



**OAKAJEE**  
CORPORATION

# **OAKAJEE CORPORATION LIMITED**

## **ACN 123 084 453**

### **REPLACEMENT PROSPECTUS**

**For an offer of up to 30,000,000 Shares at an issue price of \$0.08 each (together with one (1) free attaching Option for every one (1) Share subscribed for and issued) to raise up to \$2,400,000 (before costs) (Public Offer).**

This Prospectus also contains an offer of:

- (a) the Vendor Shares to the Vendors of the Paynes Find Gold Project (**Vendor Offer**); and
  - (b) the Consultant Shares to the Consultant (**Consultant Offer**),
- (together, the **Additional Offers**).

It is proposed that the Offers will close at 5.00pm (WST) on 31 May 2019. The Directors reserve the right to close the Offers earlier or to extend this date without prior notice. Applications must be received before that time.

This is a replacement prospectus (**Prospectus**) dated 18 April 2019. It replaces a prospectus dated 8 April 2019. This is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy ASX's requirements for the reinstatement of the Company's listed Securities to Official Quotation following a change to the nature and scale of the Company's activities.

The Securities offered pursuant to this Prospectus should be regarded as speculative. Refer to Section 8 for a summary of the key risks associated with an investment in the Company.

**This document is important and should be read in its entirety. If after reading this Prospectus you have questions about the Securities being offered pursuant to it, or any other matter, you should consult your stockbroker, accountant or other professional adviser.**

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## IMPORTANT NOTICE

This Prospectus is dated, and was lodged with ASIC on 18 April 2019. It replaces the prospectus issued by the Company dated Monday, 8 April 2019 and lodged with ASIC on that date. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm (WST) on the date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

An application will be made to the ASX within seven days after the date of this Prospectus for Official Quotation of the Securities the subject of the Offers.

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

Before applying for Securities under the Prospectus potential investors should carefully read this Prospectus so they can make an informed assessment of:

- (a) the rights and liabilities attaching to the Securities;
- (b) the assets and liabilities of the Company; and
- (c) the Company's financial position, performance and prospects.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of the Offers should be considered highly speculative.

### **Change in Nature and Scale of Activities and Re-Compliance with Chapters 1 and 2 of the Listing Rules**

As announced to ASX on 18 January 2019, the Company entered into two binding conditional agreements pursuant to which, subject to Shareholder approval and the satisfaction of certain other conditions, the Company agreed to acquire the Paynes Find Gold Project in Western Australia from the Vendors. The Company has also applied for two mineral exploration licenses in the Northern Territory comprising the Birrindudu Nickel Project. Please refer to Section 3 for information on the Projects and Section 10 for details of the key terms and conditions of the binding agreements.

The Company's proposed acquisition of the Paynes Find Gold Project will involve a significant change in the nature and scale of the Company's activities which requires the approval of Shareholders under Chapter 11 of the Listing Rules. At the General Meeting, Shareholders will be asked to consider and approve, among other things, the Acquisitions, the issue of the Vendor Shares, the issue of the Capital Raising Shares and Options, and the change in nature and scale of the Company's activities.

The Company must also comply with ASX requirements for reinstatement of its listed Securities to Official Quotation, which includes re-complying with Chapters 1 and 2 of the Listing Rules.

This Prospectus is issued to assist the Company to meet these requirements and to facilitate the Offers.

### **Suspension from trading**

Trading in the Company's listed securities was suspended on 9 September 2016. If Shareholders pass all Acquisition Resolutions and the Company completes the Acquisitions, trading in the Company's listed Securities will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements of ASX for the reinstatement of the Company's listed Securities to Official Quotation.

### **Conditions to the Offers**

If the Conditions are not satisfied (including if the Company does not receive conditional approval for the reinstatement of the listed Securities to Official Quotation from ASX on terms which the Company reasonably considers are capable of satisfaction) the Company will not proceed with the Offers and will refund all Application Monies (without interest) in accordance with the Corporations Act.

## **Electronic Prospectus and Application Forms**

This Prospectus will generally be made available in electronic form upon request by emailing Krystel Kirou, Company Secretary, at [krystel.kirou@nexiaperth.com.au](mailto:krystel.kirou@nexiaperth.com.au). Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and an Application Form (free of charge) from the Company's registered office during the period of the Offers by contacting the Company. Contact details for the Company are detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia, New Zealand and Hong Kong.

Applications will only be accepted on a relevant Application Form attached to, or accompanying, this Prospectus or in its paper copy form as provided upon request by the Company. If acceptance is by BPAY® there is no need to return an Application Form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to apply for Securities under the Public Offer should complete a Public Offer Application Form attached to this Prospectus (refer to Section 1.16). If acceptance is by BPAY® there is no need to return a Public Offer Application Form.

Only the Vendors may apply under the Vendor Offer and the Consultant may apply under the Consultant Offer.

If you do not provide the information required on an Application Form, the Company may not be able to accept or process your Application. If acceptance is by BPAY® there is no need to return an Application Form.

## **Risks**

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Please refer to Section 8 for details of the key risks applicable to an investment in the Company.

## **Speculative Investment**

The Securities offered under this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered under this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered under this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Please refer to Section 8 for details of the key risks applicable to an investment in the Company.

## **Website**

No document or information included on the Company's website is incorporated by reference into this Prospectus.

## **Foreign Investors**

No action has been taken to register or qualify the Securities the subject of this Prospectus, or the Offers, or otherwise to permit the public offering of Securities, in any jurisdiction outside Australia, New Zealand and Hong Kong. The distribution of this Prospectus in jurisdictions outside of Australia, New Zealand and Hong Kong may be restricted by law and persons who come into possession of this Prospectus outside of Australia should seek advice on, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Refer to Section 1.24 for details on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia.

## **Exposure Period**

Applications for Securities under this Prospectus will not be processed until expiry of the Exposure Period pursuant to Chapter 6D of the Corporations Act. No preference will be conferred on Applications received during the Exposure Period. All Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date. If the Exposure Period is extended by ASIC, Applications will not be processed until the expiry of the extended Exposure Period.

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants, prior to the acceptance of Applications and the raising of funds. That examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

## **Privacy Statement**

To apply for Securities you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold and use your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. The Corporations Act and taxation law require some of this personal information to be collected. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

If an Applicant becomes a Securityholder, the Corporations Act requires the Company to include information about the Securityholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Securityholder. Information contained in the Company's public register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to Securityholders) and compliance by the Company with its legal and regulatory requirements.

## **Forward-looking Statements**

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 8. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

## **No Forecast Financial Information**

Mineral exploration is inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. On this basis, and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared, and accordingly, financial forecasts have not been included in this Prospectus.

## **Diagrams**

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

## **Currency**

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

## **Rounding**

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

## **Time**

All references to time in this Prospectus are references to WST, unless otherwise stated.

## **Glossary**

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 13.

## **Competent Persons Statement**

The information in this report that relates to Exploration Results is based on information compiled by Mr Malcolm Castle, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Mr Castle is an employee of Agricola Mining Consultants Pty Ltd and 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Castle consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

## **Proximate Statements**

The Investment Overview and Sections 2 and 3 of this Prospectus contain references to other parties either nearby or proximate to the Projects and includes references to topographical or geological similarities to that of the Projects. It is important to note that such discoveries or geological similarities do not in any way guarantee that the Company will have any success or similar successes in delineating a mineral resource on the Projects, if at all.

## **Replacement Prospectus**

This Prospectus is a replacement prospectus and makes changes to the original prospectus dated 8 April 2019. The material changes made to the original prospectus were:

- updated the Chairman's Letter;
- updated the use of funds table in section 1.9;
- included a risk regarding the joint venture; and
- updated "contractual risk" to include references to the rights and obligations of the parties in the Pegmatite Rights Deeds and Deeds of Novation.

## CORPORATE DIRECTORY

### Existing Board

Mr Mark Jones – Managing Director  
Mr Douglas Rose – Non-Executive Director  
Mr Garry Thomas – Non-Executive Director  
Mr Gary Watson – Non-Executive Director

### Company Secretary

Ms Krystal Kirou

### Registered Office

39 Clifton Street  
Nedlands WA 6009  
Telephone: +61 8 9389 6032  
Facsimile: +61 8 9389 8226

### Share Registry

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands WA 6009  
Telephone: +61 8 9389 8033  
Facsimile: +61 9262 3723

### Auditor & Investigating Accountant

HLB Mann Judd  
Chartered Accountants  
Level 4, 130 Stirling Highway  
Perth WA 6000

### Independent Geologist

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

### Legal Advisor

DLA Piper Australia  
Level 31, Central Park  
152 - 158 St Georges Terrace  
Perth WA 6000

### ASX Codes

Current (Shares): OKJ

Proposed (Options): OKJO

### Website

[www.oakajeecorp.com.au](http://www.oakajeecorp.com.au)

## LETTER FROM THE CHAIRMAN

Dear Investor,

It is with great pleasure that I invite you to become a shareholder of Oakajee Corporation Limited (**Oakajee** or the **Company**).

On 18 January 2019, the Company announced that it had agreed, subject to Shareholder approval and the satisfaction of certain other conditions, to acquire the Paynes Find Gold Project in Western Australia. The Company has also applied for two mineral exploration licenses in the Northern Territory comprising the Birrindudu Nickel Project.

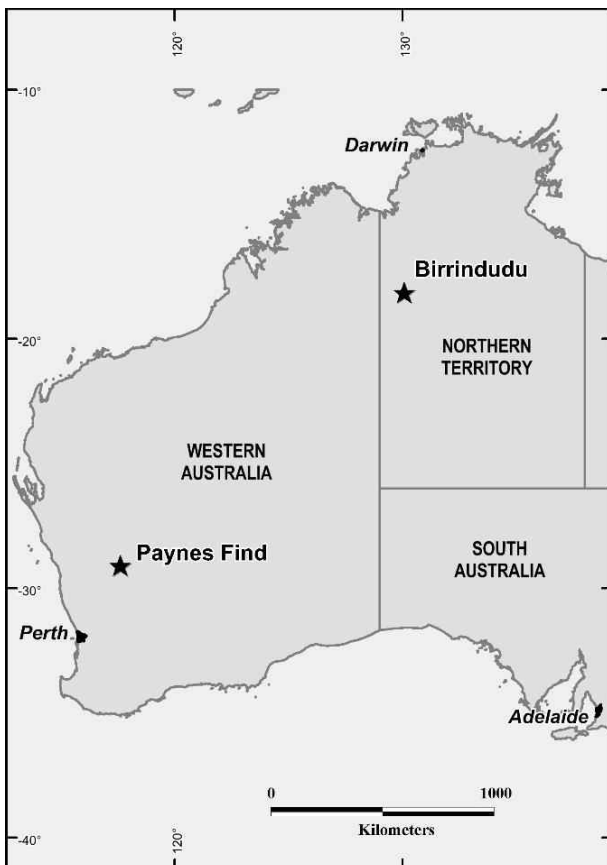


Figure 1 - Project Location

The Paynes Find Gold Project covers 112km<sup>2</sup> of ground within the Paynes Find Greenstone Belt in Western Australia. The Paynes Find Gold Project is located adjacent to the Paynes Find settlement, approximately 455km by road northeast of Perth. The land holding represents the second largest project area within the Paynes Find Greenstone Belt which has produced more than 72,000oz of gold.

Although the Paynes Find Gold Project is considered prospective by the Company, the area effectively remains untested by modern, detailed exploration and further work is required.

The Company has also lodged two mineral exploration licence applications totalling 1,116km<sup>2</sup> at Birrindudu in the Northern Territory. The Birrindudu Nickel Project is about 650km SSW of Darwin, and about 250km east of Halls Creek. Previous drilling for gold within the Birrindudu Nickel Project tenure has intersected rocks logged as serpentine-bearing (ex olivine) ultramafic intrusive rocks. Anomalous Nickel/Copper/PGE assays were also recorded, however no deep drilling was undertaken.

The Company will hold a general meeting on 24 April 2019 (**General Meeting**) to seek Shareholder approval for a number of resolutions to give effect to the Acquisition. Refer to Section 2.3 for further details on the General Meeting. The Company intends to become a Perth-based mineral exploration and development company with an initial focus on the Projects.

Given the period of time for which the Company's securities have been suspended from trading on ASX, the transaction will require the Company to re-comply with the Listing Rules as if it were applying for admission to the official list of ASX for the first time. This is a process which many listed companies in similar circumstances have been required to undertake.

In connection with the ASX compliance, the Company intends to raise between \$2 million and \$2.4 million under a public offer at 8 cents per Share with a 1 for 1 free-attaching listed option.

The capital raising is necessary in order for the Company to re-comply with the ASX Listing Rules.

Following completion of the transaction, the Company intends to focus on undertaking exploration activities on the Paynes Find Gold and Birrindudu Nickel Projects.



This Prospectus contains detailed information about the Offers and the Company's assets, as well as the risks of investing in the Company. These risks include the speculative nature of the investment, the chance that the Company may not make profit in the near future, as well as commercial risks inherent in mineral exploration such as title risk and risks regarding the grant and/ or renewal of required licences (refer to Section 8 for details).

I encourage you to read this Prospectus carefully. In light of the above, I recommend this investment opportunity to you on behalf of the Board of Directors.

On behalf of the Board, I look forward to welcoming you as a shareholder of Oakajee Corporation Limited.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mark Jones', with a stylized flourish extending from the end.

**Mark Jones**  
**Managing Director**

## KEY OFFER DETAILS

Public Offer		
Price per Share	\$0.08	
Price per Option	Nil (free-attaching)	
Securities offered for subscription:	<b>Shares</b>	<b>Options</b>
Assuming minimum subscription:	25,000,000	25,000,000
Assuming maximum subscription:	30,000,000	30,000,000
Amount to be raised (before costs)	\$2,000,000 - \$2,400,000	
Vendor Offer		
Shares offered to the Vendors	937,500	
Consultant Offer		
Shares offered to the Consultant	100,000	
General		
Total cash and cash equivalents on completion of the Offers <sup>1</sup>	\$3,620,946	
Total Securities on issue before completion of the Offers	65,408,530 Shares	
	<b>Minimum Subscription</b>	<b>Maximum Subscription</b>
Total Shares on issue after completion of the Offers	91,446,030	96,446,030
Total Options on issue after completion of the Offers	25,000,000	30,000,000

**Note:**

1. Based on the pro-forma consolidated statement of financial position of the Company at 31 December 2018.

## INDICATIVE TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC	8 April 2019
Lodgement of replacement prospectus with ASIC	18 April 2019
Opening Date	23 April 2019
General Meeting	24 April 2019
Closing Date	31 May 2019
Completion of Acquisitions and issue of Securities under the Offers	4 June 2019
Mailing of holding statements	5 June 2019
Expected date for reinstatement of the listed Securities to Official Quotation	6 June 2019

The above dates are indicative only and subject to change. Subject to applicable laws and the Listing Rules, the Directors reserve the right to amend the timetable at any time without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment, issue and quotation of the Securities.

## INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Securities offered under this Prospectus. Investors should read and consider this Prospectus in its entirety before deciding whether to apply for Securities.

Topic	Summary	Further Information
<b>A. Company Overview</b>		
<b>Who is the issuer of this Prospectus?</b>	Oakajee Corporation Ltd (ACN 123 084 453) ( <b>Company</b> ).	Section 2.1
<b>Who is the Company and what does it do?</b>	<p>The Company is an Australian public company that has been listed on the Official List (ASX code: OKJ) since 5 June 2008.</p> <p>The Company has cash reserves and owns shares in Santa Fe Minerals, an Australian Gold and Base Metals exploration company listed on the ASX: <a href="https://www.santafeminerals.com.au/">https://www.santafeminerals.com.au/</a></p> <p>The Company's wholly owned subsidiary, Oakajee Exploration Pty Ltd, was incorporated in Western Australia on 22 October 2018, for the purpose of acquiring the Paynes Find Gold Project.</p> <p>Since the termination of the Company's commercial property lease at Howatharra, Western Australia, the Company has focused on managing a series of listed investments, while assessing suitable projects for acquisition in the resources sector.</p> <p>On 9 September 2016, the Company's securities were suspended from official quotation on ASX due to non-compliance with Listing Rule 12.1. The Company's securities have remained suspended since that date.</p>	Sections 2.1 and 2.2
<b>What are the "Acquisitions"?</b>	<p>The Acquisitions are the Company's proposed acquisition of the Paynes Find Gold Project located in Western Australia from Mr Bruce Robert Legendre and Attgold Pty Ltd, pursuant to the Sale Agreements.</p> <p>The Paynes Find Gold Project comprises:</p> <ul style="list-style-type: none"> <li>• an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and</li> <li>• an 80% interest in the non-lithium mineral rights in respect of E59/2092, and E59/2055, (<b>Paynes Find Gold Project</b>).</li> </ul> <p>Following Completion, the Company and the relevant Vendor will form an unincorporated joint venture for the purpose of exploration and development of the relevant part of the Paynes Find Gold Project. The Company will be manager and have control over all operations pertaining to the Paynes Find Gold Project.</p> <p>The Company has also lodged two exploration licence applications (EL32051 and EL32052) totalling approximately 1,116km<sup>2</sup> covering parts of the Birrindudu Basin in the Northern Territory and comprising the Birrindudu Nickel Project.</p>	Item B, Sections 2, 3 & 10

Topic	Summary	Further Information
<p><b>What is the Company's strategy?</b></p>	<p>Following completion of the Acquisitions, the Company will focus on the exploration and development of the Paynes Find Gold Project. Upon grant of the exploration licenses the subject of application in respect of the Birrindudu Nickel Project, the Company will also focus on the exploration and development of the Birrindudu Nickel Project.</p> <p>Initially, the Company will conduct exploration programs on the Projects and seek to drive capital growth for Shareholders through achieving exploration success from these exploration programs. Details of the initial proposed exploration programs are set out in Section 3 and the Independent Technical Assessment Report contained in Section 6. The Projects will provide the Company with an opportunity to explore across an area that is considered prospective for gold and base metals.</p> <p>The Company's longer term plan post-completion of the Acquisitions and the Offers is to explore and exploit the Projects with the aim of developing those assets into income generating assets of the Company through the mining and sale of minerals. In addition, the Company will investigate and assess opportunities to acquire value adding assets.</p> <p>The Company's business model is dependent on the achievement of technical and commercial success from its exploration programs.</p> <p>If Completion does not occur, the Company will continue to actively pursue investment opportunities in Australia and overseas, with a view to creating Shareholder value.</p>	<p>Section 3.4</p>
<p><b>What are the Company's objectives?</b></p>	<p>The Company's main objectives on completion of the Offers and the Acquisitions are:</p> <ul style="list-style-type: none"> <li>• in relation to the Paynes Find Gold Project and Birrindudu Nickel Project (once granted), to conduct the exploration programs, as outlined in Section 3.3; and</li> <li>• to investigate new acquisition opportunities that may provide commodity and/or jurisdictional diversification benefits to the Company.</li> </ul> <p>The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient funds to carry out its stated objectives.</p>	<p>Section 3.3</p>
<p><b>How does the Company generate revenue?</b></p>	<p>Following completion of the Offers and the Acquisitions, the Company will seek to explore and develop the Projects.</p> <p>As at the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed.</p>	<p>Section 2</p>
<p><b>B. The Acquisition</b></p>		
<p><b>What are the Acquisitions?</b></p>	<p>On 18 January 2019, the Company announced that it had executed two binding conditional Sale Agreements with the Vendors to acquire the Paynes Find Gold</p>	<p>Sections 2, 3 &amp; 10</p>

Topic	Summary	Further Information
	<p>Project.</p> <p>The key terms of the Sale Agreements and related agreements are summarised in Sections 10.1, 10.2 and 10.3.</p> <p>Completion of the Acquisitions under the Sale Agreements are subject to, among other things, Shareholder approval at the Company's General Meeting to be held on 24 April 2019. Refer to Section 2.3 for further details.</p>	
<p><b>What are the conditions precedent for the Acquisitions?</b></p>	<p>Completion of the Acquisitions are subject to a number of conditions precedent, including:</p> <ul style="list-style-type: none"> <li>• in relation to the Legendre Sale Agreement: <ul style="list-style-type: none"> <li>• Shareholders approving the change to the nature and scale of the Company's activities;</li> <li>• Shareholders approving the issue of the relevant Vendor Shares to Legendre;</li> <li>• the Company completing the Public Offer;</li> <li>• the Company receiving conditional approval for the reinstatement of its listed Securities to Official Quotation on terms acceptable to the Company;</li> <li>• the Company obtaining all necessary consents from the Minister (WA) for the transfer of M56/549 and E59/2312 to Oakajee Exploration;</li> <li>• the Company being satisfied, in its absolute discretion, that an appropriate mine closure plan in relation to M59/549 has been submitted and approved by the DMIRS;</li> <li>• the novation of the Pegmatite Rights Deed in relation to Legendre, as detailed in Section 10.2; and</li> <li>• the Company taking assignment of the net smelter return royalties referred to in Section 10.3; and</li> </ul> </li> <li>• in relation to the Atfgold Sale Agreement: <ul style="list-style-type: none"> <li>• Shareholders approving the change to the nature and scale of the Company's activities;</li> <li>• Shareholders approving the issue of the relevant Vendor Shares to Atfgold;</li> <li>• the Company completing the Public Offer;</li> <li>• the Company receiving conditional approval for the reinstatement of its listed Securities to Official Quotation on terms acceptable to the Company; and</li> <li>• the novation of the Pegmatite Rights Deed in relation to Atfgold, as detailed in Section 10.2.</li> </ul> </li> </ul>	<p>Section 10.1</p>

Topic	Summary	Further Information
<p><b>What is the consideration payable by the Company for the Acquisitions?</b></p>	<p>The consideration payable by the Company to the Vendors for the Paynes Find Gold Projects, pursuant to the Sale Agreements is as follows:</p> <ul style="list-style-type: none"> <li>• \$30,000 cash upon signing of the Sale Agreements, which has already been paid; and</li> <li>• upon the Company's listed Securities being reinstated to Official Quotation, the Company will: <ul style="list-style-type: none"> <li>• pay the Vendors \$30,000 cash; and</li> <li>• issue the Vendors 937,500 Shares.</li> </ul> </li> </ul>	<p>Section 10.1</p>
<p><b>C. Summary of the Projects</b></p>		
<p><b>What is the Paynes Find Gold Project?</b></p>	<p>The Paynes Find Gold Project is located in Western Australia covering an area of approximately 112km<sup>2</sup> and comprising:</p> <ul style="list-style-type: none"> <li>• an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and</li> <li>• an 80% interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055.</li> </ul> <p>The Paynes Find Gold Project is located adjacent to the Paynes Find settlement, approximately 455km by road northeast of Perth. The land holding represents the second largest exploration project area within the Paynes Find Greenstone Belt which has historically produced more than 72,000oz of gold.</p> <p>The Board believes that the Paynes Find Gold Project provides an attractive opportunity for Shareholders as it:</p> <ul style="list-style-type: none"> <li>• is located in a known goldfield that has had limited exploration;</li> <li>• hosts advanced drill ready targets; and</li> <li>• contains excellent project access and infrastructure.</li> </ul> <p>An economic resource has not previously been discovered at the Paynes Find Gold Project.</p> <p>Historic drilling for gold mineralisation within the Paynes Find Gold Project has been minimal. Deeper drilling (for gold) has targeted areas around known high grade gold workings. Conceptual targets under alluvial cover have the potential to host broader, lower grade gold mineralisation. However, there is no guarantee that the Company will delineate an economic resource.</p> <p>The current Vendors have expended approximately \$60,000 on the Paynes Find Gold Project. Work has included soil sampling, an auger program and desktop studies. An estimate of historic expenditure beyond the existing tenure is difficult to ascertain, however a record of historic exploration has been provided at Section 3.1. and Section 6.</p>	<p>Sections 3.1 &amp; 6</p>
<p><b>What is the Birrindudu Nickel Project?</b></p>	<p>The Company has lodged two exploration licence applications (EL32051 and EL32052) totalling 1,116km<sup>2</sup> at Birrindudu in the Northern Territory. The Birrindudu</p>	<p>Section 3.2 &amp; 6</p>

Topic	Summary	Further Information
	<p>Nickel Project is about 650km SSW of Darwin, and about 250km east of Halls Creek.</p> <p>The Board believes that the Birrindudu Nickel Project provides an attractive opportunity for Shareholders as it:</p> <ul style="list-style-type: none"> <li>• is located in a favourable geological setting for magmatic nickel-copper PGE sulphide mineralisation;</li> <li>• is located in a province largely unexplored for nickel sulphide mineralisation; and</li> <li>• contains anomalous nickel copper and PGE results from limited drill testing.</li> </ul> <p>An economic resource has not previously been discovered at the Birrindudu Nickel Project.</p> <p>Earlier historic exploration focussed on tin and gold potential, however shallow drilling results were inconclusive. Later Air Core drilling by Independence Group (IGO) returned anomalous nickel, copper, platinum and palladium levels but was not followed up with further drilling. The Company intends to follow up the areas of interest identified by IGO however targets are conceptual at this stage and there is no guarantee that an economic resource will be delineated.</p> <p>The Company's expenditure on the Birrindudu Nickel project to date has been limited to a desktop review. An estimate of historic expenditure is difficult to ascertain, however a record of historic exploration has been provided at Section 3.2. and Section 6.</p>	
<p><b>What is the proposed work program in relation to the Projects?</b></p>	<p>The Company intends to conduct a number of programs across the Paynes Find Gold Project and the Birrindudu Nickel Project. Work will include desktop studies, soil sampling, geophysical surveys, plus auger, aircore and reverse circulation drilling. Follow up work will be dictated by success.</p>	<p>Section 3.3</p>
<p><b>What is the relationship with Sayona under the Pegmatite Rights Deeds?</b></p>	<p>On 26 November 2018, Sayona signed Pegmatite Rights Deeds with:</p> <ul style="list-style-type: none"> <li>• Legendre, in relation to E59/2092; and</li> <li>• Attgold, in relation to E59/2055,</li> </ul> <p>pursuant to which each Legendre and Attgold hold the right to explore for and mine any non-lithium bearing minerals from the relevant tenement.</p> <p>The Acquisitions include an 80% interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055.</p> <p>Further details in relation to the Pegmatite Rights Deeds are provided in sections 7 and 10.2.</p>	<p>Section 7 and 10.2</p>
<p><b>Is there an Independent Technical Assessment Report relating to the Projects?</b></p>	<p>The Company has engaged Agricola Mining Consultants Pty Ltd to prepare an Independent Technical Assessment Report in relation to the Projects. The expert, in considering the definition provided under the VALMIN code, classified the Paynes Find Gold Project and the Birrindudu Nickel Projects as "early stage exploration projects". The Independent Technical</p>	<p>Section 6</p>



Topic	Summary	Further Information
	<p>Assessment Report provides information on:</p> <ul style="list-style-type: none"> <li>the location of the Projects;</li> <li>the geology and mineralisation of the Projects and surrounding areas; and</li> <li>the Company's exploration strategy and budget.</li> </ul>	
<p><b>Is there a Solicitor's Report on the Projects?</b></p>	<p>The Company has engaged DLA Piper Australia to prepare a Solicitor's Report on the Projects. The Solicitor's Report provides information on:</p> <ul style="list-style-type: none"> <li>the Company's interests in the Projects;</li> <li>an overview of the relevant law;</li> <li>the Sale Agreements (and associated documents);</li> <li>the relationships between the parties in the relevant material agreements, and their rights and obligations;</li> <li>how the parties will co-operate in their current exploration plans; and</li> <li>the status of Projects.</li> </ul> <p>The Solicitors Report also provides information in relation to the ongoing terms of the tenements and licenses including in relation to duration, minimum spends and expiry dates. It also provides information in relation to the steps and timeframes involved in applying for and renewing requisite licenses and tenements.</p>	<p>Section 7</p>
<p><b>D. Summary of the Offers</b></p>		
<p><b>What is the Public Offer and what are its key terms?</b></p>	<p>The Company is offering up to 30,000,000 Shares at an issue price of \$0.08 per Share to raise \$2,400,000 (before costs) together with one free-attaching Option for every one Share issued.</p> <p>The minimum subscription is \$2,000,000.</p> <p>There will be no oversubscriptions in respect of the Public Offer.</p>	<p>Section 1.1</p>
<p><b>What is the Vendor Offer and what are its key terms?</b></p>	<p>The Company is offering 937,500 Shares to the Vendors in part consideration for the Acquisitions.</p>	<p>Section 1.2</p>
<p><b>What is the Consultant Offer and what are its key terms?</b></p>	<p>The Company is offering 100,000 Shares to the Consultant for the provision of geological consulting services in relation to the Birrindudu Nickel Project.</p>	<p>Section 1.3</p>
<p><b>What are the conditions of the Offers?</b></p>	<p>Completion of the Public Offer and the Vendor Offer is conditional on:</p> <ul style="list-style-type: none"> <li>Shareholders approving the Acquisition Resolutions at the General Meeting;</li> <li>the Company receiving conditional approval from ASX for reinstatement of its listed Securities to Official Quotation on terms which the Company reasonably considers are capable</li> </ul>	<p>Section 1.5</p>

Topic	Summary	Further Information
	<p>of satisfaction; and</p> <ul style="list-style-type: none"> <li>• the Company achieving the Minimum Subscription.</li> </ul> <p>Completion of the Consultant Offer is conditional on:</p> <ul style="list-style-type: none"> <li>• Shareholders approving the issue of the Consultant Shares to the Consultant at the General Meeting; and</li> <li>• the Minister (NT) granting exploration licence applications EL32051 and EL32052, being the tenements comprising the Birrindudu Nickel Project.</li> </ul> <p>If the above conditions are not satisfied, the Company will not proceed with the Offers and will return to Applicants all the Application Monies (without interest) in accordance with the provisions of the Corporations Act.</p> <p>If the Public Offer and/or the Vendor Offer does not proceed, the Consultant Offer will not proceed.</p>	
<p><b>What is the purpose of the Offers?</b></p>	<p>The purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> <li>• assist the Company to meet the requirements of ASX for the reinstatement of its listed Securities to Official Quotation (which includes re-complying with Chapters 1 and 2 of the Listing Rules); and</li> <li>• provide the Company with sufficient funding to carry out the exploration programs on the Projects, achieve its stated objective in Section 3.4 and for working capital following completion of the Acquisitions.</li> </ul> <p>The purpose of the Vendor Offer is to issue the Vendor Shares to the Vendors in accordance with the Sale Agreements.</p> <p>The purpose of the Consultant Offer is to issue the Consultant Shares to the Consultant in consideration for the provision of geological consulting services.</p> <p>Accordingly, no funds will be raised pursuant to the Vendor Offer or the Consultant Offer.</p>	<p>Section 1.8</p>

Topic	Summary	Further Information
<p><b>What is the proposed use of funds raised pursuant to the Public Offer?</b></p>	<p>The funds raised pursuant to the Public Offer will be utilised by the Company:</p> <ul style="list-style-type: none"> <li>• to provide the Company with sufficient funding to carry out the exploration programs on the Projects as described in Section 3 and to assist it to achieve its objectives as described in Section 3.4;</li> <li>• to identify and investigate new acquisition opportunities that may provide commodity and/or jurisdictional diversification benefits to the Company;</li> <li>• to satisfy the expenses associated with the Acquisitions and the Offers and re-complying with Chapters 1 and 2 of the Listing Rules; and</li> <li>• to provide the Company with additional working capital following Completion.</li> </ul>	<p>Section 1.9</p>
<p><b>What is the effect of the Offers on the capital structure of the Company?</b></p>	<p>Assuming maximum subscription:</p> <ul style="list-style-type: none"> <li>• the Shares issued under the Offers will represent approximately 32% of the issued share capital of the Company immediately following Completion; and</li> <li>• the Shares and Options (assuming all Options are exercised) issued under the Offers will represent approximately 48% of the issued share capital of the Company immediately following Completion.</li> </ul>	<p>Sections 1.10 and 1.12</p>
<p><b>Who are the significant existing shareholders of the Company and what will their interests be after completion of the Offers?</b></p>	<p>As at the date of this Prospectus the following persons (and their associates) have an interest in 5% or more of the Shares on issue:</p> <ul style="list-style-type: none"> <li>• Success Concept Investment Limited has an interest in 9,513,447 Shares comprising 14.54% of the total issued share capital of the Company;</li> <li>• Malcora Pty Ltd has an interest in 6,476,339 Shares comprising 9.90% of the total issued share capital of the Company;</li> <li>• Garry Thomas and associated entities have an interest in 6,333,334 Shares comprising 9.60% of the total issued share capital of the Company; and</li> <li>• Mark Jones and associated entities have an interest in 6,251,144 Shares comprising 9.56% of the total issued share capital of the Company; and</li> <li>• Asian Star Investments Limited has an interest in 4,766,667 Shares comprising 7.29% of the total issued share capital of the Company.</li> </ul> <p>On completion of the Offers (on maximum subscription) and assuming no existing Shareholder participates in the Public Offer, it is anticipated that the following persons (and their associates) will have an interest in 5% or more</p>	<p>Section 1.13</p>

Topic	Summary	Further Information
	<p>of the Shares on issue:</p> <ul style="list-style-type: none"> <li>• Success Concept Investment Limited will have an interest in 9,513,447 Shares comprising 9.86% of the total issued share capital of the Company;</li> <li>• Malcora Pty Ltd will have an interest in 6,476,339 Shares comprising 6.71% of the total issued share capital of the Company;</li> <li>• Garry Thomas and associated entities will have an interest in 6,333,334 Shares comprising 6.56% of the total issued share capital of the Company; and</li> <li>• Mark Jones and associated entities will have an interest in 6,251,144 Shares comprising 6.48% of the total issued share capital of the Company.</li> </ul>	
<b>Is the Public Offer underwritten?</b>	The Public Offer is not underwritten.	Section 1.21
<b>What are the terms of the Securities offered pursuant to this Prospectus?</b>	<p>A summary of the rights and liabilities attached to the Shares offered pursuant to this Prospectus are detailed in Sections 11.</p> <p>The terms and conditions of the Options are detailed in Section 11.2.</p>	Sections 11.1 and 11.2
<b>E. Re-compliance with Listing Rules 1 and 2</b>		
<b>What approvals are being sought at the General Meeting?</b>	<p>At the General Meeting, the Company will seek Shareholder approval for:</p> <ul style="list-style-type: none"> <li>• the proposed change in the nature and scale of the Company's activities in accordance with Listing Rule 11.1.2;</li> <li>• the issue of the Vendor Shares and the Consultant Shares in accordance with Listing Rule 7.1; and</li> <li>• the issue of the Capital Raising Shares and the Options in accordance with Listing Rule 7.1.</li> </ul>	Section 2.3
<b>Why does the Company need to re-comply with Listing Rules 1 and 2?</b>	<p>The acquisition of the Projects and the Public Offer will result in a change in the nature and scale of the Company's activities for the purposes of Listing Rule 11.1. Accordingly, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules, and this Prospectus is issued to assist the Company to comply with these requirements.</p> <p>There is a risk that the Company may not be able to meet the requirements for the reinstatement of its listed Securities to Official Quotation. If the conditions to Completion under the Sale Agreements are not satisfied (including if the Company does not receive conditional approval for reinstatement of its listed Securities to Official Quotation on terms which the Company reasonably considers are capable of satisfaction) then the Company will not proceed with the Public Offer and will refund all Application Monies received (without</p>	Sections 1.1 and 1.3

Topic	Summary	Further Information
	interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Additional Offers or the Acquisition.	
<b>F. Financial Information</b>		
<b>What is the financial position of the Company?</b>	<p>Following the change in the nature of its activities, the Company will focus on undertaking its exploration programs on the Projects. Accordingly, the Company's past operational and financial performance will not be of significant relevance to future activities.</p> <p>Details of the Company's historical financial information for the Company, pro forma historical financial information and a pro forma statement of financial position are included in Section 4.</p>	Section 4
<b>What are the Company's financial prospects and position?</b>	<p>Assuming the Company raises A\$2,400,000 (refer to Section 1.1), the Company's pro forma statement of financial position on completion of the Offers shows net assets of \$4,570,685.</p> <p>This takes into account a range of subsequent events and transactions, as detailed in Section 4 and is made up of total assets of \$4,678,692 (including cash of \$3,620,946 and total liabilities of \$108,007).</p> <p>Relevant financial information in respect to the Company, including a pro forma statement of financial position detailing the effect of the Offers, is contained in Section 4.</p> <p>Mineral exploration is inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. On this basis, and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared, and accordingly, financial forecasts have not been included in this Prospectus.</p>	Section 4
<b>How will the Company report to Shareholders on the performance of its activities?</b>	<p>The Company will send to its Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at <a href="http://www.asx.com.au">www.asx.com.au</a>.</p>	Section 11.10
<b>What is the Company's dividend policy?</b>	<p>The Company does not intend to declare or pay any dividends in the immediately foreseeable future. The extent, timing and payment of any dividends declared or payable in the future will be determined by the Directors, based on a number of factors, including future earnings and the Company's financial position.</p>	Section 1.22
<b>G. Key Risks</b>		
<b>What are the key risks of investing in the Company?</b>	<p>Some of the key risks of investing in the Company are detailed below. This list is not exhaustive, and further details of these risks and other risks associated with an</p>	Section 8

Topic	Summary	Further Information
	<p>investment in the Company are detailed in Section 8.</p> <p>In undertaking its business activities, the Company will be exposed to risks which include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <b>Offers conditional:</b> As part of the Company's change in activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Company's listed Securities will consequently remain suspended from Official Quotation.</li> </ul> <p>If the conditions referred to in Section 1.5 are not satisfied including if the Company does not receive conditional approval for reinstatement of its listed Securities to Official Quotation, the Company will not proceed with the Public Offer and will repay all Applications Monies received. If the Company does not proceed with the Public Offer, it will not proceed with the Additional Offers or the Acquisition.</p> <ul style="list-style-type: none"> <li>• <b>Single asset risk:</b> Until the grant of the tenements comprising the Birrindudu Nickel Project, the Paynes Find Gold Project will be the Company's sole asset, following Shareholders approving a change in nature and scale of activities and completion of the Acquisitions. Although the Company will continue to identify and investigate new acquisition opportunities that may provide commodity and or jurisdictional diversification benefits to the Company, it is currently anticipated that the Company's main focus upon completion of the Acquisition will be the Paynes Find Gold Project.</li> <li>• <b>Commercial risks of mineral exploration:</b> The Projects are at early stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Projects or any other tenements that may be acquired in the future, will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit, there is no guarantee that the mineral deposit can be economically exploited.</li> <li>• <b>Contractual risks:</b> The Company's 80% interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055 forming part of the Paynes Find Gold Project will exist pursuant to the Pegmatite Rights Deeds (refer to Sections 7 and 10.2 for further details). The ability of the Company to achieve its stated objectives will depend on the performance by the Company, the Vendors and Sayona of their respective obligations under the relevant agreements (see Section 7 for further details). If any party objects to the other commencing mining operations, or defaults in the performance of its obligations, it</li> </ul>	

Topic	Summary	Further Information
	<p>may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company.</p> <ul style="list-style-type: none"> <li> <b>Future capital requirements:</b> The Company's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised by the Public Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Public Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or if at all. Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities. </li> <li> <b>Joint venture parties, agents &amp; contractors:</b> There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity, including in respect to the Legendre Sale Agreement and the Attgold Sale Agreement. </li> </ul>	
<b>H. Directors and Related Party Interests and Arrangements</b>		
<b>Who are the Directors?</b>	<p>The Directors (as at the date of this Prospectus) are:</p> <ul style="list-style-type: none"> <li>Mr Mark Jones – Managing Director;</li> <li>Mr Garry Thomas – Non-Executive Director;</li> <li>Mr Gary Watson – Non-Executive Director; and</li> <li>Mr Douglas Rose – Non-Executive Director.</li> </ul> <p>There will be no change to the Board following completion of the Acquisitions and Offers.</p> <p>The key experience of each current Director is detailed in Section 9.1.</p>	Section 9.1
<b>What qualifications do the Directors have?</b>	<p>Mr Jones was previously a Non-Executive Director (Private Clients) of Patersons Securities Limited, one of the largest stockbroking firms in Australia and is</p>	Section 9.1

Topic	Summary	Further Information
	<p>currently the Chairman of Santa Fe Minerals Limited. He has been instrumental in raising capital for many exploration companies from IPO to production and brings over 25 years' of mining and stock market experience. He was previously Chairman of Kore Potash PLC (formerly Elemental Minerals Ltd) where he oversaw the exploration and early stage development of the Sintoukola Potash Project in the Republic of Congo.</p> <p>Mr Thomas is a Civil Engineer with over 34 years' experience in civil construction, mine development and operations. He has been involved in the implementation of mining operations in Australia, Indonesia, Laos, Russia, Zimbabwe, Ghana, Zambia, South Africa, Algeria, Mexico and Mali. He has managed the construction and commissioning of over 20 CIL/CIP, flotation and heap leach plants in Australasia, Russia and Africa as well as many plant upgrades. Mr Thomas was instrumental in the procurement and development of Elemental Minerals Limited's Potash project in West Africa. He was also the founding Managing Director of Intermet Engineering Pty Limited, a minerals processing engineering Company, since its inception in Australia in 2001 to its sale in 2008.</p> <p>Mr Watson has over 15 years' of extensive experience in the resources, finance and energy infrastructure industries. He has worked in a number of different roles, with particular emphasis on technical and economic project evaluation. Mr Watson has a unique view of the resources industry having worked in a variety of mining methods in iron ore, gold and nickel mines, coupled with his experience as an Equity Analyst at Canaccord Genuity. He holds a Bachelor of Commerce degree from Curtin University and is a CFA Charterholder.</p> <p>Mr Rose is currently the Managing Director of Santa Fe Minerals Limited where he oversaw the restructure and consequent ASX reinstatement of Santa Fe in 2017. Mr Rose was previously a Private Client Adviser with Patersons Securities Limited. He holds a Bachelor of Commerce degree from Curtin University and has over 12 years' experience in the financial services industry.</p>	
<p><b>What are the benefits being paid to the Directors?</b></p>	<p>The only benefits being paid to the Directors are their annual remuneration and fees.</p>	<p>Sections 9.3 and 9.5.</p>
<p><b>What interests do the Directors have in the Securities and the Offers?</b></p>	<p>The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:</p> <ul style="list-style-type: none"> <li>• Mr Mark Jones holds 6,251,144 Shares;</li> <li>• Mr Douglas Rose holds 2,929,099 Shares; and</li> <li>• Mr Garry Thomas holds 6,333,334 Shares.</li> </ul> <p>Mr Gary Watson does not hold any Securities in the Company at the date of this Prospectus.</p> <p>The Securities held by each Director are detailed in Section 9.4.</p>	<p>Section 9.4</p>



Topic	Summary	Further Information
<b>I. Applications and Other Information</b>		
<b>Who is eligible to participate in the Public Offer?</b>	The Public Offer is open to all investors with a registered address in Australia, New Zealand and Hong Kong.	Section 1.24
<b>How can I apply under the Public Offer?</b>	<p>You may apply for Securities offered pursuant to the Public Offer under this Prospectus by completing the Public Offer Application Form attached to, or accompanying, this Prospectus. If acceptance is by BPAY® there is no need to return a Public Offer Application Form.</p> <p>Applications from Existing Shareholders, who hold less than 25,000 Shares (<b>Minimum Holding</b>) must be for a minimum number of Shares to give that Shareholder, upon acceptance of that Application by the Company, a total number of Shares in the Company equal to or greater than the Minimum Holding. Payment for all the Shares must be made in full at the issue price of \$0.08 per Share.</p> <p>Applications from Existing Shareholders, who hold more than 25,000 Shares must be for a minimum of \$100 (1,250) Shares and thereafter in multiples of \$100 (1,250 Shares). Payment for all the Shares must be made in full at the issue price of \$0.08 per Share.</p> <p>Applications from New Investors must be for a minimum of \$2,000 (25,000 Shares) and thereafter in multiples of \$100 (1,250 Shares) and payment for all the Shares must be made in full at the issue price of \$0.08 per Share.</p> <p>To the extent permitted by law, a completed Public Offer Application Form lodged together with the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Public Offer Application Form.</p>	Section 1.16(a)
<b>What is the allocation policy?</b>	The allotment of Securities under the Public Offer will be determined by the Directors. The Directors reserve the right to issue to an Application a lesser number of Securities than the number applied for or reject an Application. If the number of Securities issued is less than the number applied for by an Application, surplus Application Monies will be refunded in full without interest in accordance with the Corporations Act.	Section 1.17
<b>Who is eligible to participate in the Vendor Offer?</b>	<p>Only those Vendors to whom the Company elects to make an offer can accept the Vendor Offer.</p> <p>A personalised application form will be issued to each such Vendor together with a copy of this Prospectus. The Company will only provide a Vendor Offer Application Form to persons entitled to participate in the Vendor Offer.</p>	Section 1.16(b)
<b>Who is eligible to participate in the Consultant Offer?</b>	<p>Only the Consultant can accept the Consultant Offer.</p> <p>A personalised application form will be issued to the Consultant together with a copy of this Prospectus. The</p>	Section 1.16(c)

Topic	Summary	Further Information
	Company will only provide a Consultant Offer Application Form to persons entitled to participate in the Consultant Offer.	
<b>Is there any brokerage, commission or stamp duty payable by Applicants?</b>	No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Securities pursuant to the Offers.	Section 1.16
<b>What are the tax implications of investing in the Company?</b>	The tax consequences of any investment in Securities will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest.	Section 11.7
<b>Can the Offers be withdrawn?</b>	The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will refund all Application Monies in full (without interest) in accordance with the Corporations Act.	Section 1.19(d)
<b>How can I obtain further information?</b>	Further information can be obtained by reading this Prospectus and consulting your professional advisers.  Questions relating to the Offers can be directed to Mark Jones (Managing Director) on +61 419 919 250.	Section 1.27
<b>J. Miscellaneous</b>		
<b>What material contracts is the Company a party to?</b>	The material contracts of the Company include: <ul style="list-style-type: none"> <li>• the Sale Agreements;</li> <li>• the Pegmatite Rights Deed and Deeds of novation; and</li> <li>• the Royalty Deed and Deed of Assignment.</li> </ul> Details of the Company's material contracts are provided in Section 10.	Section 10
<b>Will any Shares be subject to escrow?</b>	No Securities issued under the Public Offer will be subject to escrow.  ASX has not yet made a final determination with respect to the application of escrow to the Vendor Shares or the Consultant Shares. Prior to the Company's listed Securities being reinstated to Official Quotation, if required by ASX, the Company will enter into Restriction Agreements with the Vendors and the Consultant, in respect of the Vendor Shares and/or Consultant Shares (and any other person as required by ASX) in accordance with Chapter 9 of the Listing Rules.	Sections 1.15

## 1. DETAILS OF THE OFFERS

### 1.1 The Public Offer

This Prospectus invites investors to apply for up to 30,000,000 Shares at an issue price of \$0.08 each (**Capital Raising Shares**) to raise up to \$2,400,000 (before costs). For every one (1) Capital Raising Share subscribed for and issued, an Applicant will receive one (1) free-attaching Option (**Public Offer**).

All Shares issued pursuant to the Public Offer will rank equally with other Shares on issue.

Please refer to Section 11 for details of the rights and liabilities attaching to Shares.

Please refer to Section 11.2 for the terms and conditions of the Options.

### 1.2 The Vendor Offer

Pursuant to this Prospectus, the Company is also offering 937,500 Shares (**Vendor Shares**) to the Vendors (and/ or their respective nominees) in consideration for the Acquisitions (**Vendor Offer**).

Refer to Section 2.2 for details of the Acquisitions.

All Shares issued pursuant to the Vendor Offer will rank equally with the existing Shares on issue and the Shares issued pursuant to the Public Offer.

Only those Vendors to whom the Company elects to make an offer can accept the Vendor Offer. Please refer to Section 1.16(b) for further details.

### 1.3 Consultant Offer

Pursuant to this Prospectus, the Company is also offering 100,000 Shares (**Consultant Shares**) to SD & SE Nominees Pty Ltd (**Consultant**) (and/or their respective nominees) in consideration for the provision of geological consulting services in connection with the Birrindudu Nickel Project (**Consultant Offer**).

All Shares issued pursuant to the Consultant Offer will rank equally with the existing Shares on issue and the Shares issued pursuant to the Public Offer.

Only the Consultant may accept the Consultant Offer. Please refer to Section 1.16(c) for further details.

### 1.4 Re-compliance with the Listing Rules

At the General Meeting to be held on 24 April 2019, the Company will seek Shareholder approval for:

- (a) the change in nature and scale of the activities of the Company as a result of the Acquisitions (**Change of Activities**);
- (b) the issue of the Vendor Shares to the Vendors (refer to Sections 1.2 and 10.1); and
- (c) the issue of Capital Raising Shares and Options under the Public Offer (refer to Section 1.1),  
  
(together, the **Acquisition Resolutions**); and
- (d) issue of the Consultant Shares to the Consultant (refer to Section 1.3).

To give effect to the Change of Activities, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

Trading in the Company's Shares on ASX was suspended on 9 September 2016, and if Shareholders pass all the Acquisition Resolutions at the General Meeting, trading in the Company's Shares on ASX will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules. Refer to Section 2.3 for further details on the resolutions being considered by Shareholders at the General Meeting.

There is a risk that the Company may not be able to meet the requirements for the reinstatement of its listed Securities to Official Quotation. If the Conditions (refer to Section 1.5) are not satisfied (including if the Company does not receive conditional approval for the reinstatement of its listed Securities to Official Quotation from ASX on terms which the Company reasonably believes are capable of satisfaction) then the Company will not proceed with the Public Offer or the Vendor Offer and will refund Application Monies received (without interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Consultant Offer or the Acquisitions.

The Company will apply to ASX within seven days after the date of this Prospectus for Official Quotation of the Securities the subject of this Prospectus. If the Securities are not admitted to quotation within three months after the date of this Prospectus, no Securities will be issued and Application Monies will be refunded in full (without interest) in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation of the Securities issued under this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Securities.

## 1.5 Conditional Offer

Completion of the Public Offer is conditional on:

- (a) Shareholders approving at the General Meeting:
    - (i) the change in nature and scale of the activities of the Company as a result of the Acquisitions (refer to Section 1.4);
    - (ii) the issue of the Vendor Shares to the Vendors (refer to Sections 1.2 and 10.1);
    - (iii) the issue of Capital Raising Shares and Options under the Public Offer (refer to Section 1.1);
  - (b) the Company receiving conditional approval for the reinstatement of its listed Securities to Official Quotation on terms which the Company reasonably considers are capable of satisfaction; and
  - (c) the Company achieving the Minimum Subscription (refer to Section 1.6),
- (together, the **Conditions**).

If the above Conditions are not satisfied, the Company will not proceed with the Public Offer or the Vendor Offer and will return to Applicants all the Application Monies (without interest) in accordance with the provisions of the Corporations Act.

The Consultant Offer is conditional on

- (a) Shareholders approving at the General Meeting the issue of the Consultant Shares to the Consultant; and
- (b) the Minister (NT) granting exploration licence applications EL32051 and EL32052, being the tenements comprising the Birrindudu Nickel Project.

If the Public Offer and/or the Vendor Offer do not proceed, the Consultant Offer will not proceed.

Refer to Section 2.3 for further details on the General Meeting.

## 1.6 Minimum Subscription

If the Public Offer of \$2,000,000 (being 25,000,000 Shares and 25,000,000 Options) has not been raised by the Closing Date (unless extended), the Company will not issue any

Securities under the Public Offer and will refund all Application Monies in full (without interest) in accordance with the Corporations Act.

## 1.7 Oversubscriptions

There will be no oversubscriptions in respect of the Public Offer.

## 1.8 Purpose of the Offers

The purpose of the Offers is to:

- (a) assist the Company to meet the requirements of ASX for the reinstatement of its listed Securities to Official Quotation (which includes re-complying with Chapters 1 and 2 of the Listing Rules);
- (b) provide the Company with sufficient funding to:
  - (i) carry out the exploration programs on the Paynes Find Gold and Birrindudu Nickel Project (once granted) as described in Sections 3.1, 3.2 and 3.3;
  - (ii) assist it to achieve the objectives detailed in Section 3.4;
  - (iii) satisfy the working capital requirements and business development costs of the Company, following completion of the Acquisitions and the Offers;
  - (iv) assess other opportunities in the resource space; and
  - (v) meet the costs of the Offers;
- (c) ensure that the on-sale of the Shares and Options issued to Applicants does not breach section 707(3) of the Corporations Act; and
- (d) ensure that the on-sale of the underlying Shares to be issued upon exercise of the Options is in accordance with ASIC Corporations Instrument 2018/80.

## 1.9 Use of Funds

As at 27 March 2019, the Company had cash reserves of approximately \$1,432,236 (refer to Section 4).

The Company intends to apply the funds raised from the Public Offer, together with the Company's cash reserves, over the 24 months following reinstatement to quotation of the Company's listed Securities as set out in the table below.

Funds Available	Minimum Subscription (\$2 million)	%	Maximum Subscription (\$2.4 million)	%
Existing cash reserves of the Company <sup>1</sup>	\$1,432,236	46.02%	\$1,432,236	41.06%
Cash consideration for the Acquisitions <sup>2</sup>	(\$30,000)	(0.96%)	(\$30,000)	0.86%
Estimated costs of the transaction <sup>3</sup>	(\$289,987)	(9.32%)	(\$313,754)	8.99%
Proceeds from the Public Offer (before costs)	\$2,000,000	64.26%	\$2,400,000	68.79%
<b>TOTAL</b>	<b>\$3,112,249</b>	<b>100%</b>	<b>\$3,488,482</b>	<b>100%</b>

Allocation of Funds (over 24 months following reinstatement)	Minimum Subscription (\$2 million)	%	Maximum Subscription (\$2.4 million)	%
Exploration on Paynes Find Gold Project (WA) <sup>4</sup>	\$1,661,000	53.37%	\$1,951,000	55.93%
Exploration on Birrindudu Nickel Project (NT) <sup>5,6</sup>	\$110,000	3.53%	\$110,000	3.15%
Administration <sup>7</sup>	\$520,000	16.71%	\$520,000	14.91%
Working capital <sup>8</sup>	\$701,249	22.53%	\$787,482	22.57%
Investigate and undertake due diligence on new opportunities <sup>9</sup>	\$120,000	3.86%	\$120,000	3.44%
<b>TOTAL</b>	<b>\$3,112,249</b>	<b>100%</b>	<b>\$3,620,946</b>	<b>100%</b>

**Notes:**

1. These funds represent existing cash held by the Company at 27 March 2019.
2. Refer to Section 10.1 for further details.
3. Refer to Section 11.5 for further details.
4. Refer to Section 3.1 for further details.
5. Refer to Section 3.2 for further details.
6. The Company has budgeted a preliminary amount for the initial application stage, which remains subject to the tenements being granted and successful geological review. If the tenements comprising the Birrindudu Nickel Project are not granted the Company will allocate these funds towards working capital.
7. Administration costs includes corporate overheads, payment of director fees, ASX fees, audit fees, rent and other general administration costs.
8. Working capital is intended to be applied to expenditure where necessary and which is outside of the budgeted amounts. This could relate to potential travel for key management personnel, exploration expenditure if the Company determines it appropriate to allocate additional funds to project-related exploration expenditure and appraisal of acquisition opportunities.
9. Includes costs in relation to the investigation, due diligence and appraisal of new opportunities.

The above table is a statement of the Board's intention as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions. Given that, subject to the grant of the Birrindudu Nickel Project, upon completion of the Acquisitions, the Company will have a single asset focus, the Board has resolved to consider asset acquisition opportunities to:

- (a) apply for additional tenements to complement the Projects; and/or
- (b) acquire, either by way of an asset or share purchase, complementary projects, that may provide commodity and or jurisdictional diversification benefits.

The Board reserves the right to alter the way funds are applied depending on the outcome of ongoing assessments of potential acquisition opportunities.

The Board believes that its current cash reserves and the funds raised from the Public Offer will provide the Company with sufficient funding to achieve the Company's objectives detailed in Section 3.4.

The above estimated expenditures will be subject to modification on an on-going basis depending on the results obtained from the Company's activities. Due to market conditions and the development of new opportunities or any number of other factors (including the risks outlined in Section 8), actual expenditure levels may differ significantly to the above estimates. The Company also intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in the above estimates.

## 1.10 Capital Structure

On the basis that the Company completes the Acquisitions and the conditions of the Offers are satisfied (refer to Section 1.5), the Company's capital structure will be as follows:

Item	Minimum Subscription \$2,000,000		Maximum Subscription \$2,400,000	
	Shares	Options	Shares	Options
As at the date of this Prospectus	65,408,530	-	65,408,530	-
Vendor Shares to be issued to the Vendors under the Vendor Offer	937,500	-	937,500	-
Consultant Shares to be issued to the Consultant under the Consultant Offer	100,000	-	100,000	-
Securities to be issued under the Public Offer	25,000,000	25,000,000 <sup>1</sup>	30,000,000	30,000,000 <sup>1</sup>
<b>Total</b>	<b>91,446,030</b>	<b>25,000,000</b>	<b>96,446,030</b>	<b>30,000,000</b>

**Note:**

1. Exercisable at \$0.08 on or before the date that is 3 years from the date of issue (refer to Section 11.2 for the terms and conditions of the Options).

## 1.11 Effect on Control

The effect on control of the Offers depends upon the take-up of the Securities issued pursuant to the Public Offer.

The Directors will allocate Securities under the Public Offer so that the issue of Securities pursuant to this Prospectus will not result in any Shareholder or Applicant increasing its voting power in the Company:

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

## 1.12 Dilution

The Company currently has 65,408,530 Shares on issue and will issue:

- (a) 937,500 Vendor Shares to the Vendors pursuant to Vendor Offer;
- (b) 100,000 Consultant Shares to the Consultant pursuant to the Consultant Offer;
- (c) up to 30,000,000 Shares pursuant to the Public Offer; and
- (d) up to 30,000,000 Options pursuant to the Public Offer.

The table below details the dilutionary effect of the Offers on the holdings of current Shareholders:

Shares issued pursuant to the Vendor Offer (937,500)	Shares to be issued pursuant to the Consultant Offer (100,000)	Shares to be issued pursuant to the Public Offer (30,000,000) <sup>1</sup>	Shares to be issued upon exercise of the Options offered pursuant to the Public Offer (30,000,000) <sup>1</sup>	Total Shares on issue	Percentage of shares held by current Shareholders <sup>2</sup>	Dilutionary effect on current Shareholders <sup>2</sup>
				65,408,530	100%	0%
x				66,346,030	98.59%	1.41%
x	x			66,446,030	98.44%	1.56%
x	x	x		96,446,030	67.82%	32.18%
x	x	x	x	126,446,030	51.73%	48.27%

**Notes:**

1. Assumes the Company raises a maximum of \$2.4 million at an issue price of \$0.08 per Share through the issue of 30,000,000 Shares and 30,000,000 Options. The Company intends to raise between \$2 million and \$2.4 million (before costs). Refer to Section 1.1 for further details.
2. Assumes that no current Shareholder participates in the Offers.

As detailed in the above table, immediately following the issue of the Shares offered under this Prospectus, current Shareholders will retain approximately 67.82% of the Company's Shares.

Immediately following the issue of the Securities offered under this Prospectus, and if all the Options issued are exercised, current Shareholders will retain approximately 51.73% of the Company's Shares.

### 1.13 Substantial Shareholders

As at the date of this Prospectus, Shareholders holding a relevant interest in 5% or more of the Shares on issue are as follows:

Name	Number of Shares	Percentage of Shares
Success Concept Investment Limited	9,513,447	14.54%
Malcora Pty Ltd	6,476,339	9.90%
Garry Thomas and associated entities	6,333,334	9.60%
Mark Jones and associated entities	6,251,144	9.56%
Asian Star Investments Limited	4,766,667	7.29%

On completion of the Offers, Shareholders holding a relevant interest in 5% or more of the Shares on issue will include:

Name	Minimum Subscription \$2,000,000		Maximum Subscription \$2,400,000	
	Number of Shares	Percentage of Shares <sup>1</sup>	Number of Shares	Percentage of Shares <sup>1</sup>
Success Concept Investment Limited	9,513,447	10.40%	9,513,447	9.86%
Malcora Pty Ltd	6,476,339	7.08%	6,476,339	6.71%
Mark Jones and associated entities	6,251,144	6.84%	6,251,144	6.48%



Name	Minimum Subscription \$2,000,000		Maximum Subscription \$2,400,000	
	Number of Shares	Percentage of Shares <sup>1</sup>	Number of Shares	Percentage of Shares <sup>1</sup>
Garry Thomas and associated entities	6,333,334	6.92%	6,333,334	6.56%
Asian Star Investments Limited	4,766,667	5.21%	4,766,667	4.94%

**Notes:**

1. Assumes that no current Shareholder participates in the Capital Raising.

#### 1.14 Market Price of Shares

The Company's Shares have been suspended from trading on ASX since the close of trading on 9 September 2016. The closing price of the Company's Shares on 9 September 2016 was \$0.08.

#### 1.15 Restricted Securities

None of the existing Shares are currently Restricted Securities or subject to escrow restrictions.

None of the Securities issued pursuant to the Public Offer will be subject to escrow restrictions.

ASX will make its final determinations with respect to the application of escrow to the Vendor Shares and the Consultant Shares prior to the Company's listed Securities being reinstated to Official Quotation. Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, the Company anticipates that the Vendor Shares will be treated as Restricted Securities and be escrowed for a period of up to 24 months from the date on which the Company's listed Securities are reinstated to official quotation.

Prior to the Company's listed Securities being reinstated to Official Quotation, if required by ASX, the Company will enter into Restriction Agreements with the Vendors and/ or the Consultant, in respect of the Vendor Shares and/or Consultant Shares (and any other person as required by ASX) in accordance with Chapter 9 of the Listing Rules.

The Company will announce to the ASX full details (quantity and duration) of the securities in the Company to be held in escrow prior to the listed Securities commencing trading on the ASX.

#### 1.16 How to Apply

(a) Public Offer

If you wish to apply for Securities under the Public Offer, please complete the Public Offer Application Form attached to, or accompanying, this Prospectus. Alternatively, complete a paper copy of the electronic Public Offer Application Form which accompanies the electronic version of this Prospectus which can be obtained from the Company, upon request, by emailing Krystal Kirou, Company Secretary, at [krystal.kirou@nexiaperth.com.au](mailto:krystal.kirou@nexiaperth.com.au). Completed Public Offer Application Forms should be returned to and received by the Company, together with the Application Monies in full, prior to 5.00pm (WST) on the Closing Date.

(i) New Investors

Applications from New Investors must be for a minimum of \$2,000 (25,000 Shares) and thereafter in multiples of \$100 (1,250 Shares) and payment for all the Shares must be made in full at the issue price of \$0.08 per Share.

(ii) Existing Shareholders

Applications from Existing Shareholders who currently hold less than 25,000 Shares (being the Minimum Holding) must be for a minimum number of Shares to give that Shareholder, upon acceptance of that Application by the Company, a total number of Shares in the Company equal to or greater than the Minimum Holding, and thereafter in multiples of \$100 (1,250 Shares). Payment for all the Shares must be made in full at the issue price of \$0.08 per Share.

For example, an Existing Shareholder who holds 15,000 Shares who wishes to apply under the Public Offer must complete an Application Form applying for at least 10,000 Shares, thereby giving that Existing Shareholder the Minimum Holding. The Application must be accompanied by payment in full at the issue price of \$0.08 per Share. Refer to the Application Form attached to, or accompanying, this Prospectus for further details.

Applications from Existing Shareholders who hold more than 25,000 Shares must be for a minimum of \$100 (1,250) Shares and thereafter in multiples of \$100 (1,250 Shares). Payment for all the Shares must be made in full at the issue price of \$0.08 per Share.

Please contact Advanced Share Registry Services on +61 8 9389 8033 if you are unsure as to your current shareholding in the Company.

An original completed and lodged Public Offer Application Form, together with the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in the Public Offer Application Form. The Public Offer Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Securities.

Applicants who wish to pay by BPAY® should follow the instructions on the Public Offer Application Form. Payment made by BPAY® must be received no later than 5.00pm (WST time) on the Closing Date. It is the responsibility of all Applicants to ensure that their BPAY® payments are received by the Company on or before the Closing Date. If paying by BPAY® there is no need to return an Application Form.

The Directors reserve the right to close the Public Offer early without prior notice. Applicants are therefore encouraged to submit their Public Offer Application Forms as early as possible. However, the Company reserves the right to extend the Public Offer or accept late Applications.

No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Securities pursuant to the Public Offer.

Completed Public Offer Application Forms and Application Monies should be returned as follows:

<b>By Post To:</b>	<b>Or delivered to:</b>
Oakajee Corporation Ltd C/- Advanced Share Registry PO Box 1156 Nedlands WA 6009	Oakajee Corporation Ltd C/- Advanced Share Registry 110 Stirling Highway Nedlands WA 6009

Refer to the instructions on the back of the Application Form when completing your Application. Cheques must be made payable to "**Oakajee Corporation Limited**" and crossed "Not Negotiable". All cheques must be in Australian dollars.

(b) Vendor Offer

Only a Vendor can accept an offer under the Vendor Offer. A personalised Vendor Offer Application Form will be issued to each Vendor together with a copy of this Prospectus. The Company will only provide a Vendor Offer Application Form to the persons entitled to participate in the Vendor Offer.

Completed Vendor Offer Application Forms should be returned as follows:

By Post To:	Or delivered to:
Oakajee Corporation Ltd C/- Advanced Share Registry PO Box 1156 Nedlands WA 6009	Oakajee Corporation Ltd C/- Advanced Share Registry 110 Stirling Highway Nedlands WA 6009

(c) Consultant Offer

Only the Consultant can accept an offer under the Consultant Offer. A personalised Consultant Offer Application Form will be issued to the Consultant together with a copy of this Prospectus. The Company will only provide a Consultant Offer Application Form to the Consultant, being the only person entitled to participate in the Consultant Offer.

Completed Consultant Offer Application Forms should be returned as follows:

By Post To:	Or delivered to:
Oakajee Corporation Ltd C/- Advanced Share Registry PO Box 1156 Nedlands WA 6009	Oakajee Corporation Ltd C/- Advanced Share Registry 110 Stirling Highway Nedlands WA 6009

## 1.17 Issue and Allocation of Securities

The Directors will determine the allocation of Securities under the Public Offer. The Directors reserve the right to issue to an Applicant a lesser number of Securities than the number applied for or to reject an Application.

If the number of Securities issued is less than the number applied for by an Applicant, the Company will refund surplus Application Monies in full (without interest) in accordance with the Corporations Act.

Subject to the relevant conditions being satisfied (or waived, if applicable) (refer to Sections 1.5 and 10.1), the Securities issued pursuant to the Offers will be issued as soon as practicable after the Closing Date.

All Application Monies shall be held by the Company on trust pending the issue of the Securities or refund of Application Monies pursuant to this Prospectus.

The Company will be entitled to retain all interest that accrues on the Application Monies and each Applicant waives the right to claim any part of such interest.

## 1.18 CHES

The Company participates in the Clearing House Electronic Subregister System (**CHES**). ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers means that the Company will not issue certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Securityholder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship. Electronic sub-registers also mean ownership of Shares or Options can be transferred without having to rely on paper documentation.

Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Security holders may

request a holding statement at any other time however there may be a charge for such additional statements.

### **1.19 ASX Waivers**

Listing Rule 1.1 Condition 12 provides that the exercise price of options for which an entity has on issue must be at least \$0.20. Listing Rule 2.1 Condition 2 provides that the issue price or sale price of all securities for which an entity seeks quotation (except options) must be at least \$0.20.

The Company has been granted a waiver from Listing Rules 1.1 condition 12 and Listing Rule 2.1 condition 2 by ASX to the extent necessary not to require the exercise price of the Options and issue price of the Capital Raising Shares proposed to be issued pursuant to the Public Offer to be at least \$0.20 on the conditions that:

- (a) the exercise price of the Options is not less than \$0.02;
- (b) the issue price of the Capital Raising Shares is not less than \$0.02;
- (c) Shareholders specifically approve these prices (refer to Section 2.3); and
- (d) the terms of the ASX waiver are released to the market and clearly disclosed in the Notice of Meeting and this Prospectus (refer to the Company's ASX announcement dated 23 March 2019).

### **1.20 Withdrawal**

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will refund all Application Monies in full (without interest) in accordance with the Corporations Act.

### **1.21 Underwriting**

The Offer is not underwritten.

### **1.22 Commission**

The Company reserves the right to pay a commission of up to 5% (exclusive of GST) of amounts subscribed through:

- (a) any Australian financial services licensee in respect of any Applications lodged and accepted by the Company and bearing the stamp of the Australian financial services licensee; or
- (b) any entity registered outside Australia permitted to provide financial services.

Payments will be made subject to the receipt of a proper tax invoice from the Australian financial services licensee or the appropriate invoice or documentation from the foreign registered entity.

### **1.23 Dividend Policy**

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the extent, timing and payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

## **1.24 Overseas Applicants**

No action has been taken to register or qualify the Securities, or the Offers, or otherwise to permit the public offering of the Securities, in any jurisdiction outside Australia, New Zealand and Hong Kong.

The distribution of this Prospectus outside Australia, New Zealand and Hong Kong may be restricted by law and persons into whose possession this Prospectus comes should observe all applicable restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to its Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

### **Hong Kong**

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

This document does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This document also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this document in Hong Kong, other than to persons who are “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Copies of this document may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this document, or any offer or an invitation in respect of these securities, to the public in Hong Kong.

## **1.25 Risks**

As with any securities investment, there are risks associated with investing in the Company. Key risks that could affect the financial and market performance of the Company are detailed in Section 8. The Securities offered under this Prospectus should be considered highly speculative.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 8), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

## **1.26 Taxation**

The Directors do not consider it appropriate to provide investors with advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to investors. Investors should consult their own professional taxation advisers to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

## **1.27 Enquiries in relation to the Offers**

This Prospectus provides information for prospective investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offers can be directed to Mark Jones (Managing Director) on +61 419 919 250.

## 2. OVERVIEW OF THE COMPANY AND THE ACQUISITIONS

### 2.1 The Company

The Company is an Australian public company that has been listed on the Official List of ASX (ASX code: OKJ) since 5 June 2008.

Upon admission to ASX, the Company pursued an interest in the limestone manufacturing sector and held a commercial property lease at Howatharra, Western Australia.

The Company chose to terminate the lease in December 2011, due to a downturn in conditions following the Global Financial Crisis.

Following the termination of the abovementioned lease, the Company focused on managing a series of listed investments, while assessing suitable projects for acquisition in the resources sector.

On 9 September 2016, the Company's securities were suspended from Official Quotation on ASX due to non-compliance with Listing Rule 12.1. The Company's securities have remained suspended since that date.

The Company has cash reserves and owns 11,000,000 shares in Santa Fe Minerals, an Australian Gold and Base Metals exploration company listed on the ASX: <https://www.santafeminerals.com.au/>.

### 2.2 The Acquisitions

On 18 January 2019, the Company announced it had entered into two binding conditional agreements with Mr Bruce Robert Legendre and Attgold Pty Ltd (**Vendors**) to acquire the Paynes Find Gold Project, comprising:

- (a) an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and
- (b) an 80% interest in the non-lithium mineral rights in respect of E59/2092, and E59/2055,

(the **Acquisitions**).

The Acquisitions will be undertaken through Oakajee Exploration, a wholly-owned subsidiary of the Company.

The consideration payable by the Company pursuant to the Acquisitions is as follows:

Vendor	Interest in Paynes Find Gold Project to be acquired	Consideration
Mr Bruce Robert Legendre	<ul style="list-style-type: none"><li>- an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and</li><li>- an 80% interest in the non-lithium mineral rights in respect of E59/2092.</li></ul>	<ul style="list-style-type: none"><li>- \$20,000 non-refundable cash deposit (which has already been paid);</li><li>- \$30,000 cash to be paid upon settlement of the acquisition; and</li><li>- \$50,000 worth of Shares to be issued upon settlement of the acquisition.</li></ul>
Attgold Pty Ltd	<ul style="list-style-type: none"><li>- an 80% interest in the non-lithium mineral rights in respect of E59/2055.</li></ul>	<ul style="list-style-type: none"><li>- \$10,000 non-refundable cash deposit (which has already been paid); and</li></ul>

Vendor	Interest in Paynes Find Gold Project to be acquired	Consideration
		- \$25,000 worth of Shares to be issued upon settlement of the acquisition.

Each Vendor currently holds its interest in the non-lithium mineral rights in respect of E59/2092 (Legendre) and E59/2055 (Attgold) pursuant to a pegmatite rights deeds with Sayona Lithium Pty Ltd (**Sayona**) dated 26 November 2018 (**Pegmatite Rights Deed**). The Company will acquire an interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055 pursuant to a novation of each Pegmatite Rights Deed with each relevant Vendor and Sayona (**Deed of Novation**). The Deeds of Novation were executed on 14 February 2019. Completion under each Deed of Novation will occur contemporaneously with completion of the relevant Acquisition.

For a full summary of the Acquisitions, Pegmatite Rights Deeds and Deeds of Novation, refer to Section 10.

The Company also announced the lodgement of two exploration licence applications (EL32051 and EL32052), through Oakajee Exploration, totalling approximately 1,116km<sup>2</sup> covering parts of the Birrindudu Basin in the Northern Territory (**Birrindudu Nickel Project**). As at the date of this Prospectus, the tenements comprising the Birrindudu Nickel Project have not been granted.

The Acquisitions require the Company to re-comply with the Listing Rules as if it were applying for admission to the Official List of ASX for the first time (**ASX Re-compliance**). As part of the ASX Re-compliance, the Company will seek to raise a minimum of \$2 million and a maximum of \$2.4 million (before costs) pursuant to this Prospectus.

If the Company does not complete an Acquisition, it will, subject to the satisfaction (or waiver) of the applicable conditions precedent (refer to Section 10.1) proceed with the other Acquisition. If only one of the Acquisitions completes, the Company's ability to undertake the Public Offer and/ or complete the ASX Re-compliance may be adversely affected.

If the Company does not complete both Acquisitions it will investigate, and as required, undertake due diligence on, new business opportunities.

ASX has advised the Company that if the Company's securities are not reinstated to Official Quotation by 1 July 2019, ASX will remove the Company from the Official List of ASX in accordance with ASX Guidance Note 33. Any transaction the Company intends to undertake will likely involve the ASX Re-compliance.

## 2.3 Meeting

At the Company's General Meeting to be held on Wednesday, 24 April 2019 at 10.00am (WST) the Company will seek Shareholder approval for, among other things, the Acquisitions and the change in the nature and scale of the Company's activities. Specifically, Shareholder approval will be sought for the following resolutions:

- (a) the proposed change in the nature or scale of the Company's activities in accordance with Listing Rule 11.1.2;
- (b) the issue of the Vendor Shares to the Vendors in accordance with Listing Rule 7.1; and
- (c) the issue of the Consultant Shares to the Consultant in accordance with Listing Rule 7.1; and
- (d) the issue of the Shares and Options under the Public Offer in accordance with Listing Rule 7.1.



### 3. THE PROJECTS

#### 3.1 Details of the Paynes Find Gold Project

The Paynes Find Gold Project is located in Western Australia covering an area of approximately 112km<sup>2</sup> and comprising:

- (a) an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and
- (b) an 80% interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055.

The Paynes Find Gold Project is located adjacent to the Paynes Find settlement, approximately 455km by road northeast of Perth. The land holding represents the second largest exploration project area within the Paynes Find Greenstone Belt which has produced more than 72,000oz of gold.

Key highlights of the Acquisitions include:

- (a) the opportunity to acquire a significant land position in a known goldfield that has had limited exploration;
- (b) advanced drill ready targets; and
- (c) excellent project access and infrastructure.

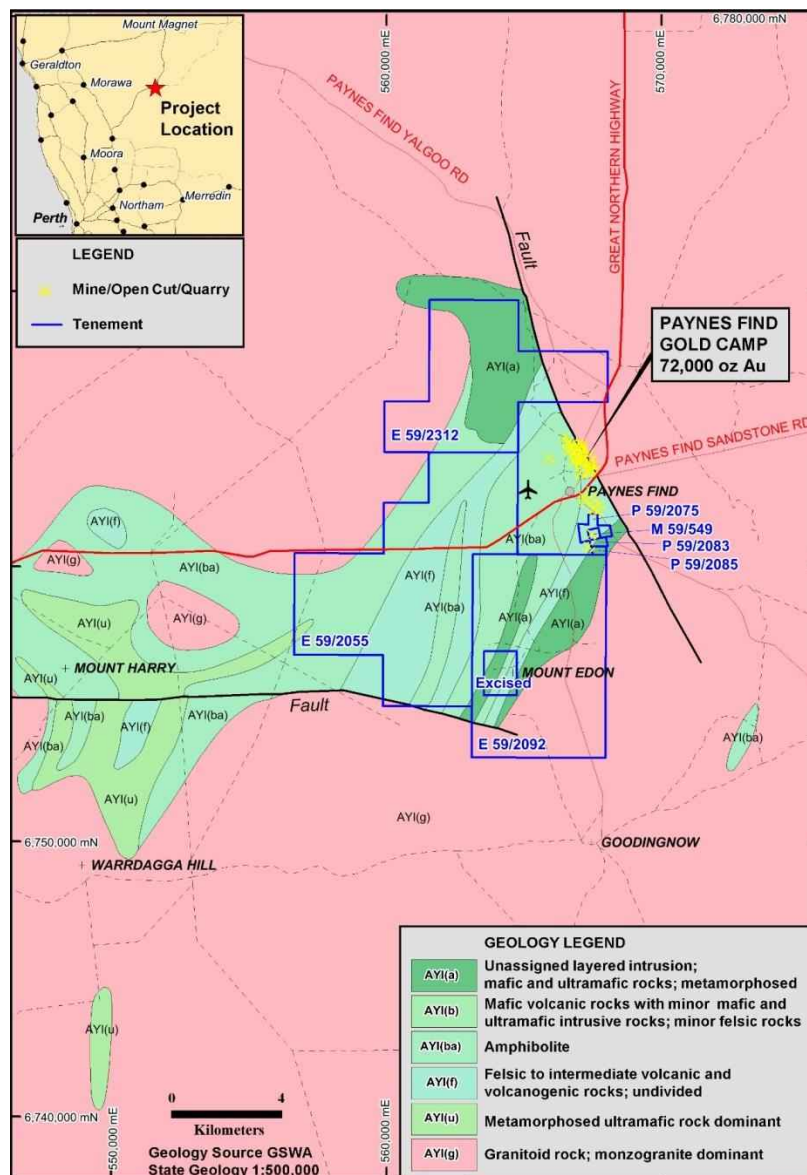


Figure 2 - Paynes Find Gold Project location plan

The Paynes Find Gold Project covers mostly greenstone sequences along strike and to the west of the Paynes Find Gold camp. Whilst the Paynes Find Gold Project has been explored since the 1970's, little effective testing of the greenstone sequences has been undertaken due to fragmented tenement holdings and alluvial cover limiting the effectiveness of conventional soil sampling.

The Paynes Find Gold Project covers the south-eastern portion of the Paynes Find Greenstone Belt, one of eleven greenstone belts to make up the Murchison Province. The Paynes Find Belt covers an area of approximately 250km<sup>2</sup>. The Paynes Find Belt comprises a thick series of folded Archaean aged mafic to felsic volcanic rocks surrounded by basement granites and gneiss. The main rock types consist of interlayered basaltic and dacite, meta volcanics, ultramafic schists and metasediments and banded iron formations. Outcrop in the area is largely concealed by recent deposits of alluvium and laterite cover and scree. Structurally, the belt has undergone similar deformation events to other greenstone belts within the Murchison Province with multiple phases of folding and shearing.

The Murchison Province hosts many significant gold deposits including the million-ounce gold camps at Big Bell, Mount Magnet (Hill 50), and Meekatharra, as well as numerous smaller gold camps at Cue, Kirkalocka and Mount Gibson, and more locally at Rothay, Fields Find and Pinyalling.

### ***Project Geology***

The Payne's Find Gold Project covers a sequence of north-north-east striking greenstones, and laterite that form gentle rises with saprock giving way to recent scree and colluvium downslope. The greenstone sequence comprises a steeply dipping sequence of mafic, felsic volcanics, and ultramafic volcanics intruded by dolerites.

### ***Past Exploration at the Paynes Find Gold Project***

Despite the Payne's Find Gold Project being located close to a significant gold mining centre within a major gold mining province, little modern systematic work or drilling has been completed over the project area.

During the late 1970s to the mid-1980s, the southern ground covered by E59/2092 was worked on by various prospecting syndicates and companies including Jays Exploration Pty Ltd and Pancontinental Mining Pty Ltd. Work focused on exploring outcropping pegmatites in the central part of E59/2092.

Hawkstone Minerals NL held part of the current Paynes Find Gold Project as part of their larger Payne's Find tenure between 1970 and 1972. The initial exploration focus was on base metals and industrial minerals and later included gold. The only work that appears to have been completed on the current Paynes Find Gold Project area is soil sampling and percussion testing of several nickel geochemical anomalies located on the current E59/2092. No drill or assay logs are provided in the reports. Interestingly the northern most nickel anomaly is located on the House Anomaly that was identified in later exploration.

Between 1983 and 1986 a private syndicate, Purkait and Shreeve, held two GML's covering the Matriarch Workings. Work completed included mapping the old workings, surface and underground sampling and drilling 11 RC holes for 453m. The drilling focused on two areas, one around the Matriarch underground workings and another area to the north east of the main workings (Figure 3). Both areas appear to have had extensive sets of old workings which have subsequently been scraped over or filled in. All the holes appear to be orientated to the south west subparallel to the reefs. Maximum hole depth was 70 metres. Available records for this work are incomplete.

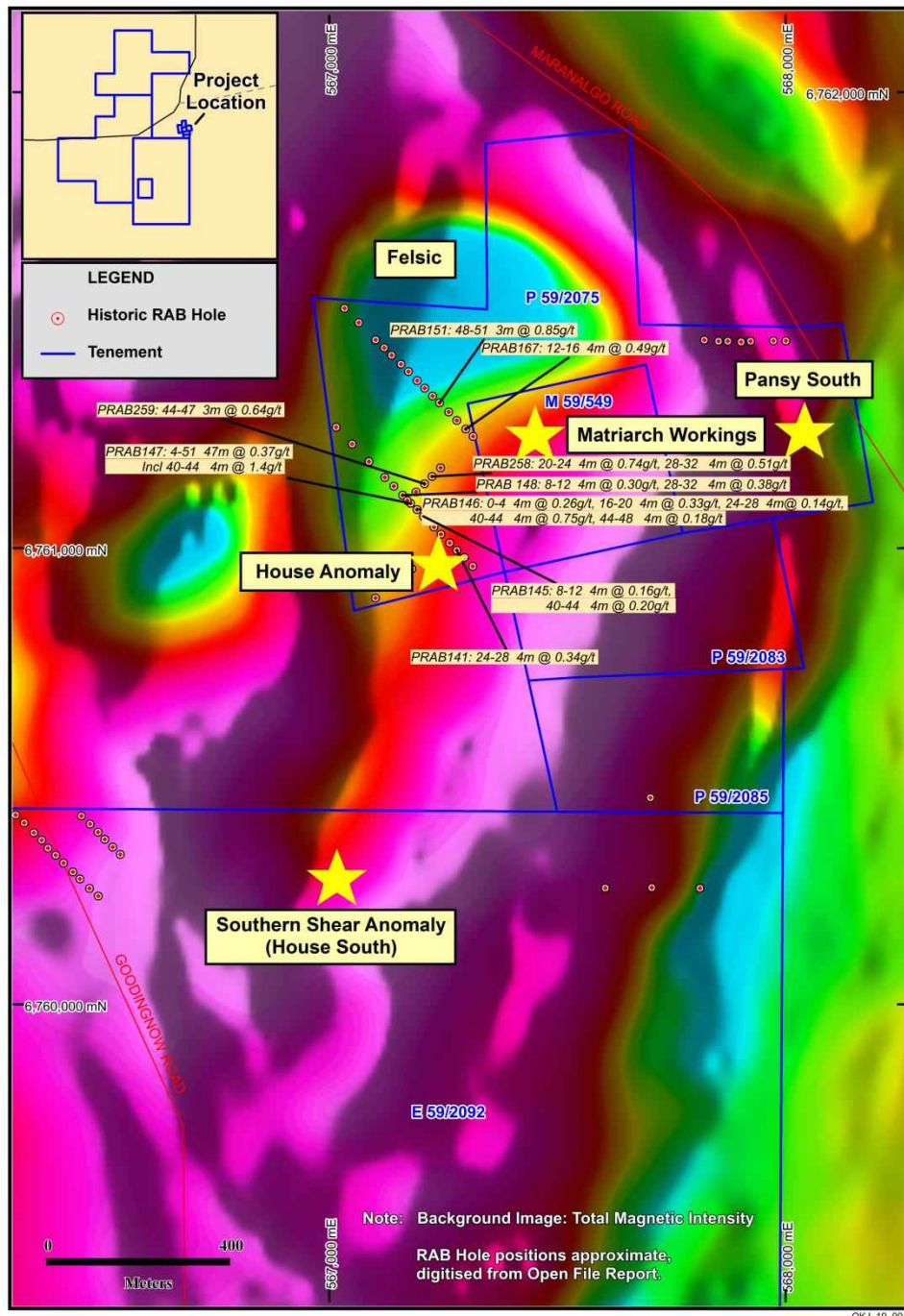


Figure 3 - Matriarch Prospect historic RAB drilling over TMI imagery showing gold intersections and Targets.

Between 1993 and 1999 Homestake Australia Limited (**Homestake**) and various joint venture partners held tenure covering the Paynes Find general area including the Paynes Find Gold Project. Exploration work on the Paynes Find Gold Project appears restricted to regional mapping and geochemical sampling.

In 2012, Red Dragon Mines NL (Red Dragon) held tenure overlapping part of the current Paynes Find Gold Project tenure. They completed a detailed review of past exploration with a focus on (LCT) (Lithium Caesium - Tantalite) pegmatites. Also, as part of their program, Red Dragon completed two lines of close spaced soil sampling on the eastern side of the current E59/2092 and E59/2312, as well as several rock chip samples. The samples were analysed but did not return any significant results.

In the northern part of the Paynes Find Gold Project area on the current E59/2312, Red Dragon completed an IP survey testing for copper mineralisation in the vicinity of the current

Paynes Find North Prospect. The area had shown evidence of prospector pitting on quartz veins with visible malachite staining possibly related to a shear zone within mafic amphibolite.

The vendor recently completed a detailed auger program covering the eastern side of the Paynes Find Gold Project area around the Matriarch Workings and House Anomaly. In total 411 samples were collected on a 100m x 40m grid pattern testing approximately 1.8 kilometres of the greenstone sequence. Holes were drilled to a depth of 2 metres or refusal in order to get below the transported cover. Samples were analysed for low level (ppb) gold as well as a multi-element suite of base metals and pathfinder elements.

The program returned a number of gold anomalies overlying the interpreted felsic intrusive as well as surrounding sheared mafic amphibolite's (Figure 4).

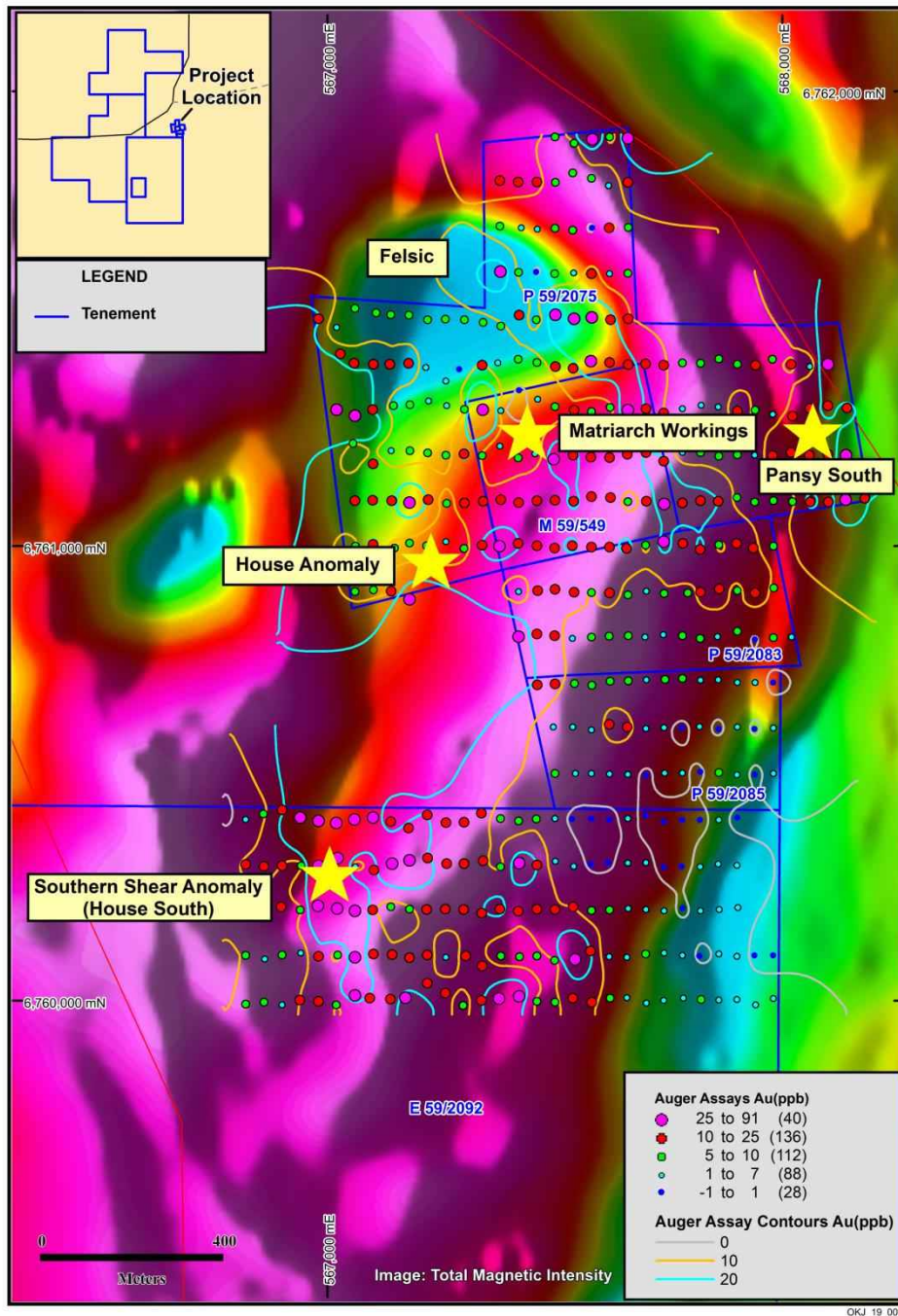


Figure 4 - Matriarch Prospect Auger gold geochemistry over TMI imagery Showing target areas.

## Exploration Potential

Work completed by the Company's geological consultants has identified advanced targets based on the past exploration work that will be the focus of the Company's initial work. The exploration potential of the remainder of the Paynes Find Gold Project will be assessed as the Company develops its exploration program.

The priority areas are:

- (a) Matriarch Prospect;
- (b) Paynes Find South; and
- (c) Paynes Find North.

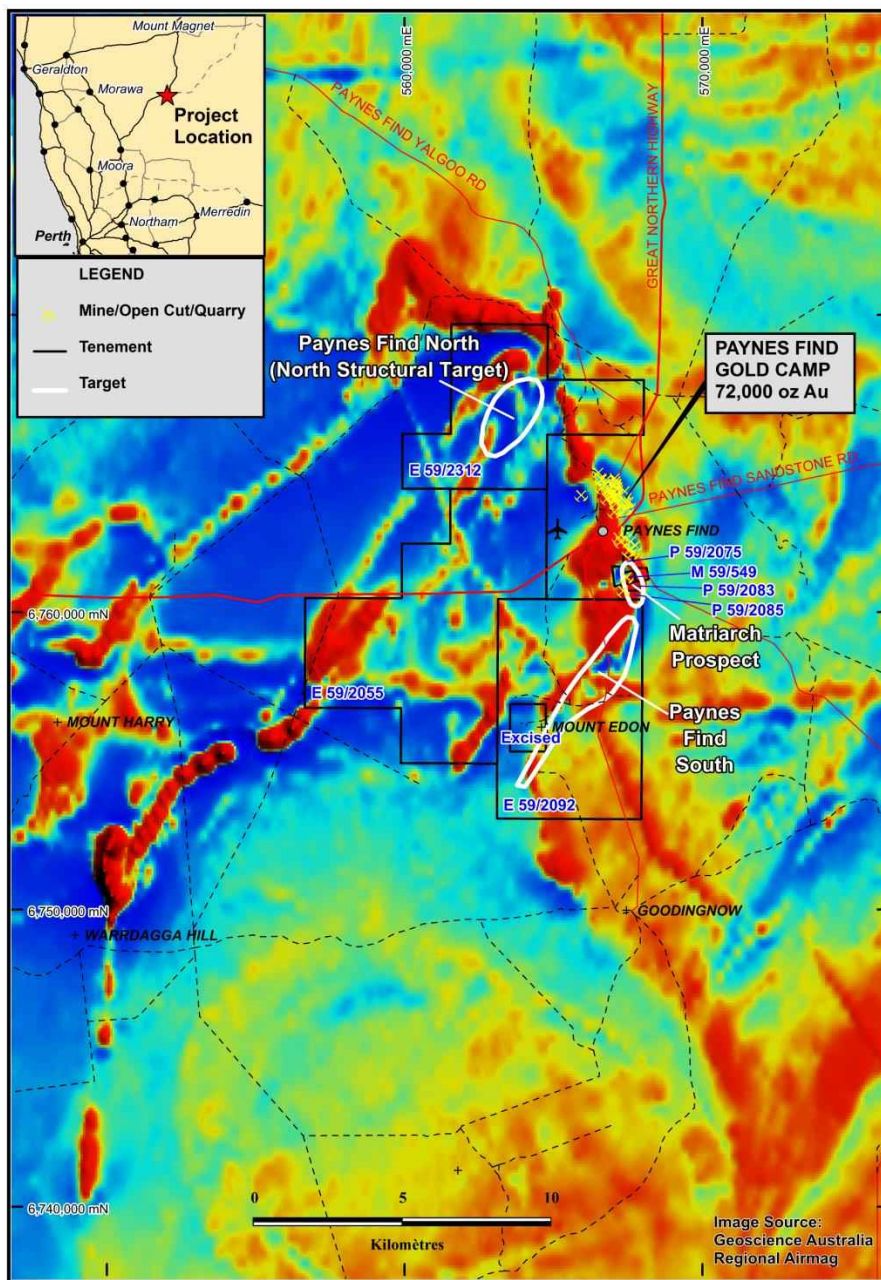


Figure 5 - Paynes Find Gold Project priority targets

***Matriarch Prospect: M59/549, P59/2075, P59/2083, P59/2085, E59/2092***

The Matriarch Prospect comprises the area around the historical gold workings as well as the surrounding area. The immediate focus of exploration will be to test the concept that the historical mineralisation in the area could be an indicator of a bigger gold system associated with sheared mafic amphibolite's intruded by a latter porphyry and is associated with a larger porphyry / felsic intrusive. The existing workings by prospectors focused on individual quartz reefs, however recent aeromagnetic's and auger geochemical sampling indicate a larger gold system may be present, obscured by laterite cover and alluvial scree.

The recently completed auger sampling and results of the RAB drilling completed by Finders on the House anomaly to the south east of the old workings show widespread evidence of gold mineralisation within the porphyry and surrounding sheared amphibolite's. The Company believes that this style of geological setting whilst different to the style of gold mineralisation typically found within the Paynes Find Camp is a valid target.

Within the Matriarch Prospect, four target areas (see Figure 4) have been identified as follows:

- (a) Target 1 - Matriarch Workings. Prospector activity has been confined to individual outcropping auriferous quartz reefs. The potential for a stacked reef or stockwork gold system within the porphyry unit has not been tested.
- (b) Target 2 - House Anomaly. RAB drilling returned a number of anomalous intersections which are interpreted to be on the sheared contact between the felsic volcanic and amphibolites.
- (c) Target 3 – House South (Southern Shear) Anomaly. A coherent anomaly has been defined over a strike of approximately 500m based on auger geochemical lines 100 metres apart. The anomaly appears to cover the extension of the Matriarch amphibolite porphyry system. The target is under a veneer of transported alluvial cover. The targeted area is open to the south and may be extended subject to the results of further auger sampling.
- (d) Target 4 - Pansy South. A sheared amphibolite granite contact to the west of the Matriarch Workings is along strike from the Pansy Gold Deposit. Recent auger geochemistry has defined a coherent gold anomaly over 400m along the interpreted sheared contact.

***Paynes Find South Prospect: E59/2092***

The Payne's Find South Prospect covers the southern continuation sheared granite greenstone contact on the western side of the greenstone belt. The contact and the sheared greenstone sequences immediately adjacent to the contact host most of the gold mined from the Paynes Find Goldfield. Within the Payne's Find Gold Project area there are approximately eight kilometres of exposure to the contact, the majority of which is under a veneer of alluvial cover. The target to be tested is the immediate sheared contact and the area tracking approximately 1,500m along the western side of the shear over the greenstone terrane.

Due to the effectiveness of auger geochemistry in the vicinity of the Matriarch Prospect the initial testing will be auger drilling on a systematic grid pattern across the contact. Anomalous zones defined in the initial program will be infill drilled with a view to defining targets for reverse circulation drill testing in the second year of the program.

***North Structural Target (Paynes Find North): E59/2312***

Paynes Find North is located on E59/2312. In the general area, a number of regional cross cutting shear zones as defined by reprocessed aeromagnetic's converge in the vicinity of the sheared greenstone granite contact. GSWA mapping and aeromagnetic data suggest a

gabbro has intruded the greenstone sequence and the sequence has been subsequently folded. The degree of structural dislocation close to a mineralised contact is considered a favorable setting for the localisation of gold mineralisation.

The Company's geological consultants have reviewed open file aeromagnetic's as well as the past exploration data, and have identified three structural targets under cover that are along strike and to the west of the historic soil sampling work conducted by Red Dragon Mines.

Within Paynes Find North, three targets have been identified as follows:

- (a) Target 1 - Magnetic high, possibly related to a sheared amphibolite or gabbro unit. The area is predominantly underlain by alluvium, sand, and colluvium. The anomaly is along strike from the earlier work by Red Dragon.
- (b) Target 2 - Magnetic high possibly related to sheared amphibolite's or gabbros underlain by tertiary sand cover.
- (c) Target 3 - Potential granite greenstone contact on the western side of the Paynes Find Greenstone Belt. The area is largely under cover and does not appear to have been tested in the past.

### **3.2 Details of the Birrindudu Nickel Project**

Through its wholly owned subsidiary (Oakajee Exploration Pty Ltd), the Company has lodged two exploration Licence applications totalling 1,116km<sup>2</sup> at Birrindudu in the Northern Territory (Figure 6).

The Birrindudu Nickel Project is about 650km SSW of Darwin, and about 250km east of Halls Creek. Road access from Halls Creek is by the Buntine Highway or from Kununurra by Duncan Road and then south on tracks through Riveren Station. The tenements are located on Riveren Pastoral Lease and border the Hooker River Aboriginal reserve to the east. The Lajamanu community is about 55km east of the Birrindudu Nickel Project tenure.

Key highlights are:

- (a) favourable geological setting for magmatic nickel-copper PGE sulphide mineralisation;
- (b) province largely unexplored for nickel sulphide mineralisation; and
- (c) limited drill testing has returned anomalous nickel copper and PGE results.

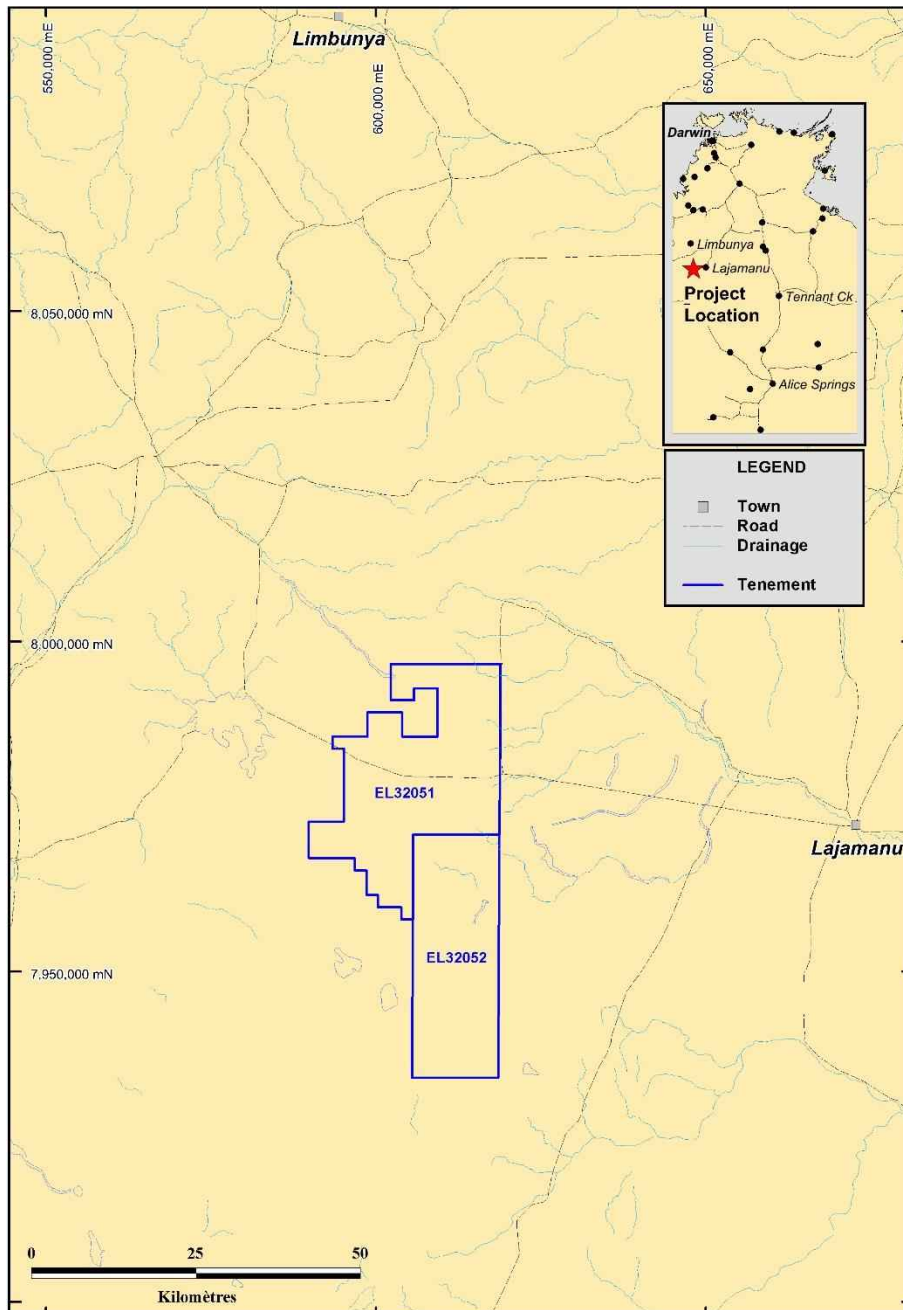


Figure 6 - Birrindudu Project Location.

### **Regional Geology**

The Birrindudu Nickel Project has a complex dominantly Proterozoic geological basement, which underlies the extensive early Cambrian Antrim Plateau volcanics. The Palaeoproterozoic Tanami Group rocks are locally present in the south and centre of the project. The Tanami Group rocks are intruded by the Winnecke Granophyre, also of Palaeoproterozoic age. These are unconformably overlain by the Mesoproterozoic Gardiner Sandstone and associated units of the Birrindudu Group. The Early Cambrian (~505Ma) Antrim Plateau Volcanics are a flood basalt-dominant widely extensive unit over significant areas of WA and the NT, and form part of the Kalkarindji Large Igneous Province. Gravity anomalies suggest that the volcanics may be particularly thick in the region around and adjoining the project tenure.

Previous drilling for gold within the Birrindudu Nickel Project tenure has intersected rocks logged as serpentine-bearing (ex olivine) ultramafic intrusive rocks. The age of this intrusive is not known, but the most likely situation is that it is associated with the Antrim Plateau



Volcanics (**Kalkarindji**) event. Sub-volcanic intrusives in major flood basalt provinces represent targets of interest for magmatic style nickel sulphide mineralisation.

Between 1996 and 2007, Otter Gold NL and in joint venture with Newmont Australia Pty Ltd carried out soil sampling programs and drill testing of gold targets in the east of the current project. Stockdale Prospecting also joint ventured into parts of the Otter Gold project area to explore for diamonds. At one of the diamond prospects Stockdale drilled, ultramafics were logged in the drill hole but no assays and no further follow up work was completed. Geochemical samples collected by Stockdale were re-analysed by Otter for low level gold. This work, highlighted coherent anomalism in a number of areas. Otter completed follow up testing on the Happy Jack Prospect which included geological mapping and RAB drilling which returned anomalous gold results but no further work was reported.

Independence Group (IGO) held part of the current project between 2010 and 2014 exploring for tin, gold and nickel. Work included Air Core drilling at the Jumping Jack Prospect where 128 holes were drilled for 5,636 metres. Assay results from five of the RAB holes returned anomalous nickel, copper, platinum and palladium results from what was logged as a weather ultramafic unit (Table 1). The elevated copper, platinum and palladium results are considered encouraging but there is not yet sufficient information to conclude whether this is a function of the particular intrusion or could be a weak sulphide signal.

Hole_ID	East	North	Depth m	Dip /Azimuth	From m	To m	Interval	Ni ppm	Cu ppm	Pt+Pd ppb
JJAC016	609113	7953327	60	-90/0	36	48	12	1407	219	15
JJAC116	609100	7953324	72	-60/269.5	12	44	32	1715	328	15
JJAC117	609001	7953330	63	-60/269.5	32	36	4	1238	268	24
JJAC121	609101	7952652	64	-60/269.5	32	60	28	1694	128	35
JJAC125	609205	7952665	61	-60/269.5	16	61	45	2570	250	18
INCLUDING					20	24	4	6266	205	18

Table 1 - List of elevated Ni assays from IGO aircore drilling (>1000ppm Ni).

Note - Hole locations are in MGA94 Zone 52 co-ordinates.

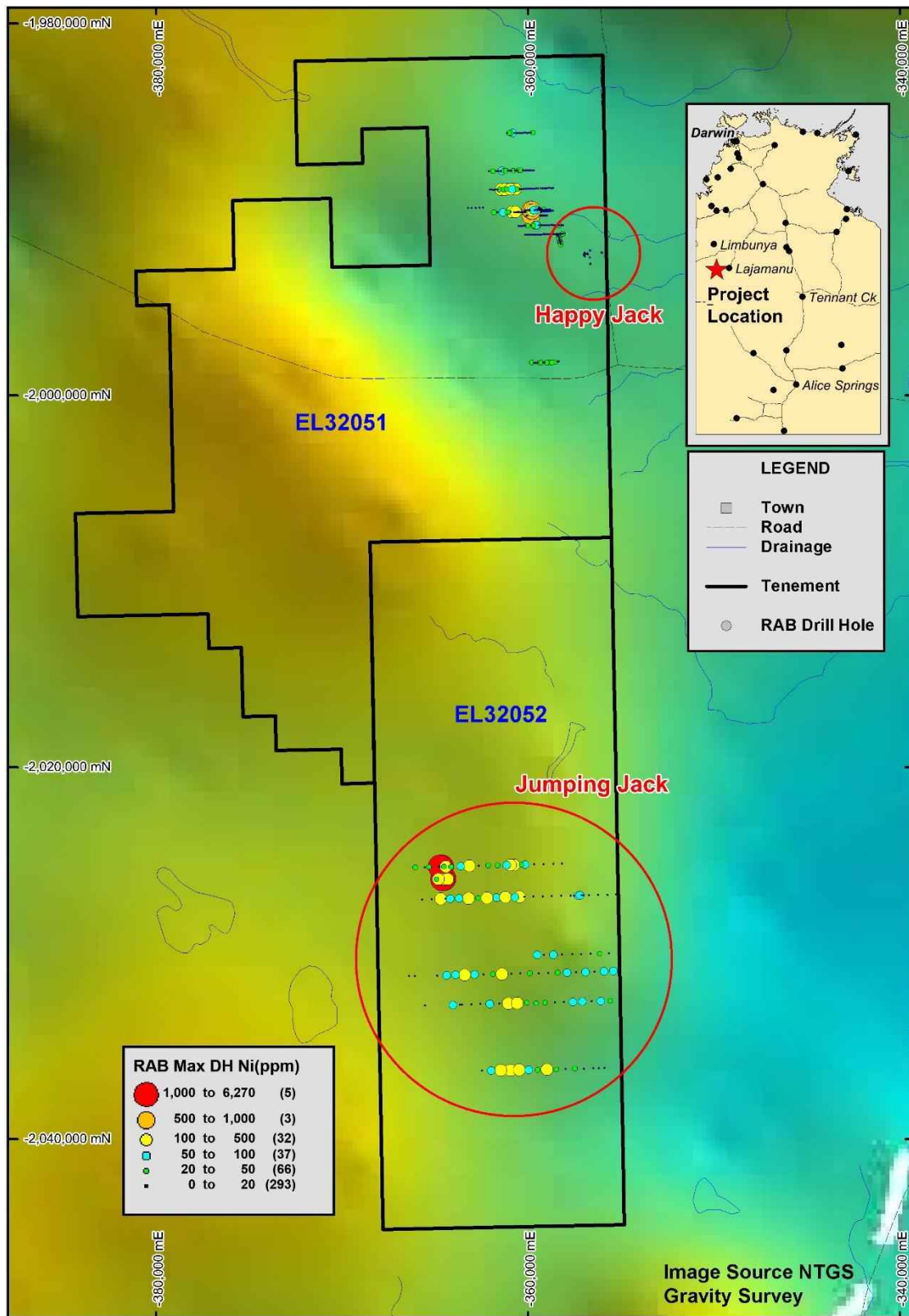


Figure 7 - Birrindudu IGO RAB drilling with Nickel results.

The intervals are logged as weathered ultramafic intrusive rocks which are consistent with the results reported.

### Exploration Potential

The exploration concept for a magmatic Ni-Cu-PGE sulphide deposit within the Birrindudu Nickel Project is largely conceptual at this stage. The work completed to date has identified

at least one possible intrusion within the project area which has nickel, copper, and PGE anomalism recorded in shallow drilling.

Further work needs to be undertaken in order to validate the concept and generate targets for drill testing.

### 3.3 Exploration Budget and Work Program

The Company has prepared an anticipated exploration program and exploration budget for the first two years of exploration.

At The Paynes Find Gold Project, the Company plans to follow-up previously defined gold anomalies as well as drill test conceptual structural targets under transported cover.

At The Birrindudu Nickel Project (assuming the successful grant of EL32051 and EL32052) the Company intends to undertake soil sampling and high powered, fixed loop electromagnetic (**EM**) surveying in order to refine targets for initial drilling.

	Minimum Subscription \$2,000,000			Minimum Subscription \$2,400,000		
	Year 1	Year 2	Total	Year 1	Year 2	Total
<b>Paynes Find Gold Project<sup>1</sup></b>						
<b>Geological and Mapping</b>	\$215,000	\$245,000	\$460,000	\$215,000	\$245,000	\$460,000
<b>Trenching and Soil Sampling</b>	\$33,000	-	\$33,000	\$33,000	-	\$33,000
<b>Auger Geochemistry</b>	\$120,000	\$60,000	\$180,000	\$120,000	\$60,000	\$180,000
<b>Aircore Drilling</b>	\$158,000	\$370,000	\$528,000	\$158,000	\$480,000	\$638,000
<b>Reverse Circulation Drilling</b>	-	\$460,000	\$460,000	-	\$640,000	\$640,000
<b>Sub-total</b>	<b>\$526,000</b>	<b>\$1,135,000</b>	<b>\$1,661,000</b>	<b>\$526,000</b>	<b>\$1,425,000</b>	<b>\$1,951,000</b>
<b>Birrindudu Nickel Project<sup>2</sup></b>						
<b>Geological and Mapping</b>	\$20,000	\$15,000	\$35,000	\$20,000	\$15,000	\$35,000
<b>Geophysical</b>	-	\$35,000	\$35,000	-	\$35,000	\$35,000
<b>Aircore drilling</b>	-	\$40,000	\$40,000	-	\$40,000	\$40,000
<b>Sub-total</b>	<b>\$20,000</b>	<b>\$90,000</b>	<b>\$110,000</b>	<b>\$20,000</b>	<b>\$90,000</b>	<b>\$110,000</b>
<b>TOTAL</b>	<b>\$546,000</b>	<b>\$1,225,000</b>	<b>\$1,771,000</b>	<b>\$546,000</b>	<b>\$1,515,000</b>	<b>\$2,061,000</b>

**Notes:**

1 If the Company does not spend a minimum of \$200,000 (including 2,000 metres of drilling) in aggregate, by way of drilling on M59/549, P59/2075, P59/2083, P59/2085, E59/2092 and/or E59/2312 by 30 June 2020, those tenements will be transferred back to Legendre for nominal consideration, subject to any required shareholder approvals.

2. The Company has budgeted a preliminary amount for the initial application stage, which remains subject to the tenements being granted and successful geological review.

### **3.4 Strategy, Funding and Objectives of the Company**

#### **(a) Strategy**

The Company's strategy is to grow Shareholder value through the successful identification, exploration and the subsequent definition and development of mineral resources.

Initially, the Company will seek to drive capital growth for Shareholders through achieving exploration success from its exploration programs on the Paynes Find Project. Once granted, the Company will undertake exploration programs on the Birrindudu Nickel Project. The Projects will provide the Company with an opportunity to explore across an area that is considered prospective for gold and base metal deposits.

The Company's longer term plan is to explore and exploit the Projects with the aim of developing those assets into income generating assets of the Company through the mining and sale of minerals.

In addition, the Company will investigate and assess asset and company acquisition opportunities that may provide commodity and or jurisdictional diversification benefits.

The Company's business model is dependent on the achievement of technical and commercial success from its exploration programs.

#### **(b) Funding**

The Company notes that if its exploration activities are successful, the Company will likely require additional funding in order to achieve its objective to further develop and exploit any identified mineral resources. Such funding may be in the form of further equity funding or debt funding, as is deemed appropriate by the Directors exercising their discretion at the appropriate time. There can be no assurance that the Company will be able to obtain additional resources on terms acceptable to the Company or if at all. Future equity offerings by the Company may dilute the percentage ownership of the Company by existing Shareholders.

#### **(c) Objectives**

The Company's main objectives, following completion of the Acquisitions and the Offers, are as follows:

- (i) to conduct exploration programs in relation to the Projects as outlined in Section 3.3; and
- (ii) to identify and investigate new acquisition opportunities that may provide commodity and/ or jurisdictional benefits to the Company.

Such opportunities may include:

- (i) the Company applying for additional tenements to complement the Projects; or
- (ii) the Company acquire, either by way of an asset or share purchase, complementary projects.

### **3.5 Tenements and licenses**

Further details in relation to the duration, minimum spends and expiry dates are provided in the Solicitors Report in Section 7.

## 4. FINANCIAL INFORMATION

### 4.1 Introduction

The financial information contained in this Section 4 includes:

- (a) summary statutory audited historical Statement of Financial Position at 30 June 2017 and 30 June 2018 and statutory audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of the Company for the years ended 30 June 2017 and 30 June 2018;
- (b) summary statutory reviewed historical consolidated Statement of Financial Position at 31 December 2018 and statutory reviewed historical consolidated Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows of the Group for the six months ended 31 December 2018; and
- (c) the pro forma consolidated Statement of Financial Position of the Group at 31 December 2018 and supporting notes which includes the post reporting date transactions and pro forma adjustments;

(together referred to as the **Historical Financial Information**).

The Group comprises the Company and its wholly-owned subsidiary, Oakajee Exploration, which was incorporated by the Company on 22 October 2018.

All amounts disclosed in this Section are presented in Australian dollars.

### 4.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information included in this Section 4 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. Significant accounting policies applied to the Historical Financial Information are set out in note 6 of this Section 4 under the heading 'Significant Accounting Policies'.

The Historical Financial Information has been reviewed and reported on by HLB Mann Judd as set out in the Independent Limited Assurance Report in Section 5. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Historical Financial Information has been prepared for the purpose of the Offers.

The financial information that relates to the periods from 1 July 2016 to 30 June 2017, and 1 July 2017 to 30 June 2018, has been extracted from the financial statements of the Company which were audited by HLB Mann Judd. An unmodified audit opinion was issued for those periods.

The financial information that relates to the six months ended 31 December 2018, has been extracted from the financial statements of the Group which were reviewed by HLB Mann Judd. An unmodified review conclusion was issued.

The information set out in this Section 4 and the Company's selected financial information should be read together with:

- (a) the risk factors described in Section 8;
- (b) the Use of Funds described in Section 1.9;
- (c) the indicative capital structure described in Section 1.10;
- (d) the Independent Limited Assurance Report on the Historical Financial Information set out in Section 5; and
- (e) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

### 4.3 Statutory Historical Statement of Profit or Loss and Other Comprehensive Income

The table below presents the Historical Statement of Profit or Loss and Other Comprehensive Income.

	Audited Parent 12 months to 30 June 2017 \$	Audited Parent 12 months to 30 June 2018 \$	Reviewed Consolidated Six months to 31 December 2018 \$
<b>Interest income</b>	12,541	12,354	2,655
<b>Other income</b>	145,105	197,383	-
<b>Expenses</b>			
Administration expenses	(110,913)	(144,811)	(118,108)
Employee benefits expense	(171,244)	(177,593)	(84,687)
Impairment expense	(76,013)	-	-
Depreciation expense	(1,070)	(258)	(54)
Travel expenses	(28,103)	(11,498)	(16,418)
Other expenses	(7,406)	-	(9,965)
<b>Loss before income tax</b>	<b>(237,103)</b>	<b>(124,423)</b>	<b>(226,577)</b>
Income tax benefit	-	74,211	18,614
<b>Loss after tax for the period</b>	<b>(237,103)</b>	<b>(50,212)</b>	<b>(207,963)</b>
<b>Other comprehensive income</b>			
<i>Items that have been reclassified to profit or loss</i>			
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	(30,000)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value gain/(loss) on equity investments designated as FVOCI (net of tax) <sup>1</sup>	-	1,804,510	(1,588,937)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>(30,000)</b>	<b>1,804,510</b>	<b>(1,588,937)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(267,103)</b>	<b>1,754,298</b>	<b>(1,796,900)</b>

1. *Net fair value gain/ (loss) on equity investments designated as FVOCI (net of tax)*

The above periods include as part of other comprehensive income net fair value gains and losses on equity investments which the Company has designated as fair value through other comprehensive income ('FVOCI'). These investments are exempt from impairment testing and as fair value gains and losses are reflected in the fair value reserve up to the date of disposal, no gains or losses are reflected in profit or loss on disposal.

#### 4.4 Statutory Historical Statement of Cash Flows

The table below presents the Historical Statement of Cash Flows.

	Audited Parent 12 months to 30 June 2017 \$	Audited Parent 12 months to 30 June 2018 \$	Reviewed Consolidated Six months to 31 December 2018 \$
	Inflows/ (Outflows)		
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(316,735)	(316,661)	(220,567)
Interest received	12,489	12,354	2,655
<b>Net cash flows used in operating activities</b>	<b>(304,246)</b>	<b>(304,307)</b>	<b>(217,912)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of equity investments	(366,013)	(1,155,606)	(1,069,670)
Proceeds from sale of equity investments	262,105	786,709	1,199,347
Return of capital on available-for-sale financial assets held	-	495,000	-
<b>Net cash flows provided by investing activities</b>	<b>(103,908)</b>	<b>126,103</b>	<b>129,677</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of securities	85,000	-	44,248
Payments for issue costs	(6,821)	-	-
<b>Net cash flows provided by financing activities</b>	<b>78,179</b>	<b>-</b>	<b>44,248</b>
Net decrease in cash held	(329,975)	(178,204)	(43,987)
Cash at the beginning of the period	878,698	548,723	370,519
<b>Cash at the end of the period</b>	<b>548,723</b>	<b>370,519</b>	<b>326,532</b>



## 4.5 Statutory Historical Statement of Financial Position

The table below presents the Historical Statement of Financial Position.

	Audited Parent 30 June 2017 \$	Audited Parent 30 June 2018 \$	Reviewed Consolidated 31 December 2018 \$
<b>Current assets</b>			
Cash and cash equivalents	548,723	370,519	326,532
Trade and other receivables	3,691	3,159	4,356
Equity investments	-	3,560,000	1,860,000
Other financial assets	10,083	11,000	5,000
<b>Total current assets</b>	<b>562,497</b>	<b>3,944,678</b>	<b>2,195,888</b>
<b>Non-current assets</b>			
Property, plant and equipment	701	444	390
Equity investments	1,610,000	-	-
<b>Total non-current assets</b>	<b>1,610,701</b>	<b>444</b>	<b>390</b>
<b>Total assets</b>	<b>2,173,198</b>	<b>3,945,122</b>	<b>2,196,278</b>
<b>Current liabilities</b>			
Trade and other payables	23,849	24,482	31,407
Provisions	62,724	79,717	76,600
<b>Total current liabilities</b>	<b>86,573</b>	<b>104,199</b>	<b>108,007</b>
<b>Total liabilities</b>	<b>86,573</b>	<b>104,199</b>	<b>108,007</b>
<b>Net assets</b>	<b>2,086,625</b>	<b>3,840,923</b>	<b>2,088,271</b>
<b>Equity</b>			
Issued capital	7,131,169	7,131,169	7,175,417
Reserves	630,179	2,434,689	(4,346,710)
Accumulated losses	(5,674,723)	(5,724,935)	(740,436)
<b>Total equity</b>	<b>2,086,625</b>	<b>3,840,923</b>	<b>2,088,271</b>

## 4.6 Pro Forma Statement of Financial Position

The table below sets out the post reporting date transactions and pro forma adjustments that have been incorporated into the Pro Forma Statement of Financial Position as at 31 December 2018.

The post reporting date transactions reflect material transactions that have occurred subsequent to 31 December 2018 and up to the date of authorisation of this Prospectus. The pro forma adjustments reflect the impact of the Offers as if they had occurred at 31 December 2018.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of the Group's future financial position.

		Reviewed Consolidated 31-Dec 2018	Post – reporting date events	Pro Forma Minimum Subscription	Pro Forma Maximum Subscription
	Note	\$	\$	\$	\$
<b>Current assets</b>					
Cash and cash equivalents	1	326,532	1,238,168	3,244,713	3,620,946
Trade and other receivables		4,356	-	4,356	4,356
Equity investments	5	1,860,000	(947,000)	913,000	913,000
Other financial assets		5,000	-	5,000	5,000
<b>Total current assets</b>		<b>2,195,888</b>	<b>291,168</b>	<b>4,167,069</b>	<b>4,543,302</b>
<b>Non-current assets</b>					
Property, plant and equipment		390	-	390	390
Deferred exploration & evaluation expenditure	2	-	30,000	135,000	135,000
<b>Total non-current assets</b>		<b>390</b>	<b>30,000</b>	<b>135,390</b>	<b>135,390</b>
<b>Total assets</b>		<b>2,196,278</b>	<b>321,168</b>	<b>4,302,459</b>	<b>4,678,692</b>
<b>Current liabilities</b>					
Trade and other payables		31,407	-	31,407	31,407
Provisions		76,600	-	76,600	76,600
<b>Total current liabilities</b>		<b>108,007</b>	<b>-</b>	<b>108,007</b>	<b>108,007</b>
<b>Total liabilities</b>		<b>108,007</b>	<b>-</b>	<b>108,007</b>	<b>108,007</b>
<b>Net assets</b>		<b>2,088,271</b>	<b>321,168</b>	<b>4,194,452</b>	<b>4,570,685</b>
<b>Equity</b>					
Issued capital	3	7,175,417	243,922	9,450,234	9,837,011
Reserves		(4,346,710)	70,889	(4,275,821)	(4,275,821)
Accumulated losses	4	(740,436)	6,357	(979,961)	(990,505)
<b>Total equity</b>		<b>2,088,271</b>	<b>321,168</b>	<b>4,194,452</b>	<b>4,570,685</b>

#### **4.7 Post reporting date transactions**

The following material transactions have occurred subsequent to 31 December 2018, and up to the date of authorisation of this Prospectus, and have been incorporated as part of the Pro Forma Statement of Financial Position.

- (a) On 18 January 2019, the Company entered into binding conditional purchase agreements to acquire an 80% interest in a combination of exploration, prospecting and mining licences and selected mineral rights across 112km<sup>2</sup> of ground within the Paynes Find Greenstone Belt in Western Australia, comprising the Paynes Find Gold Project.
- (b) A non-refundable cash deposit of \$30,000 has been paid to the Vendors of the Paynes Find Gold Project in accordance with the Sale Agreements.
- (c) The Company disposed of 750,000 shares held in Aurelia Metals Limited and 1,000,000 shares held in Sundance Energy Limited. The proceeds from the sale of these shares total \$1,024,246. The Company currently holds 11,000,000 shares in Santa Fe Minerals Limited and an adjustment has been included in the Pro Forma Statement of Financial Position to reflect the current market value of this investment.
- (d) The Company issued 12,196,111 Shares for \$0.02 per Share on the exercise of unlisted options, raising \$243,922.

There have been no other adjusting or significant non-adjusting events that have occurred between 31 December 2018 and the date of authorisation of this Prospectus.

#### **4.8 Pro forma adjustments**

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offers, referred to as the pro forma adjustments, are presented as if they, together with the Offers, had occurred on or before 31 December 2018 and are set out below:

- (a) the minimum issue of 25,000,000 Shares, at \$0.08 per Share, amounting to \$2,000,000 under the Public Offer and a maximum of 30,000,000 Shares, at \$0.08 per Share, amounting to \$2,400,000 under the Public Offer;
- (b) cash to be paid to Vendors as part of the consideration for the Acquisitions of \$30,000;
- (c) issue of 937,500 Shares to the Vendors as part of the consideration for the Acquisitions with a deemed value of \$75,000;
- (d) issue of 100,000 Shares to the Consultant with a deemed value of \$8,000 in consideration for the provision of geological consulting services; and
- (e) total expenses associated with the Offers (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be \$289,987 based on the Minimum Subscription and \$313,754 based on the Maximum Subscription (exclusive of GST). Approximately \$237,882 has been attributed to the Statement of Profit or Loss and Other Comprehensive Income based on the Minimum Subscription and \$248,426 has been attributed to the Statement of Profit or Loss and Other Comprehensive Income based on

the Maximum Subscription with the residual being capitalised against issued capital. A full breakdown of the costs of the Offers costs is as follows:

Item of expenditure	Minimum Subscription \$		Maximum Subscription \$	
	Accumulated Losses	Contributed Capital	Accumulated Losses	Contributed Capital
ASX fees	96,987	-	100,754	-
ASIC fees	3,206	-	3,206	-
Broker Commission	71,527	28,473	81,383	38,617
Legal fees	35,763	14,237	33,909	16,091
Investigating accountant's fees	5,365	2,135	5,086	2,414
Independent Geologist's fees	10,729	4,271	10,173	4,827
Printing, design and other costs	14,305	2,990	13,915	3,379
<b>Total</b>	<b>237,882</b>	<b>52,105</b>	<b>248,426</b>	<b>65,328</b>

#### *Recognition of a deferred tax asset*

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits in future periods.

#### **Note 1 - Cash and cash equivalents**

The reviewed pro forma cash and cash equivalents have been set out below:

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
Reviewed cash and cash equivalents at 31 December 2018		326,532	326,532
<i>Post reporting date transactions:</i>			
Proceeds from disposal of FVOCI investments		1,024,246	1,024,246
Exercise of unlisted options		243,922	243,922
Initial payment to Vendors		(30,000)	(30,000)
<i>Pro forma adjustments:</i>			
Proceeds from Shares issued under the Offer	(a)	2,000,000	2,400,000
Offer costs	(e)	(289,987)	(313,754)
Settlement payment to Vendors	(b)	(30,000)	(30,000)
<b>Pro forma cash and cash equivalents</b>		<b>3,244,713</b>	<b>3,620,946</b>

## Note 2 - Deferred exploration & evaluation expenditure

Deferred exploration and evaluation expenditure consists of the cash payments and issue of Vendor Shares as part consideration for the Acquisitions. The reviewed pro forma deferred exploration and evaluation expenditure has been set out below:

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
Reviewed Deferred exploration & evaluation expenditure at 31 December 2018		-	-
<i>Post reporting date transactions:</i>			
Initial payment to Vendors		30,000	30,000
<i>Pro forma adjustments:</i>			
Settlement payment to Vendors	(b)	30,000	30,000
Issue of Vendor Shares	(c)	75,000	75,000
<b>Pro forma deferred exploration &amp; evaluation expenditure</b>		<b>135,000</b>	<b>135,000</b>

## Note 3 - Contributed equity

Contributed equity consists of issued capital. The reviewed pro forma share capital has been set out below:

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
Reviewed issued capital at 31 December 2018		7,175,417	7,175,417
<i>Post reporting date transactions:</i>			
Exercise of unlisted options		243,922	243,922
<i>Pro forma adjustments:</i>			
Proceeds from Shares issued under the Offer	(a)	2,000,000	2,400,000
Issue of Vendor Shares	(c)	75,000	75,000
Issue of Consultant Shares	(d)	8,000	8,000
Offer costs	(e)	(52,105)	(65,328)
<b>Pro forma share capital</b>		<b>9,450,234</b>	<b>9,837,011</b>
	Pro forma adjustment	Minimum Subscription No.	Maximum Subscription No.
Number of shares on issue at 31 December 2018		53,212,419	53,212,419
<i>Post reporting date transactions:</i>			
Exercise of unlisted options		12,196,111	12,196,111
<i>Pro forma adjustments:</i>			
Shares issued under the Offer	(a)	25,000,000	30,000,000
Issue of Vendor Shares	(c)	937,500	937,500
Issue of Consultant Shares	(d)	100,000	100,000

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
<b>Pro forma shares on issue</b>		<b>91,446,030</b>	<b>96,446,030</b>

In addition, as part of the Offers, shareholders will receive one free attaching Option for each Share subscribed for. The Options will be exercisable at \$0.08 each on or before the date which is three years from the date of issue.

#### **Note 4 - Accumulated losses**

The reviewed pro forma accumulated losses have been calculated as follows:

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
Reviewed accumulated losses at 31 December 2018		(740,436)	(740,436)
<i>Post reporting date transactions:</i>			
Transfer of fair value gain upon disposal of FVOCI investments (net of costs)		6,357	6,357
<i>Pro forma transactions:</i>			
Issue of Consultant Shares	(d)	(8,000)	(8,000)
Offer costs expensed	(e)	(237,882)	(248,426)
<b>Pro forma accumulated losses</b>		<b>(979,961)</b>	<b>(990,505)</b>

#### **Note 5 - Equity investments**

Subsequent to 31 December 2018, the Company disposed of 750,000 shares held in Aurelia Metals Limited and 1,000,000 shares held in Sundance Energy Limited. An adjustment of \$870,000 has been included in the Pro Forma Statement of Financial Position to reflect the de-recognition of these shares on disposal.

The equity instruments currently held by the Company consist of 11,000,000 shares in Santa Fe Minerals Limited and an adjustment of \$77,000 has been included in the Pro Forma Statement of Financial Position to reflect the reduction in the market value of this investment at the date of the issue of the Notice of Meeting. At the date of authorisation of this Prospectus, there has been an immaterial movement in the market value of this investment.

#### **Note 6 - Significant Accounting Policies**

##### **(a) Basis of preparation**

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial information has been prepared on an accruals basis and is based on historical cost.

(b) **Going concern**

The Historical Financial Information has been prepared on the basis of accounting principles applicable to a going concern which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

(c) **Basis of consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of the Company and its subsidiary as at 31 December 2018.

Oakajee Exploration was incorporated on 22 October 2018, as a wholly-owned subsidiary of the Company. Information for the period up to 30 June 2018 is presented only for the parent entity.

The Company and its subsidiary are referred to in this Section as the Group. The financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

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

- (i) has power over the investee;
- (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (iii) has the ability in its power to affect its returns.

The Company will reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly

disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(d) **Income tax**

The income tax expense (benefit) comprises current income tax expense (benefit) and deferred tax expense (benefit). Current and deferred income tax expense (benefit) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

(e) **Current tax**

Current income tax expense (benefit) charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority. Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

(f) **Deferred tax**

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances as well as unused tax losses. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.



(g) **Deferred exploration & evaluation expenditure**

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the period in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
  - (A) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
  - (B) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation costs, excluding the costs of acquiring tenements and permits, are expensed as incurred. Acquisition costs will be assessed on a case-by-case basis and, if appropriate, they will be capitalised.

These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

- (iii) they are expected to be recouped through successful development and exploitation of the area of interest or;
- (iv) the activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest, are continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the period in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where a decision has been made to proceed with development in respect of an area of interest the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(h) **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents represent short term, highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

(i) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. Due to their short-term nature they are measured at the amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(k) **Employee benefits**

*Wages and salaries, annual leave and long service leave*

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date.

They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Company.

(l) **Equity and reserves**

Share capital represents the fair value of the shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

(m) **Financial instruments**

*Equity instruments*

The Company measures all equity investments at fair value through profit or loss, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through comprehensive income ('FVOCI'). The Company's policy is to

designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

(n) **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 Tax Office. In these circumstances 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 in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(o) **Commitments**

Due to the nature of the Group's future operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure in order to retain present interests in mineral tenements.

Future annual rent on the granted exploration licenses to be held by the Group following the completion of the Acquisitions is \$7,716 with a minimum future exploration commitment of \$96,320 per annum.

If the Group does not spend a minimum of \$200,000 in aggregate by 30 June 2020, on drilling on the tenements to be acquired from Legendre, those tenements will be transferred back to Legendre for nominal consideration of \$1, subject to any required shareholder approvals.

The Vendors, who will retain a 20% interest in the tenements the subject of the Acquisitions, will be free-carried until the Company makes a decision to mine (on an area the subject of a definitive feasibility study) following which the relevant Vendor may either:

- (i) contribute pro-rata to the development expenditure; or
- (ii) convert their 20% interest in relevant tenements into a 1.5% NSR Royalty (other than with respect to E59/2055 which may be converted into a 1% NSR Royalty),

such that the Company will increase its respective interest to 100%, with respect to the area the subject of a decision to mine.

The Company will also be required pursuant to the Acquisitions to execute a deed of assignment whereby it agrees to pay the following net smelter return royalties on refined gold recovered from the following tenements:

Tenement	Royalty Percentage
M59/549	0.5% (an additional 10% payable where in excess of 1 million ounces of refined gold is produced)
P59/2075	0.50% (an additional 10% payable where in excess of 1 million ounces of refined gold is produced)
P59/2083	0.5%
P59/2085	0.5%
E59/2092	0.5%

## 5. INDEPENDENT LIMITED ASSURANCE REPORT



17 April 2019

The Board of Directors  
Oakajee Corporation Limited  
39 Clifton Street  
NEDLANDS WA 6009

Dear Sirs

### **INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND THE PRO FORMA HISTORICAL FINANCIAL INFORMATION OF OAKAJEE CORPORATION LIMITED**

#### **Introduction**

This Limited Assurance Report ("Report") has been prepared for inclusion in a replacement prospectus to be dated on or about 17 April 2019 ("Prospectus") and issued by Oakajee Corporation Limited ("Oakajee" or "the Company") in relation to the Company's proposed re-compliance on the Australian Securities Exchange ("ASX"). The Prospectus comprises an offer of up to 30,000,000 fully paid ordinary shares at an issue price of \$0.08 per share to raise up to \$2,400,000 (before costs), with a minimum subscription of 25,000,000 fully paid ordinary shares at an issue price of \$0.08 per share to raise \$2,000,000 (before costs) ("Public Offer"). For each share subscribed for, the Company will issue shareholders one free attaching option exercisable at \$0.08 on or before the date which is three years from the date of issue. The Prospectus also contains an offer of 937,500 fully paid ordinary shares to the vendors of the Paynes Find Gold Project ("Vendor Offer") and an offer of 100,000 fully paid ordinary shares to a consultant ("Consultant Offer"). These offers together are referred to in this Report as "the Offers".

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of Oakajee. All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

This Report does not address the rights attaching to the Shares to be issued in accordance with the Offers, nor the risks associated with accepting the Offers. HLB Mann Judd ("HLB") has not been requested to consider the prospects for Oakajee, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so. HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Offers and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report. Further declarations are set out in Section 8 of this Report.

#### **Structure of Report**

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Directors' Responsibility;
4. Our Responsibility;
5. Conclusions;
6. Restriction on Use;
7. Liability; and
8. Declarations.

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

## 1. Background Information

The Company was registered in Australia on 11 December 2006 and in recent years, its principal activity was maintaining investments in listed entities.

The Company's listed securities have been suspended since 9 September 2016. The Company is seeking shareholder approval for the Acquisitions as set out in Section 2.2 of the Prospectus and also various other matters as set out in Section 1.4 of the Prospectus. The Company will then seek to satisfy Chapters 1 and 2 of the official rules of ASX in order to have the suspension lifted.

The Acquisitions and proposed capital raising contemplated by the Prospectus will allow the Company to carry out the exploration programs on the Paynes Find Gold Project, which is the subject of the Acquisitions, and the Birrindudu Nickel Project, in respect of which the Company has lodged two exploration licence applications.

Further details of the projects are set out in Section 3 of the Prospectus, as well as the Independent Geologist's Report in Section 6 of the Prospectus.

The intended use of the funds raised by the issue of shares under the Prospectus is set out in Section 1.9 of the Prospectus.

## 2. Scope of Report

You have requested HLB to report on the following Financial Information as set out in Section 4 of the Prospectus:

### **Historical Financial Information**

The Historical Financial Information, as set out in the Prospectus, comprises:

- Summary statutory reviewed historical Statement of Financial Position as at 31 December 2018, and the summary statutory audited Statements of Financial Position as at 30 June 2018 and 30 June 2017;
- Summary statutory reviewed historical Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2018 and statutory audited historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2018 and 30 June 2017; and
- Summary statutory reviewed historical Statement of Cash Flows for the six months ended 31 December 2018 and statutory audited historical Statements of Cash Flows for the years ended 30 June 2018 and 30 June 2017.

The Historical Financial Information of the Company has been extracted from the financial statements which were reviewed by HLB Mann Judd for the half-year ended 31 December 2018 and audited for the years ended 30 June 2018 and 30 June 2017. An unmodified conclusion for the half-year ended 31 December 2018 and unmodified opinions for the years ended 30 June 2018 and 30 June 2017 were issued by HLB Mann Judd.

### **Pro forma Financial Information**

The Pro forma Financial Information, as set out in the Prospectus, comprises:

- The Pro forma Statement of Financial Position as at 31 December 2018 which assumes completion of the transactions outlined under the headings "post reporting date transactions" and "pro forma adjustments" in Section 4 of the Prospectus, which includes the Offers (the "Pro forma Transactions") as though they had occurred on that date.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events or transactions to which the Pro forma Transactions relate, as if those events or transactions had occurred as at 31 December 2018. Due to its nature, the Pro forma Financial Information does not represent the Company's actual or prospective financial position, financial performance or cash flows.

- 3 -

The Historical Financial Information and the Pro forma Financial Information are presented in an abbreviated form insofar as they do not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the *Corporations Act 2001*.

This Report has been prepared for inclusion in the Prospectus. HLB disclaims any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purpose other than the purposes for which it was prepared. This Report should be read in conjunction with the Prospectus.

### 3. Directors' Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the pro forma transactions set out in Section 4 of the Prospectus under the heading "post reporting date transactions" and "pro forma adjustments" and the basis of preparation of the Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Financial Information that is free from material misstatement.

### 4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and evidence we have obtained. Our engagement was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Standards on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro forma Historical Financial Information* and included such enquiries and procedures which we considered necessary for the purposes of this Report. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

The procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit and, accordingly, we do not express an audit opinion on the Financial Information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed;
- b) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this Report; and

### 5. Conclusions

Based on our review, which was not an audit, nothing has come to our attention which causes us to believe that the Financial Information of the Company as described in Section 4 of the Prospectus does not present fairly in all material respects:

- a) the historical statements of financial position of the Company as at 31 December 2018, 30 June 2018 and 30 June 2017;

- 4 -

- b) the pro forma historical statement of financial position of the Company as at 31 December 2018;
- c) the historical statements of profit or loss and other comprehensive income and statements of cash flows for the six months ended 31 December 2018 and the years ended 30 June 2018 and 30 June 2017; and
- d) the Pro forma Transactions set out under the headings "post reporting date transactions" and "pro forma adjustments" in Section 4 of the Prospectus, which are a reasonable basis for the pro forma statement of financial position as at 31 December 2018;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements.

#### **6. Restriction on Use**

Without modifying our conclusion, we draw attention to Section 4 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

#### **7. Liability**

The liability of HLB is limited to the inclusion of this Report in the Prospectus. HLB makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, the Prospectus.

#### **8. Declarations**

- a) HLB will be paid its usual professional fee based on time involvement, for the preparation of this Report and review of the Financial Information.
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in Oakajee or the promotion of the Company.
- d) The audit and assurance practice of HLB Mann Judd acts as the current auditor of Oakajee.
- e) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.
- f) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.

Yours faithfully  
**HLB Mann Judd**



**L Di Giallonardo**  
Partner



## 6. INDEPENDENT TECHNICAL ASSESSMENT REPORT



AGRICOLA MINING CONSULTANTS PTY LTD

**INDEPENDENT TECHNICAL ASSESSMENT REPORT**  
**on the Mineral Projects**  
**held by OAKAJEE CORPORATION LIMITED**  
**in Western Australia and the Northern Territory**

3 April 2019



*Georgius Agricola: De Re Metallica, 1556*



Malcolm Castle  
Agricola Mining Consultants Pty Ltd  
P.O. Box 473, South Perth, WA 6951  
Mobile: 61 (4) 1234 7511  
Email: mcastle@castleconsulting.com.au  
ABN: 84 274 218 871

3 April 2019  
The Directors  
Oakajee Corporation Limited  
39 Clifton Street  
Nedlands, WA, 6009

Dear Sirs,

**Re: INDEPENDENT TECHNICAL ASSESSMENT REPORT on the Mineral  
Projects held by OAKAJEE CORPORATION LIMITED in Western Australia  
and the Northern Territory**

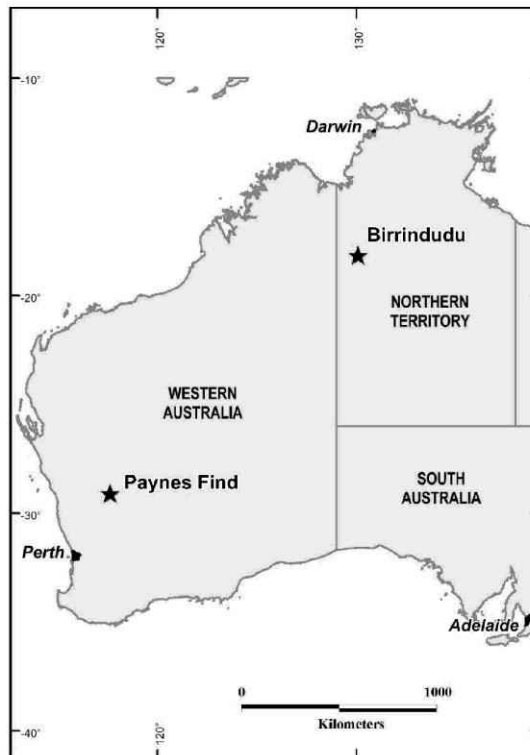
Agricola Mining Consultants Pty Ltd ("Agricola") has been commissioned by the Directors of Oakajee Corporation Limited ("Oakajee" or the "Company") to provide an independent technical assessment report ("Report") on the Paynes Find Gold Project in Western Australia and the Birrindudu Nickel Project in the Northern Territory (the "Projects") held by the Company. This Report is to be included in a Notice of Meeting and a Prospectus to be lodged by the Company with the Australian Securities Exchange ("ASX").

Agricola has completed a desktop review of the Paynes Find Gold Project and the Birrindudu Nickel Project which included compiling and reviewing the Project's technical aspects, including previous work, regional geological setting, local geology, mineralisation, exploration potential and planned exploration. The objectives of this report are to provide a geological overview of the exploration project covering pertinent aspects in detail appropriate to the strategic importance of the Projects and to provide comments on the exploration potential for further discovery of mineralisation.

In consideration of the definition provided in the VALMIN Code, the Paynes Find Gold Project and the Birrindudu Nickel Project are classified as *Early Stage Exploration Projects*. The Paynes Find Gold Project and the Birrindudu Nickel Project are considered prospective, although subject to varying degrees of risk,

and warrant further exploration and development of their economic potential consistent with the programs proposed by Oakajee.

This report was prepared by Mr Malcolm Castle in accordance with the *Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports* (VALMIN Code 2015 Edition) and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code 2012 Edition).



*Location of Paynes Find Gold Project and Birrindudu Nickel Project*

Agricola and its employees and associates are not, nor intend to be, directors, officers or employees of Oakajee and have no material interest in any of the projects or Oakajee. The relationship with Oakajee is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent has been given by the author for the inclusion of this Report in the Notice of Meeting and the Prospectus and distribution of this Report in the form and context in which it appears.

### **Executive Summary**

#### ***The Paynes Find Gold Project***

Binding conditional sale agreements have been executed to acquire the Paynes Find Gold project ("Paynes Find Gold Project") in Western Australia that includes 112.66km<sup>2</sup> of mineral tenure spread across a combination of exploration, prospecting and mining licences. The Paynes Find Gold Project is approximately 455 kilometres by road northeast of Perth. Access to the Paynes Find Gold Project is via the Great Northern Highway.

#### ***Geological Setting and Mineralisation***

The Paynes Find Greenstone Belt comprises a thick series of folded Archaean aged mafic to felsic volcanic rocks surrounded by basement granites and gneiss. The main rock types consist of interlayered basaltic and dacite, metavolcanics, ultramafic schists and metasediments and banded iron formations.

The Paynes Find Gold Project is located within the Paynes Find Greenstone Belt adjacent to the Paynes Find settlement and historic gold mining workings. Between 1911-1982 Paynes Find Gold Battery records indicate 72,925 ounces had been recovered at an average grade of approximately 1 ounce per tonne.

#### ***Previous Exploration on the Project area***

The Payne's Find Gold Project has had a history of small-scale mining dating back to the discovery of the goldfield in 1911. Old plans show two Gold Mining Leases covering the main underground workings at the Matriarch Mine in the central portion of the Payne's Find Gold Project, and there are several other reasonably deep shafts that have been dug on other areas.

A detailed auger program in 2018 covered the eastern side of the Payne's Find Project area surrounding the Matriarch workings and House anomaly. Samples were analysed for low level gold as well as a multi-element suite of base metals and pathfinder elements. The auger sampling generated several new areas of interest at Gold Course Reef (200 metres north of the Matriarch Workings) and the Southern Shear Anomaly.

#### ***Exploration Potential and Proposed Exploration Program***

Four priority areas of interest have been located at the Matriarch Workings, Southern Shear, Paynes Find South, and Paynes Find North.

- *Matriarch (M 59/549, P59/2075, P59/2083, P59/2085)*

The historical mineralisation in the area could be an indicator of a bigger gold system associated with sheared mafic amphibolite's intruded by a latter porphyry.

- *Paynes Find South (E59/2092)*

The sheared greenstone sequences immediately adjacent to the contact zones host most of the gold extracted from Paynes Find Goldfield. Approximately eight kilometres of exposure of the contact remains to be tested in this area, the majority of which is under a veneer of alluvial cover.

- *Southern Shear (E59/2092)*

A strong coherent auger anomaly has been defined over a strike length of approximately 500m based on auger geochemical lines 100 metres apart. The anomaly appears to cover the extension of the Matriarch amphibolite porphyry system under a veneer of transported alluvial cover.

- *Paynes Find North (E59/2312)*

A number of regional cross cutting shears converge in the vicinity of the sheared greenstone granite contact. GSWA mapping and aeromagnetic data suggest a gabbro has intruded the greenstone sequence and the sequence has been subsequently folded. This represents an opportunity for deeper exploration.

#### ***The Birrindudu Project***

The Company has lodged two exploration Licence applications totalling 1,116.05km<sup>2</sup> at Birrindudu in the Northern Territory. The Birrindudu Nickel Project is, about 650km SSW of Darwin, and about 250km east of Halls Creek. Road access from Halls Creek is by the Buntine Highway. *Geological Setting and Mineralisation*

Previous drilling for gold within the Birrindudu Nickel Project has intersected serpentine-bearing ultramafic intrusive rocks. The ultramafics may be associated with the Antrim Plateau Volcanics event. Sub-volcanic intrusives in major flood basalt provinces represent areas of interest for magmatic style nickel sulphide mineralisation.

#### *Previous Exploration on the Project area*

Earlier exploration for tin, gold and nickel included stream sediment sampling, rock chip sampling and soil sampling. An area approximately 30 kilometres north of the Happy Jack Prospect was tested with RAB drilling that intersected a serpentinised ultramafic unit. Assay results from five Air Core holes at Jumping Jack prospect within the southern tenement application returned anomalous nickel, copper, platinum and palladium results.

### *Exploration Potential and Proposed Exploration Program*

The exploration rationale for a magmatic Ni-Cu-PGE sulphide deposit within the Birrindudu Nickel Project is largely conceptual at this stage. The work completed to date has identified at least one possible intrusion within the Birrindudu Nickel Project area which has nickel, copper, and PGE anomalism recorded in shallow drilling.

*Agricola considers that the exploration strategy and programs proposed by Oakajee are consistent with the mineral potential and status of the projects. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.*

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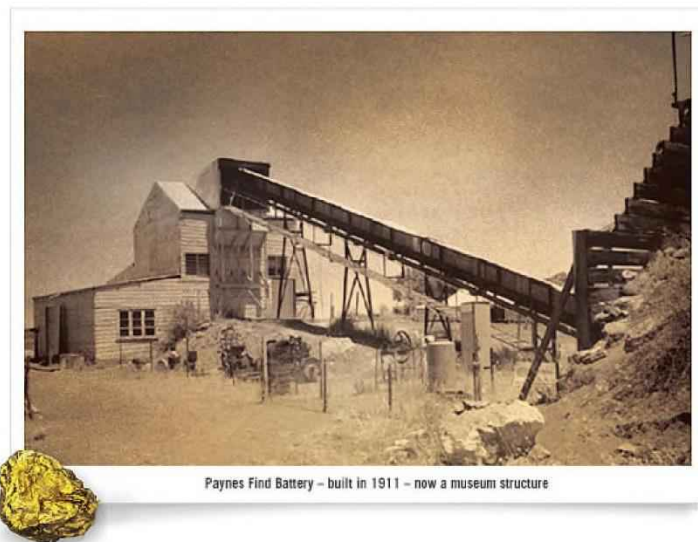
## THE PAYNES FIND GOLD PROJECT

Binding conditional sale agreements have been executed to acquire the Paynes Find Gold Project in Western Australia covering an area of approximately 112.66km<sup>2</sup> and comprises:

- an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and
- an 80% interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055,

### History of the Paynes Find Area

*The Paynes Find Mineral Field is located to the north of the Paynes Find Gold Project and provides the exploration model for the Company's exploration activities. The Paynes Find Mineral Field is an historic gold production area with substantial mineral endowment. While it cannot be assumed that deposits of similar size may be present in Oakajee's tenements it does provide a scale of activities as a guide to further work. Cervantes Corporation Ltd, a company unrelated to Oakajee, currently holds the Paynes Find Mineral Field.*



Paynes Find goldfield was named after Thomas Payne who discovered gold and pegged the first lease in 1911. Paynes Find these days consists of a basic roadhouse and the historic battery. The battery was also built in 1911, and in 1987 was sold to the Taylor family who run it as a tourist attraction. It is the only state battery in Western Australia still operating.

The historic goldfield is 5 kilometres northwest of Paynes Find village, consisting of a jumble of old semi-collapsed shafts, diggings and mullock piles. Isolated gold mines exist southeast of Paynes Find. Several companies are actively exploring the old workings and surrounding areas for gold and specialty metals. Lithium/titanium/tin pegmatites have been found at Mt Edon south of Paynes Find.

There appears to have been activity on the field to some degree from 1911, with increased activity in the late 1930's. At this time around 500 people were prospecting or mining gold in the area. Reports up to World War II indicate it was a rich field. Between 1911-1982 Paynes Find Gold Battery records indicate 72,925 ounces had been recovered at an average grade of approximately 1 ounce per tonne.<sup>1</sup> From 1932 onwards the Taylor family had mined much of the field in the later years on a part-time basis. In 2010 they sold the leases to Paynes Find Gold Limited, a junior gold explorer hoping to develop modern mining methods on the field.

The main historic mines 5 kilometres northwest of Paynes Find (and starting closest to the town) are Goodingnow, Mariposa, Havela/Sumpton, Princess Mary, Aster Consolidated, Oversight, Oversight North, Lakeview West, Trey Bit, Paynes Future, Orchid, Carnation Alluvials, Sweet William, Paynes Find/Taylor, Margarite, Marigold, Adeline and Bluebell. Goodingnow, Carnation and Orchid were the most active and largest producers. Southeast of Paynes find are Pansy, Pansy North, Matriarch, Daffodil and Gharrock. Daffodil has been the most recently mined, and its mullock plateau can be seen east of the roadhouse.

There are ten main reefs. Gold is hosted in dense quartz veins, in strongly deformed quartz diorite outcropping along a 2,000 metre strike length. Additional gold mineralisation is said to extend to 3,000 metres and within various rock types flanking the main deposits. Most of the historic gold mines are along the eastern contact of the Primrose Fault, and between this and the Daffodil Fault both roughly parallel north-west to south-east trending, in the Paynes Find Gneiss.<sup>2</sup>

### Regional Geology and Mineralisation

The southeastern portion of the Paynes Find Greenstone Belt is one of eleven greenstone belts to make up the Murchison Province. The Paynes Find Belt covers an area of approximately 250 square kilometres. The belt comprises a thick series of folded Archaean aged mafic to felsic volcanic rocks surrounded by basement granites and gneiss. The main rock types consist of interlayered

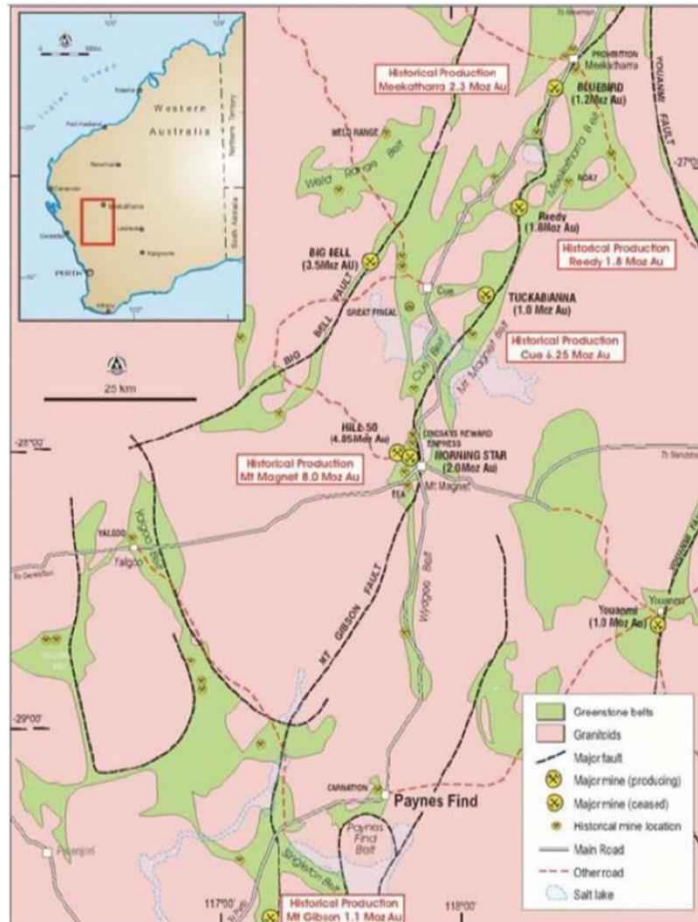
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<sup>1</sup> Source: G.R. Dale and Associates, 2011, Paynes Find Gold Ltd "Exploration update", ASX Release, 21 February 2011

<sup>2</sup> <https://www.mindat.org/loc-109666.html>



basaltic and dacite, metavolcanics, ultramafic schists and metasediments and banded iron formations. Recent deposits of alluvium and laterite cover and scree largely conceal outcrop in the area. Structurally the belt has undergone similar deformation events to other greenstone belts within the Murchison Province with multiple phases of folding and shearing.



*Murchison Greenstone Belts and Gold Production Centres<sup>3</sup>*

The Murchison Province hosts many significant gold deposits including the gold camps at Big Bell, Mount Magnet (Hill 50), and Meekatharra, as well numerous

<sup>3</sup> Source: Cervantes Corporation Website; Date July 2010; Competent Person: Rodney Dale

smaller gold camps at Cue, Kirkalocka and Mount Gibson, and more locally at Rothay, Fields Find and Pinyalling.

Mineralisation is generally within quartz veining within hornblende gneiss interpreted to be mylonite zone. Historical mining has been to a depth of approximately 140 metres below surface.

In addition to gold, the felsic volcanic package has potential for volcanogenic massive sulphide mineralisation similar to the Golden Grove deposits located to the west in the Yalgoo Greenstone Belt. Pegmatites in the area are prospective for lithium mineralisation.

#### **Structural Review of the Paynes Find Gold Field <sup>4</sup>**

The Paynes Find gold field comprises three major rock units including a highly magnetic, mafic amphibolite unit to the west, a central gneissic unit east of the sheared contact with the mafic unit, and slightly foliated granodioritic units further east.

Four major structural episodes can be recognized over the Paynes Find Gold Project area, which originally comprised an Archean sequence of mafic and ultramafic volcanics interlayered with sedimentary units.

Two separate mineralizing events have been identified within the area:

- Shear-related quartz veining indicated by high-grade gold within segmented and boudinaged quartz veins within the gneissic units, associated with a late deformation fabric
- Consistent gold mineralisation along the sheared contact between mafic amphibolite and gneiss.

The shear-related high-grade gold-bearing quartz veins were the focus of previous historical mining activities within the gneiss and the focus of most of the drilling. These lodes are generally of a higher gold tenor and where successfully intersected this was reflected in drill sample assays. Gold-bearing veins pinch and swell due to their boudinaged shape, generally extending from 5-20m in length, 1-5m in width, pinching to sub-metre widths away from the boudin development. The term 'Boudinage' references structures formed by extension, where a rigid tabular body is stretched and deformed amidst less competent surroundings. The competent bed begins to break up, forming sausage-shaped boudins.

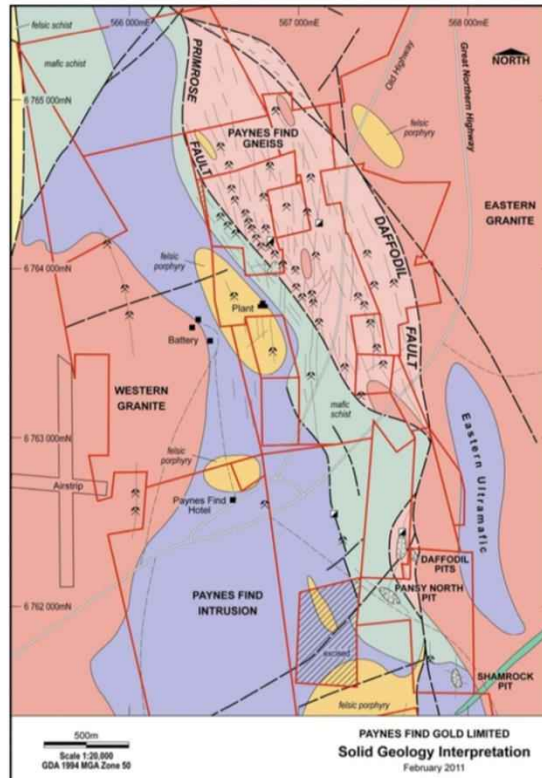
The contact between mafic amphibolite and gneiss over the area is strongly sheared along its length and in excess of 6km strike in the project area, with significant gold values over good thicknesses apparent within the sheared

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<sup>4</sup> *Paynes Find Gold Ltd, 2013, Structural Review of Paynes Find Gold Field", ASX Release, 24 January 2013*

contact, accompanied by chlorite-epidote-carbonate alteration. This contact is poorly explored and warrants further work particularly as veins, distal to the mafic amphibolite/gneiss contact, tend to dip more flatly, while veins more proximal to the sheared contact dip more steeply. The intersection of converging, boudinaged quartz veins with the main shear at depth could present a further area of interest that remains largely untested to date.

### Local Geology



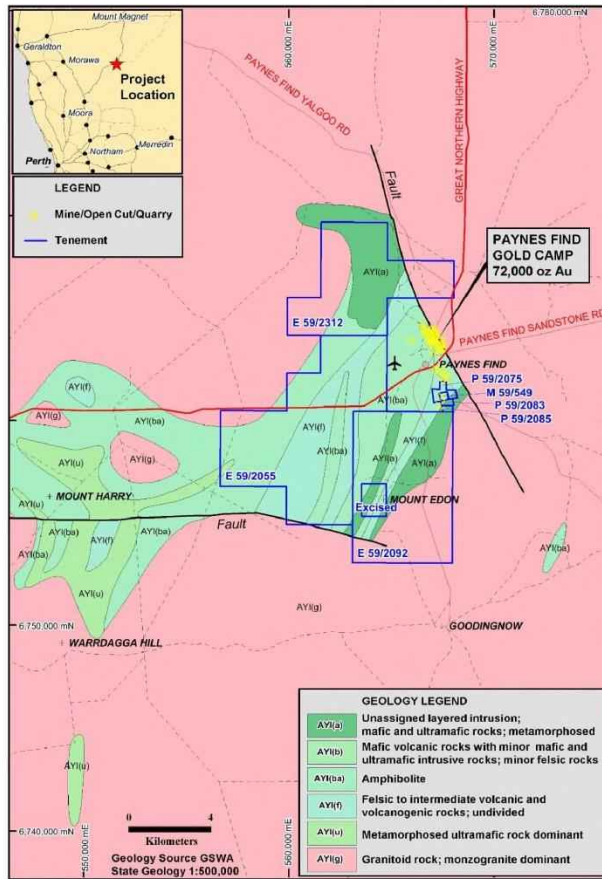
*Geology of the Paynes Find Goldfield showing main historic workings immediately north of the Company's tenements. Cervantes Corporation Ltd, a company unrelated to Oakajee, currently holds the Paynes Find Mineral Field<sup>5</sup>*

The Paynes Find Gold Project area covers a sequence of north-north-east striking greenstones, and laterite that form gentle rises with saprock giving way to recent scree and colluvium downslope. The greenstone sequence comprised a steeply

<sup>5</sup> Source, G R Dale 2011, Competent Person: Rod Dale, Date 18 February 2011

dipping sequence of mafic, felsic volcanics, ultramafic volcanics and intruded by dolerites. Late stage pegmatite, some with Spodumene and Beryl, intrude the greenstone sequence.

The belt has a complex structural history, but little work on the structure appears to have been completed outside the historic gold workings located within the basement gneiss rocks.



The Paynes Find Gold Project tenements over GSWA published geology<sup>6</sup>

<sup>6</sup> Source: Oakajee, 2019; Competent Person: James Guy; Date, January 2019. Geology underlay is sourced from the Geological Survey of Western Australia and in the public domain.

## Past Mining and Exploration

The Paynes Find Gold Project area has had a history of small-scale mining dating back to 1911. Old plans show two Gold Mining Leases (GMLs) covering the main underground workings at Matriarch but there are several other reasonably deep shafts that have been dug on other areas around the lease and no record kept. Prospector activity including trenching, and metal detecting are continuing though little modern systematic work or drilling has been completed over the Paynes Find Gold Project.

During the late 1970's to the mid 1980's various prospecting syndicates and companies including Jays Exploration Pty Ltd and Pancontinental Mining Pty Ltd explored the southern ground covered by E59/2092. Work focused on exploring outcropping pegmatites in the central part of the tenement.

Hawkstone Minerals held part of the Paynes Find Gold Project as part of its larger project between 1970-1972 and the initial exploration focus was on base metals and industrial minerals that later included gold. The only work that appears to have been completed on the current Paynes Find Gold Project is soil sampling and percussion drill testing of several nickel geochemical anomalies located on the current E59/2092. No drill or assay logs are provided in Hawkstone's reports. Interestingly, the northern most nickel anomaly is located on the House Anomaly that was identified in later exploration.

In 1983, the West Australian Geological Survey undertook geological mapping of the area. The most prolific lode lines are reportedly Pansy, Ark-Sweet William and Carnation-Mariposa, all of which occur within adjacent tenements to the north of the Paynes Find Gold Project.

### *Regional Exploration – 1993 - 1999*

Homestake Australia and various joint venture partners held tenure covering the Paynes Find area including the current project area between 1993 and 1999. Exploration work on the current project area was restricted to regional mapping and geochemical sampling.

Resource Exploration NL held part of the current tenure after Homestake withdrew from the area. They completed a program of wide spaced soil sampling. The results returned many broad low-level anomalies but the results could not be duplicated on repeat assays. Several areas of elevated gold results can be recognised:

- A 2.5km zone of elevated results in the north of E59/2312, located west of the Paynes Find Shear Zone.
- A weak gold anomaly located in E59/2092 over the southern extension of the Paynes Find Shear Zone.

- Elevated gold results within E59/2055 located on the contacts of felsic volcanic units, possible representing leakage from VHMS type mineralisation at depth.

The sampling was typically on 800m spaced lines with sampling restricted to areas of residual regolith. Magnetics data indicates magnetic BIF areas of interest in the north and west remain effectively untested by the geochemical programme.

Red Dragon Mines NL held tenure in 2012 covering part of the current tenure. They completed a detailed review of past exploration with a focus on LCT (Lithium Caesium—Tantalite) pegmatites. Also as part of their program Red Dragon completed two lines of close spaced soil sampling on the eastern side of the current E59/2092 and E59/2312 following up the Resource Exploration sampling, as well as several rock chip samples. The samples were analysed by MMI but did not return any significant results

In the northern part of the Paynes Find Gold Project on the current E59/2312 Red Dragon completed an IP survey testing for copper mineralisation. The area had showed evidence of prospector pitting on quartz veins with visible malachite staining possibly related to a shear zone within mafic amphibolite. Two weak IP anomalies were identified which were tested with a small RC drill program.

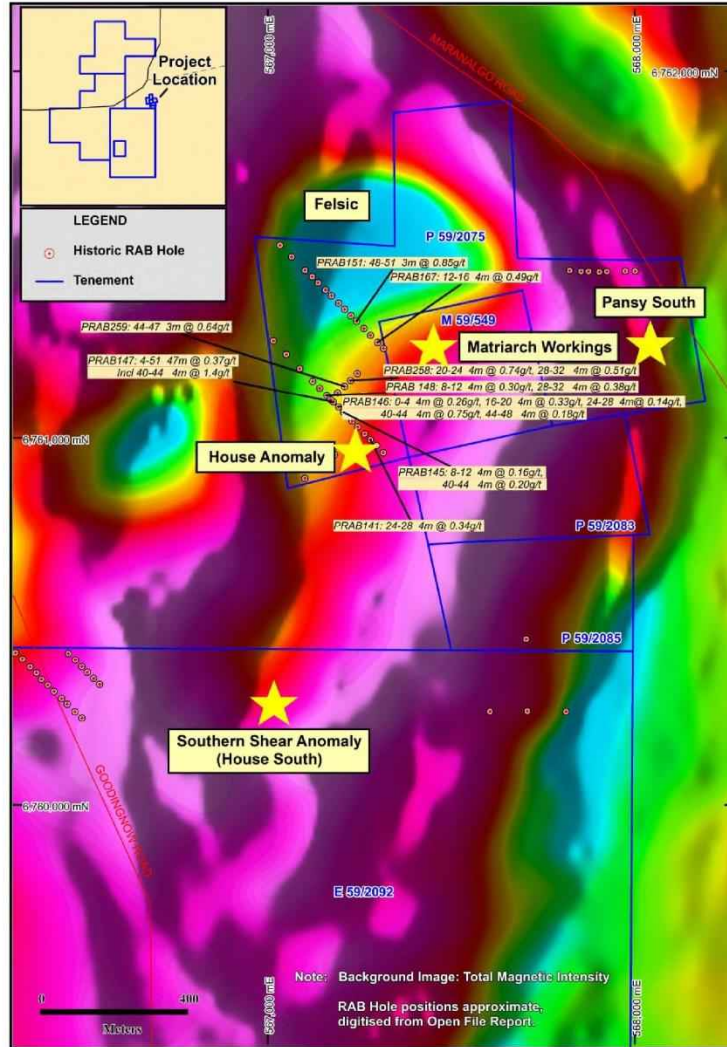
*Recent Work by Cervantes Corporation Ltd (ASX: CVS)*

Cervantes currently hold a substantial land package in the Paynes Find field north of the Paynes Find Gold Project, including the main historic gold workings. CVS recently completed a program of RC grade control drilling at the base of the Pansy open pit (immediately north of the Paynes Find Gold Project) as well as aircore drill testing several regional structures that trend into the Paynes Gold Find Project. The Pansy Deposit is hosted within an amphibolite unit between splays for the Primrose Shear. A felsic unit exposed in the open pit appears to be a factor in the presence of gold mineralisation. Gold mineralisation is associated with irregular shear zones filled with sulphide-quartz lodes associated with chlorite-fuchsite alteration. The regional aircore program identified a strong aircore gold anomaly along structures that extend into the eastern side of P59/2075.

*Matriarch Workings*

In 1983-1986 a private syndicate Purkait and Shreeve held the two GMLS covering the Matriarch Workings within the Company's tenements. Work completed included mapping the old workings, surface and underground sampling and drilling 11 RC holes for 453m. The drilling focused on two areas. One around the Matriarch underground workings and another area to the north east of the main workings. Both areas appeared to have had extensive sets of old workings which have subsequently been scraped over or filled in. All the holes

appear to be orientated to the southwest subparallel to the reefs. Maximum hole depth was 70 m. The results of the drilling are not available.



Matriarch Area historic RAB drilling over TMI imagery showing gold intersections and areas of interest<sup>7</sup>

<sup>7</sup> Source: Oakajee, 2019; Competent Person: James Guy; Date, January 2019. Magnetic underlay is sourced from the Geological Survey of Western Australia and in the public domain.

### *House Anomaly*

Finders Gold NL held the ground between 1988-1990. Work undertaken included mapping geochemical sampling pattern vacuum drilling. This work delineated the House Anomaly to the west of the Matriarch workings. The anomaly was tested by several traverses of inclined RAB drilling. The House Anomaly appears to be related to an NNE striking fault or shear zone separating sericite quartz schist and a hornblende biotite feldspar gneiss. In the south east corner of the current P59/2075 the drilling returned encouraging results.

RAB Drill Intersection on P59/2075:

<b>RAB Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval (m)</b>	<b>Au g/t</b>
PRAB141	24	28	4	0.34
PRAB146	16	20	4	0.33
	40	44	4	0.75
PRAB148	8	12	4	0.30
	28	32	4	0.38
PRAB151	48	51	3	0.85
PRAB167	12	16	4	0.49
PRAB234	48	51	3	0.40
PRAB238	32	44	12	0.25
	52	64	12	0.37
PRAB258	20	24	4	0.74
	28	32	4	0.51
PRAB259	44	47	3	0.64

*Assay results are reported as weighted averages based on interval length*

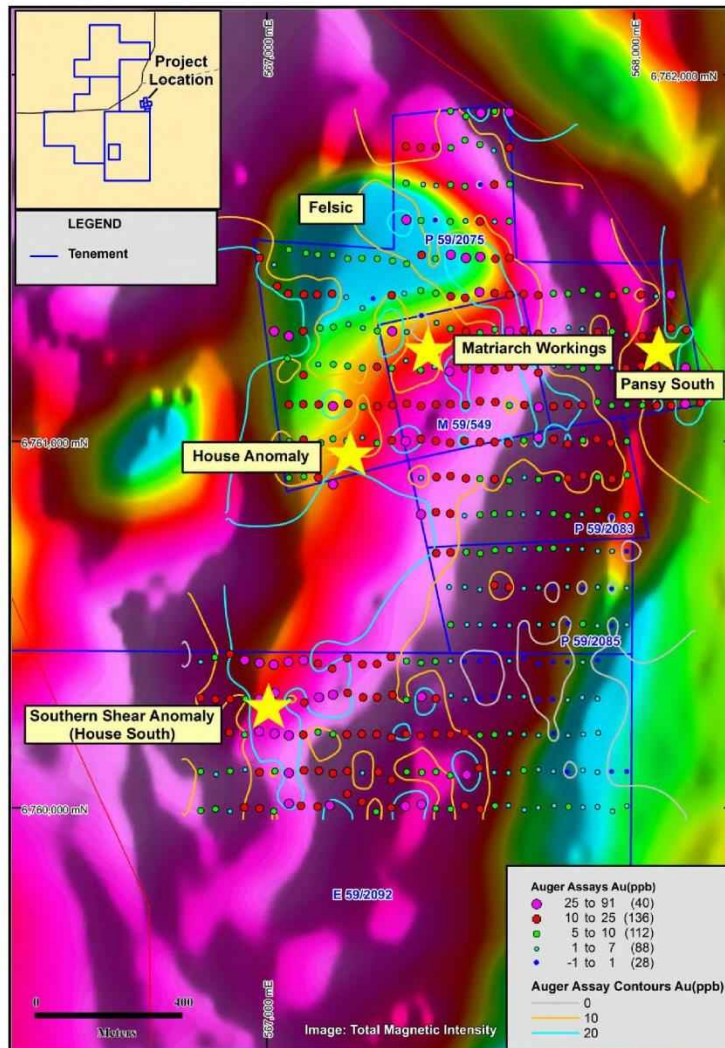
*All other intersections returned values less than 0.1g/t and were not considered to be material. All drill holes are vertical with intervals based on down hole length and may not represent true width. A full list of the RAB hole results is included as an appendix.*

All holes appear to have been sampled on 4 metre composite basis. Finders attempted to follow this result with a fence of four holes perpendicular to the original fence of holes with two holes returning interesting intersections. Anomalous results are associated with elevated arsenic and in some cases lead especially in the oxidised upper parts of the hole.

### *Soil Sampling, 2012*

During 2012 systematic close spaced soil sampling over the western side of the tenement was completed over an area covered by the earlier Resource Exploration sampling over the extension of the House Anomaly. Samples were collected on a 200 m by 100 m pattern. Several low level results were returned but there was very poor correlation with the earlier work.





Matriarch Area Auger gold geochemistry over TMI imagery Showing areas of interest.<sup>8</sup>

*Auger Sampling, 2018*

Legendre recently completed a detailed auger program covering the eastern side of the Paynes Find Gold Project around the Matriarch workings and House

<sup>8</sup> Source: Oakajee, 2019; Competent Person: James Guy; Date, January 2019. Magnetic underlay is sourced from the Geological Survey of Western Australia and in the public domain.

anomaly. 411 samples were collected on a 100m X 40m grid pattern testing approximately 1.8 kilometres strike length of the greenstone sequence. The rig had a 2m depth limit and holes were drilled to refusal to test below the transported cover. Samples were analysed for low level (ppb) gold as well as a multi element suite of base metals and pathfinder elements.

Distribution of the Auger assay results is included in the following table.

<b>Paynes Find Auger Assays, PFA001 to PFA411</b>					
	Au	Cu	Pb	Zn	Ni
	ppb	ppm	ppm	ppm	ppm
Top 40%	11	46	16	27	513
Top 30%	14	53	19	30	599
Top 20%	18	62	23	32	747
Top 15%	21	68	25	34	820
Top 10%	24	74	29	38	968
Top 5%	31	106	37	44	1,109
Maximum	91	645	140	183	1,633

The auger sampling proved effective at testing the ground and generated several new areas of interest that warrant drill testing.

- Gold Course Reef which is a geochemical anomaly approximately 800m in strike that strikes across the interpreted felsic – amphibolite contact.
- Sheared amphibolite contact south of the Pansy working where a 400m long geochemical anomaly has been defined.
- South House Anomaly where auger geochemistry has defined an extensive gold geochemical anomaly over 600m of strike and remains open to the south.
- Felsic unit within the mafic amphibolite unit were a number of discrete gold anomalies have been identified.

#### **PROSPECTIVITY AND EXPLORATION POTENTIAL**

Gold exploration completed within the Paynes Find Gold Project has been minimal and the area effectively remains untested by modern, detailed exploration.

The principal area of interest in the belt is the sheared contact between the greenstone sequences and the Paynes Find Intrusive and basement gneiss. Between 1911-1982 Paynes Find Gold Battery records indicate 72,925 ounces had been recovered at an average grade of approximately 1 ounce per tonne. The Paynes Find Gold Project secures approximately 8 kilometres of strike of the sheared contact. A recent auger program covered approximately 1800 metres of the contact, but the remainder of the contact remains untested.

The northern part of the Paynes Find Gold Project surrounding the **Matriarch** workings and **House** anomalies has identified areas of interest for drill testing. Gold mineralisation appears related to a felsic porphyry that has intruded the mafic amphibolite. The historical workings all occur in a small window between the laterite cap and where the alluvial cover builds up on or close to the contact between the felsic and amphibolite contact a similar setting to the Pansy Deposit. To the south east, under cover wide spaced RAB testing at the House Anomaly that also appears to be related to the contact intersected several significant gold intersections suggesting the contact could be a regional area of interest.

The felsic unit itself may also be considered a area of interest for a large stockwork type setting. Recent auger sampling across the laterite capping returned several anomalies over the interpreted felsic that warrant drill testing.

The recent auger work generated several new gold anomalies that require further testing. On the north-eastern part of the survey several anomalies associated with the sheared greenstones along strike from the CVS aircore anomaly are ready for RAB or aircore drill testing. This setting offers an opportunity for gold to be precipitated in dilational zones.

There are numerous scratching and prospector pits within the project area that have not all been mapped or explored. The workings exploit a series of exposed quartz – ironstone reefs that occur within a deeply oxidised kaolinized felsic. The felsic unit is covered by a thick lateritised cap and the larger sets of workings occur downslope of the capping where erosion has stripped of the laterite exposing saprock that prospectors can easily work. Auriferous quartz ironstone reefs have been identified in the laterite cap, but only shallow pits have been excavated, as the ground is generally too hard for prospectors to penetrate. The most substantial set of workings are around the Matriarch Mine in the northeastern side of the Paynes Find Gold Project

#### *Matriarch Workings*

At the main Matriarch workings, gold was extracted from a roughly east – west striking shear zone dipping approximately 50 degrees to the south filled with irregular stockwork quartz ironstone veining. The old shaft has had the headframe removed and is covered over. Recent prospector activity has excavated two small trenches to the west of the main shaft exposing the oxidised reef. The host rock is a kaolinized - quartz felsic rock probably granite the reef is varies in width from 0.5m to approximately 1.5m with a selvage of irregular ironstone veining in the surrounding oxidise rock up to 2 metres from the reef. Apart from the drilling completed in the mid 1980's there has been no testing of the structure along strike or at depth.

#### *Northern Workings*

The northern workings are located approximately 100m north of the Matriarch. They comprise an area of approximately 200m by 200m that have been worked by recent scraping and prospector activity. There remain four fenced off shafts. It appears the reefs strike approximately 310 degrees based largely on the pattern of the old line of shafts that have been filled in. Mineralisation appears to be associated with narrow shear zones in-filled with quartz and ironstone.

#### *Golf Course Reef*

The Golf Course Reef comprises a single shaft (partially filled in) and a series of scrapings and shallow trenches that have exposed a narrow quartz ironstone reef with kaolinized weathered felsic. Isolated outcrops of quartz ironstone can be mapped along strike for approximately 300m and strikes approximately 320°. A strong auger geochemical gold anomaly along the reef can be mapped for approximately 800m.

The reef appears to strike parallel to the strike of the reefs on the north workings and may be part of the same vein set.

### **PROPOSED EXPLORATION PROGRAM**

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Compilation of available historical exploration data and exploration completed by the Company on the Paynes Find Gold Project has identified four priority exploration areas. These are the Matriarch, Southern Shear, Paynes Find South, and Paynes Find North. It is expected that as exploration advances and more data is acquired that additional prospects will be generated, and these prospects will be ranked and evaluated.

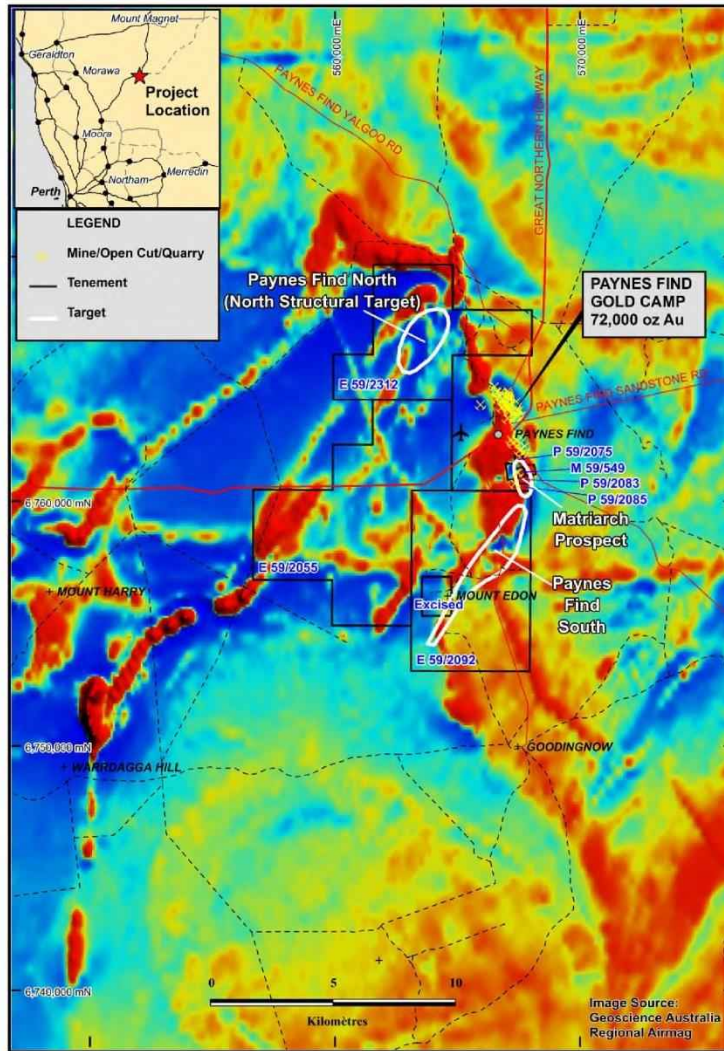
#### **Matriach (M 59/549, P59/2075, P59/2083, P59/2085)**

The immediate focus at the Matriarch Prospect is to test the concept that the historical mineralisation in the area could be an indicator of a bigger gold system associated with sheared mafic amphibolite's intruded by a latter porphyry that is associated with a larger porphyry/felsic intrusive. The existing workings by prospectors focused on individual quartz reefs however recent aeromagnetics, and auger geochemical sampling indicate a larger gold system may be present, obscured by laterite cover and alluvial scree.

The initial work will involve trenching across areas of known auriferous quartz reef to confirm the strike and dip of the mineralisation and provide basic geological information over areas extensively disturbed by the early miners and prospectors.

Following from this work, a program of approximately 2,600m of air core drilling and a further 2,000m of reverse circulation drilling has been planned to evaluate the historical gold workings as well as RAB and auger geochemical anomalies.

Paynes Find South (E59/2092)



Paynes Find Gold Project priority areas of interest <sup>9</sup>

<sup>9</sup> Source: Oakajee, 2019; Competent Person: James Guy; Date, January 2019. Magnetic underlay is sourced from the Geological Survey of Western Australia and in the public domain.

The Paynes Find South Prospect covers the southern continuation sheared granite greenstone contact on the western side of the greenstone belt. The contact and the sheared greenstone sequences immediately adjacent to the contact host most of the gold recovered from Paynes Find Goldfield. Within Paynes Find Gold Project area there are approximately eight kilometres of exposure to the contact, the majority of which is under a veneer of alluvial cover. The prospect to be tested is the immediate sheared contact and the area tracking approximately 1500m along the western side of the shear over the greenstone terrane.

Due to the effectiveness of auger geochemistry in the vicinity of the Matriarch Prospect the initial testing will be auger drilling on a systematic grid pattern across the contact. Anomalous zones defined in the initial program will be infill drilled with a view to defining areas of interest for reverse circulation drill testing in the second year of the program.

#### **Southern Shear (E59/2092)**

The southern zone was identified in the recently completed auger geochemical auger program. A strong coherent anomaly has been defined over a strike of approximately 500m based on auger geochemical lines 100 metres apart. The anomaly appears to cover the extension of the Matriarch amphibolite porphyry system. The area of interest is under a veneer of transported alluvial cover. The area of interested area may be extended subject to the results of the Paynes Find South auger program that has been designed as a continuation of the earlier program. The Company intends to initially test the anomaly with fences of aircore drilling, to be followed up (subject to results) with reverse circulation drilling.

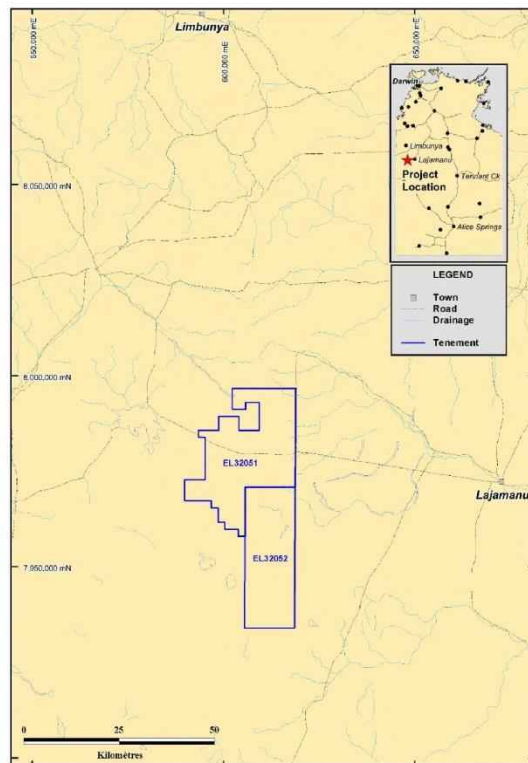
#### **Paynes Find North (E59/2312)**

The northern structural area of interest is located on E59/2312. In the area, a number of regional cross cutting shear zones as defined by reprocessed aeromagnetics converge in the vicinity of the sheared greenstone granite contact. GSWA mapping and aeromagnetic data suggest a gabbro has intruded the greenstone sequence and the sequence has been subsequently folded. The degree of structural dislocation close to a mineralised contact is considered a favourable setting for the localisation of gold mineralisation. No systematic exploration has been undertaken on this prospect to date. The Company intends to conduct first pass auger geochemical sampling in conjunction with geological mapping. Anomalous areas identified by the work will be subject to air core or reverse circulation drilling subject to ground conditions.

## THE BIRRINDUDU NICKEL PROJECT

Through its wholly owned subsidiary (Oakajee Exploration Pty Ltd), the Company has lodged two exploration Licence applications totalling 1,116.05km<sup>2</sup> at Birrindudu in the Northern Territory. Application numbers are EL32051 (634.73km<sup>2</sup>) and EL32052 (481.32km<sup>2</sup>) and were lodged on 11 December 2018.

The Birrindudu Nickel Project is, about 650km SSW of Darwin, and about 250km east of Halls Creek in the Northern Territory. Road access from Halls Creek is by the Buntine Highway or from Kununurra by Duncan Road and then south on tracks through Riveren Station. The tenement applications are located on Riveren Pastoral Lease and borders the Hooker River Aboriginal reserve to the east. The Lajamanu community is about 55km east of the Birrindudu Nickel Project tenure.



*Birrindudu Nickel Project Location.<sup>10</sup>*

<sup>10</sup> Source: Oakajee, 2019; Competent Person: James Guy; Date, January 2019

### Regional Geology

The Tanami Orogen sits within the North Australian Craton, between the Halls Creek Orogen and Arunta Orogen. Over the last decade, several studies have been completed in the area, largely driven by the extensive gold mineralisation. Isolated inliers of the Neoproterozoic Billabong Complex and the undated Browns Range Metamorphics form the basement to the thick Paleoproterozoic successions of the Tanami Group.

The Tanami Group comprises the Dead Bullock and Killi-Killi formations. The Dead Bullock Formation is dominated by turbiditic sandstone, shale and chert, as well as mafic sills. It was deposited at ca. 1865 Ma in a probable back-arc basin environment. The Killi-Killi Formation is a 4e5 km thick sequence of siliciclastic rocks that formed between ca. 1865 Ma and ca. 1825 Ma. Seismic reflection imagery and gravity and magnetic modelling shows that the Tanami Group occupies a series of partially inverted half-grabens.

Mineral deposits are overwhelmingly gold associated with the Tanami Orogeny. The Northern Territory contains several large deposits, including Callie, Groundrush, Buccaneer and Old Pirate but Western Australia hosts only one, Coyote. Almost all the gold deposits are hosted in the Dead Bullock Formation however Coyote is somewhat unusual, as it is hosted in the Killi-Killi Formation.

On a regional scale the oldest rocks in the immediate area belong to the Tanami Group (previously the Tanami Complex) and are mapped as Nongra and Helena Creek Beds. The latter are mapped as cropping out immediately east of the tenement where they occur as roof pendants within the Winnecke Granophyre.

The Palaeoproterozoic Tanami Group rocks are locally present in the south and centre of the Birrindudu Nickel Project. The Tanami Group rocks are intruded by the Winnecke Granophyre also of Palaeoproterozoic age. These are unconformably overlain by the Mesoproterozoic Gardiner Sandstone and associated units of the Birrindudu Group. The Early Cambrian (~505Ma) Antrim Plateau Volcanics are a flood basalt-dominant widely extensive unit over significant areas of WA and the NT, and form part of the Kalkarindji Large Igneous Province. Gravity anomalies suggest that the volcanics may be particularly thick in the region around and adjoining the Birrindudu Nickel Project tenure.

### Birrindudu Nickel Project Geology

The Birrindudu Nickel Project covers the Palaeo-proterozoic Winnecke Granophyre which is overlain by Cambrian Antrim Plateau Volcanics (APV), composed of tholeiitic basalt.



On the Birrindudu 250,000 map sheet the Helena Beds are described as being composed of greywacke, tuff, phyllites, conglomerate, lithic arenite and acid porphyry. They form part of what has been reinterpreted as the Killi Killi Formation by Hendrick et al (2000).

The Winnecke Granophyre, together with the Nanny Goat Volcanics and other metasedimentary units, form the Mount Winnecke Group, which is unconformably overlain by the Gardiner Sandstone belonging to the Mesoproterozoic Birrindudu Group. The Gardiner sandstone is exposed in low ridges to the west of the Birrindudu Nickel Project at the southern end.

To the north and west, the Winnecke Granophyre is enveloped by a sheet of basalt of the Cambrian, Antrim Plateau Volcanics. The thickness of the basalt is not known but gravity contours on the Birrindudu mapsheet show a gravity high which indicates that the basalt is relatively thick compared to further west and could represent a feeder zone.

The basalt, although extensive, is poorly exposed because it is covered by what is mapped as Tertiary laterite and Quaternary sand and silt.

Previous drilling for gold within the Birrindudu Nickel Project tenure has intersected rocks logged as serpentine-bearing (ex olivine) ultramafic intrusive rocks. The age of this intrusive is not known, but the most likely situation is that it is associated with the Antrim Plateau Volcanics (Kalkarindji) event. Sub-volcanic intrusives in major flood basalt provinces represent areas of interest for magmatic style nickel sulphide mineralisation.

The Birrindudu Nickel Project has been mapped by the Northern Territory Geological Survey. The proportion of mapped outcrop in the tenure is about 5%. Most of the regolith, particularly over the west of the tenure is mapped as ferricrete with lesser sand, alluvial and other cover.

### **Previous Exploration**

Since 1971, parts of the Birrindudu Nickel Project have been explored for a range of commodities. At different times parts of the current Birrindudu Nickel Project have been explored for uranium, diamonds, gold and nickel-copper sulphides, but drilling has been minimal. Between 1971 and 1974, Trend Exploration investigated the Uranium potential of the Birrindudu Project, chiefly by radiometric surveys and follow-up of anomalies.

In 1984, Western Mining Corporation completed heavy mineral sampling exploring for diamonds over the eastern parts of the Birrindudu sheet which is within part of the current Birrindudu Nickel Project area. Between 1991 and

1997 Ashton Mining completed exploration for diamonds over part of the Birrindudu Nickel Project.

Otter Gold NL, and in joint venture with Newmont Australia Pty Ltd carried out soil sampling programs and drill testing of gold areas of interest in the east of the Birrindudu Nickel Project between 1996 and 2007. Stockdale Prospecting also joint ventured into parts of the Otter project area to explore for diamonds. At one of the diamond prospects Stockdale drilled, ultramafics were logged in the drill hole but no assays and no further follow up work was completed. Geochemical samples collected by Stockdale were re-analysed by Otter for low level gold. This work, highlighted coherent anomalism in a number of areas. Otter completed follow up testing on the Happy Jack Prospect which included geological mapping and RAB drilling which returned anomalous gold results but no further work was reported.

Independence Group (IGO) held part of the Birrindudu Nickel Project between 2010 and 2014 exploring for tin, gold and nickel. Work completed included stream sediment sampling, rock chip sampling and soil sampling. They also tested an area approximately 30 kilometres north of the Otter's Happy Jack Prospect with RAB drilling (241 holes for a total of 3,467.5 metres) with poor results. Air Core drilling (199 holes for a total of 7,995 metres) did intersect a serpentinised ultramafic unit interpreted by IGO as a sill approximately 250 meters wide that corresponds to a magnetic anomaly approximately 1200m in strike.

#### *Tin Exploration*

In 2008-2009 IGO re-examined and re-assayed approximately 100 heavy mineral concentrates and stream sediment samples collected by WMC and De Beers Australia Exploration in 1984 as part of their Australia-wide search for diamonds and kimberlitic indicator minerals. Results were significant in the heavy mineral concentrates and from the stream sediment samples. In 2009, IGO completed two phases of stream sediment sampling at what is now the Birrindudu Tin Prospect. The first phase saw 54 samples collected. The second phase saw 77 samples collected. In addition, a total of 117 rock chip samples were collected for assay and rock type determination.

In 2010, a total of 270 soil samples were collected. The first 25 samples completed an orientation program, while the remaining 245 samples comprised a soil sampling program 'proper'.

*Note that the peak Sn values reported in the IGO documents are not representative of the entire population of assay values. The majority of the assays returned*

background values below 100 ppm. They may point to areas of interest for further exploration.

Due to the fact that they are located within drainage systems, it was interpreted that the anomalies do not represent in-ground Sn mineralisation, instead providing a vector towards the possible source of Sn anomalism discovered in both the stream sediment and soil sampling programs.

The anomaly not located within a drainage system appears to directly flank a distinct magnetic feature, which may place it closer to the source of the Sn anomalism found in both the stream sediment and soil sampling programs.

In September 2011 IGO carried out a RAB drilling program at the Birrindudu Tin Prospect designed to determine whether a distinct magnetic feature is the source of the aforementioned Sn anomalism. 220 holes were drilled over 8 traverses for 2,099m.

Lithologies intersected were typically feldspar- and quartz-phyric granophyres whose quartz and K- feldspar phenocrysts commonly exhibit resorption textures along their margins, very similar to those exposed within and east of the breakaways. Some finer grained intrusions were also encountered, again similar to those exposed within the breakaways.

Overlying the granophyre is a zone of laterite, typically 1-3m thick (where not completely eroded), which is interpreted to be largely in-situ. Results were generally within the 10-20ppm Sn range and are considered to reflect normal background levels for a particular granite phase associated with the Winnecke Granophyre.

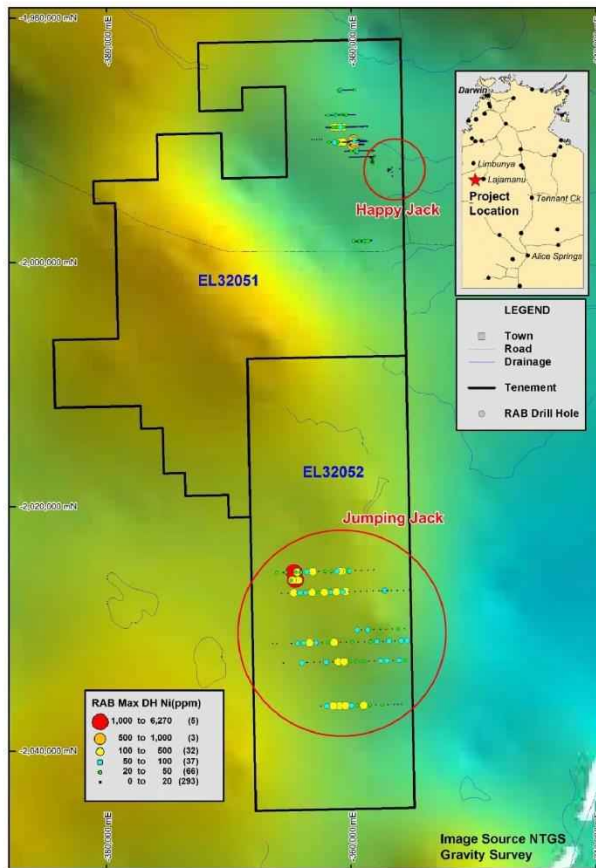
128 Air Core holes for 5,636 metres were drilled at the Jumping Jack prospect further south and assay results from five of the holes returned anomalous nickel, copper, platinum and palladium results from what was logged as a weathered ultramafic unit. The elevated copper, platinum and palladium results are considered encouraging but there is not yet sufficient information as to whether this is a function of the particular intrusion or could be a weak sulphide signal.

Hole_ID	East	North	Depth m	Dip /Azimuth	From m	To m	Interval m	Ni ppm	Cu ppm	Pt+Pd ppb
JJAC016	609113	7953327	60	-90/0	36	48	12	1407	219	15
JJAC116	609100	7953324	72	-90/0	12	44	32	1715	328	15
JJAC117	609001	7953330	63	-90/0	32	36	4	1238	268	24
JJAC121	609101	7952652	64	-90/0	32	60	28	1694	128	35
JJAC125	609205	7952665	61	-90/0	16	61	45	2570	250	18
				including	20	24	4	6266	205	18

*Jumping Jack elevated Ni assays from IGO aircore drilling (>1000ppm Ni).*

*Results reported are weighted average grades based on interval length. Results from other drilling were not considered to be material.*

All other RAB drilling results were not considered to be significant. All assay intervals are down-hole and may not represent true width. No information is available to determine true width. The intervals are logged as weathered ultramafic intrusive rocks which is consistent with the results reported.



*Birringudu IGO RAB drilling with Nickel results.<sup>11</sup>*

<sup>11</sup> Source: Oakajee, 2019; Competent Person: James Guy; Date, January 2019

### Exploration Potential and Proposed Exploration Program

The exploration concept for a magmatic Ni-Cu-PGE sulphide deposit within the Birrindudu Nickel Project is largely conceptual at this stage. The work completed to date has identified at least one possible intrusion within the project area at the Jumping Jack prospect on EL32052, which has nickel, copper, and PGE anomalism recorded in shallow Air Core drilling.

However, IGO states in February 2013 that a detailed internal review has led to a new geological interpretation of the Birrindudu Nickel Project, which has highlighted its potential to host high grade, Tanami-style quartz vein Au mineralization.

### PROPOSED EXPLORATION EXPENDITURE

Program	Minimum Subscription		Total Budget	Maximum Subscription		Total Budget
	Year 1	Year 2		Year 1	Year 2	
<b>Paynes Find Gold Project</b>						
Geological and Mapping	\$215,000	\$245,000	\$460,000	\$215,000	\$245,000	\$460,000
Trenching and Soil Sampling	\$33,000	\$0	\$33,000	\$33,000	\$0	\$33,000
Auger Geochemistry	\$120,000	\$60,000	\$180,000	\$120,000	\$60,000	\$180,000
Aircore Drilling	\$158,000	\$370,000	\$528,000	\$158,000	\$480,000	\$638,000
Reverse Circulation Drilling	\$0	\$460,000	\$460,000	\$0	\$640,000	\$640,000
	<b>\$526,000</b>	<b>\$1,135,000</b>	<b>\$1,661,000</b>	<b>\$526,000</b>	<b>\$1,425,000</b>	<b>\$1,951,000</b>
<b>Birrindudu Nickel Project</b>						
Geological and Mapping	\$20,000	\$15,000	\$35,000	\$20,000	\$15,000	\$35,000
Geophysical		\$35,000	\$35,000		\$35,000	\$35,000
Aircore drilling		\$40,000	\$40,000		\$40,000	\$40,000
<b>Sub Total</b>	<b>\$20,000</b>	<b>\$90,000</b>	<b>\$110,000</b>	<b>\$20,000</b>	<b>\$90,000</b>	<b>\$110,000</b>
<b>TOTAL</b>	<b>\$546,000</b>	<b>\$1,225,000</b>	<b>\$1,771,000</b>	<b>\$546,000</b>	<b>\$1,515,000</b>	<b>\$2,061,000</b>

The budget will be spent on the granted tenements at the Paynes Find Gold Project. The exploration budget will be subject to modification on an on-going basis depending on the results obtained from exploration and development activities as they progress.

The Birrindudu Nickel Project is in the application stage and budget expenditure will initially include desktop review and exploration planning. On site expenditure will be considered when the applications are granted.

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

## REFERENCES

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## TENURE, DECLARATIONS, RISK AND INDEPENDENCE

### Tenement Schedule

The present status of the tenements is based on information made available by the Company and independently verified by Agricola. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

A determination of the Status of Tenure is necessary and must be based on a sufficiently recent inquiry to ensure that the information is accurate for the purposes of the Report. Tenure that is Material must be or recently have been verified independently of the Commissioning Entity. (*Adapted from VALMIN Code 2015, Clause 7.2*)

Tenement	Holder	Status	Area	Ares, km2	Grant	Expire
<b>Paynes Find Gold Project, Western Australia</b>						
M59/549	Legendre	LIVE	15.1 ha	0.15	20/4/04	19/4/25
P59/2075	Legendre	LIVE	57ha	0.58	24/3/16	23/3/20
P59/2083	Legendre	LIVE	18 ha	0.18	11/7/16	10/7/20
P59/2085	Legendre	LIVE	15.34ha	0.15	11/7/16	10/7/20
E59/2055	Sayona	LIVE	15 blks	46.50	18/6/15	17/6/20
E59/2092	Legendre	LIVE	12 blks	37.20	21/5/15	20/5/20
E59/2312	Legendre	LIVE	9 blks	27.90	30/5/18	29/5/23
<b>Total Area</b>				<b>112.66</b>		
<b>Birridudu Nickel Project, Northern Territory</b>						
EL32051	Oakajee	Pending	203 blks	634.73	Applications	
EL32052	Oakajee	Pending	160 blks	481.32	11 Dec 18	
<b>Total Area</b>				<b>1,116.05</b>		
Holders: Bruce Legendre, Sayona Lithium Pty Ltd, Oakajee Exploration Pty Ltd						

#### *The Company's Tenement Schedule*

The status of the Paynes Find Gold Project tenements has been verified based on a recent independent inquiry of the Department of Mines and Petroleum, WA, Mineral Titles On Line database (source: [www.dmp.wa.gov.au](http://www.dmp.wa.gov.au)) by Agricola, pursuant to section 7.2 of the Valmin Code, 2015. The tenements are believed to be in good standing based on this inquiry. Expenditure commitments have been expended in full and rent payments are up to date. Agricola is not aware of any outstanding matters that may affect the conduct of exploration on the tenements in a timely manner.

The status of the Birridudu Nickel Project tenement applications has been verified based on a recent independent inquiry of the Strike database maintained by the Northern Territory Department of Primary Industry and Resources ([strike.nt.gov.au](http://strike.nt.gov.au)). The tenements are in application stage and no obligations are due until granted.

### **Risks for Exploration Companies**

Agricola has identified a range of risk elements or risk factors, which may affect the exploration outcomes of the Company's Projects. Some of the risk factors are completely external, which is beyond the control of management. However, advance planning can mitigate the project specific risks.

Risks inherent in exploration and mining include, among other things, successful exploration; satisfactory performance of mining operations if a mineable deposit is discovered and competent management.

#### *Security of Tenure*

Exploration and mining companies are subject to the regulatory environments in which they operate and exploration and mining companies throughout the world are subject to the inherent risks of the minerals industry.

- Risks are associated with obtaining the grant of any or all of the mining tenements or permits which are applications, or renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground;
- The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the tenements applied for will be granted;
- Applications are also subject to additional processes and requirements under the Native Title Act in Australia. The right to negotiate process under Native Title matters can result in significant delays to the implementation of any project or stall it. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed;

#### *Land Access*

- Risks arising because of the rights of indigenous groups in domestic and overseas jurisdictions which may affect the ability to gain access to prospective exploration areas and to obtain exploration titles and access, and to obtain production titles for mining if exploration is successful. If negotiations for such access are successful, compensation may be necessary in settling indigenous title claims lodged over any of the tenements held or acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements;
- The risks associated with being able to negotiate access to land, including by conducting heritage and environmental surveys, to allow for prospecting, exploration and mining, is time and capital consuming and may be over budget and is not guaranteed of success;



#### *Government Policy and Environment*

- The risk of material adverse changes in the government policies or legislation of the host country affect the level and practicality of mining and exploration activities;
- Environmental management issues with which the holder may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the holder needs to comply for land access, exploration and mining that can lead to significant delays;

#### *Access and Equipment and Management*

- Poor access to exploration areas as a result of remoteness or difficult terrain;
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- Unforeseen major failures, breakdowns or repairs required to key items of exploration equipment and vehicles, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- The availability and high cost of quality management, contractors and equipment for exploration, mining, and the corporate and administration functions in the current economic climate and the cost of identifying, negotiating with and engaging the right people.

#### **Declarations**

##### *Relevant codes and guidelines*

This Report has been prepared as a technical assessment in accordance with the Australasian Code for Public Reporting of Technical Assessment of Mineral Assets (the "VALMIN Code", 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as the rules and guidelines issued by the ASIC which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011). Agricola regards RG112.31 to be in compliance whereby there are no business or professional relationships or interests, which would affect the expert's ability to present an unbiased opinion within this report.

Exploration results quoted or referred to in this report have been prepared pursuant to the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“the JORC Code”).<sup>12</sup>

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

#### *Reporting of Exploration Results*

Public Reports of Exploration Results must contain sufficient information to allow a considered and balanced judgement of their significance. Public Reports of Exploration Results must not be presented so as to unreasonably imply that potentially economic mineralisation has been discovered. Where assay and analytical results are reported, they must be reported either by listing all results or by reporting weighted average grades of mineralised zones. *Adapted from JORC Code 2012, Clause 19.*

#### **Sources of Information**

The information in this report that relates to Exploration Results is based on information compiled by Malcolm Castle, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle 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’. Malcolm Castle consents to the

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<sup>12</sup> ASIC, 2011, Content of Expert Reports, Regulatory Guideline 111, March 2011. Available from: <https://asic.gov.au/regulatory-resources/find-a-document /regulatory-guides/rg-111-content-of-expert-reports/>

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VALMIN, 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. Available from: <http://www.valmin.org> (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

inclusion in the report of the matters based on his information in the form and context in which it appears.

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by the Company, along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. Agricola has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to the Company along with a written request to identify any material errors or omissions prior to lodgement.

In compiling this Report, Agricola did not carry out a site visit to the Project areas. Based on its professional knowledge and experience, familiarity with the general area, previous technical visits to the area and the availability of extensive databases and technical reports made available by various government agencies, Agricola considers that sufficient current information was available to allow an informed appraisal to be made without such a visit. Agricola has no reason to doubt the authenticity or substance of the information provided.

This Report contains statements that are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. These statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72 (clauses 6 and 7).<sup>13</sup>

Agricola or Malcolm Castle is not aware of any new information or data, other than that disclosed in this Report, that materially affects the assessments included in this Report and that all material assumptions and parameters underpinning Exploration Results continue to apply and have not materially changed.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given by the author for the inclusion of this Report in the Notice of Meeting and Prospectus relating to the Offer and distribution of this Report in the form and context in which it appears.

#### **Qualifications and Experience**

Agricola has been consulting to the mining industry since 1987 with services that include valuations, independent technical reporting and exploration

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<sup>13</sup> ASIC Corporations (Consents to Statements) Instrument 2016/72, 11 March 2016. Available online from: <https://www.legislation.gov.au/Details/F2016L00326>

management. Its capabilities include reporting for the major securities exchanges and encompass a diverse variety of commodity types.

The people responsible for the preparation of this Report are:

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

Malcolm Castle has over 50 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 30 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including uranium, gold, base metals, iron ore and mineral sands over his professional career.

He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries. He has completed numerous Independent Technical Assessment Reports and Mineral Asset Valuation Reports over the last decade as part of his consulting business.

Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc.(Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.

Mr Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd, an independent geological consultancy established 30 years ago. He is a Member of the Australasian Institute of Mining and Metallurgy ("MAusIMM").

- Mr Castle is appropriately qualified geologist and is a member of a relevant recognized professional association;
- He has the necessary technical and securities qualifications, expertise, competence and experience appropriate to the subject matter of the report; and
- He has at least ten years of suitable and recent experience in the particular technical or commercial field in which he is to report.

*Declaration – VALMIN Code:* The information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a permanent employee of the Company. Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to qualify as a

Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets'. Malcolm Castle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

*Competent Persons Statement – JORC Code:* The information in this report that relates to Exploration Results of the Company is based on, and fairly represents, information and supporting documentation prepared by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Castle has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral resources and Ore Reserves'.

Mr Castle consents to the inclusion in this report of the matters based on the information and supporting documentation in the form and context in which they appear.

#### **Independence and Competency**

Mr Castle has prepared assignments for a large number of companies on gold, base metals, uranium, lithium and coal of the past decade. He is a Non Executive director of BMG Ltd, currently exploring lithium projects in Chile.

Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the projects. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Agricola has had no material association during the previous two years with the owners/promoters of the mineral assets, the company acquiring the assets or any of the assets to be acquired and has no material interest in the projects;

There are no business relationships between Agricola and the Company. Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company. The relationship with the Company is solely one of professional association between client and independent consultant;

Agricola does not hold and has no interest in the securities of the company under review; Agricola has no relevant pecuniary interest, association or employment relationship with the Company and its subsidiaries; Agricola has no interest in the material tenements, the subject of the Report;

Agricola is not a substantial creditor of an interested party, or has a financial interest in the outcome of the proposal. The review work and this report are prepared in return for professional fees of \$12,500 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

#### **Consent**

For the purposes of the Corporations Act 2001, Agricola Mining Consultants Pty Ltd consents to the inclusion of this Independent Technical assessment Report in the form and context as set out in the formal agreement with the Company. This Report is to be included in a Notice of Meeting and a Prospectus to be lodged by the Company with the Australian Securities Exchange.

Agricola provides its consent on the understanding that the assessment expressed in the individual sections of this report will be considered with, and not independently of, the information set out in full in this report. Agricola has no reason to doubt the authenticity or substance of the information provided.

Agricola Mining Consultants Pty Ltd has not withdrawn this consent prior to the lodgement of the Report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Malcolm Castle', is written over a rectangular area with a light, repeating floral or leaf pattern.

**Malcolm Castle**

**B.Sc.(Hons) MAusIMM, GCertAppFin (Sec Inst)**  
Agricola Mining Consultants Pty Ltd

## GLOSSARY OF TECHNICAL TERMS

alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
bedrock	Any solid rock underlying unconsolidated material.
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO <sub>3</sub> . Essential component of limestones and marbles.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.
erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earths surface.
fault zone	A wide zone of structural dislocation and faulting.
feldspar	A group of rock forming minerals.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.

granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
gypsum	Mineral of hydrated, or water-containing, calcium sulphate.
hematite	Iron oxide mineral, Fe <sub>2</sub> O <sub>3</sub> .
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
insitu	In the natural or original position.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
joint venture	A business agreement between two or more commercial entities.
laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lithological contacts	The contacts between different rock types.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
ppb	Parts per billion; a measure of low level concentration.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
residual	Soil and regolith which has not been transported from its point or origin.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery	The images produced by photography of the earth's surface from satellites.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.



sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, SiO <sub>2</sub> , usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.
tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.
zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

JORC CODE, 2012 EDITION – TABLE 1 PAYNES FIND PROJECT AND BIRRINDUDU

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (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 (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>RAB and Auger geochemical samples.</li> <li>The sample material was homogenized by the drilling process, no additional processing was undertaken</li> <li>Not applicable</li> <li>Paynes Find  <b>Auger:</b> Approximately 300gms of soil and weathered rock fragments were collected from sample spoil and placed into a prenumbered geochemical sample bag. There was no preparation of the samples in the field.  <b>RAB:</b> One metre down hole samples were collected via a cyclone and stored in a plastic bag. Wet sample were collected in calico bags and allowed to dry. 4 metre composite samples were collected by using a PVC spear to collect a subsample from each one metre interval in the composite.</li> </ul>
		<p><b>Birrindudu</b>            One metre down hole samples were collected via a cyclone and laid on the ground. Wet sample were poured in sequence into</p>

Criteria	JORC Code explanation	Commentary
Drilling techniques	<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>	<p>holes dug with a shovel. Four metre composite samples were collected by spearing individual one metre piles with a PVC pipe. A composite bottom of hole sample was collected for each hole composite intervals ranged from 2 to 4 metres.</p>
Drill sample recovery	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> </ul>	<p>• <u>Paynes Find</u>  <b>Auger:</b> The rig was fitted with a 32mm auger bit. The rig was capable of drilling to a depth of 2 metres.  <b>RAB:</b> Holes were drilled using a conventional blade bit with samples returned outside the drill rod. The first program of drilling were drilled to a predetermined depth. The latter program holes were drilled to refusal.</p> <p><u>Birindudu</u>  <b>Air Core:</b> 128 Air Core holes for 5,636 metres were drilled at the Jumping Jack prospect further south and assay results from five of the holes returned anomalous nickel, copper, platinum and palladium results. Drilling was carried out by earlier explorers and reported in GSWA open file reports. Holes were drilled using a conventional blade bit with samples returned outside the drill rod. Hole depths were limited to the number of drill rods carried by the rig.</p>
	<ul style="list-style-type: none"> <li>• <u>Paynes Find</u>  <b>Auger:</b> Due to the shallow depth of the holes, no sample recovery issues were expected.  <b>RAB:</b> No information provided.</li> </ul>	

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <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>	<p><u>Birindudu</u> No Information provided in open file reports.</p> <ul style="list-style-type: none"> <li>• Not applicable.</li> <li>• At this early stage of exploration, it is not possible to determine if this is a factor.</li> </ul>
<i>Logging</i>	<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> </ul>	<ul style="list-style-type: none"> <li>• <u>Paynes Find</u> <b>Auger:</b> The samples were primarily recovered for geochemistry. The driller recorded the acid test "fizz" to determine if calcrete was present in the hole and any recognizable bedrock lithologies were recorded. <b>RAB:</b> The program was supervised by a geologist and metre samples were geologically logged, No geological logs were provided in the exploration report submitted to the GSWA.</li> </ul> <p><u>Birindudu</u> The program was supervised by a geologist and metre samples were geologically logged using a company standard logging code.</p> <ul style="list-style-type: none"> <li>• Logging was qualitative.</li> <li>• <u>Paynes Find</u> <b>Auger:</b> No geological logging. <b>RAB:</b> No geological logs provided. <u>Birindudu</u> All intervals were logged.</li> </ul>
	<ul style="list-style-type: none"> <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>	

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<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>• Not applicable.</li> <li>• <u>Paynes Find</u> <b>Auger:</b> Samples were dry, there was no splitting of the sample. <b>RAB:</b> Samples One metre samples were collected via a cyclone and a four metre composite sample prepared using a PVC spear to collect a sub-sample from each one metre sample in the composite. <u>Birindudu</u> Both wet and dry samples were collected with a PVC Spear.</li> <li>• <u>Paynes Find</u> For both Auger and RAB samples Industry standard field preparation methods were applied. For RAB drilling Industry standard technique to collect composite sample. <u>Birindudu</u> No Information available.</li> <li>• No information available</li> <li>• <u>Paynes Find</u> <b>Auger:</b> For every 50<sup>th</sup> sample a field duplicate sample was collected at the rig. <b>RAB:</b> no information provided. <u>Birindudu</u> No Information available.</li> <li>• Sample material was predominately fine clays and weathered rock fragments. The sample size is considered appropriate for</li> </ul>

Criteria	JORC Code explanation	Commentary
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> </ul>	<p>the material. For Birrindudu, each composite sample was 2–3 kg in weight which is considered appropriate.</p>
	<ul style="list-style-type: none"> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> <b>Auger:</b> The samples were digested in an aqua regia solution. This technique is considered suitable for the dissolution of oxidized materials. Solutions were read by mass spectrometry for Ag, Ars, Au, Bi, Cu, Mo, Ni, Pb, Sb, Te, W, Zn. Au was read to a lower detection limit of 1 part per billion. The other elements were read to varying lower detection limits. <b>RAB:</b> Total preparation was used to reduce entire sample to nominal -75 micron. Sample were analysed for gold by fire assay (50 gm charge), silver by AAS and As, Pb, Sb and W by XRF techniques.</li> </ul>
	<ul style="list-style-type: none"> <li><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li><u>Birrindudu</u> The drill samples were analysed for a multielement suite by three separate techniques aqua regia digest with mass spectrometry finish, aqua regia digest with optical emission spectrometry finish, and sodium peroxide fusion followed by mass spectrometry finish. These aqua regia digest is suitable digestion for the oxidized material. Sodium peroxide fusion is considered a total digestion.</li> </ul>
		<ul style="list-style-type: none"> <li><u>Paynes Find</u> Geophysical aeromagnetic data was accessed from the online GSWA regional geophysical database. The data has been compiled by the GSWA from multiple sources and merged and levelled. The aeromagnetic data extracted has been reprocessed by consultant on behalf of the vendor to generate a series of images highlighting the relevant geological features.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p><u>Birindudu</u>            Geophysical aeromagnetic data was accessed from the online NTGS regional geophysical database. The data has been compiled by the NTGS from multiple sources and merged and levelled. The aeromagnetic data extracted has been reprocessed by consultant on behalf of the vendor to generate a series of images highlighting the relevant geological features.</p> <ul style="list-style-type: none"> <li>• <u>Paynes Find</u>  <b>Auger:</b> No external certified material was included in the sample stream. The field duplicate was submitted to the laboratory under a separate sample number. Standard internal laboratory quality control procedures were put in place by the laboratory. The available QA/QC data was reviewed and accuracy and precision of the data is considered acceptable for the purposes of the survey.  <b>RAB:</b> Duplicate composite samples were collected on a regular basis (between every 15 – 20 samples) to check repeatability.</li> </ul> <p><u>Birindudu</u>            No information available.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Paynes Find</u>  <b>Auger:</b> There has been no independent verification of the results.  <b>RAB:</b> The table of significant intersections used in this report was compiled from the assay drill logs provided in historical reports. A lower cut off of 0.25g/t Au was applied to determine the significant intervals.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li data-bbox="566 255 598 593">• <i>The use of twinned holes.</i></li> <li data-bbox="630 255 694 593">• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> </ul>	<p data-bbox="438 1807 462 2143"><u>Birindudu</u></p> <p data-bbox="462 1807 550 2143">The significant intersections reported in this release were compiled by a consultant geologist employed by Oakajee who is familiar with the project and drill data.</p>
		<ul style="list-style-type: none"> <li data-bbox="566 772 598 907">• No twin holes were drilled.</li> </ul>
		<ul style="list-style-type: none"> <li data-bbox="630 907 662 1041">• <u>Paynes Find</u>  <b>Auger:</b> The data was compiled from digital laboratory reports and field data sheets provided by the driller into a spreadsheet.  <b>RAB:</b> The data on RAB drilling discussed in this report was compiled from open file WAMEX reports numbers A26227 and A26228. No original data was cited.</li> </ul>
		<p data-bbox="742 1807 766 2143"><u>Birindudu</u></p> <p data-bbox="766 1807 837 2143">The drilling reported was undertaken by Independence Group Limited who have well documented and rigorous procedures for drilling and collection of field data. Open file reports CR2010-0104, CR2011-005, -0091, CR2013-0042 and CR2014-0038 provide details of the Independence Group drilling in the project area.</p>
	<ul style="list-style-type: none"> <li data-bbox="885 255 917 593">• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li data-bbox="853 1176 885 1310">• <u>Paynes Find</u>  <b>Auger:</b> No averaging or adjustment of the individual assay results was applied.  <b>RAB:</b> Where two or more adjacent composite samples were above the lower cut-off, a weighted average of the composite interval was calculated.</li> </ul>
		<p data-bbox="933 1807 957 2143"><u>Birindudu</u></p> <ul style="list-style-type: none"> <li data-bbox="957 1310 989 1444">• No Information provided.</li> </ul>



Criteria	JORC Code explanation	Commentary
Location of data points	<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> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> <b>Auger:</b> The sample location points were recorded by a handheld GPS unit with an accuracy of approximately 2 m which is considered appropriate for the survey undertaken. The location of a number of the holes was verified in the field. <b>RAB:</b> The original holes were positioned on a local grid which is no longer in existence. The location of the holes in relation to the current tenements has been determined by registering an image of the drill plan from the original report using surveyed mineral claim boundaries to position the plan onto the current tenement plan.</li> </ul>
	<ul style="list-style-type: none"> <li>Specification of the grid system used.</li> </ul>	<p><u>Birindudu</u> Holes locations were recorded by GPS.</p>
	<ul style="list-style-type: none"> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> <b>Auger:</b> GDA 94 zone 50. <b>RAB:</b> The original grid was a local grid.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> </ul>	<p><u>Birindudu</u> GDA 94 zone 52</p> <ul style="list-style-type: none"> <li>The quality of the location of the holes is sufficient for the current level of assessment.</li> </ul>
	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> <b>Auger:</b> Holes were collected on a nominal 100m X 40m grid pattern. <b>RAB:</b> The original drilling was completed on a lines paced 100m apart and holes spaced 25 m along the lines. Irregular infill and</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>holes perpendicular to the grid were drilled to evaluate anomalous results. Data could not be used for resource calculations.</p> <p><u>Birindudu</u> Drilling is wide spaced and could not be used in Resource estimation.</p> <ul style="list-style-type: none"> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>holes perpendicular to the grid were drilled to evaluate anomalous results. Data could not be used for resource calculations.</p> <p><u>Birindudu</u> Drilling is wide spaced and could not be used in Resource estimation.</p> <ul style="list-style-type: none"> <li>• None of the data released in this report could be used for resource calculations.</li> <li>• <u>Paynes Find</u> Not applicable</li> </ul>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> </ul>	<p><u>Birindudu</u> Intersection reported in this announcement are for samples were the nickel assays are greater than 1000ppm.</p> <ul style="list-style-type: none"> <li>• <u>Paynes Find</u> <b>Auger:</b> The sampling grid was orientated approximately perpendicular to the main geological contacts and structures. <b>RAB:</b> Drill pattern was orientated perpendicular to the perceived orientation of the strike of the mineralisation.</li> </ul> <p><u>Birindudu</u> Holes were drilled vertically, with the aim of recovering samples through the weathered profile and fresh bedrock. Zonation within the weathered profile is assumed to be sub horizontal.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <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>Paynes Find The area is under a veneer of transported cover with no or little bedrock outcrop, the orientation of the mineralisation is currently not well understood.</li> </ul> <p><u>Birindudu</u> Drill pattern was orientated perpendicular to the perceived orientation of the strike of the geological units and structures.</p>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Paynes Find <b>Auger:</b> Samples were freighted to the laboratory by a reputable freight company. Sample numbers were sent independently to the laboratory and compared against the samples received. No discrepancies were noted. <b>RAB:</b> No information.</li> </ul> <p><u>Birindudu</u> No Information available.</p>
Audits or reviews	<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>Due to the early stage of the work completed, no audits or reviews have been completed. The project is early stage exploration, the sampling and analytical procedures are widely used in the exploration industry and considered standard.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> Details of tenements and terms of acquisition are provided in the body of the text. E59/2055, E59/2032, E59/2312 and P59/2085 partially covered by Pastoral leases. The tenements are all granted and in good standing with DMIRS.</li> <li><u>Birringdudu</u> Tenements numbers are EL32051 and EL32052. The tenements are in application phase. The tenements are held in a wholly owned subsidiary of Oakajee Corporation Limited. No registered native title claims. Birringdudu Indigenous Land Use Agreement (28/4/2005) Covers both application areas. This is not believed to be an impediment to the grant of the tenements. The tenement are on the Riveren Pastoral Lease. The tenements are still in the application stage.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> The project area covers a historical gold camp, which has been subject to prospector and exploration campaigns by a number of companies. Companies that have completed campaigns of significance over parts of the current tenure include 1970-1972 Hawkstone Minerals, 1982 Resource Exploration NL 1982 Jaystone Exploration Pty Ltd, 1983-1986 Purkait and Shreeve syndicate, 1988 -1990 FINDER Gold NL, 1993-1999 Homestake Australia Pty Ltd, 2012-2013 McNab Syndicate, 2012-2017 Red Dragon Gold NL.</li> <li><u>Birringdudu</u></li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Previous explorers in the area have included Trend Exploration 19741 -1974, Western Mining Corporation Limited 1984, Otter Gold and JV partners 1997-2007, Ausquest 2003-2006, Independence Group Limited 2010-2014.</p>
<p><b>Geology</b></p>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Paynes Find</b> The company is exploring for structurally controlled gold mineralisation along the sheared contact between the basement granite and mafic volcanic sequences or shear zones within the mafic and felsic volcanic sequences.</li> </ul> <p><b>Birindudu</b> The company has a conceptual model for nickel sulphide mineralisation in the district based on the Norlisk nickel deposit. The model involves Ni-Cu-PGE sulphide mineralisation could be associated with intrusions related to the voluminous Antrim Plateau basalts that occur within the project area. At this stage the company believes that ultramafics intersected in shallow drilling within the project area could be intrusive but further work is required to confirm the concept.</p>
<p><b>Drill hole Information</b></p>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <b>Paynes Find</b> At this stage in the exploration the company is using the auger geochemical sampling, RAB drill geochemistry and aeromagnetic data to provide trends which can be used in conjunction with other data sets to define areas of interest for further exploration. A list of all RAB drill holes that can be identified from the past exploration work is provided as Appendix ii.</li> </ul> <p><b>Birindudu</b> A list of all holes known to be drilled in the project area has been compiled from the open file records kept by the NTGS.</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <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>Data from historical reports that cannot be adequately verified or validated has been omitted from the report.</li> </ul>
Data aggregation methods	<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> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> <b>Auger:</b> No averaging was used. <b>RAB:</b> Samples 4 metre composite samples were generally collected in the field. Where two or more composite samples are anomalous, the length weighted average of the intersection was calculated.</li> </ul>
	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> </ul>	<p><u>Birindudu</u> Assays from composite samples are reported as length weighted averages for interval above 1000 ppm nickel.</p> <ul style="list-style-type: none"> <li><u>Paynes Find</u> <b>Auger:</b> Not applicable. <b>RAB:</b> The nature of the four metre composite sampling tends to smooth out short intervals of high grade if they is present.</li> </ul>
	<ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p><u>Birindudu</u> The original samples were composited over intervals between 2 and 4 metres.  Not applicable.</p>
Relationship between mineralisation	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole</li> </ul>	<ul style="list-style-type: none"> <li><u>Paynes Find</u> All auger holes were drilled vertically. The sampling was designed to collect a sample below transported material which is</li> </ul>

Criteria	JORC Code explanation	Commentary
<p><i>n</i> widths and intercept lengths</p>	<p>angle is known, its nature should be reported.</p> <ul style="list-style-type: none"> <li>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').</li> </ul>	<p>assumed to occur as a horizontal sheet of variable thickness over the project area. The original historical RAB holes were drilled vertically to a pre -determined depth. In latter program vertical and inclined RAB holes were drilled to refusal. Assay logs indicate several of the historical RAB holes returned anomalous composite gold assays from the bottom of hole sample. The RAB holes are typically used to collect samples through the weathering profile and fresh rock interface. The weathered profile is typically a undulating horizontal surface. At this stage the geometry of the mineralisation is not under stood. Based on regional trend it is expected to be dipping. RAB - only down hole intersections are reported</p>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> <li>Magnetic Underlays</li> </ul>	<p><u>Birindudu</u> At this stage the geometry of the mineralisation is not under stood. At this point in the exploration process only bedrock geochemistry is being reported. All intervals reported are down hole intervals.</p> <ul style="list-style-type: none"> <li>Appropriate diagrams are incorporated in the body of the announcement.</li> <li>Cross sections not included due to the early stage nature of the projects.</li> <li>Magnetic underlay information on appropriate figures is sourced fro the Geological Survey of Western Australia and in the Public Domain.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Tables of all the relevant historical drilling referenced are included at Schedule 1 in this report.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations: geophysical</li> </ul>	<ul style="list-style-type: none"> <li>Paynes Find Aeromagnetic geophysical surveys have been flown over the</li> </ul>

Criteria	JORC Code explanation	Commentary
<p>substantive exploration data</p>	<p>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.</p>	<p>area by previous exploration companies. This data has been included in the government repository of geophysical data. This data has been merged with other survey and levelled by the Western Australian Geological Survey and has been used to assist in the interpretation of the auger geochemical results discussed in this report.</p> <p><u>Birrindudu</u></p> <p>Aeromagnetic geophysical surveys have been flown over the area by previous exploration companies. This data has been included in the government repository of geophysical data. This data has been merged with other survey and levelled by the Northern Territory Geological Survey and has been used to assist in the interpretation of drill data.</p>
<p>Further work</p>	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Paynes Find</u></li> </ul> <p>The work completed to date on the project is preliminary in nature. The company considers the results encouraging and intends to under an exploration program involving trenching, aircore drilling and reverse circulation drilling to further access the prospects.</p> <p><u>Birrindudu</u></p> <p>The work completed to date on the project is preliminary in nature. The company considers the results encouraging. Further work including surface geochemical sampling, shallow systematic drill testing in areas of transported cover, ground EM surveys and/or detailed gravity surveys. Deeper drill testing will be applied if warranted.</p>



Schedule 1 - Paynes Find Project - Finders RAB Drilling

Hole	North	East	RL	TD	Azi local	Dip	From	To	Thickness m	Au g/t
PRAB139	10300	11300	NOM	51	0	-90				NSI
PRAB140	10275	11300	NOM	40	0	-90				NSI
PRAB141	10250	10300	NOM	51	0	-90	24	28	4	0.34
PRAB142	10225	11300	NOM	51	0	-90				NSI
PRAB143	10200	11300	NOM	51	0	-90				NSI
PRAB144	10175	11300	NOM	51	0	-90				NSI
PRAB145	10150	10300	NOM	51	0	-90	8 40	12 44	4 4	0.16 0.20
PRAB146	10125	10300	NOM	51	0	-90	16 40	20 44	4 4	0.33 0.75
PRAB147	10100	11300	NOM	51	0	-90	4	51	47	0.37
PRAB148	10075	11300	NOM	51	0	-90	8 28	12 32	4 4	0.30 0.38
PRAB149	10050	11300	NOM	48	0	-90				NSI
PRAB150	10025	11300	NOM	49	0	-90				NSI
PRAB151	10001	10500	NOM	51	0	-90	48	51	3	0.85
PRAB152	9975	11500	NOM	51	0	-90				NSI
PRAB153	9950	11500	NOM	51	0	-90				NSI
PRAB154	9924	11500	NOM	51	0	-90				NSI
PRAB155	9900	11500	NOM	51	0	-90				NSI
PRAB156	9875	11500	NOM	51	0	-90				NSI
PRAB157	9850	11500	NOM	41	0	-90				NSI
PRAB158	9825	11500	NOM	51	0	-90				NSI
PRAB159	9800	11500	NOM	42	0	-90				NSI
PRAB166	10098	11500	NOM	51	0	-90				NSI
PRAB167	10075	11500	NOM	51	0	-90	12	16	4	0.49
PRAB168	10050	11500	NOM	51	0	-90				NSI
PRAB169	10021	11500	NOM	51	0	-90				NSI
PRAB222	9750	11500	NOM	51	0	-90				NSI
PRAB223	9700	11500	NOM	57	0	-90				NSI
PRAB226	9975	11300	NOM	59	0	-90				NSI
PRAB227	9925	11300	NOM	63	0	-90				NSI
PRAB228	9875	11300	NOM	71	0	-90				NSI
PRAB233	10200	11100	NOM	52	0	-90				NSI
PRAB234	10150	11100	NOM	51	0	-90	48	51	3	0.4
PRAB238	10210	11200	NOM	74	0	-90	32 52	44 64	12 12	0.25 0.37
PRAB257	11400	10100	NOM	46	360	-60				NSI
PRAB258	11375	10100	NOM	46	360	-60	20 28	24 32	4 4	0.74 0.51
PRAB259	11350	10100	NOM	46	360	-60	44	47	3	0.64
PRAB260	11325	10100	NOM	47	360	-- 60				NSI
PRAB261	11300	10100	NOM	45	360	-60				NSI

NSI – No significant Intercept

## 7. SOLICITORS REPORT



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The Directors  
Oakajee Corporation Ltd  
39 Clifton Street  
Nedlands WA 6009

5 April 2019

Dear Sirs

### **SOLICITOR'S REPORT ON MINING TENEMENTS – OAKAJEE CORPORATION LTD**

This report is prepared for inclusion in a re-compliance prospectus to be issued by Oakajee Corporation Ltd (ACN 123 084 453) (**Company**) in connection with the Company's application for:

- (a) reinstatement of the Company's listed securities to Official Quotation following a change to the nature and scale of the Company's activities as a result of the acquisition of the tenements comprising the Paynes Find Project;
- (b) the issue of up to 30,000,000 fully paid ordinary shares in the capital of the Company, each at an issue price of \$0.08 per share, together with up to 30,000,000 free attaching quoted options exercisable at \$0.08 on or before the date which is 3 years from the date of issue in respect of fully paid ordinary shares in the capital of the Company, to raise up to \$2,400,000;
- (c) the issue of consideration shares to Bruce Robert Legendre (**Legendre**) and Attgold Pty Ltd (ACN 063 807 429) (**Attgold**) as a result of the acquisitions referred to at (a) above; and
- (d) the issue of shares to SD & SE Nominees Pty Ltd for provision of geological consulting services in relation to the Birrindudu Nickel Project (defined below).

### **OVERVIEW**

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#### **Purpose**

- 1 The directors of the Company have requested that we provide a report in relation to:
  - 1.1 the interests held by the Company in the mining tenements set out in Schedule 1 (together **Assets**), being:
    - 1.1.1 the following WA Tenements, together comprising the **Paynes Find Project**:

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- (a) one granted mining lease (M59/549) held by Legendre;
  - (b) one granted exploration licence (E59/2055) held by Sayona Lithium Pty Ltd (ACN 010 661 506) (**Sayona**);
  - (c) one granted exploration licence (E59/2092) held 20/100 by Legendre and 80/100 by Sayona;
  - (d) one granted exploration licence (E59/2312) held by Legendre;
  - (e) three granted prospecting licences (P59/2075, P59/2083 and P59/2085) held by Legendre; and
- 1.1.2 the following NT Applications, together comprising the **Birringudu Nickel Project**: two applications for exploration licences (EL 32051 and EL 32052) by Oakajee Exploration Pty Ltd (ACN 629 544 912) (**Oakajee Exploration**), a wholly-owned subsidiary of the Company,
- 1.2 any matters relevant to the exercise of the Company's interests in the Assets, including:
- 1.2.1 material agreements relating to those interests (together **Material Agreements**);
  - 1.2.2 any unusual or onerous conditions applicable to the Assets;
  - 1.2.3 concurrent interests in the land the subject of the Assets, including other mining tenements, pastoral leases and native title, and agreements reached with the holders of those interests (together **Land Access Agreements**); and
  - 1.2.4 material statutory approvals (together **Key Approvals**).
- 2 Specifically, this report considers the Company's ability to conduct operations at the Paynes Find Project for the purpose of exploration and exploitation of gold and other minerals.

### Findings

- 3 On the basis of our review of both the Assets and the matters set out at paragraph 1.2 above, we consider that as at the date of this report:
- 3.1 subject to the completion of the Legendre Acquisition:
    - 3.1.1 and subject to the qualifications noted in paragraphs 20.1.1 and 20.1.2 below, the Company or its nominee Oakajee Exploration is entitled to become the registered holder and beneficial owner as tenant in common of 80% of M59/549, E59/2312, P59/2075, P59/2083 and P59/2085 and to exercise all lawful rights in connection with these tenements;
    - 3.1.2 the Company or its nominee Oakajee Exploration is entitled to become the beneficial owner as tenant in common of 80% of the non-lithium mineral rights in respect of E59/2092;

- 3.2 subject to the completion of the Atfgold Acquisition, the Company or its nominee Oakajee Exploration is entitled to become the beneficial owner as tenant in common of 80% of the non-lithium mineral rights in respect of E59/2055;
- 3.3 Oakajee Exploration is the applicant for EL 32051 and EL 32052 and, subject to grant, will have good title to and be entitled to exercise all lawful rights in connection with those licences; and
- 3.4 subject to the qualification noted in paragraph 48, all of the Assets are in good standing, including as a consequence of:
  - 3.4.1 expenditure in excess of the minimum required (where reported); and
  - 3.4.2 there being, to our knowledge, no extant non-compliance with:
    - (a) applicable licence conditions; or
    - (b) any other applicable laws.

#### Scope

- 4 In preparing this report, we have relied upon:
  - 4.1 the searches of the public databases identified in Schedule 2 (**Searches**), the results of which are included in Schedule 1;
  - 4.2 copies of the Material Agreements, being:
    - 4.2.1 the Heads of Agreement – E59/2092 made 4 February 2016 between Legendre and Sayona (**E59/2092 Agreement**) and the following associated agreements:
      - (a) Pegmatite Rights Deed Mt Edon Project made 26 November 2018 between Legendre and Sayona (**E59/2092 Rights Deed**), as novated by the Deed of Novation Pegmatite Rights Deed made on or about 14 February 2019 between Legendre, Oakajee Exploration and Sayona; and
      - (b) Waiver of Pre-emptive Rights – Pegmatite Rights Deed made 12 December 2018 between Legendre and Sayona (**E59/2092 Waiver**),
    - 4.2.2 the Heads of Agreement – Paynes Find made on or about 17 March 2016 between Atfgold and Sayona (**E59/2055 Agreement**) and the following associated agreements:
      - (a) Pegmatite Rights Deed Payne’s Find West Project made 26 November 2018 between Atfgold and Sayona (**E59/2055 Rights Deed**), as novated by the Deed of Novation Pegmatite Rights Deed made on or about 14 February 2019 between Atfgold, Oakajee Exploration and Sayona; and
      - (b) Waiver of Pre-emptive Rights – Pegmatite Rights Deed made 12 December 2018 between Atfgold and Sayona (**E59/2055 Waiver**),

- 4.2.3 the Tenement Sale Agreement made 17 November 2017 between Matriarch Mining Pty Ltd (ACN 150 475 951), Rachel Gail Grant and Graham David Pimlott, **together Vendors**, and Bruce Robert Legendre (**Tenement Sale Agreement**);
- 4.2.4 the Royalty Deed made 17 November 2017 between Legendre and Graham David Pimlott and Rachel Gail Grant, as assigned and assumed by the Deed of Assignment and Assumption made 1 April 2019 between Legendre, Oakajee Exploration, Graham David Pimlott and Rachel Gail Grant (**Royalty Deed**);
- 4.2.5 the Binding Sale and Purchase Agreement made 10 January 2019 between Legendre and Oakajee, as amended by the agreements in the form of letters made on or about 8 February 2019 and 6 March 2019, both entitled 'Amendment Letter to the Binding Sale and Purchase Agreement' between the same parties (**Legendre Acquisition Agreement**); and
- 4.2.6 the Binding Sale and Purchase Agreement made 10 January 2019 between Attgold and Oakajee, as amended by the agreement in the form of a letter made on or about 10 February 2019 entitled 'Amendment Letter to the Binding Sale and Purchase Agreement' between the same parties (**Attgold Acquisition Agreement**).
- 4.3 copies of the Key Approvals, as set out in Schedule 3.
- 5 We are instructed that the agreements referred to at 4.2 are the only agreements relating to the Company's interests in the Assets to which the Company, Oakajee Exploration, Legendre, Attgold or Sayona is a party.
- 6 We have not reviewed any prior sale agreements relating to the Assets, except those noted in paragraphs 4.2.1, 4.2.2 and 4.2.3 above. We have not relied upon any other documents or information for the purposes of this report and we are not aware of any other material documents or information.
- 7 Schedule 1 to this report forms an essential part of this report and must be read in conjunction with this report.
- 8 This report must be read subject to the assumptions and qualifications in Schedule 4.

## **PART A – MATERIAL AGREEMENTS**

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### **E59/2092 Agreement and associated agreements**

- 9 The E59/2092 Agreement provided:
- 9.1 for the sale by Legendre to Sayona of an 80% interest in E59/2092;
- 9.2 for the grant of an option by Legendre to Sayona under which Sayona can acquire the remaining 20% interest in E59/2092;
- 9.3 for the payment by Sayona to Legendre of a 1% royalty on lithium production from E59/2092 and any licence, permit or authority into which it may be converted, superseded, divided or amalgamated; and

- 9.4 that, following completion of the sale referred to in paragraph 9.1 and prior to the exercise of the option referred to in 9.2, Legendre and Sayona must negotiate in good faith a split commodity agreement in respect of E59/2092 and any licence, permit or authority into which it may be converted, superseded, divided or amalgamated to regulate Sayona's interest in lithium and Legendre's interest in other commodities on the land the subject of E59/2092.
- 10 The option referred to in paragraph 9.2 was able to be exercised by Sayona giving notice to Legendre within three years of the date of the E59/2092 Agreement. We are instructed that Sayona did not exercise this option by the required date.
- 11 The consideration payable by Sayona to Legendre in respect of the sale referred to in paragraph 9 comprised \$15,000, the issue of 1 million fully paid ordinary shares in Sayona and the grant of the royalty referred to in paragraph 9.3.
- 12 Under the E59/2092 Rights Deed, as novated to Oakajee Exploration (which novation is conditional upon completion under the Legendre Acquisition Agreement), in respect of E59/2092 and any mining tenement granted as a result of any extension, renewal, variation, conversion, amalgamation, replacement or substitution of it:
- 12.1 Sayona must manage the tenements, keep them in good standing and pay all outgoings;
- 12.2 Oakajee Exploration is entitled to:
- 12.2.1 exercise the right to explore for and mine any mineral which is not lithium bearing pegmatite or an associated accessory mineral which cannot be extracted without mining the lithium bearing pegmatite (**Reserved Rights**);
- 12.2.2 retain all minerals which are not lithium bearing pegmatite or an associated accessory mineral which cannot be extracted without mining the lithium bearing pegmatite (**Non-Pegmatite Minerals**) recovered in the exercise of the Reserved Rights;
- 12.2.3 all Non-Pegmatite Minerals recovered by the registered holders; and
- 12.2.4 retain ownership of all mining plant erected, installed or brought onto the land in relation to the exercise of the Reserved Rights;
- 12.2.5 request the registered holders of E59/2092 apply for a mining lease in respect of a proposed mining area (in which case on grant of such a mining lease it will be entitled to have that mining lease transferred to it at no cost), or apply for a mining lease in its own name;
- 12.2.6 enter onto the land to carry out all activities in connection with the Reserved Rights including removing and transporting for processing ore to recover Non-Pegmatite Minerals; and
- 12.2.7 sell all Non-Pegmatite Minerals,
- 12.3 the registered holders (currently, Legendre and Sayona) are entitled to:
- 12.3.1 exercise the right to explore for and mine all lithium bearing pegmatite (and all associated accessory minerals which cannot be

- extracted without mining the lithium bearing pegmatite) (**Pegmatite Rights**);
- 12.3.2 retain all lithium bearing pegmatite and all associated accessory minerals (**Pegmatite**) recovered in the exercise of the Pegmatite Rights;
- 12.3.3 all Pegmatite recovered by Legendre in the exercise of the Reserved Rights; and
- 12.3.4 retain ownership of all mining plant erected, installed or brought onto the land in relation to the exercise of the Pegmatite Rights.
- 12.4 the parties agreed to:
- 12.4.1 exercise their respective rights in a way which will minimise interference between their activities, including by:
- (a) giving each other notice of proposed ground disturbing activities or mining operations and, if the other party objects, negotiating in good faith to resolve the objection or referring any objection to the proposed activities to an expert;
  - (b) negotiating the terms of a joint operating agreement where a proposed mining operation is in respect of an area which may contain economically recoverable minerals to which the developing party does not hold the rights.
- 12.4.2 only exercise their rights in a manner which does not unreasonably interfere with any existing activities or operations of the other party;
- 12.4.3 cooperate in good faith and, where possible, share information in respect of their activities and results;
- 12.5 either party may relinquish their rights by providing notice to the other party provided that, if the registered holders of the tenement wish to surrender their interest, they first offer to transfer that interest to Oakajee Corporation or its nominee for \$1.00;
- 12.6 neither party may assign or deal with the tenements or their rights and interests under the E59/2092 Rights Deed to a third party (excluding Related Bodies Corporate as defined under the *Corporations Act 2001* (Cth)) unless they first offer to assign that interest to the other party on the same terms and conditions.
- 12.7 where an interest is assigned to a third party, it will be of no effect until the third party has entered into a deed of covenant under which it is bound to comply with the E59/2092 Rights Deed.
- 13 Under the E59/2092 Waiver, Legendre and Sayona agreed that Sayona's pre-emptive right would not apply to Company's (or a related body corporate of the Company's) acquisition of an 80% interest in Legendre's Reserved Rights, provided that the Company (or its related body corporate) and Legendre comply with the obligation set out at paragraph 12.7 above.

#### **E59/2055 Agreement and associated agreements**

- 14 The E59/2055 Agreement provided:
- 14.1 for the sale by Atfgold to Sayona of a 100% interest in E59/2055 for consideration of \$15,000;
  - 14.2 that, following completion of the sale referred to in paragraph 14.1 Atfgold and Sayona must negotiate in good faith a split commodity agreement in respect of E59/2055 and any licence, permit or authority into which it may be converted or superseded, divided or amalgamated, including an exclusive right for Atfgold to explore for, extract and sell any non-lithium containing materials (including gold and base metals) on the land the subject of E59/2092;
  - 14.3 for the payment by Sayona to Atfgold of a 1% net smelter royalty on lithium or pegmatite minerals extracted and sold from E59/2092 and any licence, permit or authority into which it may be converted or superseded, divided or amalgamated; and
  - 14.4 that if, following completion, Sayona wishes to surrender any portion of the tenement, it must first offer to transfer that portion to Atfgold for \$1.00.
- 15 Under the E59/2055 Rights Deed, as novated to Oakajee Exploration (which novation is conditional upon completion under the Atfgold Acquisition Agreement), in respect of E59/2055 and any mining tenement granted as a result of any extension, renewal, variation, conversion, amalgamation, replacement or substitution of it:
- 15.1 Sayona must manage the tenements, keep them in good standing and pay all outgoing;
  - 15.2 Oakajee Exploration is entitled to:
    - 15.2.1 exercise the Reserved Rights;
    - 15.2.2 retain all Non-Pegmatite Minerals recovered in the exercise of the Reserved Rights;
    - 15.2.3 all Non-Pegmatite Minerals recovered by the registered holders; and
    - 15.2.4 retain ownership of all mining plant erected, installed or brought onto the land in relation to the exercise of the Reserved Rights;
    - 15.2.5 request Sayona apply for a mining lease in respect of a proposed mining area (in which case on grant of such a mining lease the Company will be entitled to have that mining lease transferred to it at no cost), or apply for a mining lease in its own name;
    - 15.2.6 enter onto the land to carry out all activities in connection with the Reserved Rights including removing and transporting for processing ore to recover Non-Pegmatite Minerals; and
    - 15.2.7 sell all Non-Pegmatite Minerals,
  - 15.3 Sayona is entitled to:



- 15.3.1 exercise the Pegmatite Rights;
  - 15.3.2 retain all Pegmatite recovered in the exercise of the Pegmatite Rights;
  - 15.3.3 all Pegmatite recovered by Attgold in the exercise of the Reserved Rights; and
  - 15.3.4 retain ownership of all mining plant erected, installed or brought onto the land in relation to the exercise of the Pegmatite Rights.
- 15.4 the parties agreed to:
- 15.4.1 exercise their respective rights in a way which will minimise interference between their activities, including by:
    - (a) giving each other notice of proposed ground disturbing activities and mining operations and, if the other party objects, negotiating in good faith to resolve the objection or referring any objection to the proposed activities to an expert;
    - (b) negotiating the terms of a joint operating agreement where a proposed mining operation is in respect of an area which may contain economically recoverable minerals to which the developing party does not hold the rights,
  - 15.4.2 only exercise their rights in a manner which does not unreasonably interfere with any existing activities or operations of the other party;
  - 15.4.3 cooperate in good faith and, where possible, share information in respect of their activities and results;
- 15.5 either party may relinquish their rights by providing notice to the other party provided that, if Sayona wishes to surrender its interest, it first offers to transfer that interest to Oakajee Exploration or its nominee for \$1.00;
- 15.6 neither party may assign or deal with the tenements or their rights and interests under the E59/2055 Rights Deed to a third party (excluding Related Bodies Corporate as defined under the *Corporations Act 2001* (Cth)) unless they first offer to assign that interest to the other party on the same terms and conditions.
- 15.7 where an interest is assigned to a third party, it will be of no effect until the third party has entered into a deed of covenant under which it is bound to comply with the E59/2055 Rights Deed.
- 16 Under the E59/2055 Waiver, Attgold and Sayona agreed that Sayona's pre-emptive right would not apply to the Company's (or a related body corporate of the Company's) acquisition of an 80% interest in Attgold's Reserved Rights, provided that the Company (or its related body corporate) and Attgold comply with the obligation set out at paragraph 15.7 above.

### Tenement Sale Agreement and Royalty Deed

- 17 The Tenement Sale Agreement provided for the sale by the Vendors to Legendre of M59/549, P59/2075, P59/2083 and P59/2085 for consideration of \$12,500.
- 18 The Royalty Deed, as assigned to and assumed by Oakajee Exploration (which assignment and assumption is conditional upon completion under the Legendre Acquisition Agreement), provides for:
- 18.1 the payment by Oakajee Exploration of the following royalties:
- 18.1.1 in respect of M59/549, E59/2092, P59/2075, P59/2083 and P59/2085 and any extension, renewal, variation, conversion, amalgamation, replacement or substitution which is granted in respect of the whole or a part of the area thereof, a royalty of 0.50% of the net smelter return on all gold ore or concentrates extracted and sold, removed or otherwise disposed of from the land the subject of the tenements, calculated with reference to the sale value of the refined gold recovered, less transportation and refining costs, which is payable in equal proportions to Graham David Pimlott (**Pimlott**) and Rachel Gail Grant (**Grant**); and
- 18.1.2 in respect of all gold ore produced in excess of 1 million ounces from each of M59/549 and P59/2075 and any extension, renewal, variation, conversion, amalgamation, replacement or substitution which is granted in respect of the whole or a part of the area thereof, a special royalty of 10% of the net smelter return on all gold ore or concentrates extracted and sold, removed or otherwise disposed of from the land the subject of the tenements, calculated with reference to the sale value of the refined gold recovered, less transportation and refining costs, which is payable to Grant.
- 18.2 in the event Oakajee Exploration fails to pay the above royalties within 30 days of the end of each calendar quarter (being 1 January, 1 April, 1 July or 1 October in any year), the payment by Oakajee Exploration of interest at the average bid rate for bills (as defined in the *Bills of Exchange Act 1909* (Cth) having a tenor of 90 days plus 2% calculated on a daily basis and compounded with monthly rests, or such other rate of interest agreed by the parties.
- 19 Under the Royalty Deed, Oakajee Exploration must not sell, transfer, grant, assign or dispose of any interest in M59/549, E59/2092, P59/2075, P59/2083 and P59/2085 without:
- 19.1 the prior consent of Pimlott and Grant, which consent must not be unreasonably withheld; and
- 19.2 having first executed and delivered to Pimlott and Grant an assumption deed in favour of them executed by Oakajee Exploration and the recipient of the interest.

### Legendre Acquisition Agreement

- 20 The Legendre Acquisition Agreement provides for:
- 20.1 the sale by Legendre, and purchase by the Company or its nominee Oakajee Exploration, of:

- 20.1.1 subject to the consent of the Minister for Mines, an 80% legal and beneficial interest in M59/549;
    - 20.1.2 subject to either the consent of the Minister for Mines or the passing of the first year of the licence, an 80% legal and beneficial interest in E59/2312;
    - 20.1.3 an 80% legal and beneficial interest in P59/2075, P59/2083 and P59/2085; and
    - 20.1.4 an 80% beneficial interest in Legendre's non-lithium mineral rights in respect of E59/2092,
  - 20.2 the formation of an unincorporated joint venture between the Company and Legendre for the purpose of exploring and developing M59/549, E59/2092, E59/2312, P59/2075, P59/2083 and P59/2085 (and all other tenements applied for or granted in renewal, substitution, variation, conversion or extension, in whole or in part of these tenements) in which the Company has an 80% participating interest and Legendre has a 20% participating interest (**Legendre Joint Venture**).
- 21 The consideration payable by the Company or its nominee in respect of the sale and purchase referred to in paragraph 20.1 above comprises:
- 21.1 a \$20,000 deposit to be paid within 3 business days of the execution of the Legendre Acquisition Agreement (which was paid on 11 January 2019); and
  - 21.2 on settlement of the transaction contemplated by the Legendre Acquisition Agreement (**Legendre Acquisition**):
    - 21.2.1 a further cash payment totalling \$30,000; and
    - 21.2.2 \$50,000 worth of fully paid ordinary shares in the capital of the Company.
- 22 Settlement of the Legendre Acquisition is subject to the satisfaction of certain conditions precedent including, materially:
- 22.1 in respect of E59/2092, the Company executing:
    - 22.1.1 a deed of assignment in respect of 80% of Legendre's rights under the E59/2092 Agreement; and
    - 22.1.2 a deed of novation with Legendre and Sayona under which the Company will acquire 80% of Legendre's rights under the E59/2092 Rights Deed,
  - 22.2 in respect of M59/549, E59/2092, P59/2075, P59/2083 and P59/2085, the Company executing a deed of assumption under which:
    - 22.2.1 the Company agrees to be bound by and perform Legendre's obligations under the Royalty Deed; and
    - 22.2.2 Pimlott and Grant consent to the Company assuming the obligations referred to at paragraph 22.2.1 above,

- 22.3 the Company completing a capital raising of not less than the amount required by ASX Limited to allow the Company's securities to be reinstated to trading on the ASX following settlement of Legendre Acquisition (**Capital Raising**);
  - 22.4 shareholder approval of, among other things, the Legendre Acquisition and the Capital Raising;
  - 22.5 conditional approval from the ASX for the reinstatement of the Company's securities to the official list of the ASX on terms and conditions acceptable to the Company; and
  - 22.6 other third party and regulatory approvals required to allow the Company to complete the Legendre Acquisition.
- 23 Either party may terminate the Legendre Acquisition Agreement by written notice to the other party if:
- 23.1 a condition precedent to their benefit becomes incapable of satisfaction; or
  - 23.2 the conditions precedent are not satisfied or waived before 5.00pm on 1 July 2019, except where a party has failed to use their best endeavours to ensure such conditions are satisfied as soon as reasonably practicable.
- 24 In relation to the Legendre Joint Venture, the Legendre Acquisition Agreement provides that the Company:
- 24.1 is the manager of all operations and activities in respect of, and shall have absolute control over all matters pertaining to, the tenements the subject of the joint venture;
  - 24.2 must maintain the tenements the subject of the joint venture in good standing and effect, free from liability to forfeiture;
  - 24.3 must spend, prior to 31 June 2020, a minimum of \$200,000 (including completing a minimum of 2,000 metres of drilling) on the tenements the subject of the joint venture; and
  - 24.4 must sole fund all costs incurred in connection with the tenements the subject of the joint venture and the activities of the joint venture up to a decision to mine (a precondition to which will be the delivery of a definitive feasibility study).
- 25 If the Company fails to comply with the obligations at paragraph 24.2 or 24.3 above, Legendre may terminate the Legendre Acquisition Agreement, following which subject to shareholder approval, the Company must transfer its joint venture interest to Legendre for \$1.00. The Company will remain liable for rehabilitation obligations in relation to all areas disturbed by it prior to termination.
- 26 Following a decision to mine, the Legendre Acquisition Agreement provides that:
- 26.1 the joint venture participants will contribute to joint venture expenditure in proportion to their respective participating interests or, alternatively, Legendre may by written notice to the Company within 21 days of the decision to mine, convert his 20% joint venture interest into:

- 26.1.1 in respect of M59/549, E59/2312, P59/2075, P59/2083 and P59/2085 a 1.5% net smelter royalty in respect of all minerals sold or disposed of by the Company; or
  - 26.1.2 in respect of E59/2092, a 1.5% net smelter royalty in respect of all non-lithium minerals sold or disposed of by the Company,
- together, the **Legendre Royalty**,
- 26.2 in the event that Legendre retains his joint venture interest following a decision to mine:
    - 26.2.1 the joint venture participants will use reasonable good faith endeavours to enter into a formal agreement in respect of a separate development joint venture; and
    - 26.2.2 unless otherwise agreed, if Legendre doesn't contribute to the relevant costs in proportion to his joint venture interest within 60 days of a capital contribution call by the Company, Legendre must transfer all of his interest in the development joint venture to the Company and the Company must grant Legendre the Legendre Royalty.
- 27 A joint venture participant may not sell, assign or dispose of its joint venture interest to a third party unless they first offer that interest to the other party on terms and conditions no less favourable, which offer will be capable of acceptance for a period of 30 days. Neither joint venture participant may assign any of its rights or interests under the Legendre Acquisition Agreement without the other's prior written consent.
  - 28 Subject to complying with certain obligations, including expending a minimum of \$200,000 of the tenements, the Company may withdraw from the joint venture at any time provided that it has fully rehabilitated, to the satisfaction of the Department, all areas disturbed by it during the joint venture. If the Company withdraws from the joint venture it must transfer its joint venture interest to Legendre for \$1.00.

#### **Attgold Acquisition Agreement**

- 29 The Attgold Acquisition Agreement provides for:
  - 29.1 the sale by Attgold, and purchase by the Company or its nominee Oakajee Exploration, of an 80% interest in Attgold's non-lithium mineral rights in respect of E59/2055;
  - 29.2 the formation of an unincorporated joint venture between the Company and Attgold for the purpose of exploring for non-lithium minerals on E59/2055 in which the Company has an 80% participating interest and Attgold has a 20% participating interest (**Attgold Joint Venture**).
- 30 The consideration payable by the Company or its nominee in respect of the sale and purchase referred to in paragraph 29.1 above comprises:
  - 30.1 a \$10,000 deposit to be paid within 3 business days of the execution of the E59/2055 Acquisition Agreement (which was paid on 11 January 2019); and

- 30.2 on settlement of the transaction contemplated by the Attgold Acquisition Agreement (**Attgold Acquisition**), \$25,000 worth of fully paid ordinary shares in the capital of the Company.
- 31 Settlement of the Attgold Acquisition is subject to the satisfaction of certain conditions precedent including, materially:
- 31.1 the Company executing a deed of novation with Attgold and Sayona under which the Company will acquire 80% of Attgold's rights under the E59/2055 Rights Deed;
- 31.2 the Company completing the Capital Raising;
- 31.3 shareholder approval of, among other things, the Attgold Acquisition and the Capital Raising;
- 31.4 conditional approval from the ASX for the reinstatement of the Company's securities to the official list of the ASX on terms and conditions acceptable to the Company; and
- 31.5 other third party and regulatory approvals required to allow the Company to complete the Attgold Acquisition.
- 32 Either party may terminate the Attgold Acquisition Agreement by written notice to the other party if:
- 32.1 a condition precedent to their benefit becomes incapable of satisfaction; or
- 32.2 the conditions precedent are not satisfied or waived before 5.00pm on 1 July 2019, except where a party has failed to use their best endeavours to ensure such conditions are satisfied as soon as reasonably practicable.
- 33 In relation to the Attgold Joint Venture, the Attgold Acquisition Agreement provides that the Company:
- 33.1 is the manager of all operations and activities in respect of, and shall have absolute control over all matters pertaining to E59/2055; and
- 33.2 must sole fund all costs incurred in connection with E59/2055 and the joint venture activities up to a decision to mine (a precondition to which will be the delivery of a definitive feasibility study).
- 34 Following a decision to mine, the Attgold Acquisition Agreement provides that:
- 34.1 the joint venture participants will contribute to joint venture expenditure in proportion to their respective participating interests; or
- 34.2 Attgold may by written notice to the Company within 21 days of the decision to mine, convert its 20% joint venture interest into a 1% net smelter royalty in respect of all non-lithium minerals sold or disposed of by the Company (**Attgold Royalty**);
- 34.3 in the event that Attgold retains its joint venture interest following a decision to mine:

- 34.3.1 the joint venture participants will use reasonable good faith endeavours to enter into a formal agreement in respect of a separate development joint venture; and
- 34.3.2 unless otherwise agreed, if Attgold doesn't contribute to the relevant costs in proportion to its joint venture interest within 60 days of a capital contribution call by the Company, Attgold must transfer all of its interest in the development joint venture to the Company and the Company must grant Attgold the Attgold Royalty.
- 35 A joint venture participant may not sell, assign or dispose of its joint venture interest to a third party unless they first offer that interest to the other party on terms and conditions no less favourable, which offer will be capable of acceptance for a period of 30 days. Neither joint venture participant may assign any of its rights or interests under the Attgold Acquisition Agreement without the other's prior written consent.
- 36 The Company may withdraw from the joint venture at any time. If the Company withdraws from the joint venture it must transfer its joint venture interest to Attgold for \$1.00.

## **PART B – WA ASSETS**

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### **Ownership**

- 37 In respect of the Paynes Find Project, the Company or its nominee Oakajee Exploration is:
- 37.1 subject to the consent of the Minister for Mines, entitled to become the registered holder and beneficial owner as tenant in common of 80% of M59/549;
- 37.2 subject to either the consent of the Minister for Mines or the passing of the first year of the licence, entitled to become the registered holder and beneficial owner as tenant in common of 80% of E59/2312;
- 37.3 entitled to become the registered holder and beneficial owner as tenant in common of 80% of P59/2075, P59/2083 and P59/2085;
- 37.4 entitled to become the beneficial owner as tenant in common of 80% of the non-lithium mineral rights in respect of E59/2092; and
- 37.5 entitled to become the beneficial owner as tenant in common of 80% of the non-lithium mineral rights in respect of E59/2055.
- 38 Details of the Assets are set out in Schedule 1.
- 39 As recorded in Schedule 1, the WA Tenements are subject to the following encumbrances:
- 39.1 absolute caveats in favour of Oakajee Exploration in respect of 80/100 shares in M59/549, E59/2312, P59/2075, P59/2083 and P59/2085 held by Legendre;
- 39.2 a consent caveat in favour of Oakajee Exploration in respect of 100/100 shares in E59/2055 held by Sayona; and
- 39.3 a consent caveat in favour of Oakajee Exploration in respect of 80/100 shares in E59/2092 held by Sayona and 20/100 shares in E59/2092 held by Legendre.

### Mining leases – rights and obligations

- 40 A mining lease under the *Mining Act 1978* (WA) authorises the registered holder:
- 40.1 to use and occupy the land the subject of the lease;
  - 40.2 to mine for minerals on that land;
  - 40.3 to dispose of the minerals mined from that land;
  - 40.4 to take and divert water from that land; and
  - 40.5 to do all acts and things necessary to effectively carry out mining operations.
- 41 The registered holder of a mining lease owns all minerals lawfully mined from the land the subject of the lease.
- 42 Mining leases are granted by the Minister for an initial term of 21 years. In the final year of the initial term, the registered holder has an option to renew the mining lease for a further term of 21 years. Subsequently, the Minister may renew the term of the mining lease for successive periods of not more than 21 years.
- 43 The holder of a mining lease is obliged:
- 43.1 to pay all rents and royalties due under the lease; and
  - 43.2 unless exempt, to expend a minimum amount in connection with mining on the mining lease in excess of the prescribed annual expenditure commitment.
- 44 Failure to comply with these obligations may result in forfeiture of the mining lease or the imposition of a penalty.
- 45 Details of the rent and minimum expenditure commitment for M59/549 is set out in Schedule 1.
- 46 The Searches indicate that the annual rent for M59/549 has been paid in full for the current year. As set out in Schedule 1, Legendre has met the minimum expenditure commitment on M59/549 for the most recent reporting year.
- 47 Mining leases are subject to various other conditions, including standard conditions for the protection of the environment and certain third party interests in land.
- 48 The conditions of M59/549 required a Mine Closure Plan to be submitted to the Department in 2014. We are instructed that a Mine Closure Plan was not submitted by the required date, but that an updated Mine Closure Plan was prepared and lodged with the Department in December 2018. Accordingly, while the Department is empowered to impose a penalty (including forfeiture) in respect of this failure, we consider this is unlikely.
- 49 On the basis of the Searches, we are not aware of any unusual or onerous conditions imposed in respect of the mining lease and, subject to the qualification noted at paragraph 48 above, nor are we aware of any material non-compliance with the conditions of the mining lease.



### Exploration licences – rights and obligations

- 50 Subject to certain statutory approvals, an exploration licence under the *Mining Act 1978* (WA) authorises the registered holder:
- 50.1 to enter the land the subject of the licence;
  - 50.2 to explore that land;
  - 50.3 to remove mineral bearing substances from that land to a prescribed limit; and
  - 50.4 to take and divert water from that land.
- 51 Exploration licences are granted by the Minister for an initial term of five years. The Minister may, if satisfied that any one of several prescribed grounds for extension exist, extend the term of an exploration licence:
- 51.1 by one period of five years; and
  - 51.2 by a further period or periods of two years.
- 52 The prescribed grounds for extension are set out in the *Mining Regulations 1981* (WA) and include:
- 52.1 difficulties or delays occasioned by law, arising from the requirements of governmental or other authorities, political and environmental requirements, the conduct of an Aboriginal heritage survey on the land or in obtaining requisite consents or approvals or in gaining access to the land;
  - 52.2 that the land the subject of the licence has been unworkable for the whole or a considerable part of any year of the term; and
  - 52.3 that the work carried out under the exploration licence justifies further exploration.
- 53 The holder of an exploration licence has the right to apply for, and have granted, one or more mining leases or general purposes leases in respect of the land the subject of the licence. The right to grant of a mining lease is subject to the *Mining Act 1978* (WA), which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 54 Where the holder of an exploration licence applies for a mining lease or general purpose lease over that land, the exploration licence continues in force until the application for a lease has been determined.
- 55 The holder of an exploration licence is obliged:
- 55.1 to pay an annual rent;
  - 55.2 unless exempt, to expend a minimum amount in connection with exploration on the exploration licence in excess of the prescribed annual expenditure commitment; and
  - 55.3 to surrender 40% of the number of blocks subject to the exploration licence within six years after the date of grant.

- 56 Failure to comply with these obligations may result in forfeiture of the exploration licence or the imposition of a penalty.
- 57 Details of the rent and minimum expenditure commitments for each of the exploration licences comprising part of the Assets are set out in Schedule 1.
- 58 The Searches indicate that the annual rent for each of the exploration licences has been paid in full for the current year. As set out in Schedule 1, the relevant holder of the exploration licences has met the minimum expenditure commitments on all the Assets for the most recent reporting year.
- 59 Exploration licences are subject to various other conditions, including standard conditions for the protection of the environment and certain third party interests in land. On the basis of the Searches, we are not aware of any unusual or onerous conditions, nor any material non-compliance with the conditions, of the exploration licences.

#### **Prospecting licences – rights and obligations**

- 60 A prospecting licence under the *Mining Act 1978* (WA) authorises the holder:
- 60.1 to enter the land the subject of the licence;
  - 60.2 to prospect for minerals on that land;
  - 60.3 to remove mineral bearing substances from that land to a prescribed limit; and
  - 60.4 to take and divert water from that land.
- 61 Prospecting licences are granted by the Minister for an initial term of four years. The Minister may, if satisfied that any one of several prescribed grounds for extension exist, extend the term of an prospecting licence:
- 61.1 by one period of four years; and
  - 61.2 if the licence has retention status, by a further period or periods of four years.
- 62 The prescribed grounds for extension are set out in the *Mining Regulations 1981* (WA) and include:
- 62.1 difficulties or delays occasioned by law, arising from the requirements of governmental or other authorities, political and environmental requirements, the conduct of an Aboriginal heritage survey on the land or in obtaining requisite consents or approvals or in gaining access to the land;
  - 62.2 that the land the subject of the licence has been unworkable for the whole or a considerable part of any year of the term; and
  - 62.3 that the work carried out under the prospecting licence justifies further prospecting.
- 63 The holder of a prospecting licence has the right to apply for, and have granted, one or more mining leases or general purposes leases in respect of the land the subject of the licence. The right to grant of a mining lease is subject to the *Mining Act 1978* (WA), which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.

- 64 Where the holder of a prospecting licence applies for a mining lease or general purpose lease over that land, the prospecting licence continues in force until the application for a lease has been determined.
- 65 The holder of a prospecting licence is obliged:
- 65.1 to pay an annual rent; and
  - 65.2 unless exempt, to expend a minimum amount in connection with mining on the prospecting licence in excess of the prescribed annual expenditure commitment.
- 66 Failure to comply with these obligations may result in forfeiture of the prospecting licence or the imposition of a penalty.
- 67 Details of the rent and minimum expenditure commitments for each of the prospecting licences comprising part of the Assets are set out in Schedule 1.
- 68 The Searches indicate that the annual rent for each of the exploration licences has been paid in full. As set out in Schedule 1, Legendre has met the minimum expenditure commitments on all the Assets for the most recent reporting year.
- 69 Prospecting licences are subject to various other conditions, including standard conditions for the protection of the environment and certain third party interests in land. On the basis of the Searches, we are not aware of any unusual or onerous conditions, nor any material non-compliance with the conditions, of the prospecting licences.

#### **Concurrent interests**

- 70 Mining tenements under the *Mining Act 1978* (WA) are exclusive only for the purposes for which they are granted and, where granted in respect of Crown land, are capable of co-existing:
- 70.1 in the case of miscellaneous licences, with other mining tenements;
  - 70.2 in the case of special prospecting licences for gold, with prospecting licences, exploration licences and mining leases; and
  - 70.3 in all cases, with pastoral leases, native title, Crown reserves and public infrastructure.

#### *Mining tenements*

- 71 Under the *Mining Act 1978* (WA), where two mining tenements coexist, the subsequent tenement is deemed to be granted subject to a reservation of the rights of the prior tenement.
- 72 In practice, in the absence of agreement to the contrary, this means that activities under the prior tenement are entitled to priority in the event of any conflict or interference.
- 73 Special prospecting licences are granted subject to a number of additional conditions, including that:
- 73.1 the area of the licence must not exceed 10 Ha;
  - 73.2 mining may only be carried out to a depth of 50m below the surface, except with the consent of the holder of the prior tenement and the Minister;

- 73.3 the holder may only prospect for gold and shall not, without the Minister's consent, excavate or remove more than a total of 500 tonnes of earth during the life of the licence;
- 73.4 the licence may only be granted for a period of up to four years; and
- 73.5 a special prospecting licence granted for a period of four years may at any time be converted to a mining lease for gold, the land the subject of which upon grant will be excised from the prior tenement.
- 74 As noted in Schedule 1, at the date of this report 0.23% of the land the subject of E59/2092 was the subject of special prospecting licence application P59/2181-S.
- 75 We are instructed that the land the subject of P59/2181-S is not in an area considered prospective by the Company, and that the company does not intend to conduct exploration activities on the land the subject of P59/2181. On this basis, the Company does not intend to object to the grant of this application or seek to enter into an access agreement in respect of it.
- 76 In the event P59/2181-S is granted, it will be granted subject to the restrictions noted in paragraph 73 above.

*Pastoral leases*

- 77 Under the *Mining Act 1978* (WA), the rights of a tenement holder generally have priority over the rights of a pastoral lessee. A pastoral lessee has an entitlement to:
- 77.1 withhold consent to the conduct of activities within 400 meters of the outer edge of any water works, race, dam, well or bore not being an excavation previously made and used for mining purposes by a person other than the pastoral lessee; and
- 77.2 compensation for damage to improvements or loss of earnings from interference with pastoral activities.
- 78 The provision of consent (if required) and payment of compensation (if applicable) is often dealt with by an agreement which also provides for the consent of the pastoral lessee to the grant of the mining tenement.
- 79 E59/2055, E59/2092 and P59/2085 are partially on land the subject of Pullagaroo pastoral lease, held by Sandra Elaine Taylor and Kristofer Timothy Pascoe.
- 80 E59/2055 and E59/2312 are also partially on land the subject of Ninghan pastoral lease, held by Pindiddy Aboriginal Corporation (ICN 1587).
- 81 E59/2092 and P59/2085 are also partially on land the subject of Maranalgo pastoral lease, held by Byron Rhys Parker and Aneika Cecile Briann Parker.
- 82 E59/2312 is also partially on land the subject of Oudabunna pastoral lease, held by William Terrence Cowley, Gregory John Cowley and Roslyn Doreen Cowley.
- 83 We are instructed that there are no Pastoral Compensation Agreements for the purposes of:
- 83.1 procuring consent to the grant of the Paynes Find Project; and
- 83.2 settling any compensation liability arising in relation to the conduct of activities pursuant to the Paynes Find Project.

## PART C – NT ASSETS

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### Ownership

- 84 In respect of the Birrindudu Nickel Project, the Company's wholly-owned subsidiary Oakajee Exploration is the applicant for EL 32051 and EL 32052 and is entitled to become the registered holder and beneficial owner of a 100% interest in any mineral titles granted pursuant to those applications.
- 85 Details of the Assets are set out in Schedule 1.

### Mineral exploration licences – rights and obligations

- 86 Subject to certain statutory approvals, a mineral exploration licence under the *Mineral Titles Act 2010* (NT) authorises the registered holder:
- 86.1 to occupy the land the subject of the title;
  - 86.2 to explore that land to the exclusion of all others;
  - 86.3 to remove mineral bearing substances from that land in amounts reasonably necessary for the evaluation of the potential for mining in the area; and
  - 86.4 to use, take and divert water from that land.
- 87 Mineral exploration licences are granted by the Minister for an initial term of up to six years. The Minister may, if satisfied that grounds for renewal exist, renew the term of a mineral exploration licence by a further period or periods of up to two years.
- 88 The holder of a mineral exploration licence has the exclusive right to apply for, and have granted, one or more mineral exploration licences in retention or mineral leases in respect of the land the subject of the licence. The right to grant of a mineral lease is subject to the *Mineral Titles Act 2010* (NT), which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 89 The holder of an exploration licence is obliged to:
- 89.1 pay annual rent and administration fees;
  - 89.2 carry out the work necessary for the discovery and assessment the potential value of minerals in the title area substantially in accordance with the proposed work program;
  - 89.3 unless the Minister grants a variation, comply with minimum expenditure requirements in connection with exploration on the mineral exploration licence;
  - 89.4 notify the Minister within 28 days of discovering any mineral that may be of economic or scientific interest on the land the subject of the title;
  - 89.5 unless exempt, surrender at least 50% of the number of blocks subject to the mineral exploration licence each second year for the initial term for which the licence is granted; and
  - 89.6 obtain the Minister's consent prior to selling any mineral discovered on the land the subject of the title.

- 90 Failure to comply with these obligations may result in the Minister cancelling the mineral exploration licence or the imposition of a penalty.
- 91 Details of the proposed expenditure commitments for each of the mineral exploration licences comprising part of the Assets are set out in Schedule 1.
- 92 Mineral exploration licences are subject to various other conditions, including standard conditions for the protection of the environment and certain third party interests in land. On the basis of the Searches, we are not aware of any unusual or onerous conditions likely to be imposed in respect of the mineral exploration licences.

#### **Concurrent interests**

- 93 Under the *Mineral Titles Act 2010* (NT) mineral exploration licences are exclusive only for the purposes for which they are granted and, where granted in respect of Crown land, are capable of co-existing with access authorities for infrastructure, pastoral leases, native title, Crown reserves and public infrastructure.

#### *Pastoral leases*

- 94 Under the *Mineral Titles Act 2010* (NT), the rights of a title holder generally have priority over the rights of a pastoral lessee. A pastoral lessee has an entitlement to:
- 94.1 withhold consent to the conduct of activities which may damage or disturb any improvements to the land including any building or structure, road, yard, barrier, pipe, tank or other thing used to store or raise water, garden orchard or plantation; and
- 94.2 compensation for damage to the land or any improvements on the land or loss of earnings from interference with pastoral activities.
- 95 The provision of consent (if required) and payment of compensation (if applicable) may be dealt with by an agreement which also provides for the consent of the pastoral lessee to the grant of the mining tenement.
- 96 EL 32051 is entirely on land the subject of the:
- 96.1 Birrindudu Station (Perpetual Pastoral Lease 1012), held by Heytesbury Pastoral Pty Ltd (ACN 006 503 564);
- 96.2 Inverway Station (Perpetual Pastoral Lease 1112), held by Lavington Pty Ltd (ACN 612 808 036); and
- 96.3 Riveren Station (Perpetual Pastoral Lease 1158), held by Lavington Pty Ltd (ACN 612 808 036).
- 97 EL 30252 is entirely on land the subject of Birrindudu Station (Perpetual Pastoral Lease 1012), held by Heytesbury Pastoral Pty Ltd (ACN 006 503 564).
- 98 We are instructed that there are no Pastoral Compensation Agreements for the purposes of:
- 98.1 procuring consent to the grant of the Birrindudu Nickel Project; and
- 98.2 settling any compensation liability arising in relation to the conduct of activities pursuant to the Birrindudu Nickel Project.

## **PART D – NATIVE TITLE AND ABORIGINAL HERITAGE**

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### **Native title**

- 99 The common law of Australia recognises the proprietary rights and interests of Aboriginal and Torres Strait Islander people arising under traditional laws and customs in relation to their traditional lands and waters.
- 100 These rights and interests will be recognised where the persons claiming to hold those rights and interests can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since non-Indigenous settlement and those rights and interests have not been lawfully extinguished by the grant of rights and interests to other persons.
- 101 The *Native Title Act 1993* (Cth) codifies much of this common law and establishes a framework pursuant to which:
- 101.1 persons claiming to hold native title in land and waters, excluding freehold land and certain other specified categories of land, can have their claims determined by the Federal Court;
- 101.2 persons whose claim demonstrates a *prima facie* case to hold native title are entitled to certain procedural rights in respect of the grant of future rights and interests, including mining tenements, to other persons over that land and waters; and
- 101.3 persons found to hold native title are entitled to compensation in respect of the effect on that native title of the grant to other persons over that land and waters of any rights and interests after the commencement of the *Racial Discrimination Act 1975* (Cth), including any future rights and interests.
- 102 In relation to the grant of mining tenements, the procedural rights referred to at 101.2 above include:
- 102.1 in respect of the proposed grant of exploration tenure, a right to object to the application of the expedited procedure under the *Native Title Act 1993* (Cth) which, unless an objection is upheld, has the effect of permitting the grant of exploration tenure without requiring negotiation in the same manner as for mining leases (described at 102.3 below) and to have that objection heard and determined by the National Native Title Tribunal;
- 102.2 in respect of the proposed grant of infrastructure tenure, a right to object in relation to the impact on native title of the activities proposed to be conducted under that licence, to be consulted in relation to that impact and to have that objection heard and determined by an independent person (in practice, the Chief Magistrate of Western Australia); and
- 102.3 in respect of the proposed grant of mining tenure, an obligation to negotiate in good faith with the tenement applicant and the relevant State with a view to reaching agreement in relation to the grant of that mining tenure, failing which any party to those negotiations may, no earlier than six months after notification of proposed grant, apply to the National Native Title Tribunal for a determination as to whether or not the mining tenure should be granted in the absence of agreement.

- 103 Under the *Native Title Act 1993* (Cth) and the *Mining Act 1978* (WA), liability for payment of compensation referred to at 101.3 above in respect of the grant of a mining tenement falls upon the tenement holder at the time the compensation is determined except:
- 103.1 if the amount is to be paid and held in trust, in which case the liability falls upon the tenement holder at the time payment is required; and
- 103.2 in the event that, at the relevant time, the tenement has been surrendered, forfeited or expired, in which case the liability falls upon the tenement holder immediately prior to that surrender, forfeiture or expiry (as applicable).
- 104 As recorded in Schedule 1, the Federal Court in *CG (Deceased) on behalf of the Badimia People v State of Western Australia (No.2)* [2015] FCA 507 determined that native title does not exist in respect of the land the subject of tenements comprising the Paynes Find Project.
- 105 We are instructed that M59/549 was granted subject to a deed executed on 24 October 2003 between the Badimia, Douglas Ernest Taylor and Paul Ernest Sumpton (the applicants for M59/549). A copy of this deed has not been located, however we consider that:
- 105.1 it is likely that the agreement has been frustrated by the determination that native title does not exist;
- 105.2 in the event that the agreement survived the determination, the Company has not assumed the obligations under the deed.
- 106 Subject to the qualification noted at paragraph 105 above, we are instructed that there are no agreements in place in relation to the quantum of compensation with the Badimia People.
- 107 As detailed in Schedule 1, the land the subject of the NT Applications is not currently the subject of an application for native title, though this does not mean that native title does not exist in respect of this land.
- 108 Grant of the NT Applications will require compliance with the *Native Title Act 1993* (Cth). Notice was given in February 2019 for the proposed grant of EL 32051 and EL 32052 under the expedited procedure of the *Native Title Act 1993* (Cth), with 13 February 2019 being the notification day.
- 109 Under the *Native Title Act 1993* (Cth), parties have until three months after the notification day to take steps to become native title parties in order to obtain the procedural rights outlined at paragraph 102.1 above.

#### **Aboriginal heritage**

- 110 In addition to rights and interests recognised by the *Native Title Act 1993* (Cth), the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth), the *Aboriginal Heritage Act 1972* (WA) and the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) protect places and objects of significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs.

#### *Federal legislation*

- 111 The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) was enacted for the purpose of protecting Aboriginal sites or objects of significance where the protection of those sites or objects under the relevant State legislation is found to be inadequate.



- 112 Under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth), an Aboriginal person or a group of Aboriginal persons may apply to the Minister for a declaration preserving or protecting a specified site or object.
- 113 Before the Minister can make such a declaration, he or she must consult with the relevant State or Territory Minister as to whether the legislative regime of that jurisdiction adequately protects the specified Aboriginal site or objects.

#### *WA Legislation*

- 114 The *Aboriginal Heritage Act 1972* (WA) provides that it is an offence for a person to damage or in any way alter an Aboriginal site protected by that Act, except with the consent of the Minister for Aboriginal Affairs.
- 115 The Registrar of Aboriginal Sites maintains a non-exhaustive register of Aboriginal sites protected by the *Aboriginal Heritage Act 1972* (WA), as well as a record of other heritage places which may have cultural significance to Aboriginal people but either have not yet been assessed for the purposes of the Act or do not satisfy the criteria specified under the Act.
- 116 The practical effect of both the *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Act 1984* (WA) is to require due diligence to be carried out prior to ground-disturbing works for the purposes of identifying whether or not those works may impact on an Aboriginal site. Due diligence will require, at a minimum, a search of the register of Aboriginal sites and, in most cases where the area has not been subject to previous disturbance, conduct of an Aboriginal heritage survey.
- 117 The consent of the Minister must be obtained prior to the conduct of ground-disturbing works that cannot be conducted without disturbing an Aboriginal site.
- 118 Searches of the register maintained by the Department of Planning, Lands and Heritage under the *Aboriginal Heritage Act 1972* (WA) in relation to Aboriginal sites, including any other heritage places, are included in Schedule 1, and indicate that within the boundaries of the tenements comprising the Paynes Find Project there:
- 118.1 are no Aboriginal sites registered under the Act; and
- 118.2 is one other heritage places registered under the Act being the Mt Edon Cairn (26293) in respect of E59/2092.
- 119 In certain circumstances, particularly in the event that the other heritage place referred to at 118.2 above, is found to be an Aboriginal site for the purposes of the *Aboriginal Heritage Act 1972* (WA), the Company may need to seek the consent of the Minister prior to the conduct of any ground-disturbing works.
- 120 We are instructed that no Aboriginal heritage surveys have been undertaken in respect of the land the subject of the Paynes Find Project.

#### *NT Legislation*

- 121 The *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) provides that it is an offence for an unauthorised person to enter onto, remain or work on or use a sacred site, except in accordance with the conditions of an Authority Certificate or a Minister's Certificate permitting that person to do so. It is also an offence to desecrate a sacred site.

- 122 The Aboriginal Areas Protection Authority (**Authority**) maintains a non-exhaustive Register of Sacred Sites protected under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT).
- 123 Under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT), a person who proposes to use or carry out work on land may apply to the Authority for an Authority Certificate. On receipt of an application for an Authority Certificate, the Authority must consult with the custodians of sacred sites on or in the vicinity of the land the subject of the application, that are likely to be affected by the proposed use or work.
- 124 Where:
- 124.1 there is no substantive risk of damage to or interference with a sacred site on or in the vicinity of the land as a result of the proposed work or use of the land; or
- 124.2 agreement is reached between the custodians and the applicant,
- the Authority may issue an Authority Certificate describing the part or parts of the land on which the proposed use or work may proceed, or on which the use or work may not proceed, as well as setting out any conditions applicable to the proposed use or work.
- 125 An applicant for an Authority Certificate may apply to the Minister for review of the Authority's decision.
- 126 The practical effect of the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) is to require due diligence to be carried out prior to ground-disturbing works for the purposes of identifying whether or not those works may impact on a sacred site. Due diligence will require, at a minimum, a search of the register of sacred sites and, in most cases where the area has not been subject to previous disturbance, an application for an Authority or Minister's Certificate in respect of the proposed work.
- 127 Searches of the Register of Sacred Sites maintained by the Authority under the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT) are included in Schedule 1, and indicate that there are no registered sacred sites within the boundaries of the NT Applications.

#### **PART E – STATUTORY APPROVALS**

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- 128 As referred to at paragraphs 4.3 and 48 above, and set out in Schedule 3, a historic Mining Proposal was lodged in respect of M59/549 on 11 July 2010 in respect for the refurbishment of an old shaft to enable further excavation on this mining lease.
- 129 An updated Mine Closure Plan was lodged with the Department in December 2018 for the purpose of enabling the exercise of mining rights under M59/549. This document is pending review and approval by the Department.
- 130 We are not aware of any unusual or onerous conditions, nor any material non-compliance with the conditions of, the Key Approvals.
- 131 Subject to minor ancillary approvals, we consider that all approvals necessary for the conduct exploration activities at the Paynes Find Project have been granted.

## CONCLUSION

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- 132 DLA Piper Australia has given its written consent to the issue of the prospectus with this report in the form and context in which it is included and has not withdrawn its consent prior to the lodgement of the prospectus with the Australian Securities and Investment Commission. This report has been prepared only for the purpose of the prospectus and is not to be relied on for any other purpose.
- 133 This report is given solely 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 relied on or used for any other purpose or quoted or referred to in any public documents or filed with any government body or other person without our prior consent.
- 134 DLA Piper Australia will be paid its normal and usual professional fees for the preparation of this report. Except in respect of its professional fees and otherwise disclosed in the prospectus, DLA Piper Australia has no interest in the promotion of the Company.

Yours sincerely



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**SCHEDULE 1: TENEMENTS**

Tenement	Key details			Term				Financials & Dealings				Concurrent interests			Native title & Aboriginal heritage		
	Holder	Shares	Area (blocks /Ha)	Grant date	Expiry date	Annual Rent ex-GST	Form 5 Due	Minimum expenditure	Mining Rehabilitation Fund	Encumbrances / dealings	Mining tenements	Pastoral lease	Native Title claim/ determination	Native title notification date	Native title completion date	Aboriginal sites/Other heritage places	
WA Tenements																	
M59/549	Bruce Robert Legendre	100	15.13 Ha	20/04/04	19/04/23	\$299.20	18/06/19	\$10,000.00 (\$15,991.00 reported for the year ending 19/04/18)	Rehabilitation Liability Estimate \$32,560.00 (no key payable)	Absolute caveat 549136 registered 12/03/19	-	-	100% WCD2015/001 Badimia People (NT does not exist)	Not available	Not available	No Registered Aboriginal Sites No Other Heritage Places	
E59/2055	Sayona Lithium Pty Ltd	100	15	18/06/15	17/06/20	\$3,300.00	16/08/19	\$30,000.00 (\$23,442.00 reported for the year ending 16/08/19 minimum expenditure for this period was \$20,000.00)	-	Consent caveat 549131 registered 12/03/19	<0.01% P59/2160 (Cervantes Gold Pty Ltd)	42.25% Ninghan (N049518) 28.87% Pallagaroo (N049835)	100% WCD2015/001 Badimia People (NT does not exist)	30/07/14	30/11/14	No Registered Aboriginal Sites No Other Heritage Places	
E59/2092	Bruce Robert Legendre Sayona Lithium Pty Ltd	20/100 80/100	12	21/05/15	20/05/20	\$2,640.00	18/07/19	\$30,000.00 (\$33,352.00 reported for the year ending 20/05/18 minimum expenditure for this period was \$20,000.00)	-	Consent caveat 549132 registered 12/03/19	0.23% P59/2160 (Cervantes Gold Pty Ltd)	95.01% Pallagaroo (N049835) 4% Maranalgo (N049454)	100% WCD2015/001 Badimia People (NT does not exist)	03/12/14	03/04/15	No Registered Aboriginal Sites 1 Other Heritage Place: Mt Eldon Cairn (26203)	
E59/2312	Bruce Robert Legendre	100	9	30/05/18	29/05/23	\$1,224.00	28/07/19	\$20,000.00 (no expenditure reported yet)	-	Absolute caveat 549135 registered 12/03/19	-	67.53% Oudabanna (N049792) 6.68% Ninghan (N049518)	100% WCD2015/001 Badimia People (NT does not exist)	Not applicable (process does not apply)	Not applicable (process does not apply)	No Registered Aboriginal Sites No Other Heritage Places	
P59/2075	Bruce Robert Legendre	100	57.67 Ha	24/03/16	23/03/20	\$159.50	22/05/19	\$2,320.00 (\$7,420.00 reported for the year ending 23/03/18)	-	Absolute caveat 549137 registered 12/03/19	-	-	100% WCD2015/001 Badimia People (NT does not exist)	04/11/15	04/03/16	No Registered Aboriginal Sites No Other Heritage Places	

Key details			Term				Financial & Dealings					Concurrent interests				Native title & Aboriginal heritage		
Tenement	Holder	Shares	Area (blocks/Ha)	Grant date	Expiry date	Annual Rent ex-GST	Form 5 Due	Minimum expenditure	Mining Rehabilitation Fund	Encumbrances / dealings	Mining tenements	Pastoral lease	Native Title claim/ determination	Native title notification date	Native title completion date	Aboriginal sites/Other heritage places		
P59-2083	Bruce Robert Legendre	100	18 Ha	11/07/16	10/07/20	\$49.50	08/09/19	\$5,000.00 (\$10,811.00 reported for the year ending 10/07/18)	-	Absolute caveat 549134 registered 12/03/19	-	-	100% WCD2015/001 Badimia People (NT does not exist)	09/03/16	09/07/16	No Registered Aboriginal Sites No Other Heritage Places		
P59-2085	Bruce Robert Legendre	100	15.34 Ha	11/07/16	10/07/20	\$44.00	08/09/19	\$2,000.00 (\$10,811.00 reported for the year ending 10/07/18)	-	Absolute caveat 549133 registered 12/03/19	-	44.98% Maramago (N0469454) 7.67% Pullaganoos (N0498355)	100% WCD2015/001 Badimia People (NT does not exist)	23/03/16	23/07/16	No Registered Aboriginal Sites No Other Heritage Places		
<b>NT Applications</b>																		
Application EL 23051	Oakajee Exploration Pty Ltd	100	203	(11/12/18)	Six years from the date of grant (proposed)	-	-	\$21,000 (proposed for year 1)	Not applicable	-	-	Birimadulu Station (Perpetual Pastoral Lease 1012) Inverway Station (Perpetual Pastoral Lease 1112) Riverton Station (Perpetual Pastoral Lease 1158)	-	13/02/19	13/06/19	No sacred sites No declared heritage places No Aboriginal archaeological sites		
Application EL 23052	Oakajee Exploration Pty Ltd	100	160	(11/12/18)	Six years from the date of grant (proposed)	-	-	\$17,000 (proposed for year 1)	Not applicable	-	-	Birimadulu Station (Perpetual Pastoral Lease 1012)	-	13/02/19	13/06/19	No sacred sites No declared heritage places No Aboriginal archaeological sites		

**SCHEDULE 2: PUBLIC SEARCHES**

	Search	Date(s)
1.	Mining tenement searches obtained from the register maintained by the Department of Mines, Industry Regulation and Safety (WA)	3 April 2019
2.	Quick Appraisal searches obtained from the TENGRAPH system maintained by the Department of Mines, Industry Regulation and Safety	3 April 2019
3.	Searches of the Register of Native Title Claims and National Native Title Register maintained by the National Native Title Tribunal	5 April 2019
4.	Search of the Native Title Vision system maintained by the National Native Title Tribunal	5 April 2019
5.	Searches of the Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage (WA)	2 and 3 April 2019
6.	Searches of the Mining Rehabilitation Fund (MRF) 2017 Data Release (Mining Activity and Disturbance Data reported by tenement holders for the period ended 30 June 2017, based on data as at 7 August 2017), released by the Department of Mines, Industry Regulation and Safety (WA)	10 December 2018
7.	Mining tenement searches (Ministers Certificates) obtained from the Department of Primary Industry and Resources (NT)	3 April 2019
8.	Email from the Northern Territory Department of Tourism and Culture, Heritage Branch, Parks, Wildlife and Heritage Division regarding Archaeological & Heritage Search results for ELs 32051 and 32052	14 December 2018
9.	Letter from the Aboriginal Areas Protection Authority (NT) – Abstract of Records EL 32051 and EL 32052	19 December 2018
10.	Record of Administrative Interests and Information from the Northern Territory Government	13 December 2018
11.	Email from the National Native Title Tribunal – search request in respect of EL 32051 and EL 32052	3 April 2019



12.	Email from the Department of Primary Industry and Resources (NT) - general land search for EL 32051 and EL 32052	3 April 2019
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### **SCHEDULE 3: KEY APPROVALS**

#### **Part 1: Mining Proposal and Mine Closure Plan**

- 1 Matriarch Project (ID 27540)
- 2 Mine Closure Plan for the Matriarch Gold Mine on M59/549, December 2018, Revision 2  
Version 1 (ID pending)



## SCHEDULE 4: EXCLUSIONS, ASSUMPTIONS AND QUALIFICATIONS

### Exclusions

This report relates only to the ownership of rights and interests in the mining tenements comprising the Assets and specifically excludes any analysis of the ownership of any plant, equipment or other chattels on the land the subject of those mining tenements.

### Assumptions

This report is subject to the following assumptions (in addition to any assumptions expressed elsewhere in this report):

- 1 we have assumed that information provided by third parties, including various government departments, in response to searches and enquiries made by us is accurate, complete and up to date as at the date of its receipt by us;
- 2 we have assumed that the contracts referred to in this report were within the capacity and powers of, and were validly authorised, stamped or lodged for stamping (where necessary), executed, delivered by and are legally binding on and enforceable against the parties to them and comprise the entire agreement of the parties to each of them with respect to their respective subject matters;
- 3 we have assumed that the signatures on the contracts referred to in this report are authentic;
- 4 we have assumed that there are no material documents or information to be provided other than the contracts referred to in this report;
- 5 we have assumed that the parties to each of the contracts referred to in this report are complying with and will continue to comply with and fulfil the terms of each of the contracts referred to in this report; and
- 6 we have assumed the completeness and the conformity to original documents of all copies reviewed.

### Qualifications

This report is subject to the following qualifications (in addition to any qualifications expressed elsewhere in this report):

- 1 in relation to any statement relating to whether a mining tenement is in good standing, such statement is only based on the information contained in the relevant search on the instrument of title for that tenement; and
- 2 where compliance with the terms and conditions of any mining tenements and the provisions of the *Mining Act 1978* (WA) including requirements necessary to maintain the tenements in good standing, or a possible claim in relation to the tenements by third parties is not disclosed on the face of the searches referred to above, we express no opinion as to such compliance or claim.

## 8. RISK FACTORS

The Securities offered under this Prospectus are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities pursuant to this Prospectus.

The below list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Securityholders. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

### 8.1 Specific Risks

- (a) Conditional acquisition and re-compliance with Chapters 1 and 2 of the Listing Rules

#### *Acquisition Conditions*

Completion of the acquisition of the Paynes Find Gold Project is subject to the conditions precedent detailed in Section 10.1. If the Company does not complete an Acquisition, it will, subject to the satisfaction (or waiver) of the applicable conditions precedent, proceed with the other Acquisition. If only one of the Acquisitions completes, the Company's ability to undertake the Public Offer and/ or complete the ASX Re-compliance may be adversely affected. If the Company does not complete both Acquisitions or is otherwise unable to undertake the ASX Re-compliance and complete the Public Offer, the Company will refund all Application Monies (without interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Additional Offers or the Acquisitions.

ASX has advised the Company that if the Company's securities are not reinstated to Official Quotation by 1 July 2019, ASX will remove the Company from the Official List of ASX in accordance with ASX Guidance Note 33. Any transaction the Company intends to undertake will likely involve the ASX Re-compliance.

#### *ASX Re-compliance*

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. The Prospectus is being issued to assist the Company to re-comply with these requirements. The Company's listed Securities will remain suspended until re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from quotation.

- (b) Grant of Tenement Applications

As at the date of this Prospectus, mineral licence applications E32051 and E32052 (together, the **Tenement Applications**) are pending grant from the Northern Territory Department of Primary Industry and Resources. There is no guarantee that the Tenement Applications will be granted, or if they are granted, that they will be granted in their entirety.

The Tenement Applications have been validly made and the Company is not aware of any further requirements for these applications as required by Northern Territory

Department of Primary Industry and Resources. If the Tenement Applications are not granted, the Company will not acquire an interest in these tenements.

(c) Single Asset Risk

Until the tenements comprising the Birrindudu Nickel Project are granted, the Company's sole asset, following Shareholders approving a change in nature and scale of activities and completion of the Acquisitions, will be its interest in the Paynes Find Gold Project. Although the Company will continue to identify and investigate new acquisition opportunities that may provide commodity and or jurisdictional diversification benefits to the Company, it is currently anticipated that the Company's main focus upon completion of the Acquisition and until the grant of the Birrindudu Nickel Project will be the Paynes Find Gold Project. The Company's focus on a single asset increases the Company's exposure to risks inherent in mineral exploration. There can be no guarantee that the tenements comprising the Birrindudu Nickel Project will be granted on terms acceptable to the Company or at all.

(d) Contractual Risk

The Company's 80% interest in the non-lithium mineral rights in respect of E59/2092 and E59/2055 forming part of the Paynes Find Gold Project will exist pursuant to the Pegmatite Rights Deeds (as novated to Oakajee Exploration pursuant to the Deeds of Novation) (refer to Section 10.2 for further details). The ability of the Company to achieve its stated objectives will depend on the performance by the Company, the Vendors and Sayona of their respective obligations under the relevant agreements (refer to Sections 7 and 10.2 for more details in relation to the obligations of the parties). If any party defaults in the performance of its obligations, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company.

There is also a risk that either party may object to the commencement of mining operations over an area covering the relevant tenement. In this event, either party may refer the matter to be determined by an independent expert to resolve the dispute to the mutual advantage of the parties, and to facilitate the effective operations of both of the parties (in accordance with the Pegmatite Rights Deeds).

(e) Commercial risks of mineral exploration and extraction

The Paynes Find Gold Project and, once granted, the Birrindudu Nickel Project, are at early stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Projects or any other tenements that may be acquired in the future, will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit, there is no guarantee that the mineral deposit can be economically exploited.

(f) New projects and acquisitions

The Company may make acquisitions in the future as part of future growth plans. In this regard, the Directors will use their expertise and experience to assess the value of potential acquisition opportunities that have characteristics that are likely to provide returns to shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in the use of the Company's cash resources and issuances of equity securities, which might involve a substantial dilution to Shareholders.

(g) Future capital requirements

The Company's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised by the Public Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Public Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or if at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(h) Title risk

The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including compliance with the Company's work program requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Although the Company has no reason to think that the tenements in which it proposes to acquire an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. Failure to maintain (or renew) the tenements in which the Company has or acquires an interest may have a material adverse effect on the Company's activities. However, the Company will keep up with the minimum expenditure requirements in order to mitigate the risk of non-renewal.

The Company intends to apply for extensions to the exploration licenses pursuant to the *Mining Regulations 1981 (WA)* and the Company does not see any reason why these extensions will not be granted (further details in relation to the renewal of the exploration licenses are discussed in Section 7).

(i) Exploitation, exploration and mining licences

The Company's mining and exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licenses, which may be withdrawn or made subject to limitations. The maintaining of licenses, obtaining renewals, or getting licenses granted, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the licenses, tenements, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith. Failure to obtain (or renew) such may have a material adverse effect on the Company's activities.

(j) Mining Licence M59/549 (Panyes Find Gold Project)

The conditions of grant of M59/549 required a mine closure plan (**Mine Closure Plan**) to be submitted to the DMIRS in 2014. The Company understands that a Mine Closure Plan was not submitted by the required date, but that an updated Mine Closure Plan was prepared and lodged with the DMIRS in December 2018.

Accordingly, the Department is empowered to impose a penalty (including forfeiture) in respect of this failure. Refer to the Solicitor's Report in Section 7 for further details and the likelihood of such penalty being imposed by the DMIRS.

(k) Commodity price volatility

As future revenues will primarily be derived from the sale of gold and nickel and any other commodity which the Company may produce, any future earnings will be closely related to the price of those commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers, and production cost levels in major producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(l) Environmental risk

The Paynes Find Project is and, once granted, the Birrindudu Nickel Project will likely be, subject to certain regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(m) Joint venture parties, agents and contractors

There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity, including in respect to the Legendre Sale Agreement and the Attgold Sale Agreement.

(n) Change in regulations

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia that affect mineral mining and exploration activities, tax

laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's exploration.

(o) Dilution risk

Future equity offerings by the Company may dilute the percentage ownership of the Company by existing Shareholders. In certain circumstances, securities issued by the Company in the future may have rights, preferences or privileges attached to them that are senior to, or otherwise adversely affect, those attached to the Shares.

(p) Equipment risk

The operations of the Company could be adversely affected if essential equipment fails or becomes unavailable to access in a timely manner.

(q) Third Party Risk

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

(r) Litigation

The participation by the Company in the mineral industry may expose the Company to possible litigation risks, including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

The Company is not presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company may arise.

## 8.2 Industry Specific Risks

(a) Nature of Mineral Exploration and Mining

The business of mineral exploration, development and production is subject to risk by its nature. The success of the business depends, inter alia, on successful exploration and/or acquisition of resources and reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, land claims and unforeseen mining problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's attempts to exploit its exploration activities will be successful.

(b) Operational Risks

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

### 8.3 General Risks

(a) Securities investments

There are risks associated with any securities investment. The prices at which the Shares trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Securities regardless of the Company's operational performance.

(b) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but are not limited to:

- (i) general economic conditions;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (viii) natural disasters, social upheaval or war.

(c) Share market

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;

(vi) the demand for, and supply of, capital; and

(vii) terrorism or other hostilities.

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

(d) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(e) Macro-economic risks

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:

(i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

(ii) increases in expenses (including the cost of goods and services used by the Company);

(iii) new or increased government taxes, duties or changes in taxation laws; and

(iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(f) Broader general risks

There are also a number of broader general risks which may impact the Company's performance. These include:

(i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and

(ii) higher than budgeted costs associated with the provision of service offerings.

(g) Accounting standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

#### **8.4 Investment highly Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

The Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities.



## **9. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE**

### **9.1 Directors and Directors' Profiles**

There will be no change to the Board as a result of the Acquisitions and the Offers.  
Details of the qualifications and experience of each of the Directors is set out below.

#### **Mr Mark Jones (Managing Director)**

Mr Jones was previously a Non-Executive Director (Private Clients) of Patersons Securities Limited, one of the largest stockbroking firms in Australia and is currently the Chairman of Santa Fe Minerals Limited. He was instrumental in raising capital for many exploration companies from IPO to production and brings over 25 years' of mining and stock market experience. He was previously Chairman of Kore Potash PLC (formerly Elemental Minerals Ltd) where he oversaw the exploration and early stage development of the Sintoukola Potash Project in the Republic of Congo.

#### **Mr Douglas Rose (Non-Executive Director)**

Mr Rose is currently the Managing Director of Santa Fe Minerals Limited where he oversaw the restructure and consequent ASX reinstatement of Santa Fe in 2017. Mr Rose was previously a Private Client Adviser with Patersons Securities Limited. He holds a Bachelor of Commerce degree from Curtin University and has over 12 years' experience in the financial services industry.

Mr Rose held the position of Non-Executive Director of the Company from July 2015 to July 2017.

#### **Mr Garry Thomas (Non-Executive Director)**

Mr Thomas is a Civil Engineer with over 34 years' experience in civil construction, mine development and operations. He has been involved in the implementation of mining operations in Australia, Indonesia, Laos, Russia, Zimbabwe, Ghana, Zambia, South Africa, Algeria, Mexico and Mali. He has managed the construction and commissioning of over 20 CIL/CIP, flotation and heap leach plants in Australasia, Russia and Africa as well as many plant upgrades. Mr Thomas was instrumental in the procurement and development of Elemental Minerals Limited's Potash project in West Africa. He was also the founding Managing Director of Internet Engineering Pty Limited, a minerals processing engineering Company, since its inception in Australia in 2001 to its sale in 2008.

#### **Mr Gary Watson (Non-Executive Director)**

Mr Watson has over 15 years' of extensive experience in the resources, finance and energy infrastructure industries. He has worked in a number of different roles, with particular emphasis on technical and economic project evaluation. Mr Watson has a unique view of the resources industry having worked in a variety of mining methods in iron ore, gold and nickel mines, coupled with his experience as an Equity Analyst at Canaccord Genuity. He holds a Bachelor of Commerce degree from Curtin University and is a CFA Charterholder.

### **9.2 Key Management**

With effect from Completion, the Directors will be the persons having the authority and responsibility for planning, directing and controlling the major activities of the Company.

### **9.3 Interests of Directors**

No Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or

- (c) the Offers,  
and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:
- (d) any Director to induce him to become, or to qualify as, a Director; or
- (e) any Director for services which he (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers,  
except as disclosed in this Prospectus.

## 9.4 Director Holdings

As at the date of this Prospectus, the interests of the Directors and their associated entities in Securities are as follows:

Director	Shares	Options
Mark Jones	6,251,144 <sup>1</sup>	Nil
Douglas Rose	2,929,099 <sup>2</sup>	Nil
Garry Thomas	6,333,334 <sup>3</sup>	Nil
Gary Watson	Nil	Nil

### Notes:

- These Shares are held by Dog Meat Pty Ltd, an entity controlled by Mr Mark Jones.
- These Shares are held by Parabolica Capital Pty Ltd <TABAC A/C> an entity controlled by Mr Douglas Rose.
- 4,833,334 Shares are held jointly by Mr Garry William Thomas and Mrs Nancy Lee Thomas and 1,500,000 Shares are held by Mrs Nancy Lee Thomas, Mr Garry Thomas' spouse.

## 9.5 Remuneration of Directors

The remuneration (including superannuation) of the Directors for the past two financial years and for this financial year is as follows:

Director	Financial Year ending 30 June 2018 to date	Financial Year ending 30 June 2018	Financial Year ending 30 June 2017
Mark Jones	\$73,000	\$109,500	\$109,500
Douglas Rose <sup>1</sup>	\$14,441	\$2,084	\$25,000
Garry Thomas	\$16,667	\$25,000	\$25,000
Gary Watson <sup>2</sup>	\$16,667	\$22,916	-
<b>TOTAL</b>	<b>\$120,775</b>	<b>\$159,500</b>	<b>\$159,500</b>

### Notes:

- Mr Rose resigned on 30 July 2017 and was reappointed on 16 October 2018.
- Mr Watson was appointed on 1 August 2017.

## 9.6 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management, and monitoring the achievement of these goals.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The table in Section 9.7 provides a summary and explanation of the Company's departure from the Recommendations. The Company will also provide an explanation of any departures from the Recommendations in its future annual reports.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below. All of the Company's corporate governance policies are available on the Company's website at <http://www.oakajeecorp.com.au>.

(a) Board charter

The Board has adopted a board charter which prescribed certain principles for the operation and structure of the Board, including its specific responsibilities and composition, the role of the Chairman, the role, composition and creation of Board committees, Board meetings and the role of the Company Secretary. The charter also establishes certain principles and procedures in accordance with which the Board is required to act including allowance and limitations to access by Directors to company information and professional advice and the Board disclosure policy, and allocates the functions of the Company between the Board and management of the Company, including outlining the relationship between the Board, Directors and management.

(b) Code of conduct

The Board has adopted a code of conduct which sets basic principles of ethical business conduct and duties of care to which the directors, officers and employees of the Company must adhere. The code of conduct also establishes principles regarding conflicts, public and media comment and proper use of company resources, security and information, including intellectual property or copyright materials. Occupational health and safety policies, the requirement to comply with legislation and prohibitions on insider trading are also outlined in the code of conduct. The code of conduct acknowledges the Company's responsibilities to stakeholders and a commitment to fair trading practices. Reference is made in the code of conduct to breaches of the code of conduct and the process for reporting matters of concern.

(c) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value and serve the interests of the shareholders honestly;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities;
- (iii) ensure compliance with the Company's legal and regulatory objectives; and
- (iv) recognise its duties and responsibilities to its employees, customers and the community.

Consistent with these goals, the Board assumes the following specific responsibilities:

- (i) appointment, and where necessary, the replacement, of the Chief Executive Officer/Managing Director/Executive Director and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (ii) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (v) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (vi) approving the annual, half yearly and quarterly accounts;
- (vii) approving significant changes to the organisational structure;
- (viii) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the Listing Rules if applicable);
- (ix) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (x) approving the Company's remuneration framework;
- (xi) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (xii) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Listing Rules if applicable); and
- (xiii) meeting with the external auditor, at their request, without management being present.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board's discussions on a fully-informed basis. All Directors have unrestricted access to information except where the Board restricts access in the Company's interest, and may consult management and employees, as well as seek independent advice where necessary.

It is the role of management to support the Board in day to day operations and administration.

(d) Composition of the Board

Election of Directors is substantially the province of the Shareholders in a general meeting.

However, subject thereto, the Company is committed to the following principles:

- (i) the Board is to comprise of persons with a blend of skills, experience and attributes appropriate for the Company and its business;
- (ii) the principal criterion for the appointment of a new director is his or her ability to add value to the Board, the Company and its business;
- (iii) where practical, the majority of the Board is comprised of Non-Executive Directors, and where practical the majority will be independent in accordance with the definition set out in the Recommendations. Directors must disclose their interests, positions, associations or relationships and

should have their independence reassessed regularly by the Board. The independence of each Director will be disclosed by the Board, and any change to this independence must be disclosed to the Board, and subsequently by the Board to the market; and

- (iv) Board members (except for the Managing Director) cannot serve more than 3 years without being re-elected by the Shareholders and the Board must disclose the length of service of each Director, their qualifications and experience.

Prior to proposing re-election of Non-Executive Directors, their performance will be evaluated by the Nomination Committee. The role of the Nomination Committee is currently performed by the Board, rather than a separate committee.

- (e) Board Meetings

Two Directors are required for a quorum. Formal Board meetings will be scheduled at least quarterly. Minutes of meetings shall be prepared by the Company Secretary and approved by the Chairman before being circulated after each meeting. Specific details regarding Board meetings are in the Company's Constitution.

- (f) Board Committees

The Board committees are discussed in detail at (d), (m) and (p) of this Section 9.6. Committees will be established by the Board, have their own Board-approved terms of reference, and report to the Board. Where the Board feels a separate committee does not benefit the Company, the Board assumes the role of that committee.

- (g) The Chairman

The Chairman, where practical, shall be an independent Non-Executive Director, and where practical the CEO/Managing Director should not be the Chairman. The Chairman must discharge the role effectively, ensure responsible leadership by the Board, set the Board's agenda, conduct Board and Shareholder meetings, and facilitate effective Director contributions and promote good relations between Board members and management.

- (h) Company Secretary

The Company Secretary is accountable directly to the Board, and her role is to facilitate information flow, induction of directors, implementation of Board policies and procedures and advise the Board on corporate governance, the Constitution, Listing Rules and other matters and laws. The Company Secretary is appointed and removed by the Board.

- (i) Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

- (j) Continuous disclosure policy

The Board has adopted a continuous disclosure policy to ensure the Company complies with its disclosure obligations.

Under the policy, the Board has primary responsibility for ensuring the Company complies with its continuous disclosure obligations.

- (k) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

- (l) Independent professional advice
- Subject to prior consultation with the Chairman, the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.
- (m) Remuneration Committee
- Due to the size of the Board following Completion, it will not be possible for the Company to maintain a discrete Remuneration Committee. Accordingly, the responsibilities ordinarily ascribed to a Remuneration Committee will be subsumed by the Board.
- The Board will decide the remuneration of an Executive Director without the affected Executive Director participating in the decision making process. Meetings will take place at least once per year, and can occur more frequently if the circumstances require.
- The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Director's remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.
- In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval (i.e. non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.
- Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.
- The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Director's time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.
- (n) Trading policy
- The Board has adopted a security trading policy that provides guidelines on the sale and purchase of Securities by Directors, officers, and other key management personnel and employees of the Company and their associates. The security trading policy prohibits trading during certain designated periods, subject to certain exemptions. The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.
- (o) Risk management policy
- The Board is responsible for determining the Company's risk profile and overseeing and approving risk management strategy.
- (p) Audit & Risk Committee
- Due to the size of the Board following Completion, it will not be possible for the Company to maintain a discrete Audit & Risk Committee. Accordingly, the responsibilities ordinarily ascribed to an Audit & Risk Committee will be subsumed by the Board.
- The responsibilities include, but are not limited to, monitoring and reviewing the quality and integrity of financial reporting and disclosure practices, internal auditing, the Company's compliance with applicable laws and company policies, the

performance and independence of external auditors, the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function.

(q) Diversity policy

The Company is committed to a diverse and inclusive workforce across a wide range of workforce demographics that extends beyond gender. The Board considers that due to the size of the Company, formally documenting the policy concerning gender diversity and the setting of measurable diversity objectives is not appropriate.

The Company provides equal employment opportunities to men and women at all times. Measurable objectives will be considered by the Board when the Company becomes of a size that warrants such objectives. Once established, the Board will review progress against any objectives identified on an annual basis.

(r) Shareholder communications

The Board aims to ensure that Shareholders are informed of developments affecting the Company, both internally and externally. The Company will inform shareholders of new developments through:

- (i) the ASX website, where shareholders can access the annual report, half yearly and quarterly reports, notices and explanatory memoranda of the annual general and general meetings and all other disclosures and announcements made to the ASX by the Company;
- (ii) the Company's website, where links will be made to ASX documents, Director profiles, corporate governance policies and press releases; and
- (iii) the annual general meeting.

## 9.7 Departures from the Recommendations

The Company's departure from the Recommendations as at the date of this Prospectus is detailed in the table below.

Principles and Recommendations	Explanation for Departure
<p><b>Recommendation 1.5</b></p> <p>A listed entity should have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them.</p>	<p>The Company is committed to a diverse and inclusive workforce across a wide range of workforce demographics that extends beyond gender. The Board considers that due to the size of the Company, formally documenting the policy concerning gender diversity and the setting of measurable diversity objectives is not appropriate.</p> <p>The Company provides equal employment opportunities to men and women at all times. Measurable objectives will be considered by the Board when the Company becomes of a size that warrants such objectives. Once established, the Board will review progress against any objectives identified on an annual basis</p>
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should have a nomination committee.</p>	<p>The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification or attributes required in new Directors. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.</p>
<p><b>Recommendation 2.4</b></p>	<p>The Board does not have a majority of directors who are independent, primarily due to their substantial</p>

Principles and Recommendations	Explanation for Departure
<p>A majority of the board of a listed entity should be independent directors.</p>	<p>shareholdings in the Company and/or their executive capacity with the Company.</p> <p>All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities and bring independent judgments to bear on their decisions.</p> <p>The following measures are in place to ensure the decision making process of the Board is subject to independent judgments:</p> <ul style="list-style-type: none"> <li>• a standard item on each Board Meeting agenda requires Directors to focus on and declare any conflicts of interest in addition to those already declared;</li> <li>• Directors are permitted to seek the advice of independent experts at the Company's expense, subject to the approval of the Chairman;</li> <li>• all Directors must act at all times in the interest of the Company; and</li> <li>• Directors meet as required independently of executive management.</li> </ul>
<p><b>Recommendation 2.5</b></p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>There is currently no formal Chairman of the Board. Mr Mark Jones, the Managing Director of the Company, is acting Chairman in the interim. An independent director will take over the role of acting Chairman if Mr Jones is unable to act in that capacity as a result of his lack of independence.</p>
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should have an audit committee of at least three members that are non-executive directors.</p>	<p>The Board has not established a separate Audit Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee.</p> <p>Accordingly, the Board performs the role of Audit Committee and performs the following responsibilities:</p> <ul style="list-style-type: none"> <li>• reviewing and approving statutory financial reports and all other financial information distributed externally;</li> <li>• monitoring the effective operation of the risk management and compliance framework;</li> <li>• reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations;</li> <li>• the nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and</li> <li>• considering whether non audit services provided by the external auditor are consistent with maintaining the external auditor's independence.</li> </ul>
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should</p>	<p>The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no</p>



Principles and Recommendations	Explanation for Departure
<p>have a risk committee.</p>	<p>efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Audit and Risk Committee.</p> <p>The Board is responsible for effective oversight and management of risks, including but not limited to identification of principal risks and effective management of those risks. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit and Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.</p>
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should have a remuneration committee.</p>	<p>The Board has not established a separate Remuneration Committee. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee.</p> <p>The full Board approves all management remuneration including the allocation of options (if any) and involves itself in the nomination, selection and retirement of Directors. No Director may be involved in setting their own remuneration or terms and conditions and in such a case relevant Directors are required to be absent from the full Board discussion.</p> <p>The Board seeks to ensure that collectively its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It shall review the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operation of the Company.</p>

## 10. MATERIAL CONTRACTS

### 10.1 Sale Agreements

On 18 January 2019, the Company announced it had entered into two binding conditional agreements to acquire the Paynes Find Gold Project, comprising:

- (a) a binding agreement with Mr Bruce Robert Legendre (**Legendre**) to acquire:
  - (i) an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and
  - (ii) an 80% interest in the non-lithium mineral rights in respect of E59/2092, (**Legendre Sale Agreement**); and
- (b) a binding agreement with Attgold Pty Ltd (**Attgold**) to acquire an 80% interest in the non-lithium mineral rights in respect of E59/2055 (**Attgold Sale Agreement**).

Following Completion, the Company and the relevant Vendor will form an unincorporated joint venture for the purpose of exploration and development of the relevant part of the Paynes Find Gold Project. The Company will be manager and have control over all operations pertaining to the Paynes Find Gold Project.

If the Company does not spend a minimum of \$200,000 (including 2,000 metres of drilling) in aggregate, by way of drilling on M59/549, P59/2075, P59/2083, P59/2085, E59/2092 and/or E59/2312 by 30 June 2020, those tenements will be transferred back to Legendre for nominal consideration, subject to any required shareholder approvals.

The Vendors will be free-carried until the Company makes a decision to mine (on an area the subject of a definitive feasibility study) following which the relevant Vendor may either:

- (a) contribute pro-rata to the development expenditure; or
- (b) convert their 20% interest in relevant tenements into a 1.5% net smelter return royalty (**NSR Royalty**) (other than with respect to E59/2055 which may be converted into a 1% NSR Royalty),

such that the Company will increase its respective interest to 100%, with respect to the area the subject of a decision to mine.

If an Acquisition does not complete by 1 July 2019, (or such other date as agreed between the Company and the relevant Vendor):

- (a) the relevant Vendor will retain all monies paid by the Company to date; and
- (b) the relevant agreement will terminate.

The Company and the Vendors have provided other warranties, covenants and indemnities, which are customary for transactions of this nature.

#### **Consideration**

The consideration payable by the Company for the Acquisitions is as follows:

Vendor	Interest in Paynes Find Gold Project to be acquired	Consideration
Legendre	<ul style="list-style-type: none"><li>- an 80% interest in M59/549, P59/2075, P59/2083, P59/2085 and E59/2312; and</li><li>- an 80% interest in the non-lithium mineral rights in respect of</li></ul>	<ul style="list-style-type: none"><li>- \$20,000 non-refundable cash deposit (which has already been paid);</li><li>- \$30,000 cash to be paid upon settlement of the acquisition; and</li></ul>

Vendor	Interest in Paynes Find Gold Project to be acquired	Consideration
	E59/2092.	- 625,000 Shares to be issued upon settlement of the acquisition.
Attgold	- an 80% interest in the non-lithium mineral rights in respect of E59/2055.	- \$10,000 non-refundable cash deposit (which has already been paid); and - 312,500 Shares to be issued upon settlement of the acquisition.

### **Conditions**

- (a) Completion of the Legendre Sale Agreement is subject to a number of conditions precedent, including:
- (i) completion of due diligence to the absolute satisfaction of the Company;
  - (ii) Shareholders passing all necessary resolutions to give effect to the acquisition, including:
    - (A) approving the change to the nature and scale of the Company's activities (Resolution 1 at the General Meeting); and
    - (B) approving the issue of the Vendor Shares to Legendre (Resolution 2 at the General Meeting); and
  - (iii) the Company completing the Public Offer (Resolution 5 at the General Meeting);
  - (iv) the Company receiving conditional approval for the reinstatement of its listed Securities to Official Quotation, on terms acceptable to the Company;
  - (v) the Company obtaining all necessary consents from the Minister (WA) for the transfer of M56/549 and E59/2312 to Oakajee Exploration;
  - (vi) the Company being satisfied, in its absolute discretion, that an appropriate mine closure plan in relation to M59/549 has been submitted and approved by the DMIRS;
  - (vii) the novation of Legendre's rights and obligations with respect to an 80% interest in the non-lithium mineral rights in respect of E59/2092, to the Company (refer to Section 10.2); and
  - (viii) the Company executing a deed of assignment in relation to the Royalty Deed described in Section 10.3).
- (b) Completion of the Attgold Sale Agreement is subject to a number of conditions precedent, including:
- (i) completion of due diligence to the absolute satisfaction of the Company;
  - (ii) Shareholders passing all necessary resolutions to give effect to the acquisition, including:
    - (A) approving the change to the nature and scale of the Company's activities (Resolution 1 at the General Meeting); and

- (B) approving the issue of the Vendor Shares to Attgold (Resolution 3 at the General Meeting); and
- (iii) the Company completing the Public Offer (Resolution 5 at the General Meeting);
- (iv) the Company receiving conditional approval for the reinstatement of its listed Securities to Official Quotation on ASX, on terms acceptable to the Company; and
- (v) the novation of Attgold's rights and obligations with respect to an 80% interest in the non-lithium mineral rights in respect of E59/2055 to the Company (refer to Section 10.2).

### **NSR Royalty**

Under the terms of each Sale Agreement, if a Vendor elects not to contribute pro-rata to the development expenditure on the area the subject of the decision to mine, the Company has agreed to grant:

- (a) in the case of Legendre, a 1.5% NSR Royalty; and
- (b) in the case of Attgold, at 1% NSR Royalty,

"Net Smelter Return" means, for each Quarter, Gross Revenue and Adjustments (whether plus or minus) minus Allowable Deductions for that Quarter, whereby:

- (c) "Quarter" means a period of three consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year other than the first Quarter, commencing on the date on which the Company commences extraction and recovery of any "Product" from the land the subject of the decision to mine (**Royalty Area**);
- (d) "Product" means any mineral extracted from the mining area other than any minerals owned by Sayona in accordance with the Pegmatite Rights Deed (refer to Section 10.2);
- (e) "Gross Revenue" means the gross proceeds received by the Company or applied to its benefit, less any penalties (being charges by a refinery);
- (f) "Adjustments" means any adjustment made by the Company which:
  - (i) arise from a subsequent adjustment to the amount paid to the Company based on actual Products recovered after refining;
  - (ii) to correct any accounting records from previous Quarters; or
  - (iii) otherwise made in accordance with the Sale Agreement or agreed by the Company and the relevant Vendor; and
- (g) "Allowable Deductions" means all costs paid or incurred by the Company in relation to the sale of the Product or other initial processing, within or adjacent to the Royalty Area, including:
  - (i) the costs of smelting and refining the ores and minerals;
  - (ii) all freight, security and incidental costs incurred between the outer boundary of the Royalty Area and the point of delivery of the Product to a refinery;
  - (iii) all handling and other incidental costs;
  - (iv) actual sale costs, including marketing and agency and brokerage costs;

- (v) administrative costs and other overheads;
- (vi) Allowable Deductions that exceed Gross Revenue in a Quarter which are carried forward and deducted from Gross Revenue in subsequent Quarters; and
- (vii) taxes.

## 10.2 Pegmatite Rights Deeds & Deeds of Novation

### *Pegmatite Rights Deeds*

On 26 November 2018, Sayona signed a Pegmatite Rights Deed with:

- (a) Legendre, in relation to E59/2092; and
- (b) Attgold, in relation to E59/2055,

pursuant to which each Legendre and Attgold hold the right to explore for and mine any non-lithium bearing minerals from the relevant tenement.

The parties to the Pegmatite Rights Deed may object to the other party making a decision to commence mining operations over an area covering the relevant tenement. Following an objection, either party may submit the matter to an independent expert who must resolve the dispute to the mutual advantage of both parties.

If a party considers that there is a reasonable likelihood that they will be able to develop a deposit on an area on which the other party intends to commence mining operations, the parties will cooperate to negotiate the terms of a joint operating agreement that will facilitate the contemporaneous mining of all minerals.

Sayona is responsible for maintaining the relevant tenements in good standing, including paying all outgoings.

Each party will be responsible for, and incur all costs associated with, the rehabilitation of the relevant tenement relating to or occurring as a result of exploration or mining activities undertaken by or on behalf of it.

### *Deeds of Novation*

On 14 February 2019, Oakajee Exploration (a wholly-owned subsidiary of the Company) and Sayona signed a Deed of Novation with:

- (a) Legendre, in relation to E59/2092; and
- (b) Attgold, in relation to E59/2055,

pursuant to which 80% of each Legendre and Attgold's respective interests under the Pegmatite Rights Deeds were novated to Oakajee Exploration (a condition precedent under the Legendre Sale Agreement and Attgold Sale Agreement - refer to Section 10.1). Each novation is effective upon completion of the relevant Sale Agreement.

## 10.3 Royalty Deed & Deed of Assignment

### *Royalty Deed*

On 17 November 2017, Legendre executed a royalty deed in favour of Graham Pimlott and Rachel Grant, in relation to the following net smelter return royalties (**Royalty Deed**):

Tenement	Royalty Percentage
M59/549	0.5% (an additional 10% payable where in excess of 1 million ounces of refined gold is produced)
P59/2075	0.50%

Tenement	Royalty Percentage
	(an additional 10% payable where in excess of 1 million ounces of refined gold is produced)
P59/2083	0.5%
P59/2085	0.5%
E59/2092	0.5%

"Net Smelter Return" means, for each calendar quarter, net revenue from the sale of gold ore and concentrates calculated with reference to the sale value of the refined gold recovered, less transportation and refining costs.

#### ***Deed of Assignment***

On 1 April 2019, Oakajee Exploration, Legendre, Graham Pimlott and Rachel Grant executed a deed of assignment pursuant to which Oakajee Exploration took assignment of Legendre's obligations under the Royalty Deed (**Deed of Assignment**). The Deed of Assignment is effective upon completion under the Legendre Sale Agreement (refer to Section 10.1).

### **10.4 Executive Services Agreement**

On 19 April 2011 (**Commencement Date**), the Company entered into a letter of appointment with Mr Mark Jones in respect of his appointment as Managing Director of the Company (**Letter of Appointment**).

Under the terms of the Letter of Appointment:

- (a) Mr Jones is paid a salary of \$160,000 per annum (plus superannuation), which has been subsequently varied by the Board to \$100,000 per annum (plus superannuation);
- (b) Mr Jones will be entitled to 12 days annual leave for each year of service;
- (c) Mr Jones' appointment as Managing Director continues for a rolling annual period from the Commencement Date;
- (d) the Company must give Mr Jones not less than 3 months' notice prior to the end of any rolling annual period as to whether it wishes to renew the appointment;
- (e) either party may terminate the appointment on not less than 3 months' written notice, and where the Company gives notice, Mr Jones is entitled to his salary up to the end of the annual period up to a maximum of 3 months' salary; and
- (f) the Company may terminate Mr Jones' appointment immediately upon the occurrence of the following:
  - (i) Mr Jones becomes incapacitated by illness or injury which prevents him from performing his duties for a period of six consecutive months; or
  - (ii) Mr Jones is guilty of conduct justifying dismissal in accordance with law or the Company's disciplinary code and procedure.

### **10.5 Non-Executive Appointment Letters**

The Company has entered into Non-Executive Director appointment letters with each of Messrs Doug Rose, Garry Thomas and Gary Watson on the following key terms:

- (a) Mr Rose will receive an annual remuneration of \$35,000 (plus superannuation currently at the rate of 9.5%);
- (b) Mr Thomas will receive an annual remuneration of \$25,000 (plus superannuation currently at the rate of 9.5%);

- (c) Mr Watson will receive an annual remuneration of \$25,000 (plus superannuation currently at the rate of 9.5%); and
- (d) the respective appointments shall cease if the Non-Executive Director:
  - (i) resigns; or
  - (ii) is removed as a director in accordance with the Corporations Act or the Constitution.

## **10.6 Deeds of Indemnity, Access and Insurance**

The Company has entered into standard deeds of indemnity, access and insurance with each of the Directors. Pursuant to those deeds, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director during the period of their appointment and for seven years after the Director has ceased to be a Director. The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director has ceased to be a Director.

## 11. ADDITIONAL INFORMATION

### 11.1 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with the Corporations Act.

(b) Voting rights

At a meeting of Shareholders, subject to any rights or restrictions attaching to any class of Shares, every Shareholder present in person or by proxy, representative or attorney, has one vote on a show of hands and one vote for each Share on a poll.

(c) Dividend rights

The profits of the Company may be distributed by way of dividends, in a manner determined by the Directors. The Directors may fix the amount, the time for and the method of payment of dividends. No interest is payable in respect of unpaid dividends.

(d) Winding-up

Subject to any Applicable Law, if the Company is wound up, the liquidator may, with the approval of a special resolution of the Company, divide among Shareholders in kind all or any of the Company's assets (subject to the rights of any classes of Shareholders) and vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator sees fit.

(e) Shareholder liability

As the Shares to be issued under the Offers contained in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Subject to the Constitution and any restrictions attached to a Shareholder's Shares, a Shareholder may transfer Shares by a written transfer instrument in any usual or common form or any other form approved by the Directors.

The Company must not refuse or fail to register or give effect to, or delay or in any way interfere with, a Proper ASTC Transfer of Shares or other securities.

The Company may participate in any computerised or electronic system for market settlement, securities transfer and registration conducted in accordance with the Corporations Act and the Listing Rules or corresponding laws or securities exchange rules in any other country. If so, Shares may be transferred and transfers may be registered in any manner required or permitted by the Listing Rules or any other applicable rules of ASX (or corresponding laws or securities exchange rules in any other country) applying in relation to the system.

(g) Variation of rights

Subject to the Applicable Law, rights attaching to a class of Shares may only be varied or cancelled with the consent in writing of 75% of the Shareholders of the



issued Shares of the class or with the approval of a special resolution passed at a separate meeting of the holders of Shares of that class.

## 11.2 Terms of the Options

The key terms of the Options are as follows:

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (m), the amount payable upon exercise of each Option will be A\$0.08 (**Exercise Price**).

(c) Expiry Date

The expiry date of the Options is 5.00pm WST on the date which is 3 years from the date of issue (**Expiry Date**).

The Options may be exercised at any time prior to the Expiry Date (**Exercise Period**), in whole or in part, upon payment of the exercise price per Option. Options not exercised on or before the Expiry Date will expire and cease to carry any rights or benefits.

(d) Transferable

The Options are transferable.

(e) Quotation

The Company will apply for the quotation of the Options on ASX. Subject to ASX approval (including spread requirements being met), the Options will be quoted on ASX.

(f) Notice of Exercise

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

The Options may be exercised by the Option holder in whole or in part. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed allottee.

(g) 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**).

(h) Timing and issue of Shares on exercise

Within 15 business days of a Notice of Exercise being given in accordance with these terms and conditions and payment of the Exercise Price for each Raising being exercised, the Company will:

- (i) issue the Shares pursuant to the exercise of the Options; and

- (ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (i) Shares issued on exercise  
  
Shares issued on exercise of Options rank equally with the then issued Shares of the Company.
- (j) Participation rights  
  
There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (k) Adjustment for entitlement issue  
  
If the Company makes an issue of Shares pro rata to existing Shareholders (other than a bonus issue), there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.
- (l) Adjustment for bonus issue of Shares  
  
If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Exercise Price.
- (m) Adjustment for reorganisation  
  
If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the Listing Rules.

### **11.3 Interests of Promoters, Analysts and Advisers**

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) holds, or has held in the two years before the date of this Prospectus, any interest in:

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

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (a) Advanced Share Registry Limited is the Company's share registry, and will be paid for these services on standard industry terms and conditions;
- (b) HLB Mann Judd has acted as the investigating accountant and has prepared the Independent Limited Assurance Report which has been included in Section 5. The Company will pay HLB Mann Judd approximately \$7,500 for these services. During the two years preceding lodgement of this Prospectus with ASIC, HLB Mann Judd has received fees from the Company totalling \$42,166 (relating to audit services - refer below);
- (c) The audit and assurance practice of HLB Mann Judd has acted as auditor to the Company. As detailed above, during the two years preceding lodgement of this Prospectus with ASIC, HLB Mann Judd has received fees from the Company totalling \$42,166;
- (d) Agricola Mining Consultants Pty Ltd has acted as the independent technical expert to the Company and has prepared the Geologist's Report which has been included in Section 6. The Company will pay Agricola Mining Consultants Pty Ltd approximately \$15,000 for these services; and
- (e) DLA Piper Australia has acted as the Australian lawyers to the Offers. In respect of this work the Company will pay DLA Piper Australia approximately \$50,000. Subsequently, fees will be charged in accordance with normal charge out rates. During the two years preceding lodgement of this Prospectus with ASIC, DLA Piper Australia has received approximately \$43,000 in fees from the Company.

The amounts disclosed above are exclusive of GST.

#### 11.4 Related Party Transactions

Except as detailed below and set out elsewhere in this Prospectus, the Directors are not aware of any material transactions between the Company and related parties and/or Directors.

##### **Office Lease**

In 1 August 2012, the Company and Worldpower Pty Ltd (**Worldpower**) entered into a lease arrangement pursuant to which Worldpower has agreed to lease certain commercial premises to the Company for annual rent of an estimated \$20,796, on an ongoing basis. Mr Mark Jones, a Director, is a director and controlling shareholder of Worldpower.

#### 11.5 Expenses of Offers

The estimated total expenses of the Offers payable by the Company are as follows:

	<b>Minimum Subscription \$</b>	<b>Maximum Subscription \$</b>
ASX Quotation Fee	96,987	100,754
ASIC Fees	3,206	3,206
Broker Commission <sup>1</sup>	100,000	120,000
Legal Fees	50,000	50,000
Investigating Accountant Fee	7,500	7,500
Independent Geologist Fee	15,000	15,000
Other costs	17,294	17,294
<b>TOTAL</b>	<b>289,987</b>	<b>313,754</b>

##### **Note:**

1. Refer to Section 1.22 for details.

## 11.6 Company Tax Status and Financial Year

The Directors expect the Company will be taxed in Australia as a public company.

The financial year of the Company ends on 30 June annually. The taxation year of the Company ends on 30 June annually.

Revenues and expenditures disclosed in this Prospectus are presented exclusive of the amount of GST, unless otherwise disclosed.

## 11.7 Taxation Implications

The acquisition and disposal of Securities will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Securities.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

## 11.8 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

## 11.9 Consents

Each of the parties referred to in this Section 11.9:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section authorised or caused the issue of this Prospectus or the making of the Offers.

Name	Role
Advanced Share Registry Limited	Share Registry
HLB Mann Judd (Audit and Assurance)	Auditor to the Company
HLB Mann Judd	Investigating Accountant
Agricola Mining Consultants Pty Ltd	Independent Geologist
DLA Piper Australia	Lawyers to the Company

Each of the Directors have given his or her written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors and persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other

than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described above.

### **11.10 Continuous Disclosure**

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules which require it to disclose to ASX any information which it becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Securities. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) quarterly cash flow reports, provided to ASX within a specified time at the end of each quarter;
- (b) half yearly reports provided to ASX within a specified time of the end of each half and full year accounting period respectively; and
- (c) financial statements, lodged with ASX within a specified time after the end of each accounting period.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC;
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during between the Opening Date and the Closing Date:
  - (i) the annual financial report for the Company for the financial year ended 30 June 2018 (being the annual financial report most recently lodged by the Company with ASIC);
  - (ii) any continuous disclosure notices given by the Company during the period after lodgement of the annual financial report for the year ended 30 June 2018 and before the date of this Prospectus; and
  - (iii) the documents used to notify ASX of information relating to the Company during the period after lodgement of the annual financial report for the year ended 30 June 2018 and before the date of this Prospectus.

### **11.11 Electronic Prospectus**

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and refunded in full (without interest) to the Applicant as soon as practicable.

### **11.12 Documents Available for Inspection**

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 11.9.

### **11.13 Statement of Directors**

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements contained in the Independent Limited Assurance Report (refer to Section 5) there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

## 12. AUTHORISATION

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

A handwritten signature in black ink, appearing to be 'Mark Jones', written in a cursive style.

**Mark Jones**  
**Managing Director**

Dated: 18 April 2019

### 13. GLOSSARY

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

<b>Acquisitions</b>	has the meaning given in Section 2.2.
<b>Acquisition Resolutions</b>	the resolutions detailed in Section 1.4.
<b>Additional Offers</b>	the Vendor Offer and the Consultant Offer.
<b>Applicable Law</b>	means the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules.
<b>Applicant</b>	a person who submits an Application Form.
<b>Application</b>	a valid application for Securities under the Offers made pursuant to an Application Form.
<b>Application Form</b>	a Public Offer Application Form, Vendor Offer Application Form and/or a Consultant Offer Application Form.
<b>Application Monies</b>	application monies for Shares under the Public Offer received by the Company from an Applicant.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.
<b>ASX Reconciliation</b>	has the meaning given in Section 2.2.
<b>ASX Settlement Operating Rules</b>	ASX settlement operating rules of ASX Settlement Pty Ltd ABN 49 008 504 532.
<b>Attgold</b>	means Attgold Pty Ltd (ACN 063 807 429), a Vendor.
<b>Attgold Sale Agreement</b>	has the meaning given in Section 10.1.
<b>Birringdudu Nickel Project</b>	has the meaning given in Section 2.2.
<b>Board</b>	the board of Directors from time to time.
<b>Capital Raising Shares</b>	has the meaning given in Section 1.1.
<b>Change in Activities</b>	has the meaning given in Section 1.4.
<b>CHESS</b>	has the meaning given in Section 1.18.
<b>Closing Date</b>	the closing date of the Offers, as detailed in the Indicative Timetable.
<b>Company</b>	Oakajee Corporation Limited (ACN 123 084 453).
<b>Completion</b>	completion of one or more Acquisition in accordance with the Sale Agreements.
<b>Conditions</b>	has the meaning given in Section 1.5.
<b>Constitution</b>	the constitution of the Company.
<b>Consultant</b>	SD & SE Nominees Pty Ltd (ACN 074 071 551).
<b>Consultant Offer</b>	has the meaning given in Section 1.3.
<b>Consultant Offer Application Form</b>	an application form in relation to the Consultant Offer attached to, or accompanying, this Prospectus.



<b>Consultant Shares</b>	has the meaning given in Section 1.3.
<b>Corporate Directory</b>	'Corporate Directory' on page 4.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Deed of Assignment</b>	has the meaning given in Section 10.3.
<b>Deed of Novation</b>	has the meaning given in Section 2.2.
<b>Directors</b>	the directors of the Company from time to time.
<b>DMIRS</b>	Department of Mines, Industry Regulation and Safety, Western Australia.
<b>Exercise Price</b>	has the meaning given in Section 11.2.
<b>Existing Shareholder</b>	means a person who: <ul style="list-style-type: none"> <li>(a) is a Shareholder at 4.00pm (WST) on the date of this Prospectus; and</li> <li>(b) has a registered address in Australia, New Zealand or Hong Kong.</li> </ul>
<b>Expiry Date</b>	has the meaning given in Section 11.2.
<b>Exposure Period</b>	the exposure period under section 727(3) of the Corporations Act, being the seven days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
<b>General Meeting</b>	means the general meeting of the Company to be held on Wednesday, 24 April 2019, at 10:00am (WST).
<b>Group</b>	the Company and Oakajee Exploration.
<b>GST</b>	goods and services tax.
<b>Historical Financial Information</b>	has the meaning given in Section 4.1.
<b>Independent Technical Assessment Report</b>	the report prepared by Agricola Mining Consultants Pty Ltd included in Section 6.
<b>Indicative Timetable</b>	the indicative timetable for the Offers on page 9.
<b>Independent Limited Assurance Report</b>	the report prepared by HLB Mann Judd included in Section 4.
<b>Legendre</b>	means Mr Bruce Robert Legendre, a Vendor.
<b>Legendre Sale Agreement</b>	has the meaning given in Section 10.1.
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Mine Closure Plan</b>	has the meaning given in Section 8.1(j).
<b>Minimum Holding</b>	means 25,000 Shares.
<b>Minimum Subscription</b>	has the meaning given in Section 1.6.
<b>Minister (NT)</b>	means the Minister referred to the <i>Mineral Titles Act 2010</i> (NT).
<b>Minister (WA)</b>	means the Minister referred to in Section 10 of the <i>Mining</i>

	<i>Act 1981 (WA).</i>
<b>New Investor</b>	means a person who is not an Existing Shareholder.
<b>Notice of Meeting</b>	means the notice convening the General Meeting, including the Explanatory Memorandum.
<b>NSR Royalty</b>	has the meaning given in Section 10.1.
<b>Oakajee Exploration</b>	Oakajee Exploration Pty Ltd ACN 629 544 912, a wholly-owned subsidiary of the Company.
<b>Offers</b>	the Public Offer, Vendor Offer and Consultant Offer.
<b>Official List</b>	the official list of ASX.
<b>Official Quotation</b>	official quotation by ASX in accordance with the Listing Rules.
<b>Opening Date</b>	the date specified in the Indicative Timetable as the opening date for the Offers.
<b>Option</b>	an option to acquire a Share offered pursuant to the Public Offer.
<b>Paynes Find Gold Project</b>	has the meaning given in Part A of the Investment Overview.
<b>Pegmatite Rights Deed</b>	has the meaning given in Section 2.2.
<b>Privacy Statement</b>	the privacy statement detailed on page 3.
<b>Projects</b>	the Paynes Find Gold Project and Birrindudu Nickel Project.
<b>Proper ASTC Transfer</b>	has the same meaning given to that term in the regulations under the Corporations Act.
<b>Prospectus</b>	this prospectus dated 18 April 2019.
<b>Public Offer</b>	has the meaning given in Section 1.1.
<b>Public Offer Application Form</b>	an application form in relation to the Public Offer attached to, or accompanying, this Prospectus.
<b>Recommendations</b>	has the meaning given in Section 9.6.
<b>Related Body Corporate</b>	has the meaning given in the Corporations Act.
<b>Related Party</b>	has the meaning given in section 228 of the Corporations Act.
<b>Restriction Agreement</b>	a restriction agreement in a form set out in the Listing Rules.
<b>Restricted Securities</b>	has the meaning given in the Listing Rules.
<b>Royalty Area</b>	has the meaning given in Section 10.1.
<b>Royalty Deed</b>	has the meaning given in Section 10.3.
<b>Sale Agreements</b>	means the Attgold Sale Agreement and the Legendre Sale Agreement.
<b>Sayona</b>	Sayona Lithium Pty Ltd (ACN 010 661 506).
<b>Section</b>	a section of this Prospectus.

<b>Securities</b>	a Share, Option or other form of security issued or granted (as the case may be) by the Company.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	Advanced Share Registry Limited ACN 127 175 946.
<b>Shareholder</b>	a registered holder of a Share.
<b>Solicitor's Report</b>	the report prepared by DLA Piper Australia included in Section 7.
<b>Tenement Applications</b>	has the meaning given in Section 8.1(b).
<b>WST</b>	western standard time, being the time in Perth, Western Australia.
<b>Vendor Application Form</b>	has the meaning given in Section 1.16(b).
<b>Vendor Offer</b>	has the meaning given in Section 1.2.
<b>Vendor Offer Application Form</b>	an application form in relation to the Vendor Offer attached to, or accompanying, this Prospectus.
<b>Vendor Shares</b>	has the meaning given in Section 1.2.
<b>Vendors</b>	means Legendre and Attgold.



**OAKAJEE**  
CORPORATION