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**BRONSON GROUP LIMITED  
(TO BE RENAMED 'MANDRAKE RESOURCES LIMITED')  
ACN 006 569 124  
NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 2:00 pm

**DATE:** 4 June 2019

**PLACE:** Level 4, The Read Buildings, 16 Milligan Street, Perth

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2:00 pm on 2 June 2019.***

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at Level 4, The Read Buildings, 16 Milligan Street, Perth (WST) on 4 June 2019 at 2:00 pm.

### Your vote is important

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

### Voting in person

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

### Voting by proxy

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

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

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and

- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6189 1155.***

**IMPORTANT NOTE**

**The Acquisition of Focus requires Shareholder approval under the ASX Listing Rules and therefore may not proceed if that approval is not forthcoming. ASX takes no responsibility for the contents of this Notice of Meeting.**

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – PROPOSED ACQUISITION OF FOCUS EXPLORATION PTY LTD

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, the acquisition of Focus as described in the Explanatory Statement is approved under and for the purposes of ASX Listing Rule 11.1.2 and for all other purposes."*

**Short Explanation:** The Company has entered into the Acquisition Agreement pursuant to which the Company has agreed to acquire 100% of the issued capital of Focus from the Focus Shareholders (Acquisition). If successful, the Acquisition will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, or an associate of that person (or those persons), if the Resolution is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – CONSOLIDATION OF CAPITAL

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:*

*(a) every 20 Shares be consolidated into 1 Share; and*

*(b) every 20 Options be consolidated into 1 Option,*

*(Consolidation) and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."*

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### 3. RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES TO FOCUS SHAREHOLDERS

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 12,500,000 Consideration Shares (on a post-Consolidation basis) to the Focus Shareholders in consideration for the Acquisition on the terms and conditions set out in the Explanatory Statement."*

**Short Explanation:** The Company has entered into the Acquisition Agreement pursuant to which the Company will acquire 100% of the issued capital of Focus from the Focus Shareholders. The Company seeks Shareholder approval for the issue of the Consideration Shares in accordance with ASX Listing Rule 7.1.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this Resolution by the Focus Shareholders and any other person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue of Consideration Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 4. RESOLUTION 4 – CAPITAL RAISING

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 250,000,000 Shares and up to 125,000,000 free attaching New Options (on a post-Consolidation basis) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution 4 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 5. RESOLUTION 5 – ISSUE OF CAPITAL RAISING SHARES AND NEW OPTIONS TO PHEAKES PTY LTD

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 7,500,000 Shares and 3,750,000 Options (on a post-Consolidation basis) to Pheakes*

Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Pheakes Pty Ltd (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – ISSUE OF CAPITAL RAISING SHARES AND NEW OPTIONS TO GRAHAM DURTANOVICH**

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares and 500,000 New Options (on a post-Consolidation basis) to Graham Durtanovich (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Durtanovich (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

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**7. RESOLUTION 7 – ISSUE OF BROKER OPTIONS TO THE LEAD MANAGER**

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 50,000,000 New Options (on a post-consolidation basis) to the Lead Manager (or its nominees) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by the Lead Manager (and its nominees) and any person who will obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 8. RESOLUTION 8 – ISSUE OF CONVERTING LOAN SHARES AND NEW OPTIONS

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 12,500,000 Shares and 12,500,000 New Options (on a post-Consolidation basis) (**Converting Loan Shares** and **Converting Loan Options**) to the Lenders (or their nominees) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 9. RESOLUTION 9 – ISSUE OF CONVERTING LOAN SHARES AND CONVERTING LOAN OPTIONS TO DEEP36 PTY LTD ATF DEEP SUPER

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 of the Convertible Loan Shares and 1,000,000 of the Convertible Loan Options (on a post-Consolidation basis) to Deep36 Pty Ltd ATF Deep Super (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Deep36 Pty Ltd ATF Deep Super (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 10. RESOLUTION 10 – ISSUE OF CONVERTING LOAN SHARES AND CONVERTING LOAN OPTIONS TO PHEAKES PTY LTD

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 6,000,000 of the Convertible Loan Shares and 6,000,000 of the Convertible Loan Options (on a post-Consolidation basis) to Pheakes Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Pheakes Pty Ltd (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**11. RESOLUTION 11 – APPROVAL TO CONVERT DEBT OWING TO ANGLO MENDA PTY LTD**

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,094,500 Shares and 1,094,500 New Options (on a post-Consolidation basis) to Anglo Menda Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Anglo Menda Pty Ltd (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**12. RESOLUTION 12 – APPROVAL TO CONVERT DEBT OWING TO BOB ALFRED PTY LTD ATF THE BOB ALFRED TRUST**

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

*"That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,710,500 Shares and 1,710,500 New Options (on a post-Consolidation basis) to Bob Alfred Pty Ltd ATF The Bob Alfred Trust (or its nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Bob Alfred Pty Ltd ATF The Bob Alfred Trust (or its nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.



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**13. RESOLUTION 13 – APPROVAL TO CONVERT DEBT OWING TO CHAPERON CORPORATE**

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

*“That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,765,500 Shares and 1,765,500 New Options (on a post-Consolidation basis) to Chaperon Corporate (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Chaperon Corporate (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**14. RESOLUTION 14 – APPROVAL TO CONVERT DEBT OWING TO MR GRAHAM DURTANOVICH**

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

*“That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 495,000 Shares and 495,000 New Options (on a post-Consolidation basis) to Mr Graham Durtanovich (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Durtanovich (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**15. RESOLUTION 15 – APPROVAL TO CONVERT DEBT OWING TO TOTAL EXCHANGE SERVICES**

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

*“That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 990,000 Shares and 990,000 New Options (on a post-Consolidation basis) to Total Exchange Services (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Total Exchange Services (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**16. RESOLUTION 16 – APPROVAL TO CONVERT DEBT OWING TO PHEAKES PTY LTD**

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

*“That, subject to and conditional upon the passing of all Acquisition Resolutions, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,805,000 Shares and 2,805,000 New Options (on a post-Consolidation basis) to Pheakes Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Pheakes Pty Ltd (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 17. RESOLUTION 17 – APPROVAL TO CONVERT DEBT OWING TO STEINEPREIS PAGANIN

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

*“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 4,340,227 Shares and 4,340,227 New Options (on a post-Consolidation basis) to Steinepreis Paganin (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Steinepreis Paganin (or its nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**18. RESOLUTION 18 – CHANGE OF COMPANY NAME**

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

*"That, subject to and conditional on the passing of all Acquisition Resolutions, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Mandrake Resources Limited."*

**Dated: 3 May 2019**

**By order of the Board**



**Stephen Buckley  
Company Secretary**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND TO THE PROPOSED ACQUISITION OF FOCUS EXPLORATION PTY LTD

#### 1.1 General Background

Bronson Group Limited (ASX: BGR) (**BGR** or the **Company**) is an Australian public company which has been listed on the Official List of the ASX since May 1987.

BGR was placed into voluntary administration on 9 June 2016 and was immediately suspended from quotation. On 7 October 2016, a pooled Deed of Company Arrangement (**DOCA**) was executed which included a recapitalisation proposal. On 2 June 2017, the Company announced the settlement of the recapitalisation and, accordingly, the company was no longer in a DOCA and control of the Company was handed back to new directors. The Company is now seeking a reinstatement to trading on the ASX.

As announced on 26 April 2019, the Company has entered into a binding heads of agreement (**Acquisition Agreement**) pursuant to which the Company has agreed to acquire 100% of the issued capital of Focus Exploration Pty Ltd (ACN 622 437 361) (**Focus**) from the parties set out in Section 1.2(a) (**Focus Shareholders**). The key terms of the Acquisition Agreement are set out in Schedule 1.

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Acquisition. The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition and satisfying all other requirements of ASX for the reinstatement to Official Quotation of the Company's Shares on the ASX (among other things).

If the Acquisition Resolutions are not approved at the Meeting, the Acquisition will not proceed and the Company's Securities will remain suspended from trading. If the Company has not re-complied with Chapters 1 and 2 of the ASX Listing Rules within 3 years of being suspended (which occurred on 9 June 2016), under current ASX policy ASX will seek to remove the Company from the Official List. If Shareholders have approved the Acquisition Resolutions, and the Company has lodged the Prospectus in relation to the Capital Raising prior to that date, the Company intends to seek a short 3 month extension from ASX to allow time to complete the Acquisition and the Capital Raising and re-comply with Chapters 1 and 2 of the ASX Listing Rules. There is no guarantee that ASX will grant that extension.

#### 1.2 Summary of Resolutions

This Notice of Meeting sets out the Resolutions necessary to complete the Acquisition and associated transactions (**Acquisition Resolutions**). Each of the Acquisition Resolutions are conditional upon the approval by Shareholders of each of the other Acquisition Resolutions. If any of the Acquisition Resolutions are not approved by Shareholders, all of the Acquisition Resolutions will fail and completion of the Acquisition will not occur.

A summary of the Acquisition Resolutions is as follows:

- (a) the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations, for which Shareholder approval is required under ASX Listing Rule 11.1.2 (Resolution 1);
- (b) the consolidation of the Company's Securities on such basis as will result in the Company having 3,248,594 Shares and 3,000,000 Options on issue on a post-Consolidation basis (Resolution 2);
- (c) the issue of the Consideration Shares to the Focus Shareholders in consideration for the Acquisition (Resolution 3);
- (d) the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules and, to achieve this, must successfully undertake a capital raising by issuing 225,000,000 Shares at \$0.02 per Share and 112,500,000 free attaching New Options, to raise at least \$4,500,000 (**Capital Raising**). The Company may accept oversubscriptions of up to \$500,000 under the Capital Raising to raise a total of up to \$5,000,000 (Resolution 4);
- (e) the participation of Mr Graham Durtanovich and an entity related to Mr Peter Wall (who are both Directors) in the Capital Raising (Resolutions 5 and 6);
- (f) the issue of up to 50,000,000 Broker Options to the Lead Manager (or its nominees) (Resolution 7); and
- (g) the issue of Converting Loan Shares and Converting Loan Options to the Lenders (including entities related to Mr Peter Wall and Mr Ben Phillips, who are both Directors) (Resolutions 8 to 10); and
- (h) the issue of Shares and New Options in satisfaction for the debt owed to creditors of the Company (Resolutions 11 to 17).

In addition, the Company is seeking Shareholder approval for the change of the Company's name to 'Mandrake Resources Limited' (Resolution 18). This Resolution is conditional on and subject to the Acquisition Resolutions but is not an itself an Acquisition Resolution.

### 1.3 Focus

#### (a) Background

Focus is a privately-owned exploration company that was created to identify and secure prospective exploration projects. Focus owns 100% of the Berinka Project (**Project**) which is situated on exploration license (EL31710) (**Tenement**) in the Northern Territory.

Focus' current capital structure is as follows:

Shareholder	Shares	% of Shares
Neil Chalmers	50	40
Stuart Rechner	50	40
James Allchurch	25	20
<b>Total</b>	<b>125</b>	<b>100</b>

Mr Chalmers and Mr Rechner are the current directors of Focus, however, they will resign and be replaced with nominees of the Company with effect from completion of the Acquisition.

Pursuant to the terms of the Acquisition Agreement, the Focus Shareholders will receive the following apportioned consideration:

Shareholder	Focus Shares	Shareholder's proportion of Consideration	Consideration Shares (post Consolidation)
Neil Chalmers	50	40%	5,000,000
Stuart Rechner	50	40%	5,000,000
James Allchurch	25	20%	2,500,000
<b>TOTAL</b>	<b>125</b>	<b>100%</b>	<b>12,500,000</b>

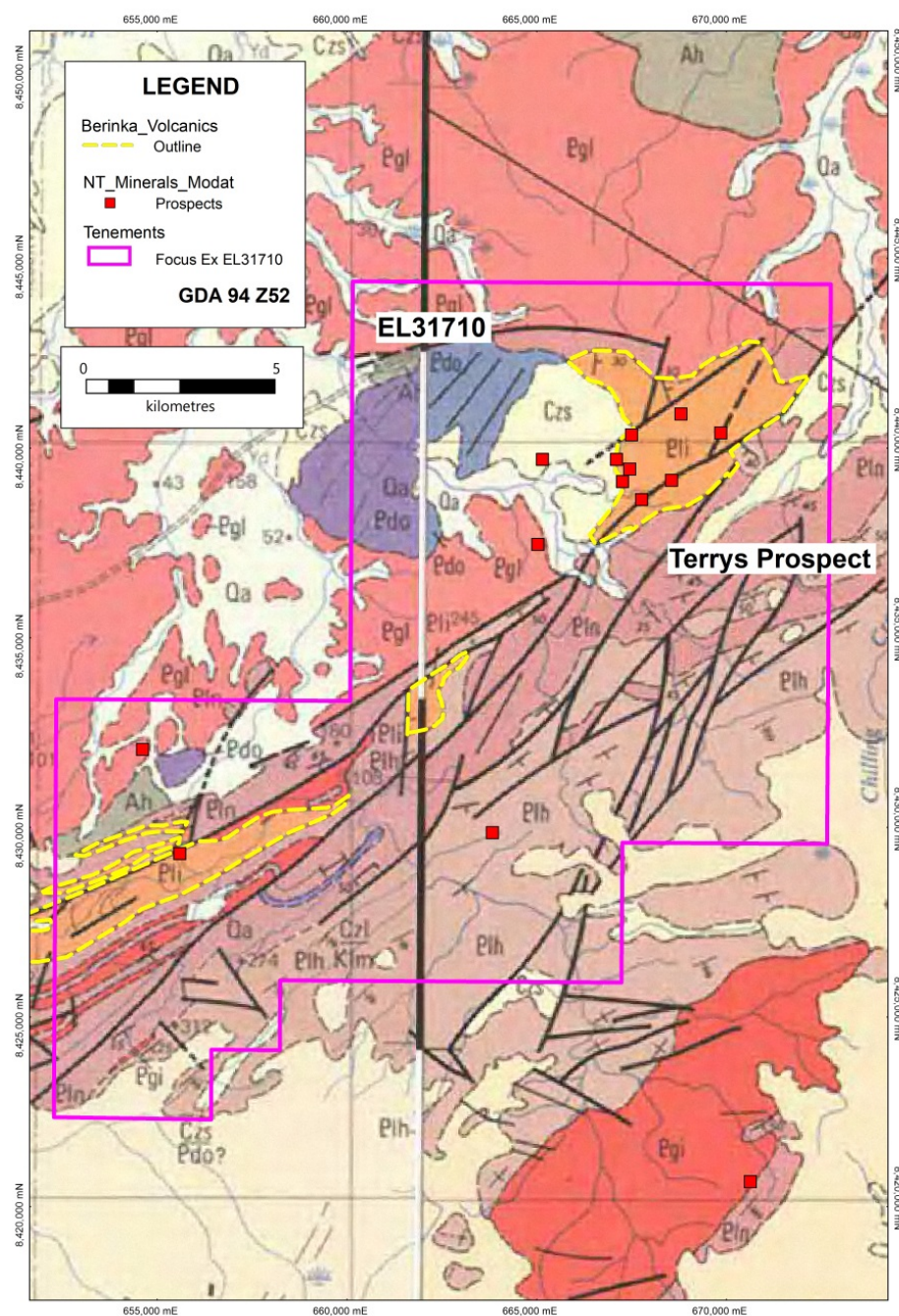
(b) **The Berinka Project**

The Project is a gold exploration project within the Pine Creek Orogen of the Northern Territory, located 220km south southwest of Darwin.

Key aspects of the Project include:

- (i) gold mineralisation associated with >10km strike of poorly tested structurally controlled Berinka Volcanics of the Proterozoic Pine Creek Orogen;
- (ii) Previous RC drilling has intersected gold mineralisation associated with sulphide rich veins, open at depth and along strike at the Terrys prospect with a best intersection of 4m @ 6.56g/t from 32m (TRP-018);
- (iii) multiple high tenor Au and As in soil anomalies identified in a 2014 soil program undertaken by previous holder China Land Resources) remains untested by drilling and requires follow up exploration;
- (iv) multiple gold targets untested by drilling identified from rock chip samples and/or soil anomalism (Au  $\pm$ As) including Terrys Prospects D to F, Bubbles, B1, Vegetation); and
- (v) multiple gold occurrences have been identified through surface geochemistry and detailed geophysical surveys and remain untested by drilling.

Upon the successful completion of the Acquisition, the Company intends on exploring and developing gold, base metal and other mineral opportunities at the Project.



**Figure 1: The Berinka Project**

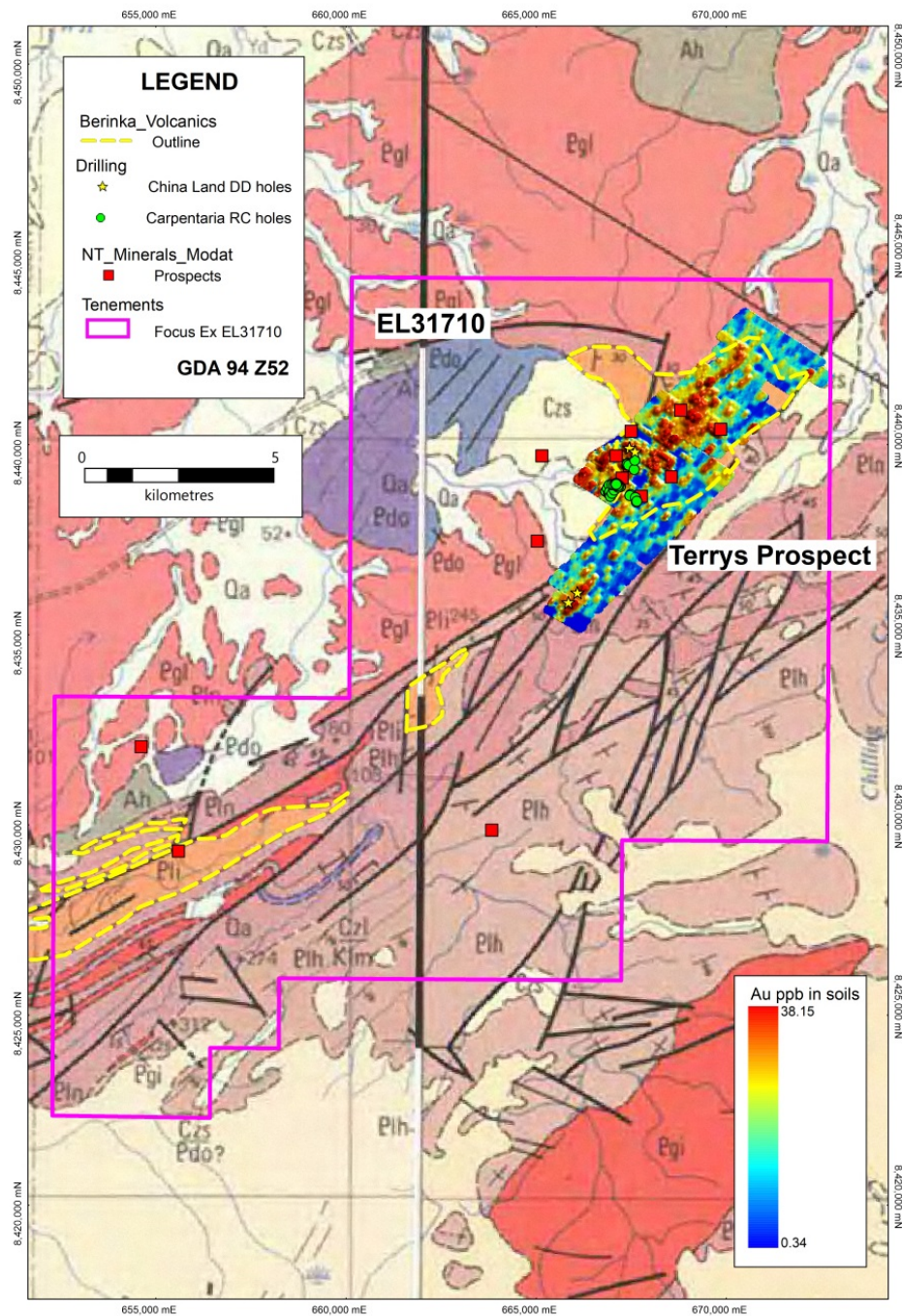
### *Regional Location/Geology*

The Berinka Project is a 289 km<sup>2</sup> gold mining tenement located on pastoral land 220km south southwest of Darwin. The geology of the area includes:

- (i) basement rock comprising units of the Proterozoic Pine Creek Orogen including the Berinka Volcanics, Chilling Sandstone, Wangi Basics and TiTree Granophyre; and



- (ii) intense faulting related to the Giant Reef Fault which cuts northeast-southwest through the tenement. The Giant Reef Fault is a 400km+ long controlling structure of the Pine Creek Orogen and trends into WA.



**Figure 2: The surface geochemistry of the Berinka Project**

### *History of Exploration*

Carpentaria Exploration Company Pty Ltd (1975, 1984-1990):

- (i) Discovered gold mineralisation through rock chip sampling (5.5g/t Au) in 1975 at the 'Terrys' Prospect.
- (ii) Mapping rock chip sampling, soils, costeaning identified further targets (Terrys A to F).

- (iii) RC drilling (36 holes) at Terrys A, B and C in predominantly south dipping holes with a best intersection of 4m @ 6.56 g/t Au from 32m (TPR-018).

CRA (1992-1995):

- (i) Airborne electromagnetic survey (SW corner of EL31710).
- (ii) Drill testing (7 holes including 2 diamond) of geophysical anomalies targeting deep mineralised systems (both within EL31710, plus off current EL31710 to the southwest).

Outback Metals Ltd (2002-2012):

- (i) Completed follow up soils at Terrys and regional grids using both multielement and pXRF analysis, in addition to mapping, rock chip sampling identified regional prospects.
- (ii) Detailed airborne magnetic/radiometric survey over parts of the tenement (2010).
- (iii) Sold the project to China Land Resources Pty Ltd (2012).

China Land Resources Pty Ltd (2012-2017):

- (i) Completed 200m by 20m multielement soil grid in northwest-southeast orientation (~5000 samples) in northeast portion of the tenement.
- (ii) 4 diamond drill holes targeting coincident soil anomalies at Terrys C and Specky Creek, with only minor anomalism identified.

(c) **Business model**

Following completion of the Capital Raising and the Acquisition, the Company's proposed business model will be to further explore the Project and identified mineralisation. The Company's main objectives will be to:

- (i) focus on mineral exploration or resource opportunities that have the potential to deliver growth for Shareholders;
- (ii) continue to pursue other acquisitions that have a strategic fit for the Company;
- (iii) implement a growth strategy to seek out further exploration and acquisition opportunities in Australia; and
- (iv) provide working capital for the Company.

(d) **Key Dependencies of the Business Model**

The key factors that the Company will depend on to meet its objectives are:

- (i) the Company's capacity to re-comply with Chapters 1 and 2 of the ASX Listing Rules to enable re-admission to quotation of the Company's Securities;
- (ii) the successful completion of the Capital Raising;
- (iii) the successful completion of the Acquisition; and
- (iv) raising sufficient funds to further explore and develop potential resource opportunities at the Project.

(e) **Related parties**

The Board intends to appoint Mr Allchurch as the Company's Managing Director upon completion of the Acquisition. As such, Mr Allchurch is considered to be a related party of the Company by virtue of being a person who is likely to become a related party of the Company in the future.

The Company notes that Mr Chalmers and Mr Rechner are not considered to be related parties of the Company.

(f) **Independent Geologist Report**

An Independent Geologist Report on the Tenement is attached to this Notice as Annexure A.

(g) **Solicitor Report**

A Solicitor's Report on the Tenement is attached to this Notice as Annexure B.

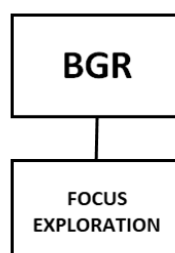
(h) **Financial accounts**

The following financial accounts for Focus are attached to this Notice as Annexure C:

- (i) audited accounts from incorporation to 30 June 2018; and
- (ii) reviewed half year accounts from 1 July 2018 to 31 December 2018.

## 1.4 Group Structure

Upon completion of the Acquisition, Focus will become a wholly owned subsidiary of the Company. A group structure diagram is set out below, which assumes completion of the Acquisition:



## **1.5 Re-compliance with Chapters 1 and 2 of the ASX Listing Rules**

ASX has advised the Company that the change in the nature and scale of the Company's activities is a back-door listing of Focus which consequently requires the Company to (in accordance with ASX Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules before it can be re-instated to trading on the ASX (including any ASX requirement to treat the Company's Securities as restricted Securities).

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Acquisition. The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition and satisfying all other requirements of ASX for the reinstatement to Official Quotation of the Company's Shares on the ASX (among other things).

If the Acquisition Resolutions are not approved at the Meeting, the Acquisition will not proceed and the Company's Securities will remain suspended from trading. If the Company has not re-complied with Chapters 1 and 2 of the ASX Listing Rules within 3 years of being suspended (which occurred on 9 June 2016), under current ASX policy ASX will seek to remove the Company from the Official List. If Shareholders have approved the Acquisition Resolutions, and the Company has lodged the Prospectus in relation to the Capital Raising prior to that date, the Company intends to seek a short 3 month extension from ASX to allow time to complete the Acquisition and the Capital Raising and re-comply with Chapters 1 and 2 of the ASX Listing Rules. There is no guarantee that ASX will grant that extension.

## **1.6 ASX waivers and confirmations obtained**

### *ASX Listing Rules 1.1 (Condition 12) and 2.1 (Condition 2)*

ASX Listing Rule 1.1 (Condition 12) provides that if an entity has options on issue the exercise price for each underlying security must be at least 20 cents in cash. ASX Listing Rules 2.1 (Condition 2) provides that the issue price or sale price of all the securities for which an entity seeks quotation (except options) must be at least 20 cents in cash.

The Company will seek a conditional waiver from the requirements of ASX Listing Rules 1.1 (Condition 12) and 2.1 (Condition 2) to allow the Company to have on issue Options with an exercise price which is less than 20 cents, and to offer Shares under the Prospectus with an issue price which is less than 20 cents.

### *ASX Listing Rule 10.13.3*

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of equity securities, or agreement to issue equity securities, to a related party of the Company.

ASX Listing Rule 10.13 sets out the requirements for Shareholder approval under ASX Listing Rule 10.11. In particular, ASX Listing Rule 10.13.3 provides that the notice of meeting must (inter alia) state the date by which the entity will issue the securities and that the securities must be issued no later than 1 month after the date of the meeting or such later date as may be permitted by any ASX waiver or modification of the ASX Listing Rules.

The Company will seek a conditional waiver from the requirements of ASX Listing Rule 10.13.3 to allow the Company to issue the Shares and Options that are subject to Resolutions 9 and 12 to 17 later than 1 month after the date of this Meeting.

## 1.7 Use of Funds

To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to support its strategy post-completion of the Acquisition, the Company intends, subject to Shareholder approval, to conduct the Capital Raising. Shareholder approval for the Capital Raising is the subject of Resolution 4.

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

FUNDS AVAILABLE	Minimum Subscription	Percentage of Funds (%)	Maximum Subscription	Percentage of Funds (%)
	\$4,500,000		\$5,000,000	
Existing cash reserves of the Company	251,976	5%	251,976	5%
Funds raised from the Capital Raising	4,500,000	95%	5,000,000	95%
<b>TOTAL</b>	<b>4,751,976</b>	<b>100%</b>	<b>5,251,976</b>	<b>100%</b>
ALLOCATION OF FUNDS	Minimum Subscription	Percentage of Funds (%)	Maximum Subscription	Percentage of Funds %
	\$4,500,000		\$5,000,000	
Land access	75,000	2%	75,000	1%
Field mapping	150,000	3%	150,000	3%
Geochemistry	200,000	4%	200,000	4%
Geophysics	350,000	7%	350,000	7%
Drilling	1,200,000	25%	1,200,000	23%
Corporate administration costs	800,000	17%	800,000	15%
Costs of the Capital Raising	411,000	9%	441,000	8%
Working Capital	1,565,976	33%	2,035,976	39%
<b>TOTAL</b>	<b>4,751,976</b>	<b>100%</b>	<b>5,251,976</b>	<b>100%</b>

The above table is a statement of current intentions as of the date of this Notice of Meeting. As with any budget, intervening events (including marketing and commercialisation success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors and the Proposed Directors consider that following completion of the Capital Raising, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 1.17.

It is a term of the Acquisition Agreement that, on completion of the Acquisition and subject to delivery of acceptable invoices, the Company will pay to the Focus Shareholders a total of \$50,000 (inclusive of all applicable taxes) by way of cost reimbursement to the Focus Shareholders for expenditure incurred in respect of the Tenement and data collation prior to the date of the Acquisition Agreement.

These costs include:

- (a) \$4,466 for Tenement rental and management fees; and
- (b) \$792 for corporate administration; and
- (c) \$44,742 for exploration services.

## 1.8 No Underwriter

The Capital Raising is not underwritten. However, the Company has appointed Ironside Capital Pty Ltd (**Lead Manager**) to lead manage the Capital Raising.

The Lead Manager will receive the following fees for acting as the lead manager:

- (a) a capital raising fee of 6% of the gross proceeds raised under the Capital Raising; and
- (b) a success fee of 1 New Option for every 5 Shares that are subscribed under the Capital Raising.

## 1.9 Pro forma capital structure

The proposed capital structure of the Company following completion of the Acquisition and issues of all Securities contemplated by this Notice is set out below.

	Minimum Subscription		Maximum Subscription	
	Shares	Options	Shares	Options
Current issued capital	64,971,877	60,000,000	64,971,877	60,000,000
Consolidation (1:20)	3,248,594	3,000,000 <sup>1</sup>	3,248,594	3,000,000 <sup>1</sup>
Converting Loan Shares and Converting Loan Options	12,500,000	12,500,000 <sup>2</sup>	12,500,000	12,500,000 <sup>2</sup>

Conversion of Debts to equity	13,200,727	13,200,727 <sup>2</sup>	13,200,727	13,200,727 <sup>2</sup>
Issue of Shares for Focus Exploration Acquisition	12,500,000	-	12,500,000	-
Issue of Shares under Capital Raising	225,000,000	112,500,000 <sup>2</sup>	250,000,000	125,000,000 <sup>2</sup>
Issue of Broker Options	-	45,000,000 <sup>2</sup>	-	50,000,000 <sup>2</sup>
<b>Total</b>	<b>266,449,321</b>	<b>186,200,727</b>	<b>291,449,321</b>	<b>203,700,727</b>

**Notes:**

1. Unlisted Options exercisable at \$0.02 on or before 14 July 2021 pre-Consolidation. Following the Consolidation, the exercise price will be increased to \$0.40 (**Existing Options**).
2. Unlisted Options exercisable at \$0.03 (on a post-Consolidation basis) on or before 14 July 2022 (**New Options**).

### 1.10 Pro forma balance sheet

The pro-forma balance sheet of the Company following completion of the Acquisition and issues of all Shares and Options contemplated by this Notice is set out in Schedule 2. The historical and pro-forma information is presented in an abbreviated form, insofar as it does not include all of the disclosure required by the Australian Accounting Standards applicable to annual financial statements.

### 1.11 Indicative timetable

An indicative timetable for completion of the Acquisition and the associated transactions set out in this Notice is set out below:

Event	Date*
Execution of the Acquisition Agreement	24 April 2019
Notice of Meeting for the Acquisition sent to Shareholders	2 May 2019
Lodgement of Prospectus with the ASIC	10 May 2019
Opening date of Capital Raising	17 May 2019
Shareholders meeting to approve the Acquisition	4 June 2019
Closing date of Capital Raising	10 June 2019
Issue of Securities under the Capital Raising	14 June 2019
Despatch of holding statements	14 June 2019
Re-quotation on the ASX	19 June 2019

Please note this timetable is indicative only and the Directors reserve the right to amend the timetable as required.

If the Acquisition Resolutions are not approved at the Meeting, the Acquisition will not proceed and the Company's Securities will remain suspended from trading. If the Company has not re-complied with Chapters 1 and 2 of the ASX Listing Rules within 3 years of being suspended (which occurred on 9 June 2016), under current ASX policy, ASX will seek to remove the Company from the Official List. If Shareholders have approved the Acquisition Resolutions, and the



Company has lodged the Prospectus in relation to the Capital Raising prior to that date, the Company intends to seek a short 3 month extension from ASX to allow time to complete the Acquisition and the Capital Raising and re-comply with Chapters 1 and 2 of the ASX Listing Rules. There is no guarantee that ASX will grant that extension.

#### **1.12 Board intentions upon completion of the Acquisition**

Following completion of the Acquisition, the Company's proposed business model will be to further explore its projects and develop identified mineral deposits. The Company's main objectives on completion of the Capital Raising are:

- (a) systematically explore the Company's Project;
- (b) focus on mineral exploration or resource opportunities that have the potential to deliver growth for Shareholders;
- (c) continue to pursue other acquisitions that have a strategic fit for the Company;
- (d) implement a growth strategy to seek out further exploration and acquisition opportunities in Australia; and
- (e) provide working capital for the Company.

#### **1.13 Composition of the Board of Directors**

On completion of the Acquisition, existing Director Peter Wall will resign, and two Proposed Directors will be appointed, such that the Board of the Company upon listing on the ASX will be comprised of:

- (a) **James Allchurch** (*Managing Director*);

Mr Allchurch is a geologist with over 18 years' experience in mineral exploration, geotechnical assessment and mining operations. Mr Allchurch was the Managing Director of ASX-listed company Monto Minerals which controlled copper mining and tin exploration operations in Queensland and has held various Board positions over the previous 10 years including ASX-listed Bligh Resources and various private entities. More recently Mr Allchurch founded a Chilean cobalt mining exploration company, executing exploration activities prior to a cash sale to a US-based fund.

Mr Allchurch spent six years working at Ascent Capital and has considerable expertise in the identification and assessment of resource projects over a broad range of commodities in geographies including Europe, Australia, Africa and South America. Mr Allchurch is not currently a director of any other publicly-listed company.

The Board does not consider Mr Allchurch will be an independent director. Mr Allchurch is one of the Focus Shareholders.



(b) **Patrick Burke** (*Non-Executive Chairman*) LLB:

Mr Burke holds a Bachelor of Laws from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 15 years has acted as a Director for a large number of ASX, NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law in particular capital raisings and mergers and acquisitions. Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.

Mr Burke is currently a Non-Executive Director of ASX listed Triton Minerals Limited, Meteoric Resources NL, Tando Resources Limited, Koppa Resources Limited and Transcendence Technologies Limited.

The Board considers Mr Burke will be an independent Chairman.

(c) **Graham Durtanovich** (*Non-Executive Director*) BEc, GradDipAppFin, MBA

Mr Durtanovich brings extensive financial management experience from a large private enterprise with the construction industry, where he previously held the role of Chief Financial Officer and was responsible for the financial administration, strategic planning, risk analysis and corporate governance of the company. Mr Durtanovich holds a Bachelor of Economics, Graduate Diploma in Applied Finance and Investments from FINSIA and a Masters of Business Administration.

The Board considers Mr Durtanovich to be an independent Director.

(d) **Ben Phillips** (*Non-Executive Director*)

Mr Phillips has over 15 years' experience providing consultation for a broad spectrum of companies including Oil and Gas, Resources, MedTech and Defence. He has provided services to departments ranging from R&D through to product commercialisation and sales.

Mr Phillips has worked at Ironside Capital Pty Ltd since the company's incorporation having previously held a position at Merchant Corporate Finance. Mr Phillips is primarily involved in the structuring of funding and management for small cap companies both private and public.

The Board considers Mr Phillips to be an independent Director.

## 1.14 **Director and Proposed Director Interests in Securities**

Directors are not required under the Constitution to hold any Shares to be eligible to act as a Director.

Details of the Directors' and Proposed Directors' relevant interest in the Securities of the Company upon completion of the Acquisition are set out in the table below (on a post-Consolidation basis):

Director	Shares	Options
James Allchurch <sup>1</sup>	2,500,000 <sup>2</sup>	-
Patrick Burke <sup>3</sup>	-	-
Graham Durtanovich <sup>4</sup>	4,250,500 <sup>5</sup>	3,750,500 <sup>5</sup>
Peter Wall <sup>6</sup>	16,305,000 <sup>7,8</sup>	12,555,000 <sup>7,8</sup>
Ben Phillips <sup>9</sup>	3,710,500 <sup>10</sup>	3,710,500 <sup>10</sup>

**Notes:**

1. The Board intends to appoint Mr Allchurch as the Company's Managing Director upon the completion of the Acquisition.
2. Subject to Resolution 3, Mr Allchurch (or his nominee) will be issued 2,500,000 Shares (on a post-Consolidation basis) as part of the consideration for the Acquisition.
3. The Board intends to appoint Mr Burke as the Company's Non-Executive Chairman upon completion of the Acquisition.
4. Mr Durtanovich intends to remain a Director following the completion of the Acquisition.
5. Mr Durtanovich (or his nominee) will be issued:
  - a. up to 1,000,000 Shares and 50,000 New Options (on a post-Consolidation basis) (subject to Resolution 6); and
  - b. 495,000 Shares and 495,000 New Options (on a post-Consolidation basis) (subject to Resolution 14).

Shares and New Options will also be issued to the following entities that are controlled by Mr Durtanovich:

  - a. 1,765,500 Shares and 1,765,500 New Options to Chaperon Corporate (or its nominee) (on a post-Consolidation basis) (subject to Resolution 13); and
  - b. 990,000 Shares and 990,000 New Options to the Total Exchange Services (or its nominee) (on a post-Consolidation basis) (subject to Resolution 15).
6. Mr Wall intends to resign as a Director upon the completion of the Acquisition.
7. The following Shares and New Options will be issued to Pheakes Pty Ltd, an entity controlled by Mr Wall, (or its nominee):
  - a. 7,500,000 Shares and 3,750,000 New Options (on a post-Consolidation basis) (subject to Resolution 5);
  - b. up to 6,000,000 Shares and 6,000,000 New Options (on a post-Consolidation basis) (subject to Resolution 10); and
  - c. 2,805,000 Shares and 2,805,000 New Options (on a post-Consolidation basis) (subject to Resolution 16).
8. Subject to Resolution 17, Steinepreis Paganin (or its nominee) will be issued 4,340,277 Shares and 4,340,277 New Options. These Securities are not shown in this table as Mr Wall does not hold a relevant interest in these Securities because he does not control Steinepreis Paganin. However, the Company notes that Mr Wall holds a material personal interest in Steinepreis Paganin.
9. Mr Phillips intends to remain as a Director following the completion of the Acquisition.
10. Shares and New Options will be issued to the following entities that are controlled by Mr Phillips:
  - a. 1,000,000 Shares and 1,000,000 New Options to Deep36 Pty Ltd ATF Deep Super (or its nominee) (on a post-Consolidation basis) (subject to Resolution 9); and

- b. 1,710,500 Shares and 1,710,500 New Options to Bob Alfred Pty Ltd ATF the Bob Alfred Trust (on a post-Consolidation basis) (or its nominee) (subject to Resolution 12).

### 1.15 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions:

- (a) the Company will obtain ownership of Focus and the Project pursuant to the Acquisition;
- (b) the potential increase in market capitalisation of the Company following completion of the Acquisition and the associated Capital Raising may lead to access to improved equity capital market opportunities and increased liquidity;
- (c) Shareholders may be exposed to further debt and equity opportunities that the Company did not have prior to the Acquisition;
- (d) the appointment of the Proposed Directors will add experience and skill to the Board to assist with the growth of the Company; and
- (e) the cash reserves of the Company will be conserved as the consideration for the Acquisition is predominantly comprised of Shares.

### 1.16 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions:

- (a) the Company will be changing the scale of its activities which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition, Capital Raising and associated transactions the subject of this Notice will result in the issue of a significant number of Shares to the Focus Shareholders and new investors which will have a dilutionary effect on the holdings of Shareholders;
- (c) there are inherent risks associated with the change in nature of the Company's activities. Some of these risks are summarised in Section 1.17 below; and
- (d) future outlays of funds from the Company may be required for its proposed business and exploration operations.

### 1.17 Risk factors

The key risks of the Acquisition and following completion of the Acquisition are:

#### (a) Risks relating to Change in Nature and Scale of Activities

##### (i) Completion risk

Pursuant to the Acquisition Agreement, the Company has agreed to acquire 100% of the issued capital of Focus, completion of which is subject to the fulfilment of certain

conditions. There is a risk that the conditions for completion of the Acquisition cannot be fulfilled and, in turn, that completion of the Acquisition of Focus does not occur.

If the Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.

(ii) **Re-quotation of Shares on ASX**

The Acquisition of Focus constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of ASX.

Trading in the Company's Shares is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the Listing Rules following completion of the Acquisition. The Acquisition is conditional on the Company obtaining all necessary regulatory and Shareholder approvals to effect the Acquisition and satisfying all other requirements of ASX for the reinstatement to Official Quotation of the Company's Shares on the ASX (among other things).

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Securities on the ASX. Should this occur, the Securities will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares and Options until such time as it does re-comply with the ASX Listing Rules.

If the Company has not re-complied with Chapters 1 and 2 of the ASX Listing Rules within 3 years of being suspended (which occurred on 9 June 2016), under current ASX policy ASX will seek to remove the Company from the Official List. If Shareholders have approved the Acquisition Resolutions, and the Company has lodged the Prospectus in relation to the Capital Raising prior to that date, the Company intends to seek a short 3 month extension from ASX to allow time to complete the Acquisition and the Capital Raising and re-comply with Chapters 1 and 2 of the ASX Listing Rules. There is no guarantee that ASX will grant that extension.

(iii) **Dilution risk**

The Company currently has 64,971,877 Shares on issue (on a pre-Consolidation basis). Pursuant to the Acquisition Agreement, the Company proposes to issue:

- (A) the Consideration Shares;
- (B) the Capital Raising Shares;
- (C) the Converting Loan Shares; and
- (D) Debt Conversion Shares.

After the Consolidation (that is subject to Resolution 2) and the issue of the Consideration Shares, the Capital Raising Shares, the Converting Loan Shares and the Debt Conversion Shares:

- (A) the existing Shareholders will retain approximately 1.22% of the Company's issued Share capital at Minimum Subscription or 1.11% at Maximum Subscription;
- (B) the Focus Shareholders will hold approximately 4.69% of the Company's issued Share capital at Minimum Subscription or 4.29% at Maximum Subscription;
- (C) the Lenders will hold approximately 4.69% of the Company's issued Share capital at Minimum Subscription or 4.29% at Maximum Subscription;
- (D) the investors under the Capital Raising will hold approximately 84.44% of the Company's issued Share capital at Minimum Subscription or 85.78% at Maximum Subscription; and
- (E) the creditors receiving the Debt Conversion Shares will hold approximately 4.95% of the Company's issued Share Capital at Minimum Subscription or 4.53% at Maximum Subscription.

(b) **Risks relating to the Company**

(i) **Exploration**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Tenement, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenement and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenement, a reduction in the case reserves of the Company and possible relinquishment of the Tenement.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(ii) **Tenement applications and license renewal**

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into production concessions. There is a risk that these approvals may not be obtained.

(iii) **Mine development**

Possible future development of a mining operation at the Company's Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(iv) **Additional requirements for capital**

The funds to be raised under the Capital Raising are considered sufficient to meet the immediate objectives of the Company and implementation of the strategy detailed in Section 1.3(a). 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 acquisitions, 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 completion of 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 may result in delay and indefinite postponement of their activities and the proposed commercialisation, marketing and international expansion strategy. 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.

(v) **Reliance on key 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.

(vi) **Economic and financial market risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (A) general economic outlook;
- (B) interest rates and inflation rates;
- (C) currency fluctuations;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital; and
- (F) 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. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(vii) **Force majeure**

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(viii) **Trading price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

As the Company's Shares have been suspended from trading for an extended period, there is currently no public market for Shares. There is no guarantee that an active trading market in the Company's Shares will develop or that that prices at which Shares trade will increase following completion of the Acquisition and the Capital Raising. The prices at which Shares trade may be above or below the Capital Raising price and may fluctuate in response to a number of factors.

**1.18 Plans for the Company if completion of the Acquisition does not occur**

If the Acquisition Resolutions are not passed and the Acquisition Agreement is not completed, the Company will continue to focus on mineral exploration and look for potential business acquisitions to take the Company forward.

**1.19 Directors' interests in the Acquisition**

None of the Directors have any interest in the Acquisition, other than as disclosed in this Notice.

**1.20 Focus' interests in the Company**

None of the Focus Shareholders (or their associates) are related parties of the Company (other than James Allchurch by virtue of becoming a Director upon completion of the Acquisition) and they have no existing interests in the Company's Securities.



## **1.21 Forward looking statements**

The forward-looking statements in this Explanatory Statement are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Explanatory Statement. These risks include but are not limited to, the risks detailed in Section 1.17. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

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## **2. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES – PROPOSED ACQUISITION OF FOCUS EXPLORATION PTY LTD**

### **2.1 General**

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the proposed acquisition of Focus.

A detailed description of the proposed Acquisition is outlined in Resolution 1 above, and the key terms and conditions of the Acquisition Agreement are set out in Schedule 1 of this Notice.

### **2.2 ASX Listing Rule 11.1**

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

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and comply with any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the entity were applying for admission to the Official List.

ASX has indicated to the Company that the change in the nature and scale of the Company's activities as a result of the Acquisition requires the Company, in accordance with ASX Listing Rule 11.1.2, to obtain Shareholder approval and the Company must comply with any requirements of ASX in relation to the Notice of Meeting.

### **2.3 Suspension until re-compliance with Chapters 1 and 2 of the ASX Listing Rules**

ASX has also indicated to the Company that the change in the nature and scale of the Company's activities is a back-door listing of Focus which consequently requires the Company to (in accordance with ASX Listing Rule 11.1.3) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules (including any ASX requirement to treat the Company's Securities as restricted Securities).

BGR was placed into voluntary administration on 9 June 2016 and was immediately suspended from quotation. If the Acquisition Resolutions are approved at the Meeting, it is expected that the Company's Securities will remain suspended from quotation until the Company has acquired Focus pursuant to the Acquisition Agreement and re-complied with Chapters 1 and 2 of the ASX Listing Rules, including by satisfaction of ASX's conditions precedent to reinstatement.

If the Acquisition Resolutions are not approved at the Meeting, the Acquisition will not proceed and the Company's Securities will remain suspended from trading. If the Company has not re-complied with Chapters 1 and 2 of the ASX Listing Rules within 3 years of being suspended (which occurred on 9 June 2016), under current ASX policy ASX will seek to remove the Company from the Official List. If Shareholders have approved the Acquisition Resolutions, and the Company has lodged the Prospectus in relation to the Capital Raising prior to that date, the Company intends to seek a short 3 month extension from ASX to allow time to complete the Acquisition and the Capital Raising and re-comply with Chapters 1 and 2 of the ASX Listing Rules. There is no guarantee that ASX will grant that extension.

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### **3. RESOLUTION 2 – CONSOLIDATION OF CAPITAL**

#### **3.1 Background**

The Directors are seeking Shareholder approval to consolidate the number of Shares and Options on issue on a 20 for 1 basis (**Consolidation**). If Resolution 2 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 64,971,877 to 3,248,594 (subject to rounding); and
- (b) Options on issue will be reduced from 60,000,000 to 3,000,000 (subject to rounding), resulting in the exercise price of each Option on issue to increase from \$0.02 to \$0.40,

(excluding the Shares and Options to be issued under the other Resolutions the subject of this Notice).

#### **3.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

#### **3.3 Fractional entitlements**

Not all Securityholders will hold that number of Shares or Options (as the case may be) which can be evenly divided by Consolidation ratio. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

#### **3.4 Taxation**

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the

Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

### 3.5 Holding statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

### 3.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Minimum Subscription		Maximum Subscription	
	Shares	Options	Shares	Options
Pre-Consolidation Securities	64,971,877	60,000,000	64,971,877	60,000,000
Post Consolidation of Securities (Resolution 2)	3,248,594	3,000,000 <sup>1</sup>	3,248,594	3,000,000 <sup>1</sup>
Resolution 3 - Issue of Consideration Shares to Focus Shareholders	12,500,000	-	12,500,000	-
Resolution 4- Capital Raising <sup>3</sup>	225,000,000	112,500,000 <sup>2</sup>	250,000,000	125,000,000 <sup>2</sup>
Resolution 7- Issue of Broker Options	-	45,000,000 <sup>2,4</sup>	-	50,000,000 <sup>2</sup>
Resolution 8 - Issue of Converting Loan Shares and Converting Loan Options	12,500,000	12,500,000 <sup>2</sup>	12,500,000	12,500,000 <sup>2</sup>
Resolutions 11 - 17 - Approval to convert Debts	13,200,727	13,200,727 <sup>2</sup>	13,200,727	13,200,727 <sup>2</sup>
<b>Completion of all Resolutions</b>	<b>266,449,321</b>	<b>186,200,727</b>	<b>291,449,321</b>	<b>203,700,727</b>

**Notes:**

1. The Existing Options are unlisted and expire on 14 July 2021 with an exercise price of \$0.02 pre-Consolidation (or \$0.40 post-Consolidation).
2. The New Options will be unlisted and expire on 14 July 2022 with an exercise price of \$0.03 (on a post-Consolidation). The terms and conditions of the New Options are set out in Schedule 3.

### 3.7 Indicative timetable

The Consolidation will be completed in accordance with the timetable set out in the ASX Listing Rules. The key dates for the Consolidation are as follows:

Action	Date
Dispatch Notice of Meeting	3 May 2019
Date of Meeting to approve Consolidation	4 June 2019
Last day for pre-Consolidation trading	5 June 2019*
Post-Consolidation trading starts on a deferred settlement basis	6 June 2019*
Last day for Company to register transfers on a pre-Consolidation basis	7 June 2019*
First day for Company to send notice to each holder of the change in their details of holdings	11 June 2019
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	11 June 2019*
Change of details of holdings date	17 June 2019
Deferred settlement market ends	17 June 2019*

\* Trading in the Company's Securities on ASX is currently suspended and will remain suspended until the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules following completion of the Acquisition. These items have been included in the timetable for consistency with the standard ASX mandated timetable to effect a capital restructure.

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## 4. RESOLUTION 3 – ISSUE OF CONSIDERATION SHARES TO FOCUS SHAREHOLDERS

### 4.1 General

The Company has entered into the Acquisition Agreement with the Focus Shareholders for the purpose of acquiring Focus. Under the Acquisition Agreement, subject to Shareholder approval, the Focus Shareholders will receive 12,500,000 Shares in consideration for the Acquisition (on a post-Consolidation basis) in the proportions set out in Section 1.3(a) (**Consideration Shares**).

The key terms of the Acquisition are set out in Schedule 1.

Resolution 3 seeks Shareholder approval for the issue of Consideration Shares to the Focus Shareholders in the proportions set out in Section 1.3(a).

### 4.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of 2,500,000 Consideration Shares that are to be issued to Mr Allchurch constitutes giving a financial benefit and Mr Allchurch is considered to be a related party of the Company due to the Board's intention to appoint him as the Company's Managing Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposed issue of 2,500,000 Consideration Shares to Mr Allchurch (or his nominee) as those Consideration Shares will be issued on the same terms as the Consideration Shares that will be issued to Mr Chalmers and Mr Rechner pursuant to the Acquisition Agreement and as such the giving of the financial benefit is on arm's length terms.

#### **4.3 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Company to issue the Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **4.4 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Consideration Shares to be issued to the Focus Shareholders:

- (a) the maximum number of Consideration Shares to be issued is 12,500,000 Shares;
- (b) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Consideration Shares will be issued for nil cash consideration in satisfaction of the Acquisition;
- (d) the Consideration Shares will be issued to the Focus Shareholders, being Mr Allchurch, Mr Chalmers and Mr Rechner;
- (e) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from issue of the Consideration Shares as they are being issued in consideration for the Acquisition.

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## 5. RESOLUTION 4 – CAPITAL RAISING

### 5.1 General

Resolution 4 seeks Shareholder approval to enable the Company to issue up to 250,000,000 Shares at an issue price of \$0.02 per Share to raise up to \$5,000,000 (**Capital Raising**). One free attaching New Option will also be issued for every two Shares issued pursuant to the Capital Raising.

The Shares to be issued under the Capital Raising will be issued pursuant to a Prospectus to satisfy the admission requirement in Condition 3 of Listing Rule 1.1.

None of the subscribers for Shares under the Capital Raising will be related parties of the Company for the purpose of Listing Rule 10.11.

The minimum subscription under the Capital Raising will be \$4,500,000 (**Minimum Subscription**). It is noted that the Shares the subject of the Raising will only be issued if:

- (a) the Minimum Subscription is raised;
- (b) the Company has received conditional approval from ASX for the Company to be reinstated to official quotation on ASX following the Company's compliance with ASX Listing Rule 11.1.3 and Chapters 1 and 2 of the ASX Listing Rules;
- (c) the issue occurs contemporaneously with settlement of the Acquisition, which requires, amongst other things, the passing of all Acquisition Resolutions.

### 5.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 4 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 5.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Capital Raising:

- (a) the maximum number of Securities to be issued is 250,000,000 Shares and 125,000,000 New Options (on a post-Consolidation basis);
- (b) the Shares and New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.02 per Share and the New Options will be issued for nil cash consideration;
- (d) the Directors will determine to whom the Securities will be issued but these persons will not be related parties of the Company;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the terms and conditions of the New Options are set out in Schedule 3; and
- (g) the Company intends to use the funds raised from the Capital Raising as outlined in Section 1.7 above.

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## **6. RESOLUTIONS 5 & 6 – ISSUE OF CAPITAL RAISING SHARES AND NEW OPTIONS TO RELATED PARTIES**

### **6.1 General**

Pursuant to Resolution 4, the Company is seeking Shareholder approval for the Capital Raising.

Mr Graham Durtanovich and Pheakes Pty Ltd wish to participate in the Capital Raising (**Participation**).

Resolution 5 seeks Shareholder approval for the in the issue of up to 7,500,000 Shares and 3,750,000 New Options (on a post-consolidation basis) to Pheakes Pty Ltd (or its nominee) arising from the participation by Pheakes Pty Ltd in the Capital Raising.

Resolution 6 seeks Shareholder approval for the in the issue of up to 1,000,000 Shares and 500,000 New Options (on a post-consolidation basis) to Mr Durtanovich (or his nominee) arising from the participation by Mr Durtanovich in the Capital Raising.

### **6.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E is set out in Section 4.2 above.

Pheakes Pty Ltd is a related party of the Company as it is controlled by Mr Peter Wall who is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

Mr Graham Durtanovich is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

The issue of Shares and New Options pursuant to the Participation will result in the issue of Shares and New Options which constitutes giving a financial benefit. Mr Wall and Mr Durtanovich are related parties of the Company by virtue of being Directors.

In respect of Resolution 5, the Directors (other than Mr Wall who has a material personal interest in Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares and Options will be issued to the Related Parties on the same terms as the Shares and Options issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 6, the Directors (other than Mr Durtanovich who has a material personal interest in Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the

Participation because the Shares and Options will be issued to the Related Parties on the same terms as the Shares and Options issued to non-related party participants in the Capital Raising and as such the giving of the financial benefit is on arm's length terms.

### **6.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Participation involves the issue of Shares and Options to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **6.4 Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Shares and New Options will be issued to Pheakes Pty Ltd (or its nominee) and Mr Durtanovich (or his nominee);
- (b) the maximum number of securities to be issued is:
  - (i) 7,500,000 Shares and 3,750,000 New Options to Pheakes Pty Ltd (or its nominee) (on a post-Consolidation basis); and
  - (ii) 1,000,000 Shares and 500,000 New Options to Mr Durtanovich (or his nominee) (on a post-Consolidation basis);
- (c) the Shares and New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.02 per Share and the New Options will be issued for nil cash consideration, being the same terms as all other Shares and New Options issued under the Capital Raising;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the terms and conditions of the New Options are set out in Schedule 3;
- (g) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 1.7 of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and New Options to Pheakes Pty Ltd (or its nominee) and Mr Durtanovich (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.



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## **7. RESOLUTION 7 – ISSUE OF BROKER OPTIONS TO THE LEAD MANAGER**

### **7.1 General**

Resolution 7 seeks Shareholder approval for the issue of up to 50,000,000 New Options to the Lead Manager (or its nominees) in consideration for lead manager services provided in respect of the Capital Raising (**Broker Options**).

1 Broker Option will be issued for every 5 Shares that are subscribed under the Capital Raising. The Lead Manager would be entitled to 45,000,000 Broker Options at Minimum Subscription and 50,000,000 Broker Options at Maximum Subscription.

A summary of ASX Listing Rule 7.1 is set out in Section 4.2 above.

The effect of Resolution 7 will be to allow the Company to issue the Broker Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **7.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Broker Options:

- (a) the maximum number of Broker Options to be issued is 50,000,000;
- (b) the Broker Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Broker Options will be issued for nil cash consideration in satisfaction of corporate advisory services provided by the Lead Manager in relation to the Capital Raising;
- (d) the Broker Options will be issued to the Lead Manager who has been engaged by the Company to assist with the Capital Raising (or their nominee/s). The Lead Manager is not a related party of the Company;
- (e) the Broker Options will be issued on the terms and conditions contained in Schedule 3; and
- (f) no funds will be raised from the issue of the Broker Options as they are being issued as consideration for the provision of corporate advisory services provided by the Lead Manager in relation to the Capital Raising.

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## **8. RESOLUTION 8 – ISSUE OF CONVERTING LOAN SHARES AND NEW OPTIONS**

### **8.1 General**

As announced on 26 April 2019, the Company has entered into Converting Loan Agreements with various parties to fund the repayment of trade creditors and to fund the costs of the Acquisition and the Capital Raising and the costs of re-complying with Chapters 1 and 2 of the Listing Rules (**Converting Loan Agreements**).

The Company has raised \$180,000 under the Converting Loan Agreements that have been signed to date and is proposing to raise up to \$250,000 in total with additional Converting Loan Agreements to be signed.

The material terms of the Converting Loan Agreements are as follows:

- (a) **(Interest):** The Loans are interest free.
- (b) **(Conversion):** Subject to shareholder approval, the principal amount owing under the Converting Loan Agreements will convert into equity in the Company on completion of the Capital Raising and the Acquisition, at a conversion price of \$0.02 per Share (**Converting Loan Shares**) with a free attaching New Option for every Share issued (**Converting Loan Options**) (each on a post-Consolidation basis). If the Company enters into Converting Loan Agreements for the full amount of \$250,000, on conversion of all of the Converting Loan Agreements a total of 12,500,000 Converting Loan Shares and 12,500,000 Converting Loan Options will be issued to the Lenders.
- (c) **(Security):** The Loans are unsecured.
- (d) **(Other terms):** The Converting Loan Agreement contains representations, warranties, events of default and other terms considered standard for an agreement of this nature.

Resolution 8 seeks Shareholder approval for the issue of up to 12,500,000 Converting Loan Shares and up to 12,500,000 Converting Loan Options (on a post-Consolidation basis) to the Lenders in accordance with the Converting Loan Agreements.

## 8.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 8 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 8.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution:

- (a) the maximum number of equity securities to be issued is 12,500,000 Shares and 12,500,000 New Options (on a post-Consolidation basis);
- (b) the Shares and New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price will be \$0.02 per Share, Share and nil per New Option as the New Options will be issued free attaching with the Shares on a 1:1 basis;
- (d) the Shares and New Options will be issued to the Lenders, who are not related parties of the Company (other than as specified in Resolution 9);

- (e) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the New Options will be issued on the terms and conditions contained in Schedule 3; and
- (g) the funds raised from this issue will be applied to fund the repayment of trade creditors who are not related parties of the Company and to fund the costs of the Acquisition and the Capital Raising and the costs of re-complying with Chapters 1 and 2 of the Listing Rules and for general working capital purposes.

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## **9. RESOLUTIONS 9 & 10 – ISSUE OF CONVERTING LOAN SHARES AND NEW OPTIONS TO DEEP36 PTY LTD ATF DEEP SUPER AND PHEAKES PTY LTD**

### **9.1 General**

Pursuant to Resolution 8, the Company is seeking Shareholder approval for the issue of Shares and New Options to the Lenders in accordance with the Converting Loan Agreements.

Deep36 Pty Ltd (as trustee for Deep Super) and Pheakes Pty Ltd are among the Lenders who entered into the Converting Loan Agreements.

Resolution 9 seeks Shareholder approval for the in the issue of up to 1,000,000 Shares and 1,000,000 New Options (on a post-consolidation basis) to Deep36 Pty Ltd ATF Deep Super (or its nominee) in accordance with the Converting Loan Agreements.

Resolution 10 seeks Shareholder approval for the in the issue of up to 6,000,000 Shares and 6,000,000 New Options (on a post-consolidation basis) to Pheakes Pty Ltd (or its nominee) in accordance with the Converting Loan Agreements.

### **9.2 Chapter 2E of the Corporations Act**

A summary of Chapter 2E is set out in Section 4.2 above.

Deep36 Pty Ltd ATF Deep Super is a related party of the Company as it is controlled by Mr Ben Phillips who is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

Pheakes Pty Ltd is a related party of the Company as it is controlled by Mr Peter Wall who is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

The issue of Shares and New Options pursuant to the Converting Loan Agreements will result in the issue of Shares and New Options which constitutes giving a financial benefit. Mr Phillips and Mr Wall are related parties of the Company by virtue of being Directors.

In respect of Resolution 9, the Directors (other than Mr Phillips who has a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the Shares and New Options will be issued to Deep36 Pty Ltd ATF Deep Super on the same terms as the Shares and New Options issued to non-related party Lenders and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 10, the Directors (other than Mr Wall who has a material personal interest in Resolution 10) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required because the Shares and New Options will be issued to Pheakes Pty Ltd on the same terms as the Shares and New Options issued to non-related party Lenders and as such the giving of the financial benefit is on arm's length terms.

### **9.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As Resolution 9 involves the issue of up to 1,000,000 Shares and 1,000,000 New Options (on a post-consolidation basis) to Deep36 Pty Ltd ATF Deep Super, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **9.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Resolutions 9 and 10:

- (a) the Shares and New Options will be issued to Deep36 Pty Ltd ATF Deep Super (or its nominee) and Pheakes Pty Ltd (or its nominee);
- (b) the maximum number of securities to be issued is:
  - (i) 1,000,000 Shares and 1,000,000 New Options (on a post-Consolidation basis) to Deep36 Pty Ltd ATF Deep Super (or its nominee); and
  - (ii) 6,000,000 Shares and 6,000,000 New Options (on a post-Consolidation basis) to Pheakes Pty Ltd (or its nominee);
- (c) the Shares and New Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.02 per Share and the New Options will be issued for nil cash consideration, being the same terms as all other Shares and New Options issued under the Capital Raising;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the terms and conditions of the New Options are set out in Schedule 3; and
- (g) the funds raised will be used for the same purposes as the other funds raised under the Converting Loan Agreements as set out in Section 8.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares and New Options subject to this Resolution as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares and New Options to Deep36 Pty Ltd ATF Deep Super (or its nominee) and Pheakes Pty Ltd (or its nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **10. RESOLUTION 11 – APPROVAL TO CONVERT DEBT OWING TO ANGLO MENDA PTY LTD**

### **10.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 1,094,500 Shares and 1,094,500 New Options (on a post-Consolidation basis) to Anglo Menda Pty Ltd (or its nominee) (**Anglo Menda Securities**) in lieu of repayment of \$21,890 owing to Anglo Menda Pty Ltd by the Company in unpaid director fees for Mr Adam Blumenthal (a former Director of the Company) (**Anglo Menda Debt**).

Resolutions 11 seeks Shareholder approval for the issue of up to 1,094,500 Shares and 1,094,500 New Options (on a post-Consolidation basis) to Anglo Menda Pty Ltd in consideration for the repayment of the Related Party Debt (**Anglo Menda Debt Repayment**).

Mr Blumenthal ceased to be a Director of the Company more than 6 months ago, so he is no longer considered to be a related party of the Company for the purposes of the Listing Rules or the Corporations Act.

### **10.2 ASX Listing Rule 7.1**

A summary of ASX Listing Rule 7.1 is set out in Section 4.3 above.

The effect of Resolution 11 will be to allow the Directors to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **10.3 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Anglo Menda Debt Repayment:

- (a) the maximum number of Securities to be issued is 1,094,500 Shares and 1,094,500 New Options (on a post-Consolidation basis);
- (b) the Anglo Menda Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the Anglo Menda Securities will be issued for nil cash consideration, in satisfaction of the cancellation of the Anglo Menda Debt;
- (d) the Shares and New Options will be issued to Anglo Menda Pty Ltd, who is not a related party of the Company. The Company notes that Anglo Menda Pty Ltd is controlled by Mr Adam Blumenthal, a former Director. However, approval under ASX Listing Rule 10.11 is not required as Mr Blumenthal ceased to be a Director more than 6 months ago;

- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the terms and conditions of the New Options are set out in Schedule 3; and
- (g) the Company intends to use the funds raised from the Capital Raising as outlined in Section 1.7 above.

## 11. RESOLUTIONS 12 TO 17 – APPROVAL TO CONVERT DEBT OWING TO RELATED PARTIES

### 11.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue the following Securities (together, the **Related Party Securities**) to the following parties (together, the **Related Parties**) in lieu of repayment of the following debts (**Related Party Debt**), approval for which is being sought under Resolutions 12 to 17:

Resolution	Related Party Securities (on a post Consolidation basis)	Related Party	Related Party Debt
Resolution 12	1,710,500 Shares and 1,710,500 New Options	Bob Alfred Pty Ltd ATF The Bob Alfred Trust (or its nominee)	\$34,210 owing for unpaid director fees for Mr Ben Phillips
Resolution 13	1,765,500 Shares and 1,765,500 New Options	Chaperon Corporate (or its nominee)	\$35,310 owing for unpaid director fees and fees for accounting services provided by Mr Graham Durtanovich
Resolution 14	495,000 Shares and 495,000 New Options	Graham Durtanovich (or his nominee)	\$9,900 owing for unpaid director fees for Mr Durtanovich
Resolution 15	990,000 Shares and 990,000 New Options	Total Exchange Services (or its nominee)	\$19,800 owing for unpaid director fees and fees for accounting services provided by provided by Mr Durtanovich
Resolution 16	2,805,000 Shares and 2,805,000 New Options	Pheakes Pty Ltd (or its nominee)	\$56,100 owing for unpaid director fees for Mr Peter Wall
Resolution 17	4,340,227 Shares and 4,340,227 New Options	Steinepreis Paganin (or its nominee)	\$86,804.54 owing for unpaid legal fees

Resolutions 12 to 17 seeks Shareholder approval for the issue of up to 12,106,227 Shares and 12,106,227 New Options (on a post-Consolidation basis) to the Related Parties in consideration for the repayment of the Related Party Debt (**Related Party Debt Repayment**).

## 11.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

Bob Alfred Pty Ltd ATF The Bob Alfred Trust is a related party of the Company as it is controlled by Mr Ben Phillips who is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

Chaperon Corporate and the Total Exchange are related parties of the Company as they are controlled by Mr Graham Durtanovich who is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

Pheakes Pty Ltd is a related party of the Company as it is controlled by Mr Peter Wall who is a related party of the Company under section 228(1) of the Corporations Act by virtue of being a Director.

Steinepreis Paganin is not a related party of the Company. However, the Company does note that Mr Wall holds a material personal interest in Steinepreis Paganin.

The Related Party Debt Repayment will result in the issue of the Related Party Securities which constitutes giving a financial benefit.

The Directors (other than Mr Phillips who has a material personal interest in Resolution 12) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 12 because the Shares and New Options will be issued to Bob Alfred Trust Pty Ltd ATF The Bob Alfred Trust (or its nominee) on the same terms as the Shares and New Options that are being issued (subject to Resolution 8) to non-related party participants under the Converting Loan Agreements and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Durtanovich who has a material personal interest in Resolutions 13, 14 and 15) consider that Shareholder approval pursuant to Chapter 2E of Corporations Act is not required in respect of Resolutions 13, 14 and 15, because the Shares and New Options will be issued to Chaperon Corporate, Mr Durtanovich and Total Exchange Services (or their nominees) on the same terms as the Shares and New Options that are being issued (subject to Resolution 8) to non-related party participants under the Converting Loan Agreements and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Wall who has a material personal interest in Resolutions 16 and 17) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Related Party Share Subscription because the Shares and New Options that will be issued to Pheakes Pty Ltd and Steinepreis Paganin (or their nominee) are on the same terms as Shares and New Options that are to be issued (subject to Resolution 8) to non-related parties pursuant to the Converting Loan Agreements and as such the giving of the financial benefit is on arm's length terms.

### **11.3 Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that two of the three Directors comprising the Board have a material personal interest in the outcome of Resolutions 12, 13, 14, 15, 16 and 17. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 12, 13, 14 and 15 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 12, 13, 14, 15, 16 and 17 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the arm's length exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

### **11.4 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Related Party Debt Repayment involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### **11.5 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 12 to 17:

- (a) the Related Party Securities will be granted to:
  - (i) Bob Alfred Pty Ltd ATF The Bob Alfred Trust (or its nominee);
  - (ii) Chaperon Corporate Trust (or its nominee);



- (iii) Mr Graham Durtanovich (or his nominee);
  - (iv) Total Exchange Services (or its nominee);
  - (v) Pheakes Pty Ltd (or its nominee); or
  - (vi) Steinepreis Paganin (or its nominee);
- (b) the maximum number of securities to be issued to the Related Parties is:
- (i) 1,710,500 Shares and 1,710,500 New Options to Bob Alfred Pty Ltd ATF The Bob Alfred Trust (or its nominee);
  - (ii) 1,765,500 Shares and 1,765,500 New Options to Chaperon Corporate Trust (or its nominee);
  - (iii) 495,000 Shares and 495,000 New Options to Mr Graham Durtanovich (or his nominee);
  - (iv) 990,000 Shares and 990,000 New Options to Total Exchange Services (or its nominee);
  - (v) 2,805,000 Shares and 2,805,000 New Options to Pheakes Pty Ltd (or its nominee); and
  - (vi) 4,340,227 Shares and 4,340,227 New Options to Steinepreis Paganin (or its nominee),
- (all on a post-Consolidation basis);
- (c) the Related Party Securities will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Conversion Shares will occur on the same date;
- (d) the Related Party Securities will be issued for nil cash consideration, in satisfaction of the cancellation of the Related Party Debt;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares
- (f) the New Options will be issued on the terms and conditions contained in Schedule 3; and
- (g) no funds will be raised from the issue of the Related Party Securities.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Conversion Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Shares and New Options to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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**12. RESOLUTION 18 – CHANGE OF COMPANY NAME**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 18 seeks the approval of Shareholders for the Company to change its name to Mandrake Resources Limited.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

If Resolution 18 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

Resolution 18 is conditional on the passing of the Acquisition Resolutions.

The proposed name has been reserved by the Company and if Resolution 18 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the Acquisition in order to effect the change.

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## GLOSSARY

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**\$** means Australian dollars.

**Acquisition** means the proposed acquisition by the Company of 100% of the issued capital in Focus from the Focus Shareholders.

**Acquisition Resolutions** means Resolutions 1 to 17.

**Acquisition Agreement** means the binding heads of agreement between the Company and Focus dated 24 April 2019.

**Anglo Menda Debt** means the \$21,890 owed by the Company to Anglo Menda Pty Ltd in unpaid director fees for former director Mr Adam Blumenthal.

**Anglo Menda Debt Repayment** means the issuing of up the Anglo Menda Securities to Anglo Menda Pty Ltd in consideration for the repayment of the Anglo Menda Debt that is subject to Resolution 11.

**Anglo Menda Pty Ltd** means Anglo Menda Pty Ltd (ACN 608 554 052).

**Anglo Menda Securities** means the issue of Shares and New Options to Anglo Menda Pty Ltd, being the subject of Resolution 11.

**Application** means the application by Focus on 15 September 2017 for an exploration license for the Tenement.

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

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Berinka Project** or the **Project** means the gold project the subject of the Tenement located in Pine Creek Orogen, Northern Territory.

**Board** means the current board of directors of the Company.

**Bob Alfred Pty Ltd** means Bob Alfred Pty Ltd (ACN 622 600 882).

**Broker Options** has its meaning given to it in Section 7.1 of the Explanatory Statement.

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

**Capital Raising** means the capital raising to be undertaken by the Company, and required as a condition precedent to the Acquisition, being the subject of Resolution 4.

**Capital Raising Shares** means the 250,000,000 Shares that are being issued pursuant to the Capital Raising at an issue price of \$0.02 per Share to raise up to \$5,000,000.

**Chair** means the chair of the Meeting.

**Company** or **BGR** means Bronson Group Limited (ACN 006 569 124).

**Constitution** means the Company's constitution.

**Consideration Shares** has its meaning given to it be Section 4.1 of the Explanatory Statement.

**Consolidation** means the 20 for 1 consolidation of the Company's issued capital, being the subject of Resolution 2.

**Converting Loan Agreements** means the converting loan agreements between the Company and the Lenders to raise a total of \$250,000, being the subject of Resolution 8.

**Converting Loan Shares** means the Shares that are to be issued to the Lenders pursuant to the Converting Loan Agreements.

**Converting Loan Options** means the New Options that are to be issued to the Lenders pursuant to the Converting Loan Agreements.

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

**Debt Conversion Shares** means the Shares that are being issued to Anglo Menda (subject to Resolution 11) and the Shares being issued to the Related Parties (subject to Resolutions 12 to 17).

**Debts** means the Anglo Menda Debt and the Related Party Debt.

**Deep36 Pty Ltd** means Deep39 Pty Ltd (ACN 621 516 069).

**Directors** means the current directors of the Company.

**Existing Option** means an unlisted Option with an exercise price of \$0.02 and an expiry date of 14 July 2021. Following the Consolidation, the exercise price will be increased to \$0.40.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Focus** means Focus Exploration Pty Ltd (ACN 622 437 361).

**Focus Shareholders** means the shareholders of Focus as detailed in Section 1.3(a).

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Lead Manager** has its meaning given to it in Section 1.8 of the Explanatory Statement.

**Lenders** means the lenders who have entered into Converting Loan Agreements with the Company.

**Maximum Subscription** means the maximum amount to be raised under the Capital Raising, being \$5,000,000.

**Minimum Subscription** means the minimum amount to be raised under the Capital Raising, being \$4,500,000.

**New Option** means an unlisted Option with an exercise price of \$0.03 (post-Consolidation) and an expiry date of 14 July 2022.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

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

**Option** means an option to acquire a Share.

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

**Participation** has its meaning given to it in Section 6.1 of the Explanatory Statement.

**Pheakes Pty Ltd** means Pheakes Pty Ltd (ACN 107 128 629).

**Proposed Directors** means James Allchurch and Patrick Burke.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Parties** has its meaning given to it in Section 11.1 of the Explanatory Statement.

**Related Party Debt** means the amounts owed by the Company to the Related Parties as set out in Section 11.1 of the Explanatory Statement.

**Related Party Debt Repayment** means the issuing of up the Related Party Securities to the Related Parties in consideration for the repayment of the Related Party Debt that is subject to Resolutions 12 to 15.

**Related Party Securities** means the issue of Shares and New Options to the Related Parties that are subject to Resolutions 12 to 17.

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

**Section** means a section of the Explanatory Statement.

**Securities** means a Share or Option.

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

**Shareholder** means a registered holder of a Share.

**Tenement** means exploration licence EL31710.

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

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## SCHEDULE 1 – KEY TERMS OF THE ACQUISITION AGREEMENT

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- (a) **(Acquisition):** BGR agrees to acquire and the Focus Shareholders each agree to sell all of their fully paid ordinary shares in the capital of Focus (**Focus Shares**), free from encumbrance.
- (b) **(Consideration):** The consideration to be paid to the Focus Shareholders is the issue by BGR of 12,500,000 Shares (**Consideration Shares**), to be apportioned amongst the Focus Shareholders as set out in Section 1.3(a).
- (c) **(Conditions Precedent):** Completion of the Acquisition is conditional upon the satisfaction or waiver of the following outstanding conditions precedent:
  - (i) BGR preparing a full form prospectus to complete the Capital Raising, lodging the prospectus with ASIC and receiving valid acceptances under the prospectus to the Minimum Subscription;
  - (ii) BGR obtaining all necessary shareholder approvals in relation to the Acquisition and to re-comply with the admission and quotation requirements of ASX; and
  - (iii) BGR obtaining conditional approval for reinstatement of BGR's quoted securities to official quotation on ASX following settlement of the Acquisition.

- (d) **(Cost Reimbursement):** On settlement, subject to delivery of acceptable invoices, BGR will pay to the Focus Shareholders a total of \$50,000 (inclusive of all applicable taxes) by way of cost reimbursement to the Focus Shareholders for expenditure incurred in respect of the Tenement and data collation to date.

To the extent that the Focus Shareholders and the Company cannot produce acceptable invoices for the full amount of \$50,000, BGR will issue to the Focus Shareholders (or their nominees) BGR Shares for the amount of the shortfall (at a deemed issue price equal to the price of the Capital Raising) (**Reimbursement Shares**).

Each Vendor acknowledges and agrees that the Reimbursement Shares may be subject to up to 24 months escrow under the ASX Listing Rules and agrees to execute and deliver (or procure the execution and delivery of) such restriction agreement as may be required under the ASX Listing Rules in relation to their Reimbursement Shares.

- (e) **(Termination):** Either party may terminate the Acquisition Agreement if the other party commits a material breach of any of its terms, and either:
  - (i) if the breach is capable of being remedied, after being notified in writing by the aggrieved party, the other party fails to remedy such breach within 10 days; or
  - (ii) the breach is not capable of being remedied.
- (f) The Acquisition Agreement also contains a number of indemnities, representations and warranties that are considered standard for an agreement of this nature.

## SCHEDULE 2 – PRO FORMA BALANCE SHEET

	Note	\$A	\$A	\$A	\$A	\$A	\$A
		BGR Group Audited 31.12.2018	Focus Exploration Audit Reviewed 31.12.18	Pro Forma Adjust-ments Min \$4.5m Raise	Pro Forma BS Post \$4.5m Raise	Pro Forma Adjust-ments Max \$5m Raise	Pro Forma BS Post \$5m Raise
<b>CURRENT ASSETS</b>							
Cash and Cash Equivalents	1,2	1,976	100	4,380,000	4,382,076	4,850,000	4,852,076
Trade and Other Receivables		29,451	5,660	0	35,111	0	35,111
<b>TOTAL CURRENT ASSETS</b>	<b>1,2</b>	<b>31,427</b>	<b>5,760</b>	<b>4,380,000</b>	<b>4,417,187</b>	<b>4,850,000</b>	<b>4,887,187</b>
<b>NON-CURRENT ASSETS</b>							
<b>TOTAL NON-CURRENT ASSETS</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>		<b>31,427</b>	<b>5,760</b>	<b>4,380,000</b>	<b>4,417,187</b>	<b>4,850,000</b>	<b>4,887,187</b>
<b>CURRENT LIABILITIES</b>							
Trade and Other Payables	3	346,703	0	-242,003	104,700	-242,003	104,700
<b>TOTAL CURRENT LIABILITIES</b>	<b>3</b>	<b>346,703</b>	<b>0</b>	<b>-242,003</b>	<b>104,700</b>	<b>-242,003</b>	<b>104,700</b>
<b>NON-CURRENT LIABILITIES</b>							
Other Liabilities		0	62,482	0	62,482	0	62,482
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>0</b>	<b>62,482</b>	<b>0</b>	<b>62,482</b>	<b>0</b>	<b>62,482</b>
<b>TOTAL LIABILITIES</b>	<b>3</b>	<b>346,703</b>	<b>62,482</b>	<b>-242,003</b>	<b>167,182</b>	<b>-242,003</b>	<b>167,182</b>
<b>NET ASSETS</b>	<b>1,2,3</b>	<b>-315,276</b>	<b>-56,722</b>	<b>4,622,003</b>	<b>4,250,005</b>	<b>5,092,003</b>	<b>4,720,005</b>
<b>EQUITY</b>							
Issued Capital	1,2,3	13,011,070	100	4,992,003	18,003,173	5,492,003	18,503,173
Share Issue Expenses	2	0	0	-270,000	-270,000	-300,000	-300,000
Option Reserve		285	0	0	285	0	285
Current Earnings	2	0	-55,263	-100,000	-155,263	-100,000	-155,263
Retained Earnings		-13,326,631	-1,559	0	-13,328,190	0	-13,328,190
<b>TOTAL EQUITY</b>		<b>-315,276</b>	<b>-56,722</b>	<b>4,622,003</b>	<b>4,250,005</b>	<b>5,092,003</b>	<b>4,720,005</b>

### Notes:

1. Capital Raising of between \$4,500,000 and \$5,000,000.
2. Costs of the offer of between \$370,000 and \$400,000.
3. Repayment/conversion of debts as set out in this Notice.

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## SCHEDULE 3 – TERMS OF NEW OPTIONS

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(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.03 (on a post-Consolidation basis) (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 14 July 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

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



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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

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## ANNEXURE A – INDEPENDENT GEOLOGIST'S REPORT

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ABN 68 136 516 277

Auralia Mining Consulting Pty Ltd  
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**auralia**  
MINING CONSULTING



# Independent Geologist Report

Bronson Group Ltd (To be renamed Mandrake Resources Limited)

April 2018

Qualified Person:  
Richard Maddocks MSc BAppSci FAusIMM





The Directors  
Bronson Group Limited  
Level 2, 46-50 Kings Park Road  
West Perth WA 6005

Dear Sir/Madam,

### INDEPENDENT GEOLOGIST REPORT

Auralia Consulting Pty Ltd (ACN 136 516 277), ("Auralia") has been requested by Bronson Group Limited (the "Company" or "BGR") (to be renamed Mandrake Resources Limited) to prepare an Independent Geologist's Report ("IGR" or the "Report") on the tenement set out in Table 1 (**Tenement**)..

The Tenement being acquired is located in the Pine Creek region of the Northern Territory. The primary commodity of interest is gold. BGR intends to acquire all of the issued share capital of Focus Exploration Pty Ltd. Focus Exploration Pty Ltd is an Australian proprietary company incorporated in October 2017 for the purpose of acquiring the Tenement in the Northern Territory.

This Report is to be included in a Prospectus to be lodged by BGR with the Australian Securities and Investment Commission ("ASIC") on or about 10 May 2019, offering for subscription up to 250,000,000 fully paid ordinary shares in the capital of BGR ("Shares") at an issue price of two (2) cents per Share to raise up to \$5,000,000. The funds raised will be used primarily for the purpose of exploration and evaluation of the Tenement.

This Report will also be included in a Notice of Meeting to be issued to BGR shareholders to convene a shareholder meeting to be held on or about 4 June 2019 to resolutions to approve the acquisition of Focus Exploration Pty Ltd and undertake the capital raising under the Prospectus referred to above, and related matters.

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

The information in this Report that relates to exploration results for the Tenement is based on, and fairly represents, information and supporting documentation compiled by Richard Maddocks; MSc in Mineral Economics, BSc in Geology and Grad Dip in Applied Finance. Mr Maddocks is a consultant to Auralia and is a Fellow of the Australasian Institute of Mining and Metallurgy with over 30 years of experience. Mr Maddocks has sufficient experience which 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 in the JORC Code. Mr Maddocks consents to the inclusion in this Report of the matters based on his information in the form and content in which it appears.

The legal status of the Tenement is subject to a separate Independent Solicitor's Report which is set out in the Prospectus and the Notice of Meeting and these matters have not been independently verified by Auralia.

The present status of the tenement listed in this Report is based on information provided by BGR and the Report has been prepared on the assumption that the tenement will prove lawfully accessible for evaluation and development.

In addition, Auralia has not been requested to provide an Independent Valuation, nor has it been asked to comment on the Fairness or Reasonableness of any vendor or promoter considerations, and therefore it has not offered any opinion on these matters.

In the course of the preparation of this Report, access has been provided to all relevant data held by BGR and various other technical reports and information quoted in Section 4 of this Report (References). The information used to prepare this Report is drawn from:

- discussions with consultants, directors and management of BGR;
- publicly available reports prepared by previous tenement holders and their consultants; and
- scientific and technical research reports and papers publicly available.

All publicly available reports are available from government departments or a prescribed financial market in accordance with ASIC Regulatory Guide 55. None of those reports were prepared in connection with an offer of shares by BGR.

Auralia does not doubt the authenticity or substance of previous investigating reports. Auralia has not however, carried out a complete audit of the information but has relied on previous reporting and documentation where applicable and has used this for research purposes with qualifications applied, where necessary.

The authors and competent persons of the reports referred to in Section 4 of this Report (References) have not consented to the references made to their reports in this Report.

This Report has been prepared by Auralia strictly in the role of an independent expert. Professional fees payable for the preparation of this Report constitutes Auralia's only commercial interest in BGR. Payment of fees is in no way contingent upon the conclusions of this Report.

The Tenement is considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential, consistent with the programs proposed by BGR. No resources have been previously reported within the Tenement.

Mr Maddocks is of the opinion that BGR has satisfactory and clearly defined exploration and expenditure programs which are reasonable having regard to the nature of the mineralisation and the



stated objectives of the Company. BGR's exploration programs are included in the Report. It is noted that they may be altered in view of results gained which could revise the emphasis of current priorities.

Yours faithfully

A handwritten signature in dark ink, appearing to read "R Maddocks". The signature is fluid and cursive.

Richard Maddocks  
MSc Mineral Economics  
BAppSci Applied Geology  
GradDip Applied Finance and Investment  
FAusIMM, GAICD



## SUMMARY

This Independent Geologist Report ("IGR", or the "Report") has been prepared by Auralia Consulting Pty Ltd ("Auralia") at the request of Bronson Group Limited (the "Company" or "BGR") (to be renamed Mandrake Resources Limited). BGR owns, or has the right to acquire, controlling interests in Tenement EL31710 in the Northern Territory. This project is prospective primarily for gold mineralisation. In addition, based on previous exploration, the tenement is also prospective for nickel and copper mineralisation.

The Tenement is at an early stage of exploration. No JORC 2012 Mineral Resources have been delineated on the Project. Based on prevailing market sentiment and commodity prices, exploration for gold is warranted and the Tenement is considered sufficiently prospective to justify the exploration expenditure and work programmes outlined in the Prospectus and the Notice of Meeting.



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### Appendix 1 – JORC Tables 1 and 2 for the Berinka Project drilling

## 1.0 INTRODUCTION

### 1.1 Tenure

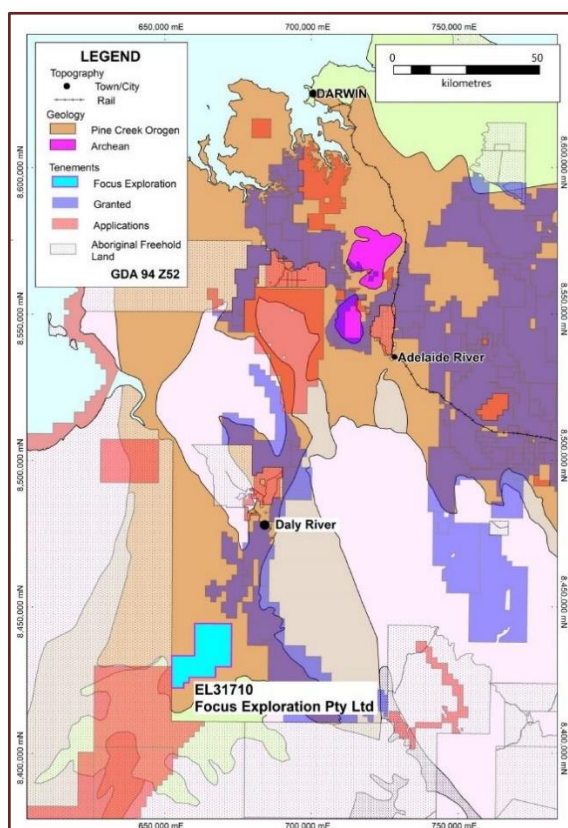
The tenement in which BGR has, or will have, an interest in is summarised in Table 1. The tenement was granted for a six year term.

**Table 1: Tenement Details**

Tenement	Status	Project	Area km <sup>2</sup>	Holder	Grant Date	End Date
EL 31710	Granted	Berinka	289	Focus Exploration PL	22/03/2019	21/03/2025

### 1.2 Location and Access

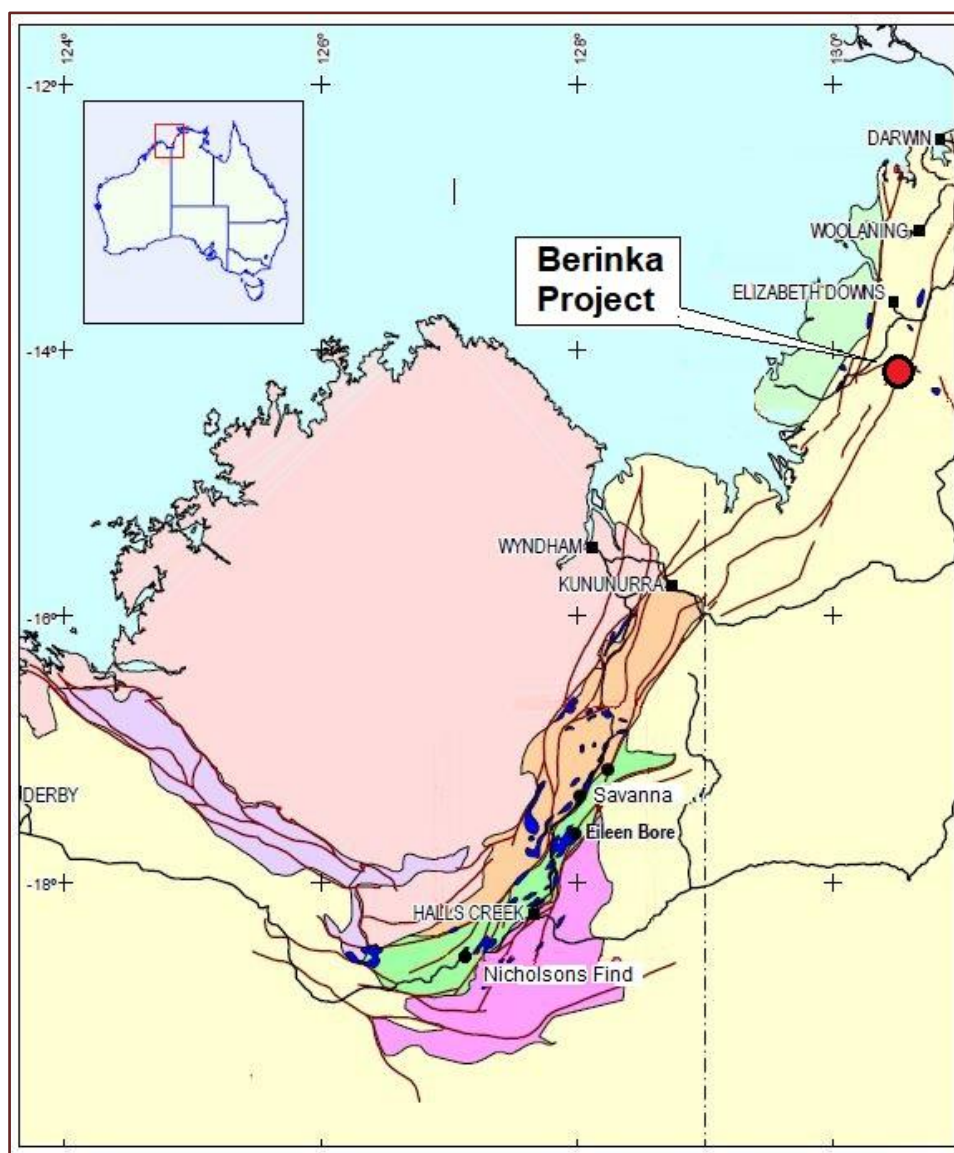
The tenement is located 220 km south south-west of Darwin, Northern Territory. Access is via the sealed Stuart Highway then the Port Keats Road to Daly River and thereafter by local unsealed station tracks and exploration tracks. Access is limited between November and April during the wet season as the unsealed tracks can become unpassable.



**Figure 1: Tenement Location**

## 2.0 REGIONAL GEOLOGY

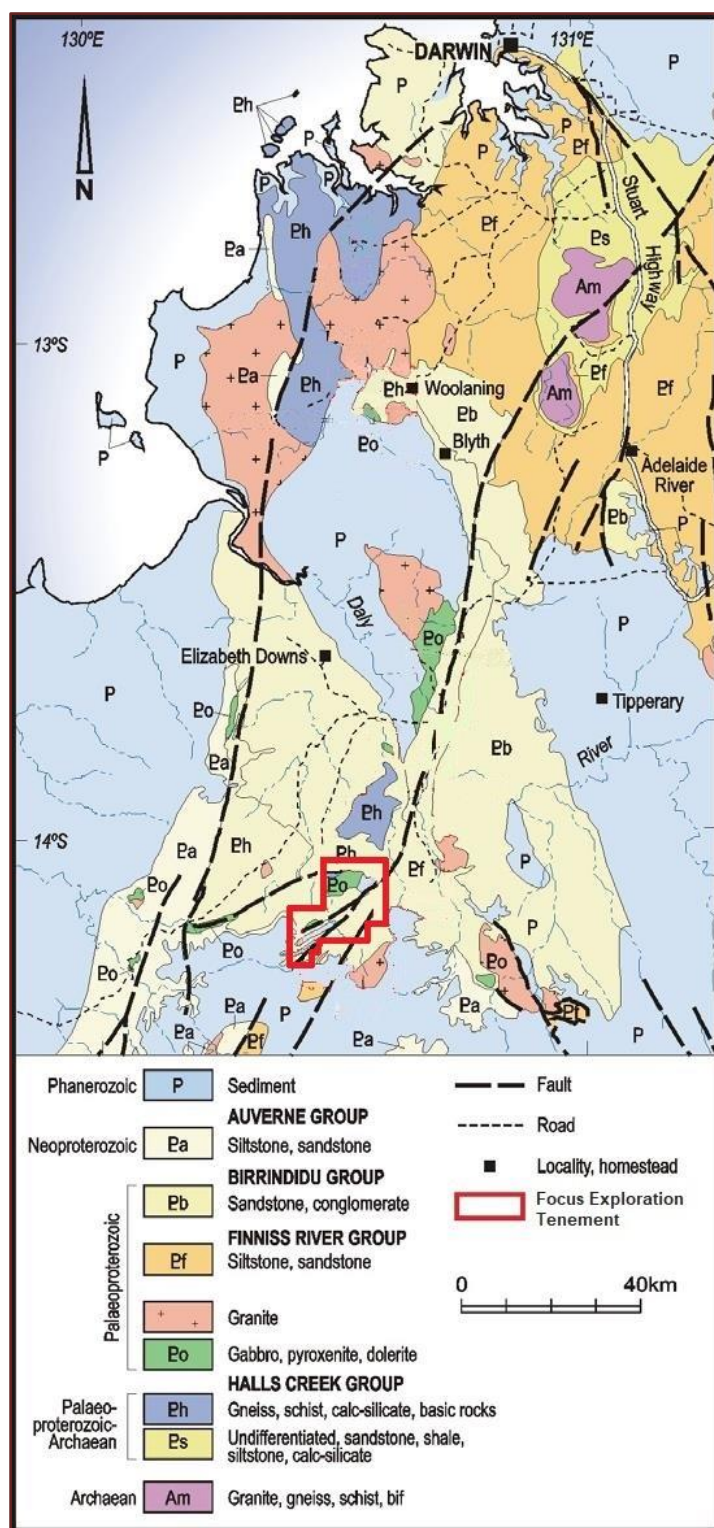
The Regional Geology is summarised from Gregory (2004). The Litchfield Province is part of the western Pine Creek Inlier and southern extensions and is correlated with the Halls Creek Mobile Belt of the Kimberley's which contains numerous significant magmatic nickel occurrences and deposits such as Sally Malay. The Province contains Proterozoic to Quaternary geological units, including Proterozoic meta-mafic and meta-ultramafic units referred to as the Wangi Basics. These mafic and ultramafic rocks are considered to be a likely host for Cu-Ni sulfide mineralization similar to that in the Halls Creek area.



**Figure 2:** Map showing relationship between project area and Halls Creek Mobile Belt (after Gregory 2004)

Based on a small number of analyses, Maddocks (1985) concluded that the Daly River Metadolerites (Wangi Basalts) are probably oceanic tholeiitic basalts. Maddocks suggests that these “Si-rich” mafic rocks (relative to the other basalts in the Pine Creek Geosyncline) are related to the Golden Dyke Metadolerites (exposed further to the northeast) and were derived from the progressive differentiation of a single basic magma.





**Figure 3:** Regional Geology showing tenement location.



## 3.0 BERINKA PROJECT

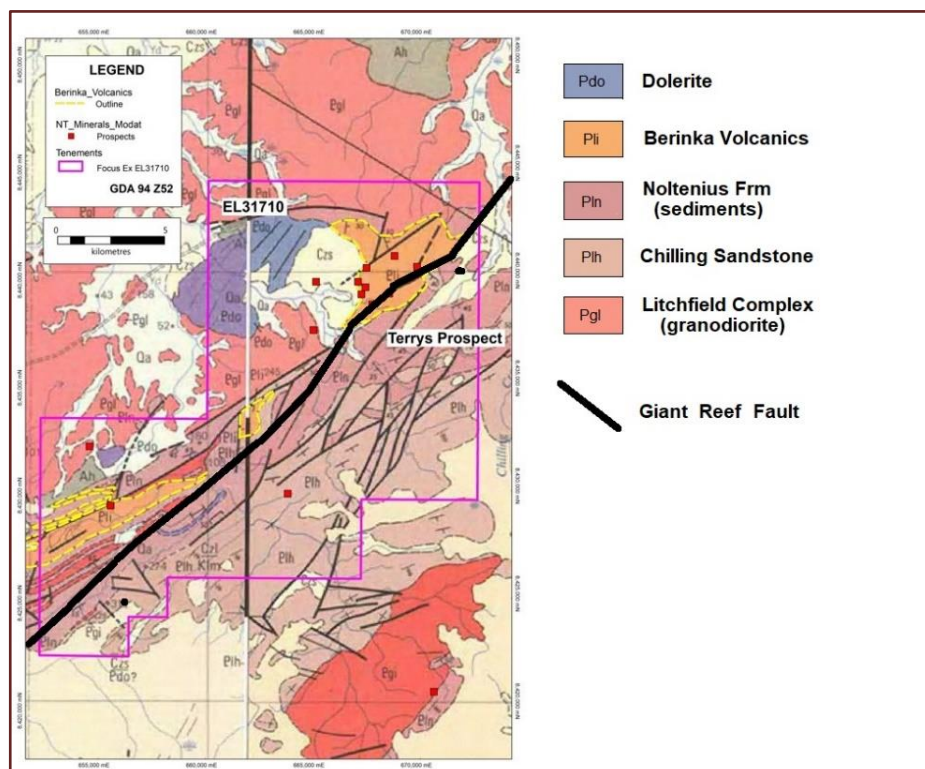
### 3.1 Project Geology

The tenement area is located near the western margin of the Pine Creek Geosyncline and is dominated by Early Protoerozoic lithologies of the Finniss River Group (FRG). The FRG is interpreted to unconformably overlie the Hermit Creek Metamorphics (HCM) which occur in scattered and isolated exposures throughout the northern area of the tenement.

The Burrell Creek Formation (BCF) is the basal formation of the FRG and is characterised by SE dipping phyllites, schists and quartz arenites. Inter-layered near the base of the formation are the rhyolitic and andesitic Berinka Volcanics. Unconformably overlying the BCF are the extremely thick and monotonous quartz-arenites of the Chilling Sandstone.

The HCM and FRG are intruded by Early to Middle Protoerzioc plutons including basic rocks (Wangi Basics), granitoids (Murra-Kamangee Granodiorite) and acidic sills (Ti-tree Granophyre).

The major faults occurring throughout the region appear to have acted as fundamental controls on sedimentation on the western edge of the Pine Creek Geosyncline. One such fault is the dextral trans-current Giants Reef Fault which, together with a zone of sub-parallel faults/splays, transects the tenement area.





## 3.2 Exploration History

### 3.2.1 Planet Management and Research Pty Ltd

Planet Management and Research Pty Ltd held licence 2343 (CR1969/42) over the Sandy Creek Mafic Complex during the late 1960's, and explored the area for Ni-Cu. Planet carried out some geochemical sampling and ground magnetic work and identified three target areas. Follow-up work was recommended but never carried out.

### 3.2.2 Suttons Motors/Mobil Energy JV

Suttons Motors in JV with Mobil Energy conducted a regional exploration program during the late 1970s and early 1980s (ELs 1965 and 3023), mainly for stratabound uranium mineralisation. Exploration was also directed towards base metals in places.

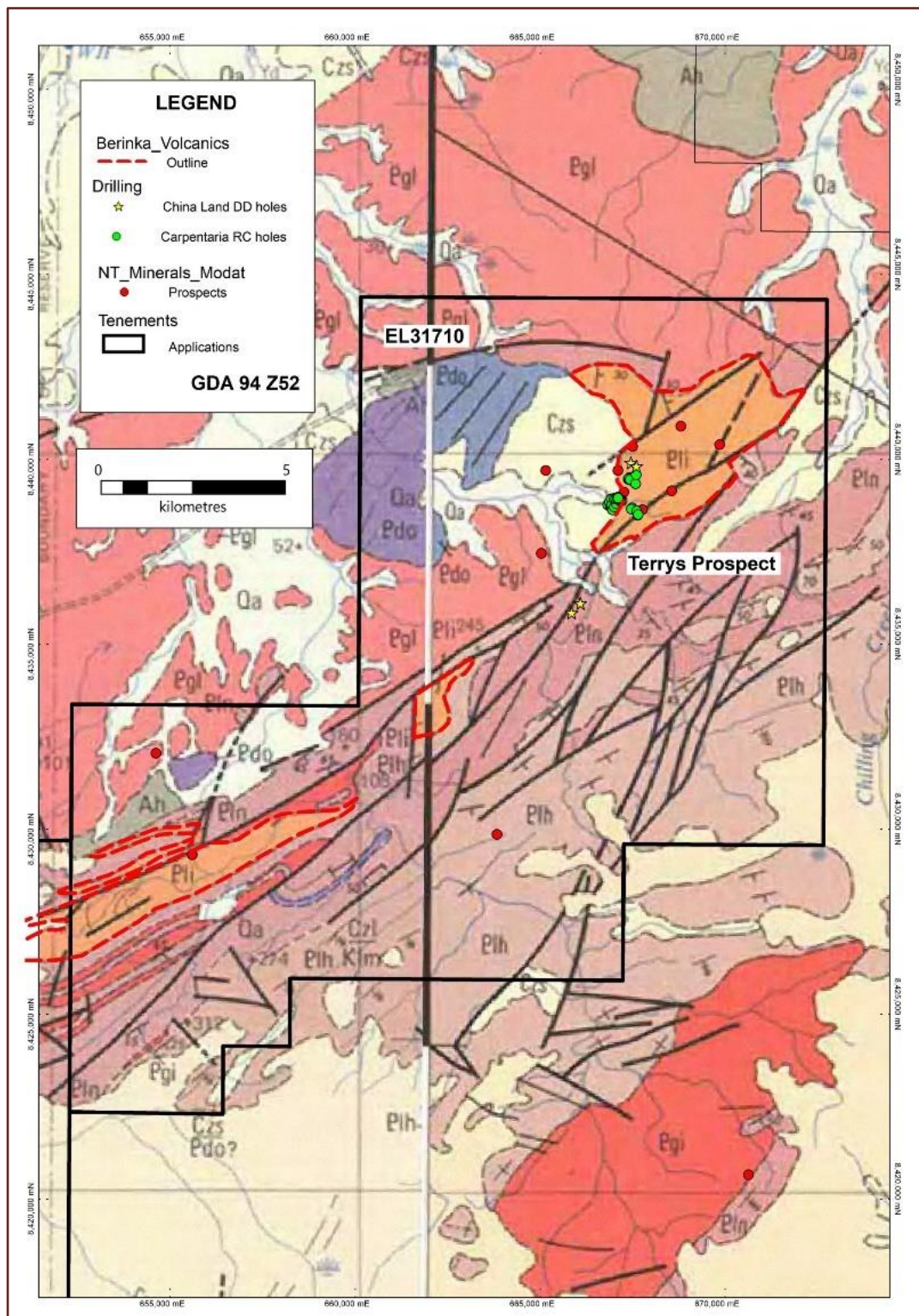
Work consisted of geological mapping, stream sediment sampling, airborne radiometrics and magnetics. Target areas were followed up with ground geophysics, geochemistry and drilling. The aeromagnetic and stream sediment Ni data highlighted the Sandy Creek Mafic Complex. The area was mapped and rock chip sampled, and ~20 samples were submitted for petrologic analyses. Mobil concluded that the complex had limited potential for Ni, Pt and Cr due to the absence of the following features: a basal ultramafic unit, compositional layering and compositional trends, cumulate textures, "true" anorthosites, and chromite bands. Mobil suggests that the Cu-Ni anomaly discovered earlier by Planet is in an area of alluvium-soil cover (SW end of complex) is associated with a reversely-polarised magnetic anomaly

### 3.2.3 Carpentaria Gold 1985-1990

Carpentaria Exploration (CEC) first explored in the region in 1975 when a reconnaissance visit found quartz veining at the now known Terry's Prospect that assayed 5.5g/t. CEC didn't peg leases until 1985 after which they explored the area for gold mineralisation.

Over the next six years CEC conducted soil sampling, mapping, gridding, rock chip sampling and ground magnetics. Most of these activities were focussed on the Terry's Prospect area.

Over the six-year tenure of CEC, 36 RC drill holes were completed totalling 3,014m, the results of this drilling are presented in table 2.



**Figure 5:** Map showing location of Carpentaria drill holes



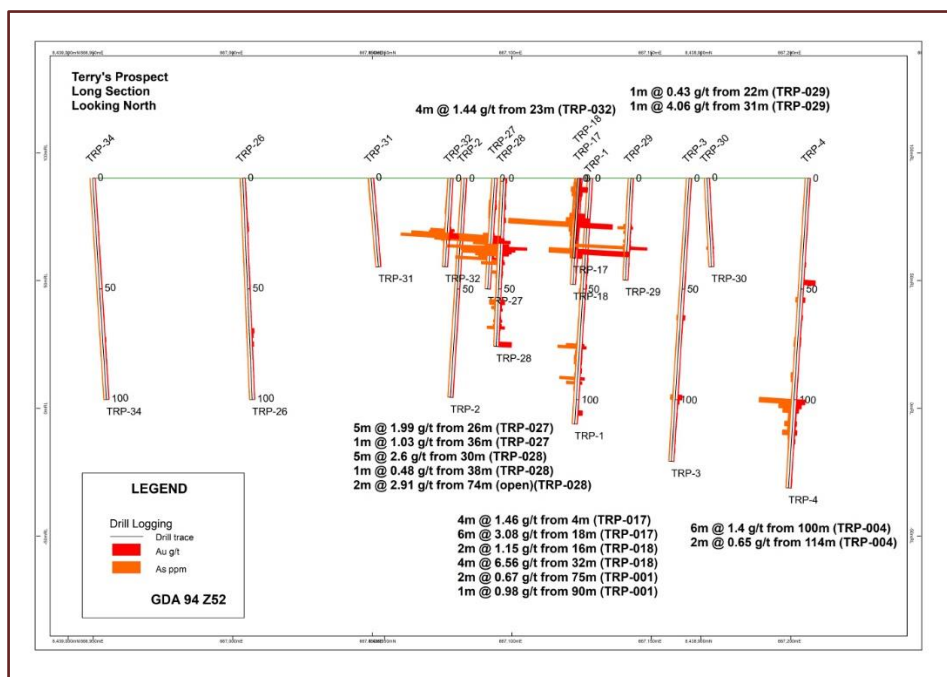


Figure 6: Longsection of Terry's Prospect drilling

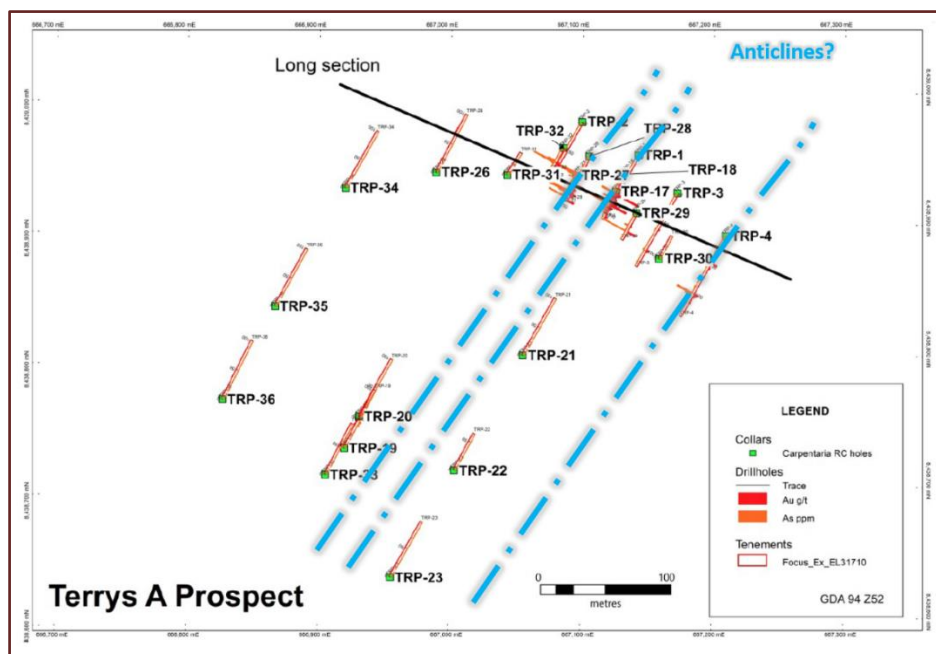
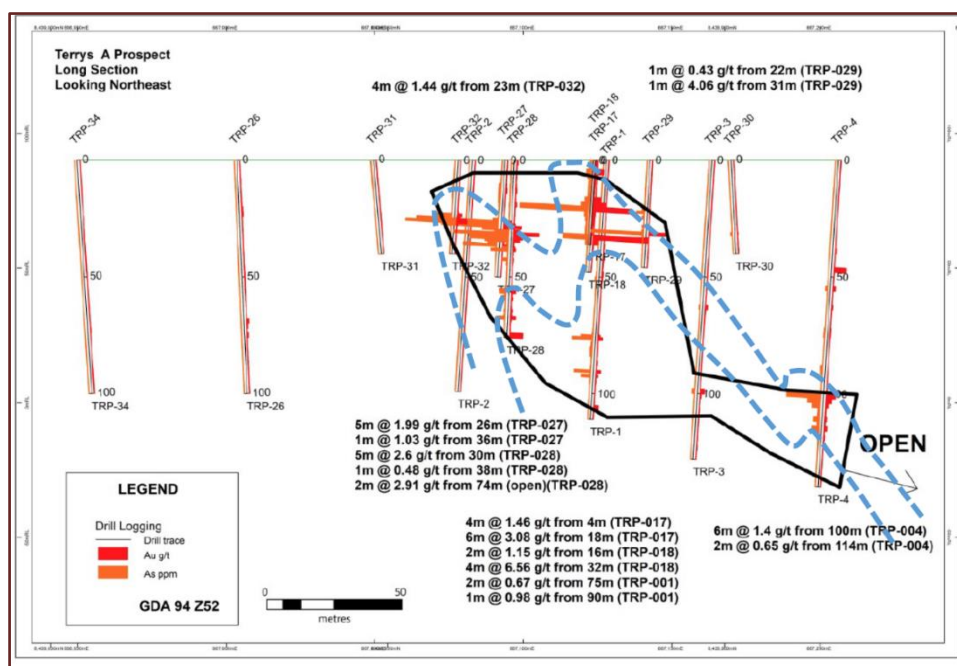


Figure 7: Plan view of Terrys showing drill traces and potential anticline axes



**Figure 8:** Longsection showing proposed geological interpretation for Terrys

**Table 2: Details of Carpentaria Exploration Drilling**

Hole	Easting GDA94	Northing GDA94	RL	Dip	Azimuth	Depth	From	To	Interval	Av Gold Grade g/t
TRP-1	667144	8438954	60	-60	210	111	75	77	2	0.67
							90	91	1	0.98
TRP-2	667102	8438980	60	-60	210	99	No significant intersection			
TRP-3	667174	8438926	60	-60	210	128	98	100	2	0.95
TRP-4	667210	8438893	60	-60	210	140	46	48	2	2.65
							54	56	2	0.63
							100	106	6	1.4
							114	116	2	0.65
TRP-5	667522	8439407	60	-60	210	87	No significant intersection			
TRP-6	667487	8439434	60	-60	210	129	14	16	2	0.75
							62	70	8	0.63
TRP-7	667430	8439457	60	-60	210	105	No significant intersection			
TRP-8	667438	8439487	60	-60	240	105	56	58	2	0.4
TRP-9	667410	8439507	60	-60	210	64	No significant intersection			
TRP-10	667390	8439485	60	-60	210	70	No significant intersection			
TRP-11	667381	8439464	60	-60	210	102	48	50	2	0.88
TRP-12	667633	8438490	60	-60	30	142	No significant intersection			



Hole	Easting GDA94	Northing GDA94	RL	Dip	Azimuth	Depth	From	To	Interval	Av Gold Grade g/t
TRP-13	667644	8438511	60	-60	30	52	No significant intersection			
TRP-14	667609	8438603	60	-60	210	102	No significant intersection			
TRP-15	667484	8438688	60	-60	30	34	No significant intersection			
TRP-16	667458	8438657	60	-60	210	32	No significant intersection			
TRP-17	667127	8438927	60	-60	210	4	4	8	4	1.46
							18	24	6	3.08
TRP-18	667134	8438941	60	-60	210	48	16	18	2	1.15
							32	36	4	6.56
TRP-19	666919	8438733	60	-60	28	100	39	40	1	0.41
TRP-20	666930	8438757	60	-60	30	100	No significant intersection			
TRP-21	667055	8438803	60	-60	30	100	No significant intersection			
TRP-22	667002	8438716	60	-60	29	64	No significant intersection			
TRP-23	666953	8438635	60	-60	30	97	No significant intersection			
TRP-24	667576	8439342	60	-60	297	100	No significant intersection			
TRP-25	667592	8439584	60	-60	296	100	No significant intersection			
TRP-26	666990	8438943	60	-60	28	100	68	70	2	0.49
TRP-27	667097	8438940	60	-60	210	50	26	31	5	2.6
							36	37	1	1.03
TRP-28	667107	8438954	60	-60	208	76	30	35	5	2.6
							38	39	1	0.48
							74	76	2	2.91
TRP-29	667142	8438911	60	-60	209	46	22	23	1	0.43
							31	32	1	4.06
TRP-30	667160	8438876	60	-60	29	40	No significant intersection			
TRP-31	667044	8438940	60	-60	32	40	No significant intersection			
TRP-32	667087	8438961	60	-60	210	40	23	27	4	1.44
TRP-33	666904	8438713	60	-60	28	88	No significant intersection			
TRP-34	666921	8438931	60	-60	30	100	No significant intersection			
TRP-35	666867	8438842	60	-60	29	100	No significant intersection			
TRP-36	666827	8438771	60	-60	27	100	No significant intersection			

### 3.2.4 CRA 1992-1995 EL7912

CRA explored the area for VHMS (Volcanic Hosted Massive Sulphide) deposits particularly targeting the Berinka Volcanics. They conducted an airborne aeromagnetic survey over areas delineated through soil/stream sampling. Based on this survey a heliborne electromagnetic survey was completed over areas of interest. The targets generated from this work were tested with 2 diamond drillholes and 5 RC holes totalling 174.8 NQ core and 201m of RC. Pyrite,





pyrrhotite, magnetite mineralised basalt and sulphidic dolerite (intruding Murra-Kamangee Granodiorite and Hermit Creel Metamorphics) were determined to be the cause of the magnetic and conductive anomalies. No elevated assay results were reported.

Based on this work CRA surrendered the tenement in late 1995

### *3.2.5 Corporate Developments 1991-1997 EL7580*

Corporate Developments was granted EL7580 over much of the same area held by CEC on EL4650. Corporate Developments then held the area from 1991 to 1997 (EL 7580 - Wingate) and followed up the main Au prospects identified by Carpentaria. This company carried out mapping, ground geophysics, soils and auger sampling. They tested parts of the reversely polarised aeromagnetic anomaly noted by Planet with soil sampling and IP. The results indicated anomalous Ni geochemistry and a weak sulfide (IP) response.

### *3.2.6 Corporate Developments 2003-2013 EL10140*

Corporate Developments was granted EL10140 in 2003 and then soon after granted an option to Falconbridge Australia; this was subsequently transferred to Discovery Nickel Ltd.

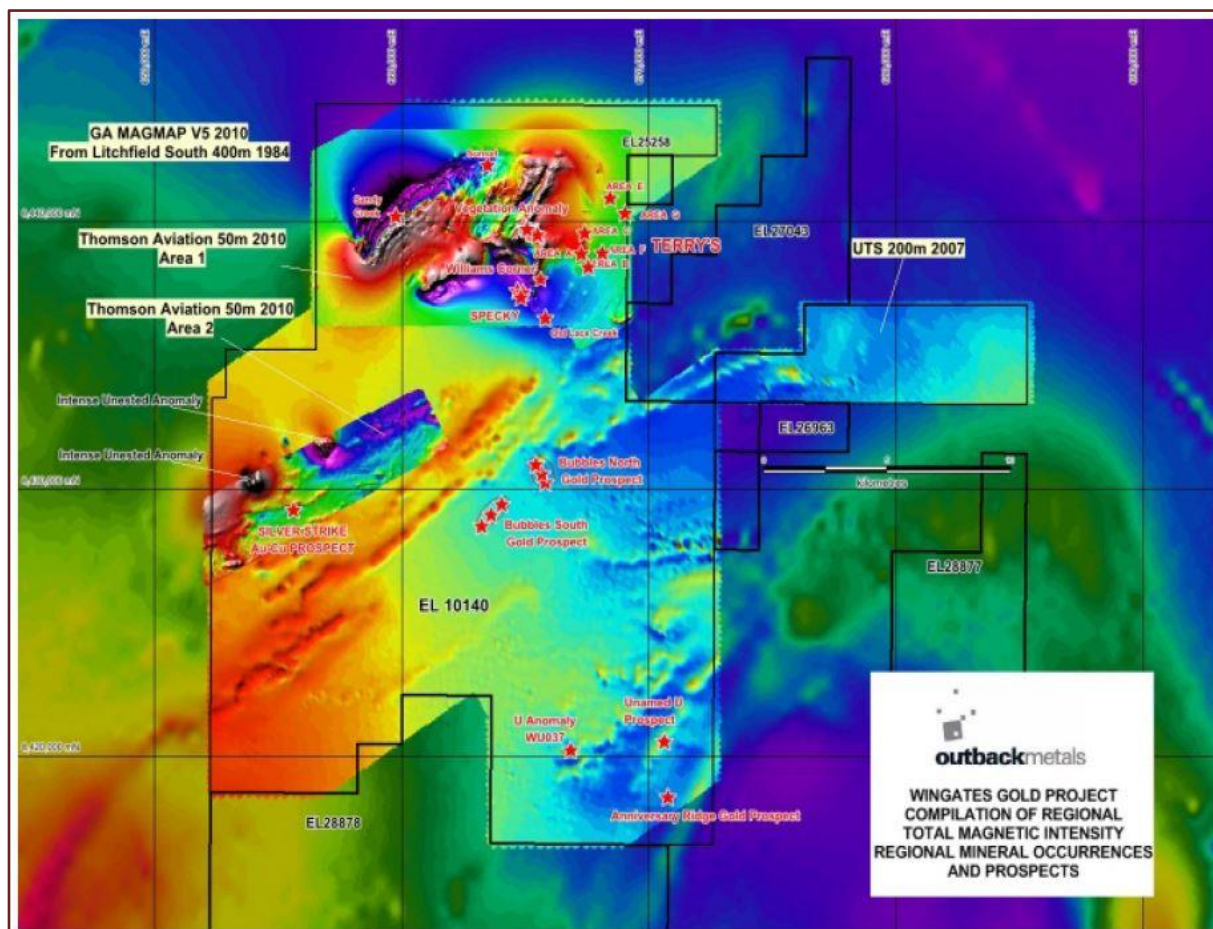
During 2004 Discovery Nickel completed soil sampling and a GEOTEM magnetic survey. Their focus was on nickel mineralisation in ultra mafics. It was determined that EM signatures were caused by shallow clay filled depressions thus downgrading this area for Ni mineralisation.

A further analysis in 2007 of available aerial data including magnetics, gravity and radiometrics indicated the potential for several separate mineralisation styles;

- a) Ni/Pt – an extensive layered mafic complex, with anomalous values in nickel and platinum
- b) U – almost all the felsic extrusive and intrusive units are radioactive and above background uranium values are common. The prolonged period of heating and cooling provided adequate opportunity for the mobilisation and concentration of uranium into high grade deposits assisted by the Victoria River Fault Zone.
- c) Au/U/Cu – Potential exists for Gold/Copper/Uranium deposits particularly in the Berinka Volcanic sequences. Although more work needs to be done, several gold occurrences (Specky Creek, Bubbles, Terry's etc.) are known to exist.

In 2011-12 Outback Metals conducted high resolution geophysical studies on the Terry's Prospects. Enlargement of the Terry's Prospects and Wangi basics (Figure 10) using Reduction to the Pole (RTP) imaging shows that the eastern responses are broadly symmetrical, indicating that dips are probably steep to vertical (assuming induced magnetisation). In the west there is a strong negative response, suggesting that the rocks there are remanently magnetised.

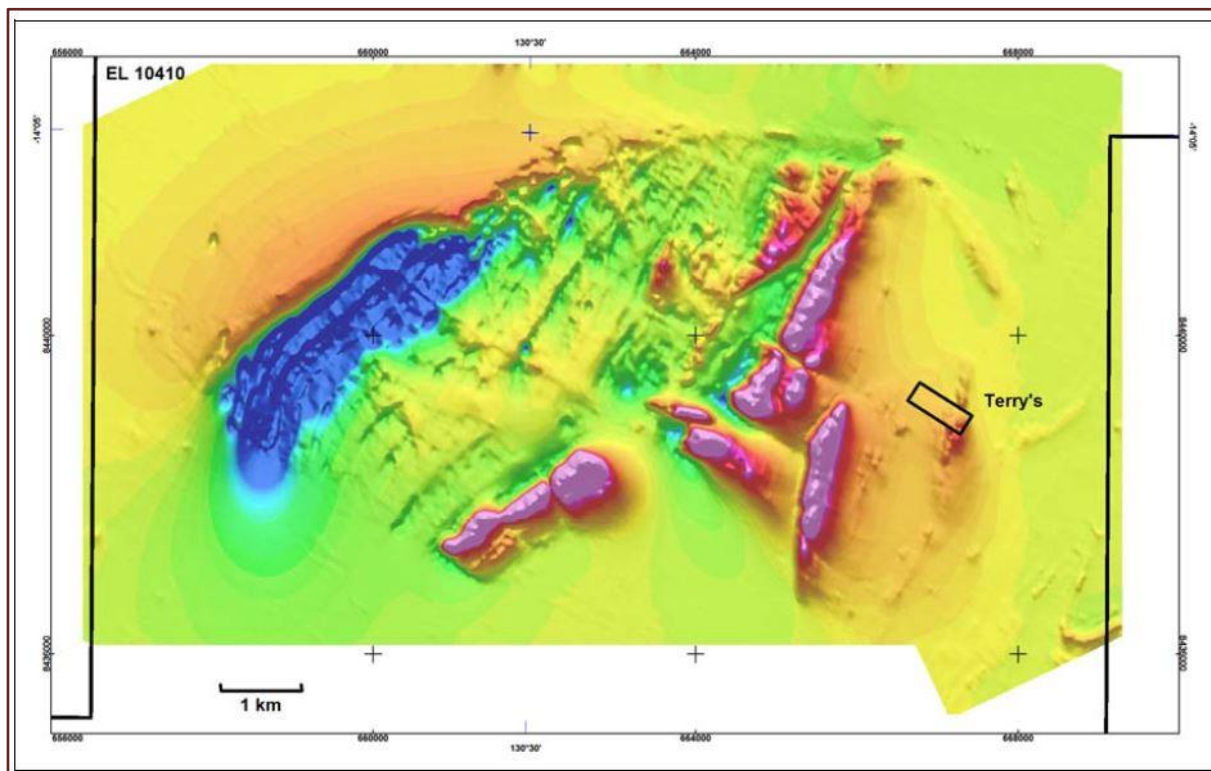
To offset the effects of remanent magnetisation the total gradient of the magnetic field is calculated. The resulting Analytic Signal image puts highs over magnetic material whether it is caused by induction or remanence (Figure 10).



**Figure 9:** Regional Total Magnetic Intensity

Figure 11 shows magnetic susceptibilities derived by inversion of the analytic signal data and displayed at 0m RL. The natural ground surface in the centre of the area is 50m RL or higher.



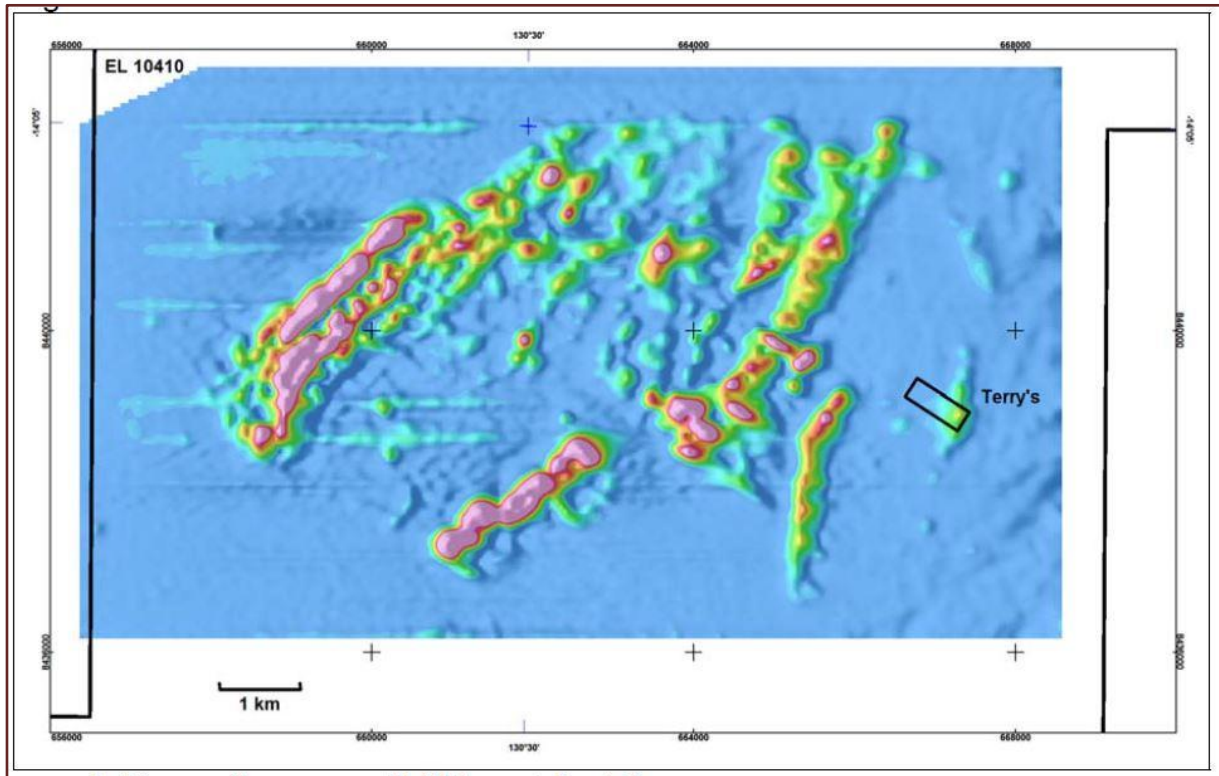


**Figure 10:** RTP Image of the Terry's prospect and nearby Wangi Basics

Some of the magnetic responses are under alluvial cover (Figure 11)

The data suggests:

- The Wangi Mafics are a multi-stage intrusion. The western part is remanently magnetised, and the eastern part is not. This is likely to represent different intrusion/eruption events and/or different times of cooling.
- Layering is evident, particularly on the NW margin. This may have geological implications for targeting mineralisation (nickel, platinum)
- The depth extent of the magnetic sources is probably significant.

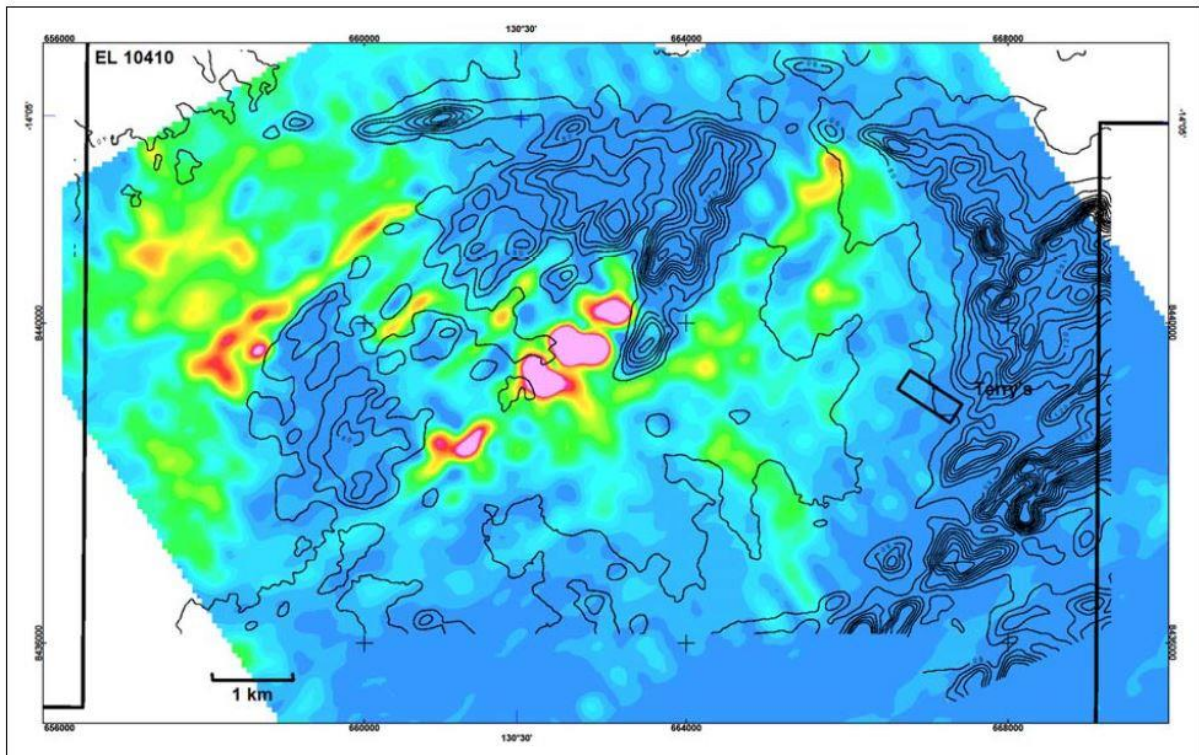


**Figure 11: Magnetic susceptibilities at 0m RL**

Modelling of the data along specific flight lines can be done in due course to collaborate the above, and to get a better idea of dips for the magnetic sources which are not remanently magnetised.

The Geotem airborne EM response on the NW margin (Figure 12) could represent the edge of conductive alluvial cover to the NW, or it could be a bedrock response representing sulphide on the edge of the intrusion, or perhaps metamorphosed sediment. Either scenario warrants further attention.

The large response in the centre of the intrusive complex probably represents thicker alluvium.



**Figure 12:** Geotem airborne electromagnetic response (X component – channel 5) with DTM contours

Outback Metals in their 2012 report made the following recommendations; "The presence of the two Intrusive events (Ti Tree Granophyre and the Litchfield Complex) coupled with the structural complexity suggests a high likelihood that the associated hydrothermal activity would facilitate gold deposition.

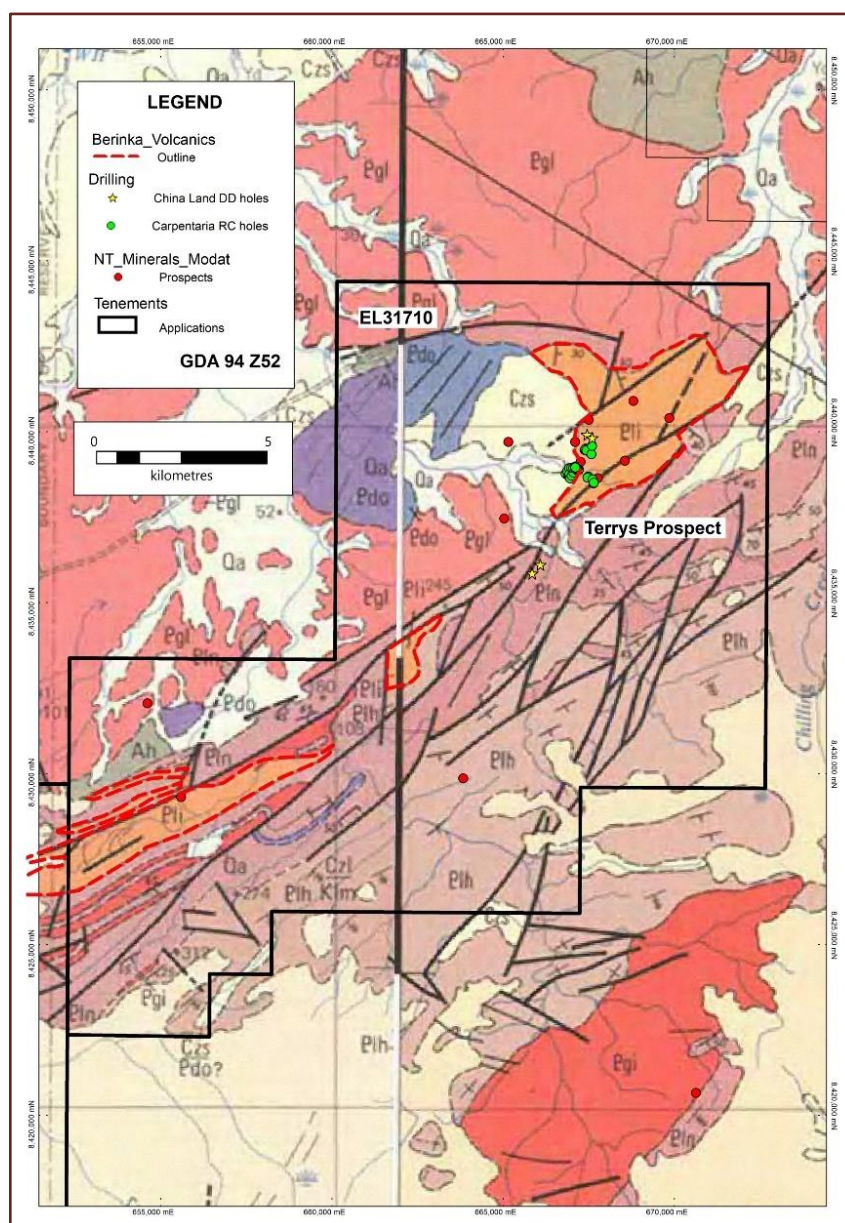
The anomalous "Terry's" group of prospects may require investigation with deeper diamond and RC drill holes to better understand the geological and mineralogical associations. The more recently discovered "Silver Strike" (Ag, Cu) prospect to the south west will also require drilling."

### 3.2.7 China Australia Land Resources 2013- 2016

China Australia Land Resources Pty Ltd (CALR) were granted 7 EL licences covering the project area between 2009 and 2012. During the 2013-14 period CALR completed the following exploration activities; mapping, 17 costeans, 4 drill holes ; 1:10000 soil geochemical survey. The focus of this exploration was CALR's tenement at EL29887.



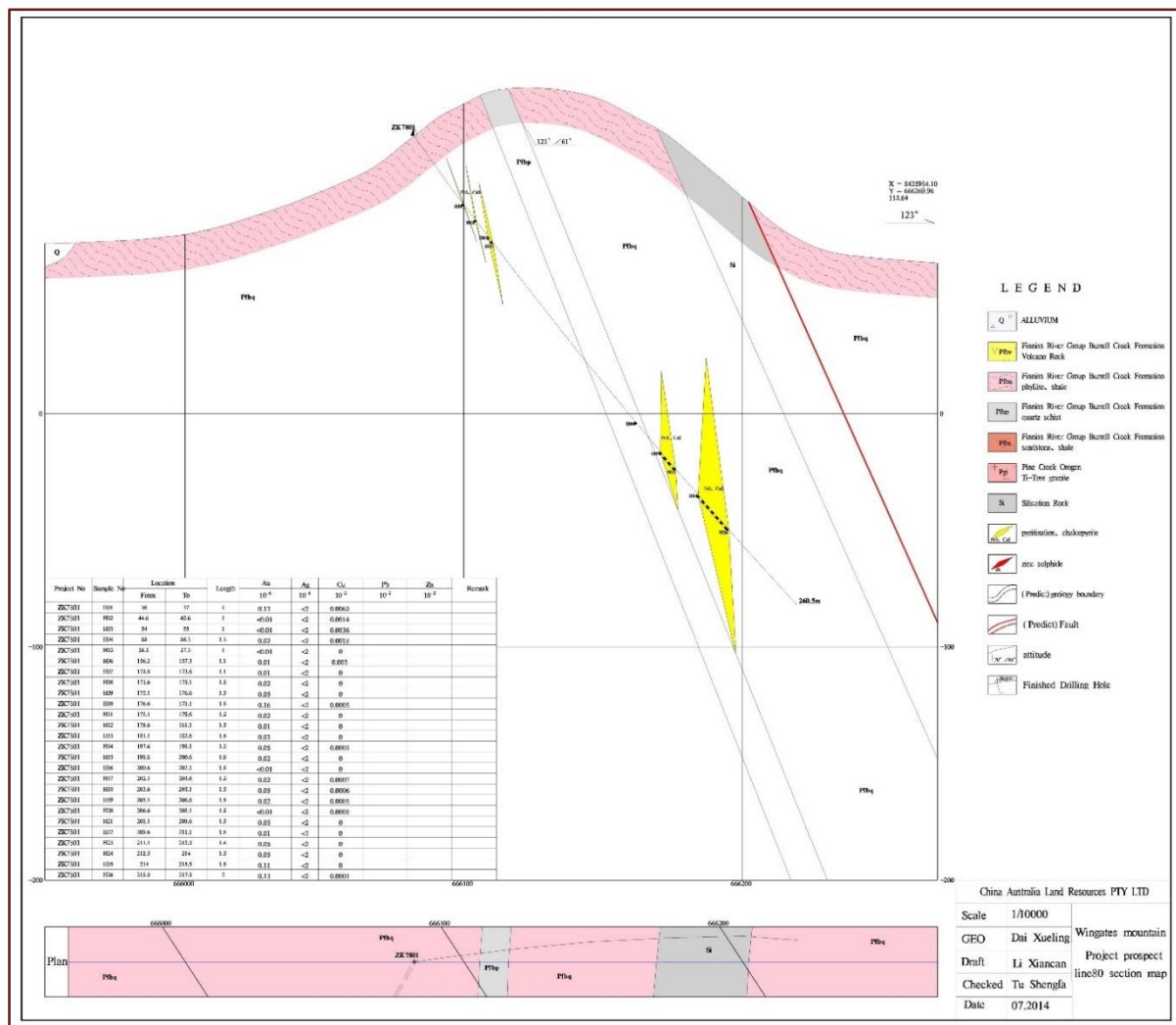
Four diamond drill holes were drilled in 2014, these were samples for gold but did not intersect any significant mineralisation. The location of the holes in relation to the previous CRA drilling in the 1980's is shown in **Figure 13**. Cross sections of the drill holes are illustrated in Figures 14 – 16.



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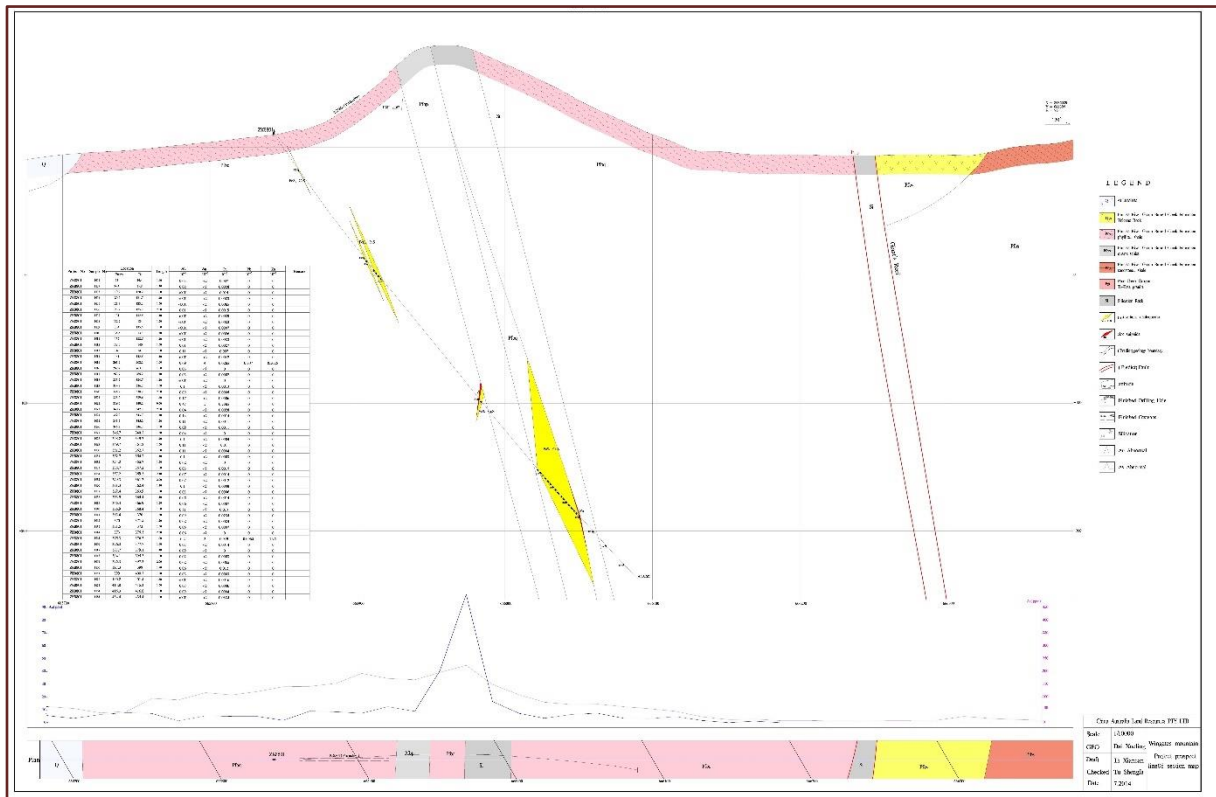


Hole ID	Northing	Easting	RL	Depth	Azimuth	Dip
ZK1701	8439914	667450	89	188.8	303	-70
ZK1702	8439816	667599	105	261.4	303	-70
ZK7801	8436107	666082	125	260.6	115	-55
ZK8801	8435852	665843	110	450.2	120	-55

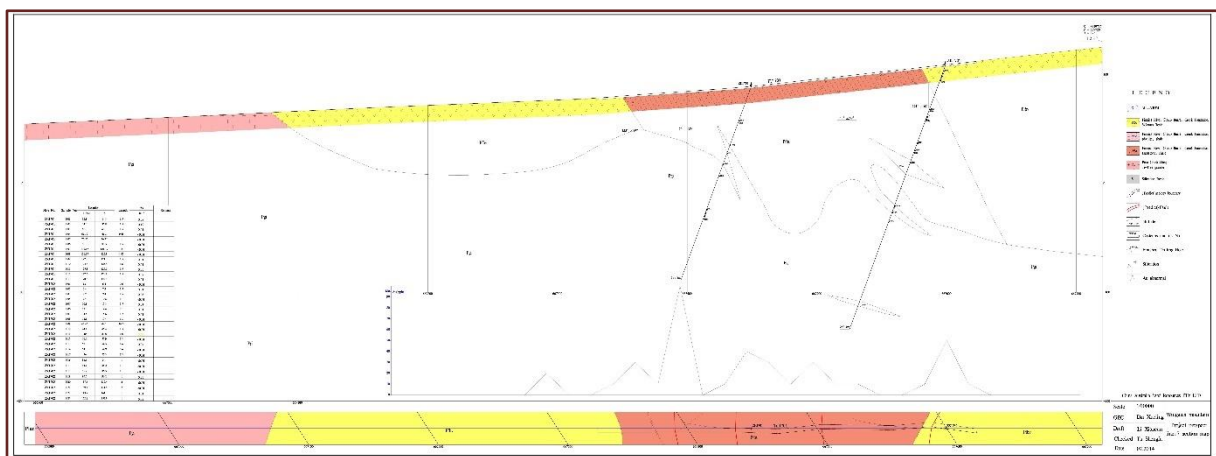


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**Figure 15: Cross section hole ZK8801**



**Figure 16: Cross section holes ZK1701 and ZK1702**



A summary of previous exploration is presented in Table 4.

**Table 4: Summary of Historical Exploration at the Berinka Project**

Company	Date	Location	Activities
Carpentaria Exploration	1984-1990	EL4650	Stream sediment sampling and mapping. Ground magnetics, RC drilling 36 holes for 3,014m
CRA	1992-1995	EL7912	Airborne magnetics, ground magnetics, 2 diamond holes 174.8 and 5 RC holes 201m
Corporate Developments	2002-2012	EL 10140	Completed follow up soils at Terrys and regional grids using both multielement and pXRF analysis, in addition to mapping, rock chip sampling identified regional prospects. Detailed airborne magnetic/radiometric survey over parts of the tenement
China Australia Land Resources	2012-2017	EL 29887	Completed 200m by 20m multielement soil grid in northwest-southeast orientation (~5000 samples) in northeast portion of the tenement. Drilled 4 diamond drill holes targeting coincident soil anomalies at Terrys C and Specky Creek, with only minor anomalism identified.

### **3.3 Exploration Potential and Proposed Work Programmes**

The exploration plan is to first undertake a thorough review of previous exploration in the area to capture all geological data (including geophysical data, rock samples, soil samples, past drilling, etc) in a GIS form followed by a reconnaissance field trip visiting outcrops and historic workings. Bronson notes the previous drilling undertaken by Carpentaria Exploration at the Terry's Prospect is not fully captured in the NT STRIKE database, so Focus intends to extract the existing data from that work during the first year of exploration.

Following on from this additional exploration programs including geophysical, geochemical and drilling programs are planned to take place. The focus in this work will be to better understand the geological controls on gold mineralisation and gold distribution.

Each step in the proposed exploration programme will be conducted contingent upon the success of the preceding activity. Table 5 summarises the proposed exploration program and expenditure.



**Table 5: Proposed 2-year Exploration for the Berinka Project**

Description	Cost (AUD)
Data compilation (scanning, digitising, translating drilllogs), generating drillhole database, land access and structural mapping	\$225,000
Ground Geophysics (EM and gravity)	\$350,000
Surface geochemical surveys	\$200,000
Drilling (diamond) (incl. downhole geophysics)	\$400,000
Drilling (RC)	\$800,000
<b>TOTAL</b>	<b>\$1,975,000</b>





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## 5.0 GLOSSARY

**Aeolian** Relating to wind-formed surficial deposits, typically composed of fine sand and sediment.

**Aeromagnetics** Airborne measurement of the earth's magnetic field for the purpose of recording magnetic characteristics of rocks.

**Ag** Chemical symbol for silver.

**Airborne EM** Airborne measurement of the electromagnetic response for the purpose of recording electromagnetic characteristics of rocks.

**Albite** A plagioclase feldspar mineral which is the sodium endmember of the plagioclase solid solution series.

**Allochthon** a large block of rock which has been moved from its original site of formation

**Anomalous** Having statistically significantly higher or lower values than the norm.

**Anomaly** A portion of an area surveyed that is different in appearance from the area surveyed in general or containing higher or lower values than considered normal.

**Archean** The oldest rocks of the Earth's crust – older than 2,400 million years.

**Arenaceous** – sand-bearing, or rock with abundant grains with a size classed as "sand".

**As** Chemical symbol for arsenic.

**Assay** An examination of a sample to determine by measurement certain of its ingredients.

**ASTER** Advanced Spaceborne Thermal Emission and Reflection Radiometer, a high resolution imaging instrument that is flying on the Terra satellite.

**Au** Chemical symbol for gold.

**Auger** a rotating drill used to drill shallow holes for sub surface sampling (commonly within 5 m of surface)

**Auriferous** Containing gold.

**Autochthon** a large block or mass of rock which is in the place of its original formation relative to its basement or foundation rock

**Axial Surface** A surface defined by connecting all the hinge lines of folded surfaces (e.g. strata). If the axial surface is a planar surface it is called the axial plane and is described by the strike and dip of the plane.

**Barite** A mineral consisting of barium sulfate

**Basalt** A fine-grained, dark igneous rock, generally extrusive, composed of half feldspar and half mafic materials.

**Basement** The igneous or metamorphic rock that exist below the oldest sedimentary cover. In some areas such as shields the basement rocks may be exposed at surface

**Batholith** A large emplacement of igneous intrusive (also called plutonic) rock that forms from cooled magma

**Beryl** A mineral composed of beryllium aluminium cyclosilicate

**Breccia** A coarse-grained clastic rock composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix.

**Brine** A solution of salt in water



**Brine hosted** Commodities, principally metals, dissolved in salt water and able to be captured and extracted.

**Bulk Cyanide Leach** An analytical process to leach metals from a sample

**Calcrete** A surficial form of carbonate, usually formed during weathering processes.

**Carbonate** Rock of sedimentary or hydrothermal origin, composed primarily of CO<sub>3</sub>

**Carbonatite** A type of intrusive or extrusive igneous rock defined by a mineralogic composition consisting of greater than 50 percent carbonate minerals.

**Carlin-type** A style of sediment hosted disseminated gold deposit named after the Carlin Mine, Nevada

**Carnotite** A uranium bearing mineral (potassium uranium vanadate).

**Celestite** A strontium bearing mineral (strontium sulphate)

**Cenozoic** The current geological era, from 66 Ma to the present day

**Chert** A hard, extremely dense or compact, dull to semi-vitreous, microcrystalline or cryptocrystalline rock consisting of interlocking crystals of quartz less than about 30 microns in diameter.

**Chlorite** A dark replacement mineral related to mica.

**Clastic** Sediments derived from erosion of pre-existing rocks.

**Cleavage (mineral)** The tendency of crystalline materials to split along definite crystallographic structural planes.

**Cleavage (structural)** A type of planar rock feature that develops as a result of deformation and metamorphism.

**Closed basin** A basin that retains water and allows no outflow to other external bodies of water, such as rivers or oceans, but converges instead into lakes or swamps, permanent or seasonal, that equilibrate through evaporation

**Co** Chemical symbol for cobalt

**Columbite** A niobium bearing mineral (iron-manganese niobium oxide)

**Conglomerates** A coarse-grained clastic sedimentary rock that is composed of a substantial fraction of rounded to subangular gravel-size clasts. Conglomerates may be "clast supported" where the clasts are the dominant constituent or "matrix supported" where the matrix between the clasts is the dominant constituent.

**Contact** The surface over which two solid geological bodies, usually rocks, are in touch

**Craton** A craton is an old and stable part of the continental crust that has survived the merging and splitting of continents and supercontinents for at least 500 million years.

**Crustal** From the crust

**Cu** Chemical symbol for copper

**Deformation** Process by which rocks are folded or faulted.

**Deposition** The precipitation of mineral matter from solution.

**Diamond (Core) Drilling** The most expensive method of drilling. It is designed for resource exploration drilling, its main benefit being that it provides core of the strata for accurate assessments and gives the most accurate indication of depth from which the sample is derived.





**Diapir** a type of geologic intrusion in which a more mobile and ductily deformable material is forced into brittle overlying rocks

**Dip** A measure of the orientation or attitude of a geological feature

**Disseminated** Mineral grains scattered throughout host rock.

**Dolerite** A medium-grained mafic intrusive rock composed mainly of pyroxene and plagioclase; crystalline basalt.

**Dyke** A tabular igneous intrusion cutting across the bedding or other planar structures in the country rocks.

**Electromagnetic Survey** Traverses carried out along equally spaced lines that input an electrical field to the ground, and measure the changes in the earth's magnetic field at different times after the application of the electrical field.

**EM** Electromagnetic – a geophysical technique whereby transmitted electromagnetic fields are used to energise and detect conductive material beneath the earth's surface

**Ensialic** the assemblage of rocks, rich in silica and alumina, that comprise the continental portions of the upper layer of the earth's crust

**Ensimatic** an assemblage of rocks, rich in silica and magnesium, that constitutes the lower layer of the earth's crust and is found beneath the ocean floors

**Eocene** A geological epoch from 56 Ma – 33.9 Ma

**Erosion** The action of surface processes (such as water flow or wind) that remove soil, rock, or dissolved material from one location on the Earth's crust, then transport it away to another location

**Evaporitic sediments** A water-soluble mineral sediment that results from concentration and crystallization by evaporation

**Exploration** Projecting, sampling, mapping, drilling and other work involved in the search for

**Extrusive** The mode of igneous volcanic rock formation

**Fault** A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally; this may provide a channel for the passage of mineral-bearing solutions.

**Fe** Chemical symbol for iron.

**Feldspathic** Containing feldspar minerals

**Felsic** Descriptive of light-coloured, fine-grained igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

**Felsic Volcanic** Descriptive of light-coloured, fine-grained extrusive igneous rock containing an abundance of mineral feldspar (generally potassium-rich) and quartz but with a very low content of mafic minerals.

**Ferruginous** Pertaining to or containing iron; red-coloured rocks in which the iron content has been oxidised.

**Fissure** A groove or natural division

**FLEM** Fixed loop electromagnetic survey

**Fluvial** Produced by the action of flowing water.

**Fold** A bend or curve in a stack of flat and planar surfaces, such as sedimentary strata, as a result of permanent deformation.



**Formation** A body of rock identified by lithic characteristics and stratigraphic position and is mappable at the earth's surface or traceable in the subsurface.

**Fractionation** A separation process in which a solidifying mixture is divided, usually through the loss of the more liquid portions of the mixture.

**Ga** A symbol for billions of years before the present time.

**Gabbro** Coarse-grained, dark igneous rock of similar composition to basic volcanics.

**Gamma radiation** A penetrating electromagnetic radiation of a kind arising from the radioactive decay of atomic nuclei.

**Garnet** A group of nesosilicate minerals

**Geochemical anomaly** A concentration of one or more elements in rock, soil, water or vegetation that differs significantly from the normal concentration.

**Geochemical surveys** The application of methods and techniques of geochemistry, such as soil and rock sampling, in the search for minerals.

**Geological Time** (or chronostratigraphy) is divided into Eons, Era, Periods and Epochs.

**Geophysical survey** The exploration of an area in which physical properties (for example, resistivity, conductivity, magnetic properties) unique to the rocks in the area are quantitatively measured by one or more geophysical methods.

**Gneiss** A rock formed by high-grade regional metamorphism of originally either igneous or sedimentary rocks. It is often foliated and characterized by alternating darker and lighter coloured bands.

**Gossan** An intensely oxidized, weathered or decomposed rock, sometimes the exposed part of a mineral vein, frequently appearing as a red stain against the background rock and soil due to the abundance of oxidized iron

**Gossanous** Containing material derived from a gossan

**Grade** Quantity of gold or other metal per unit weight of host rock or sample.

**Granite** Coarse-grained igneous crystalline rock with a high silica content.

**Granitoid** Pertaining to or composed of granite.

**Graphitic** Containing graphite

**Grid** Systematic array of points or lines along which field observations are made.

**Hexavalent** An element in a chemical state where 6 univalent atoms (e.g. hydrogen or chlorine atoms) may combine with an atom of the element under consideration.

**HoistEM** An airborne electromagnetic survey technique

**Hydrothermal** The transport and circulation of water within the deep crust, in general from areas of hot rocks to areas of cooler rocks

**Hyperspectral analysis** Analysis of spectral imagery to determine either surface or subsurface characteristics.

**Igneous** Formed by solidification from the molten state.

**Induced Polarization (IP)** The production of a double layer of charge at a mineral interface, or production of charges in double-layer density of charge, brought about by application of an electric or magnetic field.



**Intermediate** A descriptive term applied to igneous rocks that are transitional between basic and acidic with silica ( $\text{SiO}_2$ ) between 54% and 65%.

**Intrusion** The process of emplacement of magma in pre-existing rock. Also, the term refers to igneous rock mass so formed within the surrounding rock.

**Ironstone** Generic name for an iron bearing rock, usually at surface. May be a Banded Iron Formation or a weathering product similar to a laterite.

**Isoclinal folds** A fold where the two limbs have a dip of 10 degrees or less, ie are essentially parallel.

**K-feldspar** A feldspar mineral containing potassium, also known as orthoclase. Orthoclase forms a solid solution with albite.

**Lacustrine sediments** Sediments deposited in a lake.

**Laminated** A small scale sequence of fine layers that occurs in sedimentary rocks.

**LANDSAT** A program administered by NASA which acquires satellite imagery of Earth on an ongoing basis and supplies them to enable analysis of surface and sub surface features.

**Laterite** Iron-rich residual surface rock capping formed by weathering in tropical conditions.

**Lenticular** Adjective describing a formation with a lens-shaped cross-section

**Lepidolite** A lithium bearing mica mineral

**Lignite** A soft brown combustible sedimentary rock formed from naturally compressed peat often referred to as brown coal.

**Limonite** An iron ore consisting of a mixture of hydrated iron(III) oxide-hydroxides in varying composition

**Limonitic** Containing limonite

**Lithogeochemical** A technique to classify rocks solely on the basis of their chemical composition.

**Low-displacement fault** A fault with little displacement.

**Ma** A symbol for millions of years before the present time.

**Mafic** Referring to igneous rocks composed dominantly of iron and magnesium minerals.

**Magnetic anomaly** magnetic values above or below the norm for a particular rock.

**Magnetite** A mineral; magnetic oxide of iron.

**Malachite** a copper oxide mineral commonly found near surface.

**Manganiferous** Containing manganese

**Manganite** A mineral composed of manganese oxide-hydroxide

**Massive sulphide** Sulphide mineralisation where a large number of sulphide grains are in contact with each other.

**Mesozoic** A geological era from 252 to 66 Ma

**Metamorphic** Alteration and re-crystallisation of rocks because of heating or application of pressure or both.

**Metamorphism** The mineralogical, chemical and structural adjustment of solid rocks to physical and chemical conditions which have generally been imposed at depth under increased temperature and pressure below the surface zones of weathering, and which differ from the conditions under which the rocks in question originated.



**Metasedimentary** A sediment or sedimentary rock that has been altered by metamorphism.

**Metasomatism** The chemical alteration of a rock by hydrothermal and other fluids, resulting in the replacement of one rock by another of different mineralogical and chemical composition

**Metavolcanic** A volcanic or volcanoclastic rock that has been altered by metamorphism.

**Mica** A group of minerals characterised by nearly perfect basal cleavage

**Migmatite** A rock that is a mixture of metamorphic rock and igneous rock, created when a metamorphic rock partially melts, and then that melt recrystallizes into an igneous rock

**Mineral Sands** A class of placer deposit formed in beach environments due to the specific gravity of the mineral grains.

**Mineralisation** The concentration of metals and their chemical compounds within a body of rock.

**Mn** Chemical symbol for manganese.

**Mo** Chemical symbol for molybdenum.

**Mudstone** A fine-grained sedimentary rock whose original constituents were clays or muds

Muscovite

**Nappe** thrust sheet or a large sheetlike body of rock that has been moved more than 2 km or 5 km above a thrust fault from its original position

**Ni** Chemical symbol for nickel

**Nickel** Silvery-white metal used in alloys.

**Normal fault** is a fault where the hanging wall moves down relative to the footwall. Reverse faults indicate extension of the crust.

**Ogliocene** A geological epoch from 66 Ma – 56 Ma

**Ordovician** A geological period from 485 Ma – 443 Ma

**Orogeny** An event that leads to a large structural deformation of the Earth's lithosphere (crust and uppermost mantle) due to the interaction between tectonic plates

**Orogenic** Formed in an Orogeny

**Outcrop** An exposure of bedrock at the surface, projecting through the overlying soil cover.

**Oxidation** is the loss of electrons or an increase in oxidation state by a molecule, atom, or ion

**Oxidised** Near-surface decomposition by exposure to the atmosphere and groundwater.

**Palaeochannel** A remnant of an inactive river or stream channel that has been either filled or buried by younger sediments.

**Palaeovalley** A remnant of a geographical low or valley feature preserved in the basement following deposition of younger sediments. Often associated with palaeochannels.

**Paleocene** A geological epoch from 34 Ma – 23 Ma

**Pb** Chemical symbol for lead.

**Pegmatite** A holocrystalline, intrusive igneous rock composed of interlocking phaneritic crystals usually larger than 2.5 cm in size

**Peneplain** A low-relief non-constructive plain

**Percussion drilling** A method of drilling which utilises a hammering action under rotation to penetrate rock while the cuttings are forced to the surface by compressed air returning outside the drill rods.



**Permeable** Allows water flow

**PGE** Platinum Group Element (e.g. platinum, palladium, etc.)

**Phyllite Schist** fine-grained metamorphic rock formed by the reconstitution of fine-grained, parent sedimentary rocks, such as mudstones or shales

**Pillow breccias**, also known as volcanic breccias, are formed by explosive eruption of lava and any rocks which are entrained within the eruptive column

**Pillow Lava** Lavas that contain characteristic pillow-shaped structures that are attributed to the extrusion of the lava under water

**Pisolitic** A sedimentary rock made of pisoids, which are concretionary grains

**Pitchblende** A uranium bearing mineral now referred to as Uraninite (UO<sub>2</sub>)

**Playa lakes**. Another name for a salt lake, or dry lake. An ephemeral lakebed, or a remnant of an endorheic lake. Such flats consist of fine-grained sediments infused with alkali salts

**Pliocene** A geological epoch from 5.3 Ma – 2.6 Ma.

**Primary** – unweathered rock or minerals, e.g. primary sulphides

**Project** An area including a group of tenements that constitute a logical working unit.

**Proterozoic** A geological period of time from 2500 Ma – 545 Ma. Subdivided into Palaeo- (oldest), Meso- and neo-proterozoic (youngest).

**Pyrite** Magnetic iron sulphide mineral.

**Pyritic** containing pyrite

**Quartz** A very common mineral composed of silica.

**Quaternary** – the current geological system, from 2.6 Ma to present day

**RAB drilling** Rotary air blast drilling, a technique whereby the cuttings are returned to the surface outside the drill stem by compressed air and are thus liable to contamination from the wall rocks.

**Radiometrics** Measurement of the radiation, or radioactivity, of the surface or sub surface,

**RC drilling** Reverse circulation drilling, a technique in which the cuttings are recovered through the drill rods, thereby minimising sample losses and contamination.

**Redox** A chemical reaction in which the oxidation states of atoms are changed. Any such reaction involves both a reduction process and a complementary oxidation process, two key concepts involved with electron transfer processes

**Reduction** is the gain of electrons or a decrease in oxidation state by a molecule, atom, or ion

**REE** Rare Earth Elements

**Regolith** All the material at the earth's surface that lies above fresh, unweathered rocks.

**Regolith** Weathered portion of the land surface down to bedrock.

**Reverse fault** is a fault where the hanging wall moves up relative to the footwall. Reverse faults indicate compressive shortening of the crust. The dip of a reverse fault is relatively steep.

**Saline** Containing salt.

**Sampling** Taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).

**Sandstone** A clastic sedimentary rock composed mainly of sand-sized minerals or grains



**Schist** Type of fine-grained metamorphic rock with a laminated fabric similar to slate.

**SEDEX** Sedimentary exhalative deposits are ore deposits which are interpreted to have been formed by release of ore-bearing hydrothermal fluids into a water reservoir (usually the ocean), resulting in the precipitation of stratiform ore

**Sediment** Formed by the deposition of solid fragmental or chemical material that originates from the weathering of rocks.

**Sedimentary** Containing sediments.

**Sedimentary Basin** A low area in the earth's crust, of tectonic origin, in which sediments have accumulated. These may include volcanoclastic sediments.

**SEM** Scanning Electron Microscope

**Shale** A fine-grained, clastic sedimentary rock composed of mud that is a mix of flakes of clay minerals and tiny fragments (silt-sized particles) of other minerals

**Shear** A fracture in rock that is similar to a fault; zone in which rocks have been deformed by lateral movement along innumerable parallel planes.

**Siliciclastic** Clastic noncarbonate sedimentary rocks that are almost exclusively silica-bearing

**Silicified** Referring to rocks in which a significant proportion of the original constituent minerals have been replaced by silica.

**Sill** Intrusive igneous rock horizontally or sub-horizontally emplaced.

**Siltstone** A clastic sedimentary rock primarily composed of silt sized particles, defined as grains 2–62  $\mu\text{m}$

**Sparagmite** is an arkosic sandstone, greywacke and conglomerate set of beds

**Stockwork** A complex system of structurally controlled or randomly oriented veins

**Stratiform** Parallel to the stratigraphy

**Stratigraphic** Pertaining to the composition, sequence and correlation of stratified rocks.

**Stratigraphy** The study of stratified rocks, especially their age, correlation and character.

**Strike** A measure of the orientation or attitude of a geological feature

**Structural Geology** A branch of geology focussed on the orientation of different geological features and interpretation of the deformational history of a rock or area.

**Structure** The sum total of the structural features of an area.

**Sulphides** Minerals comprising a chemical combination of sulphur and metals.

**Sulphidic** Containing sulphides

**Supergene** A process that occurs near the surface, usually as a result of the circulation of meteoric water.

**Syncline** A fold with younger layers closer to the center of the structure

**Synclinatorium** A large syncline with superimposed smaller folds

**Tantalite** A tantalum bearing mineral (iron-manganese tantalum oxide)

**Tenement** Area of land defined by a government authority over which an applicant may conduct exploration or mining activity, aka 'Mineral Property'. eg Mining Lease or Prospecting Licence.



**Tetravalent** An element in a chemical state where 4 univalent atoms (e.g. hydrogen or chlorine atoms) may combine with an atom of the element under consideration.

**Thrust fault** is a fault where the hanging wall moves up relative to the footwall. Thrust faults indicate compressive shortening of the crust. The dip of a thrust fault is not steep.

**Tight folds** A fold where the two limbs have a dip of 30 degrees or less.

**Tuff** A type of rock made of volcanic ash ejected from a vent during a volcanic eruption.

**Unconformity** A substantial break or gap in the geologic record where a rock unit is overlain by another that is not next in stratigraphic succession, such as an interruption in the continuity of a depositional sequence of sedimentary rocks or a break between eroded igneous rocks and younger sedimentary strata.

**Vein** A narrow, dyke-like intrusion of mineral traversing a rock mass of different material.

**VMS** Volcanogenic Massive Sulphide

**VTEM** Versatile time domain electromagnetic survey. An aerial geophysical survey method.

**Volcanic** Class of igneous rocks that have flowed out or have been ejected at or near the Earth's surface, as from a volcano.

**Volcanic breccias** are formed by explosive eruption of lava and any rocks which are entrained within the eruptive column

**Volcaniclastics** A sediment formed by material (dust, rocks) ejected from a volcano, which usually includes additional material derived from the weathering of volcanic rocks.

**Weathering** The set of all processes that decay and break up bedrock by physical fracturing

**Zn** Chemical symbol for zinc.



**Appendix 1.** The following tables and statements are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of Exploration Results for the Berinka Project

**Section 1 Sampling Techniques and Data**

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>No information is available regarding the sampling methods of the RC rig for the RC drilling</li> <li>No further information is available</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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></li> </ul>	<ul style="list-style-type: none"> <li>Carpentaria Exploration Co Pty Ltd undertook Reverse Circulation (RC) drilling in 1986-1987 (TPR-1 to TPR-36). The holes were angled, no information is available as to which orientation method was used.</li> <li>CRA Exploration Pty Ltd undertook 2 diamond holes at the SW corner of EL31710 (DD95MO003 (inclined), DD95MO003 (vertical) and 5 vertical RC holes PD95MO001, 002, 004, 005, 006, no information is available as to which orientation method was used. This drilling was undertaken in 1995. Gaden Drilling Pty Ltd completed their drilling using a Warman 650-2 rig.</li> <li>China Land Resources Pty Ltd drilled 4 diamond drillholes in 2014. The holes were angled, no information is available as to which orientation method was used.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>No information is available regarding the RC recoveries</li> <li>Diamond drilling recoveries were not recorded.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>All samples were geologically logged. Logging is qualitative in nature.</li> <li>Logging is provided in the form of hand written logs</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>No information is available regarding the manner of splitting the RC samples.</li> <li>No information is available regarding field QC sampled of the historical results</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Carpentaria Exploration Co Pty Ltd routinely collected 2m samples, with selected 1m samples. Amdel was the laboratory utilized using AAS (A1/2) for As, Cu &amp; Pb, Aqua Regia Leach + AAS for Au, with selected repeats using Fire Assay</li> <li>CRA Exploration Pty Ltd collected 5m composites from the RC drilling and assayed multiple elements using Fire Assay/AAS, ICP-OES, ICP-MS, XRF methods methods. Analysis was undertaken by Amdel Laboratories Darwin. No information is provided on the diamond sampling method, but 5m composite sample were recorded.</li> <li>China Land Resources Pty Ltd collected selected interval samples of</li> </ul>

Criteria	JORC Code explanation	Commentary
		quarter and half core and had it analysed by Bureau Veritas Minerals Pty Ltd using Fire assay (for Au), MA101 was used to assay Cu, Pb and Zn.
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No independent geologists were engaged to verify results.</li> <li>No verification of analytical results has been undertaken</li> <li>No twinned sample locations have been completed</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Collar coordinate information was interpreted from the reports of Carpentaria's tables and maps</li> <li>CRA and China Resources collected using hand held GPS utilizing GDA 94, Zone 52.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Drillhole spacing is displayed on figures in the body of the report</li> <li>No sample compositing has been applied to the data.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Reinterpretation of historical drilling can be interpreted to suggest that the true strike at Terrys Prospect is NE/SW which is parallel with the bulk of the Carpentaria RC drilling</li> </ul>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>No information is available</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable as no audits or reviews of sampling techniques have been undertaken.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical</li> </ul>	<ul style="list-style-type: none"> <li>Terrys Prospect is located within EL31710 which is held by Focus Exploration Pty Ltd.</li> <li>The tenement is located on Pastoral Land.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>sites, wilderness or national park and environmental settings.</p> <ul style="list-style-type: none"> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Previous exploration at Terrys Prospect and the broader EL31710 is discussed in the report. Terrys was first discovered through rock chip sampling in 1975. Then rock chip sampling, soils, costeaning and RC drilling. Further soils and airborne geophysics were undertaken by Outback Metals in 2010. China Resources completed a 5000 sample 200m x 20m multielement soil grid over Terrys and its surrounds in 2013 before drilling 4 diamond drill holes in 2014.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The mineralisation model for the Terrys Prospect is yet to be determined. Historical work has identified that it is gold bearing sulphidic veins/structures associated with arsenopyrite. It has been logged as within the Wangi Gneiss and the Berinka Volcanics.</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Drilling data is supplied in the body of the report.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be</li> </ul>	<ul style="list-style-type: none"> <li>Drilling results are reported on a length weighted average format.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>shown in detail.</i></p> <ul style="list-style-type: none"> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>The geometry of the at depth mineralization at Terrys is unknown, one interpretation of the RC drilling undertaken by Carpentaria Exploration Co Pty Ltd is that it was not perpendicular to strike.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>See figures in report</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>This report provides a balanced summary of all known historic exploration.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>See report details</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><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></li> </ul>	<ul style="list-style-type: none"> <li>Additional exploration including surface sampling and drilling is required to fully investigate the potential for additional mineralisation.</li> </ul>

### Competent Persons Statement

*The information in this report that relates to Exploration Results is based on information compiled by Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Maddocks is an associate consultant to Auralia Mining Consultants.*

*Mr Maddocks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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## **ANNEXURE B – SOLICITOR'S TENEMENT REPORT**

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16 April 2019

The Directors  
Bronson Group Limited  
Level 3, 216 St Georges Terrace  
PERTH WA 6000

Dear Sirs

### **SOLICITOR'S TENEMENT REPORT**

This Report is prepared for inclusion in a prospectus for the public offer of a minimum of 225,000,000 shares in the capital of Bronson Group Limited (ACN 006 569 124) (**Company**) at an issue price of \$0.02 cents per share to raise at least \$4,500,000 (**Prospectus**).

#### **1. SCOPE**

We have been requested to report on the mining tenement that the Company, through the acquisition of a 100% interest in Focus Exploration Pty Ltd (ACN 066 569 124) (**Focus**), has an interest in, being EL31710 (**Tenement**).

The Tenement is located in the Northern Territory. Details of the Tenement are set out in Part I of this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

#### **2. SEARCHES**

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenement as follows (**Searches**):

- (a) we have obtained Minister's Certificate, under section 128 of the *Mineral Titles Act 2010* (NT) (**NT Mining Act**), in relation from the Territory Department of Primary Industry and Resources (**Department**) on 11 April 2019;
- (b) we have obtained searches from the Register of Sacred Sites maintained by the Aboriginal Areas Protection Authority (**Authority**) under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) (**Sacred Sites Act**) on 3 April 2019. The details of the Sacred Sites are set out in Section 5 and Part II this Report; and

- (c) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**). This material was obtained on 3 April 2019. Details of any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) are set out in Section 6 and Part II of this Report.

### 3. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

- (a) (**Focus's interest**): Focus' interest in the Tenement; and
- (b) (**Good standing**): the validity and good standing of the Tenement.

### 4. DESCRIPTION OF THE TENEMENT

The Tenement is a granted exploration licence applied for under the NT Mining Act.

Outlined below is a summary of the key provisions of the NT Mining Act that relate to mineral exploration licences within the Northern Territory:

- (a) **Rights:** As per section 26 of the NT Mining Act, the holder of an exploration licence has the right to occupy the title area specified in the exploration licence, is authorised to conduct exploration activity on the tenement and has the exclusive right to apply for a mineral lease for all or part of the title area.
- (b) **Term:** An exploration licence may be granted for a term not exceeding six years and may be renewed for further periods of two years at the discretion of the Minister for Primary Industry, Fisheries and Resources (**NT Minister**).
- (c) **Area:** The area of land in respect of which an exploration licence may be granted must be contained in a single licence area, unless the NT Minister allows otherwise, and must not exceed 250 blocks. Under the NT Mining Act, the area of an exploration licence must be reduced by 50% after two years from the date of the grant of the exploration licence, and for each two years after that, a further 50% of the remaining area must be relinquished, subject to the discretion of the NT Minister.
- (d) **Rent:** The prescribed rent for an exploration licence in the Northern Territory, for the purposes of the NT Mining Act, are set out in the *Mining Regulations (NT)* (**NT Regulations**). As the NT Tenement was granted after the commencement of NT Mining Act the following rents are payable. Section 77(1) of the NT Regulations states that rent, after the date of grant of the exploration licence, shall be:
  - (i) \$35 for each block in the first year and second year;
  - (ii) \$71 for each block in the third year and fourth year;
  - (iii) \$143 for each block in the fifth year and sixth year; and
  - (iv) \$201 for each block per year in the period of renewal.

Pursuant to Section 105 of the NT Mining Act, the NT Minister may cancel an exploration licence where the holder of the licence fails to comply with a condition, such as the provision of rent required by the NT Regulations.

- (e) **Conditions:** Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are detailed in Part 1 of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

In accordance with Section 32(2)(a)(ii) of the NT Mining Act, every exploration licence shall be granted subject to the expenditure conditions imposed by or under Section 85 of the NT Mining Act. The licensee will expend not less than the minimum amount of expenditure specified in the licence in carrying out exploration activities on the licence area.

The NT Minister may opt to amend, suspend or remove a condition of the exploration licence.

As noted above, pursuant to Section 105 of the NT Mining Act, the NT Minister may cancel an exploration licence where the holder of the licence contravenes a condition, has not used good work practices in conducting activities, no longer has the financial resources to carry out the technical works program or has not conducted authorised activities to a degree consistent with genuine exploration, mining or processing of minerals or extractive minerals.

- (f) **Ministerial Consent:** Under section 35 of the *Mining Management Act 2001* (NT) (**Mining Management Act**), any activity on tenure (other than for exploration that does not involve substantial disturbance) requires the NT Minister to grant ministerial authorisation before that activity can commence.
- (g) **Transfer:** A transfer of an interest in an exploration licence must be in writing and has no effect until registered by the NT Minister. Section 123 of the NT Mining Act requires a person who intends to transfer all or part of their interest in the exploration licence to apply to the NT Minister for approval and registration of the transfer.

## 5. ABORIGINAL HERITAGE

There may be areas or objects of Aboriginal heritage located on the Tenement.

Aboriginal sites were identified from the Heritage Searches (as noted in Part II of this Report).

It is noted that a standard Aboriginal heritage agreement has not been entered into in respect of the Tenement which sets out the obligations of the parties holding an interest in the Tenement (whether title or mineral rights only) in protecting Aboriginal heritage in areas where exploration takes place in a manner that is transparent, timely, certain and cost effective.



Under Aboriginal heritage agreements parties holding an interest in a tenement (whether title or mineral rights only) may dispose of any or all of its rights with respect to their interest in the tenement, but must first procure an executed deed of assumption in favour of the relevant native title group by which the assignee (purchaser) agrees to be bound by the provisions of the heritage agreement and to assume, observe and perform the obligations of the assignor (vendor) under the heritage agreement insofar as they relate to the interest being acquired by the assignee (purchaser). In the case of the Company such an assumption would be restricted to the obligations relating to the mineral rights (excluding iron ore) on the Tenement.

As heritage agreements relate to the process of 'clearing' areas of land on tenements in order to conduct exploration activities it is possible a purchaser may rely on surveys previously completed by a vendor where it wishes to conduct activities on areas within tenements previously cleared of heritage sites without the requirements to repeat the process and incur additional costs.

## 5.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenement.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

## 5.2 Northern Territory Legislation

It is an offence under Section 111 of the *Heritage Act 2011* (NT) (**NT Heritage Act**) to carry out work on or damage a heritage place or heritage object (collectively refer to as "archaeological sites"), without approval in accordance with section 111(5) of the NT Heritage Act.

"Heritage places" and "heritage objects" are places and objects that have been declared to be such pursuant to Part 2.1 or Part 2.2 of the NT Heritage Act. Broadly, an "archaeological place" includes a place pertaining to the past occupation by Aboriginal or Macassan people that has been modified by the activity of such people and in or on which the evidence of such activity exists (Section 6 NT Heritage Act). An "archaeological object" generally includes a relic pertaining to the past occupation by Aboriginal or Macassan people of any part of Australia which is now in the Northern Territory (Section 8, NT Heritage Act).

The *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) (**NT Sacred Sites Act**) also applies to the Tenement. It is an offence under Part IV of the NT Sacred Sites Act to enter onto, work on or desecrate a sacred site other than in accordance with the NT Sacred Sites Act. Sacred sites are recorded on the NT Tenement and the Aboriginal Areas Protection Authority highly recommends that an authority certificate be applied for any proposed works on or near the NT Tenement. The Aboriginal Areas Protection Authority notes that an authority certificate has previously been issued over the NT Tenement area, and under sections 19A-22 of the NT Sacred Sites Act, the Aboriginal

Areas Protection Authority has placed conditions relating to the protection of sacred sites in relation to particular works.

The Company should conduct searches of the register maintained by the Northern Territory Department of Tourism and Culture and the Register of Sacred Sites maintained by the Aboriginal Areas Protection Authority prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the NT Sacred Sites Act occur.

## **6. NATIVE TITLE**

### **6.1 Introduction**

This section of the Report examines the effect of native title on the Tenement.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2)* (1992) 175 CLR 1 (**Mabo no.2**).

The High Court in *Mabo no. 2* held that certain land tenure existing as at the date of that case, including mining tenements, were granted or renewed without due regard to native title rights, were invalid. The High Court concluded that:

- (a) native title has been wholly extinguished in respect of land the subject of freehold, public works or other previous "exclusive possession" acts; and
- (b) native title has been partially extinguished as a result of the grant of "non-exclusive possession" pastoral leases and mining leases, and also as a result of the creation of certain reserves.

As a result of *Mabo no. 2*, the *Native Title Act 1993* (Cth) (**NTA**) was passed to:

- (a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the NNTT and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;
- (b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite *Mabo no. 2* (**Past Acts**). This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996 (**Intermediate Period Acts**). Broadly speaking, this means that native title is not extinguished, merely suspended, for the duration of the mining tenement; and
- (c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

## **6.2 Future Act Provisions**

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are four alternatives: the Right to Negotiate, an ILUA, the Infrastructure Process (defined below) and the Expedited Procedure. These are summarised below.

## **6.3 Right to Negotiate**

The Right to Negotiate involves a formal negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement (eg in relation to heritage surveys). The classes of conditions typically included in a mining agreement are set out at section 7.5 below.

If agreement is not reached to enable the tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if so, on what conditions. The earliest an application for arbitration can be made to the NNTT is six (6) months after the date of notification of commencement of negotiations by the DMP.

If the Right to Negotiate procedure is not observed, the grant of the mining tenement will be invalid to the extent (if any) that it affects native title.

## **7. ILUA**

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

## **7.1 Infrastructure Process**

The NTA establishes a simplified process for the carrying out of a Future Act that is the creation of a right to mine for the sole purpose of the construction of an infrastructure facility (**Infrastructure Process**). The NTA defines infrastructure facility to include a range of transportation, marine, aeronautical, electrical, oil, gas, mineral and communication facilities.

The State commences the Infrastructure Process by giving notice of the proposed grant of the tenement to any registered native title claimants or native title holders in relation to the land to be subject to the tenement. Those registered native title claimants or holders have two (2) months after the notification date to object in relation to the effect of the grant of the tenement on any registered or determined native title rights.

If a registered native title claimant or holder objects, the applicant for the tenement must consult with that claimant or holder about:

- (a) ways of minimising the effect of the grant of the tenement on any registered or determined native title rights;
- (b) if relevant, any access to the land; and
- (c) the way in which anything authorised by the tenement may be done.

## **7.2 Expedited Procedure**

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

- (a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
- (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
- (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the above criteria are satisfied, the Expedited Procedure may commence in accordance with the NTA. Persons have a period of objection after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.

If there is no objection lodged by a registered native title claimant or a native title holder, the tenement may be granted.

If one or more registered native title claimants or native title holders object within the notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the tenement may be granted. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the tenement can be granted.

## **7.3 Exception to requirement to comply with Future Act Provisions**

The grant of a tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenement.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement.

Where a tenement has been retrospectively validated or validly granted under the NTA, the rights under the tenement prevail over any inconsistent native title rights.

#### **7.4 Application to the Tenement**

The following sections of the Report identify:

- (a) any native title claims (registered or unregistered), native title determinations and ILUAs in relation to the Tenement (see Section 7.5);
- (b) any Tenement which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 7.10);
- (c) any Tenement which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenement (see Section 7.10); and
- (d) any Tenement which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 7.10).

#### **7.5 Native title claims, native title determinations and ILUAs**

Our searches indicate that the Tenement are within the external boundary of the native title claims specified in Part II of the Schedule. These native title claim are registered and it has been determined that native title exists in part of the determination area.

Our searches returned no results for an ILUA in relation to the Tenement.

Registered native title claimants (and holders of native title under the determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

#### **7.6 Freehold land**

We have assumed that all of the freehold land the subject of the Tenement was validly granted prior to 23 December 1996 and that therefore:

- (a) native title has been extinguished in respect of that land;
- (b) registered native title claimants (and determined native title holders) are not entitled to rights under the Future Act Provisions in respect of that land.

The Company has advised us that it proposes to undertake exploration and, subject to receipt of relevant approvals, mining activities on areas designated as freehold land. On the basis that native title is extinguished over freehold land, the Company will not be required to enter into negotiations with respect to native title in order to conduct its activities.

## **7.7 Non-freehold land**

Native title may continue to subsist in certain parcels of non-freehold land or 'Crown land', including pastoral leases, vacant/unallocated Crown land and certain Crown reserves that were not vested prior to 23 December 1996 and which have not been subsequently developed as public works.

Unless it is essential that the Company has access to any of the above-mentioned parcels (or any other non-freehold land), it is recommended that all parcels of non-freehold land are excised from any applications for mining leases. If the Company wishes to undertake mining activities on any of the above-mentioned parcels, we would expect the Right to Negotiate to apply.

## **7.8 Native title mining agreement**

A typical native title mining agreement would impose obligations on the Company in relation to the matters set out below.

## **7.9 Validity of Tenement under the NTA**

Our Searches indicate that the Tenement is not within the external boundaries of any native title claims, native title determinations or ILUAs.

## **7.10 Validity of Tenement under the NTA**

The sections below examine the validity of the Tenement under the NTA.

### **Tenements granted before 1 January 1994 (Past Acts)**

Our Searches indicate that the Tenement was not granted before 1 January 1994.

### **Tenements granted between 1 January 1994 and 23 December 1996 (Intermediate Period Acts)**

Our Searches indicate that the Tenement was not granted after January 1994 but before 23 December 1996.

### **Tenements granted after 23 December 1996**

Our Searches indicate that the Tenement was granted after 23 December 1996.

<b>Tenement</b>	<b>Date of Grant</b>
EL31710	22 March 2019

We have assumed that these Tenement were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

### **Tenements renewed after 23 December 1996**

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

- the area to which the mining tenement applies is not extended;
- the term of the renewed mining tenement is not longer than the term of the old mining tenement; and
- the rights to be created are not greater than the rights conferred by the old mining tenement.

In such cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

The renewal of the Tenement in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in Section 7.5 of this Report will need to be involved as appropriate under the Future Act Provisions.

#### **7.11 Valid grant of applications for Tenement**

The Tenement is not currently an application. The grant of a tenement would need to satisfy the Future Act Provisions in order to be valid under the NTA.

The registered native title claimants, holders of native title and native title parties to any ILUA identified in Section 7.5 of this Report will be involved in accordance with the Future Act Provisions.

### **8. QUALIFICATIONS AND ASSUMPTIONS**

This Report is subject to the following qualifications and assumptions:

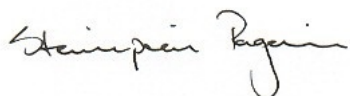
- (a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenement that are not apparent from our Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenement are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;
- (e) with respect to the granting of the Tenement, we have assumed that the Northern Territory and the applicant for the Tenement complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

- (h) references in Parts I and II of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (i) the information in Parts I and II of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenement between the date of the Searches and the date of this Report;
- (j) where Ministerial consent is required in relation to the transfer of the Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (k) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of the Environment and Conservation;
- (l) native title may exist in the areas covered by the Tenement. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenement, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (m) Aboriginal heritage sites, objects and sacred sites may exist in the areas covered by the Tenement regardless of whether or not that site has been recorded by the Department of the Premier of the Cabinet of the Government of South Australia or the Aboriginal Areas Protection Authority. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites, objects or sacred sites within the area of the Tenement.

## 9. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully



**STEINEPREIS PAGANIN**



## PART I – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	OWNERSHIP	GRANT DATE	EXPIRY DATE	AREA SIZE	ANNUAL RENT	MINIMUM ANNUAL EXPENDITURE	REGISTERED DEALINGS/ ENCUMBRANCES	NOTES	NATIVE TITLE AND ABORIGINAL HERITAGE
EL31710	Focus Resources Pty Ltd	100%	22 March 2019	21 March 2025	289.08m <sup>2</sup>	\$3,276 (for the first operational year)	\$32,000 in the first operational year \$37,000 in the second operational year	None noted on Tenement search.	1-17	Native Title – None Aboriginal Heritage – See Part II

### Key to Tenement Schedule

EL – Exploration Licence

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

**Tenement conditions**

1.	The title holder must ensure that a minimum amount of \$32,000 in the first operational year and \$37,000 in the second operational year is expended in carrying out exploration activities in the title area.
2.	The title holder must also ensure that subsequent expenditure requirements, as specified in the annual expenditure report required at item 3, are expended in carrying out exploration activities in the title area.
3.	The title holder must submit an expenditure report in the approved form, within thirty (30) days after the end of each operational year, specifying: <ul style="list-style-type: none"> <li>the amount expended on technical work carried out during the operational year for which the report is given; and</li> <li>the amount the title holder proposes to expend on carrying out technical work for the next operational year.</li> </ul>
4.	Despite any agreement entered into by the title holder with any other person in relation to the title area (including but not limited to use, access or carrying out of exploration activities) the title holder remains responsible for compliance with all relevant requirements of the Mineral Titles Act and all other laws in force in the Territory, particularly in relation to the use of land or natural resources, and the title holder will be held liable for any non-compliances, breaches or offences of any person claiming to have a right or interest in the title area through the title holder.
5.	The title holder must indemnify and at all times hold indemnified the Territory, its employees, contractors and agents from claims, actions, suits and demands whether debt damages, costs or otherwise arising out of a breach of the duties and obligations, whether expressed or implied, of the title holder at common law, or of the Claim or of any law in force in the Territory that is applicable and whether such breach is that of the title holder or any of its employees, contractors, or agents.
6.	Before carrying out any exploration activities or works involving substantial disturbance on the licence area, the title holder must hold a valid Authorisation granted under Part 4, Division 2 of the Mining Management Act.
7.	The title holder shall carry out its activities in such a way as to minimise any impact to any extant native title rights and interests in the licence area, in particular, by ameliorating: <ul style="list-style-type: none"> <li>any interference directly with the carrying on of community or social activities of registered native title claimants or holders; or</li> <li>any interference with areas or sites of particular significance, in accordance with the traditions of registered native title claimants or holders.</li> </ul>
8.	The title holder shall carry out its activities in such a way as to minimise disturbance to the environment of the licence area, in particular, by minimising: <ul style="list-style-type: none"> <li>interference with the use of the land by other persons;</li> <li>the disturbance of flora, fauna and other natural resources;</li> <li>pollution, including soil, water and atmospheric pollution;</li> <li>the incidence and effects of soil erosion.</li> </ul>
9.	Subject to the provisions of the Mineral Titles Act and the Mining Management Act, the title holder shall in the course of their operations remain subject to the provisions of other relevant legislation. The title holder shall ensure that all exploration personnel and their contractors and agents are familiar with such legislative requirements.
10.	If and when the title holder applies to the Minister for a lease which would allow productive mining, any registered native title claimants or holders are to be informed of this fact in writing so as to signal that another future act process may follow which allows them to exercise procedural rights.
11.	To the extent possible the title holder should employ persons and contractors resident in or around the licence area and give them the opportunity of quoting or tendering for contract work.
12.	<p><b>Consultations with Native Title Parties</b></p> <p>The title holder shall, prior to the commencement of exploration activities other than reconnaissance, convene a meeting on the licence area (or the nearest convenient locality) with registered native title claimants or holders to explain the exploration activities. The title holder may also invite the relevant pastoral lessee(s) or landholders to this meeting.</p> <p>This provision does not apply where the Holder is required to consult with registered native title claimants or holders because of the existence of a separate agreement.</p>

	<p>Notice of the meeting shall be by letter and shall be posted to the registered native title claimants or holders and the representative body not less than 17 days before the meeting and shall nominate the date, time and place of the meeting.</p> <p>The title holder must have regard to representations made to it at the meeting regarding any aspect of the exploration activities which raises concerns. These representations may deal with access procedures to particular areas of land within the licence area.</p>
13.	<p><b>Site Protection</b></p> <p>All exploration personnel and their contractors and agents shall be instructed on the legal necessity to protect sacred sites and other significant archaeological sites and structures which may exist within the licence area.</p> <p>Prior to carrying out any work in the licence area the title holder must consult with the Aboriginal Areas Protection Authority and inspect the Register of Sacred Sites. A title holder wishing to carry out work may apply for an Authority Certificate.</p>
14.	<p><b>Authorisation - Substantial Disturbance</b></p> <p>All exploration licences are granted subject to the condition that the Holder of the licence or the Holder's agent must also hold the relevant Authorisation in accordance with the Mining Management Act before carrying out on the licence area any exploration operations or works involving substantial disturbance (such as drilling, costeaning, gridding, bulk sampling, camp establishment or road construction).</p> <p>Pursuant to s.35 &amp; 37 Mining Management Act, an application for such Authorisation is required prior to the commencement of activities and is to be accompanied by the Mining Management Plan for the activity.</p> <ul style="list-style-type: none"> <li>• The Mining Management Plan is to include particulars on the management of environmental issues.</li> <li>• The Minister may refuse grant of an Authorisation.</li> <li>• A granted Authorisation is subject to the condition that the operator must comply with the current Mining Management Plan, submit a security bond and any additional conditions that the Minister may determine.</li> </ul> <p>Notwithstanding the conditions of an Authorisation in accordance with the Mining Management Act, the title holder shall in addition adhere to the conditions stated herein.</p>
15.	<p><b>Minimising of Environmental Impact</b></p> <ul style="list-style-type: none"> <li>• The title holder shall not bring firearms or traps onto the licence area and shall not take or kill any wildlife.</li> <li>• All structures, facilities, survey markings or other related infrastructure shall be of a temporary nature and shall be removed from the area at the completion of the exploration program unless approved otherwise in writing by the Minister.</li> <li>• The Holder shall not use fire, unless in accordance with the Bushfires Act.</li> <li>• The title holder shall not construct new vehicle tracks unless unavoidable. New tracks should be constructed at the minimum width possible to conduct the exploration program, avoid long straight stretches, and be constructed with sufficient furrows to provide appropriate drainage.</li> <li>• The title holder shall keep clearing and/or disturbance of vegetation to a minimum; with particular care taken in regard to preserving mature trees and vegetation along watercourses.</li> <li>• The title holder shall take such steps as are reasonably practical to prevent the spread of noxious weeds, including the washing down of vehicles and removal of grass seeds before moving vehicles and equipment to a new area.</li> <li>• No sites or structures that may have historic significance shall be disturbed or interfered with in any way unless prior written approval has been given by the Minister.</li> <li>• The title holder shall take such steps as are practical to minimise disturbance to the soil, rocks, rock formations, creeks and watercourses.</li> <li>• The title holder shall take all precautions necessary to prevent contamination of underground and surface waters in the licence area.</li> <li>• Where artesian groundwater is encountered during drilling, the title holder shall advise the Minister of its occurrence and protect the water from wastage, pollution, deterioration or undue depletion.</li> </ul>
16.	<p><b>Environmental Rehabilitation</b></p> <p>Following any soil disturbance, and subject to the Mine Management Plan, the title holder shall replace topsoil as near as possible to its original profile and contour.</p> <p>The title holder shall remove all rubbish and waste from the licence area and shall comply with directions of the Minister regarding disposal.</p>

	To the extent possible the title holder should choose drill hole and excavation sites to minimise environmental impact and, subject to the Mine Management Plan, after completion of drill holes, the collar should be sealed off and casing plugged. Refer to Operation Advices at <a href="http://www.minerals.nt.gov.au/mining">www.minerals.nt.gov.au/mining</a>
17.	<p><b>Complaint Mechanism</b></p> <p>Should any native title claimant or holder lodge a written complaint with the Minister that exploration activities are being conducted in a manner that adversely affects native title rights and interests in the licence area, the Minister may do one or more of the following:</p> <ul style="list-style-type: none"><li>• seek an explanation in writing about the matter from the title holder;</li><li>• request the title holder attend a meeting with the Minister to discuss the matter;</li><li>• request the title holder attend a conference with the Minister and the complainant with a view to resolving the matter;</li></ul> <p>and, having done one or more of the foregoing, may do one or more of the following:</p> <ul style="list-style-type: none"><li>• direct the title holder to carry out rectification work;</li><li>• carry out rectification work at cost to the title holder in accordance with s.171 of the Mineral Titles Act;</li><li>• subject to the Mineral Titles Act, take any other action, including the cancellation of the licence, as the Minister considers appropriate.</li></ul>

## PART II – NATIVE TITLE CLAIMS

### NATIVE TITLE DETERMINATIONS

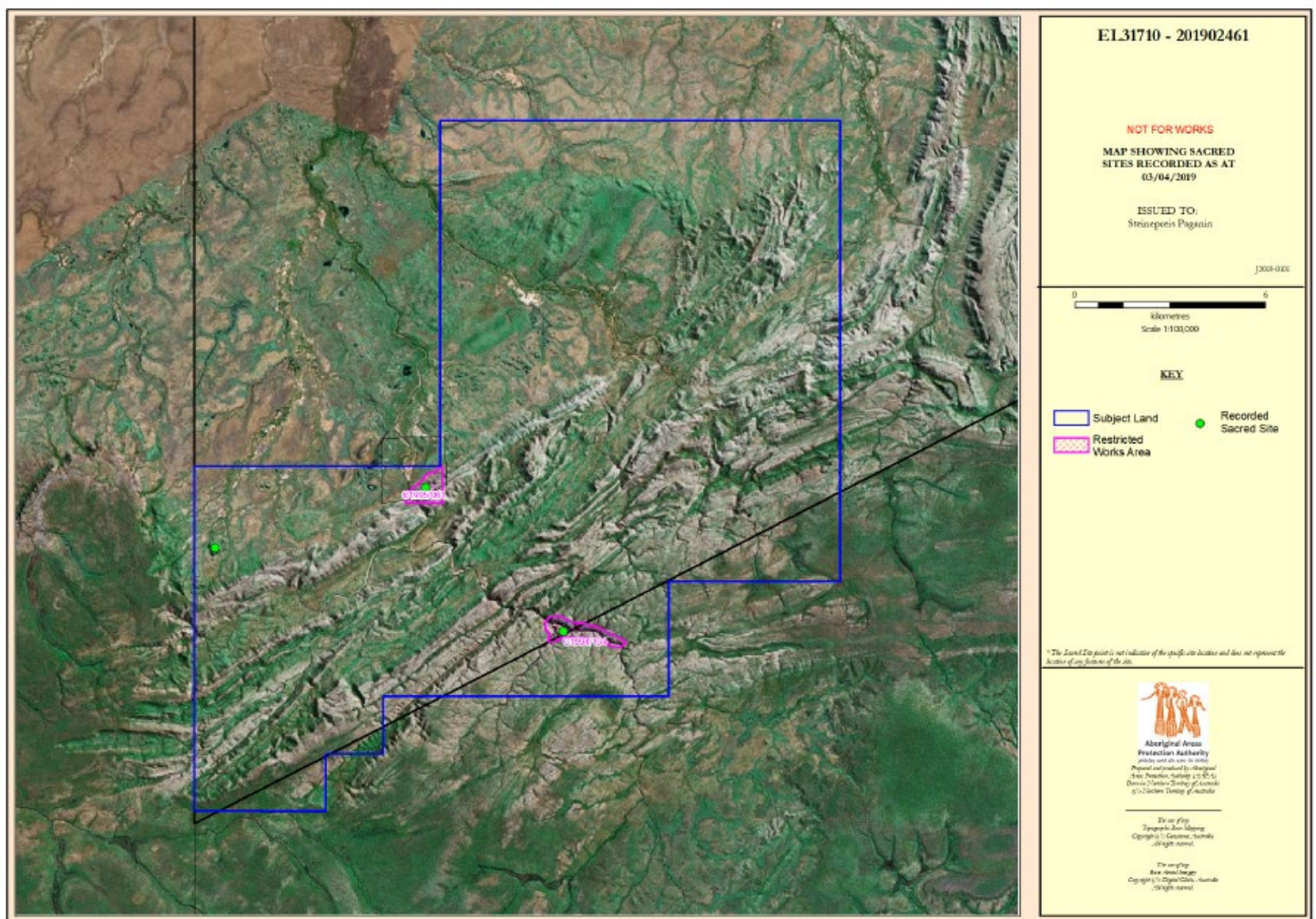
None.

### HERITAGE & COMPENSATION AGREEMENTS

None.

### ABORIGINAL HERITAGE SITES

Aboriginal Areas Protection Authority has a number of recorded sacred sites and registered sacred sites. Refer to the map below provided by the Aboriginal Areas Protection Authority.



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## ANNEXURE C – FINANCIAL ACCOUNTS FOR FOCUS

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# Focus Exploration Pty Ltd ACN 622 437 361

## DIRECTORS' REPORT

Your directors present their report on the company for the period commencing on the date of incorporation of the company, 24 October 2017, to 30 June 2018.

### Directors

The names of the directors in office at any time during, or since the end of, the period are:

Stuart Rechner

Neil Colin Chalmers

These directors have been in office since the incorporation of the company to the date of this report unless otherwise stated.

### Review of Operations

The loss of the company for the period after providing for income tax amounted to \$1,559.

Minimal activity has occurred in the company to date, comprising mostly initial review of possible exploration land.

### Significant Changes in the State of Affairs

Aside from incorporation, no significant changes in the company's state of affairs occurred during the period.

### Principal Activities

The principal activities of the company during the period was researching and investigating possible exploration land for acquisition.

No significant change in the nature of these activities occurred during the period.

### Events Subsequent to the End of the Reporting Period

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

The entity has continued to incur expenditure with the expenditure being settled by the Directors, and adding to the Directors' loan account.

No other matters or circumstances have arisen since the end of the period which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

### Likely Developments and Expected Results of Operations

It is expected exploration land will be committed to within Australia.

### Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### Dividends

No Dividends paid or declared since incorporation.

### Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the period and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the period as a result of the exercise of an option over unissued shares or interests.

### Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the company.

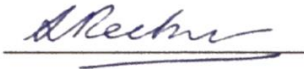
DIRECTORS' REPORT

**Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

This directors' report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in dark ink, appearing to read 'Stuart Rechner', is written over a horizontal line.

Stuart Rechner

Dated this 23<sup>rd</sup> day of April 2019



## FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	2018
<b>PROFIT OR LOSS</b>	<b>\$</b>
Administration expenses	1,559
(Loss) before income tax expense	(1,559)
Income tax expense	-
(Loss) for the period	(1,559)
<b>OTHER COMPREHENSIVE INCOME</b>	
Total other comprehensive income	-
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>	<b>(1,559)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018

	Note	2018 \$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents		100
Trade and other receivables	2	160
<b>TOTAL CURRENT ASSETS</b>		<b>260</b>
<b>TOTAL ASSETS</b>		<b>260</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Directors' loans	3	1,719
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,719</b>
<b>TOTAL LIABILITIES</b>		<b>1,719</b>
<b>NET (LIABILITIES)</b>		<b>(1,459)</b>
<b>EQUITY</b>		
100 fully paid ordinary shares		100
Retained deficit	4	(1,559)
<b>SHAREHOLDER DEFICIT</b>		<b>(1,459)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2018

	2018
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(1,719)
Net cash expended in operating activities	(1,719)
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash used in investing activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Share capital paid-in upon incorporation	100
Proceeds from borrowings from Director	1,719
Net cash used in financing activities	1,819
Net increase in cash held	100
Cash and cash equivalents at incorporation	-
CASH AND CASH EQUIVALENTS AT 30 JUNE 2018	100

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors' have prepared the financial statements for the period from the date of incorporation, 24 October 2017, to 30 June 2018. As this is the first accounting period of the company, no comparative financial information is shown. The financial statements are prepared on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

a. **Income Tax**

The income tax expense (income) for the period comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO).

b. **Trade and Other Receivables**

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

c. **Borrowings**

Borrowings are initially measured their fair value and subsequently measured at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Otherwise, borrowing costs are expensed to Profit or Loss.

d. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

e. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables stated are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Exploration and Evaluation Expenditure**

Expenditures incurred in the exploration for and evaluation of mineral resources are expensed as incurred, with no amounts deferred to the Statement of Financial Position.

g. **Ordinary Shares**

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

h. **Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The net loss after income tax for the company for the period was \$1,559. As at 30 June 2018, the company has a net liability position of \$1,459 and cash and cash equivalent of \$100. There is no realistic possibility of revenue generation; therefore, the directors expect that the company will continue to sustain operating cash outflows for the foreseeable future.

The ability of the Group to continue as a going concern is dependent upon:

- The continued financial support from its creditor. The only liability is to the director and shareholder, Stuart Rechner.
- The ability to attract investors willing to fund exploration and other operating costs through equity or debt transactions.

These conditions among others indicate a material uncertainty over the company's status as a going concern.

The Directors have prepared the financial statements on the basis that the company is a going concern, because the company is currently undertaking negotiations with Bronson Group Limited. As a part of these negotiations, investors have provided Bronson Group Limited \$165,000 through convertible notes and committed and additional \$85,000 in anticipation of a transaction, in order to fund exploration of the tenements held by the company. The directors expect that the company will have the ability to access funding through Bronson Group Limited. In addition, Mr Rechner has waived repayment of amounts owed to him until such time as the company is in a financial position to repay the amount.

Should the company be unable to manage the inherent uncertainties referred to above, it may be unable to continue as a going concern, and therefore be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts that differ from those presented in the financial statements. No adjustments have been made to the recorded amounts of assets and liabilities that may be necessary should the entity not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: TRADE AND OTHER RECEIVABLES

	<b>2018</b>
	<b>\$</b>
CURRENT	
GST	160
	<u>160</u>

NOTE 3: BORROWINGS

	<b>2018</b>
	<b>\$</b>
Director Loan – S Rechner	1,719
	<u>1,719</u>

The borrowings do not incur interest and are repayable on demand.

NOTE 4: RETAINED DEFICIT

	<b>2018</b>
	<b>\$</b>
Balance at incorporation	-
Net (loss) attributable to members of the company	(1,559)
Retained deficit at the end of the period	<u>(1,559)</u>

NOTE 5: SUBSEQUENT EVENTS

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

The entity has continued to incur expenditure with the expenditure being settled by the Directors, and adding to the Directors' loan account.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

**DIRECTORS' DECLARATION**

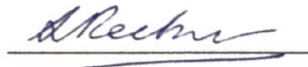
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 3 to 8 present fairly the company's financial position as at 30 June 2018 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

A handwritten signature in blue ink, appearing to read 'Stuart Rechner', is written over a horizontal dotted line.

Stuart Rechner

Dated this 23<sup>rd</sup> day of April 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Focus Exploration Pty Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Focus Exploration Pty Ltd (the Entity), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2018 and of its financial performance and its cash flows for the period then ended in accordance with the basis of accounting described in Note 1.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1(h) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

#### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Jarrad Prue

Director

Perth, 23 April 2019

# Focus Exploration Pty Ltd ACN622 437 361

## DIRECTORS' REPORT

Your directors present their report on the company for the financial half year ended 31 December 2018.

### Directors

The names of the directors in office at any time during, or since the end of the half-year are:

Stuart Rechner

Neil Colin Chalmers

These directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Review of Operations

The loss of the company for the half year after providing for income tax amounted to \$55,263.

Minimal activity has occurred in the half year. Review of exploration land was completed.

### Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the half year.

### Principal Activities

The principal activities of the company during the period was researching and investigating possible exploration land for acquisition.

No significant change in the nature of these activities occurred during the half year.

### Events Subsequent to the End of the Reporting Period

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

No other matters or circumstances have arisen since the end of the period which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

### Likely Developments and Expected Results of Operations

It is expected continued exploration of EL31710 will result in a greater knowledge of drilling targets.

### Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### Dividends

No Dividends paid or declared since incorporation.

### Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the period and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the period as a result of the exercise of an option over unissued shares or interests.

### Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an officer or auditor of the company.

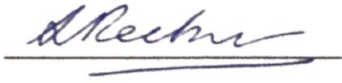
### Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the period.

**Focus Exploration Pty Ltd ACN622 437 361**

This directors' report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in blue ink, appearing to read 'Stuart Rechner', is written over a horizontal line.

Director: Stuart Rechner

Dated this 23rd day of April 2019

## Financial Report for the Half Year Ended 31 December 2018

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

#### FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31.12.18	31.12.17
<b>PROFIT OR LOSS</b>	<b>\$</b>	<b>\$</b>
Administration expenses	263	1,559
Exploration Expenses	55,000	-
(Loss) for the period	(55,263)	(1,559)
<b>OTHER COMPREHENSIVE INCOME</b>		
Total other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD</b>	<b>(55,263)</b>	<b>(1,559)</b>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018

	Note	31.12.18 \$	31.12.17 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents		100	100
Trade and other receivables	2	5,660	730
TOTAL CURRENT ASSETS		5,760	830
TOTAL ASSETS		5,760	830
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Directors' loans	3	62,482	2,289
TOTAL CURRENT LIABILITIES		62,482	2,289
TOTAL LIABILITIES		62,482	(2,289)
NET (LIABILITIES)		(56,722)	(1,459)
<b>EQUITY</b>			
Issued capital:			
100 fully paid ordinary shares		100	100
Retained deficit	4	(56,822)	(1,559)
SHAREHOLDER DEFICIT		(56,722)	(1,459)

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	<b>31.12.2018</b>	<b>31.12.2017</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(60,763)	(2,289)
Net cash expended in operating activities	(60,763)	(2,289)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash used in investing activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share capital paid-in upon incorporation	-	100
Proceeds from borrowings from Director	60,763	2,289
Net cash inflow from financing activities	60,763	2,389
Net increase in cash held	-	100
Cash and cash equivalents at beginning of the period	100	-
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<b>100</b>	<b>100</b>

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors' have prepared the financial statements for the period from 1 July 2018 to 31 December 2018. The comparative financial information is shown is the period from the date of incorporation, 24 October 2017 to 31 December 2017. The financial statements are prepared on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

a. **Income Tax**

The income tax expense (income) for the period comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the Australian Tax Office (ATO).

b. **Trade and Other Receivables**

Trade receivables are recognised initially at cost and are subsequently measured at cost less any provision for impairment. Most sales are made on the basis of normal credit terms and are not subject to interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to their present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

c. **Borrowings**

Borrowings are initially measured their fair value and subsequently measured at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Otherwise, borrowing costs are expensed to Profit or Loss.

d. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

e. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables stated are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Exploration and Evaluation Expenditure**

Expenditures incurred in the exploration for and evaluation of mineral resources are expensed as incurred, with no amounts deferred to the Statement of Financial Position.

g. **Ordinary Shares**

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

h. **Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The net loss after income tax for the company for the period was \$55,263. As at 31 December 2018, the company has a net liability position of \$56,722 and cash and cash equivalent of \$100. There is no realistic possibility of revenue generation; therefore, the directors expect that the company will continue to sustain operating cash outflows for the foreseeable future.

The ability of the Group to continue as a going concern is dependent upon:

- The continued financial support from its creditor. The only liability is to the director and shareholder, Stuart Rechner.
- The ability to attract investors willing to fund exploration and other operating costs through equity or debt transactions.

These conditions among others indicate a material uncertainty over the company's status as a going concern.

The Directors have prepared the financial statements on the basis that the company is a going concern, because the company is currently undertaking negotiations with Bronson Group Limited. As a part of these negotiations, investors have provided Bronson Group Limited \$165,000 through convertible notes and committed and additional \$85,000 in anticipation of a transaction, in order to fund exploration of the tenements held by the company. The directors expect that the company will have the ability to access funding through Bronson Group Limited. In addition, Mr Rechner has waived repayment of amounts owed to him until such time as the company is in a financial position to repay the amount.

Should the company be unable to manage the inherent uncertainties referred to above, it may be unable to continue as a going concern, and therefore be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts that differ from those presented in the financial statements. No adjustments have been made to the recorded amounts of assets and liabilities that may be necessary should the entity not continue as a going concern.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: TRADE AND OTHER RECEIVABLES

	31.12.18	31.12.17
	\$	\$
CURRENT		
GST	5,660	160
Other debtors	-	570
	<u>5,660</u>	<u>830</u>

NOTE 3: BORROWINGS

	31.12.18	31.12.17
	\$	\$
Director Loan – S Rechner	62,482	2,289
	<u>62,482</u>	<u>2,289</u>

The borrowings do not incur interest and are repayable on demand.

NOTE 4: RETAINED DEFICIT

	31.12.18	31.12.17
	\$	\$
Balance at the beginning of the period	(1,559)	-
Net (loss) attributable to members of the company	(55,263)	(1,559)
Retained deficit at the end of the period	<u>(56,822)</u>	<u>(1,559)</u>

NOTE 5: SUBSEQUENT EVENTS

On 22 March 2019, Exploration Licence EL31710 was granted to the company by the Government of the Northern Territory.

On 21 February 2019, 25 ordinary shares with a par value of \$1.00 were issued.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

**DIRECTORS' DECLARATION**

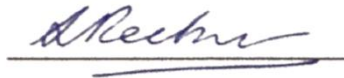
The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 3 to 8 present fairly the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

A handwritten signature in blue ink, appearing to read 'Stuart Rechner', is written over a horizontal line.

---

Stuart Rechner

Dated this 23rd day of April 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Focus Exploration Pty Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Focus Exploration Pty Ltd (the Entity), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 December 2018 and of its financial performance and its cash flows for the period then ended in accordance with the basis of accounting described in Note 1.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1(h) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

#### Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of management and those charged with governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of a special purpose financial report that has been prepared for the purpose of the preparation of an Independent Accountant's Report for inclusion in a Prospectus and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd



Jarrad Prue

Director

Perth, 23 April 2019

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

## Vote by Proxy: BGR

Your proxy voting instruction must be received by **2.00pm (WST) on Sunday 2 June 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

[illegible]

STEP 2: Your Voting Direction

Resolutions		For	Against	Abstain	Resolutions		For	Against	Abstain
1.	Change to Nature and Scale of Activities – Proposed Acquisition of Focus Exploration Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10.	Issue of Converting Loan Shares and Converting Loan Options to Pheakes Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11.	Approval to Convert Debt Owning to Anglo Menda Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Issue of Consideration Shares to Focus Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12.	Approval to Convert Debt Owning to Bob Alfred Pty Ltd ATF The Bob Alfred Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13.	Approval to Convert Debt Owning to Chaperon Corporate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Issue of Capital Raising Shares and New Options to Pheakes Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14.	Approval to Convert Debt Owning to Mr Graham Durtanovich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Issue of Capital Raising Shares and New Options to Graham Durtanovich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.	Approval to Convert Debt Owning to Total Exchange Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Issue of Broker Options to the Lead Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16.	Approval to Convert Debt Owning to Pheakes Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Issue of Converting Loan Shares and New Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17.	Approval to Convert Debt Owning to Steinepreis Paganin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Issue of Converting Loan Shares and Converting Loan Options to Deep36 Pty Ltd ATF Deep Super	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18.	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Please note:</b> If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</p>									

<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>																			
Individual or Securityholder 1							Securityholder 2							Securityholder 3					
Sole Director and Sole Company Secretary							Director							Director / Company Secretary					
Contact Name:																			
Email Address:																			
Contact Daytime Telephone												Date (DD/MM/YY)							
												<div style="display: flex; justify-content: space-around; align-items: center;"> <span style="font-size: 1.5em;">/</span> <span style="font-size: 1.5em;">/</span> </div>							

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).