depth of approximately 60-70m.

In February 2018 the Company engaged CSA Global to review and report the Atlas Iron Inferred Mineral Resource in accordance with the JORC Code 2012 as detailed in the table below, reported above a 50% cut off grade.

Category	Tonnes (Mt)	Fe %	SiO₂ %	Al₂O₃ %	P %	S %	LOI %
Inferred	5.0	64.1	3.3	2.7	0.05	0.06	1.6

Further supporting information for the Inferred Mineral Resource is contained in the JORC Code 2012 Table 1 in Appendix 1 of this announcement.

Exploration Target and Proposed Campaign

CSA Global has also prepared an Exploration Target for the Project in accordance with the JORC Code (2012). The Exploration Target reveals potential for additional hematite and goethite mineralisation **along strike and at depth** resulting in an additional **0.6Mt to 7.1Mt of predominantly hematite mineralisation** in a grade range of between **64.1% Fe and 65.3%** with low deleterious elements, and **a further 0.2Mt to 5.7Mt of goethite mineralisation grading 58.0% to 59.5% Fe** with slightly elevated deleterious elements. The Exploration Target Potential Mineralisation is in addition to the existing Inferred Mineral Resource of 5Mt and is tabulated in Table 1. This is the first time an Exploration Target has been released.

The data used to estimate the Exploration Target comprised predominantly the Atlas 2007–2009 drilling and mapping data, Atlas 2009 Mineral Resource estimate (MRE), Google Earth satellite imagery, results from a CSA Global field reconnaissance (13 March 2018) and in-depth knowledge of iron ore deposits throughout Western Australia.

CSA Global reviewed the available aeromagnetic data and found it was too coarse to add any meaningful value to the Project (i.e. CSA Global were unable to confirm or dispel any continuity of banded iron formation (BIF) along strike from the Main BIF).

Three parallel to sub-parallel ranges of BIF occur on the tenement. The Main BIF (mapped as hematite) is some 550 m wide, with much thinner (several metres) BIF ridges to the south (designated Little BIF 1 and Little BIF 2 respectively). Little BIF 1 and Little BIF 2 are defined by discontinuous goethitic outcrops at a lower elevation than the Main BIF.

The tonnages were estimated as a product of the measured surface area of the interpreted hematite mineralisation, the interpreted average depth extent of hematite and an applied density of 3.7 t/m³. The density is consistent with industry reported densities and the density applied for the 2009 MRE. However, this is more applicable to the hematite mineralisation, not the goethite of Little BIF 1 and Little BIF 2 which is more likely to carry a slightly lower density. However, for the purposes of the Exploration Target, the density was left consistent across all BIF units with any differences accommodated by an applied risk factor.

A risk factor of 50% was applied to all the cases, that reflect the uncertainty in the continuity of mineralisation at depth, along strike and the density within the Little BIF 1 and 2 units.

The relevant exploration drill data available is included in Table 1 in Appendix 1 of this announcement. The mapped mineralisation and a sectional interpretation is included as Figure 1 and Figure 2 respectively.

The proposed exploration campaign of the Company is to test the Exploration Target through RC and Diamond drilling. The objective is to expand the current Inferred Mineral Resource with an emphasis directed to delineating additional hematite mineralisation and upgrade its classification. This will include examining the continuity of grade, identifying any potential internal waste associated with dolerite and examining the mineralisation physical properties, specifically the presence for a lump product.

Further supporting information for the Exploration Target is contained in the JORC Code 2012 Table 1 in Appendix 1 of this announcement.

Logistics

Road Transport

Iron Ridge is located 490km by road from the Port of Geraldton. 423km of this route is designated as Network 9 RAV access by Main Road Department WA (MRDWA). The remaining 67km of road from Cue to Iron Ridge is not accessible by RAV vehicles apart from a small section around Big Bell. It is anticipated that the Iron Ridge-Cue road will be upgraded and rated to network 9 RAV vehicle access prior to iron ore exports from Iron Ridge.

It is expected that road transport will involve the use of either flatbed trucks hauling containers (Rotainer) or bulk side tippers to nominal concessional loaded 110 tonne payloads per trucking unit.

Port

Geraldton port is the closest deep-water sea port to the Iron Ridge Project. The port is well serviced and currently operates at an estimated 16mtpa rate against a 20mtpa capacity. The port caters for the import and export of various products including: iron ore, mineral sands, grain, break bulk cargo, container cargo, fertilisers, livestock and general cargo (see Figure 3 below).

The port has three berths that are considered suitable for the purposes of shipping iron ore.

- Berth 5 - 225 m, depth 13.3 m at zero tide. Current iron ore shipping facility for Mt Gibson, it is unclear if this is third party owned and if and how access can be obtained. Has 5,000 tph ship loading facility.
- Berth 7 - 250 m, depth 13.1 m at zero tide. Owned and operated by Karara Mining Pty Ltd. It is expected that third party access to this berth will be possible, although this needs to be tested with Karara directly.
- Berth 6 - 190 m, depth 12.4 m at zero tide. General, Livestock, Fertiliser, Minerals, Fuel. Break bulk cargo and Rotainer operations. This berth is considered the best opportunity for Iron Ridge to export iron ore without issues related to third party access.



Figure 3 Iron Ore loading and storage facilities at Geraldton port

Capital Raising

Contemporaneously with the Acquisition, the Company will conduct a capital raising under a prospectus to raise \$4,500,000 through the issue of 112,500,000 shares each at an issue price of \$0.04 post Consolidation (**Capital Raising**).

The Capital Raising will include a fully underwritten priority offer of up to 50,000,000 shares to existing Emergent shareholders to raise \$2,000,000. The Board of the Company will confirm the form of the priority offer and advise shareholders once determined.

The funds raised will be used towards exploration and development of the Iron Ridge Project (as detailed above), new project generation and evaluation, corporate and administration costs, costs of the Capital Raising and to provide general working capital.

Following completion of the Acquisition and the Capital Raising, Emergent will have approximately \$4.5m (net of costs) on completion of the re-compliance.

CPS Capital Group Pty Ltd (**CPS**) has been mandated to act as lead manager to the Capital Raising and it is proposed CPS will underwrite the priority offer to existing Emergent shareholders.

CPS will receive the following fees in relation to these roles:

- 25,000,000 options issued at Settlement (exercisable at \$0.08 on or before the date that is 3 years from the date of issue) at an issue price of \$0.0001 per Option; and
- An offer management and proposed underwriting fee equal to 1% of the gross cash proceeds raised pursuant to the Capital Raising and 5% of the value of funds placed by CPS.

In addition, the Company is proposing to issue 25,000,000 options at Settlement (exercisable at \$0.08 on or before the date that is 3 years from the date of issue) at an issue price of \$0.0001 per Option to the corporate advisers who have assisted with the Acquisition.

Consolidation

In connection with the Acquisition, Emergent will undertake a consolidation of its existing share capital on a 1 for 5 basis. All numbers in this announcement are expressed on a post-Consolidation basis unless stated otherwise.

Indicative Capital Structure

The indicative share capital structure of Emergent post completion of the Acquisition and the Capital Raising is set out in Schedule 2 of this announcement.

The Company's market capitalisation on re-listing (at the Capital Raising price of \$0.04) will be approximately \$8.5m.

Control Issues

No shareholder will hold a relevant interest in more than 20% of Emergent following completion of the Acquisition. As a consequence, there are no control issues associated with the Acquisition.

Acquisition's Effect on Consolidated Assets & Equity Interests

The principal effects of the Acquisition on the Company's consolidated statement of financial position will be:

- current assets will increase by approximately \$4,000,000 comprised of the net proceeds of the Capital Raising;
- non-current assets will increase by approximately \$690,000⁴ comprised of the reported value of PML's non-cash assets; and
- total equity interests will increase by a corresponding amount.

Effect on EMG's Revenue, Expenditure & Profit Before Tax

The principal effects of the Acquisition on the Company's consolidated statement of financial performance for the financial year ended 30 June 2018 will be:

- the Company does not expect to generate revenues from operations or asset sales during the relevant period;
- expenditure will be increased by approximately \$500,000, comprised principally of expenses related to the Acquisition of the Iron Ridge Project and increased corporate and administration costs relating to the Re-compliance; and
- net profit (loss) is expected to be in line with the increased expenditure outlined above.

Board and Management Arrangements

It is proposed that two directors, agreed by Emergent and PML, will join the board of Emergent at completion of the Acquisition or shortly afterwards, at which time current directors Mr Jian-Hua Sang and Mr Edmond Yao will resign. The two new directors are yet to be identified but they will have relevant experience for the Iron Ridge Project.

The Board is currently considering suitably-qualified and experienced candidates for appointment to executive roles following completion of the Acquisition.

The Company is proposing to grant 10,000,000 options at Settlement (exercisable at \$0.08 on or before the date that is 3 years from the date of issue) at an issue price of \$0.0001 per Option to the directors of the Company following completion of the Acquisition.

Change of Name

Following completion of the Acquisition, the Company proposes to change its name to Fenix Resources Limited. Shareholder approval will be sought for the change of name.

⁴ As reported in PML's most recent, un audited, financial statements

Timetable

An indicative timetable for the Acquisition and associated events is set out below. This timetable is indicative only and may be subject to change.

Event	Date
Announce Acquisition and suspension of trading of Emergent shares	7 May 2018
Dispatch Notice of Meeting to Emergent shareholders	6 June 2018
Lodge prospectus for Capital Raising and opening date of offer	2 July 2018
Emergent shareholder meeting	6 July 2018
Closing date of prospectus offer	31 July 2018
Completion of Acquisition and re-compliance with Chapters 1 and 2	21 August 2018
Re-instatement to trading on ASX	24 August 2018

The Company will provide updates on the indicative timetable for the Acquisition as the timetable progresses.

Key Risks and Dependencies

The key risks of the Acquisition and the exploration and potential development of the Iron Ridge Project post completion of the Acquisition are detailed in Schedule 3 of this announcement.

Recent Issues of EMG Securities

The Company has not issued any securities in the six months prior to the date of this announcement.

Recent Issues of PML Securities

Other than the Convertible Notes referred to above, PML has not issued any securities in the six months prior to the date of this announcement.

The Convertible note issue will fund PML's commitments and ongoing working capital requirements. As noted above, on completion of the Acquisition, the debt under the PML Convertible Notes will be assigned to, and assumed by, the Company and satisfied in full through the issue of a further 30,000,000 Shares (post-Consolidation) being the face value of the convertible notes at a deemed issue price of \$0.02.

Re-compliance with ASX Listing Rules Chapters 1 and 2

As the Acquisition will result in a significant change to the Company's activities, the Acquisition will require approval of Emergent shareholders under Listing Rule 11.1.2 and will also require Emergent to re-comply with Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3. The ASX has confirmed this to the Company.

EMG Shareholder Approvals

A notice of meeting seeking shareholder approval for the resolutions required to give effect to the Acquisition will be sent to Emergent shareholders in due course. Emergent will convene a general meeting in the near future to facilitate shareholder approval for matters in respect of the Acquisition.

Those approvals will include:

- the change in the nature and scale of the Company's activities;
- the Acquisition and the issue of the Consideration Shares and Performance Shares to the PML shareholders;
- the issue of shares on conversion of the Convertible Notes;
- the issue of Shares in connection with the Capital Raising;
- the 1 for 5 Consolidation;
- the issue of Options to CPS (or its nominee) as Lead Manager to the Acquisition;
- the issue of Options to corporate advisers who have assisted with the Acquisition;
- the issue of Options to directors; and
- the change of the Company's name to "Fenix Resources Limited".

Details of the numbers of securities proposed to be issued under the transaction are detailed above.

ASX Listing Rule Waivers

The Company intends to seek from ASX waiver of:

- Listing Rules 1.1 (Condition 11) and 2.1 (Condition 2) to enable it to issue securities at a price below the 20 cents stipulated in those rules;
- Listing Rule 10.13.3 to allow it to issue incentive options to the Company's directors later than one month after shareholders approval pursuant to Listing Rule 10.11 is obtained at the general meeting to consider the Acquisition.

Regulatory Notices

Investors should take account of the following uncertainties in deciding whether or not to buy or sell the Company's securities:

- the Acquisition requires shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming;
- the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Acquisition may not proceed if those requirements are not met; and
- ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Acquisition may not proceed if ASX exercises that discretion.

The Company's due diligence investigations into PML and its assets are ongoing, and it is noted that completion under the formal documentation of the Acquisition is conditional on the Company being satisfied with the results of its due diligence investigations. However, the Company has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of PML for the board of the Company to be satisfied that the Acquisition is in the interests of the Company and its shareholders.

The Company confirms that it is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.

ASX takes no responsibility for the contents of this announcement.

Bevan Tarratt
Non-Executive Director
Emergent Resources Ltd

Competent Persons Statement

Information in this report that relates to Exploration Results/Exploration Target is based on, and fairly reflects, information compiled by Mr Mark Pudovskis, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Pudovskis is a consultant to Emergent Resources, employed by CSA Global Pty Ltd, independent mining industry consultants. Mr Pudovskis has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Pudovskis consents to the inclusion of the data in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Alex Whishaw. Mr Whishaw is a full-time employee of CSA Global Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Whishaw has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Whishaw consents to the disclosure of the information in this report in the form and context in which it appears.

Schedule 1 – Key Terms & Conditions of Acquisition Agreement

The key terms and conditions of the Acquisition agreement are as follows:

- Emergent will acquire 100% of the issued share capital of PML.
- The consideration for the acquisition will be the issue to the PML shareholders of an aggregate 25,000,000 shares and 112,500,000 performance shares (comprising, 15,000,000 Class A performance shares, 30,000,000 Class B performance shares; 37,500,000 Class C performance shares and 30,000,000 Class D performance shares).
- The Performance Shares will be issued in four classes with the following milestones:
 - the Class A Performance Shares which each convert to a Share upon declaration of an Inferred Mineral Resource of not less than 8 million tonnes of iron ore at 65% Fe grade in accordance with the JORC Code of 2012 within 6 months from commencement of drilling on the tenement; and
 - the Class B Performance Shares will each convert to a Share upon achievement of 1m tonnes cumulative of shipped Iron Ore production from the Tenement at an Operating Margin of greater than US\$15 per dry metric tonne shipped within the earlier of 24 months from commencement of mining on the Tenement and 60 months from settlement of the Acquisition; and
 - the Class C Performance Shares will each convert to a Share upon achievement of 2m tonnes cumulative of shipped Iron Ore production from the Tenement at an Operating Margin of greater than US\$15 per dry metric tonne shipped within the earlier of 36 months from commencement of mining on the Tenement and 60 months from settlement of the Acquisition; and
 - the Class D Performance Shares will each convert to a Share upon achievement of 3m tonnes cumulative of shipped Iron Ore production from the Tenement at an average Operating Margin of greater than US\$15 per dry metric tonne shipped within the earlier of 48 months from commencement of mining on the Tenement and 60 months from settlement of the Acquisition;

(together the **Milestones**).

For the purposes of the Milestones "Operating Margin" means the gross profit contribution from mining operations relating to the Tenement. Gross profit excludes any non-cash items (such as depreciation, amortisation and share-based payments), indirect overhead costs (such as corporate compliance costs and corporate overheads), interest and taxes.

Otherwise the Performance Shares will be on customary terms complying with ASX guidance.

- The Acquisition is conditional upon satisfaction of a number of conditions within 9 months of execution of the Acquisition Agreement or such earlier date specified in the condition, including:
 - Emergent completing a 1 for 5 consolidation of its issued capital;
 - Emergent procuring subscriptions for the Convertible Notes within 14 days of the execution of the Acquisition Agreement;
 - Emergent completing financial, technical, legal and commercial due diligence on PML and its business operations and being satisfied with the results (in its

- sole and absolute discretion) within 45 days of the execution of the Acquisition Agreement;
 - Emergent having obtained all necessary shareholder approvals required for the Acquisition;
 - Emergent receiving commitments for the Capital Raising;
 - the parties obtaining any necessary shareholder, regulatory, governmental or other third party consents or waivers that may be required as a result of the change in control of PML;
 - EMG obtaining any necessary regulatory approvals on terms acceptable to the parties as are required to give effect to the Acquisition; and
 - legal title to M20/118 being transferred to PML.
- On completion of the Acquisition, the debt under the Convertible Notes to be issued by PML with an aggregate face value of \$600,000 will be assigned to, and assumed by, Emergent and satisfied in full through the issue of 30,000,000 Shares (\$600,000 being converted at a deemed issue price of \$0.02 per share).
- The board of Emergent will be reconstituted with effect from, shortly after, completion of the Acquisition so that existing directors, Mr Edmond Yao and Mr Jian-Hua Sang will resign and two directors agreed by Emergent and PML will be appointed to the Board of the Company.
- Following Settlement of the Acquisition Emergent is proposing to issue:
 - 25,000,000 options (exercisable at \$0.08 on or before the date that is 3 years from the date of issue) at an issue price of \$0.0001 per Option to CPS for acting as lead manager and proposed underwriter to the priority offer under the Capital Raising (CPS will also receive a management and underwriting fee as stated above);
 - 10,000,000 options (exercisable at \$0.08 on or before the date that is 3 years from the date of issue) at an issue price of \$0.0001 per Option to the directors; and
 - 25,000,000 options (exercisable at \$0.08 on or before the date that is 3 years from the date of issue) at an issue price of \$0.0001 per Option to the corporate advisers who have assisted with the Acquisition.
- The PML shareholders have given warranties and representations in favour of Emergent which are customary for a transaction of this nature.

The Acquisition Agreement is otherwise on customary terms for a transaction of this nature.

Schedule 2 – Indicative Capital Structure

	Shares⁴	Options⁴	Performance Shares⁴
Existing Capital Structure	45,398,200		
Consideration Securities	25,000,000		112,500,000 ²
Conversion of PML Convertible Notes	30,000,000		
Capital Raising	112,500,000 ³		
Corporate Adviser and Lead Manager Options		50,000,000 ¹	
Director Options		10,000,000 ¹	
Total	212,898,200	60,000,000	112,500,000

Notes:

1. Exercisable at \$0.08 on or before the date that is 3 years from the date of issue.
2. Comprises 15,000,000 Class A Performance Shares; 30,000,000 Class B Performance Shares; 37,500,000 Class C Performance Shares and 30,000,000 Class D Performance Shares with milestones as detailed above.
3. The Capital Raising will include a fully underwritten priority offer of up to 50,000,000 shares to existing Emergent shareholders. The Board of the Company will confirm the form of the priority offer and advise shareholders once determined.
4. All securities in the above Capital Structure table are stated post a 5 for 1 Consolidation.

Schedule 3 – Key Risks

(a) Completion risk

The Acquisition is conditional on the Company re-complying with Chapters 1 and 2 of the Listing Rules (see below).

Pursuant to the Acquisition Agreement (the key terms of which are summarised in Schedule 1), the Company has agreed to acquire 100% of PML. Completion of the Acquisition of PML is subject to the satisfaction of certain conditions.

There is a risk that these conditions cannot be satisfied and in turn that completion of the Acquisition will not proceed.

If the Acquisition does not proceed, the Company will incur costs relating to advisers and other costs, with no material benefit being achieved.

(b) Re-quotations of shares on ASX

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. It is anticipated that the Company's Shares will be suspended from the date of this announcement, and that the Shares will remain suspended until completion of the Acquisition, the Capital Raising, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement.

There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation.

(c) Liquidity risk

On completion of the Acquisition, the Company proposes to issue shares to the PML vendors. The Company understands that the ASX will treat some of these securities as restricted securities in accordance with Chapter 9 of the Listing Rules. This could be considered an increased liquidity risk as a portion of issued capital may not be able to be traded freely for a period of time.

(d) Financial markets risks

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and mining securities in particular. Neither the Company, nor the directors warrant the future performance of the Company or any return on an investment in the Company.

(e) Mineral Resource Estimates

The interpretation of exploration results and Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature, exploration results and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations. CSA Global have reviewed and reported the Mineral Resource in accordance with the 2012 JORC Code and considered that the Mineral Resource was modelled appropriately for the styles of mineralisation and the commodity type. Although there are no fatal flaws in the estimates, the following technical risks have been identified.

- CSA Global were unable to verify the data integrity in any detail. The sampling methods, sampling recoveries, survey and QAQC which may have impacted the declared Mineral Resource were poorly reported.
- The origin of the density values and the reasons for their assignment were not stated and may not be appropriate.
- Although on a broad scale, the geological interpretation is relatively simple and unlikely to put the declared Mineral Resources at risk, the quality and depth of the technical reporting in support of the geological interpretation was generally lacking. Minor to moderate geological risks include:
 - Continuity of grade;
 - Internal waste associated with dolerite and lower-grade metasediment bands diluting the in-situ Mineral Resource;
 - Mineralisation pinching out at depth; and
 - Mineralisation properties, specifically confidence in the presence of a lump product

(f) Results of Studies

- (i) Potential investors should understand that although it is the Company's intention to perform the required work, including studies (scoping, prefeasibility or feasibility studies) to proceed to a decision to mine, this does not guarantee the Iron Ridge Project will get to production.
- (ii) The above mentioned studies may be completed however; the result of the studies may deem that it is not viable to commence mining. This may be for a variety of reasons including but not limited to economic, legal, environmental, social etc.

(g) Exploration risk

Exploration is a high risk undertaking. The Company does not give any assurance that the planned exploration of the Tenement will result in the Mineral Resource being increased or that future exploration will result in the estimation or discovery of other significant or economic Mineral Resources. Even if the Iron Ridge Mineral Resource is improved or other significant Mineral Resources are identified, there can be no guarantee that they can be economically exploited. In addition, the

Mineral Resource may become depleted, resulting in a reduction of the value of the Tenement.

The exploration costs of the Company have been estimated based on certain assumptions which are subject to significant uncertainties. The actual costs may materially differ from these estimates. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

(h) Operational risks

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration, difficulties in commissioning or operating plant and equipment or mechanical failure which may affect extraction costs, adverse weather conditions, environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, equipment, personal injury, environmental damage, business interruption and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(i) Iron Ore Commodity Prices

As an explorer for iron ore and, potentially, other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration and project development plans, together with the ability to fund those plans and activities.

(j) Native Title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act. The Tenement was granted prior to 1 January 1994 and accordingly suspends the operation of native title within the tenement area for the life of the Tenement.

The existence of a Native Title Claim is not an indication that Native Title in fact exists on the land covered by the claim, as this matter is ultimately determined by the Federal Court.

(k) Aboriginal Heritage

The Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work prior to the commencement of operations.

The Company is aware of various areas of indigenous significance and Aboriginal heritage sites which are of considerable cultural value both to the local indigenous communities and the broader community generally which are located on or near to the Tenement. Prior to commencing significant operations, including mining, the Company will likely need to consult with local indigenous communities and various government departments including the Aboriginal Heritage Directorate of the Department of Planning, Lands and Heritage; the Minister for the Environment; the WA State Heritage Office and the Aboriginal Lands Trust, depending on the likely impact that the proposed activities may have on such areas. Further, depending on the likely impact that the proposed activities on the Tenement may have on such areas the Company may possibly also need to enter into an agreement with local indigenous communities prior to conducting such activities on the Tenement.

There is no guarantee that the Company will be able to deal with the above issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities and also limit the Company's ability to conduct its proposed activities on the Tenement including ultimately commencing mining operations.

(l) Tenement title

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of licences. Each licence is granted for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

The Tenement (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority.

If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

The Company understand that a mine closure plan for the Iron Ridge Project was required to be lodged 2017 but has not yet been lodged. The Company is arranging a meeting with the Department of Mines, Industry Regulation and Safety in relation to the Project and will discuss the mine closure plan with the Department as part of its due diligence investigations.

(m) Environmental

Exploration and mining activities on tenements are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's activities on the Tenement are expected to have a variety of environmental impacts. The Company's activities on the Tenement will be subject to the satisfaction of environmental guidelines and requisite approvals from applicable government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications for the Company.

(n) Future capital needs

The funds to be raised under the Capital Raising are considered sufficient to meet the Company's immediate objectives following completion of the Acquisition. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.

Following the Capital Raising, the Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of the Company's activities and potential development programs. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to shareholders.

(o) Dilution Risk

The Acquisition and the Offers will result in the issue of a number of Shares. This means that each Share on issue at the date of this ASX announcement will represent a significantly lower proportion of ownership in the Company. EMG Shareholders should note that if they do not participate in the Capital Raising (and even if they do), their holdings may be considerably diluted (as compared to their holdings at the date of this ASX Release)

Upon completion of the Acquisition and the Capital Raising, assuming the Capital Raising is fully subscribed, existing Shares on issue will represent approximately 21% of the Company's enlarged share capital following completion of the Acquisition and Capital Raising.

(p) Reliance on key personnel and ability to recruit additional personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Appendix 1: JORC Code, 2012 Edition – Iron Ridge Project Table 1 (Exploration Target)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>Samples (used in the estimation of grade in the Exploration Target) were collected by Atlas Iron Limited (Atlas) in 2008 by reverse circulation percussion (RCP). Some samples were also collected from RC (1995), vacuum (1973) and diamond drilling (1962) techniques although these were used in defining the Mineralisation envelope only.</p> <p>All the 2008 samples were 2 m composites, except where the drillholes terminated on an odd meter interval. All samples were dry, and cone split with no water table intercepted during drilling. In the event where the sample exceeded 3 kg, it was then split down to a smaller sample. The samples were processed by Ultratrace laboratories in Perth for x-ray fluorescence (XRF) analysis. The laboratories procedures were not available, nor details of the sample preparation reported.</p> <p>The Competent Person considers the sampling techniques acceptable for the purposes of generating and supporting an Exploration Target.</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<p>The drilling used to collect samples for the estimation of the Exploration Target comprised RCP drilling completed by Atlas in 2008 (14 RCP drillholes for 1,131 m).</p> <p>Other techniques were also previously applied, including RC (1995), vacuum (1973) and diamond drilling (1962) although the results from these earlier holes were only used to guide interpretation.</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Sample recoveries were not estimated or reported for any of the destructive drill techniques. The 1962 diamond drilling reported recoveries between 6% and 88% although these could not be verified through retention of sample or photography.</p> <p>Overall, the Competent Person is unable to verify the sample recovery although given a majority of the drillholes which support the existing Mineral Resource and therefore underpin the basis for the Exploration Target were RCP, the Competent Person does not believe this poses a significant risk.</p> <p>No relationship between recovery and grade was able to be assessed.</p>

Emergent Resources Limited ABN 68 125 323 622 (ASX-EMG)

Unit 5, Ground Floor, 1 Centro Avenue Subiaco WA 6008

Phone: +618 9486 4036 Fax: +618 9486 4799

Website: www.emergentresources.com.au email: info@emergentresources.com.au

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>There was no original drill logging available for the 2008 Atlas RCP drillholes. The database extract contained only indecipherable codes.</p> <p>There were no photographs supporting the geological logging.</p> <p>The 1995 RC drillholes were geologically logged to a reasonable level of detail.</p> <p>The level of detail is sufficient for an Exploration Target.</p>
Subsampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>RCP samples were collected dry and via a cone splitter. This method is appropriate for reporting an Exploration Target.</p> <p>Field duplicates were taken every 25th and 75th sample. Results were reported by Atlas to indicate good correlation between original and duplicate assays, indicating good accuracy with sample procedure. The reported collection of field duplicates is appropriate.</p> <p>The raw field QAQC results were not available and not reviewed by the Competent Person.</p> <p>RCP samples were reported to weigh between 2 kg and 4 kg, which is appropriate. Where the primary sample exceeded 3 kg, it was then split down to a smaller sample.</p> <p>Where reported, the Competent Person considers the subsampling appropriate for the reporting of an Exploration Target.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>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.</i> 	<p>All RCP samples were sent to Ultratrace in Perth for XRF analysis. Original laboratory procedures and results were not available or viewed by CSA Global. Ultratrace, however are reputable in the iron ore industry and XRF is the standard analysis technique adopted by the industry</p> <p>Atlas reported they generated commercial standards which were inserted every 40th/41st and 80th/81st respectively. The standards performed well within nominated tolerance limits. One internal laboratory standard displayed poor performance and has been discarded. The raw QAQC standard results were not available and not reviewed by the Competent Person.</p> <p>The performance of the internal laboratory checks was not reported.</p> <p>A density of 3.7 t/m³ was applied. The density is consistent with industry reported densities and the density applied for the 2009 Inferred Mineral Resource.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>The Competent Person visited the Project on 12 March 2018 and can confirm the presence of hematite mineralisation across the defined Mineral Resource outcrop.</p> <p>There were no twinned holes drilled or analysis completed.</p> <p>The data entry, storage and documentation of primary data was completed on Microsoft Excel spreadsheets and local hard drives. This is not appropriate, however given the relatively small size of the drill program supporting the existing Mineral Resource, it is not perceived as a significant risk to the Exploration Target.</p>

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>All drillhole collar locations were reported surveyed in by licensed surveyors MHR Surveying and Planning Ltd using a Trimble R8 Real Time Kinematic Differential Global Positioning System (DGPS). All collar positions are recorded in GDA format and then uploaded into the database as the final collar positions. The collars were transformed to a local grid system.</p> <p>The collar survey transformation from GDA94 to local grid was not provided, however, the Competent Person used two points of the mineralisation interpretation strings to match the appropriate drillhole pierce points, which allowed a 2D database transform from GDA94 to local grid, as follows:</p> <ul style="list-style-type: none"> • Point 1 (intercept of Hole ID=DDH08): <ul style="list-style-type: none"> ○ GDA94: Y=7019415.806; X=567675.015; Z=477.412 ○ Local grid: Y=18950.814; X=7951.196; Z=477.412. • Point 2 (intercept of Hole ID=WRR012): <ul style="list-style-type: none"> ○ GDA94: Y=7019572.445; X=567895.984; Z=504.467 ○ Local grid: Y=18976.535; X=8220.506; Z=506.588. <p>The transformation of the drillhole database caused an imprecise transform of the drillhole pierce points compared to the wireframes, but the error was minimal and allowed the Competent Person to perform the review within reasonable limits.</p> <p>The Competent Person was not provided and did not verify any original survey report.</p> <p>There was no downhole survey to determine the accurate deviation of the drillholes. Although not a material risk for an Exploration Target it poses a concern for any future Mineral Resource estimation.</p> <p>The Competent Person field verification locations were collected by a handheld Garmin GPS. This method is considered appropriate for the field verification to support an Exploration Target.</p>
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<p>The Mineral Resource was estimated on a variable 50–100 m x 10–25 m drill spacing grid which is appropriate to establish the geological and grade continuity and provide a basis for an Exploration Target.</p> <p>No information was provided on the compositing strategy, domain statistics, variography or estimation methods. This does not pose a risk to the Exploration Target.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<p>The drillholes were angled appropriately to intersect the hematite mineralisation at a high angle or any structures.</p> <p>No major structures were reported in the drilling or noted during the field reconnaissance which could negatively impact the Exploration Target by introducing sampling bias.</p>
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>Sample security was not applicable. No residual samples were maintained.</p>

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> <li data-bbox="309 181 1016 207">• <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p data-bbox="1196 181 2007 322">The Competent Person completed a high-level review and fatal flaw analysis of the Project. Deficiencies in the data integrity were reported – notably sampling methods, sampling recoveries, survey and QAQC which may have impacted the declared Mineral Resource were poorly reported. This has been considered but are not considered sufficiently material to impact the Exploration Target.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>The Project is located in the Mid-West region of Western Australia and comprises one granted Mining Lease (M20/118) situated approximately 380 km northeast of Geraldton and some 50 km north-northwest of the township of Cue, Western Australia. There are no fatal flaws or impediments preventing the operation of the Mining Lease.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>The quality of the exploration by previous parties was variable. It is of sufficient quality and quantity to support and Exploration Target.</p> <p>The relevant historical work covering M20/118 is summarised:</p> <p>1959–1962 (Geological Society of Western Australia)</p> <p><i>The Government of Western Australia made a proposal to diamond drill six then-known lenses of hematite in the Weld Range.</i></p> <p><i>Mapping on 1" to 50 chains scale by Jones and Gemuts. Lenses W1 to W6 were mapped on contour plans at 100 feet to 1". Lenses W3 and W4 lie within the current Mining Lease.</i></p> <p>Five diamond drillholes for 883 m were completed by the Western Australian Government in the Wilgie Mia lease, what is now M20/118. Drillholes were inclined -40/-50°.</p> <p>1973 (Universal Milling Company Pty Ltd)</p> <p><i>Five holes were drilled and intersected mineralisation grades similar to those in the Inferred Mineral Resource, close to surface.</i></p> <p>1992–2000 (Commercial Minerals Limited – CML)</p> <p>1992–1993</p> <p><i>Completed reconnaissance mapping and historic data compilation. Reconnaissance mapping at 1:8000 scale using 1980 aerial photography.</i></p> <p><i>Mapping of the iron oxide quarry at 1:250 using a tape measure</i></p> <p>1995–1996</p> <p><i>Mining of 8,000 t from a 4.5 m cut in the existing quarry. 6,000 t crushed on site over a three-day period. 1,000 t transported to Perth for storage.</i></p> <p><i>Mining described the increase of specular hematite with depth. Described as metallic grey with a characteristic red streak.</i></p> <p><i>Sample analysis by CML's Technical Service division in Footscray, Victoria.</i></p> <p>1996–1997</p>

Emergent Resources Limited ABN 68 125 323 622 (ASX-EMG)

Unit 5, Ground Floor, 1 Centro Avenue Subiaco WA 6008

Phone: +618 9486 4036 Fax: +618 9486 4799

Website: www.emergentresources.com.au email: info@emergentresources.com.au

Criteria	JORC Code explanation	Commentary																
		<p>Six RC drillholes (WRR01-06) totalling 329 m drilled with an Edson 600 drill rig in and adjacent to the iron oxide quarry. Purpose was to test the strike extent of the ore zone.</p> <p>Results confirmed an ore zone with dimensions of 50 m laterally/strike, 25 m width and at least 50 m depth. Further to the east and west, the ore pinches out with a maximum strike length of 100 m.</p> <p>78 composited samples sent to Analabs in Perth for XRF analysis.</p> <p>2007 (MinCorp Consultants Pty Ltd)</p> <p>Engaged by Atlas to research and compile the historic exploration data on Wilgie Mia and design a drill program.</p> <p>2007–2011 (Atlas)</p> <p>2007</p> <p>14 rock chip samples (ARK00547 to ARK00560. Grading from 55% to 67% Fe, variable silica, alumina and phosphorous.</p> <p>Risks were identified: Poor grade continuity, internal waste with dolerite/shales, mineralisation pinching out at depth, moderate to high P levels.</p> <p>2008</p> <p>1:1,000 scale mapping of the Weld Range Project in conjunction with rock chip traverse sampling.</p> <p>A total of 14 RC drillholes for 1,131 m were completed focused on testing the grade and mineralisation continuity along 300 m of the identified 500 m of prospective strike.</p> <p>Drill spacing was on a variable 50–100 m x 10–25 m grid.</p> <p>2009</p> <p>Atlas estimated an Inferred Mineral Resource in December 2009, its classification due to limited drilling with no diamond core to gauge properties. In the Competent Person opinion, this is an important fact. Without diamond core or extremely high quality and detailed RC logging, there is no confidence in concluding that Weld Range can produce a premium lump product, particularly if the mineralisation comprises significant amounts of specularite.</p> <p>The M20/118 Resource estimation is tabulated below.</p> <table border="1" data-bbox="1167 1209 1921 1313"> <thead> <tr> <th>Category</th> <th>Tonnes (Mt)</th> <th>Fe%</th> <th>SiO₂%</th> <th>Al₂O₃%</th> <th>P%</th> <th>S%</th> <th>LOI%</th> </tr> </thead> <tbody> <tr> <td>Inferred</td> <td>5.0</td> <td>64.1</td> <td>3.3</td> <td>2.7</td> <td>0.05</td> <td>0.06</td> <td>1.58</td> </tr> </tbody> </table> <p>2011</p> <p>Review of the Atlas Mid-West Tenements.</p> <p>The enriched zone at is described as 550 m x 40 m wide and at Little Wilgie Mia 370 m x 45 m width. It dips 80° to the south and has been interpreted in excess of 80 m depth.</p>	Category	Tonnes (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%	Inferred	5.0	64.1	3.3	2.7	0.05	0.06	1.58
Category	Tonnes (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%											
Inferred	5.0	64.1	3.3	2.7	0.05	0.06	1.58											

Criteria	JORC Code explanation	Commentary
		<p>The area between the Wilgie Mia and Little Wilgie Mia mineralised lenses is approximately 260 m length. Atlas reported it as concealed by a thin alluvial cover with mineralisation potentially continuing beneath.</p>
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<p>The Weld Range is a northwest-trending Archaean aged granite greenstone terrain of the Yilgarn Craton. It is a marked physiographic feature, 3–5 km wide, 40 km long, within which there is good exposure of metabasalts showing mainly doleritic and minor basaltic and gabbroic textures. Such exposures occur between ridges defined by weathered, steeply dipping beds of banded iron-formation which form less than 10% of the thickness of the sequence.</p> <p>The Iron Ridge Project contains one main BIF horizon which exhibits significant iron enrichment in two locations (Wilgie Mia and Little Wilgie Mia). The mineralisation comprises a mixture of banded hematite, goethite and shaly limonite iron ore. It has been documented that the primary ore mineral is martite. The ore lenses have formed by remobilization of iron and replacement of jaspilites (BIF) during deep-seated thermal metamorphism. Subsequent supergene oxidation, leaching and hydration of the iron ore has resulted in the formation of goethite and the concentration of secondary hematite (occasionally in the form of red ochre).</p>
Drillhole information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> ○ easting and northing of the drillhole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar ○ dip and azimuth of the hole ○ downhole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>All drillhole details are included in</p> <p>Table 2 (set out below this table).</p>
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<p>Reported grades for the Main BIF and Little BIF are based on the weighted average of raw grades from the Atlas Iron Mineral Resource which applied a 50% Fe cut. This is appropriate for an Exploration Target and a reasonable representation of the Project's grade.</p>
Relationship between	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. 	<p>Three parallel to sub-parallel ranges of BIF occur on the tenement. The Main BIF (mapped as hematite) is some 550 m wide, with much thinner (several metres) BIF</p>

Criteria	JORC Code explanation	Commentary
mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i> <i>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</i> 	<p>ridges to the south (designated Little BIF 1 and Little BIF 2 respectively). Little BIF 1 and Little BIF 2 are defined by discontinuous goethitic outcrops at a lower elevation than the Main BIF.</p> <p>The BIF ridges dip steeply and uniformly to the northwest. All drillholes were angled approximately 45-70° with an azimuth perpendicular to the BIF strike to provide as near a “true” intercept thickness as realistically possible. The reported intercepts of hematite mineralisation are fair and reasonable for the reporting of an Exploration Target.</p> <p>Drill-holes pierce the mineralisation at a high angle. Four “scissor” holes are orientated in the reverse direction to the prevailing drilling direction (NNW), which has increased the confidence in the interpretation of the thickness of the mineralisation.</p>
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i> 	<p>Diagrams outlining the Exploration Target minimum and maximum cases, and proposed drill areas are included as Figure 4 and Figure 5 (set out below this table).</p>
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<p>The tonnages were estimated as a product of the measured surface area of the interpreted hematite mineralisation, the interpreted average thickness of hematite and an applied density of 3.7 t/m³. The density is consistent with industry reported densities and the density applied for the 2009 Inferred Mineral Resource estimate. However, this is more applicable to the hematite mineralisation, not the goethite of Little BIF 1 and Little BIF 2 which is more likely to carry a slightly lower density. However, for the purposes of the Exploration Target, the density was left consistent across all BIF units with any differences accommodated by an applied risk factor.</p> <p>A risk factor of 50% was applied to all the cases, that reflect the uncertainty in the continuity of mineralisation at depth, along strike and the density within the Little BIF 1 and Little BIF 2 units.</p> <p>Minimum (Low) Case is constrained by the mapped extent of mineralisation in the Main BIF and a small parallel range of BIF to the south (here called “Little BIF 1”). The northeast extent of the Main BIF outside of the mapped hematite is interpreted to be faulted bounded by dolerite as mapped by the Competent Person during the field visit in March 2018. The south-western extent of the Main BIF is marked by a notably decrease in topography and covered by alluvials which is interpreted as a fault contact despite no presence of dolerite.</p> <p>The mineralogy of the deposit comprises a specular and earthy hematite with minor goethite. The density of 3.7 is acceptable for the hematite mineralisation but may be too high for the goethitic mineralisation on Little BIF 1 and 2. It was assumed that the goethitic mineralisation extended to the same depth as the hematite on the Main BIF ridge and did not mask hematite at depth. For the Minimum Case, the outcrops delineating Little BIF 1 and Little BIF 2 were considered too small and doubtful</p>

Criteria	JORC Code explanation	Commentary
		<p>(uncertain whether they existed) to be included, as they were not viewed during the field visit.</p> <p>Maximum Case: The Main BIF, Little BIF 1 and Little BIF 2 were assumed to be continuous along strike to the limit of the area to the southwest (the creek line that designated the boundary of the exclusion zone). This included the area to the west of the outcrop that was covered by alluvials but was along strike with Little Wilgie Mia (in the exclusion zone). The assumption was made that in the Maximum Case the mineralisation would continue beneath the detritals with minimal disruption (i.e. there is no faulting). To the east, a northwest-trending fault was interpreted to constrain the mineralisation in all three ridges. Mineralisation was interpreted to continue at depth below the current drilling to a depth of approximately 200 m, or approximately 80 m beneath the current depth extent of the Mineral Resource.</p>
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<p>There has been no other meaningful exploration work completed on the Weld Range Hematite Project which contributes to the understanding of the Exploration Target.</p>
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<p>To determine the probability of the Maximum Case and support any potential future Mineral Resource estimation, the Competent Person recommends an RC drilling program with wide spaced reconnaissance drillholes on the Maximum Case polygons for the Main BIF. The grade and potential tonnage of Little BIF 1 and Little BIF 2 do not warrant any further exploration at this stage. Should the drilling on the Main BIF intersect substantial mineralisation, then this will need to be reviewed. Where possible, the holes should be angled at 60° to the northwest to account for the consistent steep southeast dip of the BIF.</p> <p>The primary objective of the drilling is to develop an understanding of the depth, lateral extents and stratigraphy of the BID therefore addressing the key geological risks.</p>

Table 2: Drill hole summary of relevant data used in Exploration Target and Mineral Resource estimate

Hole ID	Project	Tenement	Easting	Northing	RL	Survey Date	Survey Method	Survey date	Survey company	Grid	Collar comments	Drill type	Drill depth (M)	Drill company	Azimuth	Dip	Survey Comments
DDH04	Weld Range	M20/118	567881.9	7019426	526	1-Jan-61	GPS	1-Jan-61	GSWA	MGA94_Z50	Collar accuracy +/-10m	DDH	244.4	GSWA	326	-45	Local azim calc by subtracting 60 from NAT azim
DDH05	Weld Range	M20/118	567992.6	7019472	523	1-Jan-61	GPS	1-Jan-61	GSWA	MGA94_Z50	Collar accuracy +/-10m	DDH	184.4	GSWA	335	-45	Local azim calc by subtracting 60 from NAT azim
DDH06	Weld Range	M20/118	567845.9	7019479	538	1-Jan-61	GPS	1-Jan-61	GSWA	MGA94_Z50	Collar accuracy +/-10m	DDH	130.8	GSWA	327	-45	Local azim calc by subtracting 60 from NAT azim
DDH08	Weld Range	M20/118	567705.7	7019367	526	1-Jan-61	GPS	1-Jan-61	GSWA	MGA94_Z50	Collar accuracy +/-10m	DDH	125.3	GSWA	328	-40	Local azim calc by subtracting 60 from NAT azim
DDH09	Weld Range	M20/118	567200.7	7019012	519	1-Jan-61	GPS	1-Jan-61	GSWA	MGA94_Z50	Collar accuracy +/-10m	DDH	198.1	GSWA	320	-50	Local azim calc by subtracting 60 from NAT azim
UM/WR/W3-1	Weld Range	M20/118	567878.9	7019561	542	1-Dec-73	GPS	1-Dec-73	UNIV MILL	MGA94_Z50	Collar accuracy +/-10m	VAC	5	UNIV MILL	325	-60	Local azim calc by subtracting 60 from NAT azim
UM/WR/W3-2	Weld Range	M20/118	567874.9	7019565	542	1-Dec-73	GPS	1-Dec-73	UNIV MILL	MGA94_Z50	Collar accuracy +/-10m	VAC	5	UNIV MILL	329	-60	Local azim calc by subtracting 60 from NAT azim
UM/WR/W3-3	Weld Range	M20/118	567884.2	7019552	542	1-Dec-73	GPS	1-Dec-73	UNIV MILL	MGA94_Z50	Collar accuracy +/-10m	VAC	5	UNIV MILL	331	-60	Local azim calc by subtracting 60 from NAT azim
UM/WR/W3-5	Weld Range	M20/118	567891.3	7019544	542	1-Dec-73	GPS	1-Dec-73	UNIV MILL	MGA94_Z50	Collar accuracy +/-10m	VAC	5	UNIV MILL	326	-60	Local azim calc by subtracting 60 from NAT azim
WRR001	Weld Range	M20/118	567783	7019514	544	23-Mar-97	GPS	23-Mar-97	COM MIN	MGA94_Z50	Collar accuracy +/-2m	RC	55	COM MIN	0	-50	Local azim calc by subtracting 60 from NAT azim
WRR002	Weld Range	M20/118	567837.1	7019581	544	25-Mar-97	GPS	25-Mar-97	COM MIN	MGA94_Z50	Collar accuracy +/-2m	RC	64	COM MIN	180	-60	Local azim calc by subtracting 60 from NAT azim
WRR003	Weld Range	M20/118	567886.1	7019617	548	25-Mar-97	GPS	25-Mar-97	COM MIN	MGA94_Z50	Collar accuracy +/-2m	RC	60	COM MIN	133	-50	Local azim calc by subtracting 60 from NAT azim
WRR004	Weld Range	M20/118	567858.5	7019592	544	26-Mar-97	GPS	26-Mar-97	COM MIN	MGA94_Z50	Collar accuracy +/-2m	RC	60	COM MIN	150	-55	Local azim calc by subtracting 60 from NAT azim
WRR005	Weld Range	M20/118	567862	7019598	546	26-Mar-97	GPS	26-Mar-97	COM MIN	MGA94_Z50	Collar accuracy +/-2m	RC	60	COM MIN	105	-50	Local azim calc by subtracting 60 from NAT azim
WRR006	Weld Range	M20/118	567866	7019584	536	26-Mar-97	GPS	26-Mar-97	COM MIN	MGA94_Z50	Collar accuracy +/-2m	RC	30	COM MIN	0	-90	Local azim calc by subtracting 60 from NAT azim
WRR001	Weld Range	M20/118	567772.9	7019514	543.261	9-Dec-08	DGPS	5-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	42	ATLAS	330	-50	
WRR002	Weld Range	M20/118	567832.4	7019500	539.971	31-Oct-08	DGPS	5-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	96	ATLAS	330	-50	
WRR003	Weld Range	M20/118	567878.5	7019520	538.669	31-Oct-08	DGPS	5-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	90	ATLAS	330	-50	
WRR004	Weld Range	M20/118	567794.5	7019488	539.571	31-Oct-08	DGPS	6-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	78	ATLAS	330	-50	
WRR005	Weld Range	M20/118	567886.6	7019547	542.219	31-Oct-08	DGPS	6-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	84	ATLAS	330	-50	
WRR006	Weld Range	M20/118	567655.1	7019361	527.402	31-Oct-08	DGPS	7-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	120	ATLAS	330	-50	
WRR007	Weld Range	M20/118	567660.6	7019352	526.884	31-Oct-08	DGPS	8-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	66	ATLAS	150	-70	
WRR008	Weld Range	M20/118	567932	7019494	531.015	31-Oct-08	DGPS	8-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	72	ATLAS	330	-50	
WRR009	Weld Range	M20/118	567874.1	7019461	531.754	31-Oct-08	DGPS	8-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	42	ATLAS	330	-50	
WRR010	Weld Range	M20/118	567713.3	7019391	529.362	31-Oct-08	DGPS	9-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	114	ATLAS	330	-50	
WRR011	Weld Range	M20/118	567803.5	7019482	538.651	31-Oct-08	DGPS	10-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	103	ATLAS	330	-60	
WRR012	Weld Range	M20/118	567911.4	7019546	541.237	31-Oct-08	DGPS	10-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	79	ATLAS	330	-50	
WRR013	Weld Range	M20/118	567883.1	7019511	538.42	31-Oct-08	DGPS	11-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	102	ATLAS	330	-60	
WRR014	Weld Range	M20/118	567733.3	7019371	524.215	31-Oct-08	DGPS	11-Sep-08	MHR SURVEYORS	MGA94_Z50		RC	43	ATLAS	330	-60	

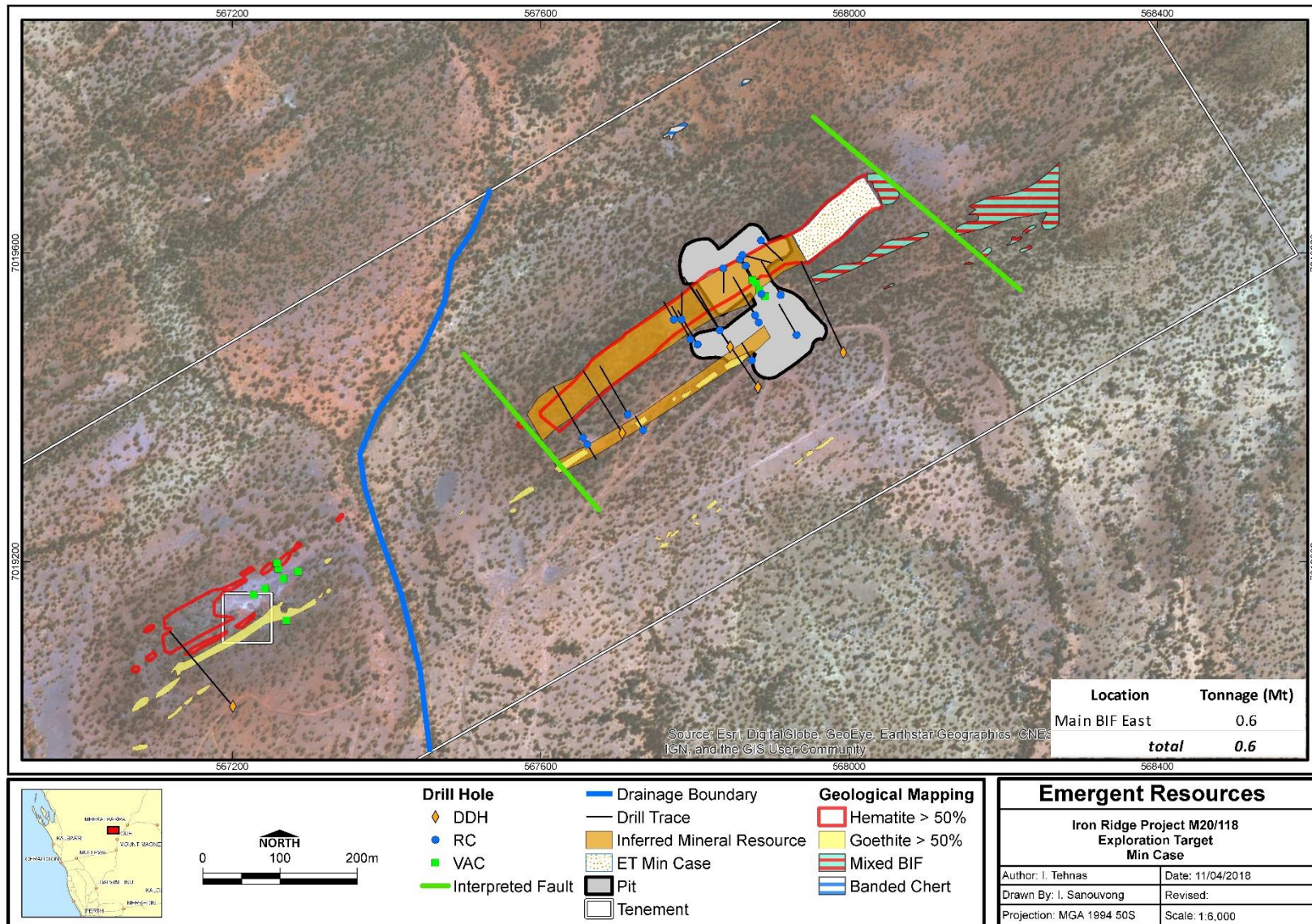


Figure 4: Iron Ridge Exploration Target – Minimum Case.

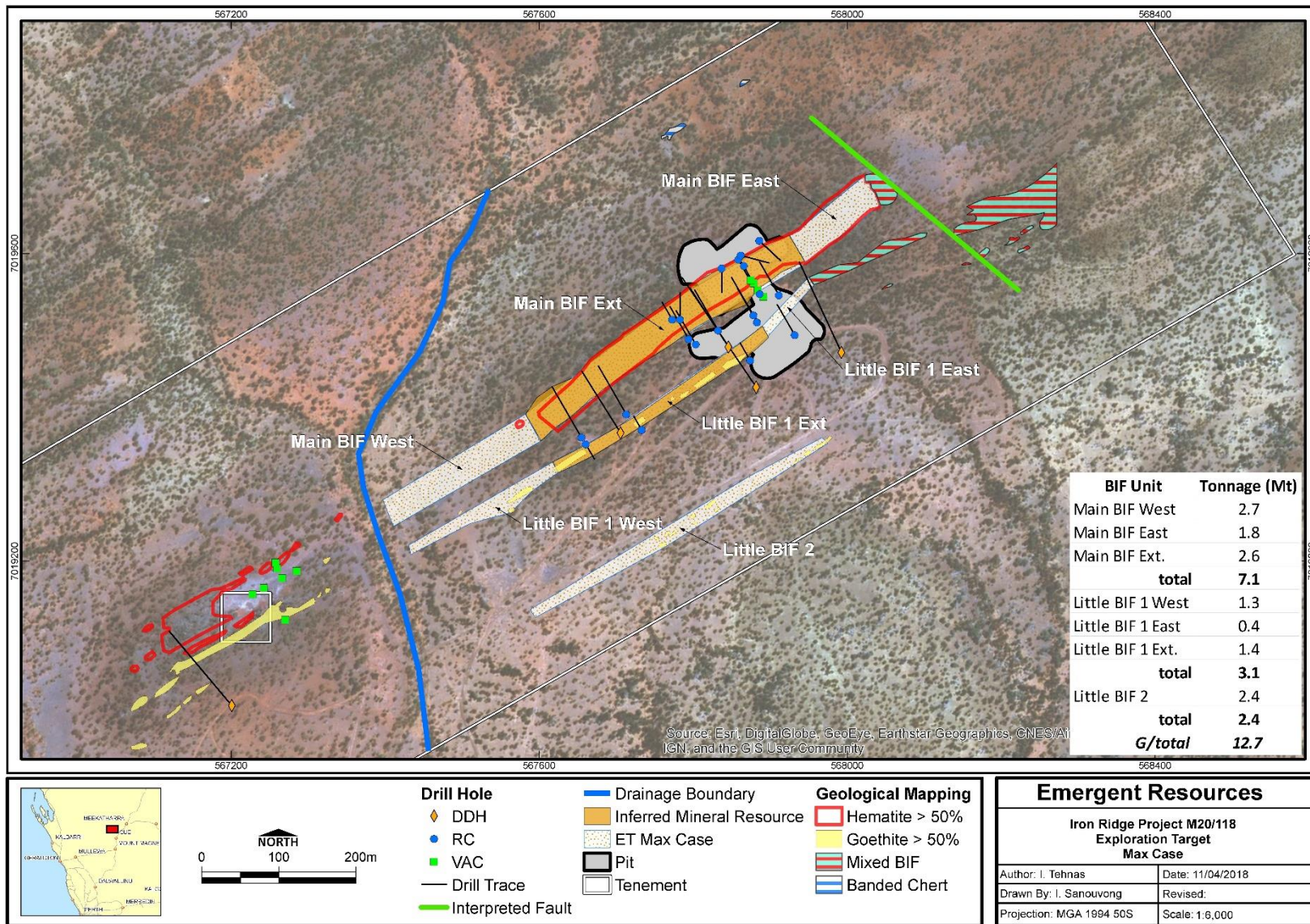


Figure 5: Iron Ridge Exploration Target – Maximum Case - Inset totals may not sum correctly due to rounding.

Appendix 1: JORC Code, 2012 Edition – Iron Ridge Table 1 (Mineral Resource estimate)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<p>Samples used in the estimation of grade in the Mineral Resource were collected by Atlas Iron Limited (Atlas) in 2008 by reverse circulation percussion (RCP). Some samples were also collected from RC (1995), vacuum (1973) and diamond drilling (1962) techniques, although these were used in defining the mineralisation envelope only.</p> <p>All the 2008 samples were 2 m composites, except where the drillholes terminated on an odd metre interval. All samples were dry, and cone split with no water table intercepted during drilling. In the event where the sample exceeded 3 kg, it was then split down to a smaller sample. The samples were processed by Ultratrace laboratories in Perth for x-ray fluorescence (XRF) analysis. The laboratories' procedures were not available, nor details of the sample preparation reported.</p> <p>CSA Global considers the sampling techniques acceptable for the purposes of generating/supporting the Mineral Resource.</p>
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<p>The drilling used to collect samples for the estimation of the Mineral Resource comprised RCP drilling completed by Atlas in 2008 (14 RCP drillholes for 1,131 m).</p> <p>Other techniques were also previously applied, including RC (1995), vacuum (1973) and diamond drilling (1962) although the results from these earlier holes were only used to guide interpretation.</p>
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<p>Sample recoveries were not estimated or reported for any of the destructive drill techniques. The 1962 diamond drilling reported recoveries between 6% and 88% although these could not be verified through retention of sample or photography.</p> <p>No relationship between recovery/grade was able to be assessed.</p>
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>There was no original drill logging available for the 2008 Atlas RCP drillholes. The database extract contained only indecipherable codes.</p> <p>There were no photographs supporting the geological logging.</p> <p>The level of detail is sufficient only for an Inferred Mineral Resource.</p> <p>The 1995 RC drillholes were geologically logged to a reasonable level of detail.</p>
Subsampling techniques and	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet</i> 	<p>RCP samples were collected dry and via a cone splitter. This method is appropriate for reporting a Mineral Resource.</p>

Criteria	JORC Code explanation	Commentary
sample preparation	<p><i>or dry.</i></p> <ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>Field duplicates were taken every 25th and 75th sample. Results were reported by Atlas to indicate good correlation between original and duplicate assays, indicating good accuracy with sample procedure. The reported collection of field duplicates is appropriate.</p> <p>The raw field quality assurance/quality control (QAQC) results were not available and not reviewed by CSA Global.</p> <p>RCP samples were reported to weigh between 2 kg and 4 kg, which is appropriate. Where the primary sample exceeded 3 kg it was then split down to a smaller sample. Where reported, the Competent Person considers the subsampling appropriate for the reporting of an Inferred Mineral Resource.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>All RCP samples were sent to Ultratrace in Perth for XRF analysis. Original laboratory procedures and results were not available or viewed by CSA Global. Ultratrace, however are reputable in the iron ore industry and XRF is the standard analysis technique adopted by the industry.</p> <p>Atlas reported they generated commercial standards which were inserted every 40th/41st and 80th/81st respectively. The standards performed well within nominated tolerance limits. One internal laboratory standard displayed poor performance and has been discarded. The raw QAQC standard results were not available and not reviewed by CSA Global.</p> <p>The performance of the internal laboratory checks was not reported.</p> <p>A density of 3.7 t/m³ was applied. The density is consistent with industry reported densities and the density applied for the 2009 Inferred Mineral Resource.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>CSA Global visited the Mineral Resource area on 12 March 2018 and can confirm the presence of hematite mineralisation across the defined Mineral Resource outcrop. There were no twinned holes drilled or analysis completed.</p> <p>The data entry, storage and documentation of primary data was completed on Microsoft Excel spreadsheets and local hard drives. This is not appropriate, however given the relatively small size of the drill program supporting the Mineral Resources, it is not perceived as a significant risk.</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>All drillhole collar locations were reported surveyed in by licensed surveyors MHR Surveying and Planning Ltd using a Trimble R8 Real Time Kinematic Differential Global Positioning System (DGPS). All collar positions are recorded in GDA format and then uploaded into the database as the final collar positions. The collars were transformed to a local grid system.</p> <p>The collar survey transformation from GDA94 to local grid was not provided, however, CSA Global used two points of the mineralisation interpretation strings to match the appropriate drillhole pierce points, which allowed a 2D database transform from GDA94 to local grid, as follows:</p> <ul style="list-style-type: none"> Point 1 (intercept of Hole ID=DDH08): <ul style="list-style-type: none"> GDA94: Y=7019415.806; X=567675.015; Z=477.412

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> ○ Local grid: Y=18950.814; X=7951.196; Z=477.412. ● Point 2 (intercept of Hole ID=WRR012): <ul style="list-style-type: none"> ○ GDA94: Y=7019572.445; X=567895.984; Z=504.467 ○ Local grid: Y=18976.535; X=8220.506; Z=506.588. <p>The transformation of the drillhole database caused an imprecise transform of the drillhole pierce points compared to the wireframes, but the error was minimal and allowed CSA Global to perform the review within reasonable limits.</p> <p>CSA Global were not provided and did not verify any original survey report.</p> <p>There was no downhole survey to determine the accurate deviation of the drillholes. Although assumed deviations have been reported and appear acceptable for an Inferred Mineral Resource, to improve the confidence in the Mineral Resource downhole survey must be completed.</p> <p>The CSA Global field verification locations were collected by a handheld Garmin GPS. This method is considered appropriate for the field verification.</p>
Data spacing and distribution	<ul style="list-style-type: none"> ● <i>Data spacing for reporting of Exploration Results.</i> ● <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> ● <i>Whether sample compositing has been applied.</i> 	<p>The Mineral Resource was estimated on a variable 50–100 m x 10–25 m drill spacing grid which is appropriate to establish the geological and grade continuity for an Inferred Mineral Resource.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> ● <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> ● <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<p>The drillholes were angled appropriately to intersect the hematite mineralisation at a high angle or any structures.</p> <p>No major structures were reported in the drilling or noted during the field reconnaissance which could negatively impact the Mineral Resource by introducing sampling bias.</p>
Sample security	<ul style="list-style-type: none"> ● <i>The measures taken to ensure sample security.</i> 	<p>Sample security was not applicable. No residual samples were maintained.</p>
Audits or reviews	<ul style="list-style-type: none"> ● <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>CSA Global completed a high-level review and fatal flaw analysis of the Project. Deficiencies in the data integrity were reported – notably sampling methods, sampling recoveries, survey and QAQC which may have impacted the declared Mineral Resource were poorly reported. This has been considered when classifying the Mineral Resource.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary										
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>The Project is located in the Mid-West region of Western Australia and comprises one granted Mining Lease (M20/118) situated approximately 380 km northeast of Geraldton and some 50 km north-northwest of the township of Cue, Western Australia. The Mining Lease is held 100% by Weld Range Iron Ore Pty Ltd, a wholly owned subsidiary of Prometheus Mining Pty Ltd. Prometheus has provided CSA Global with approval to report the Mineral Resources in accordance with the JORC Code.</p> <p>There are no fatal flaws or impediments preventing operating the Mining Lease.</p>										
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>The quality of the exploration by previous parties was variably. It is of sufficient quality and quantity to support an Inferred Mineral Resource.</p> <p>The relevant historical work covering M20/118 is summarised below:</p> <p>1959–1962 (Geological Society of Western Australia)</p> <p>Government of Western Australia made a proposal to diamond drill six then-known lenses of hematite in the Weld Range.</p> <p>Mapping on 1" to 50 chains scale by Jones and Gemuts. Lenses W1 to W6 were mapped on contour plans at 100 feet to 1". Lenses W3 and W4 lie within the current Mining Lease.</p> <p>Five diamond drillholes for 883 m were completed by the Western Australian Government in the Wilgie Mia lease, what is now M20/118. Drillholes were inclined –40/50°.</p> <p>1973 (Universal Milling Company Pty Ltd)</p> <p>Vacuum holes were drilled at W3 (MIO open pit area) and W4 (area of small exclusion). The W4 holes included material outside of banded iron formation (BIF) and were not logged or assayed. The W3 holes were drilled in BIF and the results from these five drillholes tabulated below.</p> <table border="1" data-bbox="1167 1374 1899 1453"> <thead> <tr> <th>Hole ID</th> <th>From (m)</th> <th>To (m)</th> <th>Length (m)</th> <th>Fe %</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Hole ID	From (m)	To (m)	Length (m)	Fe %					
Hole ID	From (m)	To (m)	Length (m)	Fe %								

Criteria	JORC Code explanation	Commentary				
		UM/WR/W3-1	0.9	13.7	12.8	65.2
		UM/WR/W3-2	0.6	10.7	10.1	66.3
		UM/WR/W3-3	0.9	20.4	19.5	61.2
		UM/WR/W3-4	1.2	17.7	16.5	62.3
		UM/WR/W3-5	0	10.7	10.7	66.3
		<p>1992–2000 (Commercial Minerals Limited – CML)</p> <p>1992–1993</p> <p>Completed reconnaissance mapping and historic data compilation. Reconnaissance mapping at 1:8000 scale using 1980 aerial photography.</p> <p>Mapping of the iron oxide quarry at 1:250 using a tape measure.</p> <p>1995–1996</p> <p>Mining of 8,000 t from a 4.5 m cut in the existing quarry. 6,000 t crushed on site over a three-day period. 1,000 t transported to Perth for storage.</p> <p>Mining described the increase of specular hematite with depth. Described as metallic grey with a characteristic red streak.</p> <p>Sample analysis by CML’s Technical Service division in Footscray Victoria.</p> <p>1996–1997</p> <p>Six RC drillholes (WRR01-06) totalling 329 m drilled with an Edson 600 drill rig in and adjacent to the iron oxide quarry. Purpose was to test the strike extent of the ore zone.</p> <p>Results confirmed an ore zone with dimensions of 50 m laterally/strike, 25 m width and at least 50 m depth. Further to the east and west, the ore pinches out with a maximum strike length of 100 m.</p> <p>78 composited samples sent to Analabs in Perth for XRF analysis.</p> <p>2007 (MinCorp Consultants Pty Ltd)</p> <p>Engaged by Atlas to research and compile the historic exploration data on Wilgie Mia and design a drill program.</p>				

Criteria	JORC Code explanation	Commentary																
		<p>2007–2011 (Atlas Iron Limited)</p> <p><i>2007</i></p> <p>14 rock chip samples (ARK00547 to ARK00560). Grading from 55% to 67% Fe, variable silica, alumina and phosphorous.</p> <p>Risks were identified: Poor grade continuity, internal waste with dolerite/shales, mineralisation pinching out at depth, moderate to high P levels.</p> <p><i>2008</i></p> <p>1:1,000 scale mapping of the Weld Range Project in conjunction with rock chip traverse sampling.</p> <p>A total of 14 RC drillholes for 1,131 m were completed focused on testing the grade and mineralisation continuity along 300 m of the identified 500 m of prospective strike. It was this drilling campaign and only these drillholes <u>support the 2009 Mineral Resource which has been re-reported herein.</u></p> <p>Drill spacing was on a variable 50–100 m x 10–25 m grid.</p> <p><i>2009</i></p> <p>Atlas estimated an Inferred Mineral Resource in December 2009, its classification due to limited drilling with no diamond core to gauge properties. In CSA Global’s opinion, this is an important fact. Without diamond core or extremely high quality and detailed RC logging, there is no confidence in concluding that Weld Range can produce a premium lump product, particularly if the mineralisation comprises significant amounts of specularite. The M20/118 Resource estimation is tabulated below.</p> <table border="1" data-bbox="1167 1158 1883 1265"> <thead> <tr> <th>Category</th> <th>Tonnes (Mt)</th> <th>Fe%</th> <th>SiO₂%</th> <th>Al₂O₃%</th> <th>P%</th> <th>S%</th> <th>LOI%</th> </tr> </thead> <tbody> <tr> <td>Inferred</td> <td>5.02</td> <td>64.1</td> <td>3.29</td> <td>2.73</td> <td>0.049</td> <td>0.06</td> <td>1.58</td> </tr> </tbody> </table> <p><i>2011</i></p> <p><i>Review of the Atlas Mid-West Tenements.</i></p> <p>The enriched zone is described as 550 m x 40 m wide and at Little Wilgie Mia 370 m x 45 m width. It dips 80° to the south and has been interpreted in excess of 80 m depth.</p>	Category	Tonnes (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%	Inferred	5.02	64.1	3.29	2.73	0.049	0.06	1.58
Category	Tonnes (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	S%	LOI%											
Inferred	5.02	64.1	3.29	2.73	0.049	0.06	1.58											

Criteria	JORC Code explanation	Commentary
		<p>The area between the Wilgie Mia and Little Wilgie Mia mineralised lenses is approximately 260 m length. Atlas reported it as concealed by a thin alluvial cover with mineralisation potentially continuing beneath.</p>
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>The Weld Range is a northwest trending Archaean aged granite greenstone terrain of the Yilgarn Craton. It is a marked physiographic feature, 3–5 km wide, 40 km long, within which there is good exposure of metabasalts showing mainly doleritic and minor basaltic and gabbroic textures. Such exposures occur between ridges defined by weathered, steeply dipping beds of banded iron-formation which form less than 10% of the thickness of the sequence.</p> <p>The Weld Range Project contains one main BIF horizon which exhibits significant iron enrichment in two locations (Wilgie Mia and Little Wilgie Mia). The mineralisation comprises a mixture of banded hematite, goethite and shaly limonite iron ore. It has been documented that the primary ore mineral is martite. The ore lenses have formed by remobilisation of iron and replacement of jaspilites (BIF) during deep-seated thermal metamorphism. Subsequent supergene oxidation, leaching and hydration of the iron ore has resulted in the formation of goethite and the concentration of secondary hematite (occasionally in the form of red ochre).</p>
Drillhole information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drillhole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>downhole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<p>Not applicable. Mineral Resource being reported. See Section 3 Estimation and Reporting of Mineral Resources.</p>
Data aggregation methods	<ul style="list-style-type: none"> • <i>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.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and</i> 	<p>Not applicable. Mineral Resource being reported. See Section 3 Estimation and Reporting of Mineral Resources.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.</i> <i>If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').</i> 	Drill-holes pierce the mineralisation at a high angle. Four “scissor” holes are orientated in the reverse direction to the prevailing drilling direction (NNW), which has increased the confidence in the interpretation of the thickness of the mineralisation.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.</i> 	Not applicable. Mineral Resource being reported. See Section 3 Estimation and Reporting of Mineral Resources.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	Not applicable. Mineral Resource being reported. See Section 3 Estimation and Reporting of Mineral Resources.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	There has been no other meaningful exploration work completed on the Iron Ridge Project which contributes to the understanding of the Mineral Resource.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	Further RCP drilling is warranted to test to lateral and depth extents of the defined Mineral Resource.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	No measures are known to the Competent Person.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	The Competent Person has made approximately four site visits to the area from 2008 to 2016.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<p>The confidence in the geological interpretation is low.</p> <p>Two mineralisation lenses were modelled, with the remainder of the model area implicitly defined as waste. The mineralisation appropriately defines the widths of the mapped boundaries and the high-grade populations statistically defined.</p> <p>No oxidation, overburden or supergene enrichment wireframes, such as hard-cap, detrital or canga units were modelled. However, the CP is satisfied that the mineralisation model is appropriate, and no alternative interpretation is warranted given the limited drillhole data.</p> <p>The logging shows considerable misidentification of mineralisation as low-grade BIF. Therefore, use of logging in interpretation is not appropriate for definition of mineralisation boundaries. However, assays provide sufficient information for modelling the geological continuity.</p> <p>The drillhole data show sharp contacts from the mineralisation to all other lithologies. The two mineralisation lenses modelled reflect the mapping data for the outcropping boundaries, are visually represented in the drillhole data and incorporate the high-grade population statistically defined for Fe%.</p> <p>The Competent Person is satisfied that the wireframe volumes are not over-embellished in lateral extents. The east-west strike length (by local grid) appropriately reflects the geology.</p> <p>The mineralisation modelling cut-off was 50% Fe, as defined by visual and statistical validation. A high-grade population is evident above 50–55% Fe.</p> <p>Two diamond holes (1962 drill program) do not align with the mineralisation interpretation. The downhole survey data and potentially the collar survey data is unreliable, but provide a qualitative, visual comparison that the mineralisation intercepted in the Atlas drillholes are in the same local area as historical drilling. Furthermore, it indicates that the mineralisation interpretation is conservative to depth.</p>
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	The interpreted mineralisation for domain 1, which carries all Mineral Resources, is approximately 420 m in strike length, and consistently 40–45 m width and 120 m vertical thickness.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> • <i>The assumptions made regarding recovery of by-products.</i> • <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> • <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> • <i>Any assumptions behind modelling of selective mining units.</i> • <i>Any assumptions about correlation between variables.</i> • <i>Description of how the geological interpretation was used to control the resource estimates.</i> • <i>Discussion of basis for using or not using grade cutting or capping.</i> • <i>The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</i> 	<p>The estimation technique has been assumed to be Ordinary Kriging based on the attribute suffixes of “_ok” in the names. The estimated grades globally compare well to the length-weighted input composite data and raw assay data used to model the Mineral Resources. Model validation shows the estimated grades locally reflect the input data; therefore, for Inferred Mineral Resources the estimation has been carried out appropriately. No treatment was applied to extreme grades, as none existed. The interpolation parameters are unknown. Surpac software was used to estimate the grades, but the version is unknown.</p> <p>No QKNA was performed to assist any decision on the block model size or estimation parameters.</p> <p>A previous estimate by Atlas was unchanged for this estimate, which yielded the same resource figures when reported independently by the Competent Person.</p> <p>No assumptions have been made regarding the recovery of by-products.</p> <p>The key deleterious elements have been estimated, being SiO₂%, Al₂O₃%, P%, LOI% and S%. TiO₂%, CaO% and MgO% are other potential key deleterious variables that should be considered for future Mineral Resource estimates.</p> <p>Considering the nominal drillhole spacing between sections is 70–80 m eastwards along strike and, where multiple holes exist, 40 m across strike and 30 m down-dip, the block sizes of 20 m in the X direction, 40 m in the Y direction and 10 m in the Z direction are appropriate.</p> <p>Selective mining units (SMUs) were not considered in the modelling.</p> <p>No assumptions were made about correlation between variables.</p> <p>The estimation of all grades was restricted to grades composited from the domain 1 wireframe only and estimated within blocks coded by the same domain 1 wireframe only.</p> <p>Statistical assessment showed capping should not be applied to Fe%, as the data showed a continual distribution of grades. No capping or cutting was applied to the deleterious variables.</p> <p>Global statistics of length-weighted raw and composited grades, and estimated grades, were tabulated and plotted, then analysed. Validation X, Y and Z Swath plots and visual validation between drillholes and block model estimates was performed to validate the local grade estimates and estimation quality.</p>
Moisture	<ul style="list-style-type: none"> • <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	<p>The tonnages are estimated on a dry basis using a fixed dry density value assumed to be appropriate for the mineralisation in the region.</p>
Cut-off parameters	<ul style="list-style-type: none"> • <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	<p>A cut-off of >=50% Fe has been used to report Mineral Resources, which, in the view of the Competent Person, is appropriate for the deposit type and mineralisation style of the region.</p>
Mining factors or assumptions	<ul style="list-style-type: none"> • <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction</i> 	<p>The Mineral Resources are assumed to be extractable by open pit methods due to the outcropping nature.</p>

Criteria	JORC Code explanation	Commentary
	<i>to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	The thickness, continuity and tenor of mineralisation is comparable to similar deposits currently being evaluated in the region. The outcropping mineralisation is amenable to open pit extraction methods. The alumina grades are high for a Direct Shipping Ore (DSO) project, which indicates a high level of clay-rich material in the mineralisation that may be difficult to remove to create a saleable product.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i> 	No metallurgical factors have been applied, but the tenor and style of the mineralisation is assumed to be amenable to creating lump and/or fines DSO products based on material in similar deposits proximal to the Mineral Resource.
Environmental factors or assumptions	<ul style="list-style-type: none"> <i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i> 	The waste is assumed to contain low potentially acid forming minerals based on the logging of dolerite, chlorite schist, BIF and massive iron mineralisation. Sulphide content in the assays is very low, with dolerite showing the highest global sulphur value of 1.41% S, but a mean of 0.04% S for 282 logged intervals. 2% of the global assays are above 0.1% S.
Bulk density	<ul style="list-style-type: none"> <i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i> <i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i> <i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i> 	Assumed, fixed values of 3.7 t/m ³ for mineralisation and 2.5 t/m ³ for waste were assigned as dry bulk density values. These were assumed to be appropriate for the mineralisation in the region. The density applied is unreliable for a global or local estimate, which is reflected in the low confidence of the Mineral Resources.
Classification	<ul style="list-style-type: none"> <i>The basis for the classification of the Mineral Resources into varying confidence categories.</i> <i>Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	The Mineral Resource classification of Inferred is appropriate in the opinion of the Competent Person for the following reasons: <ul style="list-style-type: none"> <i>The confidence in the location of drillholes is low</i> <i>The drillhole spacing of nominally 80 m along strike, extending to 120 m, is too great to provide a reliable geological interpretation and estimation of grades</i> <i>No quality control data is available to assess the precision and accuracy of assays</i> <i>The density data is unreliable</i> <i>No data exists to confirm what marketable and economic products the mineralisation can produce.</i>
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	The Atlas (2009) Mineral Resource was reviewed by CSA Global, concluding that the low-confidence Inferred classification applied was warranted.

Criteria	JORC Code explanation	Commentary
<p>Discussion of relative accuracy/ confidence</p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<p>The following methods were used to validate and determine the confidence in the estimate, leading the Competent Person to conclude that the Mineral Resources should be classified as Inferred:</p> <ul style="list-style-type: none"> • <i>Confidence in the data is low.</i> • <i>Confidence in the geological model is low.</i> • <i>The number of samples used to estimate the Fe% grades is highest, and average distance to samples lowest, in the core of the Mineral Resource domain 1 and around drillholes, particularly in the east where drillhole density is highest. However, the number of samples drops, and average distance increases rapidly moving away from the drillholes.</i> • <i>The slope of regression is largely poor for the entire estimate. Global statistics show a faithful reproduction of the length-weighted composited assay data by the estimate, where the limited data exists. These observations indicate an estimate that is globally acceptable, but locally poor.</i>