



CASSINI
RESOURCES LIMITED

CASSINI RESOURCES LIMITED

DEMERGER SCHEME BOOKLET

for the recommended scheme of arrangement in relation to the proposed demerger of Caspin Resources Limited (ACN 641 789 337)

Your Directors unanimously recommend that you

VOTE IN FAVOUR

of the Demerger Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Demerger Scheme. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

If you require further information or have questions in relation to the Demerger Scheme, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST).



Legal Adviser to Cassini

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Letter from the Directors of Cassini Resources Limited

Dear Cassini Shareholder

On behalf of the Directors, I am pleased to provide you with this Demerger Scheme Booklet, which contains information about the proposed demerger of Cassini's wholly-owned subsidiary, Caspin Resources Limited (**Caspin**).

On 22 June 2020, Cassini announced that it will undertake a demerger of Caspin Resources Limited (**Caspin**), currently a wholly-owned subsidiary of Cassini, which will hold the Yarawindah Brook and Mount Squires assets and be implemented pursuant to the Demerger Deed and the Demerger Scheme. If the Demerger Scheme is approved by the Requisite Majority of Cassini Shareholders and by the Court and becomes Effective, and the Capital Reduction is approved by Cassini Shareholders, Demerger Scheme Shareholders will receive 1 Caspin Share for every 22 Cassini Shares they hold (other than Ineligible Shareholders) and a cash distribution of A\$0.01 per Cassini Share held on the Record Date.

In addition, Cassini also announced on 22 June 2020 that it had entered into an Acquisition Scheme Implementation Deed under which OZ Minerals proposes to acquire all of the Acquisition Scheme Shares through a scheme of arrangement. If the Acquisition Scheme is approved and becomes Effective, Cassini Shareholders will receive scrip consideration of 1 New OZ Mineral Share for every 68.5 Acquisition Scheme Shares held at the Record Date.

As part of the transaction, Caspin will hold the right to receive a potential payment by OZ Minerals in two potential scenarios up to an aggregate cap of A\$20 million (**Contingent Consideration**). In the first scenario, if OZ Minerals disposes of 30% or more of its interest in the West Musgrave Project to a third party and the sale price implies a value for 30% of West Musgrave equal to or greater than A\$76 million (**Implied Value**), OZ Minerals will pay Caspin Contingent Consideration of A\$10 million, plus up to a further A\$10 million (payable at a rate of A\$0.20 for each dollar of value exceeding the Implied Value). If OZ Minerals sells less than a 30% interest, the Contingent Consideration shall be calculated on a pro-rata basis (i.e. if 15% is sold, the Contingent Consideration will be 50% of the amount payable for a sale of 30% or more). In the second scenario, if OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party, it will pay an amount of A\$10 million to Caspin. If OZ Minerals sells less than 30% of the contained nickel, the Contingent Consideration shall be calculated based on a pro-rata basis (i.e. if 15% is sold, the Contingent Consideration will be 50% of the A\$10 million).

The Acquisition Scheme and the Demerger Scheme will be inter-conditional, that is the Acquisition Scheme needs to be approved for the Demerger Scheme to be implemented.

The Directors and major shareholders of Cassini (representing 17.4% of issued capital), including Tinci (HK) Limited and Atasa Holdings Pty Ltd, have confirmed to Cassini their intention to vote in favour of the Acquisition Scheme and the Demerger Scheme.

DIRECTORS' RECOMMENDATION

The Independent Expert has concluded that the Demerger Scheme is fair and reasonable and, therefore, is in the best interests of Cassini Shareholders. As such, the Directors unanimously recommend that Cassini Shareholders vote in favour of the Demerger Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.¹ Subject to those same qualifications, each Director intends to vote all the Cassini Shares held or controlled by them in favour of the Demerger Scheme.

I would like to take this opportunity to highlight the key reasons why we recommend that you vote in favour of the Demerger Scheme:

- **The Independent Expert has concluded that the Demerger Scheme is fair and reasonable and, therefore, in the best interests of Cassini Shareholders in the absence of a Superior Proposal;**
- **The Demerger will create a new exploration company, Caspin Resources** - implementation of the Demerger will enable Caspin to focus on progressing the Yarawindah Brook and Mount Squires assets and exploring for, and evaluating, projects and potential joint ventures;
- **The separation of Cassini and Caspin has the potential to unlock value not reflected in the market price of Cassini Shares** - the Directors believe that the potential value of the Yarawindah Brook and Mount Squires

¹ Please refer to Annexure 1, which contains the Independent Expert's Report.

assets is not being reflected in Cassini's share price and that the Demerger represents an opportunity to recognise the potential value of that asset more effectively; and

- **The Demerger Scheme and the Acquisition Scheme are inter-conditional** - the Demerger Scheme cannot proceed unless the Demerger Scheme is approved. The Demerger offers you the ability to maintain your exposure to and benefits from the potential success of Cassini's Yarawindah Brook and Mount Squires assets.

I urge you to read this Demerger Scheme Booklet (including the Independent Expert's Report) carefully in full, and if required, to seek your own legal, financial, taxation or other professional advice. I encourage you to closely consider the merits of the Demerger Scheme as described in this Demerger Scheme Booklet.

Cassini Shareholders who have elected to receive communications electronically will receive an email where they can download the Demerger Scheme Booklet and lodge their proxy vote online. The Demerger Scheme Booklet will also be available for download from <https://www.cassiniresources.com.au/>.

Your vote is important. At the Demerger Scheme Meeting, Cassini Shareholders will be asked to approve the Demerger Scheme, and I encourage you to vote either by attending the Demerger Scheme meeting or by completing the enclosed Proxy Form or voting online so that your vote is received by 11:00am (AWST) on 19 September 2020.

If you wish for the Demerger Scheme to proceed, it is important that you vote in favour of the Demerger Scheme.

If you require further information or have questions in relation to the Demerger Scheme, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST) or visit <https://www.cassiniresources.com.au/>.

A handwritten signature in blue ink, appearing to read 'M Young', with a stylized flourish at the end.

Michael Young
Non-Executive Chairman

Important Notices

Date of this Demerger Scheme Booklet

This Demerger Scheme Booklet is dated 12 August 2020.

Defined terms and interpretation

Capitalised terms used in this Demerger Scheme Booklet (other than in the Independent Expert's Report (including the Independent Technical Specialist's Report) contained in Annexure 1) and the Proxy Form accompanying this Demerger Scheme Booklet are either defined in brackets when first used or are defined in the Glossary in Section 14. The Glossary also sets out some rules of interpretation which apply to this Demerger Scheme Booklet. The Independent Expert's Report and the Independent Technical Specialist's Report contain their own defined terms which are sometimes different from those set out in the Glossary in Section 14.

References to Demerger Scheme Booklet, Sections and Annexures

References to Sections and Annexures are to the named Sections and Annexures in this Demerger Scheme Booklet.

Purpose of this Demerger Scheme Booklet

This Demerger Scheme Booklet includes the Explanatory Statement for the Demerger Scheme required by section 412(1) of the Corporations Act. The purpose of this Demerger Scheme Booklet is to explain the terms of the Demerger Scheme and the manner in which it will be implemented (if approved). This Demerger Scheme Booklet provides all information required to be given to Cassini Shareholders or that is otherwise material to the making of a decision in relation to the Demerger Scheme, being information that is within the knowledge of any Director which has not previously been disclosed to Cassini Shareholders.

General

This Demerger Scheme Booklet is important. You should read this Demerger Scheme Booklet carefully before making a decision about how to vote on the Demerger Scheme Resolution to be considered at the Demerger Scheme Meeting.

No investment advice

This Demerger Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any Cassini Shareholder or any other person. It is important that you read this Demerger Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Demerger Scheme. This Demerger Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to Caspin Shares, Cassini Shares or any other securities. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Cassini Shareholders should consult their taxation adviser as to the applicable tax consequences of the Demerger Scheme. A summary of the Australian taxation considerations is detailed in Section 11.

Responsibility statement

Grant Thornton has prepared, and is responsible for, the Independent Expert's Report contained in Annexure 1 of this Demerger Scheme Booklet. To the maximum extent permitted by law, none of Cassini, Caspin, their respective Related Entities or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

Role of ASIC

A copy of this Demerger Scheme Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Demerger Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Demerger Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Demerger Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

Role of ASX

A copy of this Demerger Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Demerger Scheme Booklet.

Court order under subsection 411(1) of the Corporations Act

Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the Explanatory Statement required to accompany the Notice of Demerger Scheme Meeting does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Demerger Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- (ii) has prepared, or is responsible for the content of, the Explanatory Statement.

Notice to Cassini Shareholders in Ineligible Jurisdictions

This Demerger Scheme Booklet complies with Australian disclosure requirements. These disclosure requirements may be different to those in other countries. It is important that Cassini Shareholders who are not Australian resident taxpayers or who are liable for tax outside Australia seek specific tax advice in relation to the Australian and overseas tax consequences of the Demerger Scheme.

Restrictions in the Ineligible Jurisdictions may make it impractical or unlawful for Caspin Shares to be transferred under the Demerger Scheme to, or received under the Demerger Scheme by, Cassini Shareholders in those jurisdictions. A Cassini Shareholder whose address shown in the Cassini Register is in a jurisdiction outside Australia, Hong Kong, Singapore, Malaysia and the People's Republic of China and certain Cassini Shareholders whose address is shown in New Zealand will be an Ineligible Shareholder for the purposes of the Demerger Scheme. Cassini Shareholders recorded on the Cassini Register as having an address within an Ineligible Jurisdiction should refer to Section 5.2 for further information.

This Demerger Scheme Booklet and the Demerger Scheme do not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Notice to Cassini Shareholders in New Zealand

This Demerger Scheme Booklet and any accompanying document:

- (i) are not, and are under no circumstances to be construed as, an offer of financial products for sale requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act");
- (ii) are not a disclosure document for the purposes of the FMC Act;
- (iii) have not been registered, reviewed or approved by any New Zealand regulatory authority; and
- (iv) do not contain all the information that a disclosure document is required to contain under New Zealand law.

Accordingly, the Caspin Shares may not be offered or sold to any person in New Zealand other than:

- (i) to persons who are "wholesale investors" as defined in clause 3(2) of Schedule 1 to the FMC Act; and
- (ii) in other circumstances where there is no contravention of the FMC Act.

Notice to Cassini Shareholders in Singapore

This Demerger Scheme Booklet and any other document relating to the Demerger or the Caspin Shares have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Demerger is not regulated by any financial supervisory authority under any legislation in Singapore. Accordingly, statutory

liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (the "SFA") will not apply.

This Demerger Scheme Booklet and any other document in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of Caspin Shares may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to Caspin Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this document may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither Cassini nor Caspin is in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, Cassini and Caspin are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

Notice to Cassini Shareholders in Hong Kong

WARNING: The contents of this Demerger Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Demerger. If you are in any doubt about any of the contents of this Demerger Scheme Booklet, you should obtain independent professional advice.

This Demerger Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Demerger Scheme Booklet 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 Demerger Scheme Booklet 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.

No person may issue or have in its possession for the purposes of issue, this Demerger Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Demerger Scheme Booklet 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 Demerger Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Cassini Shareholders in connection with the Demerger. No steps have been taken to register or seek authorisation for the issue of this Demerger Scheme Booklet in Hong Kong.

This Demerger Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Demerger Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Demerger Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Demerger by Cassini Shareholders.

Notice to Cassini Shareholders in Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the Caspin Shares. The Caspin Shares may not be issued or transferred in Malaysia except to persons who are Cassini Shareholders in compliance with the Demerger.

Notice to Cassini Shareholders in the People's Republic of China

The information in this Demerger Scheme Booklet does not constitute a public offer of Caspin Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Caspin Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

Forward looking statements

Certain statements in this Demerger Scheme Booklet relate to the future, including forward looking statements and information ("forward looking statements"). The forward looking statements in this Demerger Scheme Booklet, including statements relating to Cassini or Caspin's plans and the transactions contemplated by the Demerger Scheme Implementation Deed, are not based on historical facts, but rather reflect the current views and expectations of Cassini or Caspin concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, estimates of Ore Reserves and Mineral Resources and future costs of Caspin or Cassini are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Cassini or Caspin to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Cassini or Caspin will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, port access, customer risks, commodity price volatility, discrepancies between actual and estimated costs or production, Ore Reserves and Mineral Resources being inaccurate or changing over time, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), currency fluctuations, the speculative nature of mining services, mineral exploration and production, the global economic climate, dilution, share price volatility, competition, loss of key

directors and employees, additional funding requirements and defective title to mineral claims or property. See Section 10 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of Cassini is no assurance of its future financial performance. None of Cassini, Caspin and their respective directors, or any other person, gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements and information in this Demerger Scheme Booklet will actually occur.

The forward looking statements in this Demerger Scheme Booklet reflect views and expectations held only at the date of this Demerger Scheme Booklet. Cassini and Caspin believe that all forward looking statements included in the Demerger Scheme Booklet have been made on a reasonable basis. However, none of Cassini, Caspin and their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Demerger Scheme Booklet will actually occur. Cassini Shareholders should therefore treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, Cassini, Caspin and their respective directors disclaim any obligation to revise or update, after the date of this Demerger Scheme Booklet, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Demerger Scheme Booklet are illustrative only and may not be drawn to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Demerger Scheme Booklet, including but not limited to those in respect of the Demerger Entitlement, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Demerger Scheme Booklet, and any

discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

No website is part of this Demerger Scheme Booklet

Cassini maintains a website at <https://www.cassiniresources.com.au/>. Any references in this Demerger Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Demerger Scheme Booklet.

Currency

All references in this Demerger Scheme Booklet to “A\$”, “AUD”, “Australian dollars” are to Australian currency.

Privacy and personal information

Cassini and Caspin will need to collect personal information to implement the Demerger Scheme. The personal information may include the names, contact details and details of shareholdings of Cassini Shareholders together with contact details of individuals appointed by Cassini Shareholders as proxies, body corporate representatives or attorneys at the Demerger Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

Cassini Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Share Registry if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to Cassini, Caspin and their respective advisers and agents to the extent necessary to effect the Demerger Scheme. If the information outlined above is not collected, Cassini may be hindered in, or prevented from, conducting the Demerger Scheme Meeting or implementing the Demerger Scheme effectively, or at all.

Cassini Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the Demerger Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the Cassini Register. The Cassini Register contains personal information about Cassini Shareholders.

Important dates and times for the Demerger Scheme⁽¹⁾

Latest time and date for lodgement of completed Proxy Form for the Acquisition Scheme Meeting	10:00am (AWST) on Saturday, 19 September 2020
Latest time and date for lodgement of completed Proxy Form for the Demerger Scheme Meeting	11:00am (AWST) on Saturday, 19 September 2020
Latest time and date for lodgement of completed Proxy Form for the Capital Reduction Meeting	11:30am (AWST) on Saturday, 19 September 2020
Time and date for determining eligibility of Cassini Shareholders to vote at the Acquisition Scheme Meeting, the Demerger Scheme Meeting and the Capital Reduction Meeting	5:00pm (AWST) on Saturday, 19 September 2020
Time and date of the Acquisition Scheme Meeting	10:00am (AWST) on Monday, 21 September 2020
Time and date of the Demerger Scheme Meeting	Commencing immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)) on Monday, 21 September 2020
Time and date of the Capital Reduction Meeting	Commencing immediately following the conclusion of the Demerger Scheme Meeting (but not before 11:30am (AWST)) on Monday, 21 September 2020
Second Court Date	Wednesday, 23 September 2020
Effective Date of the Acquisition Scheme and the Demerger Scheme	Thursday, 24 September 2020
Last date of trading of Cassini Shares on ASX	Thursday, 24 September 2020
Record Date for determining entitlements to the Acquisition Scheme Consideration and the Demerger Entitlement	Monday, 28 September 2020
Implementation Date for the Demerger Scheme and transfer of the Demerger Entitlement	Friday, 2 October 2020
Implementation Date for the Acquisition Scheme and issue of the Acquisition Scheme Consideration	Monday, 5 October 2020

- (1) All stated dates and times are indicative only. The actual timetable will depend on many factors outside the control of Cassini and Caspin, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Demerger Scheme by Cassini and Caspin. Any changes to the above timetable will be announced to ASX and will be available under Cassini's profile on ASX at www.asx.com.au.

1. Summary of the Demerger Scheme

1.1 Introduction

This summary identifies key features of the Demerger Scheme but must be read in conjunction with the additional detailed information for Cassini Shareholders set out in this Demerger Scheme Booklet. You are urged to read this Demerger Scheme Booklet in its entirety.

On 22 June 2020, Cassini announced that it will undertake a demerger of Caspin, currently a wholly-owned subsidiary of Cassini, which will hold the Yarawindah Brook and Mount Squires assets and be implemented pursuant to the Demerger Deed and the Demerger Scheme. Under the Demerger Scheme, Cassini Shareholders will receive 1 Caspin Share for every 22 Cassini Shares they hold (other than Ineligible Shareholders) and a cash distribution of A\$0.01 per Cassini Share held on the Record Date. The Demerger Scheme will be facilitated through a capital reduction and an in-specie distribution of Caspin Shares and a cash distribution of A\$0.01 per Cassini Share to Cassini Shareholders.

In addition, Cassini also announced on 22 June 2020 that it had entered into an Acquisition Scheme Implementation Deed under which OZ Minerals proposes to acquire all of the Acquisition Scheme Shares through a scheme of arrangement. The Acquisition Scheme and Demerger Scheme are separate but interconditional. Refer to the Acquisition Scheme Booklet for further details on the Acquisition Scheme.

1.2 What you will receive if the Demerger Scheme becomes Effective

If the Demerger Scheme is approved by the Requisite Majority of Cassini Shareholders and by the Court and becomes Effective, and the Capital Reduction is approved by Cassini Shareholders, on the Implementation Date Demerger Scheme Shareholders will be paid the Demerger Cash Entitlement and be transferred the Demerger Share Entitlement and each Cassini Shareholder (except in the case of an Ineligible Shareholders) will receive evidence of ownership in respect of the Caspin Shares to which that Cassini Shareholder is entitled.

If you are an Ineligible Shareholder and the Demerger Scheme becomes Effective, on the Implementation Date the Caspin Shares which would have been transferred to you will be transferred to the Sale Agent. If you are an Ineligible Shareholder, Cassini must procure that the Sale Agent sells those Caspin Shares as soon as reasonably practicable following the Implementation Date and remits to you your pro rata share of the net proceeds (minus applicable taxes, stamp duty, charges, brokerage costs and other selling costs) from the sale of the Caspin Shares sold through the Sale Facility by no later than 6 months of the Implementation Date.

Further details about Ineligible Shareholders is set out in Section 5.2. Cassini Shareholders should also refer to Section 11 for important information in relation to certain Australian taxation matters.

1.3 Directors' recommendations

Your Directors unanimously recommend that Cassini Shareholders vote in favour of the Demerger Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.² Each of the Directors will (in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders) vote, or procure the voting of any Cassini Shares controlled or held by, or on behalf of, them at the time of the Demerger Scheme Meeting, in favour of the Demerger Scheme at the Demerger Scheme Meeting.

The reasons to vote in favour of or against the Demerger Scheme as considered by the Directors are set out in Section 2.

A summary of implications for Cassini Shareholders if the Demerger Scheme does not proceed are set out in Section 3 under the heading titled, "What happens if the Demerger Scheme is not approved".

² A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because they have an interest in the Demerger Scheme that renders it inappropriate to maintain any such recommendation.

1.4 Independent Expert

Cassini has commissioned Grant Thornton as the Independent Expert to prepare a report to ascertain whether the Demerger Scheme is in the best interests of Cassini Shareholders.

The Independent Expert has concluded that the Demerger Scheme is fair and reasonable and in the best interests of Cassini Shareholders.

The Independent Expert's Report is set out in Annexure 1.

1.5 Implementation, timetable and procedures

If the Demerger Scheme is approved by Cassini Shareholders and the Court, and all other conditions to the Demerger Scheme are satisfied or (where applicable) waived, it is expected that the Demerger will be implemented on or around Monday, 5 October 2020. The key dates and times in relation to the Demerger Scheme are set out at the beginning of this Demerger Scheme Booklet. These key dates are indicative only and are subject to change.

1.6 Conditions to the Demerger Scheme

A description of all of the conditions to the Demerger Scheme is included in the Demerger Scheme Implementation Deed in Annexure 2. Refer to Section 12.15 for further details.

1.7 Demerger Scheme Meeting

The Demerger Scheme Meeting, to approve the Demerger Scheme, is scheduled to be held immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)) on Monday, 21 September 2020. Voting eligibility for the Demerger Scheme Meeting will be determined as at 5:00pm (AWST) on Saturday, 19 September 2020.

Further details of the Demerger Scheme Meeting, including how to vote, are contained in Section 4. The Notice of Demerger Scheme Meeting is contained in Annexure 5.

1.8 Capital Reduction Meeting

The Capital Reduction Meeting, to approve the Capital Reduction, is scheduled to be held immediately following the conclusion of the Demerger Scheme Meeting (but not before 11:30am (AWST)) on Monday, 21 September 2020. Voting eligibility for the Capital Reduction Meeting will be determined as at 5:00pm (AWST) on Saturday, 19 September 2020.

Further details of the Capital Reduction Meeting, including how to vote, are contained in Section 4. The Notice of Capital Reduction Meeting is contained in Annexure 6.

1.9 Approvals

(a) Demerger Scheme Meeting

The Demerger Scheme must be approved by the Requisite Majority, being:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Demerger Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (ii) at least 75% of the total number of votes which are cast at the Demerger Scheme Meeting.

(b) Capital Reduction Meeting

The Capital Reduction needs to be approved by a majority in number (more than 50%) of the total number of votes cast on the resolution at the Capital Reduction Meeting.

(c) **Court Approval**

If the Demerger Scheme is approved at the Demerger Scheme Meeting, and all other conditions of the Demerger Scheme have been satisfied or (where applicable) waived, the Court will be asked to approve the Demerger Scheme on the Second Court Date in accordance with section 411(4)(b) of the Corporations Act. The Second Court Date is expected to be on or around Wednesday, 23 September 2020.

1.10 Tax implications

The transfer of Caspini Shares to you in accordance with the Demerger Scheme may have tax implications for you. You should seek your own professional advice regarding your individual tax consequences. A summary of relevant Australian tax implications for Demerger Scheme Shareholders is contained in Section 11.

1.11 The Acquisition Scheme is a separate transaction

In addition to the Demerger Scheme, Cassini intends to propose the Acquisition Scheme to Cassini Shareholders. The Acquisition Scheme is a separate but inter-conditional transaction and details of the Acquisition Scheme are not included in this Demerger Scheme Booklet.

Further information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was made available to you at the same time as this Demerger Scheme Booklet.

1.12 What to do next

(a) **Read the remainder of this Demerger Scheme Booklet**

Read the remainder of this Demerger Scheme Booklet in full before making any decision on the Demerger Scheme.

(b) **Consider your options**

Cassini Shareholders should refer to Section 2 for further guidance on the reasons to vote in favour of or against the Demerger Scheme and Section 10 for guidance on the risk factors associated with the Demerger Scheme.

If you have any questions in relation to the Demerger Scheme or the Demerger Scheme Meeting, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST), visit <https://www.cassiniresources.com.au/> or consult your legal, investment, taxation, financial, taxation or other professional adviser.

(c) **Vote at the Demerger Scheme Meeting**

Your Directors urge you to vote on the Demerger Scheme at the Demerger Scheme Meeting. The Demerger Scheme affects your shareholding and your vote at the Demerger Scheme Meeting is important in determining whether the Demerger Scheme proceeds.

Your Directors unanimously recommend that you vote in favour of the Demerger Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.³

³ A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because they have an interest in the Demerger Scheme that renders it inappropriate to maintain any such recommendation.

2. Reasons to vote in favour of or against the Demerger Scheme

2.1 Reasons to vote in favour of the Demerger Scheme

Your Directors recommend the Demerger Scheme in the absence of a Superior Proposal	Your Directors unanimously recommend that you vote in favour of the Demerger Scheme and each Cassini Director presently intends to vote in favour of the Demerger Scheme with respect to the Cassini Shares he or she holds or controls, in each case in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders. The Directors and major shareholders of Cassini (representing 17.4% of issued capital), including Tinci (HK) Limited and Atasa Holdings Pty Ltd, have confirmed to Cassini their intention to vote in favour of the Demerger Scheme.
The Independent Expert, Grant Thornton, has concluded that the Demerger Scheme is fair and reasonable to Cassini Shareholders	The Independent Expert, Grant Thornton, has concluded that the Demerger Scheme is fair and reasonable and in the best interests of Cassini Shareholders. The Independent Expert's Report is set out in Annexure 1.
The Demerger Scheme and the Acquisition Scheme are inter-conditional	The Demerger Scheme and the Acquisition Scheme are inter-conditional, which means the Demerger Scheme cannot proceed unless the Acquisition Scheme is approved. If the Demerger Scheme does not proceed, the Acquisition Scheme will not proceed, and no Cassini Shareholder will receive the Demerger Entitlement or the Acquisition Scheme Consideration. This means that you will not receive 1 OZ Mineral Share for every 68.5 Cassini Shares that you hold on the Record Date.
The Demerger will create a new exploration company	If the Demerger is implemented, Demerger Scheme Shareholders will have a direct interest in Caspin through the pro-rata distribution of 1 Caspin Share for every 22 Cassini Shares held on the Record Date. Caspin will be a separate entity to Cassini that will hold interests in Cassini's Yarawindah Brook and Mount Squire projects. Caspin intends to apply for admission to the official list of ASX following the Implementation Date. The Caspin Shares received under the Demerger will not be able to be traded on ASX, and Demerger Scheme Shareholders will continue to hold shares in a public unlisted company, unless and until such time as the requirements for listing on ASX can be met (if at all). Listing is at ASX's discretion, and there is a risk that Caspin may not meet the requirements for admission to the official list of ASX and achieve quotation of Caspin Shares. Implementation of the Demerger will enable Caspin to focus on progressing the Yarawindah Brook and Mount Squires assets and exploring for, and evaluating, projects and potential joint ventures.
The separation of Cassini and Caspin has the potential to unlock value not reflected in the market price of Cassini Shares	The Directors believe that the potential value of the Yarawindah Brook and Mount Squires assets is not being reflected in Cassini's share price and that the Demerger represents an opportunity to recognise the potential value of that asset more effectively. The Demerger will simplify the Cassini/Caspin business model and will allow investors to independently assess Caspin, an exploration company with a clear focus on progressing the Yarawindah Brook and Mount Squires assets and delivering value for Cassini Shareholders.

Caspin will have an experienced board and management team	On implementation of the Demerger, Caspin will have a diverse and experienced board and management team, who will be dedicated to driving growth in shareholder wealth through a strategy to add value to the Yarawindah Brook and Mount Squires assets, and any other projects Caspin acquires.
Cassini Shareholders are not being asked to make any financial commitment to receive Caspin Shares pursuant to the Demerger	To receive Caspin Shares pursuant to the Demerger, Demerger Scheme Shareholders will not be required to pay any money or otherwise make any financial contribution.

2.2 Reasons to vote against the Demerger Scheme

You may disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion	You may disagree with the unanimous recommendation of your Cassini Directors and the conclusion of the Independent Expert, who has concluded that the Demerger Scheme is fair and reasonable and in the best interests of Cassini Shareholders, in the absence of a Superior Proposal. Refer to Annexure 1 for a copy of the Independent Expert's Report.
Caspin intends to access new funding and raise new capital after the implementation of the Demerger	Similar to many other exploration companies, Caspin's future exploration and its ability to achieve its strategy and business plans depends on its ability to raise new equity capital, access debt or dispose of interests in other assets. After implementation of the Demerger, Caspin will no longer have the benefit of financial support from Cassini. Caspin intends to conduct an equity capital raising for an initial public offer as soon as practicable following implementation of the Demerger. This capital raising will include capital from new investors who are not shareholders of Cassini. This equity capital raising will have a dilutionary impact on ownership for Caspin Shareholders to the extent that they decide not to participate or cannot participate. For further details of this potential capital raising, please refer to Section 7.4.
Caspin may be a smaller company in comparison to Cassini prior to the implementation of the Demerger	Following implementation of the Demerger, Caspin may be a smaller company than Cassini. If Caspin is listed on ASX, Caspin will be a small company in terms of market capitalisation. There may be relatively few potential buyers or sellers of Caspin Shares at any given time which may increase the volatility of the market price of Caspin Shares. Further, Caspin may not be listed on ASX at all, in which case there will be no public market on which to trade Caspin Shares. The Directors expect that the trading price of Caspin Shares will be significantly affected by both positive and negative results received from exploration activities and that the effect will be greater than if Caspin remained a wholly-owned subsidiary of Cassini.
The potential tax consequences of the Demerger Scheme may not suit your current financial position or tax circumstances	If the Demerger is implemented, there may be tax consequences that result for you as a Cassini Shareholder, some of which may be adverse. Please refer to Section 11 for further information on Australian tax implications. All Cassini Shareholders are advised to seek independent professional advice about their particular circumstances including, for non-resident Cassini Shareholders, the foreign tax consequences.

The implementation of the Demerger will result in additional ongoing costs for Caspin	Following the implementation of the Demerger, Caspin will be an independent entity, which will necessarily involve additional corporate costs, including maintaining a separate board of directors and management, share registry, information technology, reporting systems and other corporate functions.
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2.3 Other relevant considerations

- (a) The Demerger Scheme may be implemented even if you do not vote, or vote against the Demerger Scheme

Even if you do not vote, or if you vote against the Demerger Scheme, the Demerger Scheme may still be implemented if it is approved by the Requisite Majority of Cassini Shareholders, the Capital Reduction is approved by Cassini Shareholders, the Demerger Scheme is approved by the Court, and all other conditions to the Demerger Scheme are satisfied or waived (as applicable). If this occurs and you are a Demerger Scheme Shareholder, you will receive the Demerger Entitlement even though you did not vote on, or voted against, the Demerger Scheme.

- (b) Relationship between the Demerger Scheme, Acquisition Scheme and the Capital Reduction Meeting

It is important that you vote at the Acquisition Scheme Meeting and Capital Reduction Meeting as it is a condition precedent to the Demerger Scheme becoming Effective that Cassini Shareholders approve the resolution put forward at the Acquisition Scheme Meeting and Capital Reduction Meeting. If Cassini Shareholders do not approve the resolutions put forward at the Acquisition Scheme Meeting and Capital Reduction Meeting, there is a risk that the Demerger Scheme will not proceed.

See Section 12.12 for further information in relation to the relationship between the Acquisition Scheme Meeting and the Demerger Scheme.

- (c) No brokerage or stamp duty will be payable on the transfer of your Cassini Shares pursuant to the Demerger Scheme

You will not incur any brokerage or transfer duty costs on the transfer of your Cassini Shares pursuant to the Demerger Scheme.

Brokerage fees will however be incurred by Ineligible Shareholders whose attributable Caspin Shares will be transferred to and sold by the Sale Agent, and the cash proceeds of the sale remitted to them.

3. Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Demerger Scheme, but must be read in conjunction with the more detailed information included in this Demerger Scheme Booklet. You are urged to read this Demerger Scheme Booklet in its entirety.

Overview of the Transaction	
What is the Transaction?	On 22 June 2020, Cassini announced the Transaction to ASX. The Acquisition Scheme, Demerger Scheme and the Capital Reduction are together referred to as the Transaction. The Transaction will be implemented by way of two separate but inter-conditional schemes of arrangement and a capital reduction to effect the Demerger. This means that each of the Demerger (via the Demerger Scheme) and the Acquisition Scheme contain conditions precedent that relate to Cassini Shareholders and the Court approving the other. Effectively, neither the Demerger nor the Acquisition Scheme will be implemented unless the other is implemented.
What is the Acquisition Scheme?	The Acquisition Scheme is a proposed acquisition by OZ Minerals of Cassini to be implemented by way of a scheme of arrangement under Part 5.1 of the Corporations Act between Cassini and Cassini Shareholders under which all of the Cassini Shares held by Acquisition Scheme Shareholders will be transferred to OZ Minerals in consideration for the issuance by OZ Minerals of the Acquisition Scheme Consideration. The Acquisition Scheme requires the approval of both the Requisite Majority of Cassini Shareholders at the Acquisition Scheme Meeting and the Court. Details of the Acquisition Scheme are not included in this Demerger Scheme Booklet. Further information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was made available to you at the same time as this Demerger Scheme Booklet.
What is the Demerger?	The Demerger is separate from the Acquisition Scheme. The Demerger involves the demerger of Caspin, which is currently a wholly-owned subsidiary of Cassini. Upon implementation of the Demerger, Caspin will become a standalone entity, separate to Cassini. The Demerger is proposed to occur by way of the Demerger Scheme and the Capital Reduction, which will result in 100% of the Caspin Shares being distributed to, or for the benefit of, Cassini Shareholders. The implementation of the Demerger is expected to occur one day prior to the implementation of the Acquisition Scheme. If the Demerger is approved by Cassini Shareholders and implemented, Demerger Scheme Shareholders will receive 1 Caspin Share for every 22 Cassini Shares they hold (other than Ineligible Shareholders) and A\$0.01 per Cassini Share held on the Record Date. Following implementation of the Demerger, Caspin intends to conduct an initial public offer and apply for admission to the official list of ASX. The Demerger is conditional on (among other things) the Requisite Majorities of Cassini Shareholders also approving the Acquisition Scheme.
What is the Demerger Scheme?	The Demerger Scheme is a scheme of arrangement under part 5.1 of the Corporations Act between Cassini and "Demerger Scheme Shareholders". Cassini Shareholders will be asked to approve the Demerger Scheme at the Demerger Scheme Meeting.

Overview of the Transaction	
	The terms of the Demerger Scheme are set out in full in Annexure 2.
What is the Capital Reduction?	The Capital Reduction is a return of capital of your Cassini Shares, and is a necessary step to effect the Demerger. The Acquisition Scheme and the Demerger Scheme are conditional on the Capital Reduction being approved by Cassini Shareholders.

Overview of the Demerger Scheme	
What is the Demerger Entitlement?	If the Demerger Scheme proceeds, Demerger Scheme Shareholders will receive A\$0.01 per Cassini Share and 1 Caspin Share for every 22 Cassini Shares (other than Ineligible Shareholders) held on the Record Date. Ineligible Shareholders will not receive the Demerger Share Entitlement. Instead, the Caspin Shares which they would have received will be sold by the Sale Agent and the net sale proceeds (minus applicable taxes, stamp duty, charges, brokerage costs and other selling costs) will be remitted to the Ineligible Shareholder as soon as reasonably practicable.
What will be the effect of the Demerger Scheme?	If the Demerger Scheme is approved by the Requisite Majority of Cassini Shareholders and the Court and the Capital Reduction is approved by Cassini Shareholders: • Caspin will be separated from Cassini; and • Demerger Scheme Shareholders will receive 1 Caspin Share for every 22 Cassini Shares (excluding Ineligible Shareholders).
Are there conditions that need to be satisfied before the Demerger Scheme can proceed?	Implementation of the Demerger Scheme is subject to satisfaction or waiver (where applicable) of a number of conditions contained in the Demerger Scheme Implementation Deed, set out in Annexure 2. There are a number of conditions that remain outstanding as at the date of this Demerger Scheme Booklet as described in 12.15.
What is the Directors' recommendation?	Your Directors have carefully considered the advantages and disadvantages of the Demerger Scheme and unanimously recommend that you vote in favour of the Demerger Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders. Your Directors intend to vote, or procure the voting, in favour of the Demerger Scheme with respect to any Cassini Shares controlled or held by, or on behalf of, them, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders. In relation to the recommendation of Richard Bevan, Cassini Shareholders should have regard to the fact that once the Acquisition Scheme becomes effective, Mr Bevan's 1,115,803 Cassini Performance Rights will automatically vest into Cassini Shares as described in Section 12.17 and he may also become entitled to a cash amount of A\$90,000 in the circumstances described in Section 13.2(b). In relation to the recommendation of Ms Simone Suen, Cassini Shareholders should have regard to the fact that Ms Suen is also a director and shareholder of Atasa Holdings Pty Ltd, which holds Cassini Options which are entitled to be dealt with in accordance with Section 12.18. Mr Bevan and Ms Suen consider that, despite these arrangements it is appropriate for them to make a recommendation on the Demerger Scheme

Overview of the Demerger Scheme

	as the value of these arrangements are not material to Mr Bevan and Ms Suen and accordingly do not impact their recommendation. A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because they have an interest in the Demerger Scheme that renders it inappropriate to maintain any such recommendation.
Are there any major shareholders who support the Demerger Scheme?	Tinci (HK) Limited (approximately 5.84%) and Atasa Holdings Pty Ltd (approximately 7.31%), substantial shareholders of Cassini, have confirmed their intention to vote in favour of the Demerger Scheme in respect of Cassini Shares currently held, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders. In addition to the above and as disclosed by Cassini on 4 April 2019, Cassini holds a relevant interest in the Cassini Shares held by Tinci (HK) Limited pursuant to a Subscription and Voting Deed dated 4 April 2019 whereby Tinci (HK) Limited has for the period until 4 April 2021 agreed, in the absence of a superior proposal, to vote in accordance with the recommendation of the majority of the Board in respect of any change of control transaction.
What are the reasons to vote in favour of the Demerger Scheme?	The Directors have described in Section 2.1 the reasons why Cassini Shareholders should vote in favour of the Demerger Scheme.
What are the reasons to vote against the Demerger Scheme?	The Directors have described in Section 2.2 the reasons why you may decide to vote against the Demerger Scheme.
What are the risks for me if the Demerger Scheme is implemented?	If the Demerger Scheme is implemented, you will be entitled to receive the Demerger Entitlement. Cassini Shareholders who receive and retain Cassini Shares under the Demerger Scheme as part of their Demerger Entitlement (other than Ineligible Shareholders) may be subject to certain risks, including those detailed in Section 10.
What is the Independent Expert's conclusion?	The Independent Expert has concluded that the Demerger Scheme is fair and reasonable and in the best interests of Cassini Shareholders. The Independent Expert's Report is set out in Annexure 1 .
If I wish to support the Demerger Scheme, what should I do?	Your Directors unanimously recommend that you vote in favour of the Demerger Scheme at the Demerger Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.⁴ If you are a registered Cassini Shareholder and are unable to attend the Demerger Scheme Meeting you may be entitled to vote by proxy, corporate representative or attorney. See Section 4 for directions on how to vote and important voting information generally.

⁴ A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because they have an interest in the Demerger Scheme that renders it inappropriate to maintain any such recommendation.

Overview of the Demerger Scheme

What happens if I vote against the Demerger Scheme?	If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Demerger Scheme, you may vote against the Demerger Scheme at the Demerger Scheme Meeting. If the Demerger Scheme is approved by the Requisite Majority of Cassini Shareholders, the Capital Reduction is approved by Cassini Shareholders, the Demerger Scheme is approved by the Court, and all other conditions to the Demerger Scheme are satisfied or waived (where applicable), Demerger Scheme Shareholders will receive the Demerger Entitlement, being 1 Caspin Share for every 22 Cassini Shares held (excluding Ineligible Shareholders) and a cash distribution of A\$0.01 per Cassini Share held on the Record Date. In relation to the Capital Reduction, Caspin will transfer to you or the Sale Agent on your behalf, as applicable, Caspin Shares. This will occur even if you voted against the Demerger Scheme at the Demerger Scheme Meeting. If the Demerger Scheme is not approved by the Requisite Majority of Cassini Shareholders or the Court, or the Capital Reduction is not approved by Cassini Shareholders, Caspin will remain a wholly-owned subsidiary of Cassini.
How will the Demerger Scheme be implemented?	If the Demerger Scheme becomes Effective, no further action is required on the part of the Demerger Scheme Shareholders in order to implement the Demerger Scheme. Under the Demerger Scheme, each Cassini Shareholder (other than Ineligible Shareholders) will be deemed to have agreed to become a holder of Caspin Shares in accordance with the Demerger Scheme and to have accepted the Caspin Shares transferred to that holder under the Demerger Scheme subject to, and to be bound by, Caspin's constitution.
What happens if the Demerger Scheme is not approved?	If the Demerger Scheme is not approved by the Requisite Majority of Cassini Shareholders or the Court, or the Capital Reduction is not approved by Cassini Shareholders, the Demerger Scheme will not be implemented. Further, if any of the conditions to the Demerger Scheme are not satisfied or waived (where applicable), including if the Demerger Scheme is not approved by the Requisite Majority of Cassini Shareholders and by the Court, the Demerger Scheme Implementation Deed may be terminated and the Demerger Scheme will not be implemented. The consequences of the Demerger Scheme not being implemented include: • Cassini Shareholders will not receive the Demerger Entitlement; • Caspin will remain a wholly-owned subsidiary of Cassini; • the Acquisition Scheme will not proceed, which means that OZ Minerals will not acquire Cassini and no Cassini Shareholders will receive the Acquisition Scheme Consideration; • you will remain a Cassini Shareholder and continue to be exposed to the risks associated with your investment in Cassini Shares (see Section 10.4); • the Cassini Board and management will continue to operate Cassini's business; • the expected benefits of the Demerger Scheme (set out in Section 2.1) will not be realised;

Overview of the Demerger Scheme

	- Cassini's Share price may fall to the extent that the market reflects an assumption that the Acquisition Scheme will be completed; and - Cassini will have incurred significant costs and management time and resources for no outcome.
What are the tax implications of the Demerger Scheme?	Section 11 provides a description of the general Australian tax consequences of the Demerger Scheme. It is recommended you seek professional tax advice.
How do the Directors intend to vote in respect of their own Cassini Shares?	In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders, each Director intends to vote, or procure the voting, in favour of the Demerger Scheme with respect to any Cassini Shares controlled or held by, or on behalf of, them. Your Directors collectively control the voting rights attaching to approximately 11.6% of the total number of Cassini Shares on issue.

Questions about your entitlements

Who is entitled to participate in the Demerger Scheme?	Each person (other than Ineligible Shareholders) who is a Cassini Shareholder as at 5:00pm (AWST) on the Record Date (expected to be Monday, 28 September 2020) will be entitled to participate in the Demerger Scheme.
What if I am an Ineligible Shareholder?	If you are a Cassini Shareholder whose address shown in the Cassini Register is in an Ineligible Jurisdiction or you are otherwise determined to be an Ineligible Shareholder, Cassini will not transfer Caspin Shares to you. However, your Cassini Shares will be part of the Demerger Scheme. The number of Caspin Shares that would otherwise have been transferred to you under the Demerger Scheme will be transferred to the Sale Agent, who will sell those Caspin Shares and remit to Ineligible Shareholders their pro rata share of the proceeds of such sale, net of costs. Please refer to Section 5.2 for further information.
What if I am a Cassini Shareholder in New Zealand?	If you are a Cassini Shareholder whose address shown in the Cassini Register is in New Zealand, you will be provided with a New Zealand Investor Certificate with this Demerger Scheme Booklet. The purpose of the New Zealand Investor Certificate is to give you the opportunity to certify that you are a "wholesale investor" in order to be eligible to receive Caspin Shares under the Demerger. If you are a "wholesale investor", in order to ensure that your status is correctly recorded, it is important that your signed New Zealand Investor Certificate is received by the Share Registry by no later than the Record Date. New Zealand Shareholders who are not "wholesale investors" will be Ineligible Shareholders. You will be treated as an Ineligible Shareholder if the Demerger is implemented and by the Record Date you:

Questions about your entitlements

	- have not returned a New Zealand Investor Certificate to Cassini in accordance with the instructions set out below; and - return the New Zealand Investor Certificate unsigned or incorrectly completed. For further details, see Section 5.4.
How will fractional entitlements to Caspin Shares be treated?	If, pursuant to the calculation of your Demerger Share Entitlement, you would be entitled to a fraction of a Caspin Share your fractional entitlement will be rounded up or down to the nearest whole number of Caspin Shares (or rounded up to allow a Demerger Scheme Shareholder to receive at least one Caspin Share).
When will I receive the Demerger Entitlement?	If the Demerger Scheme is implemented, Caspin will: - transfer your Caspin Shares to you (or in the case of an Ineligible Shareholder, to the Sale Agent); and - pay you the Demerger Cash Entitlement, on the Implementation Date, which is expected to be 5 October 2020. Cassini will procure that evidence of ownership is sent to Cassini Shareholders (except Ineligible Shareholders) in respect of the Caspin Shares following the Implementation Date.
Will I have to pay brokerage fees on the disposal of my Caspin Shares?	If you are an Ineligible Shareholder the Sale Agent will deduct brokerage and other costs from the sale of Caspin Shares that would otherwise have been transferred to you and remit to you your pro rata share of the net proceeds from the sale of the Caspin Shares sold through the Sale Facility.

Questions about the Demerger Scheme Meeting and voting

Who can vote?	If you are registered as a Cassini Shareholder at 5:00pm (AWST) on 19 September 2020 you will be entitled to vote on the Demerger Scheme Resolution to be proposed at the Demerger Scheme Meeting. For further details, see Section 4.
When and where will the Demerger Scheme Meeting be held?	The Demerger Scheme Meeting to approve the Demerger Scheme is scheduled to be held on 21 September 2020 commencing immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)). Further details of the Demerger Scheme Meeting, including how to vote are contained in Section 4. The Notice of Demerger Scheme Meeting is contained in Annexure 5.
What vote is required to approve the Demerger Scheme?	The Demerger Scheme needs to be approved by the Requisite Majority of Cassini Shareholders, which is: unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Demerger Scheme Meeting (in person or by proxy, corporate representative or attorney); and

Questions about the Demerger Scheme Meeting and voting

	at least 75% of the total number of votes cast on the resolution at the Demerger Scheme Meeting.
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Demerger Scheme Meeting scheduled to be held on 21 September 2020 commencing immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)) you should complete and return the Proxy Form enclosed with this Demerger Scheme Booklet. For further details regarding voting and submitting Proxy Forms for the Demerger Scheme Meeting, see Section 4.
Why should I vote?	Your vote will be important in determining whether the Demerger Scheme will proceed. Your Directors unanimously recommend that you vote in favour of the Demerger Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.⁵
What happens if I do not vote?	If you do not vote and the Demerger Scheme is approved by a Requisite Majority of Cassini Shareholders, the Capital Reduction is approved by Cassini Shareholders and the Demerger Scheme is approved by the Court and becomes Effective, you will receive the Demerger Cash Entitlement and unless you are an Ineligible Shareholder, the Demerger Share Entitlement. If you are an Ineligible Shareholder, the Sale Agent will sell your Caspin Shares and remit to you your pro rata share of the net proceeds from the sale of Caspin Shares sold through the Sale Facility. If the Demerger Scheme is not approved, Cassini will remain an independent company and you will remain a Cassini Shareholder.
Can I attend the Court and oppose the Court approval of the Demerger Scheme?	If you wish to oppose approval by the Court of the Demerger Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on Cassini, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Cassini at least one Business Day (in Perth, Western Australia) before the Second Court Date.
Can I split my shares?	If Cassini forms the opinion that two or more Cassini Shareholders have, before the Record Date, been a party to: - splitting a holding of Cassini Shares into two or more parcels of Cassini Shares whether or not it results in any change in beneficial ownership of the Cassini Shares (Share Splitting); or - division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements), Cassini may give notice to such Cassini Shareholders attributing the Cassini Shares held by all of them to one of them (specifically identified in such notice). This notice deems the Cassini Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.

⁵ A Cassini Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) that they should not provide or continue to maintain any recommendation because they have an interest in the Acquisition Scheme that renders it inappropriate to maintain any such recommendation.

Questions about the Demerger Scheme Meeting and voting

	If the Demerger Scheme is not approved by Cassini Shareholders at the Demerger Scheme Meeting, by reason only of the non-satisfaction of the Headcount Test and Cassini or OZ Minerals considers that Share Splitting may have caused or contributed to the Headcount Test not having been satisfied then Cassini must apply for an order of the Court to disregard the Headcount Test and seek Court approval of the Demerger Scheme, notwithstanding that the Headcount Test has not been satisfied.
What are my options?	You may: • vote in favour of the Demerger Scheme at the Demerger Scheme Meeting; • vote against the Demerger Scheme at the Demerger Scheme Meeting; • sell your Cassini Shares on market at any time before the close of trading on ASX on the Record Date; or • do nothing. See Section 5.7 for further information.
What if I cannot, or do not wish to, attend the Demerger Scheme Meeting?	If you cannot, or do not wish to, attend the Demerger Scheme Meeting, you may appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and submitting Proxy Forms for the Demerger Scheme Meeting, see Section 4.

Questions about the Capital Reduction Meeting and voting

Who can vote?	If you are registered as a Cassini Shareholder at 5:00pm (AWST) on 19 September 2020 you will be entitled to vote on the Capital Reduction Resolution to be proposed at the Capital Reduction Meeting. For further details, see Section 4.
When and where will the Capital Reduction Meeting be held?	The Capital Reduction Meeting to approve the Capital Reduction is scheduled to be held on 21 September 2020 commencing immediately following the conclusion of the Demerger Scheme Meeting (but not before 11:30am (AWST)). Further details of the Capital Reduction Meeting, including how to vote are contained in Section 4. The Notice of Capital Reduction Meeting is contained in Annexure 6.
What vote is required to approve the Capital Reduction?	The Capital Reduction needs to be approved by a majority in number (more than 50%) of the total number of votes cast on the resolution at the Capital Reduction Meeting.
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Capital Reduction Meeting scheduled to be held on 21 September 2020 commencing immediately following the conclusion of the Demerger Scheme Meeting (but not before 11:30am (AWST)) you should complete and return the Proxy Form enclosed with this Demerger Scheme Booklet. For further details regarding voting and submitting Proxy Forms for the Capital Reduction Meeting, see Section 4.

Questions about the Capital Reduction Meeting and voting

Why should I vote?	Your vote will be important in determining whether the Capital Reduction will proceed. Your Directors unanimously recommend that you vote in favour of the Capital Reduction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.
What happens if I do not vote?	If you do not vote and the Demerger Scheme is approved by a Requisite Majority of Cassini Shareholders, the Capital Reduction is approved by Cassini Shareholders and the Demerger Scheme is approved by the Court and becomes Effective, you will receive the Demerger Cash Entitlement and unless you are an Ineligible Shareholder, the Demerger Share Entitlement. If you are an Ineligible Shareholder, the Sale Agent will sell your Caspin Shares and remit to you your pro rata share of the net proceeds from the sale of Caspin Shares sold through the Sale Facility. If the Capital Reduction is not approved, Cassini will remain an independent company and you will remain a Cassini Shareholder.
What are my options?	You may: • vote in favour of the Capital Reduction at the Capital Reduction Meeting; • vote against the Capital Reduction at the Capital Reduction Meeting; • sell your Cassini Shares on market at any time before the close of trading on ASX on the Record Date; or • do nothing. See Section 5.7 for further information.
What if I cannot, or do not wish to, attend the Capital Reduction Meeting?	If you cannot, or do not wish to, attend the Capital Reduction Meeting, you may appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and submitting Proxy Forms for the Capital Reduction Meeting, see Section 4.

Questions about Caspin

Who is Caspin?	Caspin was incorporated in Australia on 17 June 2020 by its current parent company, Cassini, which is intended to hold the Yarawindah Brook Project and Mount Squires Project via a transfer to Caspin of the shares in the four subsidiaries of Cassini which hold those assets.
What is Caspin's business strategy?	Upon completion of the Demerger, Caspin will have a 100% interest in the Mount Squires Project and an 80% interest in the Yarawindah Brook Project. Caspin intends to progress exploration at the Mount Squires Project and Yarawindah Brook Project. Caspin will seek further permits, including environmental, heritage and land access, to expand exploration programs at its Yarawindah Brook Project.

Questions about Caspin

How does Caspin intend to fund its business plan?

Caspin intends to conduct an equity capital raising for an initial public offering as soon as practicable following implementation of the Demerger. The precise number of securities and amount to be raised under the capital raise have not yet been determined but it is intended that a sufficient amount is raised to enable Caspin to satisfy the admission requirements for ASX.

Further details will be included in the prospectus issued by Caspin in connection with the capital raising expected to be released after the Implementation Date.

The funds raised from the initial public offering, together with the A\$500,000 of cash Caspin will already have upon implementation, will provide working capital and funding for future exploration and other initiatives at Caspin's projects. Cassini Shareholders should be aware that Caspin's listing on the official list of ASX is at ASX's discretion, and there is a risk that Caspin may not meet the requirements for admission to the official list of ASX to enable quotation of Caspin Shares.

Who will be on the board of Caspin?

Upon implementation of the Demerger Scheme, the proposed directors and senior management of Caspin will be as follows:

- Mr Cliff Lawrenson will become non-executive Chairman of Caspin;
- Mr Justin Tremain will become a non-executive director of Caspin;
- Ms Simone Suen, currently non-executive director of Cassini, will become a non-executive director of Caspin;
- Dr Jon Hronsky OAM, currently non-executive director of Cassini, will become a non-executive director of Caspin; and
- Mr Greg Miles, currently Chief Operating Officer of Cassini, will become Chief Executive Officer of Caspin.

What are the risks associated with an investment in Caspin?

The following risks have been identified as being key risks relevant to Caspin's Business:

- future capital requirements of Caspin;
- no current market for Caspin Shares;
- lack of liquidity and potential volatility of Caspin Shares;
- high level of risk associated with mineral exploration and mining; and
- commodity price fluctuations.

These risks have the potential to have a significant adverse impact on Caspin and may affect Caspin's financial position or prospects or the price or value of Caspin's securities.

General questions

What other information is available?

You should read the detailed information in relation to the Demerger Scheme provided in this Demerger Scheme Booklet.

Further information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was made available to you at the same time as this Demerger Scheme Booklet.

Further information in relation to Cassini can be obtained from ASX on its website www.asx.com.au

Further information in relation to OZ Minerals can be obtained from ASX on its website www.asx.com.au

Who can help answer my questions about the Demerger Scheme?

If you have questions in relation to the Demerger Scheme or the Demerger Scheme Meeting, please contact the Company Secretary on +61 8 9322 7600 Monday to Friday between 9:00am and 5:00pm (AWST), visit <https://www.cassiniresources.com.au/> or consult your legal, investment, financial, taxation or other professional adviser.

4. Demerger Scheme Meeting, Capital Reduction Meeting and voting information

This Section contains information relating to voting entitlements and information on how to vote at the Demerger Scheme Meeting and Capital Reduction Meeting for Cassini Shareholders.

4.1 Demerger Scheme Meeting

(a) Time and location

The Demerger Scheme Meeting to approve the Demerger Scheme is scheduled to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 21 September 2020 commencing immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)).

(b) Requisite Majority

At the Demerger Scheme Meeting, the Demerger Scheme Resolution will be proposed to the Demerger Scheme Meeting which must be approved by:

- (i) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Demerger Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (ii) at least 75% of the total number of votes which are cast at the Demerger Scheme Meeting,

(the **Requisite Majority**), for the Demerger Scheme to become Effective.

(c) Notice of Demerger Scheme Meeting

The Demerger Scheme Resolution is set out in the Notice of Demerger Scheme Meeting in Annexure 5.

4.2 Capital Reduction Meeting

(a) Time and location

The Capital Reduction Meeting to approve the Capital Reduction is scheduled to be held at BDO Australia, 38 Station Street, Subiaco, Western Australia on 21 September 2020 commencing immediately following the conclusion of the Demerger Scheme Meeting (but not before 11:30am (AWST)).

(b) Requisite Majority

At the Capital Reduction Meeting, the Capital Reduction Resolution will be proposed to the Capital Reduction Meeting which must be approved by a majority in number (more than 50%) of the total votes which are cast at the Capital Reduction Meeting.

(c) Notice of Capital Reduction Meeting

The Capital Reduction Resolution is set out in the Notice of Capital Reduction Meeting in Annexure 6.

4.3 Entitlement and ability to vote at the Demerger Scheme Meeting and Capital Reduction Meeting

If you are registered as a Cassini Shareholder as at 5:00pm (AWST) on 19 September 2020, you will be entitled to vote on the Demerger Scheme Resolution at the Demerger Scheme Meeting and the Capital Reduction Resolution at the Capital Reduction Meeting. Voting on the Demerger Scheme Resolution and Capital Reduction Resolution will be by poll.

(a) **Voting in person**

If you wish to vote in person, you may attend the Demerger Scheme Meeting and the Capital Reduction Meeting. You (or your proxy, corporate representative or attorney) may also attend the Demerger Scheme Meeting and the Capital Reduction Meeting through an online platform at investor.automic.com.au. This online platform will allow Cassini Shareholders to attend the Demerger Scheme Meeting and Capital Reduction Meeting in real time and allow them to vote and ask questions in respect of the Demerger Scheme Resolution and Capital Reduction Resolution. To attend the Demerger Scheme Meeting and the Capital Reduction Meeting online:

- (i) go to investor.automic.com.au; and
- (ii) login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting.

Cassini Shareholders and their proxies will be able to vote on the Demerger Scheme Resolution directly through the online platform at any time between the commencement of the Demerger Scheme Meeting commencing immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)) on 21 September 2020 and the closure of voting as announced by the chair during the Demerger Scheme Meeting.

Cassini Shareholders and their proxies will be able to vote on the Capital Reduction Resolution directly through the online platform at any time between the commencement of the Capital Reduction Meeting commencing immediately following the conclusion of the Demerger Scheme Meeting (but not before 11:30am (AWST)) and the closure of voting as announced by the chair during the Capital Reduction Meeting.

(b) **Voting by proxy**

Your personalised Proxy Form for the Demerger Scheme Meeting and Capital Reduction Meeting accompanies this Demerger Scheme Booklet.

You can appoint a proxy by completing and returning to Cassini the enclosed Proxy Form for the Demerger Scheme Meeting and Capital Reduction Meeting. The Proxy Form for the Demerger Scheme Meeting must be received by Cassini by no later than 11:00am (AWST) on 19 September 2020 and the Proxy Form for the Capital Reduction Meeting must be received by Cassini by no later than 11:30am (AWST) on 19 September 2020.

You must return the Proxy Form to Cassini by either posting it in the reply paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:

- (i) Mail to:

Automic, GPO Box 5193, Sydney NSW 2001
- (ii) Hand deliver to:

Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
- (iii) Fax to:

+61 2 8583 3040
- (iv) lodged online at <https://investor.automic.com.au/#/loginsah> and following the instructions provided.

If a proxy appointment is signed by or validly authenticated by a Cassini Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Demerger Scheme Meeting and the Capital Reduction Meeting (as applicable) may act as proxy.

If:

- (i) a Cassini Shareholder nominates the chairman of the Demerger Scheme Meeting or the Capital Reduction Meeting as the Cassini Shareholder's proxy; or
- (ii) a proxy appointment is signed by a Cassini Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the Proxy Form,

the person acting as chairman in respect of an item of business at the Demerger Scheme Meeting or Capital Reduction Meeting must act as proxy under the appointment in respect of that item of business.

Proxy appointments in favour of the chairman of the Demerger Scheme Meeting, the Cassini company secretary or any Director which do not contain a direction will be voted in support of the Demerger Scheme Resolution at the Demerger Scheme Meeting. Proxy appointments in favour of the chairman of the Capital Reduction Meeting, the Cassini company secretary or any Director which do not contain a direction will be voted in support of the Capital Reduction Resolution at the Capital Reduction Meeting.

A Cassini Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be a Cassini Shareholder) to represent him, her or it at the Demerger Scheme Meeting and the Capital Reduction Meeting, other than the chairman of the Demerger Scheme Meeting and Capital Reduction Meeting (as applicable), by inserting the name of his chosen proxy in the space provided for that purpose on the Proxy Form.

A Cassini Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes. The Cassini Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the Cassini Shareholder on any ballot that may be called for, and if the Cassini Shareholder specifies a choice with respect to any matter to be acted upon, the Cassini Shares will be voted accordingly.

A Cassini Shareholder who has deposited a Proxy Form may revoke it prior to its use, by instrument in writing executed by the Cassini Shareholder or by his, her or its attorney duly authorised in writing or, if the Cassini Shareholder is a company, executed by a duly authorised officer or attorney in compliance with applicable law and deposited at the Share Registry by 11:00am (AWST) on 19 September 2020 in respect of the Demerger Scheme Meeting or 11:30am (AWST) on 19 September 2020 in respect of the Capital Reduction Meeting or with the chairman of the Demerger Scheme Meeting or the Capital Reduction Meeting (as applicable) on the day of, and prior to the start of, the Demerger Scheme Meeting or the Capital Reduction Meeting. A Cassini Shareholder may also revoke a proxy in any other manner permitted by law.

If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney under which the Proxy Form was signed must be received by the Share Registry at the same time as the Proxy Form (unless you have already provided a certified copy of the power of attorney to Cassini).

(c) **Undirected proxies**

A Cassini Shareholder who has submitted a proxy has the right to appoint the chairman of the Demerger Scheme Meeting or the Capital Reduction Meeting, or another person (who need not be a Cassini Shareholder) to represent him, her or it at the Demerger Scheme Meeting or Capital Reduction Meeting and vote on the Demerger Scheme Resolution or Capital Reduction Resolution, by inserting the name of his, her or its desired representative in the space provided for that purpose on the Proxy Form.

Any instrument of proxy in which the name of the appointee is not filled in will be deemed to have been given in favour of the chairman of the Demerger Scheme Meeting or the Capital Reduction Meeting (as applicable).

The chairman of the Demerger Scheme Meeting intends to vote all undirected proxies in favour of the Demerger Scheme Resolution.

The chairman of the Capital Reduction Meeting intends to vote all undirected proxies in favour of the Capital Reduction Resolution.

(d) Voting by corporate representative

To vote in person at the Demerger Scheme Meeting or Capital Reduction Meeting, a Cassini Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative.

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate Cassini Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

A certificate with or without the seal of the body corporate Cassini Shareholder, signed by 2 directors of that body corporate or signed by one director and one secretary, or any other document as the chairman of the Demerger Scheme Meeting or the Capital Reduction Meeting (as applicable) in his sole discretion considers sufficient, will be evidence of the appointment, or of the revocation of the appointment, as the case may be, of a representative.

(e) Voting by attorney

A Cassini Shareholder may appoint a person (whether a Cassini Shareholder or not) as its attorney to attend and vote at the Demerger Scheme Meeting or the Capital Reduction Meeting.

An instrument appointing an attorney must be in writing executed under the hand of the appointer or the appointer's attorney duly authorised in writing, or if the appointer is a corporation, under its common seal (if any) or the hand of its duly authorised attorney or executed in a manner permitted by the Corporations Act. The instrument may contain directions as to the manner in which the attorney is to vote on a particular resolution(s) and subject to the Corporations Act, may otherwise be in any form as the Directors may prescribe or accept. A fax of a written power of attorney is valid provided it has been provided to Cassini on the fax number in Section 4.3(b) by no later than 11:00am (AWST) on 19 September 2020 in respect of the Demerger Scheme Meeting or 11:30am (AWST) on 19 September 2020 in respect of the Capital Reduction Meeting. Such fax will be deemed to have been served on Cassini upon the receipt of a transmission report confirming successful transmission of that fax.

5. Key considerations

The purpose of this Section 5 is to identify significant issues for you to consider in relation to the Demerger Scheme.

Before deciding how to vote at the Demerger Scheme Meeting, you should carefully consider the factors discussed below and the risk factors outlined in Section 10, as well as the other information contained in this Demerger Scheme Booklet.

5.1 Background

The Demerger Scheme is subject to, among other things, approval by the Requisite Majority of Cassini Shareholders at the Demerger Scheme Meeting, approval by the Court pursuant to section 411(4)(b) of the Corporations Act on the Second Court Date and approval of the Capital Reduction by Cassini Shareholders. For further details of the conditions, refer to Section 12.15.

Caspin has executed the Deed Poll pursuant to which Caspin has agreed, subject to the Demerger Scheme becoming Effective (i.e. after it is approved by Cassini Shareholders and the Court), to undertake all acts required to give effect to the Demerger Scheme. Under the terms of the Demerger Scheme, each Demerger Scheme Shareholder (other than Ineligible Shareholders) will receive scrip consideration of 1 Caspin Share for every 22 Cassini Shares and A\$0.01 per Cassini Share held at the Record Date.

If the Demerger Scheme becomes Effective Demerger Scheme Shareholders (or the Sale Agent on behalf of Ineligible Shareholders in respect of the Demerger Share Entitlement) will receive the Demerger Cash Entitlement and the Demerger Share Entitlement.

If, pursuant to the calculation of your Demerger Share Entitlement, you would be entitled to a fraction of a Caspin Share, your entitlement will be rounded up or down to the nearest whole number of Caspin Shares (or rounded up to allow a Demerger Scheme Shareholder to receive at least one Caspin Share).

Details about Ineligible Shareholders is set out in Section 5.2.

Details on certain Australian tax considerations in relation to the Demerger Entitlement can be found in Section 11.

5.2 Ineligible Shareholders

Restrictions in certain foreign countries may make it impractical or unlawful for Caspin Shares to be transferred under the Demerger Scheme to Cassini Shareholders in those countries.

Demerger Scheme Shareholders whose address is shown in the Cassini Register as being in an Ineligible Jurisdiction which Cassini has determined, acting reasonably, is a place that it is unlawful or unduly onerous to transfer the Caspin Shares, will be regarded as Ineligible Shareholders for the purposes of the Demerger Scheme.

Cassini is under no obligation to transfer and allot, and will not transfer, any Caspin Shares to any Ineligible Shareholder. Instead, if the Demerger Scheme becomes Effective, Cassini will transfer the Caspin Shares to which the Ineligible Shareholder would otherwise have been entitled to the Sale Agent, on trust for the Ineligible Shareholder, for sale through the Sale Facility. See Section 5.3 for further information about the Sale Facility.

5.3 Sale Facility

If you are an Ineligible Shareholder, the entire Demerger Share Entitlement that would otherwise have been transferred to you (inclusive of any fraction of a Caspin Share) will be transferred to the Sale Agent, as your nominee on trust, for sale through the Sale Facility and you will receive a pro rata share of the net proceeds from the sale of all Caspin Shares sold through the Sale Facility. The proceeds received by Ineligible Shareholders will be after deductions for applicable brokerage, stamp duty and other selling costs, taxes and charges.

The Sale Facility will operate as follows:

- (a) as soon as reasonably practicable after the Implementation Date, the Sale Agent will arrange for the sale of all the Caspin Shares allotted to it at the sole risk of the Ineligible Shareholders; and
- (b) the Sale Agent will then remit the sale proceeds, less any applicable brokerage, stamp duty and other selling costs, taxes and charges, to each Ineligible Shareholder for their pro rata share of the aggregate sale proceeds by either:
 - (i) where an Ineligible Shareholder has, before the Record Date, made a valid election to receive dividend payments from Cassini by electronic funds transfer to a bank nominated by that Ineligible Shareholder, paying or procuring the payment of the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise, dispatching or procuring the dispatching of a cheque for the relevant amount in Australian currency to the Ineligible Shareholder by prepaid post to their Registered Address.

Cassini will use reasonable endeavours to remit the sale proceeds by no later than 6 months of the Implementation Date.

Each Ineligible Shareholder will receive their pro rata share of the aggregate sale proceeds based on an averaged basis so that all Ineligible Shareholders will receive the same A\$ equivalent price per Caspin Share (subject to rounding to the nearest whole cent (in Australian currency) and in the case of Ineligible Shareholders, subject to any CGT withholding required under Section 5.2).

5.4 New Zealand Shareholders

If you are a Cassini Shareholder whose address shown in the Cassini Register is in New Zealand, you will be provided with a New Zealand Investor Certificate with this Demerger Scheme Booklet.

The purpose of the New Zealand Investor Certificate is to give you the opportunity to certify that you are a “wholesale investor” as defined in clause 3(2) of Schedule 1 to the Financial Markets Conduct Act of 2013 (New Zealand) (**FMC Act**) in order to be eligible to receive Caspin Shares under the Demerger.

If you are a “wholesale investor”, in order to ensure that your status is correctly recorded, it is important that your signed New Zealand Investor Certificate is received by the Share Registry by no later than the Record Date.

New Zealand Shareholders who are not “wholesale investors” will be Ineligible Shareholders.

You will be treated as an Ineligible Shareholder if the Demerger is implemented and by the Record Date you:

- (a) have not returned a New Zealand Investor Certificate to Cassini in accordance with the instructions set out below; and
- (b) return the New Zealand Investor Certificate unsigned or incorrectly completed.

As noted above, Ineligible Shareholders will not receive Caspin Shares under the Demerger. Instead, the Demerger Share Entitlement that would otherwise have been transferred to Ineligible Shareholders (inclusive of any fraction of a Caspin Share) will be transferred to the Sale Agent, on trust for sale through the Sale Facility. See Section 5.3 for further information about the Sale Facility.

5.5 Directors' recommendation

Your Directors believe that the Demerger Scheme is in the best interests of Cassini Shareholders, and they unanimously recommend that Cassini Shareholders vote in favour of the Demerger Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.

Your Directors have formed their conclusion and made their recommendation on the Demerger Scheme based on the reasons outlined in Section 2.

In relation to the recommendation of Mr Richard Bevan, Cassini Shareholders should have regard to the fact that, once the Acquisition Scheme becomes Effective, Mr Bevan's 1,115,803 Cassini Performance Rights will automatically vest into Cassini Shares as described in Section 12.17 and he may also become entitled to a cash amount of A\$90,000 in the circumstances detailed in Section 13.2(b). In relation to the recommendation of Ms Simone Suen, Cassini Shareholders should have regard to the fact that Ms Suen is also a director and shareholder of Atasa Holdings Pty Ltd, which holds Cassini Options which are entitled to be dealt with in accordance with Section 12.18. Mr Bevan and Ms Suen consider that, despite these arrangements it is appropriate for them to make a recommendation on the Demerger Scheme as the value of these arrangements are not material to Mr Bevan and Ms Suen and accordingly do not impact their recommendation.

Each of the Directors will vote or procure the voting of, any Cassini Shares controlled or held by, or on behalf of, such Director at the time of the Demerger Scheme Meeting, in favour of the Demerger Scheme at the Demerger Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Cassini Shareholders.

The reasons Cassini Shareholders might elect to vote against the Demerger Scheme are set out in Section 2.2.

5.6 Independent Expert's Report

The Independent Expert, Grant Thornton, has reviewed the terms of the Demerger Scheme and concluded that the Demerger Scheme is fair and reasonable and in the best interests of Cassini Shareholders.

The Independent Expert's Report is set out in Annexure 1 and should be read in its entirety, including the assumptions on which the conclusions are based.

5.7 What are your options and what should you do?

You have the following four options in relation to your Cassini Shares. Cassini encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Cassini Shares.

(a) **Vote in favour of the Demerger Scheme at the Demerger Scheme Meeting and the Capital Reduction at the Capital Reduction Meeting**

Your Directors unanimously recommend that you vote in favour of the Demerger Scheme and the Capital Reduction, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme and the Capital Reduction is in the best interests of Cassini Shareholders. The reasons for your Directors' unanimous recommendation are set out in Section 2.1.

If you wish to support the Demerger Scheme, you can do so by voting in favour of the Demerger Scheme Resolution at the Demerger Scheme Meeting and the Capital Reduction at the Capital Reduction Meeting. For directions on how to vote at the Demerger Scheme Meeting and the Capital Reduction Meeting, and important voting information generally, please refer to Section 4.

(b) **Vote against the Demerger Scheme at the Demerger Scheme Meeting and the Capital Reduction at the Capital Reduction Meeting**

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Demerger Scheme and the Capital Reduction, you may vote against the Demerger Scheme Resolution at the Demerger Scheme Meeting and the Capital Reduction Resolution at the Capital Reduction Meeting.

However, you should note that if all of the conditions to the Demerger Scheme are satisfied or waived (where applicable), the Demerger Scheme will bind all Cassini Shareholders, including those who vote against the Demerger Scheme Resolution at the Demerger Scheme Meeting or those who do not vote at all.

(c) **Sell your Cassini Shares on ASX**

The Demerger Scheme does not preclude you from selling your Cassini Shares on market for cash, if you wish, provided you do so before close of trading in Cassini Shares on ASX on the Effective Date (currently expected to be 24 September 2020) when trading in Cassini Shares will end.

If you are considering selling your Cassini Shares on ASX you should have regard to the prevailing trading prices of Cassini Shares at that time.

If you sell your Cassini Shares on market for cash, you:

- (i) will not be entitled to receive the Demerger Entitlement;
- (ii) may incur a brokerage charge;
- (iii) may incur CGT; and
- (iv) will not be able to participate in a Superior Proposal, if one emerges, noting that, at the date of this Demerger Scheme Booklet, your Directors have not received notice from any third party of an intention to make any Superior Proposal.

(d) **Do nothing**

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions to the Demerger Scheme are satisfied or waived (where applicable), the Demerger Scheme will bind all Cassini Shareholders, including those who vote against the Demerger Scheme Resolution at the Demerger Scheme Meeting or those who do not vote at all.

Remember, if you want to receive the Demerger Entitlement, your vote is important. If the Demerger Scheme is not approved by the Requisite Majority of Cassini Shareholders, you will not be entitled to receive any Demerger Entitlement.

5.8 Caspin Shares

Caspin intends to apply for admission to the official list of ASX following the Implementation Date. The Caspin Shares received under the Demerger will not be able to be traded on ASX, and Demerger Scheme Shareholders will continue to hold shares in a public unlisted company, unless and until such time as the requirements for listing on ASX can be met (if at all). Listing is at ASX's discretion, and there is a risk that Caspin may not meet the requirements for admission to the official list of ASX and achieve quotation of Caspin Shares.

6. Information about Cassini

Please refer to Section 6 of the Acquisition Scheme Booklet for information on Cassini, and Section 7 of this Demerger Scheme Booklet for information about Caspin, which is currently a wholly-owned subsidiary of Cassini.

7. Information about Caspin

This Section 7 provides information in relation to Caspin as if the Demerger Scheme has been implemented.

7.1 Introduction

Caspin was incorporated in Australia on 17 June 2020 by its current parent company, Cassini, which is intended to hold the Yarawindah Brook Project and Mount Squires Project via a transfer to Caspin of the shares in the four subsidiaries of Cassini which hold those assets. Caspin intends to apply to list on ASX post implementation of the Demerger. Following implementation of the Demerger, Caspin's subsidiaries will be:

- (a) Souwest Metals Pty Ltd (80%);
- (b) Search Resources Pty Ltd (100%);
- (c) Salvado Resources Pty Ltd (100%); and
- (d) Opis Resources Pty Ltd (100%).

Caspin will also hold a right to a contingent payment from OZ Minerals of up to A\$20 million cash in the event of a sale of all or a portion of OZ Mineral's interest in the West Musgrave Project (see Section 7.6(b) for details of the Contingent Payment Deed).

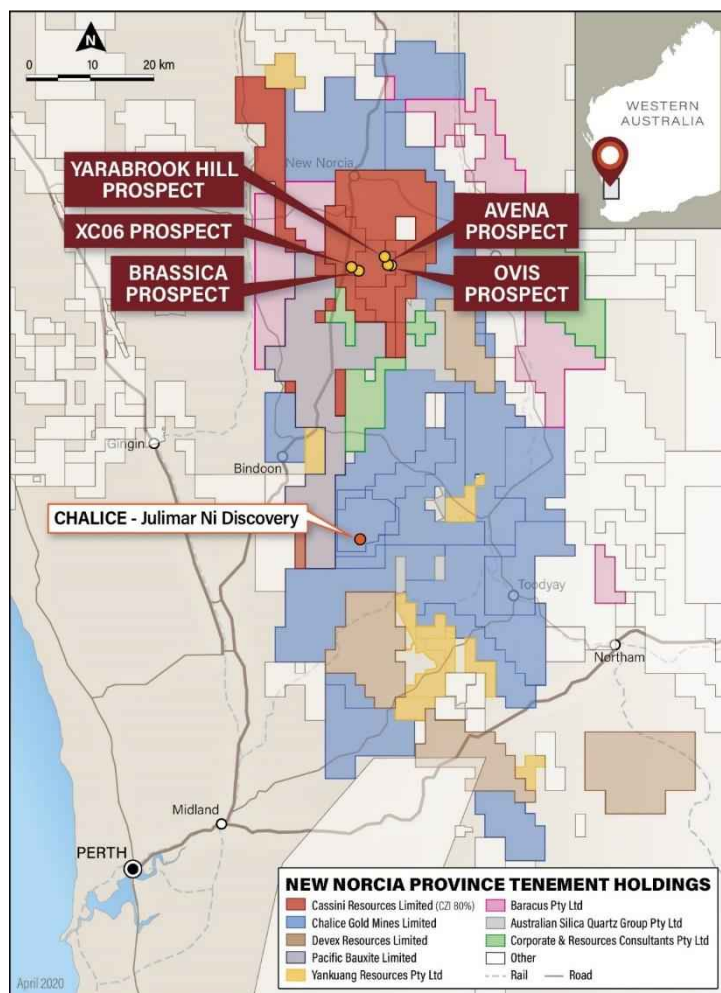
7.2 Caspin's business strategy

Caspin is a resource exploration company. Caspin's strategy is to explore and progress existing mineral resource projects held by the Demerger Entities, and where appropriate, generate, earn in to, or acquire new projects with the aim of creating value for Caspin Shareholders.

7.3 Detailed information in relation to Caspin's projects

- (a) Yarawindah Brook Project (Caspin Resources 80% on implementation of the Demerger)

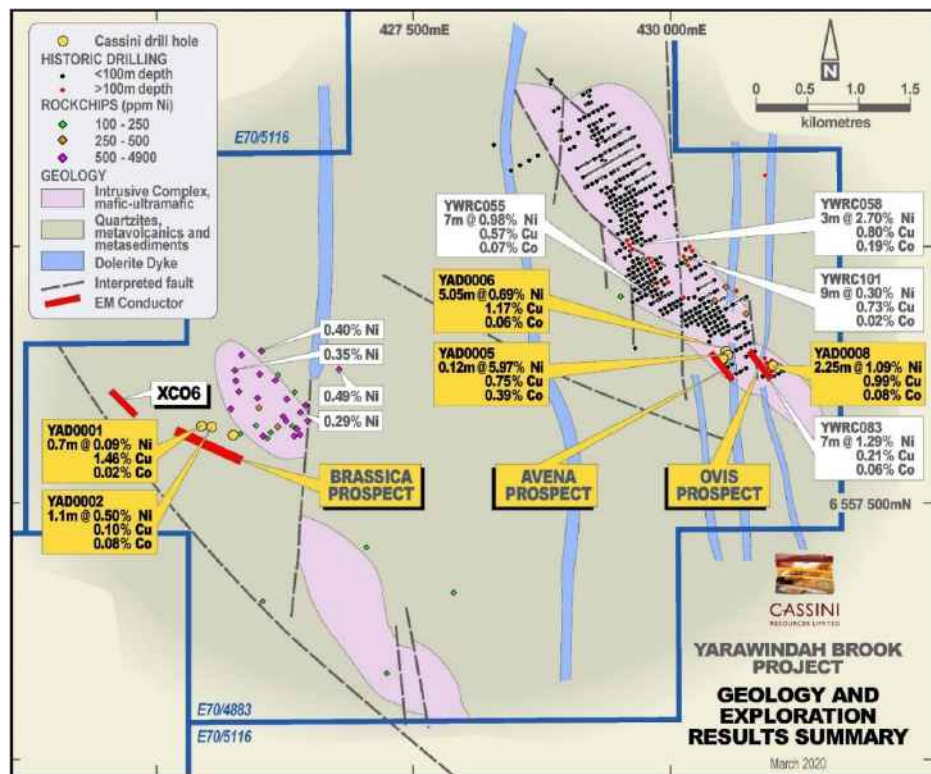
The Yarawindah Brook Project is located 130km northeast of Perth, in the emerging Ni-Cu-PGE sulphide New Norcia province. The Yarawindah Brook Project comprises a significant ground position of over 400km², approximately 40km north from Chalice Gold Mines' recent high-grade Julimar Ni-Cu-PGE discovery. The New Norcia region is deeply weathered, with little fresh rock outcrop and extensively covered by cultivated farmland, which has impeded previous exploration. Despite the presence of known Ni-Cu occurrences, discovered in the 1970s, most historical exploration has focused on surficial bauxite deposits. As a result, there is a paucity of deeper, bedrock drilling and the geology is poorly understood.



The Yarawindah Brook Project has had limited nickel, copper and cobalt exploration despite a favourable regional setting, prospective geology and near-surface occurrences of nickel and copper mineralisation. Historical exploration focussed primarily on a small, non-compliant platinum and palladium (**PGE**) resource which Caspini considers a “path-finder anomaly” for massive nickel-copper-cobalt sulphides.

The last phase of active exploration occurred in 2007 targeting surface electromagnetic (**EM**) anomalies, returning encouraging results from hole YWRC0083 including 7m @ 1.30% Ni, 0.22% Cu, 0.06% Co and 432ppb Pd from 74m. Despite the promising result no further follow-up drilling was conducted due to budget limitations of the previous operator during the exploration downturn post-GFC.

An airborne electromagnetic survey (**AEM**) was completed over the project in early 2018, identifying numerous conductors worthy of further investigation. A surface fixed loop electromagnetic (**FLEM**) survey was completed over several of the higher priority AEM anomalies in order to confirm and better constrain the conductors prior to drilling. The FLEM reinforced the anomalies, known as XC05 (**Brassica Prospect**) and XC06 conductors, as priority targets in the western portion of the Yarawindah Brook Project as well as AN01 (**Ovis Prospect**) and AN02 (**Avena Prospect**) conductors at the southern end of the main Yarawindah Brook Project (see figure below).



A diamond drilling program was completed in early 2020, targeting multiple new EM conductors identified following the airborne and ground EM surveys of 2018. A total of 9 diamond holes were completed for 1,148m.

At the Avena Prospect, drill holes have predominantly intersected broad zones of shallow, disseminated Ni and Cu sulphides, which locally contain high-grade, massive nickel sulphides. Caspin is particularly encouraged by a massive sulphide intercept of 0.12m @ 5.97% Ni, 0.75% Cu, 0.39% Co & 2.66g/t PGE from 84.3m in YAD0005. The nickel tenor of this intercept is representative of the historical massive sulphide intersections at Yarawindah, which are Caspin's primary targets. Although thin, this interval is interpreted to represent a structurally remobilised massive sulphide from a proximal source. Further encouragement was returned from YAD0006, which intersected 5.05m @ 0.69% Ni, 1.17% Cu & 0.06% Co from 57.95m. These intercepts range from 50m to 72m vertically below surface, well within open-pit mining depths.

Mineralisation remains open along strike and down-plunge to the north. Downhole electromagnetic survey (DHEM) has identified new "off-hole" conductors, which may be tested in future drilling programs.

At the Ovis Prospect, all three drill holes targeted electromagnetic conductors and intersected nickel-copper sulphide mineralisation at shallow depths. Best results include 2.25m @ 1.09% Ni, 0.99% Cu, 0.08% Co & 0.24g/t PGE from 84.8m in YAD0008 and 0.9m @ 1.44% Ni, 0.76% Cu, 0.11% Co & 0.19g/t PGE from 86.5m in YAD0009. Mineralisation is hosted in metagabbro and metapyroxenite intrusive sequences, consistent with the exploration model targeting mafic-hosted, orthomagmatic massive sulphides.

The mineralised portion of the host sequence is over 50m thick and anomalous in Ni-Cu throughout, which is important as massive Ni sulphide accumulations are generally associated with large volumes of sulphide-bearing magma. The host sequence in YAD0008 returned a broad, diluted intercept of 50m @ 0.24% Ni & 0.18% Cu (and terminated in anomalous metagabbro) demonstrating the potential scale and prospectivity of the mineralised intrusive.

At the Brassica Prospect, 4km to the west of Avena and Ovis, results include promising intercepts of 1.1m @ 0.50% Ni, 0.10% Cu & 0.08% Co from 92.9m in YAD0002 and 0.7m @ 0.09% Ni, 1.46% Cu & 0.02% Co from 71.4m in YAD0001. The metagabbros are strongly anomalous in Ni and Cu (approx. 500ppm) throughout.

The results to date support Caspin's exploration model that the Yarawindah Brook Project has potential to host multiple Ni-Cu magmatic sulphide deposits. Historical exploration has demonstrated that there

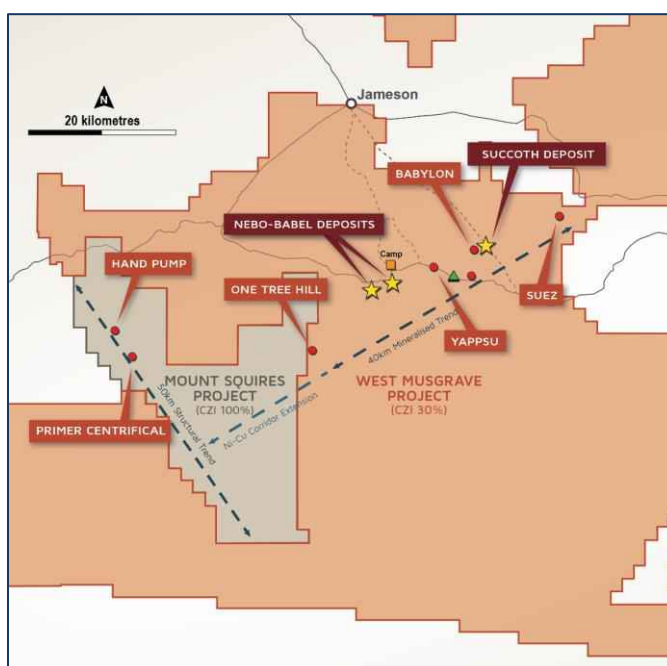
is a significant opportunity in the region to apply modern exploration concepts and techniques to identify near-surface, Ni-Cu-PGE sulphide mineralisation.

Caspin will be advancing exploration on multiple fronts once the Demerger is complete. Soil geochemistry and AEM have proven to be cheap, but effective tools for first-pass evaluation of potential Ni-Cu prospectivity and Caspin intends to continue these programs in stages across the entire project area whilst continuing to follow-up earlier drilling programs.

(b) Mount Squires Project (Caspin 100% on implementation of the Demerger)

The Mount Squires Project hosts a number of prospective gold targets, which includes a range of conceptual to advanced prospects. Prior to Caspin, Cassini had been developing the project since early 2015 through the consolidation of tenements forming a prospective gold frontier. The Mount Squires Project is located adjacent to the western border of the West Musgrave Project which hosts the large Nebo-Babel Ni-Cu Sulphide Deposits, approximately 1,700km northwest of Perth, Western Australia.

Access to the Project is via the Great Central Road east from Laverton (WA) through Warburton or west from Uluru (NT). A number of gravel airstrips at the isolated Aboriginal communities enable light plane access. The Great Central road is a well-maintained gravel road that is open for most of the year.



The Mount Squires Project has a long and complex exploration history from the 1960's to present. A number of companies have held tenements over the present-day Mount Squires Project, although the primary focus has been Ni-Cu sulphide, rather than gold. The gold potential was first recognised by Western Mining Corporation who identified a 1.2km x 400m soil anomaly at the Handpump Prospect but did not drill test the anomaly. Beadell Resources later drilled the Handpump Prospect in 2007 and intersected significant gold mineralisation within a 50m thick zone of hydrothermal breccia; the best drill intersection was 60m @ 0.9g/t from 13m in drill hole HPC00001, which included 15m @ 2.3g/t from 31m. Only limited follow-up was completed before the project was surrendered.

The geological interpretation has benefited from Cassini's recent experience and growing knowledge base at the adjacent West Musgrave Project through identification of structures controlling mineralisation in the Mount Squires Project. This has highlighted a structural corridor striking over 50km. Approximately 95% of the Mount Squires Project area is covered by Cainozoic calcrete, aeolian sand dunes and partly consolidated colluvium, impeding historical exploration.

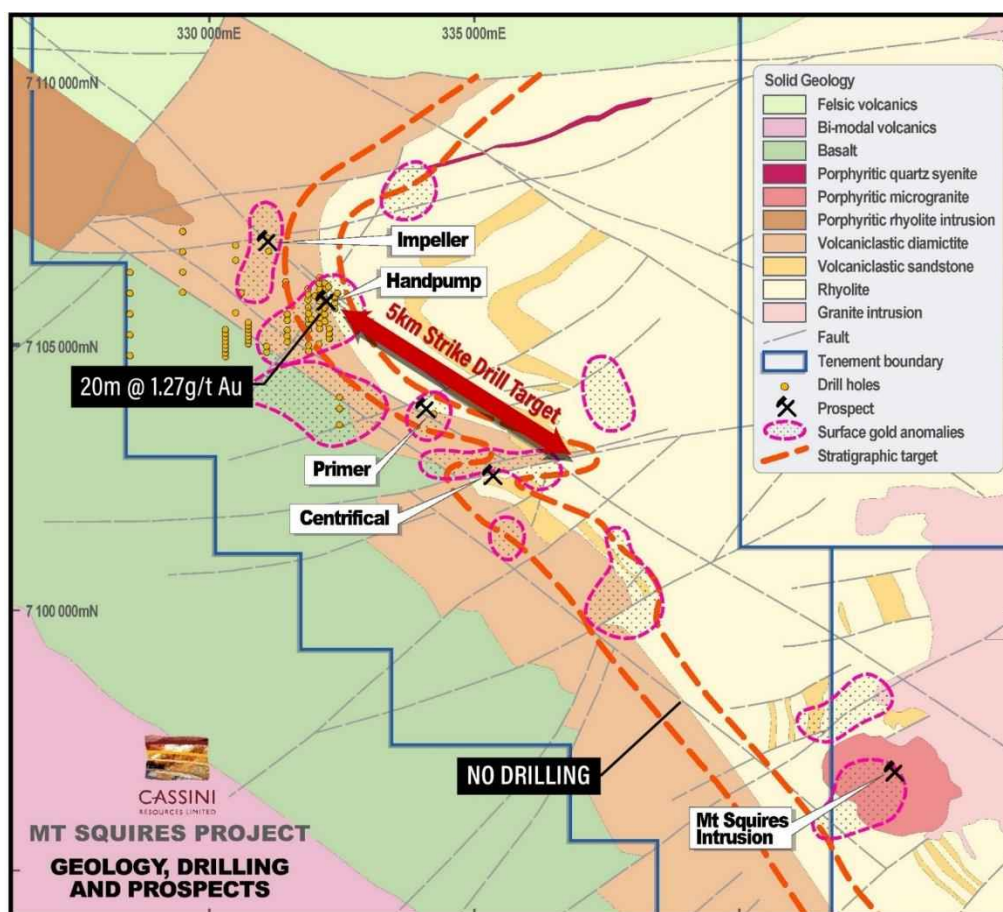
All previous exploration has been compiled into a consolidated database and utilised public geological and geophysical datasets to assist with geological interpretation and targeting.

The geological setting of the Mount Squires Project may have some affinity with intracontinental "hot-spot" epithermal gold mineralisation, rather than the more common island arc setting found elsewhere

along the Pacific Rim. Examples of this style are deposits in the northern Nevada region, including the Sleeper Deposit, with high gold grades from shallow crustal emplacement.

The most recent drill program at the Handpump Prospect was completed in September 2019, comprising 10 holes for 1,134m of RC drilling. Best results include 20m @ 1.27g/t Au, including 7m @ 2.54g/t Au from 23m in drill hole MSC0003, 27m @ 1.00g/t Au from 31m, including 3m @ 2.59g/t Au from 38m in drill hole MSC0004 and 19m @ 0.68g/t Au including 6m @ 1.26g/t Au from 38m in drill hole MSC0005. The results have confirmed the potential for economic mineralisation at surface and extending to shallow depths.

Simultaneously, a high-resolution aeromagnetic survey was conducted over the northern half of the Project to assist with structural and lithological mapping.



Geological mapping has also identified a number of gabbro intrusions in the eastern half of the project raising the potential for the continuation of Ni-Cu mineralisation into the project area. The One Tree Hill Prospect has returned numerous significant Ni-Cu intercepts and is within 200m of the Mount Squires Project tenement boundary.

Caspin intends to conduct further soil sampling and reconnaissance drilling to identify new targets along strike from the Handpump Prospect, which lies on a 50km-long structural corridor. Caspin will concurrently continue to evaluate the potential for Ni-Cu mineralisation along strike from the One Tree Hill Prospect.

7.4 Caspin's funding strategy

(a) Funding upon implementation of the Demerger

Caspin will receive A\$500,000 in funding from Cassini on the Implementation Date to facilitate its application to list on ASX.

(b) Capital raisings

Caspin intends to conduct an equity capital raising for an initial public offering as soon as practicable following implementation of the Demerger. The precise number of securities and amount to be raised under the capital raise have not yet been determined but it is intended that a sufficient amount will be raised to enable Caspin to satisfy the admission requirements of the Listing Rules. The investors in the capital raising have not yet been identified.

Further details will be included in the prospectus issued by Caspin in connection with the capital raising.

The funds raised from the initial public offering, together with the A\$500,000 of cash Caspin will have on the Implementation Date, will provide working capital and funding for future exploration and other initiatives. The issue price per share will be at least A\$0.20.

7.5 Caspin Board and senior management

Upon implementation of the Demerger Scheme, the proposed directors and senior management of Caspin will be as follows:

(a) Director profiles

Mr Cliff Lawrenson – Non-Executive Chairman

Mr Lawrenson is a highly experienced and well-known mining industry professional. Mr. Lawrenson is currently Non-Executive Chairman of:

- (i) Pacific Energy Ltd (ASX:PEA), which is now under the ownership of the Queensland Investment Corporation post its acquisition of PEA in 2019;
- (ii) ASX listed Paladin Energy Limited (ASX:PDN); and
- (iii) Onsite Rentals Group.

Prior to this, Mr Lawrenson was Managing Director of Atlas Iron Ltd from January 2017 to October 2018 when the company was acquired by Hancock Prospecting Pty Ltd. Prior to Atlas Iron, Mr Lawrenson was Managing Director of early-stage phosphate producer Avenir Ltd (formerly Minemakers Ltd) from 2012 and to January 2017, where he led the company from exploration to early stage production. Mr Lawrenson joined Avenir Ltd after holding the position of Chief Executive Officer of Pilbara iron ore development company FerrAus Ltd, which he led to a recommended takeover by Atlas Iron Ltd in December 2011. Mr Lawrenson held the position of Group Chief Executive Officer of GRD Ltd from 2006 to 2009. GRD Ltd incorporated GRD Minproc Ltd, OceanaGold Ltd and Global Renewables. Prior to joining GRD Ltd, Mr Lawrenson was a senior executive and vice president of CMS Energy Corporation in the United States of America and Singapore for seven years. An investment banking career preceded the above.

Mr Justin Tremain – Non-Executive Director

Mr Tremain is an experienced Company Director with extensive experience across the mineral resources sector. He is currently Managing Director of Exore Resources Ltd which is in the process of being acquired by Perseus Mining Ltd via a Scheme of Arrangement. Prior to Exore, Mr Tremain founded Renaissance Minerals Ltd (Renaissance) in June 2010 and served as its Managing Director until its takeover by Emerald Resources NL in November 2016. During that time, Mr Tremain oversaw Renaissance's growth as first mover into the frontier jurisdiction of Cambodia and successfully defined a highly economic +1 million ounce JORC gold resource and completion of a feasibility study. Mr Tremain held the position of Executive Director at Emerald Resources NL until his current role with Exore. Prior to founding Renaissance Minerals Ltd, he had over 10 years' investment banking experience in the natural resources sector.

Ms Simone Suen – Non-Executive Director

Ms Sze Man Suen (Simone) is a highly credentialed company director with a Bachelor of Business and over 20 years' experience predominantly in the resources industry in Australia and internationally. Simone held the position of Executive Director between 2010 and 2018 at Alliance Mineral Assets Limited (Alliance) where she procured, mobilised and organised staff and resources for the development, commissioning and operations of the Bald Hill Tantalum/Lithium Project in Western Australia. Alliance successfully listed the project onto the

Singapore Exchange Securities Trading Limited in 2014. Simone brings to Caspin a wealth of experience in financing, business development and marketing of early stage mining projects, particularly in Asian markets.

Dr Jon Hronsky OAM – Non-Executive Director

Dr Hronsky has 35 years of experience in the mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. Dr Hronsky has particular experience in gold and nickel sulphide deposits, but has worked across a diverse range of commodities. He was responsible for conceptually targeting the West Musgrave nickel sulphide province in Western Australia.

Dr Hronsky is one of the Principals at Western Mining Services, a global geological consultancy and also an Adjunct Professor at the Centre for Exploration Targeting at UWA. Jon is also a Non-executive Director of Encounter Resources (ASX: ENR), and is General Partner - Global Targeting and Research at Ibaera Capital. Previously, he was Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration and was Global Geoscience Leader for WMC Resources Ltd.

(b) Senior management

Greg Miles – Chief Executive Officer

Greg graduated as a geologist from the Australian National University in Canberra and has since worked in a number of different commodities and mineral provinces across a broad portfolio of grass roots to development projects. He has been involved as a director with various junior mining companies including IPO's, providing technical expertise in exploration, project management and acquisitions. Greg has extensive experience in the exploration and delineation of mineral resources and has led successful teams in the discovery of new gold, iron ore and base metal resources. Greg is a former Executive Director of Cassini Resources Ltd, leading the Company's technical team through the acquisition and early study phases of the West Musgrave Project and exploration of the Yarawindah Brook Project and Mount Squires Project.

Greg is a member of the Australian Institute of Geoscientists.

(c) Other arrangements

The maximum annual remuneration that may be payable in aggregate to non-executive directors of Caspin for directors' fees is A\$300,000. This amount can only be increased by ordinary resolution of Caspin Shareholders passed at a general meeting.

Caspin intends to adopt, subject to the Demerger being implemented, an employee incentive plan. The employee incentive plan will enable employees, Caspin Directors and consultants whom the Caspin Directors determine are entitled to participate to be granted securities under the employee incentive plan.

7.6 Caspin's Material Contracts

The Directors consider that the summaries of the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Demerger Scheme Booklet for the purpose of their assessment of the Demerger Scheme and making an informed assessment of an investment in Caspin Shares.

(a) Demerger Deed

Cassini and Caspin entered into the Demerger Deed on 24 July 2020. The Demerger Deed sets out transitional commercial and legal matters arising from the commercial and legal separation of Caspin and Cassini.

The following is a summary only and is qualified in its entirety by the full text of the Demerger Deed. All capitalised terms used in this Section have the meaning given to them in Section 14, unless otherwise indicated.

Conditionality

The Demerger Deed is conditional on the Demerger Scheme being implemented and will automatically terminate if the Demerger Scheme has not become effective by the End Date.

Demerger principles

The underlying principles of the Demerger Deed are that, on and from the implementation of the Demerger Scheme:

- (i) Caspin will have the entire economic benefit and risk of the Caspin Business as if Caspin had owned it at all times, being business and undertakings, operations or activities carried on by Cassini and its Subsidiaries (including Caspin) in connection with seeking to exploit the Mount Squires Project and Yarawindah Brook Project;
- (ii) Cassini will have the entire economic benefit and risk of the Cassini Business as if Cassini had owned it at all times, being business and undertakings, operations or activities carried on by Cassini and its Subsidiaries other than the Caspin Business referred to above;
- (iii) if the Caspin Group continues to provide support and assistance to the Cassini Group following the Demerger, Cassini must pay the Caspin Group's reasonable costs and expenses of providing such support;
- (iv) if the Cassini Group continues to provide support and assistance to the Caspin Group following the Demerger, Caspin must pay the Cassini Group's reasonable costs and expenses of providing such support;
- (v) Caspin and Cassini each release the other from claims and liabilities other than those that arise pursuant to the provisions of the transaction documents to effect the Demerger (subject to the qualification that Cassini will not be liable for any breaches of such documents occurring prior to implementation of the Acquisition Scheme); and
- (vi) Cassini will be responsible for all taxes and associated liabilities arising in connection with the Demerger, the transfer of the Demerger Entities Shares (defined below) and the Capital Reduction.

Cash amount

Cassini must ensure that, on the Implementation Date, Cassini pays Caspin A\$500,000 in cash (**Cash Amount**).

Wrong pockets

If either Caspin or Cassini becomes aware of the existence of an asset or liability within the Cassini Group that was not transferred to or assumed by Caspin or an assets or liability within the Caspin Group that was not transferred to or assumed by Cassini on or after the Implementation Date, the Demerger Deed contains provisions to ensure that the parties discuss in good faith how to deal with the relevant asset or liability consistently with the Demerger principles.

Indemnities

Cassini agrees to indemnify Caspin against all claims and liabilities existing or arising on or after the Implementation Date incurred by Caspin in relation to the Cassini Business at any time, including to the extent permitted by law, as a result of the fraud, negligence, or wilful default of Caspin.

Caspin agrees to indemnify Cassini against all claims and liabilities existing or arising on or after the Implementation Date incurred by Cassini in relation to the Caspin Business at any time, including, to the extent permitted by law, as a result of the fraud, negligence, or wilful default of Cassini.

Caspin contracts and the transfer of assets

The Demerger Deed contains an agreed framework for the novation and assignment of contracts relating to the Caspin Business and for the sale of certain physical assets to Caspin.

Transfer of Demerger Entities

Cassini agrees to sell, and Caspin agrees to buy, on or before the Business Day prior to the Implementation Date, all of the Shares (**Demerger Entities Shares**) held by Cassini in each of the following entities:

- (a) Opis Resources Pty Ltd (ACN 610 710 462);
- (b) Salvado Resources Pty Ltd (ACN 633 640 070);
- (c) Search Resources Pty Ltd (ACN 150 879 486); and
- (d) Souwest Metals Pty Ltd (ACN 613 111 498)

(together, the **Demerger Entities**),

free any encumbrance and with all rights, including dividend rights, attached or accruing to them on the relevant date of transfer of the Demerger Entities Shares on or before the business day prior to the Implementation Date (**Demerger Entities Transfer Date**) and beneficial title and risk in the Demerger Entities Shares passes to Caspin on the Demerger Entities Transfer Date.

The consideration for the transfer of the Demerger Entities Shares is 1,000 Caspin Shares for each Demerger Entity.

Mining information

From the Implementation Date, Cassini has agreed to assign to Caspin all “Mining Information” and, to the extent the mining information is in Cassini’s possession, agrees to deliver possession of all mining information to Caspin.

Mining Information includes intellectual property rights and data in any material form within the possession or under the control of Cassini Group which relates to the Caspin Business, including all geological, drilling, metallurgical, geophysical data, designs, technical mining information, analyses, maps, samples, reserves and resource models and drill core (but does not include any information, intellectual property rights or data in any material form in relation to the West Musgrave Project).

Physical assets

Cassini agrees to sell or to procure the sale of, and Caspin agrees to buy certain physical assets (such as servers and associated infrastructure, computers, office equipment and other small assets) which can be transferred to Caspin without a breach of any obligation owed to a third party and Caspin must accept such transfer. To the extent a third party consent is required to the transfer of any physical asset to Caspin, Caspin must ensure that the third party consent is obtained by the Implementation Date, without liability for Cassini.

Accounting and information assistance and business records

Cassini and Caspin will use their reasonable endeavours, acting in good faith, to assist the other and their professional advisers in relation to the preparation of their respective financial statements for the financial period during which the Implementation Date occurs and any uncompleted financial statements for any earlier period and the discharge by the other party of its statutory obligations or other legal requirements. Each of Cassini and Caspin must provide all cooperation and assistance reasonably required by each other to give effect to the provisions of this deed.

Tax arrangements and assistance

Cassini and Caspin will use their reasonable endeavours, acting in good faith, to assist each other in relation to the preparation of tax returns and to respond to and manage any tax audit, investigation or other information request by any governmental agency in relation thereto.

Tax Liability

From the Implementation Date, Caspin indemnifies Cassini against all tax claims and liabilities against Cassini, except as specifically provided for in the Demerger Deed.

Claims

Each party must use its reasonable endeavours to assist the other party in relation to the management and resolution of claims which may involve the other party, and in relation to the notification of and dealings with any underwriters which may be liable to indemnify a party in respect of the claim, including those that involve

one party but not the other and claims that involve “incorrect entities.” Each party will be reimbursed for out of pocket costs and expenses that are incurred with complying with certain claim provisions under the Demerger Deed.

Confidentiality

Caspin and Cassini must not use the other's confidential information for any purposes other than purposes permitted by the Demerger Deed or other agreements between them, must store the other's confidential information securely and must not allow any person access to the other's confidential information except to the extent that the disclosure is strictly necessary and is permitted under the Demerger Deed.

Dispute resolution

The parties have agreed to use reasonable endeavours, acting in good faith, to settle any dispute that arises between the parties in connection with the Demerger Deed.

Other clauses

The Demerger Deed contains other clauses that are customary for an agreement of its nature.

(b) Contingent Payment Deed

On 21 June 2020, Caspin and OZ Minerals entered into a contingent payment deed (**Contingent Payment Deed**). Subject to the Acquisition Scheme and Demerger Scheme becoming effective, OZ Minerals may be required to pay Caspin certain payments (described below) upon disposal of any part of its direct or indirect beneficial interest in the West Musgrave Project (**Project Interest**) or of the contained nickel (prior to extraction) on the tenements the subject of the West Musgrave Joint Venture (**Nickel Rights**).

The parties have entered into the Contingent Payment Deed as an inducement for Cassini to enter into and proceed with the transaction contemplated by the Acquisition Scheme.

A summary of the material terms of the Contingent Payment Deed is as follows:

- (i) (Conditions Precedent) the obligations of the parties are subject to and conditional upon the Acquisition Scheme and Demerger Scheme becoming effective and will take effect on and from the effective date of the Acquisition Scheme.
- (ii) (Entitlement to Contingent Payment – disposal of 30% or more) if prior to the End Date (described below), OZ Minerals (or any member of the OZ Minerals Group) disposes of 30% or more of its Project Interest to a third party and the Implied Disposal Value is equal to or greater than the Cassini Value (being A\$76 million), OZ Minerals will pay to Caspin an amount equal to the sum of:
 - a base contingent amount of A\$10 million (**Base Contingent Payment**); and
 - the amount determined in accordance with the below formula, capped at A\$10 million (**Variable Contingent Payment**)

$$VCP = (IDV - CV) \times A\$0.2$$

Where: VCP is the Variable Contingent Payment

IDV is the Implied Disposal Value

CV is the Cassini Value (i.e A\$76 million),

(together, the **Contingent Payment**).

- (iii) The Implied Disposal Value will be calculated in accordance with the following formula:

$$\text{IDV} = (\text{AC} / \text{PI}) \times 0.3$$

Where: IDV is the Implied Disposal Value

PI is the proportion of the Project Interest which is disposed of

AC is the Aggregate Consideration

- (iv) (Entitlement to Contingent Payment – disposal of less than 30%) if prior to the End Date (described below), OZ Minerals (or any member of the OZ Minerals Group) disposes of less than 30% of its Project Interest to a third party and the Implied Disposal Value is equal to or greater than the Cassini Value (being A\$76 million), OZ Minerals will pay to Caspin such amount calculated on a pro-rata basis of what would have been payable if a 30% of greater share was sold.
- (v) (Entitlement to Nickel Payment) if prior to the End Date (described below), OZ Minerals (or any member of the OZ Minerals Group) disposes of:
- 30% or more of its Nickel Rights to a strategic third party, OZ Minerals will pay to Caspin an amount equal to A\$10 million (**Nickel Payment**); or
 - less than 30% of its Nickel Rights to a strategic third party, OZ Minerals will pay to Caspin such amount calculated on a pro-rata basis of what would have been payable if a 30% of greater share was sold.
- (vi) (Notice of Disposal) if OZ Minerals enters into an agreement to dispose of any part of its Project Interest or Nickel Rights, OZ Minerals must, within 7 Business Days of the date of completion of the disposal, provide Caspin with written notice specifying:
- the percentage of the Project Interest or Nickel Rights (as applicable) OZ Minerals intends to dispose of;
 - when completion of the disposal will take place; and
 - a statement setting out the payment that OZ Minerals proposes to pay to Caspin in accordance with (ii), (iv) and (v) above.
- (vii) (Multiple Disposal) In circumstances where OZ Minerals completes more than one disposal for portions of the:
- Project Interest, OZ Minerals will be required to make a Contingent Payment on each occasion, subject to an overall cap of A\$10 million for the Base Contingent Payment and A\$10 million for the Variable Contingent Payment.
 - Nickel Rights, OZ Minerals will be required to make a Nickel Payment on each occasion, subject to an overall cap of A\$10 million.

Once OZ Minerals has disposed of 30% or more of its Project Interest, it shall have no further obligation to make a Contingent Payment or a Nickel Payment. Disposals of Project Interest and Nickel Rights will be aggregated together for the purposes of determining whether 30% or more of the Project Interest or Nickel Rights have been sold.

- (viii) (Alternative transactions) the payments described above will apply, with all necessary changes, to any alternative transaction the economic effect of which is equivalent or substantially equivalent to the sale or transfer of any portion of the Project Interest.
- (ix) (Payment) OZ Minerals will pay Caspin the Base Contingent Payment, the Variable Contingent Payment and the Nickel Payment within 14 Business Days of completion.
- (x) (End Date) the end date for the Contingent Payment Deed is 10 years following the effective date of the Acquisition Scheme.

(c) **Joint Venture Agreement – Souwest Metals**

On 29 January 2018, Cassini announced on ASX that it had secured an option to acquire an 80% interest in the Yarawindah Brook Project. On 11 April 2019, Cassini exercised the option to acquire 80% of the shares in Souwest Metals Pty Ltd, the company holding the tenements comprising the Yarawindah Brook Project, with the remaining 20% of the shares being held by Kalgoorlie prospector Mr Scott Wilson and his wife Maria Wilson. On 31 May 2019, Cassini and Mr and Mrs Wilson entered into an incorporated joint venture agreement in respect of the operation of Souwest Metals Pty Ltd (**Souwest Metals**) (**Yarawindah Joint Venture Agreement**).

Under the Yarawindah Joint Venture Agreement:

- (i) (purposes) the objects of the joint venture are:
 - (A) for Souwest Metals to undertake exploration for, and development and production of, minerals contained in the Yarawindah Brook Project;
 - (B) to conduct feasibility studies;
 - (C) to investigate the location, extent, quantity, structure, quality and commercial value of any minerals contained in the Yarawindah Brook Project;
 - (D) to establish a commercially viable mining operation to develop, produce or extract minerals from the Yarawindah Brook Project;
 - (E) to sell minerals extracted from the Yarawindah Brook Project; and
 - (F) to do anything else necessary to exploit the Yarawindah Brook Project.
- (ii) (manager) Cassini is the manager of the joint venture;
- (iii) (programmes of work) Cassini is responsible for preparing all programmes of works in respect of the Yarawindah Brook Project;
- (iv) (board of Souwest Metals) during the sole funding period:
 - (a) Cassini may appoint two directors; and
 - (b) whilst Mr and Mrs Wilson hold no less than a 15% interest in the total shares on issue, Mr and Mrs Wilson may appoint one director;
- (v) (expenditure) Cassini has agreed to sole fund all expenditure on the Yarawindah Brook Project, including the completion of any feasibility studies as are reasonably considered necessary and desirable to advance the Yarawindah Brook Project until the decision to mine is made;
- (vi) (decision to mine) if a decision to mine is made by the board of Souwest Metals each party has 40 days to provide notice of its intention (or otherwise) to contribute to future project expenditure in proportion to their then current interest in the Yarawindah Joint Venture Agreement;
- (vii) (additional funds) where, following a decision to mine, Cassini determines that Souwest Metals requires further funding for Company operations, the board of Souwest Metals may seek funding either through debt (such as seeking finance from its bank or a third party financier) or equity, in which case it will call on shareholders to contribute in proportion to their shareholder interest, which such funds to be contributed within 40 days of the date the call notice is provided to shareholders;

- (viii) (dilution) if a shareholder elects not to contribute to its proportion of required funds (the diluting party), its interest in the joint venture will be diluted according to the following formula:

$$\text{Diluted Shareholder Interest} = \frac{\text{AE}}{\text{Total Expenditure}} \times 100$$

Where:

Diluted Shareholder Interest means the Diluting Party's shareholder interest percentage equivalent after the dilution;

AE means the actual expenditure contributed by the diluting party to prior to the date of electing not to contribute; and

Total Expenditure means the sum of AE of all shareholders;

- (ix) (royalty) Mr Wilson or Mrs Wilson may, at any stage, by notice in writing to the other shareholders, elect to convert his or her interest into a 2% net smelter royalty. If, at any time, Mr Wilson or Mrs Wilson's combined shareholder interest is diluted to less than 5% between them then both shareholders will be deemed to have assigned and conveyed their shareholder interests to Cassini and in return Mr Wilson or Mrs Wilson will each receive a 2% net smelter royalty;
- (x) (transfer) a shareholder must not transfer any shares it holds or to which it is entitled (other than transfers to certain permitted transferees) and contains standard pre-emptive rights for an agreement of this nature. A waiver has been obtained to allow the assignment of the rights and transfer of Souwest shares held by Cassini under the Yarawindah Joint Venture Agreement to Caspin, and that pursuant to the Demerger, Caspin ceasing to be a wholly-owned subsidiary of Cassini does not require the Souwest Metals shares to be transferred back to Cassini;
- (xi) (tag along option) if after the pre-emption right above has been exhausted, a shareholder is entitled to transfer shares to a third party, then any other shareholder will have the option to require that third party or its nominee to purchase a proportion of the shares held by that other shareholder, up to a maximum of that proportion of its shares as is equal to the proportion of the total number of shares held by the shareholder which are to be purchased by the third party;
- (xii) (default) an event of default occurs in respect of a shareholder where an event of insolvency occurs in respect of that shareholder or that shareholder commits any breach of a term of Yarawindah Joint Venture Agreement where the breach is material and not capable of being cured within a prescribed period. The consequences of an event of default in respect of a shareholder are that:
- (A) a call option is created in respect of the defaulting shareholder's shares, and
 - (B) if a non-defaulting shareholder does not wish to exercise that call option, then the non-defaulting shareholder may terminate this Yarawindah Joint Venture Agreement by giving notice in writing to the defaulting shareholder; and
- (xiii) (termination) the Yarawindah Joint Venture Agreement automatically terminates if:
- (A) one shareholder becomes the holder of all the shares and all rights to subscribe for or convert any security into further shares;
 - (B) an event of insolvency occurs in respect of Souwest Metals; or
 - (C) the shareholders mutually agree to terminate the agreement.

The Yarawindah Joint Venture Agreement contains other terms and conditions considered standard for an agreement of its nature.

(d) **Deed of Indemnity**

Caspin intends to enter into standard deeds of indemnity, insurance and access with the directors of Caspin on completion of the Demerger Scheme (**Deeds of Indemnity**). Pursuant to the Deeds of Indemnity, Caspin will indemnify these directors to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of Caspin. Caspin is also required to maintain insurance policies for the benefit of these directors and also allow these directors to inspect board papers in certain circumstances.

Where Caspin is required by the Corporations Act, or is otherwise required by law, to seek the approval of Shareholders to the terms of, or Caspin's entry into the Deeds of Indemnity, the provisions of the Deeds of Indemnity which would contravene the Corporations Act or other law, but for such approval, will not become operative until such time as such shareholder approval has been obtained.

7.7 Rights and liabilities attaching to Caspin Shares

The following is a summary of the more significant rights attaching to Caspin Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Caspin Shareholders. To obtain such a statement, persons should seek independent legal advice. Full details of the rights attaching to Caspin Shares are set out in Caspin's constitution, a copy of which is available for inspection at Caspin's registered office during normal business hours.

(a) **General meetings**

Caspin Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Caspin. Caspin Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Caspin Shares, at general meetings of Caspin Shareholders or classes of Caspin Shareholders:

- (i) each Caspin Shareholder entitled to vote may vote in person or by proxy, attorney or representative or, if a determination has been made by the Caspin Board by direct vote);
- (ii) on a show of hands, every person present who is a Caspin Shareholder or a proxy, attorney or representative of a Caspin Shareholder has one vote (even though he or she may represent more than one member); and
- (iii) on a poll, every person present who is a Caspin Shareholder or a proxy, attorney or representative of a Caspin Shareholder (or where a direct vote has been lodged) shall, in respect of each fully paid Caspin Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Caspin Share, but in respect of partly paid Caspin Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Caspin Shares (excluding amounts credited).

(c) **Direct Voting**

Caspin Directors may determine that Caspin Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Caspin Shareholders, by direct vote. Direct voting is a mechanism by which Caspin Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Caspin Shareholder are taken to have been cast on the poll as if the Caspin Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the directors, the notice of meeting will include information on the application of direct voting.

(d) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as

to dividends, Caspin Directors may from time to time decide to pay a dividend to the Caspin Shareholder entitled to the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares. Caspin Directors may rescind a decision to pay a dividend if they decide, before the payment date, that Caspin's financial position no longer justifies the payment.

(e) Winding-up

If Caspin is wound up, the liquidator may, with the authority of a special resolution, divide among Caspin Shareholders in kind the whole or any part of the property of Caspin, and may for the purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between Caspin Shareholders or different classes of Caspin Shareholders.

The liquidator may, with the authority of a special resolution of Caspin, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Caspin Shareholder is compelled to accept any Caspin Shares or other securities in respect of which there is liability.

(f) Shareholder liability

As Caspin Shares under the Demerger Scheme Booklet are fully paid shares, they are not subject to any calls for money by Caspin Directors and will therefore not become liable for forfeiture.

(g) Transfer of Shares

Generally, Caspin Shares are freely transferable, subject to formal and any escrow requirements; the registration of the transfer not resulting in a contravention of or failure to, observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(h) Variation of rights

Pursuant to Section 246B of the Corporations Act, Caspin may, with the sanction of a special resolution passed at a meeting of Caspin Shareholders vary or abrogate the rights attaching to Caspin Shares.

If at any time the share capital is divided into different classes of Caspin Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Caspin is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised, by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Restricted Securities

Caspin's constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form Appendix 9A. Those with less significant holdings (such as non-related parties and non-promoters), Caspin will issue restriction notices to holders of restricted securities in the form Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

(j) Alteration of constitution

Caspin's constitution can only be amended by a special resolution passed by at least three quarters of Caspin Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7.8 Caspin's capital structure

Caspin currently has 1,000 fully paid ordinary shares on issue, issued at A\$1.00 each held by Cassini. The below table sets out the capital structure of Caspin under different scenarios.

	Scenario 1	Scenario 2	Scenario 3
Currently on issue	1,000	1,000	1,000
Demerger Entities Shares consideration	4,000	4,000	4,000
<i>Sub-total</i>	5,000	5,000	5,000
Demerger Share Entitlements (one Caspin Share for every 22 Cassini Shares)	19,568,638 ¹	19,795,911 ²	20,071,925 ³
Total	19,573,638	19,800,911	20,076,925

Notes:

1. Assumes issue of 19,443,558 Caspin Shares and conversion of 2,751,757 Cassini Performance Rights and no Cassini Options are exercised.
2. Assumes issue of 19,443,558 Caspin Shares and conversion of 2,751,757 Cassini Performance Rights and 5,000,000 A\$0.15 exercise price Cassini Options are exercised.
3. Assumes issue of 19,443,558 Caspin Shares and conversion of 2,751,757 Cassini Performance Rights and 5,000,000 A\$0.15 Cassini Options and 6,072,302 A\$0.1235 Cassini Options are exercised.

7.9 Other material information

Except as disclosed elsewhere in this Demerger Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Demerger Scheme, being information that is within the knowledge of any Cassini Director, as at the date of this Demerger Scheme Booklet, which has not been previously disclosed to Cassini Shareholders.

8. Independent Limited Assurance Report





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24 July 2020

The Directors

Cassini Resources Limited

Ground Floor, 16 Ord Street

West Perth WA 6005

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Cassini Resources Limited (**'Cassini'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of Caspin Resources Limited (**'Caspin'** or the **'Company'**) for inclusion in the Demerger Scheme Booklet. The purpose of the Demerger Scheme will be to demerge certain assets of Cassini, including the Yarawindah Brook and Mount Squires exploration assets currently held by subsidiaries of Cassini into a new vehicle, being Caspin (**'Demerger'**) which was incorporated on 17 June 2020. Caspin intends to apply for admission to the official list of the Australian Securities Exchange (**'ASX'**), after implementation of the Demerger Scheme.

The exploration assets that Caspin will hold are currently held by three wholly owned subsidiaries of Cassini, being Search Resources Limited (**'Search Resources'**), Salvado Resources Pty Ltd (**'Salvado Resources'**) and Opis Resources Pty Ltd (**'Opis Resources'**), plus an 80% equity interest in Souwest Metals Pty Ltd (**'Souwest Metals'**) (collectively **'the Demerger Entities'**). To effect the Demerger, Cassini will reduce its share capital pursuant to the Capital Reduction and the Demerger Entitlement of each Demerger Scheme Shareholder will be applied as consideration for the transfer of Caspin Shares to Demerger Scheme Shareholders. Prior to this, Cassini will undertake a number of internal restructuring steps to capitalise Caspin and transfer the shares in the Demerger Entities to Caspin.

Expressions defined in the Demerger Scheme Booklet have the same meaning in this report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

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BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Demerger Scheme Booklet.

The historical and pro forma historical financial information is presented in the Demerger Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the **'Historical Financial Information'**) of Caspin included in the Demerger Scheme Booklet:

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for Caspin for the period from incorporation to 30 June 2020; and
- the audited historical Statement of Financial Position of Caspin as at 30 June 2020.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

The Historical Financial Information of Caspin has been extracted from the financial report for the period from incorporation to 30 June 2020 which was audited by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified audit opinion on the financial report.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the **'Pro Forma Historical Financial Information'**) of Caspin included in the Demerger Scheme Booklet:

- the pro forma historical Statement of Financial Position as at 30 June 2020.

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

The Pro Forma Historical Financial Information has been compiled by Cassini to illustrate the impact of the event(s) or transaction(s) described in Section 6 and Section 7 of the Report on Caspin's financial position as at 30 June 2020. As part of this process, information about Search Resources, Salvado Resources, Opis Resources and Souwest Metal's financial position has been extracted from Cassini's reviewed financial statements for the period ended 31 December 2019.

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Information about Caspin's financial position has been extracted from the company's audited financial statements for the period from incorporation to 30 June 2020.

3. Directors' responsibility

The Directors of Cassini are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

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

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

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

5. Conclusion

Historical Financial Information

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

- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for Caspin for the period from incorporation to 30 June 2020; and
- the audited historical Statement of Financial Position of Caspin as at 30 June 2020.

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

Pro Forma Historical Financial information

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

- the pro forma historical Statement of Financial Position of Caspin as at 30 June 2020

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

6. Subsequent events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 December 2019:

- Search Resources incurred \$43,094 in exploration and evaluation expenditure. This exploration expenditure has been capitalised in line with the company's accounting policies;
- Opis Resources incurred \$13,420 in exploration and evaluation expenditure. This exploration expenditure has been capitalised in line with the company's accounting policies; and
- Souwest Metals incurred \$717,985 in exploration and evaluation expenditure. This exploration expenditure has been capitalised in line with the company's accounting policies.

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

7. Assumptions adopted in compiling the pro-forma statement of financial position

The pro forma historical Statement of Financial Position is shown in Appendix 1. This has been prepared based on the financial statements as at 30 June 2020, the subsequent events set out in Section 6, and the following transactions and events relating to the Demerger Scheme Booklet:

- The intercompany loan amount of \$140,123 in Souwest Metals as at 31 December 2019 will be forgiven and released by Cassini in accordance with the Demerger Deed;
- The intercompany loan amount of \$2,231,686 in Search Resources as at 31 December 2019 will be forgiven and released by Cassini in accordance with the Demerger Deed;
- The intercompany loan amount of \$1,008,992 in Opis Resources as at 31 December 2019 will be forgiven and released by Cassini in accordance with the Demerger Deed;
- Caspin will issue a total of 4,000 shares (comprising of 1,000 Caspin Shares for each Demerger Entity) for a total value of \$2,558,203 to acquire the Demerger Entities. The acquisition of the Demerger Entities have not deemed to be business combinations as they fall outside the scope of *AASB 3 Business Combinations* due to the acquisitions being a combination of entities under common control; and
- As part of the Demerger Scheme Implementation Agreement, Caspin will receive \$500,000 from Cassini, being the Caspin Cash Amount, following the Effective Date. This has been treated as cash consideration for the issue of 19,568,638 shares. The total number of Cassini Shares on issue is 427,757,093. Cassini has 2,751,757 performance rights which will automatically convert into Cassini Shares following Court approval of the Acquisition Scheme. Cassini has 16,072,302 options on issue. As part of the Acquisition Scheme and pursuant to the terms of Option Cancellation Deeds signed by each Optionholder, in the event options aren't exercised prior to the Effective Date, OZ Minerals has agreed to provide, or procure, the provision of A\$0.00 per option expiring 12 April 2022 with an exercise price of A\$0.15, A\$0.0372 per option expiring 12 April 2022 with an exercise price of A\$0.20, and A\$0.0265 per option expiring 10 June 2022 with an

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exercise price of A\$0.1235. Under the Demerger Scheme, Cassini Shareholders are currently anticipated to receive one (1) share in Caspin for every 22 Cassini Shares they hold.

8. Independence

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

9. Disclosures

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

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

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

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Peter Toll

Director

APPENDIX 1
CASPIN RESOURCES LIMITED
PRO FORMA STATEMENT OF FINANCIAL POSITION

Pro forma Statement of Financial Position	Notes	Audited			
		Caspin 30-Jun-20	Subsequent events	Pro-forma adjustments	Pro-forma after demerger
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	1	1,000	-	507,883	508,883
TOTAL CURRENT ASSETS		1,000	-	507,883	508,883
NON CURRENT ASSETS					
Exploration expenditure	2	-	774,499	1,776,399	2,550,898
TOTAL NON CURRENT ASSETS		-	774,499	1,776,399	2,550,898
TOTAL ASSETS		1,000	774,499	2,284,282	3,059,781
CURRENT LIABILITIES					
Trade and other payables	3	-	-	578	578
TOTAL CURRENT LIABILITIES		-	-	578	578
NON CURRENT LIABILITIES					
Intercompany loans	4	-	774,499	(774,499)	-
TOTAL NON CURRENT LIABILITIES		-	774,499	(774,499)	-
TOTAL LIABILITIES		-	774,499	(773,921)	578
NET ASSETS		1,000	-	3,058,203	3,059,203
EQUITY					
Contributed equity	5	1,000	-	3,058,203	3,059,203
Retained earnings	6	-	-	-	-
TOTAL EQUITY		1,000	-	3,058,203	3,059,203

The pro forma statement of financial position if the Demerger Scheme is implemented is as per the statement of financial position before the Demerger adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to the Demerger Scheme Booklet. The pro forma statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5.

APPENDIX 2
CASPIN RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income		Caspin Audited for the period from incorporation to 30-Jun-20
		\$
Revenue		-
Interest received		-
Other income		-
Other expenses		-
Profit/(Loss) before income tax expense		-
Income tax benefit/(expense)		-
Profit/(Loss) after income tax expense for the period attributable to the owners of Caspin		-
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss		-
Total comprehensive profit/(loss) for the period		-

This statement of profit or loss and other comprehensive income shows the historical financial performance of Caspin and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5.

APPENDIX 3
CASPIN RESOURCES LIMITED
STATEMENT OF CASH FLOWS

Statement of Cash Flows	Caspin Audited for the period from incorporation to 30-Jun-20
	\$
Cash flows from financing activities	
Proceeds from share issue, net of costs	1,000
Net cash from/(used in) financing activities	1,000
Net increase/(decrease) in cash and cash equivalents	1,000
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	1,000

This statement of cash flows shows the historical cash flows of Caspin and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5.

APPENDIX 4
CASPIN RESOURCES LIMITED
STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity		Caspin Audited for the period from incorporation to 30-Jun-20
	Notes	\$
<i>Comprehensive income for the period</i>		
Profit/(Loss) for the period		-
Total comprehensive income for the period		-
<i>Transactions with equity holders in their capacity as equity holders</i>		
Contributed equity, net of transaction costs	5	1,000
Total transactions with equity holders		1,000
Balance as at 30 June 2020		1,000

This statement of changes in equity shows the historical changes in equity of Caspin and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 5.

APPENDIX 5
CASPIN RESOURCES LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Historical Financial information included in this Report have been set out below. The company was incorporated on 17 June 2020 and this represents the first reporting period for the company.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

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

The ability of the Caspin to continue as a going concern is dependent on the success of the Demerger Scheme proposed in the Demerger Scheme Booklet and the ability to secure additional funding through an initial public offering ('IPO') on the Australian Securities Exchange ('ASX'). The Directors believe that Caspin will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the Demerger Scheme proposed in the Demerger Scheme Booklet be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

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

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

d) Principles of consolidation

The financial statements incorporate the assets, liabilities and results of entities controlled by Caspin at the end of the pro-forma period. A controlled entity is any entity over which Caspin has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the period, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

e) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

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

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

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

f) Cash and Cash Equivalents

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

g) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

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

h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

i) Trade and Other Payables

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

j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

k) Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

l) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial position.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- I. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

m) Impairment of assets

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

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

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

n) Leases

The Company has adopted AASB 16 *Leases* from incorporation. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact on adoption

The impact of this standard has not had any impact on the amounts presented in the Company's financial statements.

o) Contributed Equity

Ordinary shares are classified as equity.

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

p) Accounting estimates and judgements

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

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

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

	Audited as at 30-Jun-20 \$	Pro-forma after demerger \$
NOTE 1. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	1,000	508,883
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Caspin as at 30 June 2020		1,000
		1,000
<i>Pro-forma adjustments:</i>		
Reviewed balance of Souwest Metals as at 31 December 2019		102
Reviewed balance of Search Resources as at 31 December 2019		7,781
Proceeds from shares issued following the materialisation of conditions precedent of the Scheme Implementation Deed		500,000
		507,883
Pro-forma Balance		508,883

	Audited as at 30-Jun-20	Pro-forma after demerger
	\$	\$
NOTE 2. EXPLORATION AND EVALUATION ASSETS		
Exploration and evaluation assets	-	2,550,898
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Caspin as at 30 June 2020		-
<i>Subsequent events:</i>		
Exploration expenditure incurred and capitalised by Souwest Metals		717,985
Exploration expenditure incurred and capitalised by Search Resources		43,094
Exploration expenditure incurred and capitalised by Opis Resources		13,420
		774,499
<i>Pro-forma adjustments:</i>		
Reviewed balance of Souwest Metals as at 31 December 2019		762,330
Reviewed balance of Search Resources as at 31 December 2019		5,077
Reviewed balance of Opis Resources as at 31 December 2019		1,008,992
		1,776,399
Pro-forma Balance		2,550,898

	Audited as at 30-Jun-20	Pro-forma after demerger
	\$	\$
NOTE 3. TRADE AND OTHER PAYABLES		
Trade and other payables	-	578
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Caspin as at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Reviewed balance of Search Resources as at 31 December 2019		578
		578
Pro-forma Balance		578

	Audited as at 30-Jun-20 \$	Pro-forma after demerger \$
NOTE 4. INTERCOMPANY LOANS		
Intercompany loans	-	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Caspin as at 30 June 2020		-
<i>Subsequent events:</i>		
Exploration expenditure incurred and capitalised by Souwest Metals		717,985
Exploration expenditure incurred and capitalised by Search Resources		43,094
Exploration expenditure incurred and capitalised by Opis Resources		13,420
		774,499
<i>Pro-forma adjustments:</i>		
Reviewed balance of Souwest Metals as at 31 December 2019		140,123
Reviewed balance of Search Resources as at 31 December 2019		2,231,686
Reviewed balance of Opis Resources as at 31 December 2019		1,008,992
Forgiveness of Souwest Metals, Search Resources and Opis Resources intercompany loans in accordance with the Demerger Deed		(4,155,300)
Pro-forma Balance		-

	Audited as at 30-Jun-20 \$	Pro-forma after Offer \$
NOTE 5. CONTRIBUTED EQUITY		
Contributed equity	1,000	3,059,203
<i>Adjustments to arise at the pro-forma balance:</i>		
Fully paid ordinary share capital of Caspin	1,000	1,000
	1,000	1,000
<i>Pro-forma adjustments:</i>		
Reviewed balance of Search Resources as at 31 December 2019		497,847
Reviewed balance of Souwest Metals as at 31 December 2019		405,201
Elimination of share capital in Search Resources and Souwest Metals		(903,048)
Issue of shares by Caspin to acquire Search Resources, Salvado Resources, Opis Resources and Souwest Metals	4,000	2,558,203
Shares issued under the Demerger Scheme Implementation Agreement ⁽¹⁾	19,568,638	500,000
	19,572,638	3,058,203
Pro-forma Balance	19,573,638	3,059,203

⁽¹⁾ As part of the Demerger Scheme Implementation Agreement, Caspin will receive \$500,000 from Cassini, being the Caspin Cash Amount, following the Effective Date. This has been treated as cash consideration for the issue of 19,568,638 shares. The total number of Cassini Shares on issue is 427,757,093. Cassini has 2,751,757 performance rights which will automatically convert into Cassini Shares following Court approval of the Acquisition Scheme. Cassini has 16,072,302 options on issue. As part of the Acquisition Scheme and pursuant to the terms of Option Cancellation Deeds signed by each Optionholder, in the event options aren't exercised prior to the Effective Date, OZ Minerals has agreed to provide, or procure, the provision of A\$0.00 per option expiring 12 April 2022 with an exercise price of A\$0.15, A\$0.0372 per option expiring 12 April 2022 with an exercise price of A\$0.20, and A\$0.0265 per option expiring 10 June 2022 with an exercise price of A\$0.1235. Under the Demerger Scheme, Cassini Shareholders are currently anticipated to receive one (1) share in Caspin for every 22 Cassini Shares they hold.

	Audited as at 30-Jun-20 \$	Pro-forma after demerger \$
NOTE 6. RETAINED EARNINGS		
Retained earnings	-	-
<i>Adjustments to arise at the pro-forma balance:</i>		
Audited balance of Caspin as at 30 June 2020		-
<i>Pro-forma adjustments:</i>		
Reviewed balance of Search Resources as at 31 December 2019		2,624,546
Loss incurred by Search Resources for the period to 30 June 2020		60
Forgiveness of Souwest Metals, Search Resources and Opis Resources intercompany loans in accordance with the Demerger Deed		(2,624,606)
Pro-forma Balance		-

NOTE 7. ASSET ACQUISITION		
	Number of shares	\$
Purchase consideration	4,000	2,558,203
<i>Net assets acquired:</i>		
Cash and cash equivalents		7,883
Exploration and evaluation assets		2,550,898
Trade and other payables		(578)
		2,558,203

Caspin will issue a total of 4,000 shares (comprising of 1,000 Caspin Shares for each Demerger Entity) for a total value of \$2,558,203 to acquire the Demerger Entities. The acquisition of the Demerger Entities have not deemed to be business combinations as they fall outside the scope of *AASB 3 Business Combinations* due to the acquisitions being a combination of entities under common control. Details of the net assets acquired have been outlined above.

NOTE 8: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Demerger Scheme Booklet.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Conditional upon the Acquisition Scheme and Demerger Scheme becoming effective, Caspin has entered into a deed ('**Contingent Payment Deed**') with OZ Minerals ('**OZ Minerals**') which provides potential payment by OZ Minerals to Caspin for additional consideration in two potential scenarios ('**Contingent Consideration**').

In the first scenario, if OZ Minerals disposes of 30% or more of its interest in the project to a third party and the sale price implies a value for 30% of West Musgrave equal to or greater than \$76 million ('**Implied Value**'), OZ Minerals will pay Caspin Contingent Consideration of A\$10 million, plus up to a further A\$10 million payable at a rate of A\$0.20 for each dollar of value exceeding the Implied Value. If OZ Minerals sells less than a 30% interest, the Contingent Consideration shall be calculated on a pro-rata basis.

In the second scenario, if OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party, OZ Minerals will pay an amount of A\$10 million to Caspin. If OZ Minerals sells less than 30% of the contained nickel, the Contingent Consideration shall be calculated on a pro-rata basis. Contingent Consideration is capped at A\$20 million.

In accordance with Australian Accounting Standards, due to the uncertainty in relation to the quantum and timing of this Contingent Consideration, no amounts have been recognised in the financial statements in relation to these matters.

At the date of the report no other material commitments, contingent assets or contingent liabilities exist that we are aware of, other than those disclosed in the Demerger Scheme Booklet.

APPENDIX 6

FINANCIAL SERVICES GUIDE

24 July 2020

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Cassini Resources Limited ('Cassini') to provide an Independent Limited Assurance Report ('ILAR' 'our Report/s') in relation to certain financial information of Caspin Resources Limited ('Caspin' or the 'Company') for inclusion in the Demerger Scheme Booklet.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement

is approximately \$14,000 (exclusive of GST). Additional fees received by BDO Corporate Finance (WA) Pty Ltd related to other work carried out as part of this engagement is approximately \$4,500 (exclusive of GST).

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Cassini for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.

9. Solicitors Tenement Report



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The Directors
Cassini Resources Limited
Ground Floor, 16 Ord Street
WEST PERTH WA 6005

22 July 2020

Dear Sirs

SOLICITOR'S REPORT ON MINING TENEMENTS – CASSINI RESOURCES LIMITED

This report is prepared for inclusion in a demerger scheme booklet in respect of a demerger by Cassini Resources Limited (ACN 149 789 337) (the **Company**) of its Yarawindah Brook and Mount Squires assets by way of a members' scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth).

As a result of the demerger scheme, the Company will transfer its interest in its Yarawindah Brook and Mount Squires projects to Caspin Resources Limited (ACN 641 813 587) (**Caspin**).

The transfer will be affected by the transfer by the Company of shares in its subsidiaries who hold the Yarawindah Brook and Mount Squires assets, being Opis Resources Pty Ltd (ACN 640 710 462), Souwest Metals Pty Ltd (ACN 613 111 498), Salvado Resources Pty Ltd (ACN 633 640 070) and Search Resources Pty Ltd (ACN 150 879 486) (together the **Subsidiary Companies**).

The demerger will be facilitated through a capital reduction and an in-specie distribution of Caspin shares and a cash distribution to Company shareholders.

OVERVIEW

Scope of Report

- 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 3 (**Exploration Licences**) including the statutory rights they confer and statutory obligations they impose;
 - 1.2 whether the Company's interests in the Explorations Licences are in good standing;
 - 1.3 any material fetters on the exercise of the Company's rights in the Exploration Licences, including:

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- 1.3.1 any unusual and onerous conditions applicable to the Exploration Licences;
 - 1.3.2 any concurrent interests in the land the subject of the Exploration Licences, including other mining tenements, pastoral leases, native title and Aboriginal heritage (**Concurrent Interests**); and
 - 1.3.3 any material regulatory approvals (**Approvals**); and
 - 1.4 any agreements with the holders of any Concurrent Interests (**Land Access Agreements**) including:
 - 1.4.1 the Incorporated Joint Venture Agreement – Yarrawindah Project dated 31 May 2019 between Cassini Resources Limited, Maria Andrea Wilson, Walter Scott Wilson and Souwest Metals Pty Ltd (**Yarrawindah Joint Venture Agreement**);
 - 1.4.2 the Land Access and Compensation Agreement dated 2 September 2019 between Cassini Resources Limited, Souwest Metals Pty Ltd and Maxwell Brian Smith (**Smith Private Land Agreement**);
 - 1.4.3 the Land Access and Compensation Agreement dated 2 September 2019 between Cassini Resources Limited, Souwest Metals Pty Ltd, Gary Stephen Manning and Kim Annette Manning (**Manning Private Land Agreement**);
 - 1.4.4 the Ancillary Agreement for Mineral Exploration on Ngaanyatjarra Lands dated 16 February 2017 between Yarnangu Ngaanyatjarraku Parna (Aboriginal Corporation) RNTBC (ICN 4527), Ngaanyatjarra Land Council (Aboriginal Corporation) (ICN 715), Ngaanyatjarra Council (Aboriginal Corporation) (ABN 88 304 990 870) (ICN 101) and Opis Resources Pty Ltd (ACN 640 710 462) (**Ancillary Agreement for Mineral Exploration**); and
 - 1.4.5 the Noongar Standard Heritage Agreements, being:
 - (a) the Noongar Standard Heritage Agreement dated 4 December 2017 between South West Aboriginal Land & Sea Council Aboriginal Corporation (ICN 3832) for and on behalf of the Yued Agreement Group and Souwest Metals Pty Ltd in respect of E70/4883; and
 - (b) the Noongar Standard Heritage Agreements dated 26 June 2020 between South West Aboriginal Land & Sea Council Aboriginal Corporation (ICN 3832) for and on behalf of the Yued Agreement Group and Search Resources Pty Ltd in respect of E70/5116 and E70/5166 respectively,
- (Noongar Standard Heritage Agreements).**
- 2 This report focuses on the Exploration Licences and any constraints to the Company's proposed exploration programme on the Exploration Licences. It does not consider constraints such as additional approvals required for mining and processing ore.

- 3 In preparing this report, we have relied solely upon public searches and the documents provided by the Company which are referred to in Schedule 1. This report is issued subject to the exclusions, assumptions and qualifications in Schedule 2.

Summary

- 4 Material information in relation to each of the Exploration Licences is summarised in Schedule 3 to this report. Any material issues that have been identified are addressed in more detail below in this report.
- 5 By way of summary:
- 5.1 the Company, through Opis Resources Pty Ltd, is the registered and beneficial owner of the Exploration Licences comprising Mount Squires free of encumbrances;
 - 5.2 the Company, through Souwest Metals Pty Ltd, Salvado Resources Pty Ltd and Search Resources Pty Ltd, holds an 80% beneficial interest in the Exploration Licences comprising Yarawindah Brook free of encumbrances, with the remaining 20% beneficial interest held by Maria Andrea Wilson and Walter Scott Wilson, referred to at paragraph 10 below;
 - 5.3 the standard rights conferred by exploration licences are summarised below at paragraphs 27 to 32;
 - 5.4 the Exploration Licences are in good standing; and
 - 5.5 there are no material fetters on the exercise of the Company's rights in the Exploration Licences, save for:
 - 5.5.1 the tenement conditions referred to in paragraph 34 below;
 - 5.5.2 the right of the landholders to exclude Souwest Metals Pty Ltd from the relevant area of land the subject of E70/4883 during certain times of the calendar year for the purpose of conducting farming activities under the Smith and Manning Private Land Agreements referred to in paragraph 57 below.

TITLE & ENCUMBRANCES

Project Overview

- 6 The Company operates the Yarawindah Brook Project (**Yarawindah Brook**) and the Mount Squires Project (**Mount Squires**) on land the subject of the Exploration Licences.
- 7 Yarawindah Brook is located on agricultural land 20km south of the New Norcia township, 130 km north-east of Perth, Western Australia, and includes land the subject of:
- 7.1 E70/4883 and applications E70/5330 and E70/5335 held by Souwest Metals Pty Ltd;
 - 7.2 E70/5116 and E70/5166 held by Search Resources Pty Ltd; and

7.3 application E70/5374 by Salvado Resources Pty Ltd.

- 8 Mount Squires includes land the subject of E69/3424 and E69/3425 held by Opis Resources Pty Ltd, and is located adjacent to the western border of the Company's West Musgrave Joint Venture Project with OZ Minerals Ltd.

Ownership

- 9 As identified in Schedule 3, the Company, through the Subsidiary Companies, is the registered holder of, or applicant for, the Exploration Licences.
- 10 The Company is the beneficial owner of rights in respect of all minerals under the Exploration Licences save for the Exploration Licences comprising Yarawindah Brook, in which Maria Andrea Wilson and Walter Scott Wilson hold a 20% interest, as referred to below at paragraphs 13 to 20 below.
- 11 The interest of the Company in the Exploration Licences is free of encumbrances.

Yarawindah Joint Venture Agreement

- 12 The Yarawindah Joint Venture is an incorporated joint venture established pursuant to the Yarawindah Joint Venture Agreement for the purpose of conducting mining and exploration activities within the Project Area, being the area of land from time to time within the boundaries of E70/4883, E70/5116 and E70/5166, within 25 kilometres from the boundary of E70/4883, or such other area as the parties agree.
- 13 The Company holds 80% of the shares in the incorporated joint venture company Souwest Metals Pty Ltd, the registered holder of E70/4883 and applicant for applications E70/5330 and E70/5335. The remaining 20% of the shares in Souwest Metals Pty Ltd are held by Maria Andrea Wilson and Walter Scott Wilson.
- 14 Search Resources Pty Ltd is the registered holder of E70/5116 and E70/5166, which tenements are held on trust for Souwest Metals Pty Ltd.
- 15 Salvado Resources Pty Ltd is the applicant for application E70/5374. We are instructed that application E70/5374 falls partially within the Project Area (being partially within the area of land which is 25 kilometres from the boundary of E70/4883), and subject to the resolution of priority issues referred to in paragraphs 47 to 51 below and the subsequent grant of the application, will be made available to the joint venture.
- 16 The Yarawindah Joint Venture Agreement provides that the Company is responsible for sole funding the conduct of exploration activities on the Yarawindah Brook tenements through to a decision to commence mining operations.
- 17 The Company is the manager of the Yarawindah Joint Venture, and through the conduct of a management committee, is responsible for the development and implementation of business plans and programmes and budgets for the conduct of exploration activities.
- 18 Following a decision to commence mining operations by the Company, the joint venture participants must contribute to the costs of developing and operating a mining project in proportion to their participating interests. If a joint venture participant elects not to contribute to expenditure then their participating interest will be diluted having regard to the amount of expenditure they have contributed as a percentage of the total expenditure incurred following the decision to mine.

- 19 The Wilsons may elect to convert their participating interest to a 2% net smelter royalty on terms agreed and annexed to the Yarawindah Joint Venture Agreement. In the event their participating interest is diluted below 5%, their interest will be converted to a royalty interest automatically.
- 20 The Yarawindah Joint Venture Agreement includes a number of fetters on the transfer of the Company's shareholding in Souwest Metals Pty Ltd, including a right of pre-emption and tag-along rights. The Company has reached agreement with the Wilsons which provides, amongst other things, for the Wilsons' consent to the transfer of the Company's shareholding in Souwest Metals Pty Ltd to Caspin and the waiver of any rights of pre-emption or any tag-along rights.

STATUTORY RIGHTS & OBLIGATIONS

Regulatory Overview

- 21 The exploration for and mining of minerals in Western Australia is governed by the *Mining Act 1978* (WA) (**Mining Act**) and *Mining Regulations 1981* (WA) (**Mining Regulations**).
- 22 Subject to certain limited exceptions (none of which are relevant for the purposes of this report), minerals in situ in their natural state are the property of the State.
- 23 The State may grant statutory rights known as 'mining tenements', including, relevantly:
 - (a) exploration licences, which confer upon the registered holder an exclusive right to explore for minerals; and
 - (b) mining leases, which confer upon the registered holder an exclusive right to mine and process minerals.
- 24 While exploration licences and mining leases confer rights which are exclusive for mining purposes, mining tenements do not confer exclusive possession and co-exist with other interests in land such as pastoral leases and native title.
- 25 The registered holder of a mining tenement can, by agreement, authorise a third party to exercise its rights.

Exploration licences

- 26 As set out in Schedule 3 to this report, Yarawindah Brook and Mount Squires include:
 - 26.1 5 granted exploration licences; and
 - 26.2 3 applications for exploration licences.
- 27 An exploration licence under the Mining Act authorises the registered holder:
 - 27.1 to enter the land the subject of the licence;
 - 27.2 to explore that land;
 - 27.3 to remove mineral bearing substances from that land to a prescribed limit; and

- 27.4 to take and divert water from that land.
- 28 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:
- 28.1 by one period of five years; and
- 28.2 by a further period or periods of two years.
- 29 The prescribed grounds for extension are set out in the Mining Regulations and include:
- 29.1 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;
- 29.2 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
- 29.3 that the work carried out under the exploration licence justifies further exploration.
- 30 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, which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 31 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.
- 32 The holder of an exploration licence is obliged:
- 32.1 to pay an annual rent;
- 32.2 unless exempt, to expend a minimum amount in connection with exploration on the exploration licence in excess of the prescribed annual expenditure commitment; and
- 32.3 to surrender 40% of the number of blocks subject to the exploration licence within six years after the date of grant.
- 33 The annual rent and the minimum expenditure commitments for each of the Exploration Licences are set out in Schedule 3.
- 34 Various other conditions may be imposed on exploration licences including standard conditions for the protection of the environment or third party interests in land. On the basis of the Searches, we are not aware of any unusual and onerous conditions imposed upon the Exploration Licences save for:
- 34.1 conditions in respect of E70/4883, E70/5116 and E70/5166 which require the tenement holder to enter into an Aboriginal Heritage Agreement or a Noongar Standard Heritage Agreement with the Native Title Agreement Group or Regional

Corporation (as the case requires), discussed further a paragraphs 94 to 97 below;
and

- 34.2 conditions in respect of E70/4883, E70/5116 and E70/5166 which prevent the conduct of exploration activities on land the subject of various reserves, the overlap areas of which being negligible as referred to in Schedule 3, without the prior written consent of the Minister for Mines.

Tenement Compliance & Standing

- 35 Failure to comply with tenement conditions may result in forfeiture of the Exploration Licences or the imposition of a penalty.
- 36 As set out in Schedule 3, rent has been paid in full in respect of all of the Exploration Licences.
- 37 The Company has lodged Form 5 Operations Reports for the most recent reporting year for all of the Exploration Licences in which it claims to have incurred expenditure in excess of the annual expenditure commitment on or connection with mining on the tenement during the reporting year.
- 38 Based on the public searches, we are not aware of any non-compliance with the tenement conditions.

Surrender & Renewal

- 39 All of the granted Exploration Licences are within their initial five year term with the oldest tenement in its fourth reporting year, with the consequence that none of the Exploration Licences are due to expire in the next 12 months and there are no compulsory partial surrenders due in respect of any of the Exploration Licences.
- 40 No voluntary partial surrenders have been lodged in respect of any of the Exploration Licences as at the date of this report.

CONCURRENT INTERESTS

- 41 Mining tenements under the Mining Act are exclusive only for the purposes for which they are granted and, where granted in respect of Crown land, are capable of co-existing:
- 41.1 in the case of miscellaneous licences and special prospecting licences, with other mining tenements; and
- 41.2 in all cases, with pastoral leases, petroleum licences or permits, and native title.

Concurrent mining tenements

- 42 Under the Mining Act, where mining tenements coexist, the subsequent tenement is deemed to be granted subject to a reservation of the rights of the prior tenement. 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.
- 43 None of the granted Exploration Licences coexist with any mining tenements held by third parties.

- 44 As referred to in Schedule 3, E69/3425 held by Opis Resources Pty Ltd includes a small portion of E69/1530 held by Wirraway Metals & Mining Pty Ltd (overlapping 0.1%). However, this overlap is due to a change in the Australian geodatic datum and the overlapping land may be included in E69/4325 if E69/1530 expires, is surrendered or forfeited, as noted in endorsement 3 to E69/3425:

The grant of this licence does not include the land the subject of prior Exploration Licence 69/1530. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

- 45 Where an applications for an exploration licence is made in respect of areas of land which include land the subject of granted mining tenements, those areas of land will be excised from the application on grant of the exploration licence under subsections 57(2c) to (2e) of the Mining Act.
- 46 Application E70/5330 includes land the subject of E70/5317 held by David Alan Zohar (overlapping 7.02%). The land the subject of E70/5317 will be excised from application E70/5330 upon grant.

Priority

- 47 Under section 105A of the Mining Act, where there are competing tenement applications, the applicant who first complies with the initial requirements has "the right in priority over every other applicant to have granted" the mining tenement. The 'initial requirements' is, in the case of an exploration licence, the lodgement of the application in the prescribed manner.
- 48 The Department administers competing applications on the basis that the right of priority is a right to have the application considered prior to and independently of competing applications.
- 49 As referred to in Schedule 3, applications E70/5335 and E70/5374 are second in time to application E70/5111 by PBX Aus Pty Ltd (overlapping 10% and 65.35% respectively). We are instructed that applications for E70/5335 and E70/5374 were lodged in the prescribed manner.
- 50 In the usual course, the priority application will be granted with the consequence that the common land will be excised upon grant of the non-priority application.
- 51 However, we are instructed that the first in time applicant, PBX Aus Pty Ltd, is currently in administration and the Company has made an offer to the administrators of PBX Aus Pty Ltd of \$35,000.00 to surrender its first in time applications to allow applications E70/5335 and E70/5374 to take priority. The Company is presently in negotiations with the administrators of PBX Aus Pty Ltd and we are instructed that there are good prospects that the administrators will accept the Company's offer.

Concurrent private land interests

- 52 Under section 29(2) of the Mining Act, unless the written consent of the owner and occupier is obtained, a tenement cannot be granted in respect of any private land within 30 metres of the natural surface:
- 52.1 which is in use as a yard, stockyard, garden, orchard, vineyard, plant nursery or plantation or is under cultivation; or

- 52.2 which is the site of a cemetery or burial ground; or
- 52.3 which is the site of a dam, bore, well or spring; or
- 52.4 on which there is erected a substantial improvement; or
- 52.5 which is situated within 100m of any private land referred to above; or
- 52.6 which is a separate parcel of land and has an area of 2,000m² or less.
- 53 As referred to in Schedule 3, E70/4883 includes land the subject of:
 - 53.1 Lot 21 on Plan 22601 (Volume 2131, Folio 361) at 9754 Great Northern Highway, Wannamal held by Maxwell Brian Smith; and
 - 53.2 Lot 3817 on Deposited Plan 209183 (Volume 123, Folio 168A) at 4326 Old Plains Road, Yarawindah held by Gary Stephen Manning and Kim Annette Manning.

Smith and Manning Private Land Agreements

- 54 In respect of the Exploration Licences, E70/4883 includes land the subject of the Smith Private Land Agreement and the Manning Private Land Agreement.
- 55 The Smith and Manning Private Land Agreements provide for the landholders' consent to the grant of E70/4883 for the purposes of section 29(2) of the Mining Act, including in respect that part of the land to a depth of 30 metres of the natural surface of the land, and consent to the conduct of exploration activities, including access to land and usage of farm roads for access purposes.
- 56 The Smith and Manning Private Land Agreements require Souwest Metals Pty Ltd to pay compensation to the landholders for the conduct of certain activities on the relevant area of land the subject of E70/4883 on a quarterly basis in arrears and to repair or provide compensation in respect of any damage to pastoral improvements or equipment.
- 57 The landholders reserve the right to exclude Souwest Metals Pty Ltd from the relevant area during certain times of the calendar year for the purpose of conducting farming activities.
- 58 The Smith and Manning Private Land Agreements are otherwise on industry standard terms for private land access and compensation agreements.
- 59 The Smith and Manning Private Land Agreements do not include any fetters on the transfer of the Company's shareholding in Souwest Metals Pty Ltd.

Pastoral leases

- 60 Under the Mining Act, the rights of a tenement holder generally have priority over the rights of a pastoral lessee, subject to the right of pastoral lessee to:
 - 60.1 withhold consent (unless the Warden otherwise directs) to the conduct of activities within:
 - 60.1.1 100 metres of land that is under crop;

- 60.1.2 100 metres of a yard, stockyard, garden, cultivated field, orchard, vineyard, plantation, airstrip or airfield;
- 60.1.3 100 metres of land that is occupied by a house or building;
- 60.1.4 100 metres of a cemetery or burial ground; or
- 60.1.5 400 metres of improvements such as any water works, race, dam, well or bore; and
- 60.2 seek compensation for damage to improvements or loss of earnings from interference with pastoral activities.
- 61 The provision of consent (if required) and payment of compensation (if applicable) is sometimes dealt with by an agreement which also provides for the consent of the pastoral lessee to the grant of the mining tenement.
- 62 None of the Exploration Licences coexist with any pastoral leases held by third parties.

Petroleum Titles

- 63 Rights in respect of petroleum resources are granted under the *Petroleum and Geothermal Energy Resources Act 1967* (WA).
- 64 Mining tenements and petroleum licences or permits are not mutually exclusive; land may be subject to both a mining tenement granted under the Mining Act and a petroleum permit granted under the *Petroleum and Geothermal Energy Resources Act 1967* (WA) concurrently.
- 65 The rights conferred on tenements holders to explore for and mine minerals expressly excludes rights in respect of petroleum resources, because the definition of 'minerals' under section 8 of the Mining Act expressly excludes:
 - 65.1 any substance in which its recovery is governed by the *Petroleum and Geothermal Energy Resources Act 1967* (WA) or *Petroleum (Submerged Lands) Act 1982* (WA); or
 - 65.2 'geothermal energy resources' as defined in section 5(1) of the *Petroleum and Geothermal Energy Resources Act 1967* (WA).
- 66 If a dispute arises between a mining tenement holder and a licensee or permittee under the *Petroleum and Geothermal Energy Resources Act 1967* (WA) in relation to operations carried out or proposed to be carried out by either party, either party may refer the dispute to the Mining Warden, who must inquire into the dispute and report to the Minister.
- 67 The Minister may subsequently make orders or give directions to either or both parties as the Minister considers equitable and just, having regard to the public interest and circumstances of the case. A failure to comply with the Minister's orders or directions may result in the cancellation of the mining tenement or petroleum permit or license.
- 68 As referred to in Schedule 3, E70/5166 and application E70/5374 include land the subject of Exploration Permit 494 (EP494 PGERA67) held by Macallum Group Ltd (2.58% and 53.19% respectively).

Native title

- 69 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.
- 70 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.
- 71 The *Native Title Act 1993* (Cth) codifies much of this common law and establishes a framework pursuant to which:
 - 71.1 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;
 - 71.2 persons whose claim is registered because they demonstrate 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
 - 71.3 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.
- 72 In relation to the grant of mining tenements, the procedural rights referred to at 71.2 above which are enjoyed by registered native title claimants and native title holders include:
 - 72.1 in respect of the proposed grant of exploration licences, 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 mining tenements without requiring negotiation in the same manner as for mining leases (described at 72.2 below) and to have that objection heard and determined by the National Native Title Tribunal; and
 - 72.2 in respect of the proposed grant of mining leases, an obligation to negotiate in good faith with the tenement applicant and the State of Western Australia with a view to reaching agreement in relation to the grant of that mining lease, 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 leases should be granted in the absence of agreement.
- 73 As referred to in Schedule 3:
 - 73.1 in respect of Mount Squires, E69/3424 and E69/3425 fall wholly within the Ngaanyatjarra Lands (Part A) native title determination (WCD2005/002) which was registered on 30 June 2005;
 - 73.2 in respect of Yarawindah Brook:

- 73.2.1 E70/4883, E70/5116 and E70/5166 and applications E70/5330 and E70/5335 fall wholly within the Yued native title claim (WC1997/071) which was registered on 22 August 1997 (100% of the tenement land area); and
- 73.2.2 application E70/5374 falls partially within:
- (a) the Yued native title claim (WC1997/071) which was registered on 22 August 1997 (approximately 90.54% of the tenement land area); and
 - (b) the Whadjuk People native title claim (WC2011/009) which was registered on 12 October 2011 (approximately 9.44% of the tenement land area).
- 74 Consequently, the Ngaanyatjarra Lands (Part A), Whadjuk People and Yued native title claim and determination groups will enjoy the procedural rights referred to paragraph 72 in respect of the grant of any tenement applications (as summarised at paragraph 72.1 above in relation to the Exploration Licences that have not yet been granted).
- 75 Mining tenements granted after commencement of the *Native Title Act 1993* (Cth) on 24 December 1993 validly affect native title provided that the relevant applicable future act process has been complied with. The 'non-extinguishment principle' applies to the grant of those mining tenements with the effect that native title continues to exist in the land the subject of those tenements but have no effect in relation to the tenements to the extent of any inconsistency. Compensation is payable to any determined native title holders.
- 76 All of the Exploration Licences were applied for or granted after 24 December 1993 with the consequence that, provided that the applicable future act process was complied with, the non-extinguishment principle applies but any determined native title holder will be entitled to compensation.
- 77 Under the *Native Title Act 1993* (Cth) and the Mining Act, liability for payment of compensation referred to at 71.3 above in respect of the grant of a mining tenement falls upon the tenement holder at the time the compensation is determined except:
- 77.1 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
 - 77.2 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).

Ancillary Agreement for Mineral Exploration

- 78 By reason of the provisions of the *Native Title Act 1993* (Cth) and the *Aboriginal Heritage Act 1972* (WA) referred to above, it is typical for tenement holders to enter into agreement between the native title holders which provide for consent to the grant of mining tenements, compensation for the impact of exploration and mining on native title and a regime for the conduct of heritage surveys to facilitate the avoidance of disturbance to Aboriginal sites.
- 79 Opis Resources Pty Ltd and Yarnangu Ngaanyatjarraku Parna (Aboriginal Corporation) RNTBC (ICN 4527), Ngaanyatjarra Land Council (Aboriginal Corporation) (ICN 715), Ngaanyatjarra Council (Aboriginal Corporation) (ABN 88 304 990 870) (ICN 101) (together

the **Ngaanyatjarra Native Title Party**) are parties to the Ancillary Agreement for Mineral Exploration, which sets out the terms on which Opis Resources Pty Ltd can undertake exploration activities within the Agreement Area, being the area of land within the area marked as 'OPIS_2016' on the map attached to the Ancillary Agreement for Mineral Exploration.

- 80 Under the Ancillary Agreement for Mineral Exploration:
- 80.1 the Ngaanyatjarra Native Title Party consents to the grant of the Exploration Licences to Opis Resources Pty Ltd and the conduct of exploration activities within the Agreement Area, including areas of land which are subject to the various reserves and General Lease GE I798552 referred to in Schedule 3;
 - 80.2 the parties agree the terms upon which the Ngaanyatjarra Native Title Party will:
 - 80.2.1 request the grant of Ministerial Entry Permits by the Minister for Aboriginal Affairs under the *Aboriginal Affairs Planning Authority Regulations 1972* (WA) (in a form agreed and annexed to the Ancillary Agreement for Mineral Exploration), to allow individual personnel of Opis Resources Pty Ltd to enter those parts of the Agreement Area which are subject to reserves to which Part III of the *Aboriginal Affairs Planning Authority Regulations 1972* (WA) applies; and
 - 80.2.2 grant Council Entry Permits, to allow individual personnel of Opis Resources Pty Ltd to enter the Ngaanyatjarra Determination Area and those parts of the Agreement Area which are Community Land;
 - 80.3 the parties agree the terms upon which representatives of the Ngaanyatjarra Native Title Party will participate in heritage surveys to identify any Aboriginal heritage sites within the Agreement Area;
 - 80.4 Opis Resources Pty Ltd must:
 - 80.4.1 not conduct exploration activities except as authorised by Work Programme Clearances or Site Location Clearances, or otherwise without the consent of Ngaanyatjarra Council (Aboriginal Corporation);
 - 80.4.2 comply with any conditions imposed on the conduct of exploration activities by the Ngaanyatjarra Council (Aboriginal Corporation), and must not conduct exploration activities in any areas identified as 'No Go Areas' within the Agreement Area; and
 - 80.4.3 pay agreed compensation payments for the effect of the grant of the Exploration Licences, the conduct of exploration activities and the right of access to the land the subject of the Exploration Licences, on the continued existence, enjoyment and exercise of native title rights and interests.
- 81 Accessing the land the subject of the Part III Reserves the subject of E69/3424 and E69/3425 (which includes the entirety of the land the subject of E69/3424 and E69/3425) requires the grant of Ministerial Entry Permits by the Minister for Aboriginal Affairs under the *Aboriginal Affairs Planning Authority Regulations 1972* (WA).

- 82 The term of the Ministerial Entry Permits is linked to the term of the Ancillary Agreement for Mineral Exploration by reference to agreed conditions set out in the form of agreed Ministerial Entry Permit annexed to the Ancillary Agreement for Mineral Exploration. In the event that the Ancillary Agreement for Mineral Exploration is terminated by the Ngaanyatjarra Native Title Party in accordance with its terms, any Ministerial Entry Permit will automatically be terminated with the result that individual personnel of Opis Resources Pty Ltd will be unable to enter the land the subject of E69/3424 and E69/3425.
- 83 Under the terms of the Ancillary Agreement for Mineral Exploration, Opis Resources Pty Ltd may not conduct mining activities on the Exploration Licences without entering into a mining agreement.
- 84 The terms of the Ancillary Agreement for Mineral Exploration are typical for an agreement of this nature and are not unusually onerous.
- 85 The Ancillary Agreement for Mineral Exploration provides that Opis Resources Pty Ltd may not assign an interest in the Exploration Licences to a third party unless the Native Title Party consents and the assignee executes a deed in favour of the Ngaanyatjarra Native Title Party agreeing to be bound by the Ancillary Agreement for Mineral Exploration. However, the Ancillary Agreement for Mineral Exploration does not include any fetters on the transfer of the Company's shareholding in Opis Resources Pty Ltd.

STATUTORY APPROVALS

- 86 In order to undertake exploration activities on the Exploration Licences, the Company will require:
- 86.1 approved programmes of work; and
 - 86.2 Aboriginal heritage clearance.

Programme of Work

- 87 It is a condition of every exploration licence that the holder must not conduct ground disturbing activities such as drilling on the tenement unless the holder has lodged a programme of work and it has been approved.
- 88 We are instructed that the Company has approved programmes of work required to undertake its proposed exploration programme in respect of the Exploration Licences, and if the Company chooses to undertake additional exploration activities it will progressively obtain additional approvals as required.

Aboriginal heritage clearance

- 89 The *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) protect places and objects of significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs.
- 90 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.

- 91 Under the *Aboriginal Heritage Act 1972* (WA) it is an offence to damage or in any way alter an 'Aboriginal Site' without the consent of the Minister under section 18 or the permission of the Registrar under section 16. An 'Aboriginal Site' under the *Aboriginal Heritage Act 1972* (WA) may be an archaeological site, a sacred or ceremonial site or a place which is associated with Aboriginal people and should be preserved because of its significance to the cultural heritage of the State. The *Aboriginal Heritage Act 1972* (WA) establishes a Register of Aboriginal Sites, but protects Aboriginal Sites regardless of whether or not they are registered.
- 92 Information obtained by 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 are included in Schedule 3 and indicate in relation to the Exploration Licences that:
- 92.1 E69/3424, E69/3425 and E70/5166 and application E70/5330 and E70/5374 include land the subject of registered Aboriginal sites; and
- 92.2 E70/5166 and applications E70/5330 and E70/5374 includes land the subject of recorded as other heritage places.
- 93 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.

Noongar Standard Heritage Agreements

- 94 The Exploration Licences comprising Yarawindah Brook include land the subject of the Yued Indigenous Land Use Agreement and, in respect of application E70/5374, the Whadjuk People Indigenous Land Use Agreement, and are subject, or will be subject upon grant, to a tenement condition which require the tenement holder to enter into an Aboriginal Heritage Agreement or a Noongar Standard Heritage Agreement with the Native Title Agreement Group or Regional Corporation (as the case requires).
- 95 Souwest Metals Pty Ltd in respect of E70/4883, and Search Resources Pty Ltd in respect of E70/5116 and E70/5166, and the South West Aboriginal Land & Sea Council Aboriginal Corporation (ICN 3832) for and on behalf of the Yued Agreement Group (**Yued Native Title Party**) are party to the Noongar Standard Heritage Agreements, which sets out the terms on which Souwest Metals Pty Ltd and Search Resources Pty Ltd respectively can undertake exploration activities within the Agreement Area, being the area of land within the boundaries of the relevant Exploration Licence.
- 96 Under the Noongar Standard Heritage Agreements:
- 96.1 the parties agree the terms upon which representatives of the Yued Native Title Party will participate in heritage surveys to identify any Aboriginal heritage sites within the Agreement Area;
- 96.2 Souwest Metals Pty Ltd and Search Resources Pty Ltd:
- 96.2.1 must provide Programs of Proposed Works and Activity Notices to the Yued Native Title Party in circumstances where heritage surveys are likely to be required prior to the conduct of exploration activities;

- 96.2.2 may elect not to provide Activity Notices where it has reasonable ground to form an opinion that a heritage survey is not required, including because the proposed exploration activities constituted Minimal Impact Activities or Low Ground Disturbance Activities; and
- 96.2.3 must consult with the Yued Native Title Party prior to lodging any application for the consent of the Minister under section 18 or the permission of the Registrar under section 16 of the *Aboriginal Heritage Act 1972* (WA).
- 97 The terms of the Noongar Standard Heritage Agreements are typical for agreements of this nature and are not unusually onerous.

CONCLUSION

- 98 DLA Piper Australia has given its written consent to the lodgement of the demerger scheme booklet 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 demerger scheme booklet with the Australian Securities and Investment Commission. This report has been prepared only for the purpose of the demerger scheme booklet and is not to be relied on for any other purpose.
- 99 This report is given solely for the benefit of the Company and the directors of the Company in connection with the demerger scheme 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. This report is issued subject to the exclusions, assumptions and qualifications in Schedule 2.
- 100 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 demerger scheme booklet, DLA Piper Australia has no interest in the promotion of the Company.

Yours sincerely



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Global Co-Chair - Energy & Natural Resources Sector
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SCHEDULE 1: DOCUMENTS RELIED UPON

In preparing this report, we have relied upon:

- 1 the searches of the public databases undertaken:
 - 1.1 by DLA Piper Australia on or about 1 July 2020 including:
 - 1.1.1 Quick Appraisal searches obtained from the TENGRAPH system maintained by the Department of Mines, Industry Regulation and Safety;
 - 1.1.2 Searches of the Register of Native Title Claims and National Native Title Register maintained by the National Native Title Tribunal;
 - 1.1.3 Searches of the Aboriginal Heritage Inquiry System maintained by the Department of Planning, Lands and Heritage;
 - 1.2 by McMahon Mining Title Services Pty Ltd (ACN 104 341 817) on or about 13 July including:
 - 1.2.1 searches of the Mining Rehabilitation Fund (MRF) Mining Activity and Disturbance Data reported by tenement holders for the period ended 30 June 2020, obtained from the Environmental Assessment and Regulatory System register maintained by the Department of Mines, Industry Regulation and Safety; and
 - 1.3 by DLA Piper Australia on or about 14 July 2020 including:
 - 1.3.1 Mining tenement searches obtained from the register maintained by the Department of Mines, Industry Regulation and Safety;
- 2 copies of the following agreements provided by the Company:
 - 2.1 the Incorporated Joint Venture Agreement – Yarrawindah Project dated 31 May 2019 between Cassini Resources Limited, Maria Andrea Wilson, Walter Scott Wilson and Souwest Metals Pty Ltd (**Yarrawindah Joint Venture Agreement**);
 - 2.2 the Land Access and Compensation Agreement dated 2 September 2019 between Cassini Resources Limited, Souwest Metals Pty Ltd and Maxwell Brian Smith (**Smith Private Land Agreement**);
 - 2.3 the Land Access and Compensation Agreement dated 2 September 2019 between Cassini Resources Limited, Souwest Metals Pty Ltd, Gary Stephen Manning and Kim Annette Manning (**Manning Private Land Agreement**);
 - 2.4 the Ancillary Agreement for Mineral Exploration on Ngaanyatjarra Lands dated 16 February 2017 between Yarnangu Ngaanyatjarraku Parna (Aboriginal Corporation) RNTBC (ICN 4527), Ngaanyatjarra Land Council (Aboriginal Corporation) (ICN 715), Ngaanyatjarra Council (Aboriginal Corporation) (ABN

88 304 990 870) (ICN 101) and Opis Resources Pty Ltd (ACN 640 710 462) (**Ancillary Agreement for Mineral Exploration**); and

2.5 the Noongar Standard Heritage Agreements, being:

2.5.1 the Noongar Standard Heritage Agreement dated 4 December 2017 between South West Aboriginal Land & Sea Council Aboriginal Corporation (ICN 3832) for and on behalf of the Yued Agreement Group and Souwest Metals Pty Ltd in respect of E70/4883; and

2.5.2 the Noongar Standard Heritage Agreements dated 26 June 2020 between South West Aboriginal Land & Sea Council Aboriginal Corporation (ICN 3832) for and on behalf of the Yued Agreement Group and Search Resources Pty Ltd in respect of E70/5116 and E70/5166 respectively,

(**Noongar Standard Heritage Agreements**); and

3 copies of the following programme of work approvals for the Exploration Licences provided by the Company:

3.1 programme of work approval for use of ground disturbing equipment on E69/3424 and E69/3425 dated 10 February 2019 (ID: 85352);

3.2 programme of work approval for use of ground disturbing equipment on E69/3424 and E69/3425 dated 10 May 2019 (ID: 80010);

3.3 programme of work approval for use of ground disturbing equipment on E70/4883 dated 3 October 2019 (ID: 82948); and

3.4 programme of work approval for use of ground disturbing equipment on E70/4883 dated 3 October 2019 (ID: 82962).

SCHEDULE 2: EXCLUSIONS, ASSUMPTIONS AND QUALIFICATIONS

Exclusions

This report relates only to the ownership of rights and interests in the mining tenements comprising the Exploration Licences 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 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.

SCHEDULE 3 - EXPLORATION LICENCES

							Encumbrances and Expenditure		Financial		Concurrent Interests			Native Title and Aboriginal Heritage				Agreements and Proceedings	
Tenement /Application	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	Cassini Interest	Third party interest	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements /applications	Pastoral Leases	Other Land	Native title claim / Determination	Native Title Notification Date	Native Title Cleared date	Aboriginal sites/Other heritage places	Agreements	Proceedings
E69/3424	74 BL	20/01/17	19/01/22	Opis Resources Pty Ltd	100% legal and beneficial interest	Nil	Nil	\$111,000.00 (for year ending 19/01/2021)	\$17,612.00 (for year ending 19/01/2022)	\$1,100.00 for period ending 30 June 2020	Nil	Nil	R 17614 "A" Class Reserve Use and Benefit of Aboriginal Inhabitants (100%) GE I798552 General Lease (P) (100%) FNA 15202 Crown Land removed for operation of section 40E of the Mining Act 1978 - Ngaanyatjarraku Biosecurity Area (100%)	Ngaanyatjarra Lands (Part A) (WCD2005/002) (WAD6004/2004) (100%)	24/06/16	10/11/16	<u>2 Registered Aboriginal Sites</u> 2949 Mularpayi (Artefacts / Scatter, Man-Made Structure, Painting, Camp, Hunting Place, Water Source) 2950 Kanngka (Artefacts / Scatter, Ceremonial, Man-Made Structure, Mythological, Painting, Repository / Cache, Camp, Hunting Place, Water Source)	Ancillary Agreement for Mineral Exploration Airservices Australia Ngaanyatjarra ILUA (WI2005/002) (100%) Ngaanyatjarra Lands ILUA (Body Corporate Agreement) No. 1 (WI2004/005) (100%) Telstra Ngaanyatjarra ILUA (WI2004/006) (100%)	Nil
E69/3425	164 BL	20/01/17	19/01/22	Opis Resources Pty Ltd	100% legal and beneficial interest	Nil	Nil	\$246,000.00 (for year ending 19/01/2021)	\$39,032.00 (for year ending 19/01/2022)	\$16,040.00 for period ending 30 June 2020	E69/1530 Wirraway Metals & Mining Pty Ltd (0.1%) (Granted 08/09/2000)	Nil	R 17614 "A" Class Reserve Use and Benefit of Aboriginal Inhabitants (100%) GE I798552 General Lease (P) (100%) FNA 15202 Crown Land removed for operation of section 40E of the Mining Act 1978 - Ngaanyatjarraku Biosecurity Area (100%)	Ngaanyatjarra Lands (Part A) (WCD2005/002) (WAD6004/2004) (100%)	24/06/16	10/11/16	<u>1 Registered Aboriginal Site</u> 2883 Pantamaru (Artefacts / Scatter, Ceremonial, Man-Made Strucutre, Mythological, Painting, Camp, Water Source)	Ancillary Agreement for Mineral Exploration Airservices Australia Ngaanyatjarra ILUA (WI2005/002) (100%) Ngaanyatjarra Lands ILUA (Body Corporate Agreement) No. 1 (WI2004/005) (100%) Telstra Ngaanyatjarra ILUA (WI2004/006) (100%)	Nil
E70/4883	14 BL	23/01/17	22/01/22	Souwest Metals Pty Ltd	80% legal and beneficial interest	20% legal and beneficial interest held by Maria and Scott Wilson pursuant to Yarawindah Joint Venture Agreement	Nil	\$30,000.00 for year ending 22/01/2021	\$3,332.00 for year ending 22/01/2022	\$175.00 for period ending 30 June 2020	Nil	Nil	R 134 "C" Class Reserve Watering Place (0.09%) R 26841 "C" Class Reserve Conservation of Flora & Fauna (0.84%) Freehold Land Act - Regional Western Australia: 3 Land parcels affected (32.56%) Freehold Transfer Land Act - Regional Western Australia: 7 Land parcels affected (65.67%)	Yued WC1997/071 (WAD6192/1998) (100%)	24/08/16	17/01/17	Nil	Yarrawindah Joint Venture Agreement Noongar Standard Heritage Agreement Smith Private Land Agreement Manning Private Land Agreement Yued Indigenous Land Use Agreement (WI2015/009) (100%)	Nil
E70/5116	19 BL	31/08/18	30/08/23	Search Resources Pty Ltd	100% legal interest; 80% beneficial interest	20% beneficial interest held by Maria and Scott Wilson pursuant to Yarawindah	Nil	\$20,000.00 (for year ending 30/08/2020)	\$2,679.00 (for year ending 30/08/2021)	Nil for period ending 30 June 2020	Nil	Nil	R 24590 "C" Class Reserve Timber Mallet (0.05%) R 26841 "C" Class Reserve Conservation of Flora & Fauna (0.31%) R 2910 "C" Class Reserve Buffer Strip (1.9%)	Yued WC1997/071 (WAD6192/1998) (100%)	18/04/18	31/08/18	Nil	Yarrawindah Joint Venture Agreement Noongar Standard Heritage Agreement	Nil

							Encumbrances and Expenditure		Financial		Concurrent Interests			Native Title and Aboriginal Heritage				Agreements and Proceedings	
Tenement /Application	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	Cassini Interest	Third party interest	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements /applications	Pastoral Leases	Other Land	Native title claim / Determination	Native Title Notification Date	Native Title Cleared date	Aboriginal sites/Other heritage places	Agreements	Proceedings
						Joint Venture Agreement; tenement held on trust for Souwest Metals Pty Ltd							Freehold Land Act - Regional Western Australia: 18 Land parcels affected (65.9%) Freehold Transfer Land Act - Regional Western Australia: 8 Land parcels affected (30.76%) FNA 2932 File Notation Area Commonwealth Defence Training Area - Bindoon also Commonwealth Registered Site Number Area 105619 Bindoon Training Area (13.74%) FNA 10514 File Notation Area proposed pilgrims trail Shire of Toodyay section 16(3) clearance (1.16%) FNA 10874 File Notation Area proposed licence for access portion of reserve 29100. Section 91(5) LAA (1.14%) FNA 5578 File Notation Area Freehold of Reserve 24590 Melbourne LOC 3769 proposed sale to adjoining owner (0.05%)					Yued Indigenous Land Use Agreement (WI2015/009) (100%)	
E70/5166	17 BL	1/02/19	31/01/24	Search Resources Pty Ltd	100% legal interest; 80% beneficial interest	20% beneficial interest held by Maria and Scott Wilson pursuant to Yarawindah Joint Venture Agreement; tenement held on trust for Souwest Metals Pty Ltd	Nil	\$20,000.00 (for year ending 31/01/2020)	\$2,397.00 (for year ending 31/01/2022)	Nil for period ending 30 June 2020	EP494 PGERA67 Exploration Permit - Macallum Group Pty Ltd (2.58%)	Nil	R 7615 "A" Class Reserve Conservation of Flora & Fauna Freehold Land Act - Regional Western Australia: 16 Land parcels affected (23.3%) Freehold Transfer Land Act - Regional Western Australia: 21 Land parcels affected (73.82%) FNA 11800 File Notation Area proposed excision of portion of a class reserve 7615, being Lot 502, for dedication as road and closure of portion of Great Northern Highway, being Lot 500, for inclusion into Class A Reserve 7615. Section 16(3) Clearance (0.01%)	Yued WC1997/071 (WAD6192/1998) (100%)	5/09/18	22/01/19	<u>3 Registered Aboriginal Sites</u> 20008 Gingin Brook Waggy! Site (Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Source) 20749 Moore River Waugal (Mythological) 21620 Chandala Brook (Mythological) <u>7 Other Heritage Places</u> 19138 Wetlands & Watercourses Moore River to Bullsbrook (Mythological) 19183 Red Gully Creek (Mythological, Plant Resource) 20650 Lennard Brook (Mythological, Natural Feature, Water Source, Other: Creek) 21616 Boonanarring Brook (Mythological) 21617 Wallering Brook (Mythological) 21618 Nullilla Brook (Mythological) 21619 Breera Brook (Mythological)	Yarawindah Joint Venture Agreement Noongar Standard Heritage AgreementYued Indigenous Land Use Agreement (WI2015/009) (100%)	Nil
E70/5330	57 BL	Pending Application Received 20/12/2019	Pending	Souwest Metals Pty Ltd	Application holder	20% legal and beneficial interest held by Maria and Scott Wilson pursuant to Yarawindah Joint Venture Agreement	N/A	N/A	N/A	N/A	E70/5317 David Alan Zohar (7.02%) (Granted 03/07/2020)	392 422 Historical Pastoral Lease (C) (16.43%)	R 45774 "C" Class Reserve Parkland (0.04%) Freehold Land Act - Regional Western Australia: 54 Land parcels affected (27.42%) Freehold Transfer Land Act - Regional Western Australia: 55 Land parcels affected (71.27%) FNA 13206 File Notation Area proposed road closure and amalgamation into adjoining lots along Great Northern Highway, New	Yued WC1997/071 (WAD6192/1998) (100%)	Referred To NT : Awaiting Notification	Referred To NT : Awaiting Notification	<u>3 Registered Aboriginal Sites</u> 20008 Gingin Brook Waggy! Site (Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Source) 20749 Moore River Waugal (Mythological) 21620 Chandala Brook (Mythological) <u>10 Other Heritage Places</u> 19138 Wetlands &	Yarawindah Joint Venture Agreement Yued Indigenous Land Use Agreement (WI2015/009) (100%)	Nil

							Encumbrances and Expenditure		Financial		Concurrent Interests			Native Title and Aboriginal Heritage				Agreements and Proceedings	
Tenement /Application	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	Cassini Interest	Third party interest	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements /applications	Pastoral Leases	Other Land	Native title claim / Determination	Native Title Notification Date	Native Title Cleared date	Aboriginal sites/Other heritage places	Agreements	Proceedings
													Norcia, Shire of Victoria Plains section 16(3) clearance (0.02%)				Watercourses Moore River to Bullsbrook (Mythological) 19183 Red Gully Creek (Mythological, Plant Resource) 20650 Lennard Brook (Mythological, Natural Feature, Water Source, Other: Creek) 21616 Boonanarring Brook (Mythological) 21617 Wallering Brook (Mythological) 21618 (Nullilla Brook (Mythological) 21619 Breera Brook (Mythological) 36688 Moore River Waugal 1 (Mythological) 36969 Mogumber-Yarawindah Road Scarred Tree (Modified Tree) 36970 Granny Taylor's Camp (Historical, Camp)		
E70/5335	20 BL	Pending Application Received 07/01/2020	Pending	Souwest Metals Pty Ltd	Application holder	20% legal and beneficial interest held by Maria and Scott Wilson pursuant to Yarawindah Joint Venture Agreement	N/A	N/A	N/A	N/A	E70/5111 PBX Aus Pty Ltd (10%) (Pending, applied for 04/01/2018) E70/5378 Corporate & Resource Consultants Pty Ltd (14.99%) (Pending, applied for 24/03/2020)	Nil	R 24590 "C" Class Reserve Timber Mallet (0.51%) R 26841 "C" Class Reserve Conservation of Flora & Fauna (0.02%) R 27595 "A" Class Reserve Conservation of Flora & Fauna Act 94 - 1979 (1.35%) R 29100 "C" Class Reserve Buffer Strip (1.22%) Freehold Land Act - Regional Western Australia: 20 Land parcels affected (73.82%) Freehold Transfer Land Act - Regional Western Australia: 9 Land parcels affected (22.44%) 105619 Commonwealth Heritage Listing Bindoon Defence Training Area (42.45%) FNA 10514 File Notation Area proposed pilgrims trail Shire of Toodyay section 16(3) clearance (0.63%) FNA 10875 File Notation Area proposed licence for access portion of reserve 29100. Section 91(5) LAA. (0.63%) FNA 2932 File Notation Area Commonwealth Defence Training Area - Bindoon also Commonwealth Registered Site Number Area 105619 Bindoon Training Area (43.75%) FNA 5578 File Notation Area Freehold of Reserve 24590 Melbourne LOC 3769 proposed sale to adjoining owner (0.51%) Waterways Management Authority Avon River Management Area (13.81%)	Yued WC1997/071 (WAD6192/1998) (100%)	Referred To NT : Awaiting Notification	Referred To NT : Awaiting Notification	Nil	Yarrawindah Joint Venture Agreement Yued Indigenous Land Use Agreement (WI2015/009) (100%)	Nil

							Encumbrances and Expenditure		Financial		Concurrent Interests			Native Title and Aboriginal Heritage				Agreements and Proceedings	
Tenement /Application	Area (blocks)	Grant Date (Application Date)	Expiry Date	Registered holder /Applicant	Cassini Interest	Third party interest	Encumbrances including royalties and mortgages	Minimum expenditure	Annual Rent ex-GST	MRF levy	Mining tenements /applications	Pastoral Leases	Other Land	Native title claim / Determination	Native Title Notification Date	Native Title Cleared date	Aboriginal sites/Other heritage places	Agreements	Proceedings
E70/5374	159 BL	Pending Application Received 20/03/20	Pending	Salvado Resources Pty Ltd	Application holder	20% legal and beneficial interest held by Maria and Scott Wilson pursuant to Yarawindah Joint Venture Agreement	N/A	N/A	N/A	N/A	E70/5111 PBX Aus Pty Ltd (65.35%) (Pending, applied for 04/01/2018) E70/5407 Baracus Pty Ltd (0.63%) (Pending, applied for 16/04/2020) EP494 PGERA67 Exploration Permit - Macallum Group Ltd (53.19%)	Nil	R 12036 "C" Class Reserve Trigonometrical Station (<0.01%) R 20738 "A" Class Reserve Conservation of Flora & Fauna (0.18%) R 2332 "C" Class Reserve Conservation of Flora & Fauna (<0.01%) R 47392 "C" Class Reserve Communications Mast Site (<0.01%) R 965 "C" Class Reserve Conservation of Flora and Fauna (0.1%) F 61 State Forest Julimar (Unofficial) (7.7%) Freehold Land Act - Regional Western Australia: 120 Land parcels affected (14.02%) Freehold Transfer Land Act - Regional Western Australia: 290 Land parcels affected (76.77%) ANCA Wetlands Chittering-Needonga Lakes (0.01%) FNA 12671 File Notation Area Perth and Peel Green Growth Plan # proposed to be reserved under the CALM Act and vested in the Conservation Commission of Western Australia as a nature reserve, natural park or conservation park. Perth and Peel Green Growth Plan (2.22%) FNA 2874 File Notation Area clause 9(20)(C) Alumina Refinery Agreement Act Bauxite (4.59%) PFC 41 Proposed Forest Conservation Area Julimar (7.71%) Rail Corridor Land Moora Millendon Junction (0.15%) 03101 WA Heritage Site Catholic Agricultural College, Bindoon (0.52%)	Wadjuk People WC2011/009 (WAD242/2011) (9.44%) Yued WC1997/071 (WAD6192/1998) (90.54%)	Not Yet Referred to Native Title Unit	Not Yet Referred to Native Title Unit	<u>4 Registered Aboriginal Sites</u> 3536 Swan River (Mythological) 20008 Gingin Brook Waggy! Site (Historical, Mythological, Camp, Hunting Place, Plant Resource, Water Source) 20749 Moore River Waugal (Mythological) 21620 Chandala Brook (Mythological) <u>9 Other Heritage Places</u> 19138 Wetlands & Watercourses Moore River to Bullsbrook (Mythological) 19183 Red Gully Creek (Mythological, Plant Resource) 20650 Lennard Brook (Mythological, Natural Feature, Water Source, Other: Creek) 21616 Boonanarring Brook (Mythological) 21617 Wallering Brook (Mythological) 21618 Nullilla Brook (Mythological) 21619 Breera Brook (Mythological) 22027 Udumung Brook Artefact 1 (Artefacts / Scatter) 22028 Udumung Brook Artefact 2 (Artefacts / Scatter)	Yarawindah Joint Venture Agreement Whadjuk People Indigenous Land Use Agreement (WI2017/015) (9.44%) Yued Indigenous Land Use Agreement (WI2015/009) (90.54%)	Nil

10. Risk factors

10.1 Introduction

If the Demerger Scheme is implemented, Cassini Shareholders (excluding Ineligible Shareholders) will be entitled to receive the Demerger Share Entitlement in the form of Caspin Shares. The value of Caspin Shares will be influenced by a number of factors, many of which will be beyond the control of the management of Cassini or Caspin.

Cassini Shareholders will remain directly exposed to the risks related to Caspin if the Demerger Scheme is implemented.

Some of these risks are either related to the resources sector generally or already affect the Cassini business and are therefore risks to which Cassini Shareholders already have some exposure. There are however, a number of risks which will be new or potentially greater in impact than is currently the case in relation to Cassini alone.

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to Cassini, Caspin or the Demerger Scheme. Additional risks and uncertainties not currently known to Caspin or Cassini may also have an adverse impact on Caspin's business.

This Section does not take into account the investment objectives, financial situation, position or particular needs of Cassini Shareholders. Each Cassini Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

10.2 Risks related to the Demerger Scheme

(a) **Completion of the Demerger Scheme is subject to various conditions that must be satisfied or waived**

Completion of the Demerger Scheme is subject to a number of conditions. There can be no certainty, nor can Cassini provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of other conditions precedent to the Demerger Scheme which are outside the control of Cassini and Caspin, including, but not limited to, approval of the Demerger Scheme by the Requisite Majority of Cassini Shareholders, approval by the Court of the Demerger Scheme at the Court hearing to be held on the Second Court Date (see Annexure 2) and approval of the Capital Reduction Resolution by Cassini Shareholders at the Capital Reduction Meeting.

If for any reason the conditions to the Demerger Scheme are not satisfied or waived (where applicable) and the Demerger Scheme is not completed, the market price of Cassini Shares may be adversely affected.

(b) **Tax consequences for Demerger Scheme Shareholders**

If the Demerger Scheme is successfully implemented, there may be tax consequences for Demerger Scheme Shareholders. The tax consequences for Demerger Scheme Shareholders will vary depending on a number of factors, including their place of residence for tax purposes and their individual tax circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for Cassini Shareholders participating in the Demerger Scheme is set out in Section 11.

Cassini Shareholders are encouraged to seek independent professional advice regarding the individual tax consequences applicable to them.

(c) **Third party consents**

There is a risk that the consent of one or more third parties will be required as a result of the Demerger and that such consent cannot be obtained or, if it can be obtained, it may not be obtained on reasonable terms and conditions and within a reasonable timeframe. The

operation of provisions requiring consent may have negative consequences for Caspin, such as the loss of contracts or assets, increased costs, and the need to renegotiate such arrangements.

10.3 Risks related to Caspin

The following risks have been identified as being key risks relevant to Caspin's Business. These risks have the potential to have a significant adverse impact on Caspin and may affect Caspin's financial position or prospects or the price or value of Caspin's securities. Caspin is an exploration company, and mineral exploration, development and mining activities are high risk undertakings.

There can be no assurance that any exploration or development activity in regard to the Mount Squires Project or Yarawindah Brook Project, or any tenements or assets that may be acquired by Caspin in the future, will result in the discovery or exploitation of a mineral resource. Caspin's mineral exploration, development and mining activities may be hampered by circumstances out of Caspin's control. By their nature, mineral exploration and development activities are speculative and subject to a number of risks.

The below list of risk factors ought not to be taken as exhaustive of the risks faced by Caspin or by investors in Caspin. The Caspin Shares to be issued pursuant to this Demerger Scheme Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Caspin Shares. Potential investors should consult their professional advisers.

(a) **Future capital requirements**

Mineral exploration companies (including Caspin) do not generate cash revenue. Caspin's ability to meet its on-going operating costs and capital expenditure requirements will ultimately involve expenditure that exceed the estimated cash resources that Caspin is expected to have on the Implementation Date. Accordingly, Caspin will be required to raise new equity capital or access debt funding.

There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of Caspin to explore and develop the Mount Squires Project and Yarawindah Brook Project or otherwise for Caspin to undertake its business. No assurance can be given that Caspin will be able to procure sufficient funding at the relevant times on the terms acceptable to it.

Any additional equity financing will dilute Caspin Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If Caspin is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that Caspin will be able to secure any additional funding or be able to secure funding on terms favourable to Caspin.

(b) **Currently no market**

There is currently no public market for Caspin Shares, and there can be no assurance that an active market for Caspin Shares will develop.

Caspin intends to apply for admission to the official list of ASX following implementation of the Demerger. Caspin Shares will not be able to be traded on ASX, and Demerger Scheme Shareholders will continue to hold shares in a public unlisted Caspin, unless and until such time as the requirements for listing on ASX are capable of being met (if at all). Listing is at ASX's discretion, and there is a risk that Caspin may not meet the requirements for admission to the official list of ASX to enable quotation of Caspin Shares.

The price at which Caspin Shares trade on ASX after listing, if Caspin lists on ASX at all, will be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors beyond Caspin's control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in Caspin Shares will develop.

(c) **Liquidity and volatility**

An investment in Caspin Shares should be regarded as speculative, and Caspin may not be listed on ASX at all, in which case there will be no public market on which to trade Caspin Shares. There may be relatively few or many potential buyers or sellers of Caspin Shares at any given time. This may increase the volatility of the market price of Caspin Shares. It may also affect the prevailing market price at which shareholders are able to sell their Caspin Shares.

(d) **Equity market conditions**

Shares listed on ASX, or any other securities market, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Caspin Shares regardless of Caspin's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(e) **Nature of mineral exploration and mining**

The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond Caspin's control.

There can be no assurances that exploration and development at the Mount Squires Project or Yarawindah Brook Project, or any other projects that may be acquired by Caspin in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in Caspin expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by Caspin towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

Caspin has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Caspin believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, Caspin may experience delays or increased costs in exploring or developing its tenements.

(f) **Operational matters**

The operations of Caspin may be affected by various factors that are beyond the control of Caspin, 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, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of Caspin.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of Caspin and, if they eventuate, may have an adverse effect on the financial performance of Caspin.

(g) Resource and reserve estimates

As stated elsewhere in this Demerger Scheme Booklet, there are no existing mineral resource estimates or ore reserves in relation to any of the Caspin's assets and there is no guarantee that a mineral resource estimate in relation to any of the Caspin's assets will be achieved in the future.

Resource and reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Determining resource and reserve estimates is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, reserves are valued based on future costs and future prices and, consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect on operations and/or Caspin's financial performance.

Should Caspin encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Caspin's operations.

(h) Exploration and appraisals

There is a significant risk for Caspin of the proposed exploration activity being unsuccessful and not resulting in the discovery of a viable resource. Mineral exploration by its nature is a high risk activity and there can be no guarantee of success in the project areas where Caspin holds exploration licences. Whilst Caspin Directors' will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.

Caspin is engaged in early stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all.

Whether positive income flows ultimately result from exploration and development expenditure incurred by Caspin is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

(i) Commodity prices

Commodity prices are influenced by physical and investment demand. Fluctuations in commodity prices relevant to the Caspin may influence the exploration and development activity of Caspin. If Caspin achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Caspin to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of Caspin. Fluctuating commodity prices may impact Caspin's project development, plans and activities, including its ability to fund those activities. Caspin cannot provide any assurance as to the prices it will achieve for any mineral commodities it produces. Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on Caspin and the value of Caspin Shares.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of Caspin are, and will be, taken into account in Australian dollars, exposing Caspin to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. The exchange rate is affected by numerous factors beyond the control of Caspin, including international markets, interest rates, inflation and the general economic outlook.

(j) No profit to date and limited operating history

Caspin has incurred operating losses since its inception and does not have a significant history of business operations. It is therefore not possible to evaluate Caspin's prospects based on past performance. No assurance can be given that Caspin will achieve commercial viability through the successful exploration and/or mining of the Mount Squires Project or Yarawindah Brook Project, or any tenements which are subsequently applied for or acquired by Caspin. Until Caspin is able to realise value from its projects, it is likely to incur ongoing operating losses.

There can be no certainty that Caspin will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

(k) Contracts

The ability of Caspin to achieve its business objectives will depend on the performance by Caspin and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for Caspin.

The operations of Caspin also require the involvement of a number of third parties, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on Caspin's operations and performance. It is not possible for Caspin to predict or protect Caspin against all such risks.

(l) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Caspin depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Caspin if one or more of these employees cease their employment.

(m) New projects and acquisitions

Caspin may make acquisitions in the future as part of future growth plans. 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 Caspin Shareholders. Such acquisitions may result in the use of Caspin's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(n) Regulation and tenure

Adverse changes in Western Australian or Commonwealth government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of Caspin. The current system of exploration and mining permitted in Western Australia may change resulting in impairment of rights and possibly expropriation of Caspin's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for Caspin and may have an adverse effect on Caspin's business, results, financial condition and prospects.

(o) Environmental

The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever present risk.

Exploration work will be carried out in a way that has minimal impact on the environment. It may be required for Caspin conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised where ever possible. Whilst Caspin is not aware of any endangered species of flora or fauna at this point, no baseline studies have been done to date, and such a discovery could prevent exploration and mining activity in certain areas.

(p) Title risk and native title

Caspin may lose title to, or interests in, its tenements (including at the Mount Squires Project and Yarawindah Brook Project) if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments on the tenements.

In the jurisdictions in which Caspin operates or will operate in the future, both the conduct of operations and the steps involved in acquiring title to, or interests in, tenements involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements, nor is it always clear whether requirements have been properly completed, or possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken.

Caspin's tenements may be subject to future native title applications. This may preclude or delay granting of exploration and mining tenements or the ability of Caspin to explore, develop and/or commercialise the resources of the mining tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation agreements reached in settling native title claims lodged over any of the mining tenements held or acquired by Caspin. The presence of Aboriginal sacred sites and cultural heritage artefacts on the mining tenements is protected by Western Australian and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in Caspin incurring significant fines and Court injunctions. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for Caspin in obtaining clearances.

(q) Investment speculative

The above risk factors ought not to be taken as exhaustive of the risks faced by Caspin or by investors in Caspin. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Caspin and the value of Caspin Shares.

Therefore, the Caspin Shares to be transferred pursuant to the Demerger Scheme carry no guarantee with respect to the payment of dividends, returns of capital or the market value of these Caspin Shares (if a market exists, of which there can be no guarantee). Caspin Shares should be considered speculative due to the nature of Caspin's Business.

10.4 Risks related to Cassini if the Demerger Scheme does not proceed

(a) Cassini Shareholders will not receive the Demerger Scheme Entitlement

If the Demerger Scheme is not implemented, Cassini Shareholders will retain their Cassini Shares and will not receive the Demerger Scheme Entitlement and the Demerger will not proceed given the inter-conditional nature of the Transaction. If the Demerger Scheme is not implemented, Cassini would remain listed on ASX and would continue to operate its business. In those circumstances, Cassini Shareholders will continue to be exposed to the risks and benefits of owning Cassini Shares.

(b) The Directors believe that if the Demerger Scheme does not proceed, the price of a Cassini Share may fall below its recent trading price, in the absence of a Superior Proposal

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to Cassini. Price fluctuations in Cassini's Share price could

result from national and global economic and financial conditions, the market's response to the Transaction, changes in iron ore prices, market perceptions of Cassini, regulatory changes affecting the Cassini's operations, variations in Cassini's operating results and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Cassini Shares in the future if the Demerger Scheme does not proceed.

The trading price of a Cassini Share rose by approximately 23% following the announcement of the Transaction on the Announcement Date (based on the closing price of Cassini Shares on ASX on the date prior to the Announcement Date and the Announcement Date).

Your Directors believe that if the Demerger Scheme is not approved and no Superior Proposal emerges it is likely that the trading price of Cassini Shares will fall to below the level at which it has been trading since the Demerger Scheme was announced (although this is difficult to predict with any degree of certainty).

(c) Joint Venture Risks

Cassini is a minority owner (30%) and operator of the West Musgrave Joint Venture with OZ Minerals (70%). If the Demerger Scheme is not implemented, Cassini will continue to operate the West Musgrave Project subject to the terms of the Joint Venture Agreement with OZ Minerals.

OZ Minerals will sole fund the Nebo-Babel Studies up to completion of a Bankable Feasibility Study and a decision to mine is delivered. In respect of any amount funded by OZ Minerals in excess of A\$36 million, Cassini will be loan-carried for its 30% contribution, with principal and capitalised interest to be repaid 5 years after the commencement of production.

Cassini will need to comply with the Joint Venture Agreement decision making processes, and Cassini Shareholders will continue to be exposed to the counterparty risks associated with the Joint Venture Agreement.

(d) Transaction costs will be incurred

If the Transaction is not implemented, Cassini's transactions costs will be borne by Cassini alone, subject to any off-set by way of break fee payment from OZ Minerals. Cassini may also be required to pay a break fee to OZ Minerals, depending on the circumstances in which the Acquisition Scheme does not proceed.

(e) Availability of Funding

Cassini has a limited cash balance, and there can be no guarantee that Cassini will be able to obtain future debt or equity financing to sustain its operations. Cassini's capital requirements depend on numerous factors. Depending on Cassini's ability to generate income from its operations, Cassini may require further financing in addition to the amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If Cassini is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that Cassini will be able to secure any additional funding or be able to secure funding on terms favourable to Cassini.

(f) COVID-19 Risk

The global economic outlook is facing continuing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange rates. The likelihood and severity of any potential impacts are however very difficult to predict.

To date, the COVID-19 pandemic has not had any material impact on the Cassini's operations, however, any infections on site could result in delays or suspensions of Cassini's operations. Governmental measures in Australia and overseas to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, may also adversely impact Cassini's operations.

(g) **Other risks**

If the event the Demerger Scheme is not implemented, an investment in Cassini Shares will continue to be exposed to various further risk factors, including those which currently apply to a shareholding in Cassini.

11. Australian taxation considerations



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The Directors
Cassini Resources Limited
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Our ref 40930656_1

10 August 2020

Dear Directors

Tax Implications for the Demerger Scheme

This letter has been prepared at the request of Cassini for inclusion in the Demerger Scheme Booklet.

All capitalised terms contained that are not otherwise defined take on the meaning given to them in the Demerger Scheme Booklet.

1

Purpose of this letter

The purpose of this letter is to provide a general overview of the expected Australian income tax, GST and stamp duty consequences of the Demerger Scheme for Cassini's Shareholders who:

- Hold their Cassini Shares on capital account (and not on revenue account or as trading stock);
- Are not subject to the Taxation of Financial Arrangements (TOFA) rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (ITAA 1997); and
- Did not acquire their Cassini Shares as a result of participation in an employee share scheme.

All references to "Cassini Shareholders" in this section refer to the class of shareholders outlined above.

We have not addressed the tax implications that may arise for non-resident Cassini Shareholders under the laws of other jurisdictions.

2

Class Ruling Application

A Class Ruling is currently being sought from the Australian Taxation Office (ATO) by Cassini on behalf of Cassini Shareholders to confirm many of the income tax consequences set out in this letter in respect of the Demerger Scheme, including

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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whether a portion of the Capital Reduction will be deemed by the ATO to be an unfranked dividend under s45B ITAA 1936.

3 Demerger Scheme

The Demerger Scheme will result in Cassini Shareholders receiving Caspin Shares and 1c per Demerger Scheme Share held by Cassini Shareholders by way of Capital Reduction.

The Capital Reduction will likely be comprised of a:

- Capital component being the portion of the Capital Reduction that the ATO deems to be a genuine reduction in capital; and
- Dividend component being the portion of the Capital Reduction that the ATO deems to be an unfranked dividend under s45B ITAA 1936.

The tax implications associated with the capital and dividend components of the Capital Reduction are outlined below. As noted in section 2 above, a Class Ruling is currently being sought from the ATO to obtain confirmation about whether a portion of the Capital Reduction will be deemed by the ATO to be an unfranked dividend under s45B ITAA 1936.

For completeness, we note that Demerger tax relief under Division 125 ITAA 1997 is not available in respect of the Demerger Scheme for a number of reasons including because the Acquisition Scheme and the Demerger Scheme are inter-conditional and, therefore, the “nothing else” requirement in s125-70(1)(c) is not satisfied. Accordingly, Cassini Shareholders will not be able to disregard any capital gain or assessable income arising from the Demerger Scheme.

3.1 Capital component

3.1.1 Australian Resident Shareholders

The Demerger Scheme will result in Capital Gains Tax (CGT) event G1 occurring in relation to each Cassini Share held by Cassini Shareholders on the Effective Date.

Cassini Shareholders must reduce the cost base and reduced cost base of their Cassini Shares by the capital component amount at the time of the Demerger (but not below zero). If the capital component amount at the time of the Demerger exceeds the cost base of the Cassini Shares, a capital gain will be realised to that extent.

The cost base of a Cassini Share will generally be equal to the cost of acquiring the Cassini Share plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs).



Where Cassini Shareholders own Cassini Shares at the Record Date but no longer own at the Effective Date, a capital gain arises under CGT event C2 equal to the capital component amount in respect of each Cassini Share owned at the Record Date.

Certain shareholders, such as individuals and trustees of trusts, may be entitled to the 50% CGT discount in relation to the amount of any capital gain (after taking into account current year or carry forward capital losses) if the Demerger Scheme occurs 12 months after the date they acquired (or are deemed to have acquired) the Cassini shares. Complying superannuation entities may be eligible for a 33⅓% discount on the same basis.

The CGT discount is not available to certain Cassini Shareholders including those who are companies or who have chosen to apply the indexation method to the cost base of their Cassini Shares.

3.1.2 Foreign Resident Shareholders

The above CGT implications outlined for Australian resident shareholders would also arise for non-resident Cassini Shareholders whose Cassini Shares would constitute "taxable Australian property" (TAP).

In broad terms, the Cassini Shares of a Cassini Shareholder would be TAP if the non-resident Cassini Shareholder and its Tax Associates hold 10% or more of the issued Cassini Shares including throughout a 12 month period during the 2 years preceding the Demerger and the market value of Cassini's assets referable to Australian real property (i.e. land and mining, quarrying or prospecting rights) is greater than 50%.

No CGT implications should arise for non-resident Cassini Shareholders who together with their Tax Associates hold less than a 10% interest in Cassini including throughout a 12 month period during the 2 years preceding the Demerger.

3.2 Dividend

If the ATO deems any part of the Capital Reduction to be an unfranked dividend under s45B ITAA 1936, this amount will be treated as an unfranked dividend for Australian income tax purposes. Resident Cassini Shareholders would be required to include any dividend component of the Capital Reduction within their assessable income as an unfranked dividend.

As noted above, a Class Ruling is being sought from the ATO to confirm whether any part of the Capital Reduction will be deemed to be an unfranked dividend under s45B ITAA 1936.

Non-resident Cassini Shareholders will be subject to Dividend Withholding Tax (DWT) in respect of their receipt of any unfranked dividend. DWT is imposed at 30% unless a Double Tax Agreement (DTA) applies. The general rate of DWT under most DTA's is 15%.



4 Subsequent disposal of Cassini and Caspin Shares - CGT implications

Cassini Shareholders will need to consider the CGT implications of the disposal of their Cassini shares to Oz Minerals, pursuant to the Acquisition Scheme. Cassini Shareholders should refer to the Acquisition Scheme Booklet for our comments in relation to the tax implications of the Acquisition Scheme.

Caspin Shareholders will also need to consider the CGT implications of a disposal of their Caspin Shares after the Demerger.

A capital gain will arise to the extent that capital proceeds from the disposal of Caspin Shares exceeds the cost base of the shares held by a Caspin Shareholder. The cost base of the Caspin Shares received as a result of the Demerger Scheme should be equal to the market value of the Caspin shares on the Effective Date. A capital loss will arise to the extent that capital proceeds are less than the reduced cost base of the shares at the time of the subsequent disposal.

The Caspin Shares will be treated as having been acquired on the Effective Date for the purpose of determining the availability of the CGT discount in relation to any subsequent disposal of these shares

The capital gains, after applicable discounts (refer subsection 3.1.1) and any capital losses, from all CGT events are aggregated to calculate the taxpayer's net capital gain or loss for the income tax year. A net capital gain is included in the assessable income of the taxpayer and may be subject to income tax. A net capital loss may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

5 Other matters

5.1 Australian Tax File Number (TFN) withholding

Cassini may be required to withhold and pay to the ATO, 47% of any dividend component of the Capital Reduction where Cassini Shareholders have not provided their TFN, TFN exemption or ABN. Cassini Shareholders who have not yet provided these details to Cassini may wish to consider doing so.

5.2 Foreign Resident Capital Gains Withholding Tax (FRCGWHT) Regime

The FRCGWHT Regime requires a purchaser of certain assets from a foreign resident to withhold 12.5% of the purchase price of the asset.

As Cassini is an Australian resident for tax purposes, there is no requirement for the Cassini Shareholders to make a payment under the FRCGWHT Regime in respect of the Demerger Scheme. Cassini has included a declaration within the Demerger



Scheme of Arrangement stating that is an Australian Resident and on this basis there is no requirement to withhold under the FRCGWHT regime.

5.3 Stamp Duty

As per the Demerger Scheme of Arrangement, Cassini is responsible for paying any Stamp Duty which may arise in respect of the Demerger Scheme. Therefore, no Stamp Duty should be payable by Cassini Shareholders in relation to their participation in the Demerger.

5.4 GST

No GST should be payable by Cassini Shareholders in relation to their participation in the Demerger.

However, GST may be charged to Cassini Shareholders in respect of any adviser fees or other costs they may incur in relation to their participation in the Acquisition Scheme. The eligibility for Cassini Shareholders to claim full or partial input tax credits in relation to this GST payable will depend on the individual circumstances of each shareholder. Cassini Shareholders should seek their own independent tax advice in relation to this.

6 Scope of Advice

This letter has been prepared for inclusion in this Demerger Scheme Booklet and should be read in conjunction with the remainder of this Demerger Scheme Booklet. In providing our views, we have relied upon facts as set out in the Demerger Scheme Booklet that have not been independently verified by KPMG.

The following summary is based upon the legislation and established interpretation of legislation as at the date of this Demerger Scheme Booklet, but is not intended to be an authoritative or complete statement of the law relevant to the circumstances of each Cassini Shareholder. Cassini Shareholders should seek independent professional advice in relation to their own particular circumstances.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of their particular situation. As KPMG does not undertake to update this advice for any changes in the Australian tax law after the date of this letter, it is the responsibility of the Cassini Shareholders to take further advice, if they are to rely on our advice at a later date.

KPMG's Tax practice is not licensed to provide financial product advice under the Corporations Act and taxation is only one of the matters that must be considered when making a decision on a financial product. You should consider taking advice from an Australian Financial Services Licence holder before making any decision on a financial product.



Cassini Resources Limited
Tax Implications for the Demerger Scheme
10 August 2020

Yours sincerely

Craig Yaxley

Craig Yaxley
Partner

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12. Information about the Demerger Scheme

12.1 Demerger Scheme Implementation Deed

Cassini and Caspin have entered into the Demerger Scheme Implementation Deed in connection with the proposed Demerger Scheme. The Demerger Scheme Implementation Deed sets out the obligations of Cassini and Caspin in relation to the Demerger Scheme.

The Demerger Scheme Implementation Deed is contained in Annexure 2.

12.2 Demerger Scheme Meeting

The Court has ordered that a meeting of Cassini Shareholders be held commencing immediately following the conclusion of the Acquisition Scheme Meeting (but not before 11:00am (AWST)) on 21 September 2020 to consider the Demerger Scheme.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Demerger Scheme Meeting be convened and has approved this Demerger Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Demerger Scheme or as to how Cassini Shareholders should vote (on this matter Cassini Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for, the content of this Demerger Scheme Booklet.

The order of the Court that the Demerger Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Demerger Scheme.

The Demerger Scheme is conditional, among other things, on approval of the Demerger Scheme Resolution by the Requisite Majority of Cassini Shareholders, being:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders present and voting at the Demerger Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- (b) at least 75% of the total number of votes which are cast at the Demerger Scheme Meeting.

Further details of the consequences of the Demerger Scheme not being implemented are set out in Section 3 under the heading titled "What happens if the Demerger Scheme is not approved?".

12.3 Capital Reduction Meeting

At the Capital Reduction Meeting, Cassini Shareholders will be asked to consider and, if thought fit, to pass a resolution approving the Capital Reduction. For the Capital Reduction to be approved by Cassini Shareholders, votes in favour of the Capital Reduction Resolution must be received from a majority in number (more than 50%) of the total number of votes cast on the Capital Reduction Resolution by Cassini Shareholders at the Capital Reduction Meeting.

Cassini has proposed the Capital Reduction to permit Cassini to reduce its share capital on the Implementation Date. The proceeds of the Capital Reduction will be applied on behalf of Cassini Shareholders as consideration for the transfer of Caspin Shares and the cash distribution of A\$0.01 per Cassini Share under the Demerger Scheme.

The Capital Reduction is conditional on the Demerger Scheme and the Acquisition Scheme becoming Effective. This means that Cassini will not undertake the Capital Reduction unless the Demerger Scheme and the Acquisition Scheme are approved by the Requisite Majorities and the Demerger Scheme and Acquisition Scheme becomes Effective.

12.4 Court approval of the Demerger Scheme

Cassini will apply to the Court for orders approving the Demerger Scheme if:

- (a) the Demerger Scheme Resolution is approved by the Requisite Majority of Cassini Shareholders at the Demerger Scheme Meeting; and
- (b) all other conditions to the Demerger Scheme which are required (under the Demerger Scheme Implementation Deed) to be satisfied by the Second Court Date are satisfied or waived (where applicable).

The date on which the Court hears Cassini's application is the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Demerger Scheme Resolution is approved by the Requisite Majority of Cassini Shareholders.

ASIC has been requested to issue a written statement that it has no objection to the Demerger Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Demerger Scheme, the Court may still approve the Demerger Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

Cassini Shareholders have the right to seek leave to appear at the Court on the Second Court Date to oppose the approval of the Demerger Scheme by the Court or make representations to the Court in relation to the Demerger Scheme. If you wish to oppose approval of the Demerger Scheme by the Court at the Court hearing you may do so by filing with the Court, and serving on Cassini, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Cassini at least one Business Day (in Perth, Western Australia) before the Second Court Date. That date is currently scheduled to occur on or around 23 September 2020. Any change to this date will be announced through ASX and will be available on ASX's website, www.asx.com.au. Alternatively, if you wish to make representations to the Court in relation to the Demerger Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

12.5 Actions by Cassini and Caspin

If Court orders approving the Demerger Scheme are obtained, the Cassini Board and the Caspin Board will take or procure the taking of the steps required for the Demerger Scheme to be implemented. These will include the following:

- (a) Cassini will lodge with ASIC an office copy of the Court order approving the Demerger Scheme, under section 411(10) of the Corporations Act, and the Demerger Scheme will become Effective;
- (b) by the Implementation Date, Cassini will procure (as Caspin's sole shareholder) that the number of Caspin Shares on issue is equal to the number of Caspin Shares required to be transferred to Demerger Scheme Shareholders in accordance with the Demerger Scheme;
- (c) on the Implementation Date, reduce the capital of pursuant to the Capital Reduction in accordance with the Capital Reduction Resolution;
- (d) on the Implementation Date, apply the Demerger Entitlement of each Demerger Scheme Shareholder in accordance with clause 4 of the Demerger Scheme;
- (e) on the close of trade on the Effective Date, Cassini Shares will be suspended from trading on ASX;
- (f) on the Implementation Date, each Demerger Scheme Shareholder (other than Ineligible Shareholders (refer to Section 5.2) in respect of the Demerger Share Entitlement) will be transferred the Demerger Share Entitlement and paid the Demerger Cash Entitlement;
- (g) on the Implementation Date, Cassini will transfer to the Sale Agent the Demerger Share Entitlement (being Caspin Shares) in respect of the Cassini Shares held at 5:00pm (AWST) on the Record Date by all Ineligible Shareholders. Cassini will procure that the Sale Agent sells those Caspin Shares as soon as reasonable practicable following the Implementation

Date. The Sale Agent must promptly remit the net proceeds of the sale of those Caspin Shares (after deducting any applicable, brokerage, stamp duty and other selling costs, taxes and charges) to Ineligible Shareholders in accordance with their pro rata share of the net proceeds; and

- (h) on the Implementation Date, Caspin will register the holders of Caspin Shares in the Caspin Register.

12.6 Effective Date

The Demerger Scheme will become Effective on the date upon which the office copy of the order of the Court under section 411(10) of the Corporations Act approving the Demerger Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Demerger Scheme becomes Effective, Cassini will immediately give notice of the event to ASX. Cassini Shares will be suspended from trading on ASX on the close of trade on the Effective Date.

Once the Demerger Scheme becomes Effective, Cassini and Caspin will become bound to implement the Demerger Scheme in accordance with its terms.

12.7 Demerger Scheme

If the Demerger Scheme becomes Effective (i.e. after it is approved by Cassini Shareholders and the Court), Demerger Scheme Shareholders will receive the Demerger Entitlement (or the Sale Agent on behalf of Ineligible Shareholders in respect of the Demerger Share Entitlement). See Annexure 3 for a copy of the Demerger Scheme.

12.8 Deed Poll

Caspin has executed a Deed Poll in favour of Demerger Scheme Shareholders. Caspin undertakes to procure the entry in the Caspin Register of the name of each Demerger Scheme Shareholder (or Sale Agent in the case of Ineligible Shareholders) in respect of the Caspin Shares transferred to the relevant Demerger Scheme Shareholder.

See Annexure 4 for a copy of the Deed Poll.

12.9 Record Date

The Record Date for the Demerger Scheme is 5:00pm (AWST) on the date which is two Business Days after the Effective Date (or on such other date (after the Effective Date) as Cassini and Caspin may agree in writing). Only Cassini Shareholders who appear on the Cassini Register at 5:00pm (AWST) on the Record Date will receive the Demerger Entitlement.

12.10 Restructuring and capitalisation of Caspin

As at the date of this Demerger Scheme Booklet, Caspin has 1,000 Caspin Shares on issue. Pursuant to the Demerger Deed and prior to the Implementation Date, Cassini will:

- (a) transfer the shares held in the Demerger Entities to Caspin;
- (b) reduce its share capital pursuant to the Capital Reduction and will apply the Demerger Entitlement to each Demerger Scheme Shareholder or the Sale Agent (in the case of Ineligible Shareholders) pursuant to the terms of the Demerger Scheme;
- (c) ensure that the number of Caspin Shares on issue (whether by subdivision or other means) is of such number equal to the number of Caspin Shares required to be transferred to Demerger Scheme Shareholder or the Sale Agent (in the case of Ineligible Shareholders) for the Demerger Share Entitlement; and
- (d) transfer A\$500,000 in cash to Caspin.

12.11 Implementation Date

The Implementation Date for the Demerger Scheme is the date which is four Business Days after the Record Date (or on such other date agreed to in writing by Cassini and Caspin).

On the Implementation Date for the Demerger Scheme, Cassini must:

- (a) reduce its share capital pursuant to the Capital Reduction;
- (b) pay the Demerger Cash Entitlement to Demerger Scheme Shareholders, being A\$0.01 per Demerger Scheme Share; and
- (c) transfer the Demerger Share Entitlement to Demerger Scheme Shareholders and the Sale Agent (in the case of Ineligible Shareholders), being 1 Caspin Share for every 22 Cassini Shares held.

In the case of each Cassini Shareholder entitled to the Demerger Share Entitlement, if they held their Cassini Shares on the CHESSE sponsored subregister or the issuer sponsored subregister of the Cassini Register, the Caspin Shares issued to them will be recorded on the Caspin Register.

In the case of Cassini Shares held in joint names, the Caspin Shares will be issued to, and registered in the names of, the joint holders, and holding statements will be sent to the registered address as recorded on the Cassini Register at 5:00pm (AWST) on the Record Date.

12.12 Relationship between the Acquisition Scheme and the Demerger

The Demerger and the Acquisition Scheme are separate but inter-conditional transactions. This means that each of the Demerger (via the Demerger Scheme) and the Acquisition Scheme contain conditions precedent that relate to Cassini Shareholders and the Court approving the other. Effectively, neither the Demerger nor the Acquisition Scheme will be implemented unless the other is implemented.

If the Demerger Scheme is implemented, Cassini Shareholders will hold shares in Caspin and Caspin intends to conduct an initial public offer and apply for admission to the official list of ASX.

Further information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was made available to you at the same time as this Demerger Scheme Booklet.

12.13 Despatch of holding statements

Caspin will despatch holding statements to Demerger Scheme Shareholders entitled to them after the Implementation Date.

12.14 Share Splitting

If Cassini forms the opinion (acting reasonably) that two or more Cassini Shareholders have, before the Record Date, been a party to:

- (a) splitting a holding of Cassini Shares into two or more parcels of Cassini Shares whether or not it results in any change of legal or beneficial ownership of the Cassini Shares (**Share Splitting**); or
- (b) division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements),

Cassini may give notice to such Cassini Shareholders attributing the Cassini Shares held by all of them to one of them (specifically identified in such notice). This notice deems the Cassini Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.

If the Demerger Scheme is not approved by Cassini Shareholders at the Demerger Scheme Meeting, by reason only of the non-satisfaction of the Headcount Test and Cassini or OZ Minerals considers that Share Splitting may have caused or contributed to the Headcount Test not having been satisfied

then Cassini must apply for an order of the Court to disregard the Headcount Test and seek Court approval of the Demerger Scheme, notwithstanding that the Headcount Test has not been satisfied.

12.15 Conditions precedent to the Demerger Scheme

(a) Outstanding conditions precedent to Demerger Scheme

The Demerger Scheme and the obligations of Cassini and Caspin to implement the Demerger Scheme are subject to the following outstanding conditions precedent being satisfied or, where applicable, waived, in accordance with the terms of the Demerger Scheme Implementation Deed on or prior to the Second Court Date:

- (i) Court approval of the Demerger Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (ii) approval of the Capital Reduction Resolution by Cassini Shareholders;
- (iii) approval of the Demerger Scheme by the Requisite Majority of Cassini Shareholders;
- (iv) a majority of Directors recommend that Cassini Shareholders vote in favour of the Demerger Scheme and do not change or withdraw their recommendation;
- (v) no action or investigation is announced or commenced by any Regulatory Authority preventing any of the transactions contemplated by the Demerger Scheme Implementation Deed as at two hours before the Court hearing on the Second Court Date;
- (vi) the receipt by Cassini of an Independent Expert's Report concluding that the Acquisition Scheme and the Demerger Scheme are in the best interests of the Cassini Shareholders, and the Independent Expert does not change, qualify or publicly withdraw this conclusion two hours before the Court hearing on the Second Court Date; and
- (vii) the conditions in clause 3.1 of the Acquisition Scheme Implementation Deed (other than the conditions in clauses 3.1(d), 3.1(e), 3.1(f) and 3.1(g) have been satisfied or waived as at two hours before the Court hearing on the Second Court Date.

As at the date of this Demerger Scheme Booklet, no conditions precedent have been satisfied or waived.

12.16 Termination of the Demerger Scheme Implementation Deed

The Demerger Scheme Implementation Deed will automatically terminate in certain circumstances, including:

- (a) **(Conditions Precedent):** if there is:
 - (i) a breach or non-fulfilment of a condition precedent (provided the condition is for the benefit of the party seeking to terminate) which is not waived or cannot be waived; or
 - (ii) an act, event or occurrence which will prevent a condition precedent being satisfied by the time or date specified in the Demerger Scheme Implementation Deed for the satisfaction of the conditions precedent (and the breach or non-fulfilment is not waived two hours before the Court hearing on the Second Court Date or cannot be waived);
- (b) **(Demerger Scheme has not become Effective):** the Demerger Scheme has not become Effective by the End Date; or
- (c) **(Termination of Acquisition Scheme Implementation Deed):** if the Acquisition Scheme Implementation Deed is terminated in accordance with its terms.

12.17 Arrangements for holders of Cassini Performance Rights

Cassini has 2,751,757 Cassini Performance Rights on issue which, if they vest in accordance with their terms of issue, convert into Cassini Shares on a one-for-one basis.

Under the terms of the Cassini Employee Incentive Plan in relation to Cassini Performance Rights, where a change of control event has occurred, all granted Cassini Performance Rights which have not yet vested or lapsed shall automatically and immediately vest.

The Cassini Performance Rights will, subject to the Acquisition Scheme becoming Effective, automatically convert into Cassini Shares following Court approval of the Acquisition Scheme.

12.18 Arrangements for holders of Cassini Options

At the date of this Demerger Scheme Booklet, the following Cassini Options are on issue:

Exercise Price	No. of Cassini Options	Issue Date	Expiry Date	Cancellation Consideration per Cassini Option
A\$0.15 ¹	5,000,000	12 April 2019	12 April 2022	A\$0.00
A\$0.20 ¹	5,000,000	12 April 2019	12 April 2022	A\$0.0372
A\$0.1235	6,072,302	10 June 2019	10 June 2022	A\$0.0265
Total	16,072,302			

Notes:

1. Atasa Holdings Pty Ltd holds 2,500,000 Cassini Options (A\$0.15 exercise price) and 2,500,000 (A\$0.20 exercise price). Ms Simone Suen is a director and shareholder of Atasa Holdings Pty Ltd.

Cassini and OZ Minerals have entered into Option Cancellation Deeds with each of the Cassini Optionholders. The material terms of the Option Cancellation Deeds are summarise below:

- (a) each Cassini Optionholder has agreed to the cancellation of their Cassini Options in consideration for a cash payment;
- (b) OZ Minerals must provide, or procure the provision of, the consideration to the Cassini Optionholders on the Implementation Date;
- (c) the cancellation of the Cassini Options is conditional on:
 - (i) the Acquisition Scheme becoming Effective;
 - (ii) the necessary regulatory approvals, confirmations and waivers having been obtained by Cassini; and
 - (iii) the Cassini Optionholder not having dealt with the Cassini Options contrary to the terms of the Option Cancellation Deed.

Cassini has obtained a waiver from ASX of the requirements of Listing Rule 6.23.2 to permit the Cassini Options to be cancelled for consideration without requiring Cassini Shareholder approval to be obtained. Refer to Section 12.13(a) of the Acquisition Scheme Booklet for further details.

If a Cassini Optionholder exercises its Cassini Options prior to the Record Date, Cassini will issue Cassini Shares to that Cassini Optionholder so as to facilitate the Cassini Optionholder's participation in the Acquisition Scheme as a Cassini Shareholder.

12.19 Intention to apply for ASX listing of Caspin

Caspin intends to apply for admission to the official list of ASX following implementation of the Demerger. Caspin Shares will not be able to be traded on ASX, and Demerger Scheme Shareholders will continue to hold shares in a public unlisted Caspin, unless and until such time as the requirements for listing on ASX are capable of being met (if at all). Listing is at ASX's discretion, and there is a risk that Caspin may not meet the requirements for admission to the official list of ASX to enable quotation of Caspin Shares.

13. Additional information

13.1 Interests of Cassini Directors in Cassini securities

(a) Cassini marketable securities

The number, description and amount of Cassini marketable securities controlled or held by, or on behalf of, each Director as at the date of this Demerger Scheme Booklet are:

Director	Cassini Shares	Cassini Options	Cassini Performance Rights
Mike Young	6,294,024	-	-
Richard Bevan	7,872,830	-	1,115,803
Simone Suen	31,283,466 ¹	5,000,000 ¹	-
Jon Hronsky	1,781,033	-	-
Phil Warren	2,343,561	-	-

Notes:

1. Ms Simone Suen is a director and shareholder of Atasa Holdings Pty Ltd. Atasa Holdings Pty Ltd holds 31,133,466 Cassini Shares, 2,500,000 Cassini Options (A\$0.15 exercise price, expiring on 12 April 2022) and 2,500,000 (A\$0.20 exercise price, expiring on 12 April 2022).

13.2 Agreements or arrangements with Directors and executive officers

(a) Deeds of indemnity, access and insurance

Cassini has entered into deeds of indemnity, insurance and access with its Directors and various executive officers, on customary terms.

Cassini pays premiums in respect of a directors and officers insurance policy for the benefit of the Directors and executive officers. Cassini may, prior to the Implementation Date, enter into arrangements to secure directors and officers run-off insurance for any and all directors and executive officers of each member of the Cassini Group for up to a 7 year period from the Implementation Date. Clause 13 of the Acquisition Scheme Implementation Deed provides various OZ Minerals undertakings in support of that insurance.

Clause 12 of the Acquisition Scheme Implementation Deed also provides for certain releases by Cassini of each director, officer or employee of any member of the Cassini Group as is customary for transactions such as the Acquisition Scheme.

(b) Other termination benefits

Except as set out in this Section 13.2 or elsewhere in this Demerger Scheme Booklet, there are no payments or other benefits that are proposed to:

- (i) be made or given to any director of Cassini as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Cassini or in a Related Body Corporate of Cassini; or
- (ii) be made or given to any director of any Related Body Corporate of Cassini as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in Cassini.

If a change of control of Cassini occurs (which includes a person acquiring more than 50% of Cassini Shares) and, at any time during the 12 month period following such change of control Mr Bevan resigns from Cassini for Good Reason, Mr Bevan shall be entitled to a payment equivalent to A\$90,000 (being one quarter of his salary immediately prior to the change of control).

13.3 Substantial holders

At 6 August 2020, being the last practicable date prior to the date of this Demerger Scheme Booklet, the following persons had notified Cassini that they had Voting Power in 5% or more of Cassini Shares:

Shareholder Name	Number of Cassini Shares	% of Cassini Shares
Buxiao Yu	31,769,787	7.65%
Atasa Holdings Pty Ltd <TS3A Family a/c>	31,133,466	7.27%
Colin David Iles	26,003,377	6.07%
Tinci (HK) Limited	25,000,000	5.84%
Cassini Resources Limited ¹	25,000,000	5.84%
Mr Sufan Siau and Lusmiati Marsudidjaja	21,262,465	5.12%

Notes:

1. At the date of this Demerger Scheme Booklet, Cassini has a Relevant Interest in 25,000,000 Cassini Shares, as a result of a Subscription and Voting Deed entered into between Cassini and Tinci (HK) Limited dated 4 April 2019. Accordingly, Cassini's Relevant Interest in its own shares corresponds to a Voting Power of 5.84% at the date of this Demerger Scheme Booklet. For a period of 2 years after the date of the agreement, in the absence of a superior proposal, Tinci (HK) Limited agreed to vote in accordance with the recommendation of the majority of the Board in respect of any change of control offer.

13.4 Intentions of Cassini Directors

As at 6 August 2020, being the last practicable date prior to the date of this Demerger Scheme Booklet, all Cassini Directors have confirmed their intention to vote in favour of the Acquisition Scheme and Demerger Scheme subject to a Superior Proposal and the Independent Expert not changing their opinion that the Acquisition Scheme and Demerger Scheme are in the best interests of Cassini shareholders.

13.5 Interests of Cassini Directors in Caspin

No Caspin Shares are held by, or on behalf of, any Cassini Director.

Other than as disclosed in this Demerger Scheme Booklet, no Cassini Director has any interest in a contract entered into by OZ Minerals or any other member of the OZ Minerals Group and none of the Cassini Directors has agreed to receive, or is entitled to receive, any benefit from OZ Minerals or any other member of the OZ Minerals Group, who is conditional on, or is related to, the Demerger Scheme.

13.6 ASX Announcements

Cassini has lodged the following announcements with ASX since the lodgement of its annual report for the financial year ended 30 June 2019:

Date	Description of Announcement
27/09/2019	Appendix 4G and Corporate Governance Statement
02/10/2019	Good Drill Results Continue at Mount Squires Gold Project
15/10/2019	Company Presentation - Australian Nickel Conference
21/10/2019	Advancing the Mount Squires Gold Project
25/10/2019	Notice of Annual General Meeting/Proxy Form
28/10/2019	Quarterly Activities and Cashflow Report
25/11/2019	Expansion of West Musgrave Joint Venture
26/11/2019	Managing Director AGM Presentation
26/11/2019	Results of Meeting
27/11/2019	Constitution
09/12/2019	Drill program to commence at Yarawindah Brook

Date	Description of Announcement
12/12/2019	Board Changes Ahead of Defining Year for Cassini
13/12/2019	\$820,750 Capital Raised via Unlisted Option Exercise
13/12/2019	Appendix 3B
18/12/2019	West Musgrave Tenement Acquisition
18/12/2019	Appendix 3X - Initial Director's Interest Notice
18/12/2019	Appendix 3Z - Final Director's Interest Notice
18/12/2019	Appendix 3Y - Change of Director's Interest Notice x 4
19/12/2019	West Musgrave Project Exploration Update
14/01/2020	New Mineralised Prospect Discovered at Yarawindah
24/01/2020	Quarterly Activities and Cashflow Report
07/02/2020	Trading Halt
11/02/2020	OZL: West Musgrave Pre-Feasibility Study Update
11/02/2020	Suspension from Official Quotation
12/02/2020	Response to ASX Price Query
12/02/2020	Nebo-Babel Pre-Feasibility Study
12/02/2020	Reinstatement to Official Quotation
19/02/2020	Company Presentation - RIU Explorers Conference
12/03/2020	Half Yearly Report and Accounts
26/03/2020	Mineralisation Extended at Yarawindah Project
16/04/2020	Results Confirm Yarawindah in Emerging Ni-Cu-PGE Province
23/04/2020	Quarterly Activities and Cashflow Report
13/05/2020	Drilling Commencing at Yarrawindah Ni-Cu-PGE Project
15/05/2020	Company Presentation - Yarawindah Brook Ni-Cu-PGE Project
28/05/2020	Yarawindah Ni-Cu-PGE Project Exploration Update
29/05/2020	Yarawindah Ni-Cu-PGE Project Exploration Update - Amended
18/06/2020	Appendix 3G
22/06/2020	OZ Minerals to acquire Cassini Resources
22/06/2020	Scheme Implementation Deed
22/06/2020	Company Presentation and Webinar Details
21/07/2020	New Targets at Yarawindah Ni-Cu-PGE Project

13.7 Lodgement of Demerger Scheme Booklet

This Demerger Scheme Booklet was lodged with ASIC on 24 July 2020 in accordance with section 411(2)(b) of the Corporations Act.

13.8 No unacceptable circumstances

The Directors believe that the Demerger Scheme does not involve any circumstances in relation to the affairs of any Cassini Shareholder that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

13.9 Creditors of Cassini

The Demerger Scheme, if implemented, is not expected to materially prejudice Cassini's ability to pay its creditors. No material new liability (other than transaction costs) is expected to be incurred by Cassini as a consequence of the Demerger Scheme. Cassini has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

13.10 Consents

(a) Role of advisers and experts

The persons named in this Demerger Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Demerger Scheme or the preparation or distribution of this Demerger Scheme Booklet are:

Name	Role	Estimate of Fees (ex. GST)
Grant Thornton Corporate Finance Pty Ltd	Independent Expert	A\$100,000
BDO Corporate Finance (WA) Pty Ltd	Investigating Accountant	A\$19,500
CSA Global Pty Ltd	Independent Technical Specialist	A\$96,000
DLA Piper	Legal adviser to Cassini	A\$600,000
Sternship Advisers and ICA Partners	Financial advisers to Cassini	A\$1,200,000
Automic Registry Services	Cassini's share registry	A\$27,500
KPMG Australia	Tax adviser to Cassini	A\$170,000

(b) Consents

Each person named in Section 13.10(a) has given, and before the time of registration of this Demerger Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Demerger Scheme Booklet in the capacity indicated next to their name.

(c) Disclaimer

Each person named in Section 13.10(a):

- (i) has not authorised or caused the issue of this Demerger Scheme Booklet;
- (ii) does not make, or purport to make, any statement in this Demerger Scheme Booklet or any statement on which a statement in this Demerger Scheme Booklet is based other than as specified in Section 13.10; and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Demerger Scheme Booklet other than a reference to its name and any statement or report which has been included in this Demerger Scheme Booklet with the consent of that person.

(d) Fees

Each of the persons named in Section 13.10 as performing a function in a professional, advisory or other capacity in connection with the Demerger Scheme and the preparation of this Demerger Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties is detailed in section 13.10(a).

If the Transaction is implemented, costs of approximately A\$2.3 million (excluding GST) are expected to be paid by Cassini. This includes advisory fees for Cassini's financial, legal, accounting and tax advisers, the Independent Expert's fees, governance support and proxy advisor engagement support fees, general administrative fees, printing and distribution costs, expenses associated with convening and holding the Acquisition Scheme Meeting and Demerger Scheme Meeting and other expenses.

If the Transaction is not implemented, costs of approximately A\$1.2 million (excluding GST) are expected to be paid by Cassini.

These amounts do not include the transaction costs that may be incurred by OZ Minerals in relation to the Demerger Scheme.

13.11 Competent Persons' Statements

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Greg Miles, who is an employee of Cassini. Mr Miles is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Miles consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Cassini is not aware of any new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Exploration Results, Mineral Resource Estimates and Production Targets as reported in the market announcements dated 29 January 2018, 19 February 2018, 2 May 2018, 14 January 2020, 16 April 2020 & 13 May 2020 continue to apply and have not materially changed.

13.12 Regulatory conditions and relief

ASIC relief

Relief from on-sale restrictions

Section 707 of the Corporations Act provides for circumstances where an offer of securities for sale requires disclosure to investors, including where there is a resale of securities within 12 months of their issue (section 707(3) or sale by a controller (section 707(5)), if the purpose of the original issue or sale was to enable the resale.

ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 provides relief from the resale provisions in section 707(3) of the Corporations Act in the case where the securities are issued under a scheme of arrangement without disclosure to investors as allowed for in section 708(17) of the Corporations Act.

Cassini has applied for relief from the resale provisions in section 707(3), (4), (5) and (6) in the case where:

- (i) a Caspin Shareholder makes an offer of Caspin Shares;
- (ii) the Caspin Shares were transferred to a Demerger Scheme Shareholder or the Sale Agent under the Demerger Scheme within the previous 12 months; and
- (iii) the offer is not made within 12 months of a sale or transfer of the Caspin Shares by a person (other than Cassini) who:
 - (A) controls Caspin;
 - (B) would have been required by section 707(2) of the Corporations Act to give disclosure to investors under Part 6.2 of the Corporations Act but for section 708 of the Corporations Act; and

- (C) did not give disclosure to investors under Part 6D.2 of the Corporations Act because of section 708 of the Corporations Act.

Sale Facility relief

Cassini has applied for relief in relation to the managed investment scheme, licensing and product disclosure provisions in sections 601ED(5), Divisions 2 to 5 of Part 7.9, Division 5A of Part 7.9 and section 911A(1) of the Corporations Act as they relate to the operation of the Sale Facility. The relief is on similar terms to the relief granted by *ASIC Corporations (Share and Interest Sale Facilities) Instrument 2018/99*.

13.13 Foreign jurisdictions

(a) **General**

No action has been taken to register or qualify the Caspin Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to Cassini, Cassini Shareholders whose addresses are shown in the Cassini Register on the Record Date for the Demerger as being in the following jurisdictions will be entitled to have Caspin Shares issued to them under the Demerger subject to any qualifications set out below in respect of that jurisdiction:

- (i) Australia;
- (ii) New Zealand, where the Cassini Shareholder is a “wholesale investor” (as defined in the Financial Markets Conduct Act 2013) and completes and returns a New Zealand Investor Certificate;
- (iii) Singapore;
- (iv) Hong Kong;
- (v) Malaysia;
- (vi) the People’s Republic of China, where a Cassini Shareholder is a (i) “qualified domestic institutional investor” as approved by the relevant PRC regulatory authorities to invest in overseas capital markets, (ii) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment or (iii) another type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise);
- (vii) any other person or jurisdiction in respect of which Cassini reasonably believes that it is not prohibited and not unduly onerous or impractical to issue Caspin Shares to a Cassini Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other Cassini Shareholders who hold Cassini Shares on behalf of a beneficial owner resident outside Australia, Hong Kong, Malaysia and Singapore, may not forward this Demerger Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of Cassini.

Nominees, custodians and other Cassini Shareholders who hold Cassini securities on behalf of a beneficial owner resident in New Zealand may forward this Demerger Scheme Booklet and the accompanying New Zealand Investor Certificate to persons in New Zealand unless such beneficial owner is known not to be a “wholesale investor” (as defined in the Financial Markets Conduct Act 2013 (New Zealand)) and provided that Caspin Shares may be transferred on the account of a beneficial owner resident in New Zealand only if such person has completed and delivered the New Zealand Investor Certificate, certifying that such person is a wholesale investor.

(b) **New Zealand**

This Demerger Scheme Booklet and any accompanying document:

- (i) are not, and are under no circumstances to be construed as, an offer of financial products for sale requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (New Zealand) (the “FMC Act”);
- (ii) are not a disclosure document for the purposes of the FMC Act;
- (iii) have not been registered, reviewed or approved by any New Zealand regulatory authority; and
- (iv) do not contain all the information that a disclosure document is required to contain under New Zealand law.

Accordingly, the Caspin Shares may not be offered or sold to any person in New Zealand other than:

- (i) to persons who are “wholesale investors” as defined in clause 3(2) of Schedule 1 to the FMC Act; and
- (ii) in other circumstances where there is no contravention of the FMC Act.

(c) **Singapore**

This Demerger Scheme Booklet and any other document relating to the Demerger or the Caspin Shares have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Demerger is not regulated by any financial supervisory authority under any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (the “SFA”) will not apply.

This Demerger Scheme Booklet and any other document in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of Caspin Shares may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to Caspin Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this document may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither Cassini nor Caspin is in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, Cassini and Caspin are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(d) **Hong Kong**

WARNING: The contents of this Demerger Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Demerger. If you are in any doubt about any of the contents of this Demerger Scheme Booklet, you should obtain independent professional advice.

This Demerger Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Demerger Scheme Booklet 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 Demerger Scheme Booklet 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.

No person may issue or have in its possession for the purposes of issue, this Demerger Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Demerger Scheme Booklet 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 Demerger Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Cassini Shareholders in connection with the Demerger. No steps have been taken to register or seek authorisation for the issue of this Demerger Scheme Booklet in Hong Kong.

This Demerger Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Demerger Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Demerger Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Demerger by Cassini Shareholders.

(e) **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the Caspin Shares. The Caspin Shares may not be issued or transferred in Malaysia except to persons who are Cassini Shareholders in compliance with the Demerger.

(f) **the People’s Republic of China**

The information in this Demerger Scheme Booklet does not constitute a public offer of Caspin Shares, whether by way of sale or subscription, in the People’s Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Caspin Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to (i) “qualified domestic institutional investors” as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified

investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

13.14 Supplementary information

If, between the date of lodgement of this Demerger Scheme Booklet for registration by ASIC and the Effective Date, Cassini becomes aware of any of the following:

- (a) a material statement in this Demerger Scheme Booklet is false or misleading or deceptive;
- (b) a material omission from this Demerger Scheme Booklet;
- (c) a significant change affecting a matter included in this Demerger Scheme Booklet; or
- (d) a significant new matter that has arisen and that would have been required to be included in this Demerger Scheme Booklet if it had arisen before the date of lodgement of this Demerger Scheme Booklet for registration by ASIC,

Cassini will make available supplementary material to Cassini Shareholders. Cassini intends to make available any supplementary material by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to Cassini's website (<https://www.cassiniresources.com.au/>). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Cassini may also send such supplementary materials to Cassini Shareholders.

13.15 Other material information

Except as set out in this Demerger Scheme Booklet, there is no other information material to the making of a decision in relation to the Demerger Scheme, being information that is within the knowledge of Cassini which has not previously been disclosed to Cassini Shareholders.

THE ISSUE OF THIS DEMERGER SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF CASSINI RESOURCES LIMITED AND THIS DEMERGER SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF CASSINI RESOURCES LIMITED ON 12 AUGUST 2020

A handwritten signature in black ink, appearing to read 'Bevan', with a long horizontal flourish extending to the right.

Richard Bevan
Managing Director

14. Glossary

In this Demerger Scheme Booklet, unless the context requires otherwise:

\$ or A\$ means the lawful currency of Australia.

Acquisition Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Cassini and the Acquisition Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Acquisition Scheme Booklet means the scheme booklet to be despatched to all Cassini Shareholders in connection with the Acquisition Scheme, which will contain (among other things) the Independent Expert's Report, a notice of meeting in respect of the Acquisition Scheme Meeting and a proxy form.

Acquisition Scheme Consideration means one New OZ Minerals Share for every 68.5 Acquisition Scheme Shares held by an Acquisition Scheme Shareholder.

Acquisition Scheme Implementation Deed means the Acquisition Scheme Implementation Deed dated 21 June 2020 (as amended and restated on or about 7 August 2020) between Cassini and OZ Minerals.

Acquisition Scheme Meeting means the meeting of Cassini Shareholders convened by the Court in relation to the Acquisition Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Acquisition Scheme Shareholder means each person who is a Cassini Shareholder (other than any member of OZ Minerals Group) on the Record Date.

Acquisition Scheme Share means a Cassini Share held by an Acquisition Scheme Shareholder as at the Record Date.

Annexure means an annexure to this Demerger Scheme Booklet.

Announcement Date means the date on which Cassini and OZ Minerals announced to ASX that they had entered into the Acquisition Scheme Implementation Deed, being 22 June 2020.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act as if section 12(1) of that Act included a reference to the Acquisition Scheme Implementation Deed and Cassini was the designated body.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

AWST means Australian Western Standard Time.

Bankable Feasibility Study has the meaning given in the JORC Code.

Business Day means a day that is not a Saturday, Sunday or a public holiday in Perth, Western Australia.

Capital Reduction means, subject to Cassini Shareholder approval, the capital reduction to be undertaken as part of the implementation of the Demerger Scheme pursuant to section 256C of the Corporations Act.

Capital Reduction Meeting means the general meeting to be convened by Cassini at which Cassini Shareholders will vote on the Capital Reduction Resolution.

Capital Reduction Resolution means the resolution to be put to Cassini Shareholders to approve the Capital Reduction.

Cash Amount means the A\$500,000 to be paid by Cassini to Caspin pursuant to the Acquisition Scheme Implementation Deed.

Caspin means Caspin Resources Limited ACN 641 813 587.

Caspin Board means the board of directors of Caspin from time to time.

Caspin Business means the businesses and undertakings, operations or activities carried on by the Caspin Group on or before the Implementation Date.

Caspin Director means a director of Caspin.

Caspin Group means Caspin and its Subsidiaries.

Caspin Option or **Options** means an option to acquire a Caspin Share.

Caspin Register means the register of Caspin Shareholders maintained in accordance with the Corporations Act.

Caspin Share means a fully paid ordinary share issued in the capital of Caspin.

Caspin Shareholder means a person who is registered in the Caspin Register as the holder of one or more Caspin Shares, from time to time.

Cassini or **Company** means Cassini Resources Limited ACN 149 789 337.

Cassini Board means the board of directors of Cassini from time to time.

Cassini Business means the businesses and undertakings, operations or activities carried on by Cassini and its Subsidiaries on or before the Implementation Date, other than the Caspin Business.

Cassini Director or **Director** means a director of Cassini.

Cassini Employee Incentive Plan means the Cassini Performance Rights and Options Plan as approved by Cassini Shareholders on 29 November 2018.

Cassini Group means Cassini and its Subsidiaries.

Cassini Optionholder means the holder of a Cassini Option.

Cassini Option or **Options** means an option to acquire a Cassini Share, with such option being on issue as at the Effective Date.

Cassini Performance Right means a right granted by Cassini to acquire by way of issue a Cassini Share and for the avoidance of doubt, does not include an Option.

Cassini Register means the register of Cassini Shareholders maintained in accordance with the Corporations Act.

Cassini Share means a fully paid ordinary share issued in the capital of Cassini.

Cassini Shareholder means a person who is registered in the Cassini Register as the holder of one or more Cassini Shares, from time to time.

CHESS means the clearing house electronic sub-register system of security transfers operated by ASX Settlement.

Competing Proposal means any inquiry, offer, proposal or expression of interest, transaction or arrangement (including by way of takeover bid or scheme of arrangement), other than the Transaction, under which, if entered into or ultimately completed substantially in accordance with its terms, a person or two or more persons who are Associates (other than OZ Minerals or its Related Bodies Corporate) would directly or indirectly:

- (a) acquire a Relevant Interest in or become the holder of more than 15% of the issued share capital of Cassini;
- (b) acquire, obtain a right to acquire, or otherwise obtain an economic interest in 15% of the issued share capital of Cassini (including, without limitation, under any swap or other derivative arrangement);
- (c) acquire control of Cassini within the meaning of section 50AA of the Corporations Act, disregarding section 50AA(4) of the Corporations Act;
- (d) acquire, obtain a right (including an option) to acquire, or otherwise obtain an economic interest in, any minerals produced from the West Musgrave Project (including, without limitation, under an offtake, streaming, royalty or similar arrangement); or
- (e) merge with Cassini or any of its controlled entities, whether by takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, share buy-back or repurchase or exchange, sale or purchase of assets or businesses, joint venture, reverse takeover, dual-listed company structure, recapitalisation, establishment of a new holding entity for Cassini or other synthetic merger or any other transaction or arrangement,

but excluding, for the avoidance of doubt, the Restructure.

Contingent Consideration has the meaning given to that term in the Letter from Directors of Cassini Resources Limited.

Contingent Payment Deed has the meaning given to that term in Section 7.6(b).

Control has the meaning given to that term in section 50AA of the Corporations Act and **Controlling** and **Controlled** has the corresponding meaning.

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

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

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act as agreed in writing between Cassini and Caspin.

Deed Poll means the deed poll executed by Caspin and set out in Annexure 4 of this Demerger Scheme Booklet.

Demerged Assets and Liabilities means the Caspin Assets and the Caspin Liabilities (as such terms are defined in the Demerger Deed) which will be held (directly or indirectly) by Caspin immediately prior to the implementation of the Demerger Scheme.

Demerger Entities has the meaning given to that term in Section 7.6(a).

Demerger means the demerger of Caspin from Cassini by way of the Demerger Scheme and the Capital Reduction.

Demerger Cash Entitlement means A\$0.01 per Cassini Share held on the Record Date.

Demerger Deed means the deed between Cassini and Caspin which sets out the process for the restructure of the Cassini Group to effect the transfer of the Demerged Assets and Liabilities to Caspin and to enable the legal and operational separation of Caspin from Cassini so that Caspin can operate as a separate entity.

Demerger Documents means:

- (a) the Demerger Scheme Implementation Deed;
- (b) the Demerger Scheme;

- (c) the Deed Poll;
- (d) the Demerger Deed;
- (e) the documents contemplated by the Demerger Deed as required to effect the restructure of the Cassini Group; and
- (f) any other document which is necessary or desirable to be entered into between Cassini and a member of the Cassini Group in relation to the Demerger Scheme,

for (a) to (e), in agreed form as at the date of the Demerger Scheme Implementation Deed and as initialled by or on behalf of OZ Minerals and Cassini, in each case for the purposes of identification, and any amendments to such documents as consented to in writing by OZ Minerals (such consent not to be unreasonably withheld).

Demerger Entitlement means, in relation to a Demerger Scheme Shareholder, the Demerger Cash Entitlement and the Demerger Share Entitlement.

Demerger Scheme means the members' scheme of arrangement under Part 5.1 of the Corporations Act between Cassini and the Demerger Scheme Shareholders pursuant to which Cassini will demerge Caspin by applying the Capital Reduction, on behalf of Demerger Scheme Shareholders, for the transfer to those shareholders of the Caspin Shares and a cash distribution of A\$0.01 per Cassini Share, in the form attached to the Demerger Scheme Implementation Deed, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Demerger Scheme Booklet means the information booklet to be despatched to all Cassini Shareholders and approved by the Court in connection with the Demerger Scheme, including the Demerger Scheme, the Explanatory Statement in respect of the Demerger Scheme, the Independent Expert's Report and the notice of meeting.

Demerger Scheme Implementation Deed means the demerger scheme implementation deed between Cassini and Caspin being Annexure 2.

Demerger Scheme Meeting means the meeting of Cassini Shareholders convened by the Court in relation to the Demerger Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

Demerger Scheme Resolution means the resolution to be proposed to the Cassini Shareholders at the Demerger Scheme Meeting to approve the Demerger Scheme, set out in the Notice of Demerger Scheme Meeting.

Demerger Scheme Share means a Cassini Share on issue at the Record Date.

Demerger Scheme Shareholder means each person registered in the Cassini Register as the holder of Demerger Scheme Shares as at the Record Date.

Demerger Share Entitlement means 1 Caspin Share for every 22 Cassini Shares held on the Record Date.

Effect means, when used in relation to the Demerger Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Demerger Scheme and **Effective** has a corresponding meaning.

Effective Date means the date the Demerger Scheme becomes Effective.

End Date means 21 December 2020 or such other date agreed between Cassini, Caspin and OZ Minerals in writing.

Explanatory Statement means the statement pursuant to section 412 of the Corporations Act, which will be registered by ASIC in relation to the Demerger Scheme, copies of which will be included in the Demerger Scheme Booklet.

Grant Thornton means Grant Thornton Corporate Finance Pty Ltd.

GST has the meaning given to it in the GST law.

GST law has the meaning given to it in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Good Reason means the occurrence of any of the following events:

- (a) a material change in Mr Bevan's status or position, including any material adverse change in status or position as a result of a material diminution in Mr Bevan's duties or authorities or the assignment of any duties or responsibilities which are materially inconsistent with such status or position;
- (b) a material reduction by Cassini of Mr Bevan's annual base salary;
- (c) a material failure by Cassini to continue any benefit program in which Mr Bevan is participating other than as a result of the normal expiration of such program;
- (d) Cassini requiring Mr Bevan to be based anywhere other than where he is based at the time of the change of control, except for required travel in the ordinary course of business;
- (e) Cassini requiring Mr Bevan to report to a person of lower apparent or ostensible authority or standing within Cassini; or
- (f) any other action by Cassini which would constitute constructive dismissal at law.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Demerger Scheme at the Demerger Scheme Meeting is passed by a majority in number of Cassini Shareholders present and voting, either in person or by proxy.

Implementation Date means the date that is 4 Business Days after the Record Date, or such other date (after the Record Date) as Cassini and Caspin agree in writing.

Independent Expert means Grant Thornton Corporate Finance Pty Ltd.

Independent Expert's Report means the report in Annexure 1.

Independent Technical Specialist means CSA Global Pty Ltd.

Independent Technical Specialist Report means the report in Appendix H to the Independent Expert's Report contained in the Acquisition Scheme Booklet.

Ineligible Shareholder means a Demerger Scheme Shareholder whose Registered Address is in an Ineligible Jurisdiction.

Ineligible Jurisdiction means any jurisdiction other than:

- (a) Australia;
- (b) New Zealand, where the Cassini Shareholder is a "wholesale investor" (as defined in the New Zealand Financial Markets Conduct Act 2013) and completes and returns a New Zealand Investor Certificate;
- (c) Singapore;
- (d) Hong Kong;
- (e) Malaysia;
- (f) the People's Republic of China; and
- (g) any other jurisdiction in respect of which Cassini reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Demerger Scheme and to transfer

Caspin Shares to a Demerger Scheme Shareholder with a Registered Address in such jurisdiction.

Joint Venture Agreement means the Farmin and Joint Venture Agreement – West Musgrave Project between OZ Exploration Pty Ltd, OZ Minerals, Wirraway Metals & Mining Pty Ltd and Cassini dated 12 October 2016, as subsequently amended from time to time.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.

Listing Rules means the official listing rules of ASX.

Mineral Resource has the meaning given to that term in the JORC Code.

Mount Squires Project means the Mount Squires Project 100% held by Cassini.

New OZ Minerals Share means a OZ Minerals Share to be issued under the Acquisition Scheme.

New Zealand Investor Certificate means the certificate under which a person can certify that they are a “wholesale investor” (as defined in the Financial Markets Conduct Act 2013 (New Zealand), a copy of which was sent to Cassini Shareholders with a Registered Address in New Zealand along with this Demerger Scheme Booklet.

Notice of Capital Reduction Meeting means the notice convening the Capital Reduction Meeting together with the Proxy Forms for that meeting as set out in Annexure 6.

Notice of Demerger Scheme Meeting means the notice convening the Demerger Scheme Meeting together with the Proxy Forms for that meeting as set out in Annexure 5.

Ore Reserve has the meaning given to that term in the JORC Code.

OZ Minerals means OZ Minerals Limited ACN 005 482 824.

OZ Minerals Directors means the Directors of OZ Minerals.

OZ Minerals Group means OZ Minerals and each of its Related Bodies Corporate.

OZ Minerals Share means a fully paid ordinary share in the capital of OZ Minerals.

Proxy Form means the proxy form that accompanies this Demerger Scheme Booklet or is available from the Share Registry.

Record Date means 5.00pm on the date that is 2 Business Days after the Effective Date, or such other date (after the Effective Date) as Cassini and Caspin agree in writing.

Registered Address means, in relation to a Demerger Scheme Shareholder, the address of the Demerger Scheme Shareholder shown in the Cassini Register.

Regulatory Authority means any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Related Body Corporate has the meaning given to that term in section 50 of the Corporations Act.

Related Entity means, in relation to a party, any entity that is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is Controlled by that party.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Requisite Majority means in relation to the Demerger Scheme Resolution, a resolution passed by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Cassini Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (b) at least 75% of the votes cast on the resolution.

Restructure has the meaning given in the Acquisition Scheme Implementation Deed.

Sale Agent means a person appointed by Cassini to sell the Caspin Shares that would otherwise be transferred to or for the benefit of Ineligible Shareholders under the terms of the Demerger Scheme.

Sale Facility means the facility to be made available to Ineligible Shareholders for their Demerger Share Entitlement to be sold on their behalf by the Sale Agent and have the net proceeds of sale remitted to them as contemplated in Section 5.3.

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Demerger Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

Section means a section of this Demerger Scheme Booklet.

Share Registry means Automic Registry Services.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal which in the opinion of a majority of members of the Cassini Board in order to satisfy what they consider to be their fiduciary or statutory duties (after having received advice from their external legal and financial advisers):

- (a) is capable of being completed in accordance with its terms, taking into account all financial, regulatory and other aspects of the proposal, including the ability of the proposing party to consummate the transactions contemplated by the Competing Proposal; and
- (b) would, if completed substantially in accordance with its terms, be reasonably likely to result in a transaction more favourable to Cassini Shareholders as a whole than the Transaction, taking into account all of the terms and conditions of the Competing Proposal, including conditionality, funding, certainty and timing.

Transaction means the Acquisition Scheme, Demerger Scheme and the Capital Reduction.

Voting Power has the meaning given to it in the Corporations Act.

West Musgrave Joint Venture means the joint venture between Cassini and OZ Minerals in relation to the West Musgrave Project.

West Musgrave Project means any resource exploration, development or mining project within the area of the Tenements and includes, but is not limited to, the project the subject of the Joint Venture Agreement.

Yarawindah Brook Project means the Yarawindah Brook Project 80% held by Cassini and 20% held by Souwest Metals Pty Ltd.

Yarawindah Joint Venture Agreement has the meaning given to that term in Section 7.6(c).

In this Demerger Scheme Booklet (other than in Annexure 1 to Annexure 6):

- (a) all dates and times are Perth, Western Australia times unless otherwise indicated;
- (b) words and phrases not otherwise defined in this Demerger Scheme Booklet have the same meaning (if any) as is given to them by the Corporations Act;

- (c) the singular includes the plural and vice versa. A reference to a person includes a reference to a corporation;
- (d) headings are for ease of reference only and do not affect the interpretation of this Demerger Scheme Booklet; and
- (e) a reference to a Section is to a Section in this Demerger Scheme Booklet unless stated otherwise.

ANNEXURE 1: – INDEPENDENT EXPERT'S REPORT



Cassini Resources Limited

Demerger Scheme

Independent Expert's Report and Financial Services Guide

7 August 2020

The Directors
Cassini Resource Limited
Ground Floor, 16 Ord Street
West Perth WA 6005

7 August 2020

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Dear Directors

Introduction

Cassini Resources Limited ("Cassini" or "the Company") is a base and precious metals developer and explorer headquartered in Perth, Western Australia. Cassini's flagship West Musgrave Project ("West Musgrave Project") is a new mining camp in Western Australia with three existing nickel and copper sulphide deposits and a number of other significant regional exploration targets. Currently the West Musgrave Project is owned 30% by Cassini and 70% by OZ Minerals Limited ("OZ Minerals"). Separately, Cassini is also exploring at its 100% owned Mt. Squires Gold Project ("Mount Squires Project"), and its 80% owned Yarawindah Brook Nickel-Copper-Cobalt Project ("Yarawindah Brook Project"), both also located in Western Australia. Cassini is listed on the Australian Securities Exchange ("ASX") and had a market capitalisation of A\$85.6¹ million as at 6 August 2020.

On 22 June 2020, Cassini announced that it had entered into an inter-conditional Acquisition Scheme Implementation Deed in relation to an acquisition scheme of arrangement ("Acquisition Scheme") and also proposed to also undertake a demerger ("Demerger") of Caspin Resources Limited ("Caspin") via a demerger scheme of arrangement ("Demerger Scheme").

Pursuant to the Acquisition Scheme, OZ Minerals proposes to acquire all of the shares in Cassini on a post-Demerger basis through a scheme of arrangement. As outlined in that announcement, if the Acquisition Scheme is approved and becomes effective Cassini Shareholders will receive scrip consideration of 1 New OZ Minerals Share for every 68.5 Acquisition Scheme Shares held at the Record Date ("Acquisition Scheme Consideration"). Post-transaction Cassini Shareholders are estimated to own approximately 2% of the combined OZ Minerals.

Immediately before the implementation of the Acquisition Scheme, Cassini will undertake a demerger of Caspin, currently a wholly owned subsidiary of Cassini, which will hold the Yarawindah Brook and Mount Squires assets, by way of a scheme of arrangement. Under the Demerger Scheme, Cassini Shareholders ("Cassini Shareholders") will receive 1 share in Caspin for every 22 Cassini shares held and a cash distribution of A\$0.01 for every Cassini share held ("Capital Return") at the Record Date². To facilitate the Demerger Scheme, Cassini will undertake a capital reduction to be approved by Cassini shareholders. It is the intention of the directors of Caspin that Caspin will apply for admission to the official list of the ASX as soon as practicable following the implementation of the Demerger Scheme. The Acquisition Scheme and Demerger Scheme are inter-conditional.

¹ Based on the closing share price of A\$0.20 as at 6 August 2020 and 427.8 million shares outstanding.

² This will occur in the same proportion of the shares held in Cassini before the Demerger Scheme.

The total consideration received for the Acquisition Scheme, Demerger Scheme and Capital Return is referred to in this report as the "Scheme Consideration".

As part of the transaction consideration, Caspin will also hold the right to receive a future potential payment by OZ Minerals under certain circumstances as discussed in section 1 ("Contingent Consideration").

Whilst from a legal perspective, the transaction has been structured as two separate schemes, the substance is that Cassini Shareholders are being asked to sell 100% of their Cassini Shares in exchange for the following Scheme Consideration:

- 1 New OZ Mineral Share for every 68.5 Cassini Shares.
- 1 share in Caspin for every 22 Cassini Shares.
- The Capital Return of A\$0.01 per Cassini Share.

As at the date of this Report, and as set out in the Demerger Scheme Booklet, the Directors of Cassini recommend that you vote in favour of the Demerger Scheme in the absence of a superior proposal. Similarly, the Directors of Cassini recommend that you vote in favour of the Acquisition Scheme.

Purpose of the report

The directors of Cassini (the "Directors") have requested that Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") provide an Independent Expert's Report advising whether, in our opinion, the Demerger Scheme is in the best interests of Cassini Shareholders. Grant Thornton Corporate Finance has also been engaged by the Directors to provide an Independent Expert's Report in relation to the Acquisition Scheme. Refer to the Acquisition Scheme booklet for the Acquisition Scheme Independent Expert's Report. This report should be read in conjunction with the Acquisition Scheme Independent Expert's Report.

Section 411 of the Corporation Act 2001 (Section 411) regulates schemes of arrangement between companies and their shareholders. Part 3 of Section 411 (Part 3) prescribes the information to be provided to shareholders in relation to schemes of arrangement.

As OZ Minerals does not have any directors in common with Cassini, and does not hold any shares in Cassini, there is no legal requirement for an independent expert's report under section 411(3). However, whilst there is no legal requirement for the preparation of an independent expert's in conjunction with the Demerger Scheme, the Directors have decided to commission this report to assist Cassini Shareholders in assessing the merits of Demerger Scheme.

When preparing this expert's report, Grant Thornton Corporate Finance has had regard to the Australian Securities Investment Commission ("ASIC") Regulatory Guide 111 Contents of expert reports ("RG 111") and Regulatory Guide 112 Independence of experts ("RG 112"). The IER also includes other information and disclosures as required by ASIC.

For the purposes of this report, Grant Thornton Corporate Finance has engaged CSA Global Pty Ltd ("CSA Global") to review and opine on the reasonableness of the technical assumptions adopted for the West Musgrave Project and to provide an opinion on value for the resources and exploration assets not captured in the Pre-Feasibility Study ("PFS"). CSA Global's scope of work also includes opining on the value of Yarawindah Brook and Mount Squires and other mineral assets of Cassini. CSA Global's valuation was prepared in accordance with the VALMIN Code and is attached to the Acquisition Scheme Independent Expert Report in Appendix H ("CSA Report").

Grant Thornton Corporate Finance and CSA Global (for the purposes of the CSA Report) and with consultation with Cassini management have made a number of independent judgements including for example, the timing and profile of bankable feasibility study ("BFS") costs and the timing of development activities. These judgements are for the specific purposes of this report, and as at the date of this report, and may vary, materially or otherwise, with the intentions or expectations currently held by Cassini, its joint venture partners and/or third party operators.

This report is to be included in the Demerger Scheme Booklet to be sent to Cassini Shareholders and has been prepared for the exclusive purpose of assisting Cassini Shareholders in their consideration of the Demerger Scheme. Neither Grant Thornton Corporate Finance, nor any member or employee thereof, undertakes responsibility to any person, other than the Cassini Shareholders and Cassini, in respect of this report, including any errors or omissions however caused.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Demerger Scheme is FAIR AND REASONABLE and hence in the BEST INTERESTS of Cassini Shareholders.

In forming our opinion in relation to the fairness of the Acquisition Scheme to the Cassini Shareholders, we have considered the interdependency of the Acquisition Scheme and the Demerger Scheme and the transaction as a whole. Whilst Cassini Shareholders are required to vote on each scheme separately, the substance of the transaction is such that Cassini Shareholders need to consider their options being:

- Retain shares in Cassini in its current form; or
- Enable the sale of their 30% interest in the West Musgrave Project and demerge a separate entity holding the Yarawindah Brook Project and Mount Squires Project assets in exchange for: shares in OZ Minerals; shares in the demerged entity Caspin; the Capital Return; and the potential to receive the Contingent Consideration.

It is our view that as the Acquisition Scheme can only proceed if the Demerger Scheme proceeds, and vice versa, it is necessary to consider the fairness of the overall transaction and the Scheme Consideration.

Grant Thornton Corporate Finance has compared the value per Cassini Share before the Acquisition Scheme and Demerger Scheme on a control basis to the value of the Scheme Consideration being offered, being OZ Minerals Shares on a minority basis, the Capital Return and the value of Caspin Shares following the demerger.

The following table summarises our fairness assessment:

Fairness assessment	Section Reference	Low	High
A\$ / Share			
Valuation of Cassini Shares	8	0.11	0.21
Implied Scheme Consideration per Cassini Share	9	0.19	0.22
Premium / (Discount)		0.09	0.02
Premium / (Discount) %		85.0%	7.6%
FAIRNESS ASSESSMENT		FAIR	

Source: GTCF analysis

Note: some totals may not appear to add due to rounding. Section reference relate to the Acquisition Scheme Independent Expert Report.

The Scheme Consideration is within our valuation range for a Cassini Share on a 100% and fully diluted basis. Accordingly, we conclude that the Scheme is **FAIR** to Cassini Shareholders.

Cassini Shareholders should be aware that our assessment of the value per Cassini Share and the value of OZ Minerals shares and Caspin Shares (both included in the Scheme Consideration) should not be considered to reflect the price at which they will trade. The price at which they will ultimately trade depends on a range of factors, including: the liquidity; macro-economic conditions; the regulatory and political environment; exchange rates; and the performance of the underlying operations and commodity prices.

Valuation assessment of Cassini Shares

In our valuation assessment of the fair market value of Cassini Shares after the Demerger Scheme and Capital Return, we have relied on a sum of the parts ("SOP") approach, which includes a Discounted Cash Flow ("DCF") assessment of Cassini's 30% interest in the West Musgrave Project and values attributable to other assets and liabilities of Cassini, including the resources and tenements not captured in the DCF, as determined by CSA Global. We have cross checked the fair market value of Cassini's 30% interest in the West Musgrave Project based on Resource Multiple method.

We have used a financial model provided by Cassini forecasting the post-tax free cash flows of the West Musgrave Project ("PFS Model") based on the PFS and industry benchmarks. CSA Global has reviewed the PFS Model and has provided us with their opinion on the reasonableness of the technical assumptions adopted for the West Musgrave Project. We have considered alternative valuation approaches for the West Musgrave Project including the application of reserve and resource multiples and the quoted share price method. We selected the DCF as the primary method on the basis of the following:

- The West Musgrave Project has JORC compliant probable reserves of 220Mt, as well as another 120Mt of Indicated and Inferred Mineral Resources. The forecasts contained in the PFS assume mining of the Ore Reserves, therefore providing support for the production forecasts.
- The PFS Model was reviewed by CSA Global who have provided us with their opinion on the reasonableness of certain key assumptions. We have had regard to their comments and performed a sensitivity analysis to address their concern around the marketability of the concentrates locally versus internationally.
- We have analysed the Cassini share price prior to the announcement of the schemes and consider it to be illiquid, and therefore may not be representative of the value of the underlying assets.

- Observed Ore Reserve and Mineral Resource multiples based on comparable companies and transactions are broad as they are specific to the particular assets (which can vary widely in quality and risk profile) underlying each company. We consider that these multiples provided a basis for a cross check rather than a primary valuation methodology.

For the purposes of the DCF Method, we have modelled the future performance of the West Musgrave Project based on the key assumptions contained in the PFS, based on an expected Life of Mine of 26 years, consistent with the current Ore Reserve (Ore Reserves are currently sufficient for a 22 year Mine Life) and Mineral Resource estimates.

We have assessed the net present value of the future cash flows utilising a real, post tax, weighted average cost of capital ("WACC") between 9.5% and 10.5%, reflecting the commodity composition, sector and the early stage of the West Musgrave Project and the risks associated with proceeding to production. As the West Musgrave Project is at pre-feasibility stage there is still significant risks associated with proceeding to production, including availability of funding, gaining all relevant approvals, capital expenditure, timing delays and commodity price fluctuations. Where these have not been captured in the Financial Model, we have considered these factors in the determination of our WACC. Refer to the Acquisition Scheme Independent Expert's Report for details in relation to the calculation of WACC

The following table provides a summary of the SOP approach having regard to our DCF assessment, CSA Global Report at Appendix H of the Acquisition Scheme Independent Expert Report and the balance sheet as at 31 March 2020. Please refer to section references in the Acquisition Scheme Independent Expert's Report for further details.

Sum of Parts Valuation Summary (A\$ million)	Section Reference	Low	High
WACC		10.5%	9.5%
West Musgrave Project 100% value	8.2	188.7	323.0
Cassini share of West Musgrave Project		30%	30%
Cassini share of West Musgrave Project		56.6	96.9
<u>Other Cassini West Musgrave Project Adjustments:</u>			
OZL loan deferred-carry net impacts	8.2.1.3	6.2	5.4
Other Cassini South32 Obligations	8.2.1.3	(18.6)	(20.8)
Add: Other Mineral Assets	8.2.2	14.8	14.8
Add: Demerger assets	8.2.3	1.3	9.6
Less: Net debt	8.2.4	(0.1)	(0.1)
Less: Corporate costs	8.2.5	(13.2)	(14.3)
Equity Value (control basis)		47.0	91.6
Number of outstanding shares (fully diluted) (millions)	8.2.6	446.6	446.6
Value per share (control basis) (A\$ per Share)		0.11	0.21

Source: PFS Model, Cassini company information and reporting, GTCF calculations

We summarise below the details in respect to the above table:

- OZ Minerals loan deferred carry – In progressing to the BFS stage, OZ Minerals has agreed with Cassini that it would fund Cassini's share of the study costs required, via a loan which will be repaid by Cassini 5 years after production commences, in effect, deferring its share of the funding

requirements. The adjustment reflects the discounted future interest bearing loan cash flows received and repaid by Cassini for its share of the West Musgrave Project's BFS costs

- Other Cassini South32 Obligations – specific provisions agreed by OZ Minerals and Cassini in their Joint Venture Agreement with respect to certain obligations to South32 stemming from Cassini's acquisition of the West Musgrave Project in 2014. These include: a share of royalty payments payable to South32 as consideration for the acquisition that is different to and independent of their respective ownership of the West Musgrave Project; and Cassini retaining the obligation to make a deferred cash payment 12 months after operations commences.
- Other Mineral Assets – reflect the value of Mineral Resources not included in the West Musgrave Project PFS including other West Musgrave Project exploration ground and Succoth. This value has been determined by CSA Global. The value of the assets to be demerged into Caspin are not included in this balance.
- Demerger Assets – reflect the value of the Yarawindah Brook and Mount Squires Projects. These values have been determined by CSA Global.
- Net Debt – cash and debt outstanding as at the 31 March 2020
- Corporate costs – forecast corporate costs, discounted to present value.

We note that the low end of our valuation range is below the trading price of Cassini price just prior to the announcement of the transactions, however aligned with the one month VWAP prior to the announcement of \$0.105. We consider that this is reasonable on the basis that:

- Cassini shares are illiquid in their trading and therefore the traded price may not be fully reflective of the underlying value of Cassini; and
- The value of the Cassini shares is highly sensitive to fluctuations in commodity prices and exchange rates. Our valuation takes into account a long term view of these macro-economic assumptions

Further details of the above are contained in section 8 of the Acquisition Scheme Independent Expert's Report. The outcome of the DCF Method is supported by the Resource Multiple Method, the details of which are contained in the Acquisition Scheme Independent Expert's Report.

Scheme Consideration

We have assessed the value of total Scheme Consideration as follows:

Scheme consideration A\$ / Share		Section Reference	Low	High
Trading prices of OZ Minerals after the announcement		9	12.50	13.50
Exchange Ratio (OZL:CZL)			68.5	68.5
Acquisition Scheme Consideration per Cassini Share	A		0.18	0.20
Assessed value of Caspin shares			0.05	0.30
Demerger ratio (CZL: Caspin)			22	22
Assessed value of Caspin shares per Cassini share	B	10	0.00	0.01
Capital Return	C		0.01	0.01
Total Scheme Consideration per Cassini share	A + B + C = D		0.19	0.22

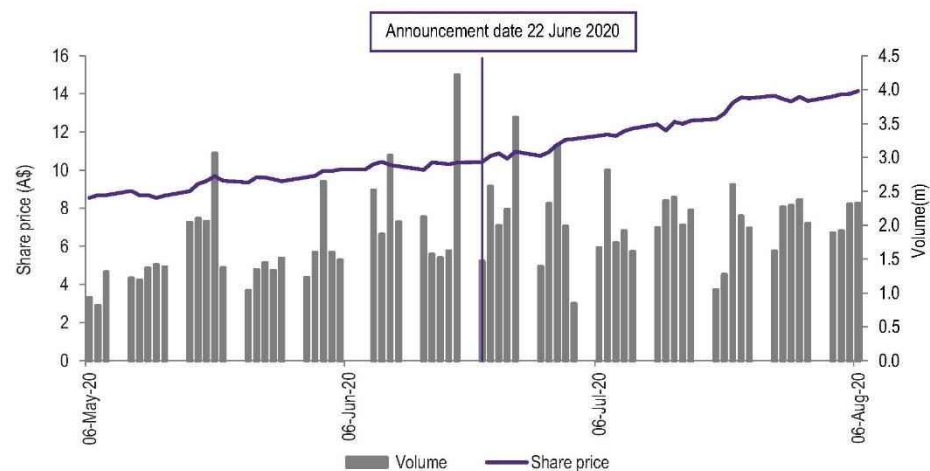
Source: GTCF analysis

Note: Section references relate to the Acquisition Scheme Independent Expert Report

Valuation assessment of enlarged OZ Minerals Shares

We have assessed the value of OZ Minerals Shares to be a range of A\$12.50 per share to A\$13.50 per share. In our assessment of the Scheme Consideration, we have had regard to the trading price of OZ Minerals which in our opinion reflects the market value of the Scheme Consideration receivable by Cassini Shareholders on a minority basis over the period since the announcement of the Acquisition Scheme. The following chart shows OZ Minerals share price over the last 3 months to 6 August 2020.

OZ Minerals historical share price and volume



Source: S&P Global and GTCF analysis

In our assessment of the Scheme Consideration, we have considered it appropriate to rely on OZ Mineral's trading price since the announcement of the Acquisition Scheme due to the following:

- As discussed in section 9 of the Acquisition Scheme Independent Expert's Report, trading in OZ Minerals shares displays high liquidity, which will allow Cassini Shareholders to realise the OZ Minerals Shares received as consideration at market value in the future. Accordingly, the trading price of OZ Minerals Shares represents a reasonable proxy of the value that accepting Cassini Shareholders could expect to realise from their investment if they decide to sell the OZ Minerals Shares received as consideration.
- If the Acquisition Scheme is implemented, Cassini Shareholders will collectively hold approximately 2% of the enlarged share capital of OZ Minerals on an undiluted basis. Accordingly, they will not be able to influence and change the strategic direction of OZ Minerals and would have a limited dilutionary impact on the existing OZ Minerals Shareholders. Further, it is likely that the acquisition of the shares in Cassini is factored into the trading price of OZ Minerals following the announcement of the proposed Acquisition Scheme.
- As outlined in the graph above, the OZ Minerals share price has recovered strongly since 23 March 2020, increasing from A\$5.99/share to A\$14.15/share over the period to 6 August 2020. Since the announcement of the Schemes, OZ Minerals also announced the release of the positive PFS in relation to the Carrapateena Block Cave Expansion which, coupled with a copper price recovery is likely to have had a positive influence on the share price. Given the recent volatility in the OZ Minerals share price, we have considered the volume weighted average price since the announcement of the transactions in determining the value of Scheme Consideration.

The Acquisition Scheme Independent Expert's Report provides a sensitivity on the value per OZ Minerals share to the implied value of the Scheme Consideration.

Valuation assessment of Caspin Shares

We have assessed the value of Caspin Shares to be a range of A\$0.002 per Cassini share to A\$0.014 per Cassini share, as follows:

Net realisable value of assets - valuation summary A\$'000 (except where stated otherwise)	Section Reference	Low	Preferred	High
Yarawindah Brook	8.2.3	1,000	3,000	4,700
Mount Squires	8.2.3	300	1,300	4,900
Cash contribution		508	508	508
Equity value (control basis)		1,808	4,808	10,108
Number of outstanding shares ('000s) (fully diluted) ¹		20,304	20,304	20,304
Value per share (control basis) (A\$ per Caspin Share)		0.09	0.24	0.50
Marketability discount (%)		40%	40%	40%
Marketability discount (\$)		0.04	0.09	0.20
Value per share (minority basis) (A\$ per Caspin Share)		0.05	0.14	0.30
Demerger ratio		22	22	22
Value per share (minority basis) (A\$ per Cassini Share)		0.002	0.006	0.014

Source: CSA Global, GTCF analysis

Notes: (1) Shares outstanding is calculated based on 1 Caspin Share per 22 Cassini Shares, plus 1,000 shares on issue that are owned by Cassini, plus the 4,000 shares that Caspin will need to issue to Cassini for the purchase of the Yarawindah Brook and Mount Squires assets. (2) Section references relate to the Acquisition Scheme Independent Expert Report.

In our assessment the value of the Caspin Shares following the Demerger Scheme we have had regard to the values of the Yarawindah Brook and Mount Squires Projects as determined by CSA Global (refer to the

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report attached at Appendix H of the Acquisition Scheme Independent Expert Report). CSA Global have provided a range of values around a preferred value. Given the early stage of these projects, CSA Global has advised that the range is best representative of the potential range of values that these assets may attract.

In connection with, and prior to, the implementation of the Demerger Scheme, Cassini will contribute A\$500,000 to Caspin in cash for working capital purposes.

Following the Demerger Scheme it is in the intention of the Caspin Board that Caspin pursue a listing on the ASX, which is likely to involve a capital raise, however the timing and success of such a listing is not known at the date of this report. Accordingly, following the Demerger Scheme Cassini Shareholders will hold a minority interest in an unlisted company. We have accordingly applied a marketability discount of 40%.

We have applied marketability discount of the value of the shares on the following basis:

- Following the Demerger Scheme it is in the intention of the Caspin Board that Caspin pursue a listing on the ASX, which is likely to involve a capital raise, however the timing and success of such a listing is not known at the date of this report. Accordingly, following the Demerger Scheme Cassini Shareholders will receive an interest in an unlisted company.
- Associated with the potential listing on the ASX, it is likely that Caspin will seek to raise capital. The ability to secure the capital raise and the quantum required is unknown. Further any capital raise will have a dilutive effect on the existing Caspin Shareholders.
- Cassini Shareholders will hold a minority interest in Caspin.

Caspin will issue c 20.2 million shares to Cassini Shareholders based on a demerger ratio of 1 Caspin share per 22 Cassini shares.

In assessing the value of the Scheme Consideration, we have attributed no value to the Contingent Consideration of up to A\$20 million payable by OZ Minerals to Caspin in the event of a future sale of 30% or more of the West Musgrave Project for an implied disposal value of A\$76 million or more or in the event of a future sale of 30% or more of the contained nickel at the West Musgrave Project to a strategic party. This additional value would provide Caspin shareholders with potential upside exposure to the West Musgrave Project, however such a value cannot be reliably quantified given the inherent uncertainty of whether or when such transactions would occur.

Reasonableness Assessment

In considering the reasonableness of the Demerger Scheme, we have assessed the following advantages, disadvantages and other factors.

Advantages

The Acquisition Scheme is in the best interests of Cassini Shareholders

The Acquisition Scheme and Demerger Scheme are inter-conditional. This means all resolutions for both the Acquisition Scheme and Demerger Scheme are required to receive Cassini Shareholder approval and requisite court approvals. Grant Thornton Corporate Finance has concluded that the Acquisition Scheme is in the best interests of the Cassini Shareholders, however the Acquisition Scheme cannot be implemented in absence of the successful approval of the Demerger Scheme. Refer to the Acquisitions Scheme Independent Expert's Report for further details.

If the Demerger Scheme does not proceed, no Cassini Shareholder will receive the Demerger Scheme Consideration or the Acquisition Scheme Consideration, including the 1 OZ Minerals Share for every 68.5 Cassini Shares, the Capital Return payment of A\$0.01 per Cassini Share or 1 Caspin share for every 22 Cassini Shares.

Potential to unlock the value of Yarawindah Brook and Mount Squires

Cassini Shareholders will receive shares in Caspin based on a pro rata basis and therefore each shareholder's interests in the Yarawindah Brook and Mount Squires deposits remain unchanged. By separating these assets into a new company focused on their exploration and the development it raises the potential to provide Cassini Shareholders with value for these assets which may not have been reflected in the Cassini share price, given Cassini management's primary focus on developing the West Musgrave Project.

It is likely that in the absence of the Acquisition Scheme and Demerger Scheme, Cassini would be required to raise significant capital to further develop the West Musgrave Project which is likely to have a dilutive effect on the Cassini Shareholders.

Potential for future ASX listing

It is the intention of the Caspin Board that Caspin apply for admission to the official list of the ASX following the implementation of the Demerger Scheme which, if successful, will provide Caspin access to capital

through which to pursue the progression of the Yarawindah Brook and Mount Squires projects and potentially provide Caspin shareholders with liquidity.

It should be noted that the listing on the ASX has not been confirmed and will be subject to certain conditions as dictated by the ASX Listing rules. Cassini Shareholders should consider that, if the listing does not occur, they will retain ownership of shares in an unlisted company which would have limited access to capital to further progress the Yarawindah Brook and Mount Squires projects, which may be difficult to realise.

Caspin shareholders will retain participation in the potential upside of the West Musgrave Project

Pursuant to the Contingent Payment Deed, OZ Minerals will provide Caspin shareholders with the ability to receive potential upside (up to A\$20 million) of the West Musgrave Project should OZ Minerals dispose of an interest in the West Musgrave Project, or nickel rights, under certain conditions.

Caspin will be governed by an experienced management team

Cassini's current Chief Operating Officer Greg Miles, who has been responsible for managing the Yarawindah Brook and Mount Squires projects as well as other exploration activities, will remain with Caspin as Chief Executive Officer and will utilise his experience, knowledge of the assets and expertise to advance the projects. He will be supported by a newly assembled board of directors with considerable experience in mining exploration companies.

If the exploration assets of Caspin were retained within Cassini, there is a risk that due to the significance of the West Musgrave Project and the requirements of bringing it into production, corporate attention would be concentrated on this asset, which requires management with a different skills and experience mix to that which would be best placed to enhance the value of the exploration assets.

No financial contribution by Cassini Shareholders

The terms of the Demerger Scheme are such that the Cassini Shareholders will receive one Caspin share for every 22 of its Cassini shares, plus a A\$0.01 per Cassini share Capital Return payment. Caspin will also be capitalised with A\$500,000 in cash (the "Caspin Cash Amount"). Cassini Shareholders will not be required to make any payment for the Caspin Shares or, initially at least, be responsible for funding the working capital of Caspin.

Disadvantages

Cassini Shareholders will receive an interest in a less diverse portfolio of assets

Caspin Shareholders will have an interest in an asset portfolio that is less diverse than that of Cassini. Whilst as a consequence of the inter-conditional relationship between the Acquisitions Scheme and Demerger Scheme, Cassini Shareholders receive scrip consideration for Cassini's interest in the West Musgrave Project, the result being that the portfolio of assets to be demerged under the Demerger Scheme are exploration assets. The assets are prospective for gold and nickel-copper-PGE. The relatively early stage of development of these projects means that the potential for cash flows to be generated from these assets by Caspin is unlikely in the short term which means cash returns to shareholders will be limited.

Requirement for additional capital

The ability to progress the Yarawindah Brook and Mount Squires projects will be dependent on the ability of Caspin to raise additional capital through via equity, debt or the disposal of other assets. Further exploration activities will require an injection of capital in order for the company to pursue its strategic objects. As a smaller company than Cassini, the ability to raise capital may be somewhat constrained, particularly if an ASX listing does not occur.

It is the intention of the directors of Caspin that a capital raise be undertaken as part of the listing on the ASX. Any equity raising is likely to have a dilutive effect on the Caspin Shareholders, to the extent they do not participate in any future capital raise.

Risks associated with applying to list on the ASX

Whilst it is the intention of the Board of Caspin to apply for admission to the official list of the ASX, if this doesn't occur, Cassini Shareholders will hold shares in an unlisted company. All else remaining equal, an unlisted company has less liquidity than a listed company and therefore it may be difficult for shareholders to sell their shares in the future.

If a listing on the ASX is successful, it is Caspin Board's intention to raise capital as part of its initial public offering, thereby diluting the interests of Caspin Shareholders should they not participate. Even if the ASX listing is successful, it is likely that an exploration company such as Caspin without the West Musgrave Project, will be a smaller company than Cassini in terms of market capitalisation and therefore there may be limited liquidity in its listed shares.

The Demerger Scheme will result in the creation of a new company, and as per the Caspin Board's intentions ultimately an ASX listed entity, with its own separate management structure. It is likely that additional costs will be incurred by Caspin, as a result of the need to maintain its own board of directors, share register, and corporate and administrative functions.

Cassini Shareholders may not be able realise value in Caspin

The ability of shareholders in Caspin to realise any value in Caspin will be dependent on the ability of Caspin to raise additional capital through equity or debt. Further exploration activities will require an injection of capital in order for the company to pursue its strategic objects. As a smaller company than Cassini, the ability to raise capital may be somewhat constrained, particularly if an ASX listing does not occur. In the event Caspin is not able to raise sufficient capital, it is likely that Caspin will not be able to generate income and will have limited value.

Other factors

Potential tax consequences for Cassini Shareholders

If the Demerger Scheme is implemented, Cassini Shareholders may incur tax on the transfer of their Cassini Shares to Caspin Shares.

All Cassini Shareholders are advised to seek independent professional advice about their particular circumstances including, for non-resident Cassini Shareholders, the foreign tax consequences.

Deal break costs

If the Demerger Scheme is not approved the under certain circumstances a break fee of A\$760,000 may become payable by Cassini to OZ Minerals, or by OZ Minerals to Cassini.

Prospects of a superior offer

To date no superior proposal to the Acquisition Scheme or Demerger Scheme has emerged. Whilst Cassini has agreed not to solicit any competing proposals or, subject to a fiduciary exception, to participate in discussions or negotiations in relation to any competing proposals, there are no material impediments to an alternative proposal being submitted by potentially interested parties. The transaction process may act as a catalyst for other interested parties and it will provide significant additional information in the Acquisition Scheme Booklet and Demerger Scheme Booklet and Independent Expert's Report to enable such potential acquirers to assess the merits of potential alternative transactions. If a superior proposal emerges before Cassini Shareholders cast their vote on the Acquisition Scheme and Demerger Scheme, the scheme meetings may be adjourned or Cassini Shareholders may vote against it.

Implications if the Demerger Scheme is not implemented

If the Acquisition Scheme and Demerger Scheme are not implemented, it would be the current Directors' intention to continue operating Cassini in line with its stated strategy and objectives. However, in the absence of the schemes or an alternative transaction, all other things being equal, it is likely that Cassini shares will trade at prices below the implied combined value of the Scheme Consideration, Capital Return and Caspin Shares, at least in the short-medium term. In our opinion, the prospect of Cassini shares trading above the implied combined value of the Scheme Consideration, Capital Return and Caspin Shares in the short-medium term is unlikely.

Directors' recommendations and intentions

As set out in the Acquisition Scheme and Demerger Scheme Booklets, as at the date of this Report, the Directors of Cassini have unanimously recommended that Cassini Shareholders vote in favour of the schemes subject to the independent expert concluding that the schemes are in the best interests of Cassini Shareholders.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Demerger Scheme is **REASONABLE** to Cassini shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Demerger Scheme is **FAIR AND REASONABLE** and hence in the **BEST INTERESTS** of the Cassini Shareholders in the absence of a superior alternative proposal emerging.

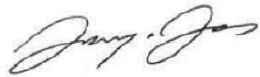
Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to vote in favour of the Demerger Scheme is a matter for each Cassini Shareholder to decide based on their own views of the value of Cassini and expectations about future market conditions, Cassini's performance, risk profile and investment strategy. If Cassini Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

Yours faithfully

GRANT THORNTON CORPORATE FINANCE PTY LTD



JANNAYA JAMES
Director



ANDREA DE CIAN
Director

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by Cassini to provide general financial product advice in the form of an independent expert's report in relation to the Demerger Scheme. This report is included in Cassini's Demerger Scheme Booklet.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Acquisition Scheme and Demerger Scheme reports, Grant Thornton Corporate Finance will receive from Cassini a fee of A\$100,000 (plus GST) which is based on commercial rates, plus reimbursement of out-of-pocket expenses for the preparation of the reports. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of Cassini in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in RG 112 *Independence of expert* issued by ASIC. The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Cassini (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Demerger Scheme.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Demerger Scheme, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Demerger Scheme. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of RG 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Australian Financial Complaints Authority. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority who can be contacted at:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne, VIC 3001
Telephone: 1800 931 678

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

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1 Outline of the Scheme

1.1 Key terms of the Scheme

In addition the terms outlined in the introduction to this report, we have set out below some of the key terms of the Demerger Scheme as outlined in the Demerger Deed, including the relevant provisions of the associated Contingent Payment Deed:

- *Contingent Consideration* – Pursuant to the Contingent Payment Deed, Caspin holds the right to a deferred payment from OZ Minerals in two potential scenarios. The maximum Contingent Consideration that Caspin can receive under this clause is \$20 million.
 1. If OZ Minerals disposes of 30% or more of its interest in the West Musgrave Project for a sale price implying a value for that 30% interest equal to or greater than A\$76 million, Caspin is entitled to receive Contingent Consideration equal to A\$10 million plus an additional A\$0.20 for every dollar exceeding A\$76 million. If OZ Minerals sells less than a 30% interest, the Contingent Consideration will be calculated on a pro-rata basis of what would have been payable if a 30% or greater share was sold.
 2. If OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party, Caspin is entitled to receive Contingent Consideration equal to A\$10 million. If OZ Minerals sells less than 30% of the contained nickel, the Contingent Consideration shall be calculated on a pro-rata basis.
- *Caspin Cash Amount* – Cassini must transfer A\$500,000 to Caspin from its cash reserves
- *Entities to be demerged* – the following four entities are the Cassini subsidiaries that will be demerged into Caspin. These entities own the Yarawindah Brook and Mount Squires licences. As consideration for the purchase of these entities Caspin will issue 4,000 shares to Cassini (1,000 shares for each entity).
 - Opis Resources Pty Ltd (ACN 610 710 462) (Mount Squires)
 - Salvado Resources Pty Ltd (ACN 633 640 070) (Yarawindah Brook)
 - Search Resources Pty Ltd (ACN 150 879 486) (Yarawindah Brook)
 - Souwest Metals Pty Ltd (ACN 613 111 498) (Yarawindah Brook)
- *Demerger Principles* – the Demerger Deed includes, but is not limited to, the following core principles:
 - Once the demerger is implemented, Caspin, will have the entire economic benefit and risk of, and will assume all of the liabilities of the Caspin business and vice versa;
 - Following the demerger, if Caspin continues to provide support and assistance to Cassini, Cassini must pay Caspin's reasonable costs and expenses of providing such support and vice versa;



- Cassini will not have any claim against Caspin and Caspin will not have any liability to, the Cassini, including in relation to the demerger or operations of and liabilities relating to the Cassini; and
- Cassini will be responsible for all taxes and associated liabilities arising in connection with the demerger, the transfer of the Demerger Entities Shares and the Capital Reduction.



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2 Purpose and scope of the report

2.1 Purpose

The Demerger Scheme is to be implemented pursuant to section 411 of the Corporations Act. Section 411 of the Corporations Act 2001 regulates schemes of arrangement between companies and their members. Part 3 of Schedule 8 of the Corporations Regulations 2001 prescribes information to be sent to shareholders and creditors in relation to members' and creditors' schemes of arrangement pursuant to Section 411 of the Corporations Act.

Part 3 of Schedule 8 (s640) of the Corporations Regulations requires an independent expert's report in relation to a scheme to be prepared when a party to that scheme has a shareholding greater than 30% in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether a scheme is in the best interests of shareholders and state reasons for that opinion. Even where there is no requirement for an independent expert's report, documentation for a scheme of arrangement typically includes an independent expert's report.

While there is no legal requirement for an independent expert's report to be prepared in respect of the Demerger Scheme, the Directors of Cassini have requested that Grant Thornton Corporate Finance prepare an independent expert's report to express an opinion as to whether the Demerger Scheme is in the best interests of Cassini's shareholders.

2.2 Basis of assessment

In determining whether the Demerger Scheme is in the best interests of the Company's members, Grant Thornton Corporate Finance has had regard to relevant Regulatory Guides issued by the ASIC, including RG 111, Regulatory Guide 60 Scheme of arrangement ("RG60") and RG 112. The IER will also include other information and disclosures as required by ASIC. We note that neither the Corporations Act nor the Corporations Regulations define the term "in the best interests of members".

RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG111 requires an independent expert report prepared for a change of control transaction implemented by way of scheme of arrangement to undertake an analysis substantially the same as for a takeover bid. However, the opinion of the expert should be whether or not the proposed scheme is "in the best interests of the members of the company". If an expert were to conclude that a proposal was "fair and reasonable" if it was in the form of a takeover bid, it will also conclude that the proposed scheme is "in the best interests of the members of the company".

Pursuant to RG111, an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are subject of the offer. A comparison must be made assuming 100% ownership of the target company.

RG 111.35 and RG 111.36 suggests that, in the case of a demerger, if there is not:

- A change in underlying economic interests of security holders;
- A change of control; or
- Selective treatment of different security holders;

then the issue of 'value' may be of secondary importance.

An expert should provide an opinion as to whether the advantages of the demerger outweigh the disadvantages. An expert may choose to consider whether the value of the demerged entities is greater than or less than the value of the original entity. However if the demerger involves a scheme of arrangement then the expert should comment on whether or not the demerger is in the best interests of security holders.

RG 111.38 states that in a demerger, security holders will typically have to balance issues such as the benefits of a greater focus afforded to the demerged entities against increased costs and reduction in diversified earnings streams.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance (a 100% subsidiary of Grant Thornton Australia Limited) considered its independence with respect to the Demerger Scheme with reference to RG 112 issued by ASIC.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Scheme other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Demerger Scheme.

In our opinion, Grant Thornton Corporate Finance is independent of Cassini and its Directors, and all other relevant parties of the Demerger Scheme.

2.4 Consent and other matters

Our report is to be read in conjunction with the Demerger Scheme Booklet dated on or around 12 August 2020 in which this report is included, and is prepared for the exclusive purpose of assisting Cassini Shareholders in their consideration of the Demerger Scheme Booklet. This report should not be used for any other purpose. This report should also be read in conjunction with the Acquisition Scheme Independent Expert's Reports contained in the Acquisition Scheme Booklet dated on or around 12 August 2020.



Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Demerger Scheme Booklet.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Demerger Scheme to Cassini Shareholders as a whole. We have not considered the potential impact of the Demerger Scheme on individual Cassini Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Demerger Scheme on individual shareholders.

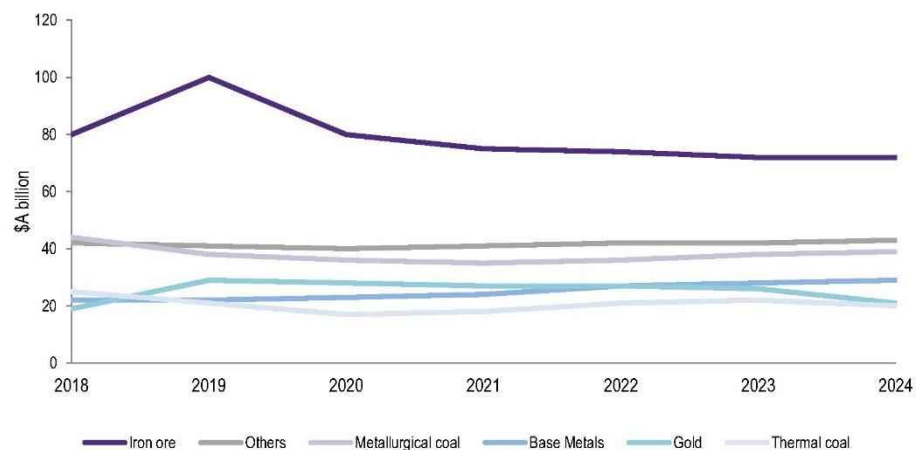
The decision of whether or not to approve the Demerger Scheme is a matter for each Cassini Shareholder based on their views on the value of Cassini and expectations about future market conditions, together with Cassini's performance, risk profile and investment strategy. If Cassini Shareholders are in doubt about the action they should take in relation to the Scheme, they should seek their own professional advice.

3 Industry overview

3.1 Australian Mining Industry

The Australian mining industry accounts for 8.7% of Australia's total GDP³. The mining industry includes all operations that extract minerals or hydrocarbons, explore for minerals or hydrocarbons or provide services to firms engaged in these activities. After the mining boom of the early 2000's, Australia has maintained strong production, with mining exports contributing 73% of Australia's total goods exports in 2018-19, and employing over 250,000 people as at November 2019⁴. Australia's primary mining exports include iron ore, metallurgical coal and gold. The major markets for Australia's resource and mining exports are China, Japan, South Korea, Taiwan and India.

Australian commodity exports



Source: Resources and Energy Quarterly, March 2020

The Australian mining industry has been affected by a number of macroeconomic factors in recent times including the outbreak of COVID-19 and the significant impact of this on the world economy. The impact of COVID-19 on the broader Australian mining sector is expected to be significant and direct. The curtailment of manufacturing activity in China led to a decline in commodity prices generally, particularly for crude oil, copper, iron ore, and other industrial commodities, however many prices have since recovered much of the declines. COVID-19 could also disrupt the demand for steel through hindering manufacturing activity. A reduction in global GDP/GDP growth as a result of COVID-19 would likely decrease commodity consumption worldwide, negatively impacting the mining industry. The impact on China's economy in particular is consequential as China is the main consumer of Australian mining exports. Trade tensions between the US and China also pose a risk to global growth and the resource and energy commodity trade for the foreseeable future. These factors could impact commodity prices and export volumes, and are discussed further throughout the report with specific reference to the nickel and copper industries.

³ Resources and Energy Quarterly, March 2020

⁴ Resources and Energy Quarterly, March 2020



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3.2 Nickel Industry

3.2.1 Overview

Nickel is a lustrous, silvery-white metal that: has strength and toughness at elevated temperatures; is easily shaped into thin wires and flat sheets; and is capable of being magnetized. More than 80% of nickel production is used in alloys which imparts strength and toughness to corrosion and various electrical, magnetic and heat resistant properties. About 65% of world nickel output is consumed in the manufacture of stainless steel⁵, which is widely used in the construction and chemical industries, and as a key component of motor vehicles and consumer products such as sinks, cutlery and white-goods. Nickel is also being increasingly used in batteries, which represents a growth pathway. Australia currently has 23% of world nickel reserves, ranked number two in the world, and nickel export earnings totalled A\$3.7 billion in 2018-19⁶. The majority of Australian nickel resources are found in Western Australia, accounting for 96% of total resources with major mines at Mount Keith, Murrin Murrin and Nova.

The composition of world nickel reserves by country is provided in the table below:

Nickel Reserves		
Country	Nickel (Mt)	Percentage of world total
Indonesia	21.0	24%
Australia	20.0	23%
Brazil	11.0	12%
Russia	6.9	8%
Cuba	5.5	6%
Philippines	4.8	5%
China	2.8	3%
Canada	2.6	3%
USA	0.1	0%
Others	14.0	16%
Total	88.7	100%

Source: Nickel reserves worldwide by country, Garside M, (2020)

⁵ Australian Government Geoscience Australia, 2016

⁶ Resources and Energy Quarterly, March 2020