

**FRASER RANGE METALS GROUP LTD  
ACN 098 236 938**

**NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at  
Suite 6, 295 Rokeby Road, Subiaco, Western Australia on  
Friday, 29 November 2019 at 10.00am (WST).**

*The Directors (where possible) recommend that you vote in favour of all Resolutions at this Annual General Meeting.*

***Independent Expert's Report:** Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 6 to the non-associated Shareholders.*

*The Independent Expert has determined that the Acquisition from the Related Vendor outlined in this Notice of Annual General Meeting is **fair and reasonable** to the non-associated Shareholders.*

*The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6555 2950.***

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

---

# FRASER RANGE METALS GROUP LTD

A C N 0 9 8 2 3 6 9 3 8

---

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Fraser Range Metals Group Ltd (**Company**) will be held at Suite 6, 295 Rokeby Road, Subiaco, Western Australia on Friday, 29 November 2019 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on Wednesday, 27 November 2019 at 5pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

## AGENDA

### Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

---

## 1. Resolution 1 - Remuneration Report

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

*"That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum."*

### Voting Prohibition

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

---

## **2. Resolution 2 - Election of Director - Mr Zane Lewis**

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

*"That, in accordance with the Constitution, Listing Rule 14.4 and for all other purposes, Mr Zane Lewis, a Director who was appointed on 19 June 2019, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum."*

---

## **3. Resolution 3 - Re-election of Director - Mr Aidan Platel**

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

*"That Mr Aidan Platel, who retires by rotation in accordance with Article 13.5 of the Constitution, Listing Rule 14.4 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

---

## **4. Resolution 4 - Approval to change in scale of activities**

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

*"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, Shareholders approve the significant change in the scale of the Company's activities resulting from the Acquisition, on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed or any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 5. Resolution 5 - Approval to create a new class of Performance Shares

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

*"That, subject to each of the other Acquisition Resolutions being passed, pursuant to section 246B of the Corporations Act and for all other purposes, the Company be authorised to create a new class of shares (**Performance Shares**) on the terms and conditions set out in the Explanatory Memorandum."*

---

## 6. Resolution 6 - Approval of Acquisition and Issue of Related Vendor Consideration to Related Vendor

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

*"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance Listing Rules 10.1, 10.11 and for all other purposes, Shareholders approve the acquisition of the Related Vendor's Wildcat Resources shares and the subsequent issue of:*

- (a) 3,616,071 Consideration Shares;
- (b) 3,792,982 Class A Performance Shares;
- (c) 3,792,982 Class B Performance Shares; and
- (d) 1,019,010 Consideration Options,

*(collectively, **Related Vendor Consideration**) to the Related Vendor, on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Related Vendor or their associates:

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Independent Expert's Report

Shareholders should carefully consider the report prepared by the Independent Expert for the purposes of the Shareholder approval required under Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders in the Company.

---

## 7. Resolution 7 - Approval to issue Unrelated Vendor Consideration to Unrelated Vendors

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

*"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of:*

- (a) 60,258,929 Consideration Shares;
- (b) 63,207,018 Class A Performance Shares;
- (c) 63,207,018 Class B Performance Shares; and
- (d) 18,980,990 Consideration Options,

*(collectively, Unrelated Vendor Consideration) to the Unrelated Vendors, on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Unrelated Vendors (and their respective nominees) and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## 8. Resolution 8 - Approval to issue Force Shares to Force

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

*"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 3,125,000 Force Shares to Force (or its nominee) on the terms and conditions set out in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Force (and its nominees) and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## **9. Resolution 9 - Election of Director - Mr Matthew Banks**

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

*"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Matthew Banks, who is eligible and has consented to act, be appointed as a Director of the Company on and from Completion."*

---

## **10. Resolution 10 - Election of Director - Mr Alexander Hewlett**

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

*"That, subject to each of the other Acquisition Resolutions being passed, for the purpose of 13.4 of the Constitution and for all other purposes, Mr Alexander Hewlett, who is eligible and has consented to act, be appointed as a Director of the Company on and from Completion."*

---

## **11. Resolutions 11(a) to 11(d) - Approval to issue Director Securities to Messrs Matthew Banks and Alexander Hewlett**

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

*"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of:*

- (a) 12,000,000 Director Options to Mr Matthew Banks (or his nominee);
- (b) 6,000,000 Director Options to Mr Alexander Hewlett (or his nominee);
- (c) 4,000,000 Director Performance Rights to Mr Matthew Banks (or his nominee); and
- (d) 4,000,000 Director Performance Rights to Mr Alexander Hewlett (or his nominee),

*(together, the Director Securities) on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of:

- (a) Resolutions 11(a) and 11(c) by or on behalf of Mr Matthew Banks (or his nominee), or any of their associates; and
- (b) Resolution 11(b) and 11(d) by or on behalf of Mr Alexander Hewlett (or his nominee), or any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and

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

---

## **12. Resolutions 12(a) to 12(c) - Approval to issue Incentive Options to Mr Thomas Bahen, Mr Aidan Platel and Mr Zane Lewis**

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

*"That pursuant to and in accordance Listing Rule 10.11, section 195 of the Corporations Act and for all other purposes, Shareholders approve the issue of:*

- (a) *3,000,000 Incentive Options to Mr Thomas Bahen (or his nominee);*
- (b) *6,000,000 Incentive Options to Mr Aidan Patel (or his nominee); and*
- (c) *10,000,000 Incentive Options to Mr Zane Lewis (or his nominee),*

*on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of:

- (a) Resolution 12(a) by or on behalf of Mr Thomas Bahen (or his nominee), or any of their associates;
- (b) Resolution 12(b) by or on behalf of Mr Aidan Patel (or his nominee), or any of their associates; and
- (c) Resolution 12(c) by or on behalf of Mr Zane Lewis (or his nominee) or any of their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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

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

However, the above prohibition does not apply if:

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

---

## **13. Resolution 13 - Approval of 10% Placement Facility**

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, an issue under the 10% Placement Facility (except a benefit solely by reason of being a holder of Shares) or any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

## **14. Resolution 14 - Replacement of Constitution**

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

*"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form of the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from the close of the Meeting."*

**BY ORDER OF THE BOARD**

Mr Zane Lewis  
Company Secretary  
Fraser Range Metals Group Ltd  
Dated: 29 October 2019

---

# FRASER RANGE METALS GROUP LTD

A C N 0 9 8 2 3 6 9 3 8

---

## EXPLANATORY MEMORANDUM

---

### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 6, 295 Rokeby Road, Subiaco, Western Australia on Friday, 29 November 2019 at 10.00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolution 2 - Election of Director - Mr Zane Lewis
Section 6	Resolution 3 - Re-election of Director - Mr Aidan Platel
Section 7	Conditional Acquisition Resolutions
Section 8	Background to the Acquisition of Wildcat Resources
Section 9	Risks associated with the Acquisition
Section 10	Resolution 4 - Approval to change in scale of activities
Section 11	Resolution 5 - Approval to create a new class of Performance Shares
Section 12	Resolution 6 - Approval of Acquisition and Issue of Related Vendor Consideration to Related Vendor
Section 13	Resolution 7 - Approval to issue Unrelated Vendor Consideration to Unrelated Vendors
Section 14	Resolution 8 - Approval to issue Force Shares to Force
Section 15	Resolution 9 - Election of Director - Mr Matthew Banks

Section 16	Resolution 10 - Election of Director - Mr Alexander Hewlett
Section 17	Resolutions 11(a) to 11(d) - Approval to issue Director Securities to Messrs Matthew Banks and Alexander Hewlett
Section 18	Resolutions 12(a) to 12(c) - Approval to issue Incentive Options to Mr Thomas Bahen, Mr Aidan Platel and Mr Zane Lewis
Section 19	Resolution 13 - Approval of 10% Placement Facility
Section 20	Resolution 14 - Replacement of Constitution
Schedule 1	Definitions
Schedule 2	Independent Expert's Report
Schedule 3	Pro forma Balance Sheet
Schedule 4	Terms and Conditions of Performance Shares
Schedule 5	Terms and conditions of the Consideration Options and Director Options
Schedule 6	Terms and conditions of the Director Performance Rights
Schedule 7	Vendors

A Proxy Form is located at the end of the Explanatory Memorandum.

---

## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

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

### 2.2 Proxies

#### (a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company's share registry in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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 of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

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

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

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

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

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

## 2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolutions 1, 11(a) to 11(d) and 12(a) to 12(c) must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution Resolutions 1, 11(a) to 11(d) and 12(a) to 12(c) if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

## 2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 1, 11(a) to 11(d) and 12(a) to 12(c) by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

---

## 3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at the Company's website;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

---

## 4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2018 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2020 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

---

## 5. Resolution 2 - Election of Director - Mr Zane Lewis

### 5.1 General

The Constitution allows the Board to appoint any person to be a Director at any time, either to fill a casual vacancy or as an addition to the existing Directors.

Pursuant the Constitution, any Director so appointed must retire at the next annual general meeting of the Company and is then eligible for re-election by Shareholders.

On 19 June 2019, Mr Lewis was appointed as a Director of the Company.

At the Meeting, Mr Lewis will resign as a non-executive Director and, being eligible, will seek approval to be elected as a non-executive Director pursuant to Resolution 2.

If elected, the Board considers Mr Lewis to be an independent Director.

## **5.2 Mr Zane Lewis**

Mr Lewis is a principal and joint founder of corporate advisory firm SmallCap Corporate which specialises in corporate advice and compliance administration to ASX listed companies. He is also a fellow of Chartered Secretaries Australia.

Mr Lewis is a non-executive director of Tap Oil (ASX:TAP), Lion Energy Limited (ASX:LIO), Kingsland Global (ASX:KLO) and 8VIC Holdings Limited (ASX:8VIC).

Mr Lewis provides the Board with a wealth of knowledge obtained from his diverse financial and corporate experience in previous appointments.

## **5.3 Board recommendation**

The Board (excluding Mr Lewis) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

---

# **6. Resolution 3 - Re-election of Director - Mr Aidan Platel**

## **6.1 General**

The Constitution and Listing Rule 14.4 both provide that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or 3 years, whichever is longer.

A Director who retires in accordance those provisions is eligible for re-election.

Non-Executive Director Mr Aidan Platel was last elected at the annual general meeting held on 29 November 2017. Accordingly, Mr Platel retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 3.

If elected, the Board considers Mr Platel to be an independent Director.

## **6.2 Mr Aidan Platel**

Mr Platel is a geologist with over 20 years' experience in the minerals industry, in both mining and exploration roles across a wide range of commodities. Since 2014 he has worked as an independent consultant with a focus on project evaluation, prior to which he spent 12 years based in South America. Mr Platel is the Managing Director of Auroch Minerals Limited. He has a proven track record of exploration success having discovered and developed several major deposits.

Mr Platel has a Bachelor of Science with Honours in Geology from the University of Western Australia, and a Masters of Business Administration with Distinction from the Curtin Graduate School of Business. He is Graduate member of the Australian Institute of Company Directors (AICD) and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

### 6.3 Board recommendation

The Board (excluding Mr Platel) recommends that Shareholders vote in favour of Resolution 3.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

---

## 7. Conditional Acquisition Resolutions

The Acquisition Resolutions (Resolutions 4 to 11(d) inclusive) are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Acquisition Resolutions are not approved at the Meeting, none of the Acquisition Resolutions will take effect and the Acquisition Agreement and other matters contemplated by the Acquisition Resolutions will not be completed.

---

## 8. Background to the Acquisition of Wildcat Resources

### 8.1 General background

On 23 August 2019, the Company announced it had entered into a binding terms sheet (**Acquisition Agreement**) to acquire 100% of the issued capital of Wildcat Resources Limited (**Wildcat Resources**) (**Acquisition**), from the present shareholders of Wildcat Resources (**Vendors**).

Wildcat Resources, via its wholly owned subsidiary, Wildcat Gold Pty Ltd (ACN 624 787 417) (**Wildcat Gold**), owns a 100% interest in the Mt Adrah Gold Project located in the Lachlan Fold Belt region of New South Wales. Section 8.2 details the operations of Wildcat Resources.

A summary of the material terms of the Acquisition Agreement is set out in Section 8.3 below.

This Notice sets out the Resolutions necessary to complete the Acquisition. Each of the Acquisition Resolutions are conditional upon the approval by Shareholders of each of the other Acquisition Resolutions. If any of the Acquisition Resolutions are not approved by Shareholders, all of the Acquisition Resolutions will fail and Completion will not occur.

Director of the Company, Mr Thomas Bahen, controls the entity Kobia Holdings Pty Ltd, one of the Vendors. On this basis, Kobia Holdings Pty Ltd is a related party of the Company (**Related Vendor**).

Incoming directors Messrs Matthew Banks and Alexander Hewlett (**Proposed Directors**) are also Vendors and related parties to the Company by reason only of the Acquisition. The remaining Vendors are not related parties of the Company.

No individual Vendor is anticipated to hold voting power in the Company of 5% or above post Acquisition.

Other information considered material to the Shareholders' decision on whether to pass the Acquisition Resolutions is set out in this Explanatory Memorandum, and Shareholders are advised to read this information carefully.

## 8.2 Overview of Wildcat Resources Limited

### (a) Mt Adrah Gold Project

Wildcat Resources holds the Mount Adrah Gold Project (**Mount Adrah**), a highly prospective 200km<sup>2</sup> tenement package (comprises three exploration licences) located 44km from Wagga Wagga, 330km WSW of Sydney in the far western part of the well-mineralised Lachlan Fold Belt.

Mt Adrah is 10km from rail and the Hume Highway, and has available water and power. The existing mining activities in the region mean that the project is close to major infrastructure, services and workforce.

Mount Adrah includes the Hobbs Pipe gold deposit which has an existing JORC 2012 compliant Mineral Resource estimate of 20.5Mt @ 1.1g/t Au for 770,000 oz of contained gold (Indicated Resources of 12.1Mt @ 1.1g/t for 440,000oz and Inferred Resources of 8.4Mt @ 1.1g/t for 330,000oz).<sup>1</sup>

In addition to Hobbs Pipe, a number of high-grade gold reef systems have been identified by historic artisanal workings and limited exploration drilling, including down-hole intercepts such as 10m @ 17.7 g/t Au from 506m (GHD009) at the Castor Reef Prospect, about 200m north-east of Hobbs Pipe, and 1.2m @ 58.6 g/t Au from 624m (GHD011) at the White Deer Reef Prospect, a further 150m to the north-east of the GHD009 intercept. The drill-hole intervals are interpreted to align with the artisanal workings. However, surface geochemistry and drilling have not yet tested the near-surface potential of these targets.

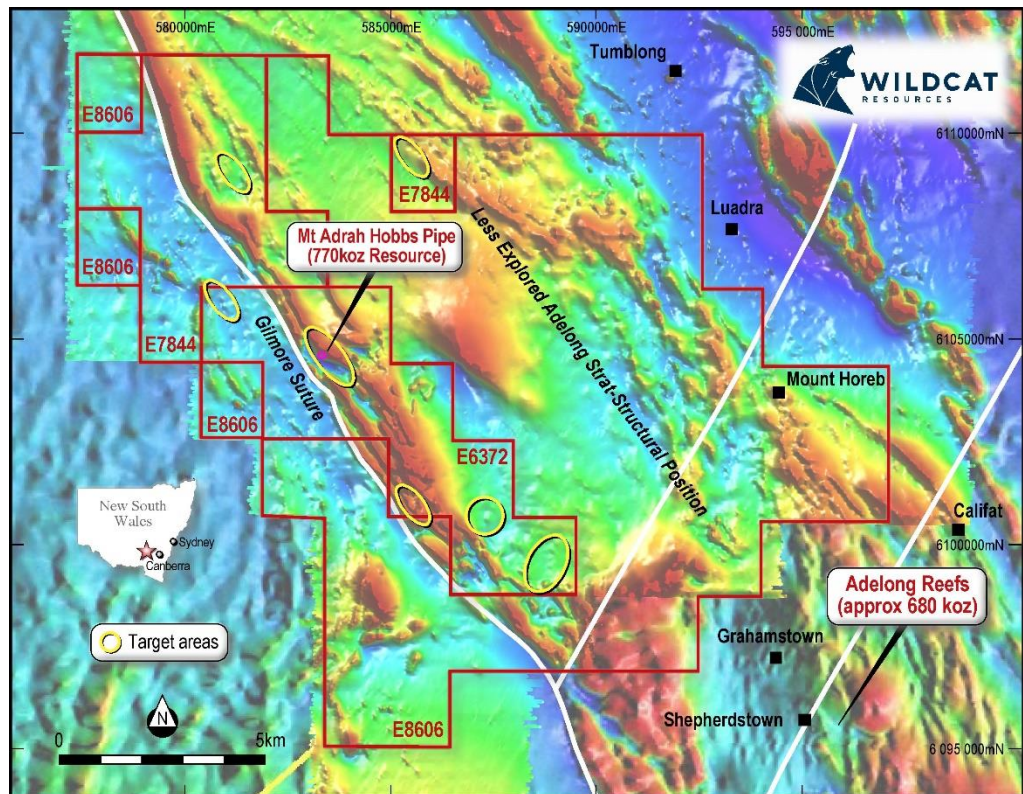
A number of quartz vein reef-style targets were identified as targets of interest in a study by prior owners of Mt Adrah in 2016. Results on the follow-up work done on some of these targets have been promising to date.

Outside of the immediate Hobbs Pipe area, the project has had little exploration activity since the 1990's, with several areas of surface gold anomalies yet to be followed up with drilling, including the Diggers Creek and Bangadang Prospects which lie along the Gilmore Suture to the north and south of Hobbs Pipe, respectively. These prospects have significant gold anomalies at surface, identified by previous soil-sampling, rock-chip sampling and RAB drilling programmes.

In addition, a large area over the eastern portion of the tenure has seen little to no modern exploration at all; this area lies along strike from the Adelong Reefs to the southeast of the project area, which have historically produced approximately 680koz gold (NSW DPI estimate, 2007). The Company believes these target areas are very under-explored and have potential to host high-grade gold mineralisation given their geological and structural settings. These areas (highlighted in the figure below) will be a focus for the Company in the initial exploration work planned.

---

<sup>1</sup> See Company's ASX announcement dated 23 August 2019 for further information. The information in this Notice that relates to Exploration Results and Mineral Resources for the Mount Adrah Project was first released by the Company on 23 August 2019. The Company is not aware of any new information or data that materially affects the information included in the 23 August 2019 announcement, and in the case of the Mineral Resource estimate, that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.



(b) **Wellington Range Manganese Project**

In addition to Mount Adrah, Wildcat also holds the Wellington Range Manganese Project in Western Australia which has potential for high grade manganese mineralisation.

The project comprises three exploration licence applications approximately 140km east of Wiluna.

(c) **Initial Work Planned**

Immediately post-completion of the Acquisition, the Company intends to initiate systematic exploration of Mount Adrah. A mapping and re-logging exercise has recently been completed and will assist in providing a framework to generate and rank targets, and assist in refining the geological model for Hobbs Pipe.

Geochemical sampling programmes are likely to be done over selected target areas to better define drilling targets. The focus will then be on further drill-testing of the known high-grade gold reefs, as well as compilation and analysis of the significant existing geophysical, geochemical and geological data in order to develop new target areas within the less-explored portions of the tenure.

Further geological studies of the gold mineralisation at Hobbs Pipe, in order to better understand the gold deposit and hence its economic potential for the Company, may also lead to revision of the potential of the deposit.

(d) **Hobbs Pipe resource estimate - Independent Technical Specialist Report**

The Company notes that the Independent Technical Specialist (CSA Global) engaged by the Independent Expert to provide the Independent Technical Specialist's Report for the Independent Expert's Report and the Competent

Person who provided the Hobbs Pipe resource estimate have differing views on the prospects of economic extraction for material from approximately 150m and below from the Hobbs Pipe deposit.

CSA Global has concluded in their report that in their opinion the prospects for underground extraction of the 1.1g/t material are not yet sufficient to support the classification of this material as a Mineral Resource, and that only material from surface to approximately 150m below surface are currently likely to have reasonable prospects for eventual economic extraction.

For the reasons set out below, Mr Damien Keys, the Competent Person for the Hobbs Pipe resource estimate has concluded there are reasonable prospects for eventual economic extraction of material from 150m and below.

- (i) The Mt Adrah conceptual mining study was completed in 2014 by AMC Consultants. The study determined that at A\$1,365 gold price the Mt Adrah orebodies were unlikely to be able to repay the cost of upfront capital and deemed unlikely for eventual extraction. With an input of the current gold price (approximately A\$2,203) and allowing for mining cost inputs to have increased by 10%, the Competent Person is satisfied positive economic outcomes are now generated.
- (ii) An appropriate analogue for orebody dimensions, grade and mining style is Northparkes (NSW). Northparkes are currently mining a block cave in the E48 deposit and sub level cave in the E26 deposit. They range from 120m to 400m width, extend to depths of over 1km and grade at > 0.5% Cu. The E26 sub level cave began production in August 2016 with the aim of mining 2.9 million tonnes of ore with a 1.01% copper grade (approximately 1.23 g/t Au equiv). Northparkes has also covered its cost of upfront capital.
- (iii) New Afton in British Columbia, mined by NewGold, commenced with NI 43-101 reserves at 1.41 g/t Au equiv (2014) and is currently in production. The orebodies are narrow and elongate; B3 zone is 110m to 130m wide and 210m long.
- (iv) Cadia is an order of magnitude bigger in size and has also covered its cost of capital but mines reserves of 0.82 g/t Au and 0.28% Cu (Ridgway) and 0.41 g/t Au and 0.28 % Cu (Cadia East). These equate to 0.92 g/t Au equiv and 0.82 g/t Au equiv.

The Company notes that resource estimation is not a precise art and that there may be differing views on the prospects for eventual economic extraction on the same deposit. Further, the Company notes that adverse changes to the gold price or forecasts of it may result in the re-estimation of Hobbs Pipe resource. The Company is satisfied with the work and conclusion of Mr Keys.

Further, the Company notes that its exploration strategy and immediate focus will be on the gold targets outside of the Hobbs Pipe resource area (as noted in sections 8.2(a) and 8.2(c) above).

Shareholders are encouraged to read the Independent Expert's Report and Independent Technical Specialist's Report in full.

### 8.3 Key terms of the Acquisition Agreement

- (a) The Company has agreed to acquire 100% of the shares of Wildcat Resources from the Vendors, subject to satisfaction or waiver of conditions precedent (see Section 8.3(f)).
- (b) Wildcat Resources owns 100% of the shares in Wildcat Gold.
- (c) Wildcat Gold recently acquired EL 7844, EL 8606 and EL 6372 (the **Tenements**), which collectively form the Mt Adrah Gold Project, via a tenement sale agreement with subsidiaries of ASX listed, Force Commodities Ltd (**Force**).
- (d) Subject to satisfaction or waiver of the conditions precedent, the Company will issue to the Vendors (or their nominees):
  - (i) 63,875,000 Shares at Completion (at a deemed issue price of \$0.016 per share) (**Consideration Shares**);
  - (ii) 67,000,000 class A Performance Shares (**Class A Performance Shares**) on the terms and conditions set out in Schedule 4;
  - (iii) 67,000,000 class B Performance Shares (**Class B Performance Shares**) on the terms and conditions set out in Schedule 4; and
  - (iv) 20,000,000 unquoted Options exercisable at \$0.04 each on or before the date that is three (3) years after their issue, on the terms and conditions set out in Schedule 5 (**Consideration Options**),proportionate to the Vendors' shareholding in Wildcat Resources (together, **Vendor Consideration**).

It is noted that of the Consideration Options, 18,000,000 will be issued proportionately to the Vendors, with the remaining 2,000,000 being issued to two Vendors who provided working capital loans to Wildcat during the period since the Acquisition Agreement was executed. See Schedule 7 for details of the Vendors and Vendor Consideration allocations.
- (e) In addition to paying the Vendor Consideration, the Company agreed to issue 3,125,000 Shares to Force (**Force Shares**) at Completion to meet obligations of Wildcat under the sale agreement with Force.
- (f) The Acquisition Agreement contains the following conditions precedent:
  - (i) **Buyer's Due Diligence:** the Company completing due diligence on the Tenements, the Vendors and Wildcat Resources within 30 days of execution of the Acquisition Agreement to its satisfaction (acting reasonably) (this has been met);
  - (ii) **Vendor Due Diligence:** Wildcat Resources completing due diligence on the Company within 30 days of execution of the Acquisition Agreement to their satisfaction (acting reasonably) (this has been met);
  - (iii) **Shareholder Approvals:** the Company obtaining all necessary shareholder approvals, including approval pursuant to ASX Listing Rules 7.1, 10.1, 10.11 and 11.1.2;

- (iv) **Independent Expert's Report:** the Company obtaining a report from an independent expert in respect of the application of Listing Rule 10.1 opining that the Acquisition is fair and reasonable or not fair but reasonable (this has been met);
- (v) **Maintaining status quo:** Wildcat Resources maintaining all of its rights and interests, not amending varying or assigning its rights without the Company's consent, complying with its existing obligation and confirming that the Company does not have any obligation to pay any success or facilitation fee as a result of the Acquisition;
- (vi) **Regulatory Approvals:** the Company obtaining all necessary regulatory approvals and governmental consents from relevant authorities required in connection with the Acquisition;
- (vii) **Royalty Agreement:** Wildcat Resources passing the resolutions required under Chapter 2E of the Corporations Act for the grant of a 2% net smelter royalty and entry by Wildcat Resources and Wildcat Gold into a royalty agreement with Royal Blue Bottle Pty Ltd (ACN 630 023 380) (**Royal Blue Bottle**), an entity of which incoming directors Mr Matthew Banks and Mr Alex Hewlett are shareholders (indirectly) and of which Mr Matthew Banks is a director (**Royalty Agreement**) (this has been met); and
- (viii) **Other:** any such other conditions that are necessary in order for the matters contemplated by the Acquisition Agreement to be properly completed.

#### 8.4 Royalty Agreement

Wildcat received shareholder approval under Chapter 2E of the Corporations Act for it to enter into the Royalty Agreement with Royal Blue Bottle.

The Royalty Agreement was entered into in consideration for work undertaken, effort expended and expenditure incurred by certain directors of Wildcat and associated entities prior to Wildcat's incorporation in respect of the Mt Adrah Gold Project.

Pursuant to the Royalty Agreement:

- (a) Wildcat Gold as registered holder of the Tenements agrees to pay a royalty to Royal Blue Bottle equal to 2% of all Net Smelter Returns received by Wildcat Gold from commercial production on the Tenements (**Royalty**); and
- (b) Wildcat agrees to guarantee the performance by Wildcat Gold of its obligations under the Royalty Agreement.

The key terms of the Royalty Agreement are as follows:

- (a) the obligation to pay the Royalty will commence on the date that Wildcat Gold commences commercial production on the Tenements;
- (b) the Royalty shall be payable in quarterly instalments;
- (c) Royal Blue Bottle may, upon written request, appoint a qualified independent auditor to examine the books, accounts and records of Wildcat

Gold which shall include details relating to products sold and the calculation of the Royalty;

- (d) Wildcat Gold must use reasonable endeavours to sell all products derived from the Tenements as soon as commercially reasonable, and on arm's length terms;
- (e) Wildcat and Wildcat Gold must not assign, encumber, transfer, dispose or otherwise deal with their respective interest in any of the Tenements without ensuring that any party receiving an interest in the Tenements agrees to be bound to the terms of the Royalty Agreement;
- (f) Wildcat and Wildcat Gold must not sell, transfer, assign, or dispose of any of their respective rights under the Royalty Agreement without the consent of Royal Blue Bottle;
- (g) Wildcat shall have a pre-emptive right to purchase the Royalty in the event Royal Blue Bottle wishes to sell the Royalty; and
- (h) Wildcat agrees to guarantee the performance by Wildcat Gold of its obligations under the Royalty Agreement, and indemnify Royal Blue Bottle against any liability or loss arising from any default by Wildcat Gold of its payment obligations under the Royalty Agreement.

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

The Company will assume Wildcat's obligations in respect of the Royalty Agreement at completion. As noted above, Royal Blue Bottle is an entity of which incoming directors Mr Matthew Banks and Mr Alex Hewlett are shareholders (indirectly) and of which Mr Matthew Banks is a director. In the event the Royalty becomes payable, Messrs Banks and Hewlett will receive a benefit from the Company due to their interest in Royal Blue Bottle.

It is noted that the Tenements are exploration licences, and there is no certainty that the Mt Adrah Gold Project will proceed to commercial production or that any Royalty will ultimately be paid.

## **8.5 Board and management changes and Director Securities**

Subject to Shareholder approval, Mr Matthew Banks will be joining the Company as Executive Director. Mr Alexander Hewlett will also join as the Company's Non-Executive Director. For further information on Messrs Banks and Hewlett see Section 8.10.

As part of the transaction and subject to Shareholder approval, the Company will issue:

- (a) four separate tranches of 3,000,000 unlisted Options to incoming director Mr Banks (or his nominee) (12,000,000 in total);
  - (b) four separate tranches of 1,500,000 unlisted Options to incoming director Mr Hewlett (or his nominee) (6,000,000 in total),
- (collectively, **Director Options**); and

- (c) 4,000,000 Performance Rights to Mr Banks and Mr Hewlett (or their respective nominees) (8,000,000 in total) on the terms and conditions of the Company's existing Performance Rights on issue (**Director Performance Rights**),

The Director Options are to be issued as follows:

- (a) Tranche 1 - exercisable at \$0.025 each, expiring 3 years from date of issue; and
- (b) Tranche 2 - exercisable at \$0.05 each, expiring 3 years from date of issue;
- (c) Tranche 3 - exercisable at \$0.075 each, expiring 3 years from date of issue; and
- (d) Tranche 4 - exercisable at \$0.10 each, expiring 3 years from date of issue.

Further to the original announcement of the Acquisition, the Board is also seeking approval to issue 19,000,000 Incentive Options to the existing Directors. The Incentive Options provide an incentive component to the Directors' remuneration packages, and align their interests with those of Shareholders. The Board considers that the proposed number of Incentive Options to be granted are commensurate with the Directors value to the Company and is an appropriate method to provide cost effective remuneration. See Section 18 for further information.

## 8.6 Pro forma balance sheet

An unaudited pro forma statement of financial position of the Company as at 30 June 2019 based on the audited full year accounts of the Company is set out in Schedule 2.

## 8.7 Effect on capital structure

The pro forma capital structure of the Company following completion of the Acquisition and proposed issue of Director Options, Incentive Options and Director Performance Rights is set out below:

	Shares	%	Options	Performance Rights	Performance Shares
Currently on issue	250,000,000	78.9	-	14,000,000	-
Consideration Shares	63,875,000	20.1	-	-	-
Force Shares	3,125,000	1.0	-	-	-
Class A Performance Shares	-	-	-	-	67,000,000
Class B Performance Shares	-	-	-	-	67,000,000
Consideration Options	-	-	20,000,000	-	-
Director Options			18,000,000		
Director Performance Rights				8,000,000	

Incentive Options			19,000,000		
<b>TOTAL</b>	<b>317,000,000</b>	<b>100</b>	<b>57,000,000</b>	<b>22,000,000</b>	<b>134,000,000</b>

Assuming all of the performance-based securities vest and the Options and performance-based securities are converted to Shares, and assuming no other Shares are issued the capital structure would be as follows:

	<b>Shares</b>	<b>%</b>	<b>Options</b>	<b>Performance Rights</b>	<b>Performance Shares</b>
Currently on issue	250,000,000	47.2	-	-	-
Consideration Shares	63,875,000	12.1	-	-	-
Force Shares	3,125,000	0.6	-	-	-
Class A Performance Shares	67,000,000	12.6	-	-	-
Class B Performance Shares	67,000,000	12.6	-	-	-
Consideration Options	20,000,000	3.8	-	-	-
Director Options	18,000,000	3.4	-	-	-
Performance Rights	22,000,000	4.2	-	-	-
Incentive Options	19,000,000	3.6	-	-	-
<b>TOTAL</b>	<b>530,000,000</b>	<b>100</b>	-	-	-

## 8.8 Proposed budget

The Company intends to use its existing cash reserves post-Acquisition as follows:

Allocation of funds	Amount (Min)	%	Amount (Max)	%
Fraser Range Project	\$160,000	8.8	\$543,000*	29.9
Mt Adrah Gold Project	\$898,000	49.5	\$898,000	49.5
Working capital/corporate	\$757,000	41.7	\$374,000	20.6
<b>Total</b>	<b>\$1,815,000</b>	<b>100</b>	<b>\$1,815,000</b>	<b>100</b>

*\* Maximum amounts for expenditure on Fraser Range Project based on assumption that initial RC drilling is successful and second phase of RC drilling is also successful.*

The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The use of equity funding or Share placements will be considered by the Board where it is appropriate to accelerate a specific business objective or project.

## 8.9 Anticipated timetable

Event	Indicative Timing
Despatch of this Notice to Shareholders	Wednesday, 30 October 2019
Shareholder Meeting ASX notified whether Shareholders' approval has been granted for the Resolutions	Friday, 29 November 2019
Completion	Friday, 6 December 2019

This timetable is a proposed indicative timetable only and the Board reserves the right to vary the dates in accordance with the Listing Rules.

## 8.10 Composition of Board of Directors and Management team

The Board currently comprises:

- (a) Mr Thomas Bahen, Non-Executive Director;
- (b) Mr Aidan Platel, Non-Executive Director; and
- (c) Mr Zane Lewis, Non-Executive Director.

Subject to prior Shareholder approval the Company will appoint Mr Matthew Banks as Executive Director and Mr Alexander Hewlett as Non-Executive Director at

Completion. Director, Mr Zane Lewis, will step down as a director on completion of the Acquisition.

Set out below is background information in relation to the skills and experience of Messrs Banks and Hewlett.

**(a) Mr Matthew Banks**

Mr Banks has near two decades experience specialising in marketing and public relations and more recently in finance. During that time, he has developed strong relationships with a number of leading public and private companies as well as high net worth individuals from across a number of industries. He is also a partner in an advisory firm that recapitalised Spectrum Metals Ltd (ASX:SPX) in 2017.

Mr Banks is a non-executive director of gold and base metal explorer Rumble Resources (ASX: RTR) and is a non-executive director of HitIQ Ltd, which is an Australian developed concussion technology trialling with the AFL and NRL in the 2019 seasons of both codes.

Pursuant to the Acquisition Agreement, Mr Banks (or an entity controlled by him) will enter into an agreement with the Company which provides for a base salary of \$100,000 per annum for a minimum of 2 days per week.

Mr Banks will also receive 20 million Director Options and 4 million Director Performance Rights.

**(b) Mr Alexander Hewlett**

Mr Hewlett has an extensive background in public companies including involvement in initial public offerings, reverse takeovers, capital raisings and has sat on the board of several listed companies. Alex is a geologist and is currently executive chairman of Spectrum Metals (ASX:SPX)

Alex was instrumental in the listing of gold development company Black Cat Syndicate (ASX Code:BC8) which listed early 2018.

Pursuant to the Acquisition Agreement, Mr Hewlett (or an entity controlled by him) will enter into an agreement with the Company which provides for a base salary of \$30,000 per annum.

Mr Hewlett will also receive 6 million Director Options and 4 million Director Performance Rights.

## **8.11 Advantages of the proposals in the Acquisition Resolutions**

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

- (a) The Company, by increasing mineral prospects via the acquisition, increases the opportunity for exploration success.
- (b) Diversification into new tenement areas may reduce risk to specific projects.
- (c) Relevance of the Company to investors may be increased.

- (d) The Company may be able to raise further funds by way of new equity as a result of acquiring an interest in Wildcat.

## **8.12 Disadvantages of the proposals in the Acquisition Resolutions**

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

- (a) Significant dilution to non-associated shareholders will occur.
- (b) Resources will be diverted away from Fraser Range tenements and to Mt Adrah project.

## **8.13 Taxation**

The Acquisition may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal taxation position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any individual Shareholder's taxation consequences on any aspect of the Acquisition or the Resolutions.

## **8.14 Plans for the Company if the Acquisition Resolutions are not passed or if the Acquisition does not proceed**

If the Acquisition Resolutions are not passed or if the Acquisition is otherwise not completed, the Company will continue its exploration efforts at its existing Fraser Range project whilst also looking for other projects to add shareholder value.

## **8.15 Directors' interests in the Acquisition Agreement**

None of the Company's existing Directors have any interest in the Acquisition pursuant to the Acquisition Agreement, other than Mr Thomas Bahen as disclosed elsewhere in this Notice.

---

# **9. Risks associated with the Acquisition**

This Section identifies the major areas of risk associated with the Acquisition, but should not be taken as an exhaustive list of the risk factors to which the Company and its Security holders are exposed. References to the Company in this Section 9 include Wildcat Resources post Completion.

## **9.1 Risks relating to the change in nature and/or scale of activities**

### **(a) Dilution risk**

Prior to the Acquisition being originally announced the Company had 250,000,000 Shares and 14,000,000 performance rights on issue.

On a fully diluted basis, and in the unlikely event no other Shares are issued, the existing pre-Acquisition Shareholders will retain approximately 47.2% of the issued capital of the Company and the Vendors (or their nominees) (including Force) will hold 41.1% of the issued capital of the Company.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raising that may be required in order to fund the future development of the Company.

**(b) Contractual and completion risk**

Pursuant to the Acquisition Agreement, the Company has agreed to acquire Wildcat Resources subject to the fulfilment of certain conditions precedent. If any of the conditions precedent are not satisfied or waived, or the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

## **9.2 Specific risks to the Company's operations and the mining industry**

There are a number of specific risks involved for the Company, and consequently its security holders, in the acquisition of Wildcat Resources, including risks specific to the business and assets of Wildcat Resources, which include the following non-exhaustive list.

**(a) Title risk**

Interests in all tenements in Australia are governed by the respective state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

In respect of the Tenements, the Company notes that the exploration expenditure for each was significantly less than required. Failure to comply with expenditure requirements may impede the Company's ability to renew the Tenements.

Whilst the Company understands that changes in ownership to Tenements are taken in consideration for renewals, there is a risk that the Company could lose title to or its interest in tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

**(b) Access risk**

The fact that the Company holds granted tenure pursuant to the Tenements does not guarantee it is able to access the underlying land.

EL8606 affects a state conservation area, making access to it subject to obtaining requisite consents. There is no guarantee such consents will be obtained.

Further, access to all Tenements is subject to access agreements being entered into with landholders. Negotiating such agreements may take time and affect the Company's exploration and development activities.

**(c) Exploration and development risks**

Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

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

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

**(d) Estimation of Mineral Resources and Ore Reserves**

The Company has previously reported a Mineral Resource for the Hobbs Pipe Deposit. The Company may in the future report Mineral Resource or Ore Reserve estimates for its other projects.

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally made may alter significantly when new information becomes available. In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company employs industry-standard techniques including compliance with the JORC Code 2012 to reduce the reserve and resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, Mineral Resource and Ore Reserve estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

**(e) Operating risk**

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

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(f) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(g) **Metals and currency price volatility**

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and battery minerals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold, nickel, copper, other base and precious metals and industrial metals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Metals are principally sold throughout the world in US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(h) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(i) **Native title and Aboriginal heritage risks**

The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation which (inter alia) makes it an offence for a person to damage or in any way alter an Aboriginal site.

There is a risk that Aboriginal sites and objects may exist on the land the subject of the Tenements, the existence of which may preclude or limit mining activities in certain areas of the Tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

Heritage survey work may need to be undertaken ahead of the commencement of exploration or mining operations to reduce the risk of contravening this Aboriginal heritage legislation.

(j) **Third party risks**

Under State and Commonwealth legislation, the Company may be required to obtain the consent of and pay compensation to the holders of third party interests which overlay areas within the Tenements or future tenements granted to the Company, including native title claims and pastoral leases, prior to accessing or commencing any exploration or mining activities on the affected areas within the Tenements. Any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities within the affected areas or future tenements granted to the Company.

(k) **Environmental risk**

The operations and proposed activities of the Company are subject to state and federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

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

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

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

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

**(l) Licences, permits and approvals**

Upon grant of the Wellington Range Tenement applications, the Company will hold all material authorisations required to undertake the exploration program described in this Notice. However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

Pursuant to the licences comprising the Company's projects, the Company will become subject to payment and other obligations. In particular, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the licence subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

**(m) Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(n) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these directors become aware may not necessarily be made available to the Company in the first instance. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations that could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

### 9.3 **General Risks**

(a) **Economic risks**

General economic conditions, political decisions, movements in interest and inflation rates, legislative changes, prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of Company to commodity price and exchange rate risk.

(b) **Market conditions**

The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

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

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

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

**(c) Force majeure**

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

**(d) Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

**(e) Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither the Company nor Wildcat Gold is currently engaged in any litigation.

**(f) Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

**(g) Taxation**

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

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with

respect to the taxation consequences of applying for Shares under this Notice.

---

## **10. Resolution 4 - Approval to change in scale of activities**

### **10.1 General**

Resolution 4 seeks the approval of Shareholders for a change in the scale of the Company's activities via the Acquisition.

A detailed description of the Acquisition is outlined in Section 8 above.

Resolution 4 is and is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 4 is an ordinary Resolution.

### **10.2 Listing Rule 11.1**

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

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

ASX has advised that it requires the Company to obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2 but will not require re-compliance with the admission requirements of Chapters 1 and 2 of the Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under Listing Rule 11.1.2. Without this approval, the Acquisition may not proceed.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are provided throughout this Explanatory Memorandum.

ASX takes no responsibility for the contents of this Notice.

### **10.3 Board recommendation**

The Board (other than Mr Bahen, who is a Vendor) recommends that Shareholders vote in favour of Resolution 4.

The Chair intends to exercise all available proxies in favour of Resolution 4.

---

## **11. Resolution 5 - Approval to create a new class of Performance Shares**

### **11.1 General**

Resolution 5 seeks Shareholder approval for the Company to be authorised to issue Performance Shares as a new class of shares.

Resolution 5 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### **11.2 Requirements for Shareholder approval**

Section 246B of the Corporations Act provides that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the members holding shares in that class; or
- (b) the written consent of the members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

The Company currently has only one class of shares on issue being fully paid ordinary shares and the terms of the Performance Shares are not the same. Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares.

### **11.3 Purpose of the Performance Shares**

The purpose of the issue of the Performance Shares is to link part of the consideration for the Acquisition to certain key performance criteria. If the milestones are not achieved within the prescribed timeframe, any Performance Shares that have not converted into Shares will automatically consolidate into a sum total of one Performance Share, which will then convert into one Share.

### **11.4 ASX approval pursuant to Listing Rule 6.1**

Listing Rule 6.1 provides that the terms that apply to each class of equity security must, in ASX's opinion, be appropriate and equitable.

The Company has applied to ASX for and received confirmation for the issuance of the Performance Shares required under Listing Rule 6.1.

### **11.5 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 5.

The Chair intends to exercise all available proxies in favour of Resolution 5.

---

## **12. Resolution 6 - Approval of Acquisition and Issue of Related Vendor Consideration to Related Vendor**

### **12.1 General**

Resolution 6 seeks Shareholder approval pursuant to Listing Rule 10.1 and Listing Rule 10.11 for the acquisition of shares in Wildcat Resources from the Related Vendor.

### **12.2 Listing Rule 10.1**

Listing Rule 10.1 concerns transactions between an entity or any of its subsidiaries and persons in a position to influence the entity.

Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, a related party of the entity or an associate of such a person without the approval of the entity's security holders.

The acquisition of shares in Wildcat Resources from the Related Vendor is a transaction to which Listing Rule 10.1 applies.

### **12.3 Specific Information required by Listing Rule 10.10**

Pursuant to and in accordance with Listing Rule 10.10, the following information is provided in relation to the Acquisition:

- (a) a voting exclusion statement is included in the Notice; and
- (b) the Company has obtained a report on the acquisition of shares in Wildcat Resources from an Independent Expert, a copy of which is included with this Notice. The Independent Expert has concluded that the proposed Acquisition is **fair and reasonable** to the existing Shareholders. Please refer to Schedule 2 for a copy of the Independent Expert's Report.

### **12.4 Listing Rule 10.11**

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

Listing Rule 10.11 applies in this case as the Related Vendor, an entity controlled by Director, Mr Thomas Bahen, is a shareholder of Wildcat Resources.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of the Related Vendor Consideration will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

## 12.5 Specific information required by Listing Rule 10.13

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

- (a) the Related Vendor Consideration will be issued to the Related Vendor (or its nominees);
- (b) the Related Vendor is to be issued a maximum of:
  - (i) 3,616,071 Consideration Shares;
  - (ii) 3,792,982 Class A Performance Shares;
  - (iii) 3,792,982 Class B Performance Shares; and
  - (iv) 1,019,010 Consideration Options,(collectively, **Related Vendor Consideration**);
- (c) the Related Vendor Consideration will be issued as soon as practicable after the date of the Meeting and in any event, no later than 1 month after the date of the Meeting;
- (d) the Related Vendor Consideration will be issued for nil cash consideration as it will be issued as part consideration for the Acquisition and therefore no funds will be raised as a result of the issue;
- (e) the Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Class A Performance Shares will be issued on the terms and conditions set out in Schedule 4;
- (g) the Class B Performance Shares will be issued on the terms and conditions set out in Schedule 4;
- (h) the Consideration Options will have an exercise price of \$0.04 each, an expiry date of three years after the date of issue and will be issued on the terms and conditions set out in Schedule 5; and
- (i) a voting exclusion statement is included in the Notice.

## 12.6 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The Acquisition will result in the issue of Securities which constitutes giving a financial benefit and the Related Vendor is a related party of the Company by virtue of being an entity controlled by Director, Mr Thomas Bahen.

The Board (other than Mr Thomas Bahen, who has a material personal interest in Resolution 6) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Vendor Consideration to the Related Vendor, because the consideration that will be issued to the Related Vendor will be issued on the same terms as consideration issued to the Unrelated Vendors for the Acquisition, and as such the giving of the financial benefit is on arm's length terms.

## **12.7 Additional Information**

Resolution 6 is an ordinary resolution.

The Board (other than Mr Thomas Bahen, who has a material personal interest in Resolution 6) recommends that Shareholders vote in favour of Resolution 6.

The Chair will cast all available proxies in favour of Resolution 6.

## **12.8 Advantages and disadvantages of the Acquisition**

Summaries of the advantages and disadvantages of the Acquisition are set out in Sections 8.11 and 8.12, respectively.

## **12.9 Independent Expert's Report**

The Directors resolved to appoint Stantons International Securities Pty Ltd as an Independent Expert and commissioned it to prepare a report in which it would provide an opinion as to whether or not the Acquisition from the Related Vendor in Resolution 6 is fair and reasonable to the non-associated Shareholders.

What is fair and reasonable must be judged by the Independent Expert in all the circumstances of the proposal. This requires taking into account the likely advantages to Shareholders if the proposal is approved and comparing them with the disadvantages to the if the proposal is not approved.

The Independent Expert has concluded that the proposed acquisition in Resolution 6 is **fair and reasonable** to the non-associated Shareholders. The Directors are pleased that an independent authority has endorsed the Board's recommendation to approve the Acquisition.

The Company strongly recommends that you read the Independent Expert's Report in full, a copy of which is located at Schedule 2.

---

## **13. Resolution 7 - Approval to issue Unrelated Vendor Consideration to Unrelated Vendors**

### **13.1 General**

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Unrelated Vendor Consideration to the Unrelated Vendors (or their respective nominees).

### **13.2 Listing Rule 7.1**

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

The effect of Resolution 7 will be to allow the Company to issue the Unrelated Vendor Consideration during the period of 3 months after the Meeting, without using the Company's 15% annual placement capacity under Listing Rule 7.1.

### **13.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 12.4.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Unrelated Vendor Consideration to the Proposed Directors and consequently Shareholder approval is not sought under Listing Rule 10.11.

### **13.4 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Unrelated Vendor Consideration:

- (a) the Unrelated Vendors will be issued a maximum of:
  - (i) 60,258,929 Consideration Shares;
  - (ii) 63,207,018 Class A Performance Shares;
  - (iii) 63,207,018 Class B Performance Shares; and
  - (iv) 18,980,990 Consideration Options,(collectively, **Unrelated Vendor Consideration**);
- (b) the Unrelated Vendor Consideration will be issued as soon as practicable after the date of the Meeting and in any event, no later than 3 months after the date of the Meeting;
- (c) the Unrelated Vendor Consideration will be issued for nil cash consideration as it will be issued as part consideration for the Acquisition and therefore no funds will be raised as a result of the issue;
- (d) the Unrelated Vendor Consideration will be issued to the Unrelated Vendors (or their respective nominees), each of whom (other than the Proposed Directors) are not related parties of the Company. The Directors consider

that Listing Rule 10.12 exception 6 applies to the proposed issue of the Unrelated Vendor Consideration to the Proposed Directors and as such no approval under Listing Rule 10.11 is sought in respect of those Unrelated Vendor Consideration. See Schedule 7 for details of the Vendors;

- (e) the Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Class A Performance Shares will be issued on the terms and conditions set out in Schedule 4;
- (g) the Class B Performance Shares will be issued on the terms and conditions set out in Schedule 4;
- (h) the Consideration Options will have an exercise price of \$0.04 each, an expiry date of three years after the date of issue and will be issued on the terms and conditions set out in Schedule 5; and
- (i) a voting exclusion statement is included in the Notice.

### **13.5 Additional Information**

Resolution 7 is an ordinary resolution.

The Board (other than Mr Bahen who is also a Vendor) recommends that Shareholders vote in favour of Resolution 7.

The Chair will cast all available proxies in favour of Resolution 7.

---

## **14. Resolution 8 - Approval to issue Force Shares to Force**

### **14.1 General**

Resolution 8 seeks Shareholder approval under Listing Rule 7.1 for the issue of 3,125,000 Force Shares to Force (or its nominee) in accordance with the terms of the Acquisition Agreement, as set out in Section 8.3.

The Force Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Resolution 8 is an Acquisition Resolution and is subject to Shareholders passing each of the Acquisition Resolutions.

Resolution 8 is an ordinary Resolution.

Refer to Section 8.1 for further details regarding the background to Resolution 8.

### **14.2 Application of Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 13.2.

The effect of Resolution 8 will be to allow the Company to issue the Force Shares during the period of 3 months after the Meeting, without using the Company's 15% annual placement capacity under Listing Rule 7.1.

### **14.3 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Force Shares:

- (a) a maximum of 3,125,000 Force Shares will be issued to Force;
- (b) the Force Shares will be issued as soon as practicable after the date of the Meeting and in any event, no later than 3 months after the date of the Meeting;
- (c) the Force Shares will be issued for nil cash consideration in satisfaction of the terms of the Acquisition Agreement and therefore no funds will be raised as a result of the issue;
- (d) the Force Shares will be issued to Force (or its nominee), who are not related parties of the Company;
- (e) the Force Shares to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) a voting exclusion statement is included in the Notice.

### **14.4 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 8.

The Chair intends to exercise all available proxies in favour of Resolution 8.

---

## **15. Resolution 9 - Election of Director - Mr Matthew Banks**

### **15.1 General**

Clause 13.4 of the Company's Constitution allows the Company to elect a as a Director by resolution passed in general meeting.

Pursuant to the Acquisition Agreement, at Completion it is proposed that Mr Banks be appointed as Executive Director.

Resolution 9 seeks approval for the election of Mr Banks as a Director on and from Completion if each of the other Acquisition Resolutions are approved by Shareholders. He will be appointed as Executive Director.

Please refer Section 8.10 for information on the qualifications, skills and experience of Mr Banks.

Resolution 9 is an Acquisition Resolution and subject to Shareholders passing each of the Acquisition Resolutions and Completion occurring.

Resolution 9 is an ordinary resolution.

### **15.2 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 9.

The Chair intends to exercise all available proxies in favour of Resolution 9.

---

## **16. Resolution 10 - Election of Director - Mr Alexander Hewlett**

### **16.1 General**

Clause 13.4 of the Company's Constitution allows the Company to elect a person as a Director by resolution passed in general meeting.

Pursuant to the Acquisition Agreement, at Completion it is proposed that Mr Hewlett be appointed as Non-Executive Director.

Resolution 10 seeks approval for the election of Mr Hewlett as a Director on and from Completion if each of the other Acquisition Resolutions are approved by Shareholders. He will be appointed as Non-Executive Director.

Please refer Section 8.10 for information on the qualifications, skills and experience of Mr Hewlett.

Resolution 10 is an Acquisition Resolution and subject to Shareholders passing each of the Acquisition Resolutions and Completion occurring.

Resolution 10 is an ordinary resolution.

### **16.2 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 10.

The Chair intends to exercise all available proxies in favour of Resolution 10.

---

## **17. Resolutions 11(a) to 11(d) - Approval to issue Director Securities to Messrs Matthew Banks and Alexander Hewlett**

### **17.1 General**

Resolutions 11(a) and 11(b) seek Shareholder approval, subject to each of the other Acquisition Resolutions being passed, to issue a total of 18,000,000 unquoted Options to Proposed Directors, Messrs Banks and Hewlett (or their respective nominees) (**Director Options**).

Resolutions 11(c) and 11(d) seek Shareholder approval, subject to each of the other Acquisition Resolutions being passed, to issue a total of 8,000,000 Performance Rights to Proposed Directors, Messrs Banks and Hewlett (or their respective nominees) (**Director Performance Rights**).

The Director Securities form part of the Proposed Directors remuneration as Directors of the Company.

The proposed Director Options are exercisable in 4 tranches as set out below:

Proposed Director	Director Options				
	Tranche 1 <sup>1</sup>	Tranche 2 <sup>2</sup>	Tranche 3 <sup>3</sup>	Tranche 4 <sup>4</sup>	Total
Mr Matthew Banks	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
Mr Alexander Hewlett	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
<b>TOTAL</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>18,000,000</b>

**Notes:**

1. Tranche 1 Director Options exercisable at \$0.025 each, expiring 3 years from date of issue.
2. Tranche 2 Director Options exercisable at \$0.05 each, expiring 3 years from date of issue.
3. Tranche 3 Director Options exercisable at \$0.075 each, expiring 3 years from date of issue.
4. Tranche 4 Director Options exercisable at \$0.10 each, expiring 3 years from date of issue.

The Director Performance Rights, subject to Shareholder approval, will be issued on the terms and conditions of the Company's existing Performance Rights on issue, as set out in Schedule 6.

## **17.2 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolutions 11(a) to 11(d).

The Chair intends to exercise all available proxies in favour of Resolutions 11(a) to 11(d).

## **17.3 Purpose of the Director Securities**

The Director Securities provide an incentive component to the Proposed Directors remuneration packages, and align their interests with those of Shareholders. The Board considers that the proposed number of Director Securities to be granted are commensurate with the Proposed Directors value to the Company and is an appropriate method to provide cost effective remuneration.

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

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of the Director Securities constitutes giving a financial benefit and Messrs Banks and Hewlett are related parties of the Company by virtue of being Proposed Directors of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Securities to the Proposed Directors because the agreement to grant the Director Securities, reached as part of the remuneration packages for Messrs Banks and Hewlett, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

## **17.5 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 12.4.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Director Securities to the Proposed Directors and consequently Shareholder approval is not sought under Listing Rule 10.11, but under Listing Rule 7.1.

## **17.6 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.3, the following information is provided in relation to the proposed grant of the Director Securities:

- (a) a maximum of 12,000,000 Director Options and 4,000,000 Director Performance Rights will be issued to Mr Matthew Banks (or his nominees);
- (b) a maximum of 6,000,000 Director Options and 4,000,000 Director Performance Rights will be issued to Mr Alexander Hewlett (or his nominees);
- (c) the Director Securities will be issued as soon as practicable after the date of the Meeting and in any event, no later than 3 months after the date of the Meeting;
- (d) the Director Securities will be issued for nil cash consideration as they will be issued as part of Messrs Banks and Hewlett's remuneration packages. Any funds raised from the exercise of the Director Options will be put towards working capital;
- (e) the Director Options will be issued on the terms and conditions set out in Schedule 5;
- (f) the Director Performance Rights will be issued on the terms and conditions set out in Schedule 6; and
- (g) a voting exclusion statement is included in this Notice.

## 18. Resolutions 12(a) to 12(c) - Approval to issue Incentive Options to Mr Thomas Bahen, Mr Aidan Platel and Mr Zane Lewis

### 18.1 General

The Resolutions that form Resolution 12 seek Shareholder approval to issue a total of 19 million unquoted Options to Directors, Messrs Thomas Bahen, Aiden Patel and Zane Lewis (or their respective nominees) (**Incentive Options**).

The Incentive Options form part of the remuneration for the Directors. The approval to issue the Incentive Options to each Director (or their respective nominees) are considered as separate resolutions.

The proposed Incentive Options are exercisable in 4 tranches as set out below:

Recipient	Incentive Options				
	Tranche 1 <sup>1</sup>	Tranche 2 <sup>2</sup>	Tranche 3 <sup>3</sup>	Tranche 4 <sup>4</sup>	Total
Mr Thomas Bahen	750,000	750,000	750,000	750,000	3,000,000
Mr Aiden Patel	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
Mr Zane Lewis	2,500,000	2,500,000	2,500,000	2,500,000	10,000,000
<b>TOTAL</b>	<b>4,750,000</b>	<b>4,750,000</b>	<b>4,750,000</b>	<b>4,750,000</b>	<b>19,000,000</b>

#### Notes:

1. Tranche 1 Incentive Options exercisable at \$0.025 each, expiring 3 years from date of issue.
2. Tranche 2 Incentive Options exercisable at \$0.05 each, expiring 3 years from date of issue.
3. Tranche 3 Incentive Options exercisable at \$0.075 each, expiring 3 years from date of issue.
4. Tranche 4 Incentive Options exercisable at \$0.10 each, expiring 3 years from date of issue.

### 18.2 Section 195 of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors do not have a material personal interest in the issue of Director Options to a Director (or their nominee(s)) other than to him or herself. However, given that it is proposed that all Directors are issued Director Options pursuant to Resolutions 12(a), 12(b) and 12(c), they may be considered to have a material personal interest in the outcome of Resolutions 12(a), 12(b) and 12(c), in which case the Directors would be unable to form a quorum. Accordingly, the Board considers it prudent to exercise their right under section 195(4) of the Corporations Act, and put the matter to Shareholders to resolve.

### **18.3 Purpose of the Incentive Options**

The Incentive Options provide an incentive component to the Directors remuneration packages, and align their interests with those of Shareholders. The Board considers that the proposed number of Incentive Options to be granted are commensurate with the Directors value to the Company and is an appropriate method to provide cost effective remuneration.

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

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of the Incentive Options constitutes giving a financial benefit and Mr Bahen, Mr Platel and Mr Lewis are related parties of the Company.

Messrs Bahen, Patel and Lewis are related parties of the Company due to being Directors.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Incentive Options to the Directors (or their nominees) because the agreement to grant the Incentive Options, reached as part of the remuneration packages for Messrs Bahen, Platel and Lewis, is considered reasonable remuneration in the circumstances.

### **18.5 Listing Rule 10.11**

A summary of Listing Rule 10.11 is set out in Section 12.4.

Listing Rule 10.11 applies in this case as Mr Bahen, Mr Platel and Mr Lewis are related parties of the Company.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of the Incentive Options will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

## **18.6 Specific information required by Listing Rule 10.11**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the Incentive Options:

- (a) a maximum of 3,000,000 Incentive Options will be issued to Mr Bahen (or his nominee);
- (b) a maximum of 6,000,000 Incentive Options will be issued to Mr Patel (or his nominee);
- (c) a maximum of 10,000,000 Incentive Options will be issued to Mr Lewis (or his nominee);
- (d) the Incentive Options will be issued as soon as practicable after the date of the Meeting and in any event, no later than 1 month after the date of the Meeting;
- (e) the Incentive Options will be issued for nil cash consideration as they will be issued as part of the Director's remuneration packages. Any funds raised from the exercise of the Incentive Options will be put towards working capital;
- (f) the Incentive Options will be issued on the terms and conditions set out in Schedule 5; and
- (g) a voting exclusion statement is included in this Notice.

---

## **19. Resolution 13 - Approval of 10% Placement Facility**

### **19.1 General**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 13 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 19.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 19.2(c) below).

Resolution 13 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 13.

## 19.2 Listing Rule 7.1A

### (a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of less than \$300 million.

### (b) What Equity Securities can be issued?

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

### (c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and
- (D) less the number of fully paid Shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

**(d) What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

**(e) At what price can the Equity Securities be issued?**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

**(Minimum Issue Price).**

**(f) When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

**(g) What is the effect of Resolution 11?**

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

**19.3 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

**(a) Minimum issue price**

If the Company issues Equity Securities for cash consideration under the 10% Placement Facility, then the issue price will be not less than the Minimum Issue Price.

If the Company issues Equity Securities for non-cash consideration under the 10% Placement Facility, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

(b) **Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company will be diluted as shown in the below table (in the case of convertible securities, only if they are converted into Shares).

The below table shows:

- (i) the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for "A" calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 19.2(c)) as at the date of the Notice (**Variable A**);
- (ii) two examples where Variable A has increased, by 50% and 100%; and
- (iii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue Variable A in Listing Rule 7.1A.2	Dilution			
	Issue price per Share	\$0.012 50% decrease in Issue Price	\$0.024 Issue Price	\$0.048 100% increase in Issue Price
317,000,000 Shares  Current Variable A	10% Voting Dilution	31,700,000 Shares	31,700,000 Shares	31,700,000 Shares
	Funds raised	\$380,400	\$760,800	\$1,521,600
475,500,000 Shares  50% increase in current Variable A	10% Voting Dilution	47,550,000 Shares	47,550,000 Shares	47,550,000 Shares
	Funds raised	\$570,600	\$1,141,200	\$2,282,400
634,000,000 Shares  100% increase in current Variable A	10% Voting Dilution	63,400,000 Shares	63,400,000 Shares	63,400,000 Shares
	Funds raised	\$760,800	\$1,521,600	\$3,043,200

**Notes:**

1. The table has been prepared on the following assumptions:
  - (a) the issue price is \$0.024 being the closing price of the Shares on ASX on 28 October 2019, being the last day that the Company's Shares traded on the ASX before this Notice was printed;
  - (b) Variable A is 317,000,000, comprising:
    - (i) 250,000,000 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4; and

- (ii) a total of 67,000,000 Shares issued if Resolutions 6 to 8 are passed at the Meeting;
  - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
  - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
  - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
  3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (iv) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (v) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**(c) Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

**(d) Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for cash consideration, in which case the Company intends to use funds raised for continued investment in the Company's Fraser Range project and soon to be acquired Mt Adrah project, the acquisition of new assets or

investments (including expenses associated with such an acquisition), and/or for general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

**(f) Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 29 November 2018.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 14,000,000 Equity Securities. This represents 6% of the total number of Equity Securities on issue at the commencement of that 12 month period.

The Equity Securities issued were all performance rights approved at the 2018 Annual General Meeting and were issued on 24 December 2018 to the then Directors, employees and contractors for nil consideration. No funds were raised as a result of the issue of the performance rights. The current value of the performance rights is \$84,702.

**(g) Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No

existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

---

## 20. Resolution 14 - Replacement of Constitution

### 20.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 14 seeks the approval of Shareholders to repeal the Company's existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares.

The Proposed Constitution incorporates amendments to the Corporations Act and the Listing Rules since the current Constitution was adopted. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Memorandum, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary.

Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 14 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 14.

### 20.2 Summary of material proposed changes

#### (a) Restricted Securities (article 2.7)

ASX is proposing to introduce a number of changes to the escrow regime in the Listing Rules in December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX is proposing to introduce a two-tier escrow regime where ASX can and will require certain more significant holders of Restricted Securities (as defined by the Listing Rules) and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of Restricted Securities and to simply give a notice to the holder of Restricted Securities in the form of a new Appendix 9C advising them of those restrictions.

Under article 2.7 of the Proposed Constitution, holders of Restricted Securities will be taken to have agreed in writing that those Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the applicable escrow period. Holders of Restricted Securities will also not be entitled to participate in any return of capital on those Securities during the applicable escrow period, except as permitted by the Listing Rules or ASX.

**(b) Minimum Shareholdings (article 2.6 and schedule 3)**

Articles 2.6 and schedule 3 of the Proposed Constitution outline how the Company can manage shareholdings which represent "less than a marketable parcel" of Shares, being a shareholding that is less than \$500 based on the closing price of the Company's Shares on ASX as at the relevant time (**Minimum Shareholding**).

The Proposed Constitution is in line with the requirements for dealing with Minimum Shareholdings outlined in the Corporations Act and Listing Rules such that where the Company elects to undertake a sale of Minimum Shareholdings, the Company is only required to give one notice to holders of Minimum Shareholdings to elect to retain their shareholding before the Minimum Shareholdings can be dealt with by the Company, saving time and administrative costs incurred by otherwise having to send out additional notices.

Schedule 4 of the Proposed Constitution continues to outline in detail the process that the Company must follow for dealing with Minimum Shareholdings.

**(c) Dividends (article 13)**

Section 254T of the Corporations Act was amended effective 28 June 2010.

There is now a three-tiered test that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (i) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and

- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

**(d) Fee for registration of off-market transfers (article 4.4)**

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Article 4.4 of the Proposed Constitution enables the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

**(e) Deemed notice to uncontactable Shareholders (article 14.5)**

Article 14.5 provides that a document will be deemed to have been served to a Shareholder if the document is exhibited in the registered office of the Company for 48 hours in the event that:

- (i) a Shareholder does not have an address in the register of Shareholders, and has not nominated an alternative address; or
- (ii) the Company reasonable believes that a Shareholder is not known at the Shareholder's address in the register of Shareholders or any alternative address provided.

**(f) Partial (proportional) takeover provisions (article 4.9 and schedule 5)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

## **20.3 Information required by section 648G of the Corporations Act**

### **(a) Effect of proposed proportional takeover provisions**

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

### **(b) Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

### **(c) Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### **(d) Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing Shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (i) proportional takeover bids may be discouraged;

- (ii) lost opportunity to sell a portion of their Shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

(e) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 18.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**10% Placement Facility** has the meaning given in Section 19.1.

**10% Placement Period** has the meaning given in Section 19.2(f).

**Acquisition** means the acquisition by the Company of Wildcat Resources in accordance with the Acquisition Agreement.

**Acquisition Agreement** means the agreement described in Section 8.3.

**Acquisition Resolutions** means Resolutions 2 to 11(d) (inclusive).

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2019.

**Article** means an article of the Constitution.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors of the Company.

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

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Class A Performance Shares** means the A class Performance Shares to be issued to the Vendors (or their nominees) on the terms and conditions set out in Schedule 4 as consideration for the Acquisition.

**Class B Performance Shares** means the B class Performance Shares to be issued to the Vendors (or their nominees) on the terms and conditions set out in Schedule 4 as consideration for the Acquisition.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Fraser Range Metals Group Ltd (ACN 098 236 938).

**Completion** means completion of the Acquisition in accordance with the Acquisition Agreement.

**Consideration Options** means the Options proposed to be issued to the Vendors (or their nominees) as part consideration for the Acquisition and have the terms and conditions set out in Schedule 5.

**Consideration Shares** means the Shares proposed to be issued to the Vendors (or their nominees) as part consideration for the Acquisition.

**Constitution** means the constitution of the Company as at the date of the Meeting.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company.

**Director Options** means the Options, the subject of Resolutions 11(a) and 11(b), to be issued to the Proposed Directors and have the terms and conditions set out in Schedule 5.

**Director Securities** means the Director Options and Director Performance rights, collectively.

**Director Performance Rights** means the Performance Rights, the subject of Resolutions 11(c) and 11(d), to be issued to the Proposed Directors on the terms and condition set out in Schedule 6.

**Equity Security** has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company.

**Force** means Force Commodities Ltd (ACN 145 184 667).

**Force Shares** means the Shares to be issued to Force pursuant to the Acquisition Agreement.

**Incentive Option** means the unquoted Options to be issued to the Directors (or their respective nominees) on the terms and conditions set out in Schedule 5, which are the subject of the resolutions which form part of Resolution 12.

**Independent Expert** means Stantons International Securities Pty Ltd.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board.

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

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Minimum Issue Price** has the meaning given in Section 19.2(e).

**Mt Adrah Gold Project** or **Mt Adrah** means the project (which is made up of the Tenements) owned by Wildcat Gold, a 100% wholly owned subsidiary of Wildcat Resources.

**Net Smelter Return** means the gross proceeds actually received from the sale of all mineral product (including but not limited to gold) extracted, produced and sold from the Tenements, less the following costs incurred in relation to the minerals extracted and sold from the Tenements:

- all smelting and refining costs, penalties and other deductions;
- transportation costs;
- handling costs;
- sales costs;
- bank charges; and
- all sales, excise, production, import, export, mining and other taxes, duties, imposts or similar costs levied by a government agency.

**Notice** means this notice of general meeting.

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

**Performance Shares** means the proposed class of shares in the capital of the Company on the terms and conditions set out in Schedule 4, which are the subject of Resolution 5.

**Performance Rights** means performance rights which will convert into a Share upon the satisfaction of the vesting condition relevant to that class of performance right.

**Project** means the Mt Adrah Gold Project.

**Proposed Constitution** means the proposed new constitution of the Company, a copy of which may be sent to Shareholders upon request to the Company Secretary, which is the subject of Resolution 14.

**Proposed Directors** means incoming directors Messrs Matthew Banks and Alexander Hewlett.

**Proxy Form** means the proxy form attached to the Notice.

**PT Bid** means a proportional takeover bid as defined in section 9 of the Corporations Act.

**Related Vendor** means Kobia Holdings Pty Ltd (ACN 127 642 264), an entity controlled by Director Mr Thomas Bahen.

**Related Vendor Consideration** means those Consideration Shares, Class A Performance Shares, Class B Performance Shares and Consideration Options to be issued to the Related Vendor.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

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

**Securities** means all Equity Securities of the Company, including Shares, Options Performance Rights and Performance Shares.

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

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

**Tenements** means EL 7844, EL 8606 and EL 6372.

**Unrelated Vendors** means all Shareholders of Wildcat Resources except for the Related Vendor.

**Unrelated Vendor Consideration** means the Consideration Shares, Class A Performance Shares, Class B Performance Shares and Consideration Options to be issued to the Unrelated Vendors.

**Vendors** means all the shareholders of Wildcat Resources, as set out in Schedule 7.

**Vendor Consideration** means the Related Vendor Consideration and the Unrelated Vendor Consideration.

**Wildcat Gold** means Wildcat Gold Pty Ltd (ACN 624 787 417).

**Wildcat Resources** means Wildcat Resources Limited (ACN 626 519 462).

**WST** means Western Standard Time, being the time in Perth, Western Australia.

## **Schedule 2 - Independent Expert's Report**

29 October 2019

The Independent Directors  
Fraser Range Metals Group Limited  
Suite 6  
295 Rokeby Road  
Subiaco WA 6008

Dear Sirs

**RE: FRASER RANGE METALS GROUP LIMITED ("FRN" OR "THE COMPANY") -  
INDEPENDENT EXPERT'S REPORT RELATING TO THE ACQUISITION OF WILDCAT  
RESOURCES LIMITED ("WILDCAT") AND ISSUE OF SHARES TO RELATED PARTIES**

**1. INTRODUCTION & OPINION**

Stantons International Securities Pty Ltd ("**SIS**") have been instructed by the independent directors of FRN to prepare an Independent Expert's Report ("**IER**") to determine whether the proposed acquisition of Wildcat, involving the issue of new FRN shares to related parties, is fair and reasonable to the shareholders of FRN who are not associated with the proposed Transaction (as defined in section 3.1) (the "**Non-Associated Shareholders**").

FRN intends to seek shareholder approval at a general meeting for the proposed Transaction. The Transaction will be outlined in a Notice of Meeting ("**Notice**") and Explanatory Memorandum ("**EM**") to be provided to shareholders in or around October 2019.

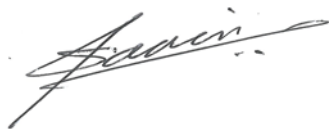
**After taking into account all of the factors noted in this report, we are of the opinion that the proposed Transaction is fair and reasonable to the Non-Associated Shareholders of FRN as at the date of this report.**

Our opinion should not be construed to represent a recommendation as to whether or not FRN shareholders should approve the Transaction. Shareholders who are uncertain as to the impact of approving the Transaction should seek separate advice from their financial and/or taxation adviser.

The opinion expressed above must be read in conjunction with the more detailed analysis made in this report, together with the disclosures and the Financial Services Guide attached as Appendix A to this report.

Yours faithfully

**STANTONS INTERNATIONAL SECURTIES PTY LTD**  
**(Trading as Stantons International Securities)**



**Samir Tirodkar - ACA**  
**Director**

## 2. REPORT SUMMARY

Overview	
Acquirer	Fraser Range Metals Group Limited
Target	Wildcat Resources Limited, which owns the Mt Adrah gold project in NSW and the Wellington Range exploration project in WA
Transaction	<p>Acquisition and associated issues of FRN scrip, including:</p> <p><b>FRN receives:</b></p> <ul style="list-style-type: none"> <li>100% of the issued capital of Wildcat</li> </ul> <p><b>Wildcat vendors receive:</b></p> <ul style="list-style-type: none"> <li>63,875,000 ordinary shares in FRN</li> <li>67,000,000 A Class performance shares in FRN, each convertible to one ordinary share if the Company delineates a minimum inferred resource of 250,000 ounces of gold excluding the current Hobbs Pipe resource estimate</li> <li>67,000,000 B Class performance shares in FRN, each convertible to one ordinary share if the Company delineates a minimum inferred resource of 500,000 ounces of gold excluding the current Hobbs Pipe resource estimate</li> <li>20,000,000 options exercisable at \$0.04, expiring 3 years from the date of issue</li> <li>Royal Blue Bottle Pty Ltd ("<b>RBB</b>"), a related party of Wildcat, will receive a 2% net smelter royalty over the Mt Adrah project.</li> </ul> <p><b>Force receives</b></p> <ul style="list-style-type: none"> <li>Force Commodities Limited ("<b>Force</b>"), the initial vendors of the Mt Adrah project to Wildcat, will receive 3,125,000 ordinary shares in FRN.</li> </ul> <p><b>FRN directors receive:</b></p> <ul style="list-style-type: none"> <li>18,000,000 unlisted options, in aggregate. The expiry date will be 3 years from the date of issue and there are four tranches with respective exercise prices of \$0.025, \$0.05, \$0.075 and \$0.10.</li> <li>8,000,000 performance rights with an expiry date 4 years from the date of issue. The performance rights will vest based on the Company's shares achieving a 5 day weighted average price ("<b>VWAP</b>") of \$0.05 or more prior to expiry.</li> </ul>
Effect on capital structure	<p>FRN will issue ordinary shares representing up to a 21.1% interest in the Company to the Wildcat vendors and Force.</p> <p>Additionally, FRN will issue performance shares, options and performance rights to Wildcat vendors and FRN directors that provide the potential for Wildcat vendors and Directors to hold up to a further 27.2% (48.3% in total) interest in the Company.</p>
Reason for IER	Australian Securities Exchange (" <b>ASX</b> ") Listing Rule 10.1
Our estimated fee for this report	\$20,000 exclusive of GST
Report contents	<ul style="list-style-type: none"> <li>Introduction &amp; opinion</li> <li>Report summary</li> <li>Background</li> <li>Prescribed approach</li> <li>Implications of proposed Transaction</li> <li>Profile of FRN</li> <li>Profile of Wildcat</li> </ul>

	<ul style="list-style-type: none"> <li>• Valuation methodology</li> <li>• Valuation of FRN</li> <li>• Valuation of Wildcat</li> <li>• Fairness of Transaction</li> <li>• Reasonableness of the Transaction</li> <li>• Opinion</li> <li>• Shareholder's decision</li> <li>• Sources of information</li> <li>• Appendix A, our disclosures and Financial Services Guide</li> </ul>
--	--

Valuation of Mineral Assets					
Technical Specialist	CSA Global Pty Ltd				
Mineral interests valued	Project	Tenements	Stage	Commodities	Location
	Fraser Range	E28/2365 E28/2390 E28/2392 E28/1792 (pending)	Early exploration	Gold	WA
	Wellington Range	E53/2046 (pending) E38/3338 (pending) E38/3339 (pending)	Very early stage	Manganese	WA
	Mt Adrah	EL7844 EL8606 EL6372	Advanced exploration	Gold	NSW
Valuation Methodologies	Project		Primary		Secondary
	Fraser Range		Comparable Transactions		Geoscientific
	Mt Adrah - resource		Comparable Transactions		Yardstick
	Mt Adrah – exploration potential		Comparable Transactions		Geoscientific
	Wellington Range		Comparable Transactions		Geoscientific
Values	Project	Low (\$)		Preferred (\$)	High (\$)
	Fraser Range	100,000		300,000	500,000
	Mt Adrah - resource	2,500,000		3,000,000	3,600,000
	Mt Adrah – exploration potential	1,500,000		2,500,000	4,000,000
	Wellington Range	10,000		70,000	130,000

Fairness Opinion				
Opinion	FAIR			
Primary valuation methodology	Net Assets based on market value of mineral interests assessed by technical expert Rationale: Junior resource company, lack of profitable business activity			
		Low	Preferred	High
Value per FRN share (minority basis)		\$0.0058	\$0.0064	\$0.0070
Value of assets acquired from Wildcat compared to value of securities issued				
	Value of Assets Acquired			
	Wildcat (net of royalty interest)	\$3,578,186	\$5,161,386	\$7,220,586
	Value of Securities Issued			
	Value of ordinary shares issued (excluding performance shares)	\$385,374	\$426,605	\$467,836
	Consideration options value	\$5,749	\$7,500	\$9,497
	Director options value	\$4,138	\$5,359	\$6,747
	Value of securities issued (assuming performance shares and rights not vested)	\$395,261	\$439,464	\$484,080
	Additional value if performance shares and performance rights vest	\$816,763	\$904,148	\$991,532
	Value of securities issued (assuming performance shares and rights vested)	\$1,212,024	\$1,344,612	\$1,475,612

Reasonableness Opinion	
Opinion	REASONABLE
<p>The Transaction is considered fair and therefore considered reasonable in accordance with RG111. The below advantages and disadvantages are for information only.</p>	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>The Company, by increasing mineral prospects via the acquisition, increases the opportunity for exploration success. Diversification into a number of new mineral areas by potentially acquiring an interest in Wildcat may reduce risk to specific projects.</li> <li>Increases relevance of the company to ASX and investors</li> </ul>	<ul style="list-style-type: none"> <li>Significant dilution of the Non-Associated Shareholders will occur. 67,000,000 new ordinary shares will be issued, leaving existing shareholders with 78.9% of issued shares. Up to 247,000,000 will be issued if all performance shares, performance rights and options issued convert, which would dilute existing shareholders down to 51.7% of the Company.</li> </ul>

### 3. BACKGROUND

FRN is a mineral exploration company listed on the ASX that focuses on early stage exploration for nickel and gold in the Fraser Range region of Western Australia. Wildcat is a public unlisted company that holds three tenements comprising a West Australian manganese project. Furthermore, through its wholly owned subsidiary Wildcat Gold Pty Ltd, Wildcat has recently acquired 100% ownership of three additional tenements that comprise the Mt Adrah Gold Project ("**Mt Adrah**") from Force. Wildcat has shareholders which include Mr Thomas Bahen, a director of FRN.

#### 3.1 Transaction Terms

The key terms of the transaction are as follows:

- a) FRN will acquire 100% of the issued capital of Wildcat
- b) Wildcat vendors will receive consideration from FRN comprising:
  - i) 63,875,000 new ordinary shares in FRN;
  - ii) 67,000,000 A Class performance shares, each converting to one share in FRN if the Company delineates on the Mt Adrah tenements a minimum inferred resource of 250,000 ounces of gold outside the current Hobbs Pipe resource estimate;
  - iii) 67,000,000 B Class performance shares, each converting to one share in FRN if the Company delineates on the Mt Adrah tenements a minimum inferred resource of 500,000 ounces of gold outside the current Hobbs Pipe resource estimate; and
  - iv) 20,000,000 unquoted options with an exercise price of \$0.04 and an expiry date three years after the date of issue (the "**Consideration Options**"). Each option entitles the holder to one ordinary share.
- c) FRN will issue 3,125,000 ordinary shares to Force, which is deferred consideration from a previous acquisition of the Wildcat projects from Force.
- d) RBB, a related party of Wildcat, will receive a 2% net smelter royalty on the Mt Adrah project.

- e) The Directors of FRN will receive a total of 18,000,000 options comprising four tranches, each with an expiry date three years from the date of issue, and respective exercise prices of \$0.025, \$0.05, \$0.075 and \$0.10.
- f) The directors will additionally receive a total of 8,000,000 performance rights, with an expiry date of 4 years from the date of issue. The performance rights will vest based on the Company's shares achieving a 5 day VWAP of at least \$0.05 at any time prior to expiry.

Due to the interdependency of the resolutions in the Notice to affect the above transaction we have considered the transaction as a collective package. Collectively the above are referred to as the **"Transaction"**.

We also note an additional issue of incentive options is proposed, however the Transaction is not dependent on the approval of these options and accordingly we have not considered these options as part of the Transaction subject of this IER.

### 3.2 IER Requirement

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquire a substantial asset from, or dispose of a substantial asset to, amongst other persons, a subsidiary or a related party, without the prior approval of the entity's Non-Associated Shareholders.

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration (in ASX's opinion) for it is 5% or more of the equity interests of the entity as set out in the latest accounts submitted to ASX. As the value of the acquisition of shares in Wildcat by Mr Thomas Bahen is more than 5% of FRN's equity interests, the Wildcat shares from this party is considered to be a substantial asset.

FRN intends to seek shareholder approval at a general meeting for the proposed Transaction including the issue of shares to related parties, on which the overall Transaction is dependent. The Transaction will be referred to in a Notice and EM attached to the Notice to be forwarded to shareholders. This IER has been prepared for inclusion with the Notice and EM. Details on the related party are outlined in the EM.

## 4. PRESCRIBED APPROACH

In determining the fairness and reasonableness of the Transaction to the Non-Associated Shareholders of FRN, we have had regard to the guidelines set out by ASIC in its *Regulatory Guide 111: Content of Expert Reports* ("**RG 111**").

The applicable guidance in RG 111 (specifically RG 111.57-58) states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the considerations being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity's securities should be compared to the value of the securities it is purchasing.

Additionally, we include an examination to determine whether there is justification for the Transaction on grounds after reference to value (reasonableness). Our opinion on the reasonableness of the Transaction is based on an examination of various qualitative factors to determine whether there is justification for the Transaction beyond a purely quantitative assessment. A transaction is "reasonable" if it is fair (RG111.12), or where it is "not fair", it may still be "reasonable" after considering other significant factors which support the approval of the transaction.

## 5. IMPLICATIONS OF THE PROPOSED TRANSACTION

### 5.1 Current Capital Structure

As at 29 October 2019, the equity capital structure of FRN was as follows:

Security	Number
Fully paid ordinary shares	250,000,000
Performance rights	14,000,000
<b>Total securities on issue</b>	<b>264,000,000</b>

The performance rights were issued to directors, employees and contractors on 24 December 2018, have a 4 year term and will vest upon FRN shares achieving a 5 day VWAP of 5 cents any time before expiry. For the purposes of this report, we have assumed that the existing performance rights will not vest.

### 5.2 Effect of Transaction on Capital Structure

Should the Transaction proceed it will have the following effect on FRN's capital structure:

Security	Ordinary shares	%	Fully diluted basis	%
<b>Existing securities on issue</b>	<b>250,000,000</b>	<b>78.9</b>	<b>264,000,000</b>	<b>51.7</b>
<b>Effect of Transaction</b>				
Ordinary shares to Wildcat vendors	63,875,000	20.1	63,875,000	12.5
A class performance shares	-	-	67,000,000	13.1
B class performance shares	-	-	67,000,000	13.1
Unquoted options	-	-	20,000,000	3.9
Director options	-	-	18,000,000	3.5
Director performance rights	-	-	8,000,000	1.6
Ordinary shares issued to Force	3,125,000	1.0	3,125,000	0.6
<b>Total securities issued</b>	<b>67,000,000</b>	<b>21.1</b>	<b>247,000,000</b>	<b>48.3</b>
<b>Post Transaction</b>	<b>317,000,000</b>	<b>100.0</b>	<b>511,000,000</b>	<b>100.0</b>

We note that shareholder approval will be sought for the grant of a further 19,000,000 director incentive options to be issued at the Meeting. These have been excluded from assessment of the Transaction as the approval for these options is independent from any of the components of the Transaction.

## 6. PROFILE OF FRN

### 6.1 Principal Activities

FRN is an ASX listed mining exploration company with a focus on early stage nickel, copper and gold exploration through the Fraser Range project, located about 215km east of Kalgoorlie, Western Australia. This project consists of three tenements that are between 80 and 110 km along a trend line from Independence Group's Nova-Bollinger nickel-copper deposit.

The main current activities of FRN are an exploratory drilling program in areas of the tenements previously identified. The company has recently undertaken an aboriginal heritage survey in the planned drilling locations that identified no issues. A Program of Work Application has recently been submitted, with drilling expected to commence upon approval.

### 6.2 Directors of FRN

The directors of FRN are:

- Thomas Bahen (Non-Executive Director)
- Aidan Platel (Non-Executive Director)
- Zane Lewis (Non-Executive Director)

### 6.3 Top Shareholders

As at 27 September 2019, the top 20 shareholders of FRN were as follows:

Name	Number held	%
Croesus Mining Pty Ltd	33,193,846	13.3
Getmeoutofhere Pty Ltd	17,500,000	7.0
Futurity Private Pty Ltd	11,590,132	4.6
Mr Mark John Bahen & Mrs Margaret Patricia Bahen	10,000,021	4.0
Nautical Holdings WA Pty Ltd	7,500,000	3.0
Seamist Enterprises Pty Ltd	7,500,000	3.0
6466 Investments Pty Ltd	7,100,000	2.8
Mr Thomas Paspaliaris	6,978,705	2.8
Mr Thomas Francis Corr	4,500,000	1.8
Mr Andrew Macpherson & Mr Shaun William Boyle	4,250,357	1.7
Mr Wayne Robert Aurisch & Miss Samantha Leigh Doyle	4,000,000	1.6
New Frontier Resources Pty Ltd	3,497,304	1.4
Nautical Holdings WA Pty Ltd	3,454,546	1.4
Keyform Enterprises Pty Ltd	3,250,000	1.3
Brown Bricks Pty Ltd	2,900,000	1.2
Mandate 322 Pty Ltd	2,775,728	1.1
Mr Matthew Steven Klein	2,500,000	1.0
Mr Lawrence Bartell & Mr Charles Bartell	2,500,000	1.0
Cranley Consulting Pty Ltd	2,500,000	1.0
Kobia Holdings Pty Ltd	2,356,062	0.9
<b>Top 20 Shareholders</b>	<b>139,846,701</b>	<b>55.9</b>
Other shareholders	110,153,299	44.1
<b>Total Ordinary Shareholders</b>	<b>250,000,000</b>	<b>100.0</b>

## 6.4 Financial Position

Set out below is FRN's audited statement of financial position as at 30 June 2019, adjusted for:

- Exploration and administration/corporate costs between 1 July 2019 and 31 August 2019 of \$54,000 and \$65,000 respectively, in accordance with FRN's July and August Monthly Cash Flow Reports; and
- Estimated expenditure between 1 September 2019 and 30 September 2019 of \$55,000, with \$10,000 on exploration and \$45,000 on administration costs, based on the estimated expenditure disclosed in FRN's August Monthly Cash Flow Report.

	Audited 30 June 2019	Expenditure to 31 August 2019	Estimated expenditure to 30 Sept 2019	Adjusted 30 Sept 2019
	\$	\$	\$	\$
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	1,978,113	(119,000)	(55,000)	1,804,113
Trade and other receivables	26,732	-	-	26,732
<b>Total Current Assets</b>	<b>2,004,845</b>	<b>(119,000)</b>	<b>(55,000)</b>	<b>1,830,845</b>
<b>Non-Current Assets</b>				
Exploration assets	296,963	54,000	10,000	360,963
<b>Total Non-Current Assets</b>	<b>296,963</b>	<b>54,000</b>	<b>10,000</b>	<b>360,963</b>
<b>Total Assets</b>	<b>2,301,808</b>	<b>(65,000)</b>	<b>(45,000)</b>	<b>2,191,808</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables	(61,493)	-	-	(61,493)
<b>Total Current Liabilities</b>	<b>(61,493)</b>	<b>-</b>	<b>-</b>	<b>(61,493)</b>
<b>Total Liabilities</b>	<b>(61,493)</b>	<b>-</b>	<b>-</b>	<b>(61,493)</b>
<b>Net Assets</b>	<b>2,240,315</b>	<b>(65,000)</b>	<b>(45,000)</b>	<b>2,130,315</b>
<b>Equity</b>				
Issued Capital	31,836,017	-	-	31,836,017
Reserves	84,702	-	-	84,702
Accumulated losses	(29,680,404)	(65,000)	(45,000)	(29,790,404)
<b>Total Equity</b>	<b>2,240,315</b>	<b>(65,000)</b>	<b>(45,000)</b>	<b>2,130,315</b>

## 6.5 Financial Performance

A summarised audited statement of comprehensive income for FRN for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019 is set out below.

	12 months to 30 June 2017	12 months to 30 June 2018	12 months to 30 June 2019
	\$	\$	\$
Interest income	20,208	42,684	40,476
Audit fees	(18,700)	(21,250)	(20,930)
Accounting fees	-	(16,045)	(25,710)
Corporate compliance costs	(34,873)	(51,947)	(35,519)
Corporate fees	(144,000)	(77,500)	(71,139)
Directors' fees and consulting costs	(107,583)	(115,667)	(187,020)
Insurance expense	-	(10,219)	(18,518)
Finance costs	(534)	-	-
Legal fees	-	(12,856)	(1,485)
Project evaluation	(2,852)	(97,547)	(5,000)
Travel expenses	-	(30,861)	(71)
Other expenses from ordinary activities	(27,436)	(34,444)	(28,093)
<b>Loss Before Tax</b>	<b>(315,770)</b>	<b>(425,652)</b>	<b>(353,009)</b>
Income tax	-	-	-
<b>Loss After Tax</b>	<b>(315,770)</b>	<b>(425,652)</b>	<b>(353,009)</b>
Other comprehensive loss for period	-	-	-
<b>Total Comprehensive Loss for Period</b>	<b>(315,770)</b>	<b>(425,652)</b>	<b>(353,009)</b>

In assessing FRN's financial position and objectives, it is unlikely to pay dividends to ordinary shareholders in the near future.

## 7. PROFILE OF WILDCAT

### 7.1 Principal Activities

Wildcat is a public unlisted company that incorporated in Australia in May 2018. The Company directly holds three tenements comprising Wellington Range, a Western Australian manganese project. Through a wholly owned subsidiary company, Wildcat Gold Pty Ltd, Wildcat has acquired 100% legal and beneficial ownership of a further three tenements that comprise the Mt Adrah Gold Project in New South Wales from the ASX listed Force.

### 7.2 Directors and Shareholders

The directors of Wildcat are:

- Matthew Banks
- Stuart Fogarty
- Alexander Hewlett
- Steven Wood

The current shareholders of Wildcat as at 8 October 2019 are:

Name	Shares	%
Alexander Hewlett & Michelle Hewlett	1,250,000	7.1
Amanda Hargreaves	1,000,000	5.7
Blu Bone Pty Ltd	4,250,000	24.1
JHAC Pty Ltd	2,500,000	14.2
Kobia Holdings Pty Ltd	1,000,000	5.7
Matthew Banks	1	0.0
Matthew Banks & Sandra Banks	2,000,000	11.3
Mazza Resources Pty Ltd	500,000	2.8
Nardie Group Pty Ltd	150,000	0.8
Pato Negro Pty Ltd	2,000,000	11.3
Philuchna Pty Ltd	150,000	0.8
Tim Hargreaves	1,000,000	5.7
Rock the Polo Pty Ltd	750,000	4.2
Greg Nelligan	250,000	1.4
Emmess Pty Ltd	432,100	2.4
Lampam Pty Ltd	432,100	2.4
<b>Total</b>	<b>17,664,201</b>	<b>100.0</b>

### 7.3 Financial Position

Set out below is Wildcat's Statement of Financial Position as at 9 October 2019, as advised by FRN.

As at 9 Oct 2019	
\$	
<b>Assets</b>	
<b>Current Assets</b>	
Cash and cash equivalents	36,131
<b>Total Current Assets</b>	<b>36,131</b>
<b>Non-Current Assets</b>	
Environmental performance bonds	30,000
Investment in Mt Adrah	250,000
<b>Total Non-Current Assets</b>	<b>280,000</b>
<b>Total Assets</b>	<b>316,131</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts payable	(35,624)
Accrued director fees	(27,375)
GST	13,166
Loan unsecured	(200,000)
Superannuation payable	(7,125)
<b>Total Current Liabilities</b>	<b>(256,958)</b>
<b>Non-Current Liabilities</b>	
Loan - Matthew Banks	(48,987)
<b>Total Non-Current Liabilities</b>	<b>(48,987)</b>
<b>Total Liabilities</b>	<b>(305,945)</b>
<b>Net Assets</b>	<b>10,186</b>
<b>Equity</b>	
Current year earnings	(131,564)
Issued capital	386,000
Accumulated losses	(244,250)
<b>Total Equity</b>	<b>10,186</b>

## 8. VALUATION METHODOLOGY

In assessing the value of FRN and Wildcat, we have considered a range of valuation methods in accordance with RG 111. The valuation methodologies we have considered in determining a fair value of FRN and Wildcat shares are noted below.

### 8.1 Capitalisation of Future Maintainable Earnings ("FME")

This method places a value on a business by estimating the likely future maintainable earnings, capitalised at an appropriate rate which reflects the business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data. The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively stable historical and forecast earnings, regular capital

expenditure requirements and a non-finite expected life. The FME used in the valuation is typically based on net profit after tax, earnings before interest and tax ("**EBIT**") or earnings before interest, tax, depreciation and amortisation ("**EBITDA**"). The capitalisation rate or "earnings multiple" is adjusted to reflect the risk and growth profile of the FME.

## **8.2 Discounted Future Cash Flows ("DCF")**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments with equivalent risks. A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using an appropriate discount rate. DCF valuations are particularly applicable to businesses or projects with limited lives, experiencing strong growth, that are in a start-up phase, or experience irregular cash flows.

## **8.3 Net Asset Value**

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets
- Liquidation of assets
- Net assets on a going concern

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders assuming the entity is wound up in an orderly manner, after payment of all liabilities including realisation costs and taxation charges that arise. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method (herein defined as "**Net Assets**"), estimates the market values of the net assets of an entity, but does not take into account any realisation costs. Net assets on a going concern basis is usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life.

All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

The above asset-based methods ignore the possibility that an entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when entities are not profitable, a significant proportion of the entity's assets are liquid or for asset holding companies.

## **8.4 Quoted Market or Trading Prices**

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market, or trading, price of listed securities. Where there is a ready market for securities through which shares are traded, recent prices at which shares have been bought and sold can be taken as the market value per share. In a perfectly efficient market, such market value includes all factors and influences that impact upon the company. The use of traded prices is more relevant where a security displays regular trading with sufficient liquidity, representative of an efficient market in that security.

## **8.5 Alternative Transaction**

Where any recent genuine offers have been received for the shares being valued it is appropriate to consider those offers in determining the value of the shares. In considering

any alternative offers it is necessary to assess the extent to which the alternative offers are truly comparable (i.e. other terms and conditions of each offer need to be considered) and to make adjustments accordingly.

## **9. VALUATION OF FRN SHARES**

### **9.1 Valuation Methodology Adopted for FRN**

The preferred valuation methodology used to value the shares of FRN is the Net Asset method, although consideration has also been given to recent trading prices of FRN shares. In order to determine the Net Asset value of FRN, we commissioned an independent technical expert, CSA Global Pty Ltd ("**CSA**") specialising in the valuation of mineral assets, to provide a range of values for FRN's mineral assets. The CSA report dated 17 September 2019 is appended to this report as Appendix B (the "**CSA Report**").

We have not considered the FME and DCF methods as appropriate to value the shares of FRN due to the lack of profit history arising from business undertakings and the lack of reliable future cash flow from its current activities in exploration.

To our knowledge, as at the date of this report there has not been any offers made for FRN, thus the use of an offer based method is not relevant for the purposes of this report.

Set out in section 9.3.1 is a summary of the recent traded prices of FRN shares on ASX since 1 July 2018.

### **9.2 Adjusted Net Asset Based Value of FRN Shares**

Set out below is FRN's adjusted net assets as at 30 September 2019 based on FRN being a going concern. The low, preferred and high valuation figures reflect adjustments to the value of FRN's exploration assets in accordance with the technical valuations of FRN's mineral interests as described in Section 9.2.2.

	Ref	Adjusted 30 Sept 2019 \$	Low \$	Preferred \$	High \$
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		1,804,113	1,804,113	1,804,113	1,804,113
Trade and other receivables		26,732	26,732	26,732	26,732
<b>Total Current Assets</b>		<b>1,830,845</b>	<b>1,830,845</b>	<b>1,830,845</b>	<b>1,830,845</b>
<b>Non-Current Assets</b>					
Exploration Assets	9.2.2	360,963	100,000	300,000	500,000
<b>Total Non-Current Assets</b>		<b>360,963</b>	<b>100,000</b>	<b>300,000</b>	<b>500,000</b>
<b>Total Assets</b>		<b>2,191,808</b>	<b>1,930,845</b>	<b>2,130,845</b>	<b>2,330,845</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables		(61,493)	(61,493)	(61,493)	(61,493)
<b>Total Current Liabilities</b>		<b>(61,493)</b>	<b>(61,493)</b>	<b>(61,493)</b>	<b>(61,493)</b>
<b>Total Liabilities</b>		<b>(61,493)</b>	<b>(61,493)</b>	<b>(61,493)</b>	<b>(61,493)</b>
<b>Net Assets</b>		<b>2,130,315</b>	<b>1,869,352</b>	<b>2,069,352</b>	<b>2,269,352</b>
Number of shares on issue ('000)		250,000	250,000	250,000	250,000
<b>Value per FRN share - control basis (\$)</b>			<b>0.0075</b>	<b>0.0083</b>	<b>0.0091</b>
Discount for minority interest basis			23.1%	23.1%	23.1%
<b>Value per FRN share - minority interest (\$)</b>			<b>0.0058</b>	<b>0.0064</b>	<b>0.0070</b>

As there is no intention to wind up the Company, we have not considered wind up values for the purposes of this report. We have been advised that FRN has not been involved in any significant (material) transactions subsequent to 30 September 2019 not already referred to in this report or disclosed via ASX announcements. We note the above valuation Net Asset value for an FRN share does not take into account the existing performance rights, which we consider appropriate as the existing performance rights are currently well out of the money.

**On a Net Asset basis using market values for FRN's mineral interests in accordance with the CSA Report, FRN's shares may be worth between \$0.0058 and \$0.0070, with a preferred value of \$0.0064, on a minority basis.**

### 9.2.1 Discount for Minority Interest

We note a Net Asset valuation assumes a 100% interest in the company, whereas the securities being issued by FRN will represent a minority interest and that no individual vendor will hold more than a 20% interest. Accordingly, a discount from a control basis is appropriate.

Generally, historical evidence of control premiums offered on takeovers for small cap companies are in the range of 20% to 40%<sup>1</sup> (although outcomes outside of this range are not uncommon, with 30% a commonly accepted benchmark).

<sup>1</sup> "Control Premium Study 2017", RSM

To reflect the value of a minority interest in FRN shares, a minority interest discount of 23.1% (the inverse of a 30% control premium) is applied to the assessed value of an FRN share on a control basis.

## 9.2.2 CSA Valuation of FRN's Mineral Interests

The value of FRN's exploration assets has been adjusted to reflect the values described in the CSA Report (Appendix B).

The CSA Report was prepared in accordance with JORC and VALMIN codes. The report provides a review of the mineral assets of FRN and an opinion on the current market value (as defined in the VALMIN code) of those assets.

The primary methodology used by CSA to value FRN's existing assets was market based, using a comparable transactions approach using a \$/km<sup>2</sup> metric. Several assumptions are made in assessing the transactions:

- All transaction values were converted into Australian Dollars at the prevailing exchange rate at the date of the relevant transaction
- Joint venture transactions were only valued to the first earn-in milestone and any subsequent earn-in milestones were ignored
- Exploration expenditure was discounted at a nominal 10% over the earn-in period, to bring future expenditure back to present value
- Future payments contingent on a future milestone such as declaration of a mineral resource or decision to mine were ignored

The CSA report identified 54 transactions involving exploration licenses for gold and base metals in the two years prior to the valuation date. A subset of 30 transactions of exploration licenses of less than 200 km<sup>2</sup> was used as comparable to FRN's assets, with normalised prices in \$/km<sup>2</sup> using the spot gold price on 22 August 2019 of \$2,218.78/oz. FRN's exploration licenses have a total area of 55.85 km<sup>2</sup>. Valuation ranges were applied based on the exploration stage and prospectively of the tenements.

Tenement	Area (km <sup>2</sup> )	FRN equity (%)	Valuation Factors (\$/km <sup>2</sup> )			Valuation (\$)		
			Low	Preferred	High	Low	Preferred	High
E28/2385	11.76	100	10,000	15,000	20,000	120,000	180,000	240,000
E28/2390	17.63	100	1,500	4,000	6,500	30,000	70,000	110,000
E28/2392	14.70	100	1,500	4,000	6,500	20,000	60,000	100,000
E28/2876	11.76	100	500	2,500	2,500	10,000	20,000	30,000
Total	55.85	100	-	-	-	170,000	320,000	470,000

The secondary methodology used was a Geoscientific method valuation. The basis of value in this method is the Base Acquisition Cost ("BAC"), which is the estimated cost to acquire plus the rent or exploration commitment to continue to retain the tenements in good standing. Under this method various adjusting factors are applied to the BAC through application of professional judgement, in the assessment of various factors that affect the potential value of a property. The Geoscientific method is subjective and therefore used only as a secondary methodology. The Geoscientific derived values are shown below.

Licences	Area (km <sup>2</sup> )	FRN Equity (%)	Low (\$)	Preferred (\$)	High (\$)
All	55.9	100	60,000	170,000	290,000

CSA's valuation conclusion for FRN's existing mineral assets was as follows:

	Low	Preferred	High
Existing FRN Assets	(\$)	(\$)	(\$)
Comparable transaction method	100,000	320,000	470,000
Geoscientific method	60,000	170,000	290,000
<b>Preferred value</b>	<b>100,000</b>	<b>300,000</b>	<b>500,000</b>

CSA has assessed the fair value of the FRN exploration licenses as being between \$100,000 and \$500,000, with a preferred value of \$300,000.

Further details on the assumptions and methodologies used are referred to in the CSA Report (Appendix B).

We have used and relied on the CSA Report in assessing the fair value of FRN's mineral interests and have satisfied ourselves that:

- CSA is a suitable geological consulting firm and has relevant experience in assessing the merits of mineral projects and preparing mineral asset valuations (also the principal author of the report, Sam Ulrich, is suitably qualified and experienced);
- CSA and Sam Ulrich are independent of FRN and Wildcat; and
- CSA and Sam Ulrich have employed sound and recognised methodologies in the preparation of the CSA Report on FRN's mineral interests.

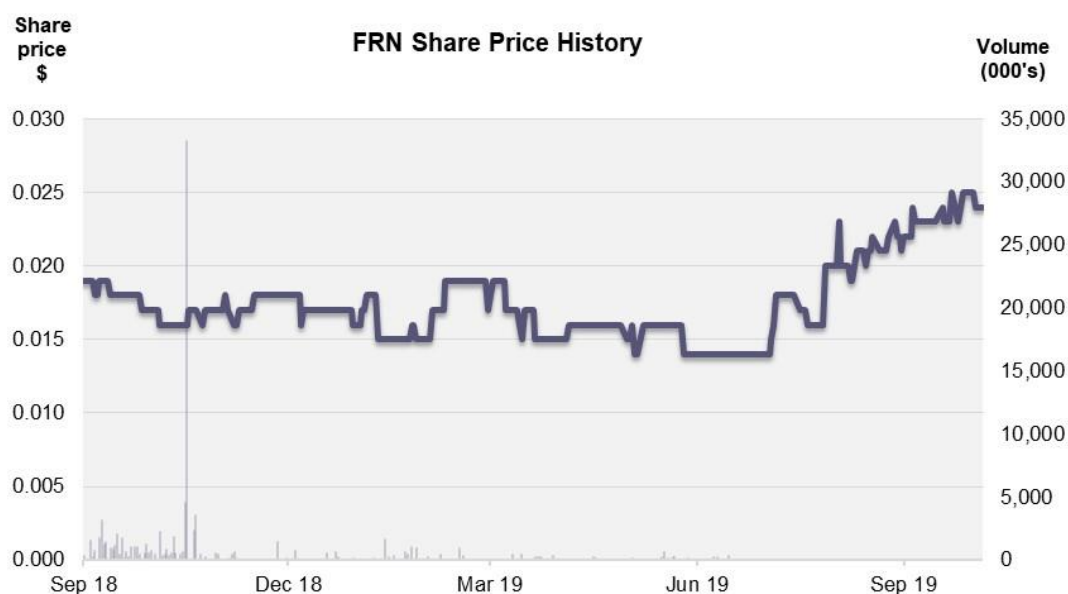
### 9.3 FRN Traded Market Price Basis

In addition to the Net Asset valuation of FRN shares in Section 9.2 of this report, we have considered the recent trading history of FRN shares on the ASX.

Set out below is a summary of the traded share prices of FRN on the ASX from 1 August 2018 to 29 October 2019. The Transaction was announced by FRN on 23 August 2019.

Month	High	Low	Last	VWAP	Volume	Volume/ weighted average ordinary shares
Jul-18	0.022	0.019	0.020	0.020	7,469,736	3.0%
Aug-18	0.021	0.017	0.018	0.019	10,646,811	4.3%
Sep-18	0.019	0.017	0.019	0.018	1,496,610	0.6%
Oct-18	0.018	0.016	0.016	0.017	2,064,827	0.8%
Nov-18	0.017	0.016	0.017	0.017	739,718	0.3%
Dec-18	0.018	0.016	0.016	0.016	525,971	0.2%
Jan-19	0.018	0.015	0.015	0.017	2,187,918	0.9%
Feb-19	0.017	0.015	0.017	0.017	504,550	0.2%
Mar-19	0.019	0.017	0.017	0.018	2,862,434	1.1%
Apr-19	0.017	0.014	0.016	0.015	4,963,586	2.0%
May-19	0.016	0.014	0.016	0.016	1,704,850	0.7%
Jun-19	0.014	0.013	0.014	0.014	2,437,520	1.0%
Jul-19	0.018	0.014	0.018	0.017	1,648,956	0.7%
Aug-19	0.028	0.016	0.020	0.023	47,257,310	18.9%
Sep-19	0.024	0.019	0.023	0.022	14,521,360	5.8%
Oct-19	0.025	0.022	0.024	0.113	18,840,941	7.5%
<b>Total</b>	<b>0.028</b>	<b>0.013</b>	<b>0.024</b>	<b>0.018</b>	<b>119,873,098</b>	<b>47.9%</b>

Source: CMC Markets



Pre/Post Announcement		
Pre-announcement	1-month VWAP	\$0.019
	3-month VWAP	\$0.018
	12-month volatility	64.89%
Post-announcement	VWAP	\$0.024
	High	\$0.028
	Low	\$0.018
	Last	\$0.024

Generally, the market is a fair indicator of what a share is worth, however in order for a quoted market price to be a reliable indicator of a company's value, the company's shares must demonstrate liquidity representative of an efficient market.

Liquidity in FRN shares is considered low. A "deep" market is considered to be where the number of shares traded on a weekly basis exceeds 1% of the company's total shares. FRN's shares' liquidity was consistently below this level in the 12 months preceding the announcement of the Transaction. We also note that FRN's shares are fairly tightly held with top 20 shareholders holding 55.9% of FRN shares as at 27 September 2019.

Accordingly, whilst we have considered the traded share price history as a secondary methodology, this has not influenced our assessment of value for the purpose of opining on the fairness the Transaction.

The future value of an FRN share will depend upon, inter alia:

- the successful exploitation of the mineral assets of FRN;
- the state of commodity markets;
- the cash position of FRN;
- the state of Australian and overseas stock markets;
- membership and control of the board and management of FRN; and
- liquidity of shares in FRN.

#### 9.4 Conclusion on the Value of FRN Shares

In Section 9 we have discussed the Net Asset value and recent ASX trading history of FRN shares.

For the purpose of this report it is considered appropriate to use a Net Asset based value for FRN shares. Accordingly, we have assessed the value of FRN shares on a minority interest basis may range from \$0.0058 to \$0.0070, with a preferred fair value of \$0.0064 cents.

## 9.5 Reconciliation of Technical Value to Traded Share Prices

We note the material difference between traded prices and the assessed technical value of FRN shares. We also note it is not unusual for the market to price mineral exploration companies at significant discounts or premiums to appraised technical values due to various market factors. In addition to a low level of liquidity (which means trading in each stock is unlikely to represent an efficient market), of particular relevance for FRN is:

- current share market valuations and level of investor appetite for junior resource companies; and
- key people involved on the board and as shareholders, which can influence expectations that new value adding project opportunities will be brought to the Company.

Traded share prices are also considered to be more susceptible to short term fluctuations than a technical valuation which is based on longer term fundamental parameters.

## 9.6 Valuation of Consideration Options

We have assessed the value of the consideration options using a Black Scholes model.

In valuing the consideration options, note the following assumptions have been made:

- We have considered a range of deemed spot prices between \$0.0058 and \$0.0070, with a preferred value of \$0.0064 as assessed under the Net Asset valuation of an FRN share in Section 9.2.
- The exercise price is \$0.04, as described in Section 3.1.
- The term of the options is three years, from the date of completion of the Transaction (as described in 3.1).
- We have used the three year Australian Government bond rate, being approximately 0.60% as at 9 October 2019, as a proxy for the risk free rate.
- We have assumed that no dividends are expected to be declared or paid by the Company during the term of the options.
- We note the historical volatility factor for FRN shares over the 12 month period to 9 October 2019, was 65.78% and we have used this as the expected volatility factor in the Black Scholes Model.

The Black Scholes derived value of the Consideration Options is shown below.

	Low A\$	Preferred A\$	High A\$
Value of a Consideration Option (\$)	0.0003	0.0004	0.0005
Number of Consideration Options	20,000,000	20,000,000	20,000,000
<b>Total value of Consideration Options (\$)</b>	<b>5,749</b>	<b>7,500</b>	<b>9,497</b>

## 9.7 Valuation of Director Options

18,000,000 Director options are to be issued to Mr Matthew Banks and Mr Alexander Hewlett in four tranches (in aggregate, the “**Director Options**”). The options will expire three years after the date of issue. The exercise prices for tranches 1 through 4 will be \$0.025, \$0.050, \$0.075 and \$0.100 respectively. The options will be issued as follows:

Director	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Matthew Banks	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
Alexander Hewlett	1,500,000	1,500,000	1,500,000	1,500,000	6,000,000
<b>Total</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>18,000,000</b>

We have assessed the value of the director options using a Black Scholes model.

In valuing the director options, the following assumptions have been made:

- We have considered a range of deemed spot prices between \$0.0058 and \$0.0070, with a preferred value of \$0.0064 as assessed under the Net Asset valuation of an FRN share in Section 9.2.
- The exercise prices for tranches 1 to 4 are as described above.
- The options will expire three years from the date of completion of the Transaction.
- We have used the three year Australian Government bond rate, being approximately 0.60% as at 9 October 2019, as a proxy for the risk free rate.
- We have assumed that no dividends are expected to be declared or paid by the Company during the term of the options.
- We note the historical volatility factor for FRN shares over the 12 month period to 9 October 2019, was 65.78% and we have used this as the expected volatility factor in the Black Scholes Model.

The Black Scholes derived value of the Director Options is shown below.

	Low A\$	Preferred A\$	High A\$
Value of a tranche 1 director option (\$)	0.00058	0.00074	0.00092
Number of tranche 1 options	4,500,000	4,500,000	4,500,000
<b>Value tranche 1 options</b>	<b>2,628</b>	<b>3,335</b>	<b>4,120</b>
Value of a tranche 2 director option (\$)	0.00020	0.00026	0.00033
Number of Tranche 2 options	4,500,000	4,500,000	4,500,000
<b>Value tranche 2 options</b>	<b>882</b>	<b>1,167</b>	<b>1,496</b>
Value of a tranche 3 director option (\$)	0.00009	0.00012	0.00016
Number of tranche 3 options	4,500,000	4,500,000	4,500,000
<b>Value tranche 3 options</b>	<b>407</b>	<b>552</b>	<b>724</b>
Value of a tranche 4 director option (\$)	0.00005	0.00007	0.00009
Number of tranche 4 options	4,500,000	4,500,000	4,500,000
<b>Value tranche 4 options</b>	<b>221</b>	<b>305</b>	<b>407</b>
<b>Total value of Director Options (\$)</b>	<b>4,138</b>	<b>5,359</b>	<b>6,747</b>

## 9.8 Valuation of Director Performance Rights

The director performance rights will be issued on similar terms as the existing performance rights. Consistent with our assumption in Section 5.1, we do not consider the value of the performance rights to be material.

## 10. VALUATION OF WILDCAT

### 10.1 Valuation of Wildcat

The preferred valuation methodology used to value the shares of Wildcat is the Net Assets method. The market value of Wildcat's mineral assets have been assessed in the CSA Report, which we have relied on to arrive at a Net Asset based value of 100% of Wildcat.

### 10.2 Adjusted Net Asset Based Value of Wildcat Shares

Set out below is Wildcat's adjusted net assets as at 9 October 2019 assuming a going concern basis. The low, preferred and high valuation figures reflect adjustments to the value of Wildcat's mineral assets in accordance with the CSA Report as described in Section 10.2.1.

	Ref	As at 9 Oct 2019 \$	Low \$	Preferred \$	High \$
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents		36,131	36,131	36,131	36,131
<b>Total Current Assets</b>		<b>36,131</b>	<b>36,131</b>	<b>36,131</b>	<b>36,131</b>
<b>Non-Current Assets</b>					
Environmental performance bonds		30,000	30,000	30,000	30,000
Mineral Assets	10.3	250,000	3,818,000	5,401,200	7,460,400
<b>Total Non-Current Assets</b>		<b>280,000</b>	<b>3,848,000</b>	<b>5,431,200</b>	<b>7,490,400</b>
<b>Total Assets</b>		<b>316,131</b>	<b>3,884,131</b>	<b>5,467,331</b>	<b>7,526,531</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable		(35,624)	(35,624)	(35,624)	(35,624)
Accrued director fees		(27,375)	(27,375)	(27,375)	(27,375)
GST		13,166	13,166	13,166	13,166
Loan unsecured		(200,000)	(200,000)	(200,000)	(200,000)
Superannuation payable		(7,125)	(7,125)	(7,125)	(7,125)
<b>Total Current Liabilities</b>		<b>(256,958)</b>	<b>(256,958)</b>	<b>(256,958)</b>	<b>(256,958)</b>
<b>Non-Current Liabilities</b>					
Loan - Matthew Banks		(48,987)	(48,987)	(48,987)	(48,987)
<b>Total Non-Current Liabilities</b>		<b>(48,987)</b>	<b>(48,987)</b>	<b>(48,987)</b>	<b>(48,987)</b>
<b>Total Liabilities</b>		<b>(305,945)</b>	<b>(305,945)</b>	<b>(305,945)</b>	<b>(305,945)</b>
<b>Net Assets</b>		<b>10,186</b>	<b>3,578,186</b>	<b>5,161,386</b>	<b>7,220,586</b>

**On a Net Asset basis using market values for Wildcat's mineral interests in accordance with the CSA Report, a 100% equity interest in the capital of Wildcat (net of the royalty interest) may be worth between \$3,578,186 and \$7,220,586, with a preferred value of \$5,161,386.**

## 10.2.1 CSA Valuation of Wildcat's Mineral Interests

### *Mt Adrah Mineral Resource*

CSA's primary methodology for valuing the existing resources at Mt Adrah is a market based comparable transactions methodology using a A\$/oz metric.

The CSA report identified 33 transactions involving gold resources in Australia with less than one million contained gold ounces at a similar development stage to the Hobbs Pipe deposit. Transactions involving operating mines, or corporate transactions where a premium for control was involved, were excluded from the comparables set. Prices in A\$/oz were normalised using the spot price of gold on 22 August 2019 of \$A2,218.78/oz.

We note CSA's opinion of the Mt Adrah resource differs from that of FRN's competent person. CSA view is that at this stage, there is only sufficient evidence to value material which is within 150m of the surface as a resource, due to the dimension of the deposit and uncertainty around mineralisation issues. As a result, whilst the Company has previously reported a gold

resource estimate of 770,000 ounces, CSA's estimate for their purpose of their valuation is 153,000 ounces. CSA's assessed value of the Mt Adrah resource is summarised below.

Mineral Resource Classification	Equity	Contained Au (oz)	Valuation Factors			Valuation (\$)		
			Low	Preferred	High	Low	Preferred	High
Indicated (0-150m) Oxide	100	18,000	17.60	22.00	26.40	320,000	400,000	480,000
Indicated (0-150m) Primary	100	96,000	17.60	22.00	26.40	1,690,000	2,110,000	2,530,000
Inferred (0-150m) Primary	100	39,000	10.00	12.50	15.00	390,000	490,000	3,332,000
<b>Total</b>		<b>153,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,400,000</b>	<b>3,000,000</b>	<b>3,590,000</b>

CSA's secondary valuation methodology for the Mt Adrah mineral resource was the yardstick method. Note that the yardstick method only is considered appropriate for cross-check purposes, as it is simplistic and does not address project specific drivers of value. The yardstick method indicated a valuation of between \$2,900,000 and \$5,900,000, with a preferred value of \$4,400,000.

On balance, CSA assessed the fair value of Mt Adrah's mineral resources to be between \$2,500,000 and \$3,600,000, with a preferred value of \$3,000,000.

#### *Mt Adrah Exploration Potential*

The value of the exploration potential of the Mt Adrah project was also valued by CSA using the comparable transactions method, using a \$/km<sup>2</sup> metric. Comparable transactions for the Mt Adrah exploration tenements were the same as for FRN used in section 9.2.1.

Tenement	Area (km <sup>2</sup> )	Wildcat equity (%)	Valuation factors (\$/km <sup>2</sup> )			Valuation (\$)		
			Low	Preferred	High	Low	Preferred	High
EL6372	28.06	100	10,000	15,000	20,000	280,000	420,000	560,000
EL7844	28.08	100	5,000	7,500	10,000	140,000	210,000	280,000
EL8606	140.30	100	7,500	10,000	12,500	1,050,000	1,400,000	1,750,000
<b>Total</b>	<b>196.44</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,470,000</b>	<b>2,030,000</b>	<b>2,600,000</b>

CSA's secondary methodology used to value the Mt Adrah exploration potential was the Geoscientific method. The Geoscientific method derived a range of values between \$1,600,000 and \$5,300,000, with a preferred value of \$3,400,000, consistent with the comparable transaction methodology.

On balance, CSA assessed the range of fair values of Mt Adrah's exploration potential to be between \$1,500,000 and \$4,000,000, with a preferred value of \$2,500,000.

#### *Wellington Range*

CSA's primary methodology for the Wellington Range exploration tenements was also based on comparative transactions using a \$/km<sup>2</sup> metric. The total area of the Wellington Range tenements is 126.21km<sup>2</sup> and the tenements are considered to be very early stage, and hence have a valuation factor of between \$100/km<sup>2</sup> and \$1,000/km<sup>2</sup>.

Tenement	Area (km <sup>2</sup> )	Wildcat equity (%)	Valuation factors (\$/km <sup>2</sup> )			Valuation (\$)		
			Low	Preferred	High	Low	Preferred	High
E53/2046	27.76	100	100	550	1,000	0	20,000	30,000
E38/3338	70.76	100	100	550	1,000	10,000	40,000	70,000
E38/3339	27.69	100	100	550	1,000	0	20,000	30,000
<b>Total</b>	<b>126.21</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>70,000</b>	<b>130,000</b>

CSA's secondary methodology for the Wellington Range exploration tenements was the Geoscientific method. The Geoscientific Method derived a range of values between \$40,000 and \$420,000, with a preferred value of \$230,000.

On balance, CSA assessed the fair value of the Wellington Range exploration tenements to be between \$10,000 and \$130,000, with a fair value of \$70,000.

#### *Mt Adrah Royalty Interest*

An additional component under the terms of the Transaction is a 2% net smelting royalty will be payable to RBB.

The impact of this royalty is that it will, in effect, reduce the value of Wildcat acquired by FRN.

We note that:

- the spot price of gold, as at 1 October 2019 in was \$2,179 per ounce; and
- the average All-In Sustaining Cost ("AISC") for gold mines in Australia and New Zealand for the June 2019 quarter was \$1,275 per ounce<sup>2</sup>.

This means that, based on the current conditions in the Australian gold market, the average margin that is being obtained by gold mining companies is approximately 42%. Assuming that that this average margin is applicable to the Wildcat's projects, then a 2% of revenue royalty is equivalent to 4.8% of the value of the mineral asset (given that ultimately, value is derived from profitability, not revenue).

Accordingly, whilst we note this is a simplistic methodology, and there is no certainty of whether Wildcat's projects will be developed or the margins they may produce, we consider a reasonable estimate of the value of the royalty interest in the Mt Adrah project is 4.8% of the value of these projects.

### 10.3 Conclusion on the Value of Wildcat Interests to be Acquired

The table below summarises the assessed values of Wildcat's mineral assets, net of the royalty interest being issued to RBB.

Mineral Asset	Low \$	Preferred \$	High \$
Mt Adrah - mineral resource	2,500,000	3,000,000	3,600,000
Mt Adrah - exploration tenure	1,500,000	2,500,000	4,000,000
Wellington Range - exploration tenure	10,000	70,000	130,000
<b>Total (as per CSA report)</b>	<b>4,000,000</b>	<b>5,600,000</b>	<b>7,700,000</b>
Royalty value	(192,000)	(268,800)	(369,600)
<b>Value to FRN shareholders</b>	<b>3,818,000</b>	<b>5,401,200</b>	<b>7,460,400</b>

## 11. FAIRNESS OF TRANSACTION

### 11.1 Fairness Method

The applicable guidance in RG 111 states that a proposed related party transaction is 'fair' if the value of the financial benefit to be provided by the entity to the related party is equal to or less than the value of the considerations being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

<sup>2</sup> Aurum Analytics 2019. Australian & New Zealand Gold Operations June Quarter 2019 – Final Report

Where the financial benefit given by the entity is securities in the entity and the consideration is securities in another entity held by a related party, the value of the entity's securities should be compared to the value of the securities it is purchasing.

In addition to the issue of ordinary shares and options, the Transaction involves a number of performance shares. These performance shares have vesting conditions attached as have been described in Section 3.1. Due to the uncertainty over whether the vesting conditions will be met, we have initially assessed fairness assuming the vesting conditions will not be met. Assuming that all of the conditions are met, then the performance shares would have material value. Additionally, we have considered the effect of all the vesting conditions being met on the value of the consideration paid.

## 11.2 Value of Consideration Compared to Value of Assets Acquired – Assuming No Vesting of Performance Shares and Rights

Considering only the issue of ordinary shares and the Consideration Options, with the assumption that the performance shares and performance rights will not vest, the value of the securities issued by FRN compared to the value of the assets being acquired is summarised below.

	Low A\$	Preferred A\$	High A\$
Value per FRN share - minority interest basis	0.0058	0.0064	0.0070
Shares to be issued to vendors (number)	67,000,000	67,000,000	67,000,000
<b>Value of ordinary shares issued</b>	<b>385,374</b>	<b>426,605</b>	<b>467,836</b>
Consideration Options value	5,749	7,500	9,497
Director Options Value	4,138	5,359	6,747
<b>Total Consideration (excludes performance shares and rights)</b>	<b>395,260</b>	<b>439,464</b>	<b>484,080</b>
<b>Value of Wildcat acquired</b>	<b>3,578,186</b>	<b>5,161,386</b>	<b>7,220,586</b>

## 11.3 Value of Consideration Compared to Value of Assets Acquired – Assuming Performance Shares Vest

The fully diluted value of the securities issued by FRN, assuming that all performance shares and performance rights will vest, compared to the value of the asset being acquired is shown below.

	Low A\$	Preferred A\$	High A\$
Value per FRN share - minority interest basis	0.0058	0.0064	0.0070
Shares to be issued to vendors (number)	67,000,000	67,000,000	67,000,000
<b>Value of ordinary shares issued</b>	<b>385,374</b>	<b>426,605</b>	<b>467,836</b>
Consideration option value	5,749	7,500	9,497
Value of director options issued	4,138	5,359	6,747
Value per FRN share - minority interest basis	0.0058	0.0064	0.0070
Performance shares issued (number)	134,000,000	134,000,000	134,000,000
<b>Value of performance shares</b>	<b>770,748</b>	<b>853,210</b>	<b>935,671</b>
Director Performance Rights issued (number)	8,000,000	8,000,000	8,000,000
<b>Value of performance rights (if vested)</b>	<b>46,015</b>	<b>50,938</b>	<b>55,861</b>
<b>Total Consideration (including performance shares and rights)</b>	<b>1,212,024</b>	<b>1,343,612</b>	<b>1,475,612</b>
<b>Value of Wildcat acquired</b>	<b>3,578,186</b>	<b>5,161,386</b>	<b>7,220,586</b>

#### 11.4 Comparison of Value of Securities Issued to Assets Acquired

The above tables indicate that the value of the consideration being paid by FRN to the vendors of Wildcat is significantly less than the value of the asset being acquired, whether the performance shares are assumed to vest or not. Accordingly, the Transaction is considered to be fair to the Non-Associated Shareholders of FRN as at the date of this report.

## 12. REASONABLENESS OF THE TRANSACTION

### 12.1 Decision on Reasonableness of Transaction

Under RG 111, a transaction is “reasonable” if it is “fair”. **As the Transaction is considered fair, the Transaction is also considered reasonable.** However, for the information of the Non-Associated Shareholders, we note some of the advantages, disadvantages and other factors relating to the Transaction.

### 12.2 Advantages

- The Transaction as noted above is considered fair based on the range of fair market valuations of mineral assets provided by CSA.
- The Company, by increasing mineral prospects via the acquisition, increases the opportunity for exploration success. Diversification into a number of new mineral areas by potentially acquiring an interest in Wildcat may reduce risk to specific projects.
- Increases relevance of the company to ASX and investors
- The Company may be able to raise further funds by way of new equity as a result of acquiring an interest in Wildcat. The raising of new capital may revitalise the Company and allow it to continue its exploration activities.
- We note the share price of FRN increased from 1.6 cents on 22 August to a current price of 2.4 cents, as at 29 October 2019, following the announcement of the

Transaction. If the Transaction does not proceed, there is a risk the share price could fall.

### **12.3 Disadvantages**

- Significant dilution of the Non-Associated shareholders will occur. 67,000,000 new ordinary shares will be issued, leaving existing shareholders with 78.9% of the ordinary shares. Up to 247,000,000<sup>3</sup> will be issued if all rights and options issued are eventually converted into ordinary shares, meaning the existing shareholders will have their interest in the Company reduced to 51.7%.

### **12.4 Other Factors**

- If all 38,000,000 share options are exercised, the Company would receive \$1,925,000 of additional cash funds.

## **13. OPINION**

**We have considered the terms of the Transaction as outlined in the body of this report and have concluded that the Transaction is fair and reasonable to the Non-Associated Shareholders of FRN at the date of this report.**

## **14. SHAREHOLDERS DECISION**

Stantons International Securities Pty Ltd (“**SIS**”) has been engaged to prepare an IER setting out whether in its opinion the Transaction is fair and reasonable and state reasons for that opinion. SIS has not been engaged to provide a recommendation to shareholders as to whether to approve the Transaction (and all other proposals under all resolutions).

The decision whether to approve the Transaction or not is a matter for individual shareholders based on each shareholder's views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the Transaction proposal (and all other proposals under all resolutions), shareholders should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in FRN. This is an investment decision upon which SIS does not offer an opinion and is independent of the decision to approve the Transaction (and all other proposals under all resolutions), or not. Shareholders should consult their own professional adviser in this regard.

## **15. SOURCES OF INFORMATION**

In making our assessment as to whether the Transaction is fair and reasonable to the Non-Associated Shareholders of FRN we have reviewed relevant published information and other unpublished information on the Company which is relevant to the current circumstances. In addition, we have held discussions with the management of FRN about the present and future operations of FRN. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of FRN.

Information we have received includes, but is not limited to the following items.


<sup>3</sup> Excludes incentive options considered outside of Transaction scope

- Discussions with the independent directors of FRN
- Details of historical market trading of FRN shares as recorded by ASX to 29 October 2019
- Shareholding details of FRN as at 27 September 2019
- Annual report of FRN for the year ended 30 June 2019
- Half year report of FRN for the half year ended 31 December 2018
- Announcements made by FRN for the period from 1 January 2018 to 29 October 2019
- The CSA Report on the mineral assets of FRN and Wildcat prepared by CSA and discussions with Sam Ulrich, the author of the CSA Report
- FRN's July 2019 and August 2019 Monthly Cash Flow Reports

Our report includes Appendices A, our declarations and Financial Services Guide and Appendix B being the CSA Report.

Yours faithfully

**STANTONS INTERNATIONAL SECURITIES PTY LTD**  
**(Trading as Stantons International Securities)**



Samir Tirodkar  
**Director**

## **APPENDIX A**

### **AUTHOR INDEPENDENCE AND INDEMNITY**

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd trading as Stantons International Securities dated 29 October 2019, relating to the proposed Transaction.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. There are no relationships with FRN other than Stanton International Securities acting as an independent expert for the purposes of this report. Stantons International Audit and Consulting Pty Ltd ("SIAC") (the parent entity of Stantons International Securities) and Stantons International Securities undertook an independence assessment and considered that there are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is expected to be \$20,000 exclusive of GST. The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities nor Mr Samir Tirodkar have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the preparation of this report.

Stantons International Securities does not hold any securities in FRN. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr Samir Tirodkar have consented to the inclusion of this report in the form and context in which it is included.

### **QUALIFICATIONS**

We advise Stantons International Securities Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act relating to advice and reporting on mergers, takeovers and acquisitions involving securities. Stantons International Securities Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic and financial planning for both listed and unlisted businesses.

Mr Samir Tirodkar, the person responsible for the preparation of this report, has experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

### **DECLARATION**

This report has been prepared at the request of FRN in order to assist shareholders of FRN to assess the merits of the Transaction to which this report relates. This report has been prepared for the benefit of FRN shareholders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons International Securities' opinion as to the longer-term value of FRN, its subsidiaries and/or assets. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of FRN or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

### **DISCLAIMER**

This report has been prepared by Stantons International Securities with care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities (and SIAC, its directors, employees or consultants) for the preparation of this report.

## **DECLARATION AND INDEMNITY**

Recognising that Stantons International Securities may rely on information provided by FRN and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), FRN has agreed:

- (a) to make no claim by it or its officers against Stantons International Securities (and SIAC) to recover any loss or damage which FRN may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by FRN; and
- (b) to indemnify Stantons International Securities against any claim arising (wholly or in part) from FRN, or any of its officers, providing Stantons International Securities with any false or misleading information or in the failure of FRN or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A final draft of this report was presented to FRN for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not change.

## FINANCIAL SERVICES GUIDE

Dated 29 October 2019

### 1. STANTONS INTERNATIONAL SECURITIES PTY LTD (TRADING AS STANTONS INTERNATIONAL SECURITIES)

Stantons International Securities Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) (“**SIS**” or “**we**” or “**us**” or “**ours**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

### 2. 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 licensees.

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: 448697**;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

### 3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### 4. General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking 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. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

**5. Benefits that we may receive**

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, 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.

**6. Remuneration or other benefits received by our employees**

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

**7. 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.

**8. Associations and relationships**

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

**9. Complaints resolution**

**9.1 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  
Stantons International Securities Pty Ltd  
Level 2  
1 Walker Avenue  
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints 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.

## **9.2 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 Financial Ombudsman Service Limited (“**FOSL**”). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited  
PO Box 3  
MELBOURNE VIC 3001

Toll Free: 1300 78 08 08  
Facsimile: (03) 9613 6399

## **10. Contact details**

You may contact us using the details set out at section 9.1 of this FSG or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

**APPENDIX B**

**CSA GLOBAL PTY LTD INDEPENDENT TECHNICAL SPECIALISTS' REPORT (CSA REPORT) ON FRASER RANGE METALS AND WILDCAT'S MINERAL ASSETS DATED 17 SEPTEMBER 2019**



**CSA Global**  
Mining Industry Consultants



## **INDEPENDENT TECHNICAL SPECIALISTS' REPORT**

# **Review and Valuation of Fraser Range Metals Group and Wildcat Resources Mineral Assets in Australia**

**CSA Global Report N° R375.2019**

**17 September 2019**

**[www.csaglobal.com](http://www.csaglobal.com)**

## Report prepared for

Client Name	Stantons International Securities Pty Ltd
Project Name/Job Code	FRNITV01
Contact Name	Samir Tirodkar
Contact Title	Director
Office Address	Level 2, 1 Walker Avenue, West Perth WA 6005, Australia

## Report issued by

CSA Global Office	<p>CSA Global Pty Ltd Level 2, 3 Ord Street West Perth, WA 6005 AUSTRALIA</p> <p>T +61 8 9355 1677 F +61 8 9355 1977 E info@csaglobal.com</p>
Division	Corporate

## Report information

File name	R375.2019 FRNITV01 Fraser Range and Wildcat ITAVR -Final
Last edited	17/09/2019 3:18:00 PM
Report Status	Final

## Author and Reviewer Signatures

Coordinating Author	Sam Ulrich BSc (Hons), GDipAppFin, MAusIMM, MAIG, FFin	Signature:	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
Contributing Author	Neal Leggo BSc (Hons), MAIG, MSEG	Signature:	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
Peer Reviewer	Graham M. Jeffress BSc (Hons), FAIG, RPGeo, FAusIMM, FSEG, MGSA	Signature:	Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication. Electronic signature not for duplication.
CSA Global Authorisation			

© Copyright 2019

# Executive Summary

CSA Global Pty Ltd (CSA Global) was commissioned by Stantons International Securities Pty Ltd (SIS) to prepare an independent Technical Assessment Report and Valuation of Fraser Range Metals Group Limited's (FRN) Mineral assets, primarily the Fraser Range Project located in Western Australia, and Wildcat Resources Limited's (Wildcat) Mineral Assets, primarily the Mount Adrah Project located in New South Wales.

This independent technical assessment and valuation report ("the Report") was prepared for SIS. The Report provides opinions to support an Independent Expert's Report to be prepared by SIS, and has been prepared as a public document, in the format of an independent technical specialists' report, and has been prepared in accordance with the JORC and VALMIN codes.

The Report provides a review of the Mineral Assets of FRN and Wildcat and provides an opinion on the current market valuation, as defined in the VALMIN Code of these Mineral Assets. CSA Global has used a range of valuation methodologies to reach conclusions on the value ranges of the Mineral Assets. Note that the valuation opinions are of the FRN's and Wildcat's Mineral Assets and not of the value of FRN and Wildcat as companies.

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 22 August 2019 and could alter over time depending on exploration results, mineral prices, and other relevant market factors.

CSA Global's valuations are based on information provided by FRN and Wildcat, and from public domain information. CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which this Report is based. No audit of any financial data has been conducted. The valuations discussed in this Report have been prepared at a valuation date of 22 August 2019. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.

## Fraser Range Project

The Fraser Range Project tenements are located approximately 215 km east of Kalgoorlie in Western Australia, and about 7 km south of the Trans Australian Railway. Access from Kalgoorlie is via the Trans Australian Railway Access Road. The Fraser Range Project comprises four granted exploration tenements (55.9 km<sup>2</sup>) and one tenement application (202.5 km<sup>2</sup>) covering a relatively small (for a regional exploration play) total area of 258.4 km<sup>2</sup>.

Tenement application E63/1792 is wholly located within the Dundas Nature Reserve (Conservation of Flora and Fauna Reserve 36957). It is unlikely this tenement will be granted due to being within an existing nature reserve. If it were to be granted the conditions of entry would be very onerous and potentially cost prohibitive. Due to the high uncertainty surrounding the potential grant and access to E63/1792, CSA Global has elected to not value it.

The Fraser Range Project lies within the Albany-Fraser Orogen (AFO) – an arcuate belt of rocks extending along the southern and south-eastern margin of the Yilgarn Craton. The AFO is characterised by high-grade mafic and felsic gneisses, together with extensive granitoid intrusions, resulting from the collision of the Yilgarn and the East Antarctic cratons.

The wider region around the project has been explored in the past by multiple companies targeting a wide range of commodities (primarily gold and nickel), as part of larger regional programs, not directly targeting FRN's current tenements. Recent exploration by FRN identified a surface nickel geochemical anomaly over an interpreted gabbroic intrusion, where a recent electromagnetics (EM) program has identified and lead

to the modelling of five conductive plates to explain the EM results. Drill testing of these targets is proposed.

## Mount Adrah Project

The Mount Adrah Project is located in central-southern New South Wales, approximately 400 km southwest of Sydney and 25 km southwest of Gundagai. Wildcat has recently secured a 100%-controlled, contiguous, tenement package across a prospective belt of metasediments and metavolcanics intruded by a series of igneous stocks. Gold mineralisation is associated with these intrusions, which broadly align along a north-westerly trend, parallel to the Gilmore Fault Zone, a major crustal scale structure, located some 5 km to the northeast of the project area.

The Hobbs Pipe gold deposit is located in the central part of the project area. It was discovered by a stream sediment geochemical survey in 1980. Exploration, including 154 drillholes, has defined a large, low-grade, pipe-shaped, gold deposit entirely hosted by a vertical pipe of intrusive quartz monzodiorite. The stock is roughly circular in outcrop, 160 m in diameter, with near-vertical walls. It has been intersected by drilling to a depth of approximately 900 m below surface and remains open at depth. FRN recently restated a Mineral Resource for the Hobbs Pipe deposit (Keys, 2019) comprising a combined Indicated and Inferred Mineral Resource of 20.5 Mt at 1.1 g/t Au.

The gold mineralisation is interpreted to be an example of an intrusion-related gold (IRG) system; and is associated with disseminated pyrite and arsenopyrite within sericite-albite alteration of the igneous host rock. Drillhole intersections show long intervals of 0.5–2 g/t Au over several hundred metres downhole. Quartz stockworks and veining, as well as brecciation, are rare suggesting a passive, deep-level mineralising event.

While anomalous gold mineralisation is present throughout the Hobbs Pipe deposit, and the previous work has demonstrated sufficient geological evidence to be able to assume geological and grade continuity in the pipe at an Indicated level in some areas and Inferred elsewhere, the low total gold grade and dimensions of the deposit coupled with a refractory character to the mineralisation (see Section 3.10.3) has led CSA Global to conclude that the prospects for underground extraction of the 1.1 g/t material are not yet sufficient clear to support the classification of this material as a Mineral Resource. In CSA Global's opinion, only the Mineral Resources from surface to about 150 m below surface are currently likely to have reasonable prospects for eventual economic extraction at the valuation date. CSA Global notes that the Wildcat's Competent Person reached a different conclusion.

It is important to understand that the Hobbs Pipe deposit represents a highly anomalous concentration of gold and demonstrates that gold producing mineralising systems have been active in the project area, and points to the exploration model to target. This evidence substantially boosts the prospectivity of the area, and the value of the exploration portfolio. Discovery or delineation of new resources in the Mount Adrah Project could change the prospects for extraction of the Hobbs Pipe deposit.

CSA Global considers that successful exploration for IRG systems will be enhanced by a clear understanding of the characteristics of the mineralising system, the resultant deposit styles and the geological environment within which they are likely to be discovered. Previous exploration of the Hobbs Pipe deposit has resulted in a good understanding of its geology including lithology, mineral alteration, geochemical signature, and geophysical signature. These are viewed by Wildcat as a key component of their regional exploration strategy.

The project area is located 5 km west of the Gilmore Fault Zone, which is interpreted to be a major, deep crustal faulted rift zone that represents a major tectonic domain boundary. The Gilmore Fault Zone extends in a northwest trend from southeast of Tumut to as far north as Cobar. Several significant gold deposits are spatially associated with splay structures off the Gilmore Fault Zone including North Parkes, Lake Cowal, Gidginbung, Dobroyde, West Wyalong, Hobbs Pipe, Adelong, and Temora.

Historical gold diggings consisting of small shafts and tunnels are present scattered throughout the tenements and the broader area, with notable workings in the Bangadang area. The project area has had an fairly extensive exploration history stretching back to the 1970s, with a series of owners which has included: Walton Roland, AOG Minerals, Jododex, Getty Oil, Lachlan Resources, Cyprus, Hudspeth & Co, Peko-Wallsend, Michelago Resources, Arimco, Golden Cross, Tasman Goldfields, Gossan Hill Gold and Mount Adrah Gold. Wildcat considers their Mount Adrah Project area to be underexplored away from Hobbs Pipe and prospective for the discovery of substantial deposits of gold mineralisation.

The complexity of faulting along the Mount Adrah trend provides potential for additional fluid pathways for mineralising fluids associated with IRG systems. A highly fractured environment into which such fluids can pass, provides the classic depositional site within an IRG system. Also, there is the potential that additional intrusive pipe-hosted gold deposits could occur.

### Wellington Range Project

The Wellington Range Project is located in central Western Australia, approximately 180 km east of Wiluna. Wildcat has applied for three exploration licences covering an area of approximately 126.2 km<sup>2</sup> underlain by Palaeoproterozoic sediments of the Earahedy Basin. Mapping indicates the project areas cover the Yelma, Frere and Chiall formations, which form a relatively undeformed sedimentary sequence. The Frere Formation consists of granular iron formation interspersed with shale, siltstone, and carbonate bands. Manganiferous shales occur near the top of the sequence. Wildcat considers the project area to be underexplored and prospective for the discovery of manganese mineralisation.

### Valuation Opinions

CSA Global valued FRN's Fraser Range Project exploration licences using, as a primary method, the Comparative Transactions valuation method, and the Geoscience Rating Factor valuation method as a secondary check method. CSA Global's value range is mostly derived from the Comparative Transactions valuation but is informed by the secondary method.

The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Geoscientific Rating Factor valuation method, which is a secondary method and can be quite subjective.

CSA Global's opinion on the market value of FRN's Fraser Range Project as at 22 August 2019 is shown in Table 1.

Table 1: Market valuation of 100% of FRN's Fraser Range Project

Mineral asset	Equity (%)	Valuation (A\$ million)			Reference table
		Low	Preferred	High	
Exploration Tenements	100	0.1	0.3	0.5	Table 18

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

The valuation of Wildcat's Mineral Assets has been undertaken on the conclusion that only the Mount Adrah Mineral Resources from surface to 150 m below surface have reasonable prospects for economic extraction at the valuation date.

CSA Global undertook a valuation of Wildcat's Mount Adrah Mineral Resource using as a primary method the Comparative Transactions valuation method and the Yardstick valuation method as a secondary check method. CSA Global valued Wildcat's mineral licences surrounding the Mineral Resources using, as a primary method, the Comparative Transactions valuation method, and the Geoscience Rating Factor valuation method as a secondary check method. CSA Global selected a valuation range derived from the market approach but adjusted to reflect our positive view of the exploration potential of the licences as captured by the Geoscientific Rating Factor method.

The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method or compared to the Geoscientific Rating Factor valuation method, which is a secondary method and more subjective in nature.

CSA Global's opinion on the market Value of Wildcat's Mount Adrah and Wellington Range Projects as at the valuation date is Table 2.

*Table 2: Market valuation of 100% of Wildcat's Mount Adrah and Wellington Range Project*

Mineral asset	Equity (%)	Valuation (A\$ million)			Reference table
		Low	Preferred	High	
Mount Adrah – Mineral Resource	100	2.5	3.0	3.6	Table 14
Mount Adrah – Exploration Tenure	100	1.5	2.5	4.0	Table 20
Wellington Range – Exploration Tenure	100	0.01	0.07	0.13	Table 21
<b>Total</b>	<b>100</b>	<b>4.0</b>	<b>5.6</b>	<b>7.7</b>	-

*Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.*

# Contents

Report prepared for .....	I
Report issued by .....	I
Report information .....	I
Author and Reviewer Signatures .....	I
<b>EXECUTIVE SUMMARY .....</b>	<b>II</b>
Fraser Range Project .....	II
Mount Adrah Project .....	III
Wellington Range Project .....	IV
Valuation Opinions .....	IV
<b>1 INTRODUCTION .....</b>	<b>1</b>
1.1 Context, Scope and Terms of Reference .....	1
1.2 Compliance with the VALMIN and JORC Codes .....	1
1.3 Principal Sources of Information .....	1
1.4 Authors of the Report – Qualifications, Experience and Competence .....	2
1.5 Prior Association and Independence .....	3
1.6 Declarations .....	3
<b>2 FRASER RANGE PROJECT .....</b>	<b>5</b>
2.1 Location, Access and Infrastructure .....	5
2.2 Tenure .....	5
2.3 Regional Geology .....	6
2.4 Local Geology .....	9
2.5 Historical Exploration .....	11
2.6 Recent Exploration and Potential .....	11
<b>3 MOUNT ADRAH PROJECT .....</b>	<b>15</b>
3.1 Location, Access and Infrastructure .....	15
3.2 Climate, Topography and Landforms .....	15
3.3 Tenure .....	16
3.4 Regional Geology .....	16
3.5 Local Geology .....	19
3.6 Historical Exploration .....	20
3.6.1 Previous Geophysical Surveys .....	21
3.7 Recent Exploration .....	23
3.8 Exploration Potential .....	23
3.9 Intrusion-Related Gold Systems .....	24
3.10 Hobbs Pipe .....	29
3.10.1 Hobbs Pipe Exploration Results .....	29
3.10.2 Block Modelling Studies on the Hobbs Pipe Gold Deposit .....	32
3.10.3 Metallurgical Studies on Hobbs Pipe Mineralisation .....	32
3.10.4 Mining Studies on the Hobbs Pipe Gold Deposit .....	33
3.10.5 Hobbs Pipe Mineral Resource estimates .....	33
3.10.6 Exploration Signature of the Hobbs Pipe Deposit .....	34

<b>4</b>	<b>WELLINGTON RANGE PROJECT .....</b>	<b>35</b>
4.1	Location, Access and Infrastructure .....	35
4.2	Climate, Topography and Landforms .....	35
4.3	Tenure .....	35
4.4	Regional Geology .....	36
4.5	Local Geology .....	37
4.6	Mining and Exploration History .....	38
4.6.1	Historical Mining .....	38
4.7	Exploration History .....	38
4.8	Recent Exploration .....	39
4.9	Exploration Potential .....	39
<b>5</b>	<b>VALUATION .....</b>	<b>40</b>
5.1	Commodities Market .....	40
5.2	Previous Valuations .....	40
5.3	Valuation Assumptions .....	40
5.3.1	Mount Adrah Mineral Resource .....	40
5.4	Comparable Transactions Valuation .....	41
5.4.1	Mineral Resources .....	41
5.4.2	Exploration Licences .....	42
5.5	Yardstick Order of Magnitude Check .....	45
5.5.1	Mount Adrah Project – Yardstick .....	45
5.6	Geoscientific Rating Factor Valuation Check .....	46
5.6.1	Base Acquisition Cost – Western Australian Exploration Licence .....	46
5.6.2	Base Acquisition Cost – New South Wales Exploration Licence .....	46
5.6.3	Fraser Range Project .....	47
5.6.4	Mount Adrah Project .....	47
5.6.5	Wellington Range Project .....	48
5.7	Valuation Summary .....	48
5.7.1	Fraser Range Project .....	48
5.7.2	Mount Adrah Project .....	49
5.7.3	Wellington Range Project .....	50
5.7.4	CSA Global Valuation Summary .....	50
<b>6</b>	<b>REFERENCES .....</b>	<b>51</b>
<b>7</b>	<b>GLOSSARY .....</b>	<b>53</b>
<b>8</b>	<b>ABBREVIATIONS AND UNITS OF MEASUREMENT .....</b>	<b>55</b>

## Figures

Figure 1:	Location of Fraser Range Project .....	5
Figure 2:	Generalised regional geology of the Fraser Range Orogen .....	7
Figure 3:	Interpreted local geology over magnetics .....	10
Figure 4:	E28/2385 potential gold and nickel targets overlying litho-structural interpretation .....	12
Figure 5:	E28/2390 and E28/2392 potential gold and nickel targets overlying litho-structural interpretation .....	13
Figure 6:	Modelled EM plates and nickel geochemistry over interpreted gabbroic intrusion .....	14
Figure 7:	Location map of the Mount Adrah Project .....	15
Figure 8:	Regional geology and tectonic framework of the Lachlan Orogen showing major orebodies and mineral fields .....	18
Figure 9:	Interpretative geology map of the Mount Adrah region showing project tenements .....	19
Figure 10:	Radiometric image of the Mount Adrah district .....	22

Figure 11:	Total magnetic intensity image of the Mount Adrah district .....	22
Figure 12:	Drillhole collars and geology – Mount Adrah Project .....	23
Figure 13:	Schematic geological and exploration model for IRG systems .....	27
Figure 14:	Plan of generalised IRG system from the Tintina Gold Province in Alaska and Canada .....	28
Figure 15:	Schematic diagram showing relationships between metal associations and the fractionation and oxidation state of primary magmas .....	28
Figure 16:	Surface plan of the Hobbs Pipe deposit showing drillhole collars .....	30
Figure 17:	Cross-section view of Hobbs Pipe deposit – interpreted mineralised domain in pink .....	31
Figure 18:	Location of the Wellington Range Project .....	35
Figure 19:	Regional geology map of the Wellington Range Project .....	36
Figure 20:	Geology map of the Wellington Range Project area .....	38
Figure 21:	Five-year spot gold price in US\$ and A\$ .....	40
Figure 22:	Comparison of Mineral Resource transactions .....	42
Figure 23:	Comparison of exploration licence transactions .....	43
Figure 24:	Fraser Range exploration licences – comparison of valuation techniques .....	48
Figure 25:	Wildcat's Mount Adrah Mineral Resource – comparison of valuation techniques .....	49
Figure 26:	Mount Adrah exploration licences – comparison of valuation techniques .....	49
Figure 27:	Wellington Range exploration licences – comparison of valuation techniques .....	50

## Tables

Table 1:	Market valuation of 100% of FRN's Fraser Range Project .....	IV
Table 2:	Market valuation of 100% of Wildcat's Mount Adrah and Wellington Range Project .....	V
Table 3:	Fraser Range Project tenure .....	5
Table 4:	Historical exploration around the Fraser Range Project .....	11
Table 5:	Mount Adrah Project tenements .....	16
Table 6:	Regional geology stratigraphic column for the Lachlan Orogen .....	17
Table 7:	Exploration history of the Mount Adrah tenements .....	20
Table 8:	Drilling statistics – Hobbs Pipe deposit .....	30
Table 9:	Assay statistics – Hobbs Pipe .....	32
Table 10:	Prior reporting of previous and historical Mineral Resources .....	32
Table 11:	Mount Adrah Project Mineral Resources .....	34
Table 12:	Wellington Range Project tenements .....	36
Table 13:	Summary statistics of selected transactions of gold Mineral Resources in Australia .....	41
Table 14:	Mount Adrah Mineral Resource valuation .....	42
Table 15:	Summary statistics of selected exploration licence transactions prospective for gold .....	43
Table 16:	Exploration licence valuation factors .....	43
Table 17:	Summary assessment of FRN's exploration licences .....	44
Table 18:	Market value of Fraser Range Project's exploration licences .....	44
Table 19:	Summary assessment of Wildcat's exploration licences .....	44
Table 20:	Market value of Mount Adrah's exploration licences .....	44
Table 21:	Market value of Wellington Range's exploration licences .....	45
Table 22:	Summary Yardstick order of magnitude check of the Mount Adrah Project (Equity basis) .....	45
Table 23:	Estimation of the BAC for Western Australia mineral exploration licences .....	46
Table 24:	Estimation of the BAC for New South Wales mineral exploration licences .....	47
Table 25:	Summary of Geoscience Factor valuation of Fraser Range Project licences .....	47
Table 26:	Summary of Geoscience Factor valuation of Mount Adrah Project licences .....	48
Table 27:	Summary of Geoscience Factor valuation of Wellington Range Project licences .....	48
Table 28:	Summary market valuation of the FRN's mineral assets .....	50
Table 29:	Summary market valuation of the Wildcat's mineral assets .....	50

## Appendices

Appendix A:	Valuation Approaches
Appendix B:	Comparative Transactions
Appendix C:	Detailed Yardstick Valuation
Appendix D:	Detailed Geoscientific Factor Rating Valuation

# 1 Introduction

## 1.1 Context, Scope and Terms of Reference

Stantons International Securities Pty Ltd (SIS) has been engaged by Fraser Range Metals Group Limited (FRN) to prepare an independent expert's report (the "IER") to determine the fairness and reasonableness relating to the proposed acquisition of Wildcat Resources Limited (Wildcat) for the shareholders of FRN.

FRN is a Perth-based mining company that is listed on the Australian Securities Exchange (ASX). FRN's key asset is the Fraser Range Project in Western Australia. Wildcat is a public unlisted company that holds the Wellington Range Project in Western Australia and has acquired 100% ownership of the Mount Adrah Project in New South Wales (NSW).

CSA Global Pty Ltd (CSA Global) was in turn commissioned by SIS to provide an independent technical specialists report (CSA Global Report or "the Report") in accordance with the requirements of the VALMIN Code. SIS will rely on, and the SIS IER will refer to, the CSA Global valuation opinion, and a copy of the CSA Global Report will be appended to the SIS IER.

The Report provides a review of the Mineral Assets of FRN and Wildcat and provides a valuation of those assets.

Note that the CSA Global valuations are of the Fraser Range, Mount Adrah and Wellington Range Mineral Assets and not the value of FRN or Wildcat as companies.

The SIS IER will provide an opinion to FRN's shareholders, and as such it will be a public document.

## 1.2 Compliance with the VALMIN and JORC Codes

The Report has been prepared in accordance with the VALMIN Code, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), JORC Code<sup>1</sup> and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to independent expert's reports.

The authors have taken due note of the rules and guidelines issued by such bodies as ASIC and ASX, including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

## 1.3 Principal Sources of Information

The Report has been based on information available up to and including 22 August 2019. The information was provided to CSA Global by FRN and Wildcat, or has been sourced from the public domain, and includes both published and unpublished technical reports prepared by consultants, and other data relevant to FRN's and Wildcat's projects. Consent was obtained where necessary.

The authors have endeavoured, by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data upon which the Report is based.

No site visit was made to the Fraser Range, Mount Adrah or Wellington Range projects in preparation of this Report. CSA Global concluded that it has enough knowledge of the project areas, and that the project stages are such that no material information would be gained by completing a site visit.

Tenement information on the Fraser Range Project was provided by independent tenement specialist firm, McMahon Mining Title Services Pty Ltd (MMTS), details are provided in Section 2.2. CSA Global relies

---

<sup>1</sup> *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition*. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

on the independent opinion of MMTS dated 21 August 2019, with regards to the validity, ownership and good standing of FRN's Fraser Range Project tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

Tenement information on the Mount Adrah and Wellington Range projects were provided by independent tenement specialist firm, MMTS – details are provided in Sections 3.3 and 4.3 respectively. CSA Global relies on the independent opinion of MMTS dated 11 September 2019, with regards to the validity, ownership, and good standing of Wildcat's Mount Adrah and Wellington Range project tenements. CSA Global notes the comment from MMTS that the tenements are in fair standing with the exception of EL8606 which is in poor standing. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so.

## **1.4 Authors of the Report – Qualifications, Experience and Competence**

The Report has been prepared by CSA Global, a privately-owned consulting company, and member of the ERM Group of Companies, that has been operating for over 30 years; with its headquarters in Perth, Western Australia.

CSA Global provides multi-disciplinary services to a broad spectrum of clients across the global mining industry. Services are provided across all stages of the mining cycle from project generation, to exploration, resource estimation, project evaluation, development studies, operations assistance, and corporate advice, such as valuations and independent technical documentation.

The information in this Report that relates to the Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Mr Sam Ulrich who is a Member of the AusIMM and AIG. He is not a related party or employee of FRN or Wildcat. Mr Ulrich has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets". Mr Ulrich consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The information in this Report that relates to the Technical Assessment of Mineral Resources at the Mount Adrah Project was completed by CSA Global Principal Geologist, Neal Leggo, BSc Hons, MAIG, MSEG. Mr Leggo has over 30 years' experience including management, mineral exploration, consulting, resource geology, underground operations, and open pit mining. He has worked in a variety of geological terrains and specialises in copper, gold, silver-lead-zinc and iron ore for which he has the experience required for code-compliant reporting. Mr Leggo also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands, and industrial minerals. He has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The valuation of Mineral Resources and Exploration Tenure was completed by CSA Global Principal Consultant, Mr Sam Ulrich, BSc (Hons), GDipAppFin, MAusIMM, MAIG, and FFin. He is a consulting geologist with over 23 years' experience in the minerals industry, including seven years as a consultant. Mr Ulrich has an extensive background in mineral exploration, and specialises in due diligence reviews, project evaluations and valuations, as well as code-compliant reporting. His knowledge is broad based, and he has wide-ranging experience in the field of mineral exploration and resource development, having managed or consulted on various projects ranging from first-pass grassroots exploration to brownfields exploration and evaluation. Mr Ulrich has the relevant qualifications, experience, competence, and independence to be considered a "Specialist" under the definitions provided in the VALMIN Code and a "Competent Person" as defined in the JORC Code.

The reviewer of the Report is CSA Global Manager – Corporate, Principal Geologist, Graham Jeffress, BSc (Hons), FAIG, RPGeo (Exploration), FAusIMM, FSEG, MGSA. Mr Jeffress is a geologist with over 30 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He is Principal Geologist with CSA Global in Perth and manages the corporate services work undertaken by CSA Global. Mr Jeffress has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally. He is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration. Mr Jeffress has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets. He now coordinates and participates in CSA Global's activities providing expert technical reviews, valuations, and independent reporting services to groups desiring improved understanding of the value, risks, and opportunities associated with mineral investment opportunities. Mr Jeffress was a Federal Councillor of the AIG for 11 years and joined the Joint Ore Reserves Committee in 2014.

## **1.5 Prior Association and Independence**

The authors of this Report have no prior association with FRN and Wildcat regarding the Mineral Assets. Neither CSA Global, nor the authors of this Report, have or have had previously, any material interest in FRN or the mineral properties in which FRN has an interest. CSA Global's relationship with FRN is solely one of professional association between client and independent consultant.

CSA Global has worked to precursor companies to FRN, providing technical consulting services, but these arrangements ceased in 2016.

CSA Global is an independent geological consultancy. This Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report. The fee for the preparation of this Report is approximately A\$40,000.

No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of FRN. No member or employee of CSA Global has, or has had, any material shareholding in FRN. There is no formal agreement between CSA Global and FRN to CSA Global conducting further work for FRN.

## **1.6 Declarations**

The statements and opinions contained in this Report are given in good faith and in the belief that they are not false or misleading. The Report has been compiled based on information available up to and including the date of the Report.

The statements and opinions are based on the reference date of 22 August 2019 and could alter over time depending on exploration results, mineral prices, and other relevant market factors. In CSA Global's opinion, nothing material has occurred up to the date of this Report, since the valuation date to affect CSA Global's technical review and valuation opinion.

The opinions expressed in the Report have been based on the information supplied to CSA Global by FRN and Wildcat. The opinions in the Report are provided in response to a specific request from SIS to do so. CSA Global has exercised all due care in reviewing the supplied information. Whilst CSA Global has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. CSA Global does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in the Report apply to the site conditions and features, as they existed at the time of CSA Global's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to

conditions and features that may arise after the date of the Report, about which CSA Global had no prior knowledge nor had the opportunity to evaluate.

CSA Global's valuations are based on information provided by FRN and Wildcat and public domain information. This information has been supplemented by making all reasonable enquiries within the timeframe available, to confirm the authenticity and completeness of the technical data.

No audit of any financial data has been conducted.

**The valuations discussed in this Report have been prepared at a valuation date of 22 August 2019. It is stressed that the values are opinions as to likely values, not absolute values, which can only be tested by going to the market.**

## 2 Fraser Range Project

### 2.1 Location, Access and Infrastructure

The tenements are located approximately 215 km east of Kalgoorlie in Western Australia and about 7 km south of the Trans Australian Railway. Access from Kalgoorlie is via the Trans Australian Railway Access Road (a well-maintained gravel road with excellent access, except during heavy rain events) – see Figure 1. North-south tracks off the Trans Australian Railway Access Road provide access to the tenements.

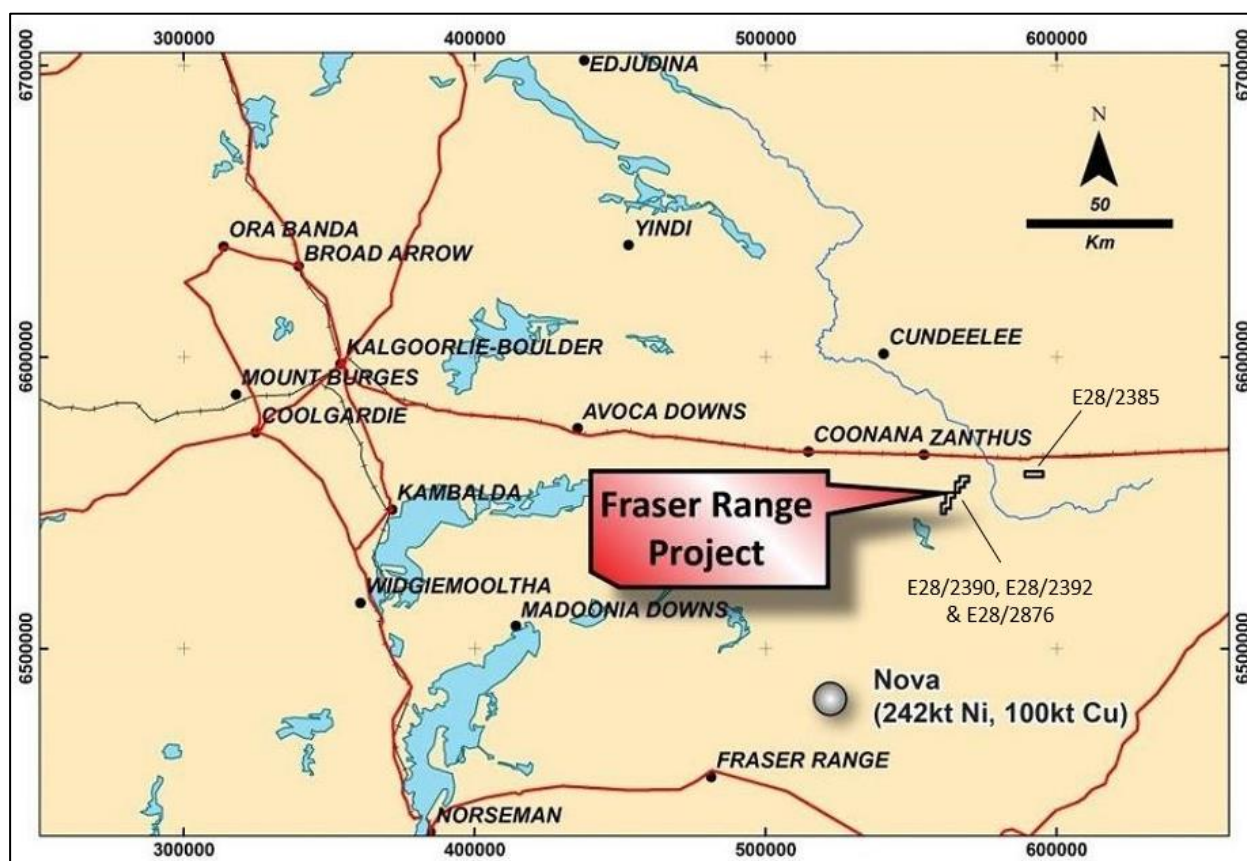


Figure 1: Location of Fraser Range Project  
Source: Modified after Broomfield, 2019a

### 2.2 Tenure

The Fraser Range Project comprises of four granted tenements (55.85 km<sup>2</sup>) and one tenement application (202.5 km<sup>2</sup>) for a total of 258.35 km<sup>2</sup> (Table 3).

Table 3: Fraser Range Project tenure

Tenement ID	Status	Holder name	Grant date	End date	Area (km <sup>2</sup> )	Expenditure
E28/2385	Live	Fraser Range Metals Group Ltd	27/03/2015	26/03/2020	11.76	\$20,000
E28/2390	Live	Fraser Range Metals Group Ltd	27/03/2015	26/03/2020	17.63	\$30,000
E28/2392	Live	Fraser Range Metals Group Ltd	21/04/2015	20/04/2020	14.70	\$20,000
E28/2876	Live	Fraser Range Metals Group Ltd	22/08/2019	21/08/2024	11.76	\$20,000
E63/1792	Pending	Fraser Range Metals Group Ltd			202.50	

Source: McMahon Mining Title Services, 2019

The tenements are located on vacant Crown Land and subject to a partially determined Native Title Claim Application (Ngadju #WC1999/002). FRN has a signed Aboriginal Heritage Agreement with the Ngadju Native Title Aboriginal Corporation.

The tenement application E63/1792 is wholly located within the Dundas Nature Reserve (Conservation of Flora and Fauna Reserve 36957). It is unsure whether this tenement will be granted due to being within the nature reserve. Even if E63/1792 is granted, the conditions and necessary approvals to undertake ground disturbing activities are very onerous with no guarantee that on-the-ground activities will be permissible. Due to the low probability of this tenement being granted in the near future, CSA Global has elected not to value it.

## 2.3 Regional Geology

The Albany-Fraser Orogen (AFO) is an arcuate belt of rocks extending along the southern and south-eastern margin of the Yilgarn Craton, which is part of the West Australian Craton. It is characterised by high-grade mafic and felsic gneiss together with granite produced in the collision of the Yilgarn and the East Antarctic cratons between 1345 Ma and 1100 Ma.

The AFO is interpreted to be part of the larger Australo-Antarctic, Albany-Fraser-Wilkes Orogen that was linked prior to the breakup of Gondwana (Spaggiari *et al.*, 2009, 2011). The eastern margin of the AFO is obscured by the Eucla Basin.

The AFO is divided (Spaggiari *et al.*, 2009) into:

1. A foreland component (the Northern Foreland).
2. A younger, pre-Stage I amalgamation basement component (the Kepa Kurl Booya Province, which is further divided into the fault-bound tectonic units of the Biranup Zone, the Fraser Zone, and the Nornalup Zone).
3. The Recherche and Esperance Supersuites.
4. Three major basins.

The Northern Foreland is defined as the portion of the Yilgarn Craton reworked during the Albany-Fraser Orogeny, thereby reflecting its proximity to the collisional orogenic belt. It includes the dominantly granitic rocks of the Munglup Gneiss. The Munglup Gneiss is interpreted as a higher-grade, more strongly reworked component of the Northern Foreland, bound by major faults.

Reworking of the Yilgarn Craton in the Northern Foreland varied from moderate- to high- strain ductile deformation under amphibolite to granulite facies metamorphic conditions (Munglinup Gneiss and the southern part of the Mount Barren Group), to low- to moderate- strain, brittle to semi-brittle, and greenschist to amphibolite conditions. This variation in conditions generally reflects lower strain conditions and lower metamorphic grade with increasing distance from the Orogen (i.e. northwards), or the exhumation of shallower crustal levels of the Northern Foreland.

The Jerdacuttup and Cundeelee faults are two linked, major thrust faults separating Archaean rocks of the Yilgarn Craton that show very minor to no Albany-Fraser Orogeny related deformation effects, from the more strongly deformed, mixed Archaean and Proterozoic rocks of the Northern Foreland.

Myers (1990) divided the AFO into two major tectonic units: an inboard, intensely deformed component named the Biranup Complex, and an outboard component named the Nornalup Complex.

Considering new data and interpretations, the Biranup Complex was recently renamed the Kepa Kurl Booya Province (Spaggiari *et al.*, 2009), and defined as the crystalline basement of the AFO. It includes three fault-bound geographical and structural zones: the Biranup, Fraser and Nornalup zones; each contains rocks with variable protolith ages and geological histories.

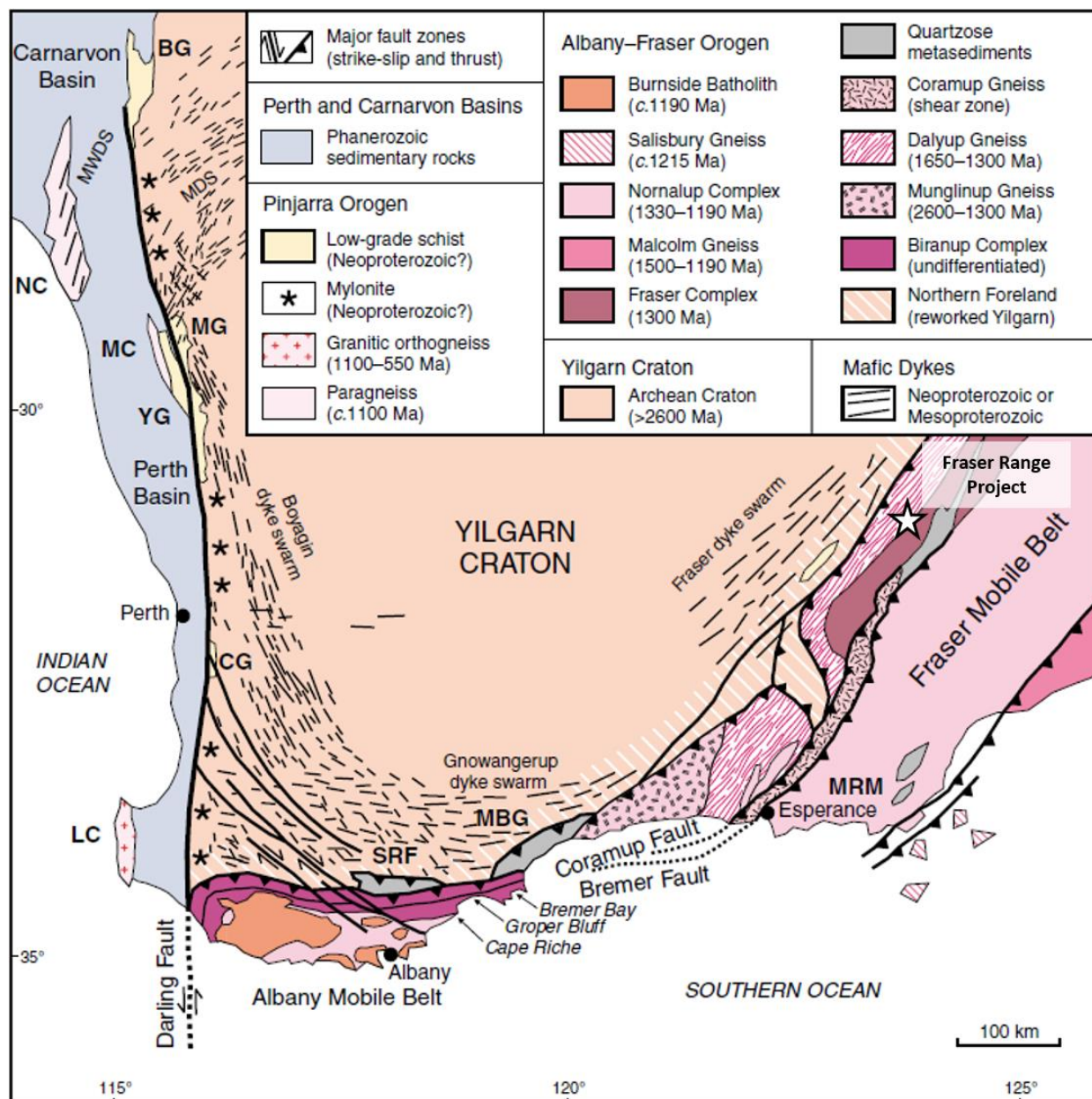


Figure 2: Generalised regional geology of the Fraser Range Orogen

Source: Modified after Fitzsimmons and Buchan, 2005

The south-eastern part of the Biranup Zone and most of the Nornalup Zone contain granitic intrusions of the 1330–1280 Ma Recherche Supersuite and the 1200–1140 Ma Esperance Supersuite. Various Mesoproterozoic cover rocks also locally overlie the Nornalup Zone.

The Biranup Zone is a belt of predominantly mid-crustal rocks that lies along the entire southern and south-eastern margin of the Yilgarn Craton. In the eastern part of the Orogen, the Biranup Zone is in fault contact to the southeast with the Mesoproterozoic Fraser and Nornalup zones. In an area denoted the “S-bend” (near the project area), it is tectonically interlayered with reworked rocks of the Yilgarn Craton within the Northern Foreland.

The Biranup Zone is dominated by intensely deformed orthogneiss, metagabbro, and paragneiss, with ages ranging from c. 1800–1625 Ma. There are fragments of Archaean granite, and possibly greenstones within the Biranup Zone. These fragments occur in the “S-bend” area around, and to the southwest of, Mount Andrew, and possibly include rocks associated with the Splinter prospect (i.e. around the project area).

The Fraser Zone is bounded by the Fraser Fault along its north-western edge and southern tip, and by the Newman Shear Zone and Boonderoo Fault along its south-eastern contact. It is dominated by high-grade meta-gabbroic rocks that have a strong, distinct, geophysical signature in both aeromagnetic and gravity data. Most of the north-eastern part of the Fraser Zone is obscured by younger rocks of the Eucla Basin, but geophysical data show that it is a north-easterly trending, fault-bounded unit that is approximately 425 km long and up to 50 km wide.

The Fraser Zone contains the 1305–1290 Ma Fraser Range Metamorphics (Spaggiari *et al.*, 2009), which are dominated by sheets of meta-gabbroic rocks, interlayered with sheets of granitic material, and layers or slivers of pelitic, semi-pelitic, and calcic meta-sedimentary rocks of the Arid Basin.

The meta-sedimentary rocks were deposited just prior to the intrusion of the mafic and felsic magmatic rocks, and all have been metamorphosed at high temperatures (granulite facies), with some locally retrogressed to amphibolite facies. The meta-sedimentary rocks mostly occur along the north-western side of the Fraser Zone, and are typically intercalated with layers of mafic granulite or amphibolite that were probably originally dykes, sills, or sheets related to the main gabbroic intrusions.

The Fraser Range Metamorphics are typically dominated by a well-developed, north-easterly trending, steeply dipping foliation, although massive rocks can locally be found in the centre of the zone's exposed southern part. The Fraser Range Metamorphics are strongly mylonitised and have a dextral shear sense along, and close to, the Fraser Fault Zone. Elsewhere, they are tightly to isoclinally folded along north-easterly trending axes and are cut by thrust faults and shear zones. Crystallisation of gabbro within the Fraser Zone has been dated at 1291 Ma.

The 1330–1280 Ma Recherche Supersuite and the 1200–1140 Ma Esperance Supersuite mark two major magmatic events that coincided with Stages I and II of the Albany-Fraser Orogeny, respectively. Igneous rocks belonging to the Recherche Supersuite are generally metamorphosed to amphibolite or granulite conditions, contain a gneissic fabric, and include syn-magmatic mafic rocks. Deformation and metamorphism occurred during Stages I, II or both.

Igneous rocks belonging to the Esperance Supersuite are generally metamorphosed up to greenschist or amphibolite facies and are generally less pervasively deformed than rocks of the Recherche Supersuite but may locally contain a foliation or be mylonitic.

Strongly magnetic, variably deformed granitic bodies in aeromagnetic images are correlated with the Esperance Supersuite.

Two major tectonic events have been recognised in the AFO:

1. The newly-defined Palaeoproterozoic Biranup Orogeny, which includes the c. 1680 Ma Zanthus Event, covers the period 1710–1650 Ma; which are marked by widespread magmatism, the formation of sedimentary basins, and high-temperature metamorphism and deformation.
2. The Mesoproterozoic Albany-Fraser Orogeny, which took place in two stages: 1345–1260 Ma (Stage I) and 1215–1140 Ma (Stage II).

Stage I has been interpreted to reflect the northwest-directed convergence and subsequent collision of the combined South Australian and Mawson cratons with the West Australian Craton, whereas Stage II is interpreted to reflect intracratonic orogenesis. Stage I is dominantly represented by voluminous mafic and felsic magmatism forming both the Recherche Supersuite and magmatic rocks of the Fraser Zone, and was accompanied by high-temperature metamorphism and deformation.

The presence of c. 1300 Ma granitic intrusions within each of the Northern Foreland, and Biranup, Fraser and Nornalup zones suggests a spatial link, or stitching, of these tectonic units by the end of Stage I. This in turn indicates that high-temperature metamorphism during Stage II – which was widespread in both the central and eastern Biranup Zone, and is recorded in the Munglinup Gneiss, Gwynne Creek Gneiss, and Recherche Supersuite – took place within an intracratonic setting.

These events, and in particular Stage II, have formed the preserved crustal architecture, dominated by craton-directed, fault-bound thrust slices of largely mid-crustal, high grade-rocks. Major, dominantly thrust faults (e.g. Jerdacuttup Fault, Cundeelee Fault, Red Island Shear Zone), which juxtapose different tectonic units and internal fault-bound sequences, are also interpreted to have been active during Stage II.

## 2.4 Local Geology

The youngest geological units in the project area are widespread weakly vegetated aeolian dunes and intervening alluvial and colluvial deposits. These longitudinal dunes have been produced by an arid climate and presence of generally westerly winds during periods of aridity in the Quaternary. These units are largely seen as a thin (1–10 m) covering unit across the tenement area. However, review of drill logs from historical company reports in the region show cover ranging from 1 m to 96 m (Provins, 2008).

Tenements E28/2390, E28/2392 and E28/2875 are favourably located structurally, occurring adjacent to, and abutting, a major tectonic suture between the eastern Biranup Zone and the Fraser Complex in the central part of the AFO.

A domain boundary has also been interpreted to occur on the western edge of these licences as evident from a significant gravity high, believed to be the boundary between the Fraser Range Complex and the Eastern Biranup Zone (Langworthy, 2016).

The 2018 field reconnaissance program identified only minor outcrop or sub-crop within the licence boundaries, with outcrop restricted to younger sedimentary units as opposed to Proterozoic basement, apart from a felsic tuff. Identified younger sedimentary units include psammites, carbonates, a lithic stony conglomerate, and a marine fossiliferous sediment.

Basement rocks are considered to be components of the Fraser Range Metamorphics; however, due to the lack of widespread drilling penetrating the cover sequence within the project area, little detail is known of the underlying Proterozoic rocks. Drilling from nearby areas does however indicate that it is likely that the geology will include orthogneiss, metagabbro and paragneiss lithologies (see Figure 3).

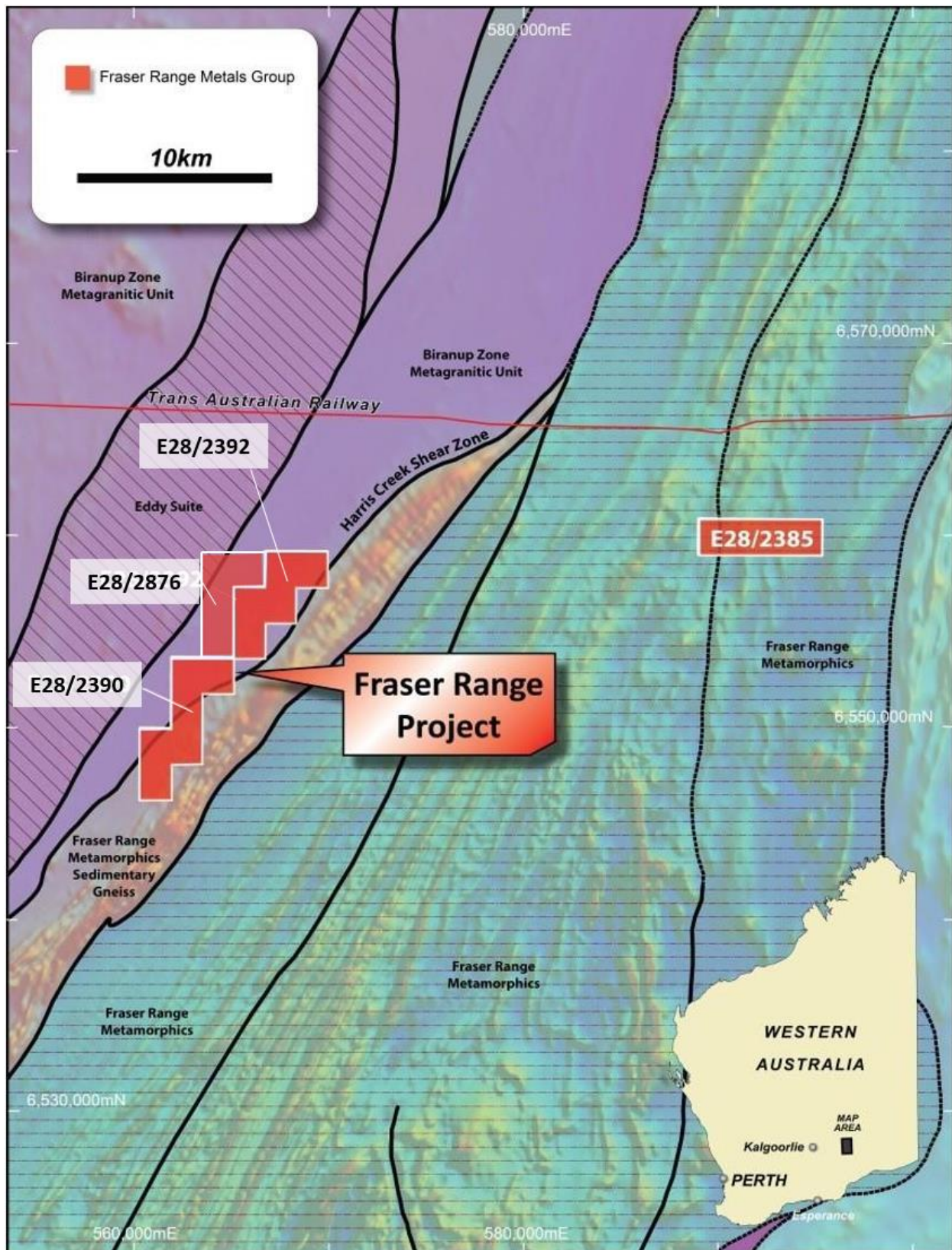


Figure 3: Interpreted local geology over magnetics  
Source: Modified after Broomfield, 2019b

## 2.5 Historical Exploration

The wider project area has been explored in the past by multiple companies targeting a wide range of commodities, as part of larger regional programs, not directly targeting FRN's current tenements.

Exploration programs in the region have been completed for the following commodities:

- Gold, base metals (copper-lead-zinc-silver), nickel and platinum group elements (PGE), and graphite in crystalline rocks of the Proterozoic basement
- Mineral sands (zircon, rutile, ilmenite) and detrital gold in Miocene or Eocene unconsolidated sediments
- Uranium and other chemically precipitated elements (e.g. vanadium) associated with redox boundaries in palaeochannels where oxidised water is in contact reduced sediments
- Lignitic coal in carbonaceous sediments.

Historical exploration in the broader area of FRN's tenements is summarised in Table 4.

Table 4: Historical exploration around the Fraser Range Project

Year(s)	Company	Exploration Activities
1977	Uranerz Australia	Mapping, airborne spectrometric survey, reverse circulation drilling, water samples
1981 to 1982	Griffin Coal Mining Co. Pty Ltd	Air-core drilling, gamma logging
1982	CRA Exploration	INPUT geophysical survey, reverse circulation drilling
1997	M.G. Creasy	Carbonate nodule geochemical sampling, aeromagnetic survey
2007 to 2013	Lake Rivers Gold	Geochemical (calcrete, laterite, and soil) sampling, air-core drilling, heritage survey
2008 to present	Ponton Minerals	Soil sampling, auger sampling, air-core drilling

Source: Broomfield (2019a, 2019b)

## 2.6 Recent Exploration and Potential

Several geophysical surveys were conducted by FRN and third part consultants, Southern Geoscience Consultants (SGC) produced a litho-structural interpretation over Fraser Range Project tenements. A 50 m spaced airborne magnetic and radiometric data was collected in December 2017. A detailed ground gravity survey was collected between December 2017 and February 2018 and was restricted to tenements E28/2385, E28/2390 and E28/2392.

SGC completed the survey data processing, modelling and interpretation. SGC identified eight potential nickel targets (N1 to N8) and three potential gold targets (G1 to G3) within E28/2385 (Figure 4). SGC also identified four potential gold targets (G1 to G4) and three potential nickel targets in tenements E28/2390 and E28/2392 (Figure 5).

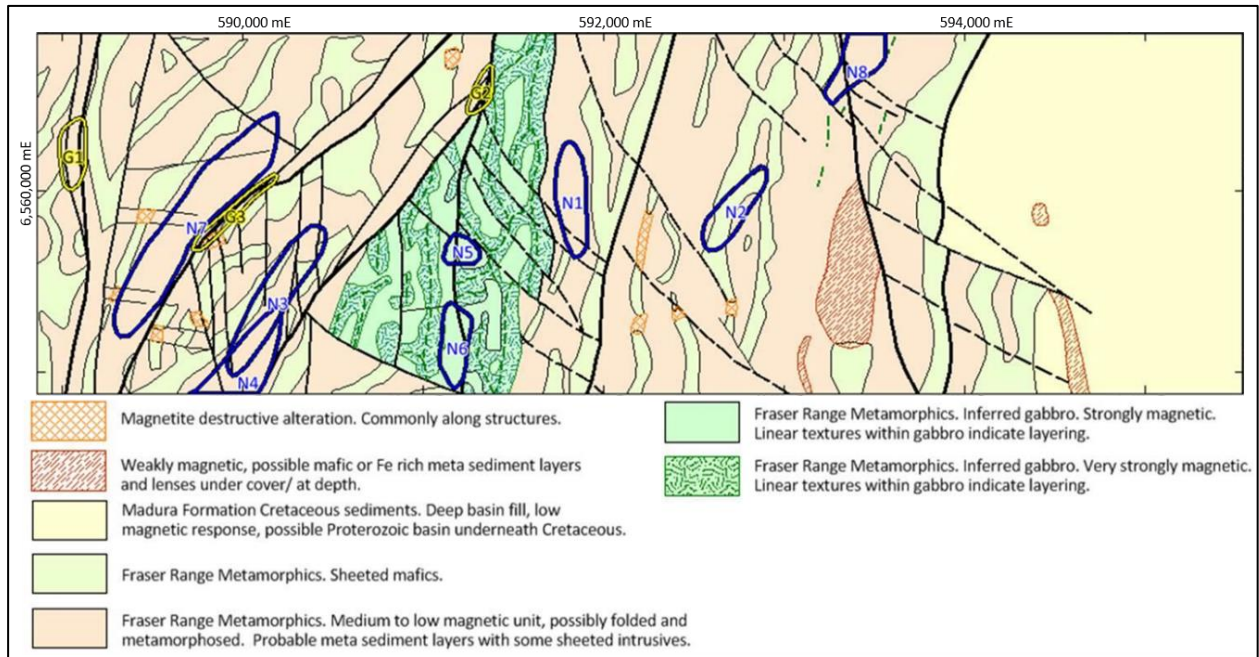


Figure 4: E28/2385 potential gold and nickel targets overlying litho-structural interpretation

Source: Fraser Range ASX announcement, 6 April 2018

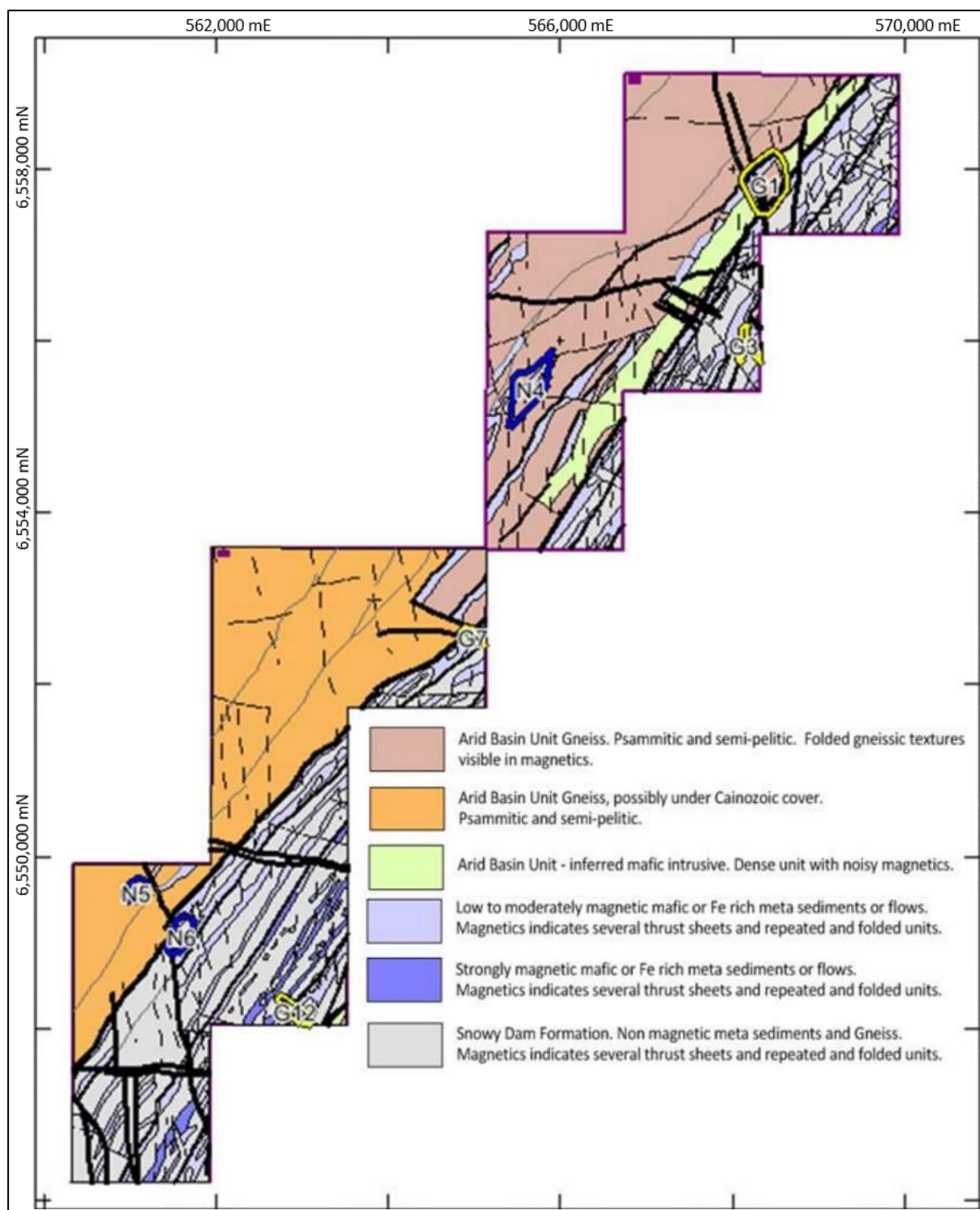


Figure 5: E28/2390 and E28/2392 potential gold and nickel targets overlying litho-structural interpretation

Source: Fraser Range ASX announcement, 6 April 2018

Subsequent to the identification of the geophysics targets, compilation and interpretation of historical surface geochemistry data was completed. Anomalous nickel values in calcrete over an area 1 km long and 1 km wide were identified coincident with the N5 anomaly in Figure 4 over an interpreted gabbroic intrusion.

GEM Geophysics completed a ground electromagnetic (EM) survey over the nickel geochemical anomaly and coincident interpreted gabbroic intrusion. The EM data was modelled and interpreted by SGC, generating five distinct EM plates (Figure 6).

Four of the plates (red plates in Figure 6) align along 1 km of strike coincident with anomalous nickel geochemistry and a northeast structure defined by the aeromagnetics. A fifth plate (orange plate in Figure 6) is to the east and also coincident with anomalous nickel geochemistry. The EM plates have the potential to be due to nickel sulphide mineralisation.

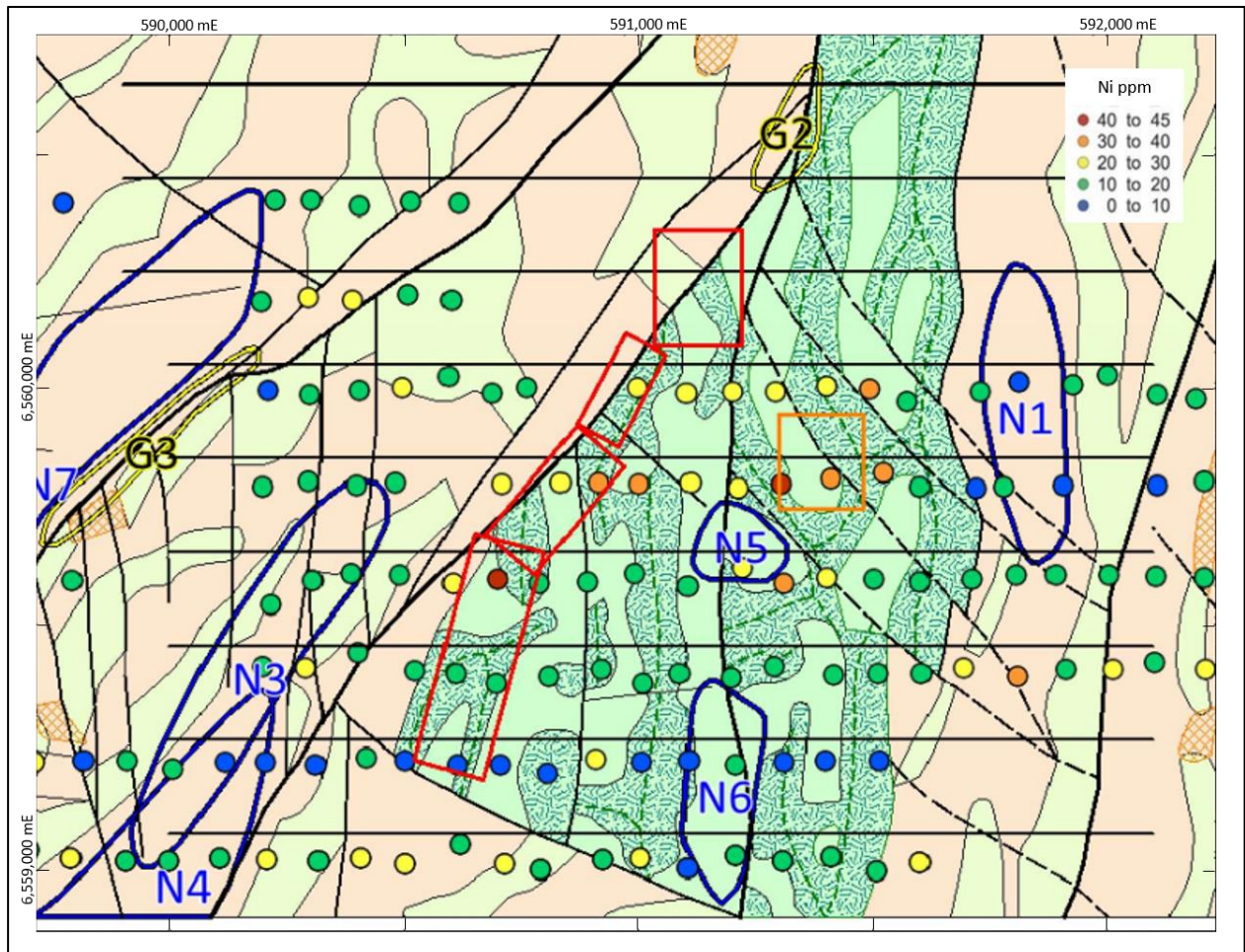


Figure 6: Modelled EM plates and nickel geochemistry over interpreted gabbroic intrusion

Source: Modified after Fraser Range ASX announcement, 6 June 2019

FRN has recently completed an Aboriginal Heritage clearance survey over an area containing the EM plates in readiness of drill testing.

## 3 Mount Adrah Project

### 3.1 Location, Access and Infrastructure

The Mount Adrah Project is centred 23 km northwest of the township of Adelong, an old gold mining centre in central-southern NSW. It is approximately 400 km southwest of Sydney, about 25 km southwest of Gundagai and 50 km east of Wagga Wagga (Figure 7). It is situated in the Snowy Valleys Council local government area. The Project area is covered by the Tarcutta (8427) and Tumut (8527) AUSLIG 1:100,000 map sheets; and the Wagga Wagga 1:250,000 map sheet.

Access is excellent with the Hume Highway and the Snowy Mountain Highway passing through the project area, which is traversed by numerous all-weather roads and local farm tracks. There is good infrastructure available in the region including mains electricity, water, transport, workforce, accommodation, and service industries. The major land use is agriculture with most of the project area covered by private farm properties.

The Tumblong State Conservation Reserve covers 746 ha in the central portion of EL8606 was created in April 2005. The Ellerslie Nature Reserve covers 1,877 ha immediately southwest of EL6372 but does not impinge on the project tenements (Figure 7).

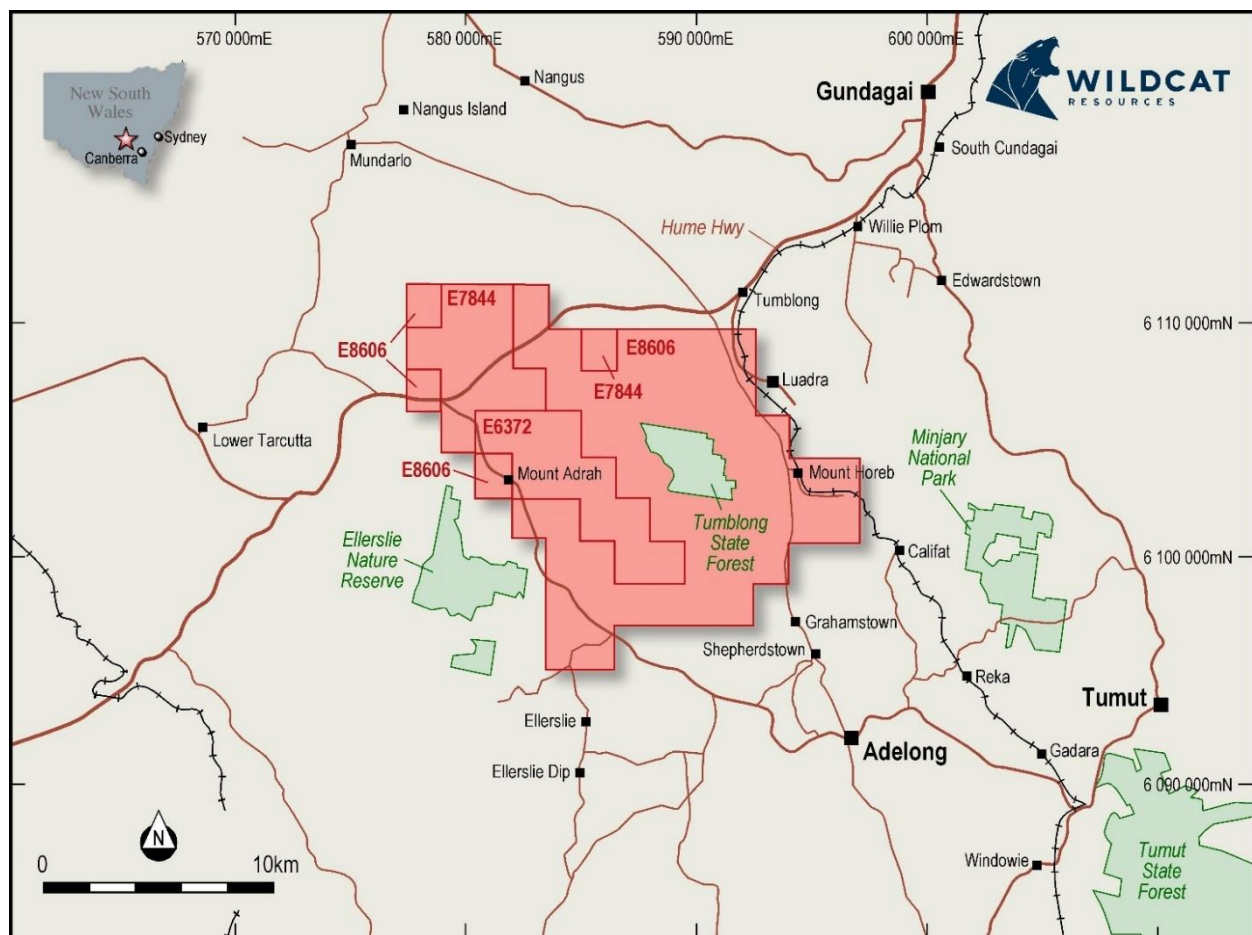


Figure 7: Location map of the Mount Adrah Project

### 3.2 Climate, Topography and Landforms

The project area lies on the western slopes of the NSW Southern Highlands. Topography varies from gently undulating to moderately steep with variations in altitude of up to 450 m. In places, high relief is punctuated by deeply incised valleys. Drainage is dendritic in style; intermittent streams drain the

majority of the area into the semi-permanent Nacki and Hillas creeks which flow into the Murrumbidgee River north of the project area. This region experiences warm to hot summers and cold winters, with most rainfall occurring during the winter. The project area is largely covered by agricultural land mostly under pasture with scattered tree cover. Steeper areas are timbered with dry open sclerophyll forest dominated by mixed box, red gum and stringybark.

### 3.3 Tenure

Wildcat has acquired a tenement package to form its Mount Adrah Project comprising three granted exploration licences (ELs). The total tenement area is approximately 196.4 km<sup>2</sup>. Table 5 provides the ID number for each tenement and its key details. The location of each tenement is shown in Figure 7. All tenements are held 100% by Wildcat Gold Pty Ltd, a subsidiary of Wildcat Resources Limited.

Table 5: Mount Adrah Project tenements

Tenement ID	State	Status	Holder name	Grant date	End date	Area (km <sup>2</sup> )	Expenditure
EL6372	NSW	Live	Wildcat Gold Pty Ltd	02/02/2005	02/02/2020	28.06	\$90,000
EL7844	NSW	Live	Wildcat Gold Pty Ltd	20/09/2011	20/09/2024	28.08	\$106,625
EL8606	NSW	Live	Wildcat Gold Pty Ltd	27/06/2017	27/06/2020	140.30	\$58,900

Source: Wildcat Resources Ltd, MMTS tenement report (11 September 2019)

The tenement report from MMTS states:

*"The tenements are in fair standing, with the exception of EL8606 which is in poor standing."*

A plan of management for the Tumblong State Conservation Reserve (SCR) was adopted by the NSW Minister for Climate Change and the Environment on 21 July 2008. The Tumblong SCR permits existing interests (as defined in section 47H of the NPW Act) such as mining and mineral exploration. Existing mining tenements are managed in accordance with regulations outlined in Section 47J of the NPW Act and the *Mining Act 1992*. Exploration activities are permitted but may be restricted under terms of the SCR management plan (NSW NPWS, 2008).

### 3.4 Regional Geology

The Mount Adrah Project lies within the Omeo-Wagga Tectonic Zone of the Lachlan Orogen which in turn forms part of the Tasmanides (Tasman Orogenic System) of eastern Australia. The regional geology of south-eastern Australia is depicted in Figure 8 showing the location of the Omeo-Wagga Tectonic Zone and its relationship to other tectonic subdivisions of the Lachlan Orogen. Also shown are the major deposits and mineral fields. The inset shows the relationship of the Lachlan Orogen to the other orogens which make up the Tasman Orogenic System.

The regional geology stratigraphic column for the Lachlan Orogen is shown as Table 6.

The regional geology and tectonic framework of the Lachlan Orogen is shown in Figure 8.

The project area is located on the eastern margin of the Omeo-Wagga Zone which is bounded on the east by the Gilmore Fault Zone (Figure 8). The Gilmore Fault Zone is interpreted to be a major, deep crustal, faulted rift zone that marks the boundary between metasediments and "S-type" granitoids of the Omeo-Wagga Zone to the west and the complex Ordovician to Devonian sediments and volcanics of the Eastern Subprovince to the east.

Large batholiths of mid to late-Silurian age crop out to the south and north of the project area and vary in composition from granodiorite to adamellite. Intrusions and mineral deposits occur on a roughly northwest trend, (parallel to the Gilmore Suture) and appear to be located on cross faults/fractures which trend westerly and south-westerly.

The Gilmore Fault Zone extends in a northwest trend from the southeast of Tumut to as far north as Cobar. The Lake Cowal gold deposits (combined endowment  $\approx 8.4$  Moz Au) are spatially associated with splay structures off the Gilmore Fault Zone, as well as other significant deposits including Gidginbung near Temora (endowment of  $\approx 450$  koz Au), Dobroyde near Junee (endowment  $\approx 60$  koz Au), West Wyalong (endowment  $\approx 440$  koz Au), plus the older gold mining districts of Adelong in the far south of the suture (with historical production of about 1.4 Moz) and Temora (with historical production of about 130,000 oz) (Hee, 2002). Within the Mount Adrah area, northwest-striking Ordovician metasediments and metavolcanics are intruded by a quartz-monzodiorite body which hosts the Hobbs Pipe gold deposit.

The project area is located over a zone of structural complication along the Gilmore Suture, where the major structure splits into a series of complex interacting segments with numerous offset and jogs. Dilational zones created by movement along the suture have provided sites for intrusions and potentially focused fluid flow from gold mineralising systems in the area.

Table 6: Regional geology stratigraphic column for the Lachlan Orogen

Super cycle	Cycle	Age	Type	Commodities	Mineral fields or deposits
		Precambrian		Fe	Savage River*
Delamerian		Middle Cambrian	Ophiolites	Ni	Avebury*
			Mount Read Volcanics felsic (-mafic) VMS	Cu	Mount Lyell*
				Zn-Pb-Ag	Roseberry*, Hercules*, Hellyer, Que River
				Au	Henty*
Lachlan	Benambran	Early Ordovician	Mafic VMS	Cu	Girilambone Group*, Tritton Group*, Tottenham Group
		Middle to Late Ordovician	SedEx	Ph-Zn	Oceana
		Middle Ordovician to Early Silurian	Porphyry-skarn-veins (including epithermal)	Au, Au-Cu	Cadia*, Cargo, Cowal*, Marsden, Copper Hill, Peak Hill, Gidginbung – The Dam – Temora*, Northparkes (Goonumbla)*, Browns Creek
		Early Silurian	Veins ('orogenic')	Au (only)	Stawell, Ararat, Bendigo, Ballarat, Clunes, Maldon, Daylesford, Mount Egerton, Creswick, Castlemaine-Chewton, Berringa-Scarsdale
	Tabberabberan	Late Silurian	Felsic (-mafic) VMS	Cu-Zn	Woodlawn*, Lewis Ponds, Captains Flat, Benambra
			Epithermal veins	Au-Cu-Pb-Zn	Mineral Hill, Mount Boppy
		Devonian to Mississippian	Veins	Au (only)	Avoca, Beaufort, Maryborough, Majors Creek*, Hill End, McPhillamys*, Gulgong, Lucknow, Adelong, West Wyalong, Mount Adrah, Walhalla*, Woods Point – A1*, Harrierville, Chiltern, Beechworth, Beaconsfield*, Fosterville*, Costerfield*. The ages of Forbes, Parkes, Tomingley and Discovery Ridge – Bald Hill are less certain.
					Endeavour (Elura)*, CSA, Great Cobar, New Cobar, Chesney, New Occidental, Peak*, Hera, Nymagee, Mallee Bull*, Glen Wills
			Veins/tabular lodes	Au and/or base metal	
			Granite-related	Sn $\pm$ Cu	Ardlethan, Renison Bell, Mount Bischoff, Zeehan – St Dizier*, NE Tasmanian tin fields
				Sn-W	Aberfoyle – Story's Creek, Mount Lindsay*, Cleveland
				W (-Mo)	King Island*
				Pb-Zn-Ag	Magnet, Dundas – Zeehan, Mount Farrell

VMS – volcanogenic massive sulphide; SedEx – sedimentary-exhalative.

Source: Hughes (2017)

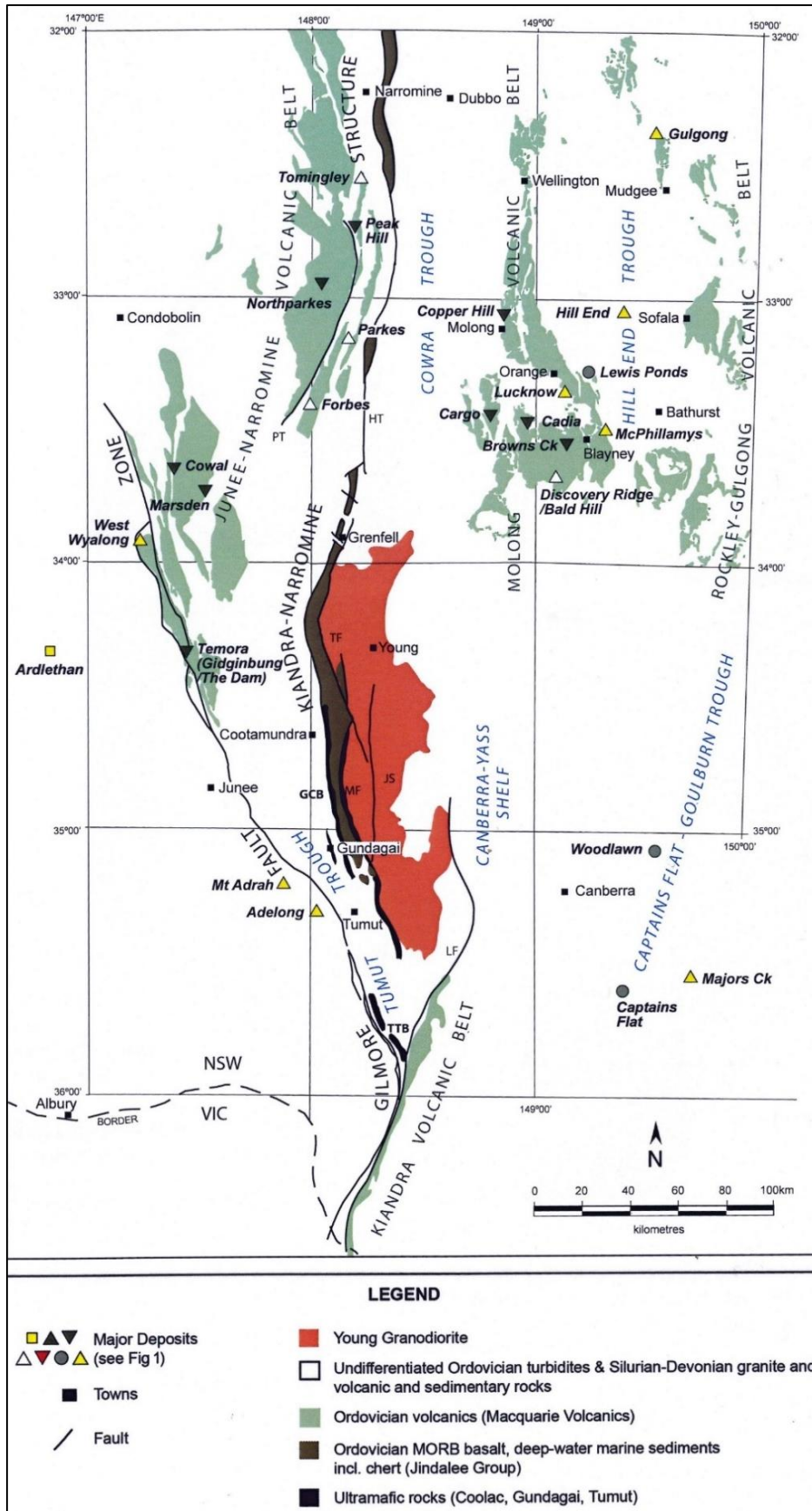


Figure 8: Regional geology and tectonic framework of the Lachlan Orogen showing major orebodies and mineral fields

Source: Hughes (2017)

### 3.5 Local Geology

State government geological mapping is available for the Wagga Wagga 1:250,000 map sheet, but not the 1:100,000 scale maps covering the project area. However, the East Riverina Geological Mapping Project, current in progress, does cover the project area and some locality data has been published from this work. The interpretative geology of the Mount Adrah district is shown in Figure 9, which is based on the seamless geology layer in the Geological Survey of NSW geographic information system.

The dominant geological feature of the Mount Adrah Project area is a northwest striking belt of Ordovician aged metasediments and metavolcanics (Figure 9). Metamorphism is to greenschist facies. Gabbroic to granitic igneous rocks of Silurian to Devonian age have intruded this sequence of metasediments and meta volcanics forming a series of stocks. These stocks broadly align along a northwest trend, parallel to the Gilmore Fault Zone, which is some 5 km to the northeast. The intrusive stocks appear to be localised on west and southwest trending cross faults or fracture systems. Large batholiths of mid to late-Silurian age crop out to the south and north of the project area and vary in composition from granodiorite to adamellite. These Palaeozoic rocks are reasonably well exposed due to relatively steep topography of the area, except in valleys where Cainozoic alluvial deposits form a cover. Drilling has revealed weathering to be fairly shallow, with the regolith mainly eluvium shedding downslope covering ridge flanks and hills. Significant soil development provides broad areas suitable for grazing, agriculture, and forestry land uses.

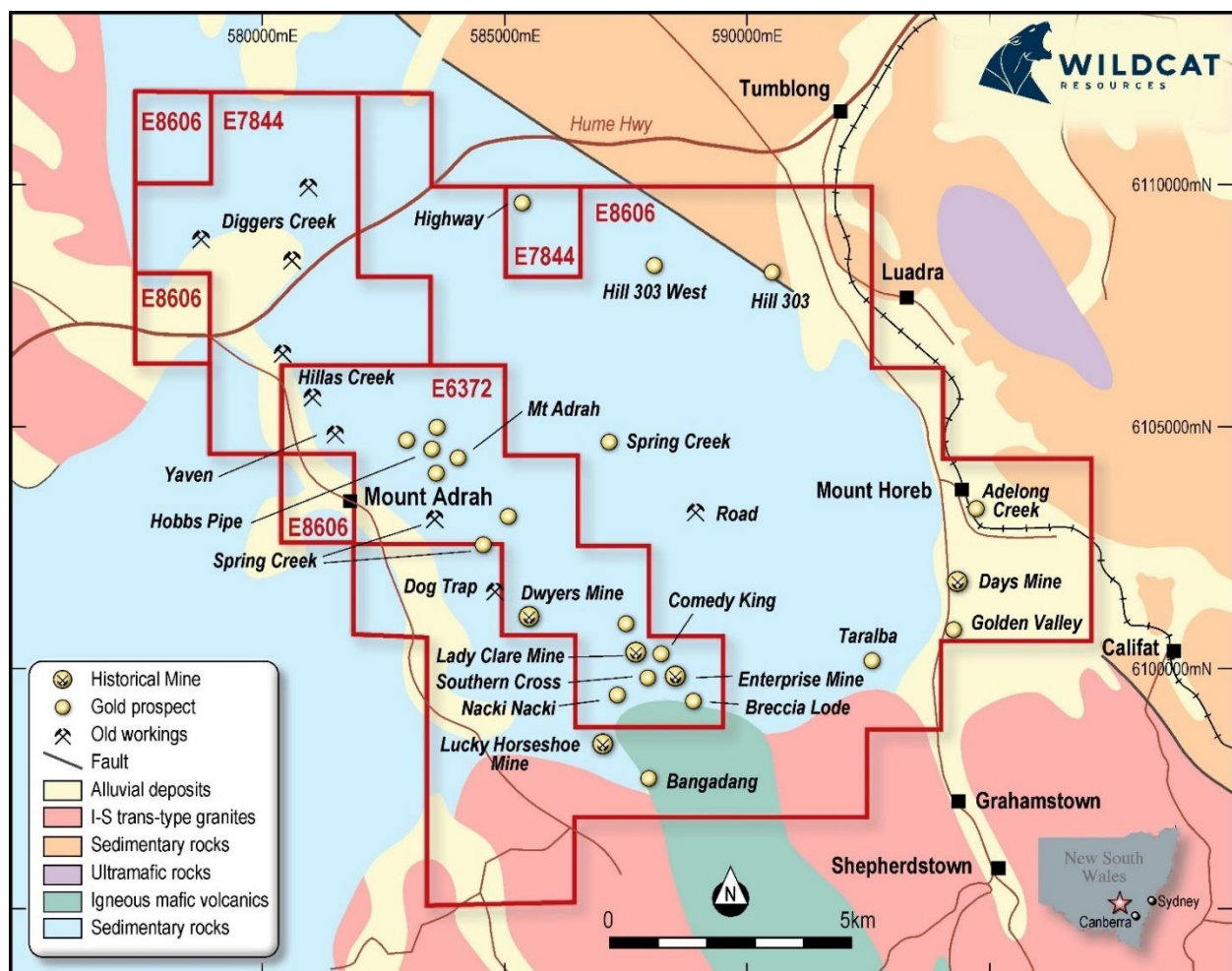


Figure 9: Interpretative geology map of the Mount Adrah region showing project tenements

The principal mineralisation style associated with the project area is interpreted to be an IRG system (Section 3.9).

### 3.6 Historical Exploration

The Mount Adrah Project area has had an extensive exploration history stretching back to the 1970s, with a series of owners which has included: Walton Roland, AOG Minerals, Jododex Australia, Getty Oil Development (Getty), Lachlan Resources, Cyprus Mines Corp., Hudspeth & Co, Peko-Wallsend, Michelago Resources, Arimco, Golden Cross Operations, Tasman Goldfields, Gossan Hill Gold and Mount Adrah Gold.

A number of other companies have been involved in past exploration as joint venture partners. Appendix A provides a listing of past exploration tenements and the previous title holders along with the GS numbers of the annual reports submitted to the government.

Gold has been the focus of the majority of the explorers. A basic summary of the exploration history of the Mount Adrah area is provided in Table 7. As tenements vary in shape and size, some of the results will not be covered by the current tenements.

Exploration activities in recent years have been focused around the previously discovered prospects, with most recent exploration by the previous tenement holders focusing on the Hobbs Pipe gold deposit.

There has been only limited evaluation of the lode style gold prospects, with most attention being devoted to the Hobbs Pipe deposit. The recognition of the Hobbs Pipe deposit as part of a potential reduced IRG mineral system.

Table 7: Exploration history of the Mount Adrah tenements

Company	Years	Tenements	Work completed
Walton Roland	1970 to 1974	EL0249	Geological reconnaissance. No results reported.
AOG Minerals	1980 to 1981	EL0609	Regional stream survey and soil sampling follow-up with Cu, Pb and Zn assaying. No data or plans included in report.
Getty Oil Development	1980 to 1988	EL1307	<p>A regional stream sediment survey covering 500 km<sup>2</sup> area identified a 5 km x 15 km zone of anomalous arsenic values over the Mount Adrah area. Follow-up geochemical surveys (soil, ridge and spur) defined a large As-Au anomaly. AirTrack drilling discovered gold mineralisation and defined the host pipe which was named Hobbs Pipe after the geologist, Roger Hobbs. Two years of intense prospect and regional exploration followed, which defined 12 further prospects. Getty undertook extensive geological mapping at 1:10,000 and 1:2,000 scale; further extensive soil surveys, rock chip geochemistry; induced polarisation (IP), ground magnetics, aeromagnetics, IP geophysical surveys, more air track and rotary air blast (RAB) drilling; percussion drilling; diamond drilling; petrology, metallurgical testwork and resource estimation. Work focused at Hobbs, but all targets were followed up to some extent.</p> <p>Getty stopped all Australia exploration in 1983 and the tenement was explored by a series of companies under various joint ventures: BP Exploration (1983 to 1986), Robertson Research (1986), Cyprus Mines Corp. (1986 to 1988). BP Exploration tested five Getty targets with RC drilling with disappointing results. At Hobbs Pipe, Cyprus Mines Corp. conducted re-assay of core and metallurgical testwork and then deep diamond drilling, confirming the depth extent and very consistent but low grades of gold.</p>
Jododex Australia	1980 to 1984	EL1285	Jododex Australia explored an area to the west of Gundagai which covered the most northern part of the Mount Adrah project tenure.
Lachlan Resources	1986 to 1988	EL2443	Lachlan Resources explored the portion of the project tenure northeast of Hobbs Pipe, undertaking mapping, aeromagnetics, soil sampling, electrical geophysics, and percussion drilling at the 303 prospect.
Cyprus Mines Corp.	1991 to 1993	EL2542	Cyprus Mines Corp. undertook mapping, stream sediment sampling, rock chip sampling, and tested four prospects with RAB, percussion and diamond drilling.

Company	Years	Tenements	Work completed
Hudspeth & Co	1991 to 1993	EL3772-75	Hudspeth & Co. undertook a review of previous work but little on ground activity before selling the tenements.
Geopeko, North Ltd	1993 to 1996	EL4101	Geopeko initially undertook BLEG stream sediments. Anomalies were followed-up with hand-auger soils, rock chips, ground magnetics, drilling at the Highway prospect in 1995 to 1996 (414 m shallow RCP 517 m diamond) delineated anomalous gold mineralisation, coincident with anomalous soil geochemistry.
Michelago Resources	1996 to 2003	EL 4646, EL5075, EL5301, EL5317	Michelago Resources explored the area in joint venture with lease holders, Dome Resources and Arimco Mining. The existing geochemical coverage was extended with further gridding, soil and rock chip sampling with anomalous zones tested by costeaning.
Golden Cross Operations	2001 to 2011	EL5825, EL5889	Golden Cross Operations held the area over a 10-year period as part of a much larger area covering the Gilmore Fault to the north and south. The Hobbs Pipe deposit was the focus in the Mount Adrah area, but landowner refusal to grant access was an issue for Golden Cross Operations. Some good compilation work done, but some rock chip sampling was the only new useful data gathered.
Tasman Goldfields	2010 to 2011	EL7190	Report not available.

### 3.6.1 Previous Geophysical Surveys

Airborne surveys carried out for the NSW Department and Geoscience Australia over the Wagga Wagga provide digital radiometric (Figure 10) and aeromagnetic (Figure 11) coverage of the region. Gidley (2016) reprocessed this data and considered it of good regional quality due to close line separation (250 m) with low level of draped terrain clearance (60 m).

Only one additional company-flown airborne survey of suitable resolution has been undertaken over the Mount Adrah and Gundagai regions which was acquired by Michelago Resources in 1997. This survey was helicopter-borne and had line separations of 100 m regionally with a northwest strip of 50 m line separation coverage over the Mount Adrah to Bangadang corridor.

Regional ground gravity data, available from the National Gravity Database maintained by Geoscience Australia was obtained and analysed by Gidley (2016). The data has a high degree of accuracy and although broad in data station spacing, it forms a reliable network of readings that can be used for reduction and interpretation in a regional sense.

In 2016, Eureka Consulting undertook a technical assessment of the geophysical data available for the Mount Adrah Project (ELs 6372 and 7884) and an interpretation of the airborne survey data (Gidley, 2016). Eureka developed several of targets for IRG system mineralisation. CSA Global believes this work should be revisited and integrated with all available targeting data, notably geochemistry.

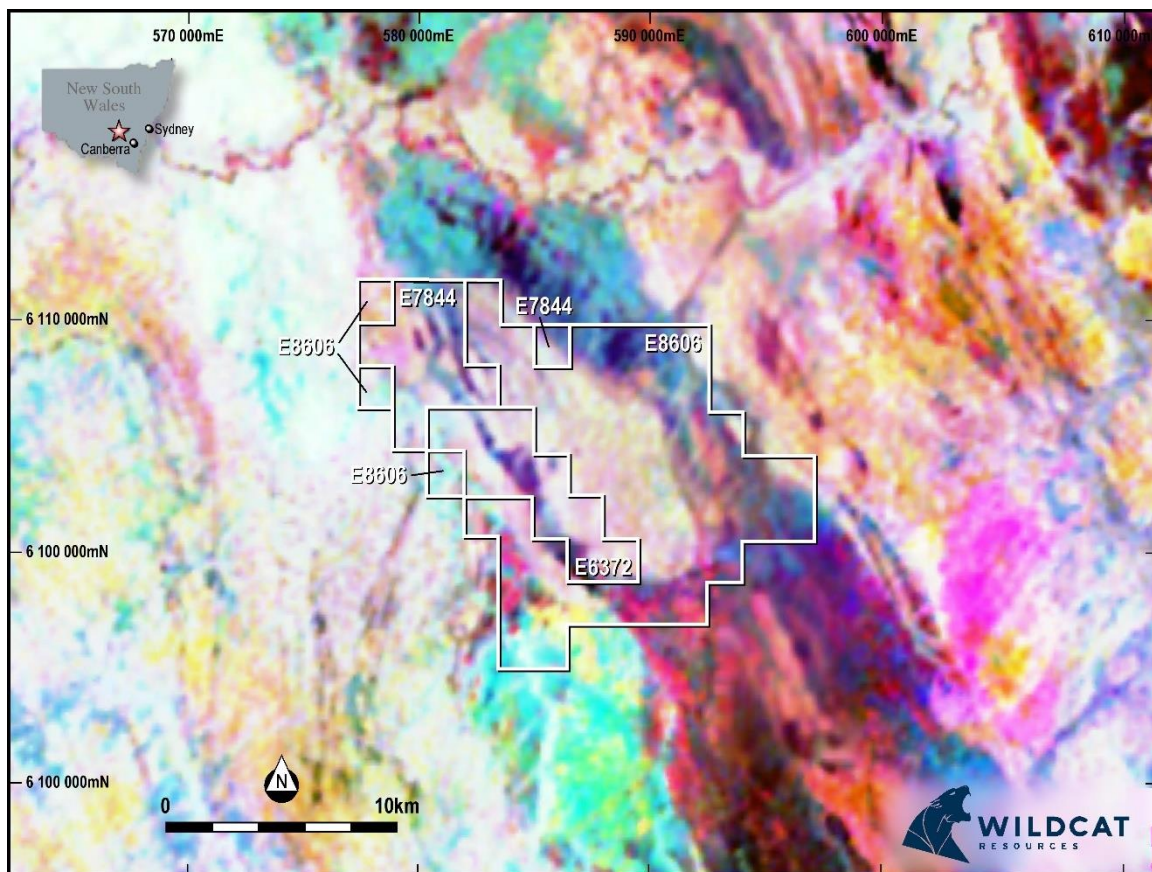


Figure 10: Radiometric image of the Mount Adrah district

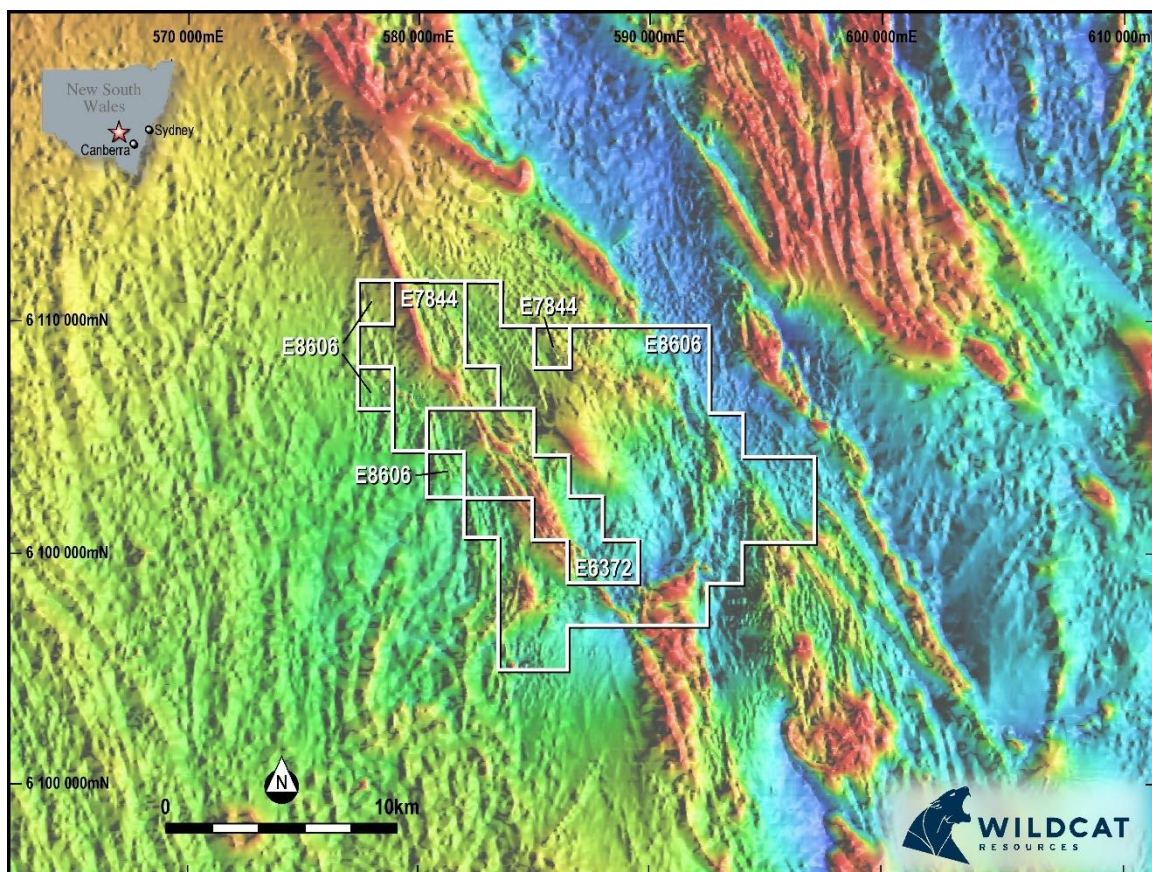


Figure 11: Total magnetic intensity image of the Mount Adrah district

### 3.7 Recent Exploration

Wildcat has only recently acquired the Mount Adrah Project and has yet to undertake any material exploration programs.

### 3.8 Exploration Potential

CSA Global considers the Mount Adrah Project area to be underexplored away from the Hobbs Pipe deposit and prospective for the discovery of substantial deposits of gold mineralisation of a variety of styles within the IRG system (as described in Section 3.9). The focus of historical drilling on a few known prospects is illustrated in Figure 12 which plots all drillhole collars in the Wildcat database over the interpreted geology map.

The complexity of faulting along the extent of the Mount Adrah to Bangadang trend provides an environment for additional mineralisation where the fractures and faults offer potential fluid pathways for mineralising fluids. A highly fractured environment into which such fluids can pass, results in the classic IRG system when favourable depositional sites are encountered.

Also, as evidenced by the existence of the Hobbs Pipe deposit, there is the likelihood that additional intrusive pipe-like or upward intruding apophyses can occur. Detailed analysis of available aeromagnetic and geological data can be used to model the structural environment and favourable sites for gold mineralisation may be identified (Gidley, 2016).

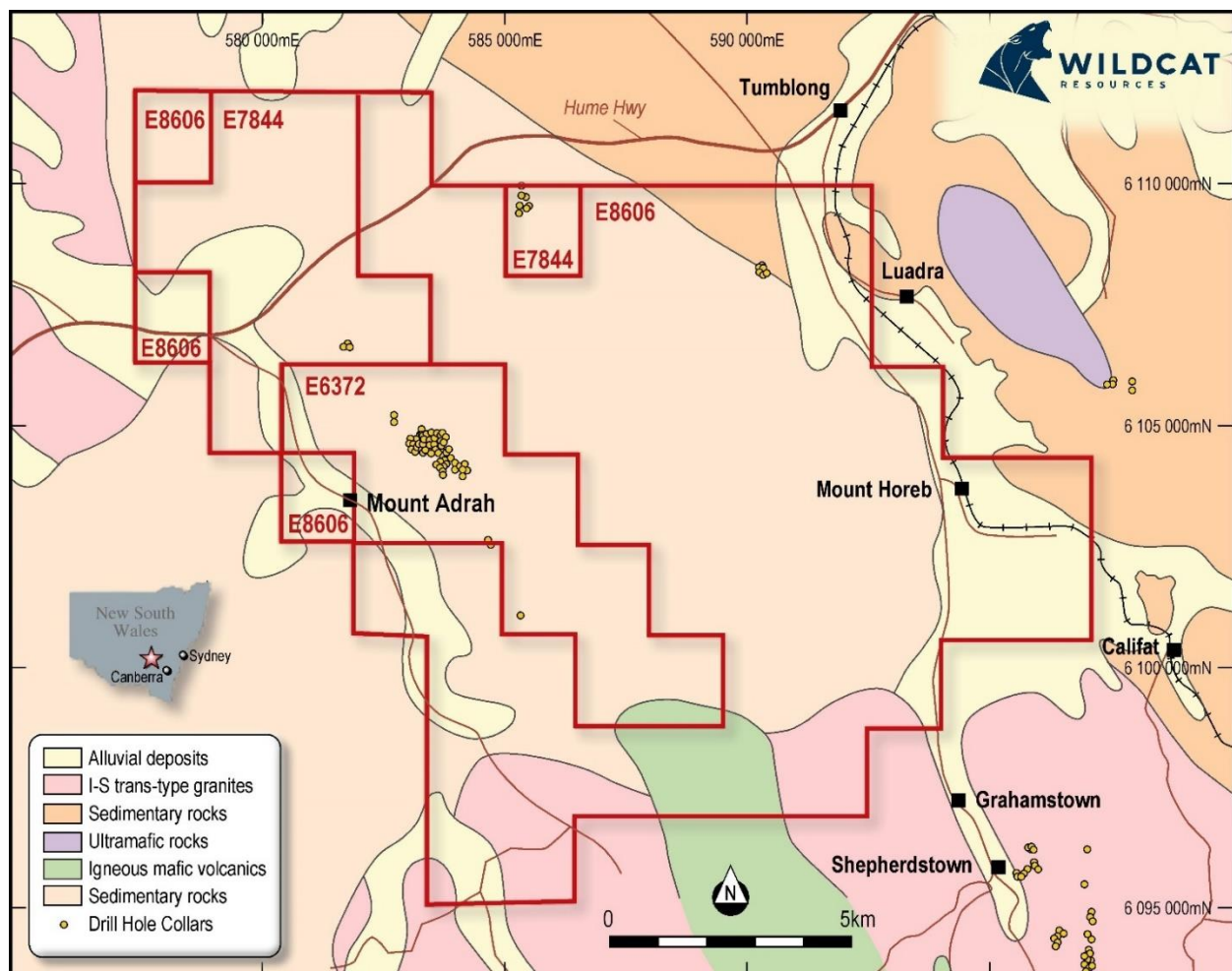


Figure 12: Drillhole collars and geology – Mount Adrah Project

The Hobbs Pipe gold mineralisation is interpreted to be an example of the reduced IRG system type being associated with disseminated pyrite and arsenopyrite within pyrite-sericite-albite alteration of the igneous host rock. The IRG system model was first described in the 1990s and has mainly been developed from work in the Tintina Belt of Alaska and the Yukon.

A number of IRG systems have been identified in Australia, with the Kidston deposit in North Queensland being a successful economic example. While the applicability of the IRG system model to the Mount Adrah region has been recognised, past work has been strongly focused on drilling the Hobbs Pipe deposit, with little attention to the broader application of the model elsewhere in the project area.

There remains considerable potential to identify both new gold mineralised intrusions like Hobbs Pipe, but bigger in size, elsewhere in the project as well as the related deposit styles that form part of the IRG system family, e.g. high-grade veins, sheeted vein arrays and breccias, as well as skarns. The Mount Adrah project area has evidence suggesting all these types of mineralisation may be present.

CSA Global considers that successful exploration for IRG systems will be enhanced by a clear understanding of the characteristics of the mineralising system, the resultant deposit styles and the geological environment within which they are likely to be discovered. Previous exploration of the Hobbs Pipe deposit has resulted in a good understanding of its geology including lithology, mineral alteration, geochemical signatures, and geophysical signature. These are a key component of the planned regional exploration strategy, with the IRG system model coupled with new data and improved integrated interpretation being the key to new discoveries in the project area.

### 3.9 Intrusion-Related Gold Systems

CSA Global believes that successful exploration for IRG systems will be enhanced by a clear understanding of the characteristics of the mineralising system, the resultant deposit styles and the geological environment within which they are likely to be discovered.

IRG systems have been recognised as a distinct class of gold deposits since 1999, based chiefly on studies of occurrences in the Tintina Gold Province of Alaska and Yukon (Thompson *et al.*, 1999; Lang & Baker, 2001; amongst others). These gold systems are considered to have a direct genetic link with a cooling felsic intrusion, with mineralisation occurring within the intrusion and/or the adjacent wall rocks (Lang & Baker, 2001; Hart, 2007). They are typically found in metallogenic provinces that host significant tungsten and/or tin deposits.

Whilst some debate and overlapping confusion between IRG and orogenic gold vein deposits has prevailed since initial recognition, the understanding of the nomenclature of IRG system has evolved over the last 10–15 years. Two different types of magmatic-hydrothermal gold mineralising systems have been identified using the prefixes “reduced” and “oxidised” based on the oxidation state of the associated plutons (Hart, 2007). IRG systems are a distinct “reduced” class that lack anomalous copper, have associated tungsten, low sulphide volumes, reduced sulphide mineral assemblages, and are associated with felsic, moderately reduced (ilmenite-series) granitoids. In contrast, “oxidised” intrusion-related gold deposits are mostly gold-rich (or relatively copper-poor) variants of the porphyry copper-molybdenum deposit model associated with more mafic, oxidised, magnetite-series plutons (Hart, 2007).

Based on deposit studies globally, there is little consensus over the tectonic settings of IRG systems, if not confused, with back-arc, foreland fold belts, collisional, post-collisional, and magmatic arc settings in orogenic belts being proposed (e.g. Thompson *et al.*, 1999; Goldfarb *et al.*, 2000). However, the IRG system gold deposits and occurrences in Yukon are well understood and it is suggested that the gold systems preferentially formed in association with the youngest, furthest inboard, moderately reduced (ilmenite-series) plutonic suite that developed during weak post-collisional extension behind a thickened continental margin (Hart, 2007). All Yukon, Alaskan and British Columbia examples are associated with

plutons that intruded the ancient continental margin or previously metamorphosed pericratonic terranes (Hart, 2007).

IRG systems are characterised by multiple deposit styles and can be hosted within the intrusion as well as proximal and distal to it, and above and beyond the surrounding thermal aureole, e.g. skarns, disseminations, sheeted veins and stockworks, breccias, replacement-style and distal base-metal vein deposits (Figure 13 and Figure 14). This variation in deposit style, as well as metal zonation trends and spatial associations around intrusion centres, define a broader magmatic-hydrothermal environment that reflects a mineralising system rather than just a distinct deposit type.

A widely accepted set of geological and geochemical criterion have been established (e.g. Thompson *et al.*, 1999; Lang & Baker, 2001; Hart, 2007), with the type deposit style characterised by intrusion-hosted, sheeted arrays of thin, low sulphide-bearing quartz veins with a gold-bismuth-tellurium-tungsten signature typically comprising a low-grade gold, bulk tonnage resource (Hart, 2007). Based on the studies of Thompson *et al.* (1999), Lang & Baker (2001) and Hart (2007), general features include:

- Pluton size – IRG systems are best developed within and surrounding the apices of small, cylindrical-shaped plutons that intruded sedimentary or metasedimentary country rocks. Systems are generally developed around small (<2 km<sup>2</sup>) isolated plutons with mineralisation hosted in the intrusion and hornfels thermal aureole. Larger plutons (2–10 km<sup>2</sup>) may have apophyses (e.g. Mount Adrah Hobbs Pipe) or later phases that are preferentially mineralised.
- Pluton geometry – The elongated shape of plutons reflects structural controls on emplacement, indicating a dominant extensional direction that may be important for localising later mineralisation. Cylinder-shaped plutons with steep sides and domed or cupola-like roofs are preferred geometries as these characteristics are believed to enhance focusing of magmatic derived hydrothermal fluid.
- Depth of pluton emplacement and structural controls – Hydrothermal fluid flow and mineralisation are largely controlled by structural features that impinge on the thermally driven system (Hart *et al.*, 2000; Stephens *et al.*, 2000, 2004). Systems generally lack multidirectional, interconnected vein stockworks that are characteristic of porphyry copper-molybdenum deposits. This is probably due to deeper levels of pluton emplacement (5–9 km; Baker & Lang, 2001) where higher confining pressure sufficiently suppress rapid fluid exsolution and explosive pressure release which results in the development of characteristic stockworks and breccias. Furthermore, meteoric water entrainment and the formation of broad alteration haloes is inhibited. Instead, mineralisation hosted in the intrusion occurs in tensional zones that develop in the pluton's brittle carapace and roof zones immediately above. The dominant structural control is weak extension resulting in arrays of parallel fractures in the brittle carapace that are filled with thin (0.1–5.0 cm), auriferous, low sulphide content quartz veins forming extensive, intrusion-hosted sheeted arrays. In contrast, mineralised quartz veins in brittle hornfels quartzite can form shattered, stockwork-like zones several metres in width (O'Dea *et al.*, 2000). Solitary fracture, fissure, and shear-hosted veins may occur in the pluton, in the proximal hornfels and up to several kilometres from the pluton.
- Country rock composition – Skarn formation in limestone units may indicate plutons that are prospective for intrusion-hosted sheeted vein deposits within the larger system. Most associated skarns are scheelite dominant, but they may be overprinted by a lower-temperature gold mineralising event.
- Zonation – Recognisable deposit style zoning and geochemical zonation trends propagating outward from a central mineralising intrusion are a feature of IRG system (Figure 13 and Figure 14).
- Sulphide content – An overall low sulphide content (<5%) and reduced sulphide mineral assemblage typically comprising arsenopyrite, pyrrhotite and pyrite, and absence of magnetite or hematite.

- **Hydrothermal alteration** – Hydrothermal alteration in intrusion-hosted ores is not pervasive or intense and typically limited to 0.5–3.0 cm wide selvages adjacent to the veins. Alteration adjacent to veins typically consists of either texturally destructive K-feldspar or pervasive carbonate replacement of mafic minerals. An adjacent sericite-dominant  $\pm$  pyrite  $\pm$  carbonate assemblage overprinting plagioclase and mafic minerals is common. Chlorite alteration is not pervasive throughout the host rocks and may occur in more distal areas. In contrast, alteration of country rocks surrounding the mineralising pluton may be pervasive and intensive. It is typically dominated by biotite-quartz  $\pm$  pyrrhotite alteration in the hornfels and in instances, this can be overprinted by later retrograde sericite alteration of biotite.
- **Hydrothermal fluid properties** – Hydrothermal fluid properties have been well documented by Baker & Lang (2001). Most gold-tungsten-bismuth-tellurium veins consist of early high temperature (380°C to 300°C), CO<sub>2</sub>-rich (5% to 14%), low-salinity (2–6 wt% NaCl equivalent) aqueous carbonic fluids with CH<sub>4</sub> and N<sub>2</sub>. These fluids cooled and locally unmixed to yield lower temperature (mostly 280°C to 250°C, and instances as low as 160°C), immiscible, low-salinity (0.2 wt% NaCl equivalent) and high-salinity (6–15 wt% NaCl equivalent) aqueous fluids lacking significant CO<sub>2</sub>, forming the arsenic, antimony, and silver-lead-zinc veins. In summary, auriferous hydrothermal fluids typically have carbonic, low salinity properties.
- **Pathfinder geochemistry** – Geochemical signatures are typically characterised by gold displaying variable associations with molybdenum, bismuth, tellurium, tungsten, arsenic, antimony ( $\pm$ copper). Geochemical zoning reflects the cooling trend of the hydrothermal fluids, with some external buffering influence by country rock interaction. Geochemical zonation typically extends 1–3 km from the pluton but can be more extensive in roof zones above it (e.g. >10 km). Intrusion-hosted ores are dominated by a gold-tungsten-bismuth-tellurium signature with gold correlating well with bismuth and tellurium. Geochemical signatures of high-temperature skarns adjacent to the pluton may be similar; however, arsenic and tungsten enrichments may be more significant than bismuth-tellurium signatures in some systems. Vertical zonation patterns may mimic the lateral zonation but may be less pronounced, e.g. a roof zone altered to hornfels above unexposed plutons may show no zoning trends. Within the pluton, vertical zonation is nebulous, although decreases in gold grades with depth have been recognised at Fort Knox, Alaska. However, shallowly emplaced systems have more apparent vertical zonation trends (Hart, 2007).

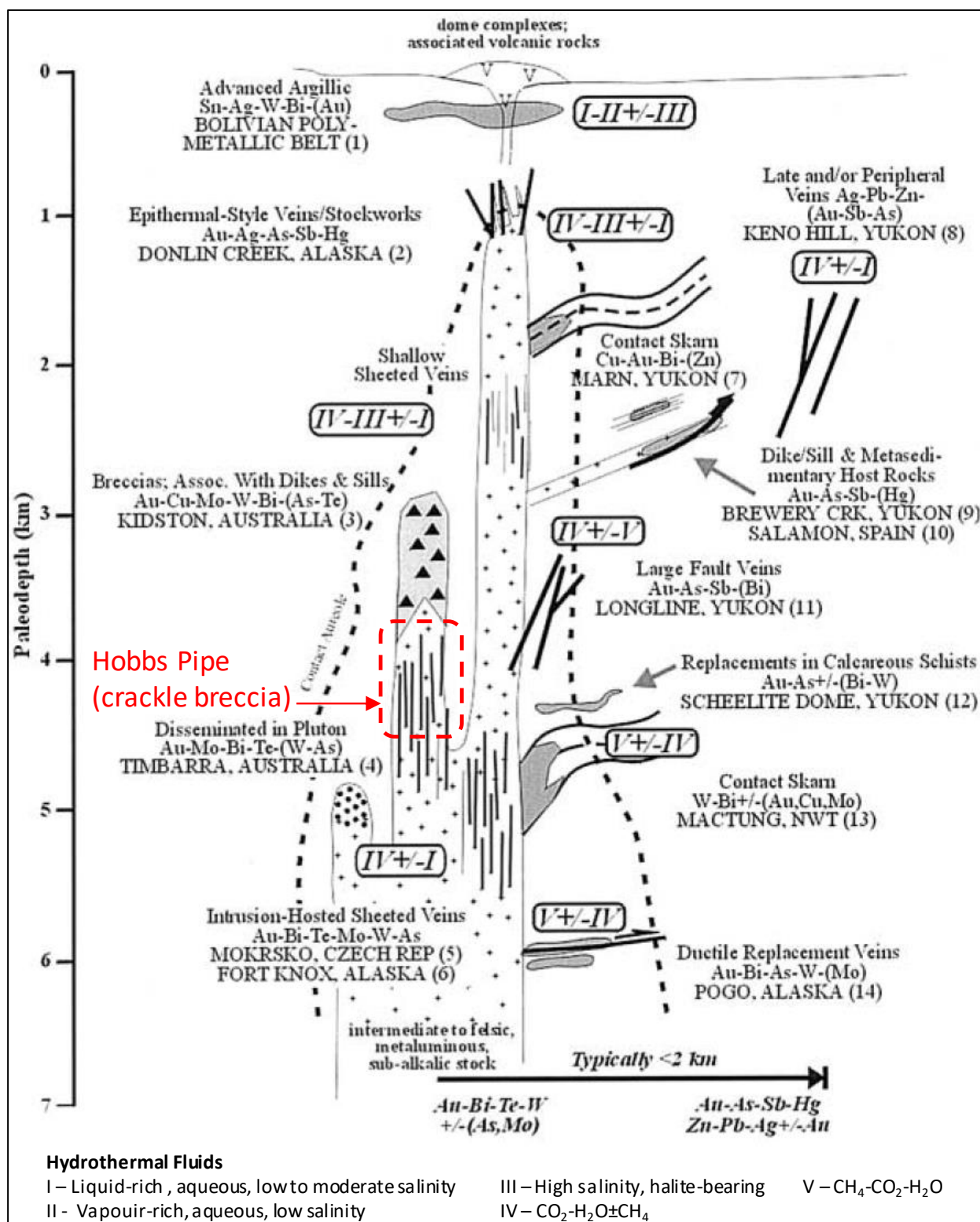


Figure 13: Schematic geological and exploration model for IRG systems

Showing vertical and lateral variations in mineralisation styles, fluid compositions and geochemical zonation trends (modified after Lang & Baker, 2001) with proposed position of the Mount Adrah Hobbs Pipe deposit shown in red.

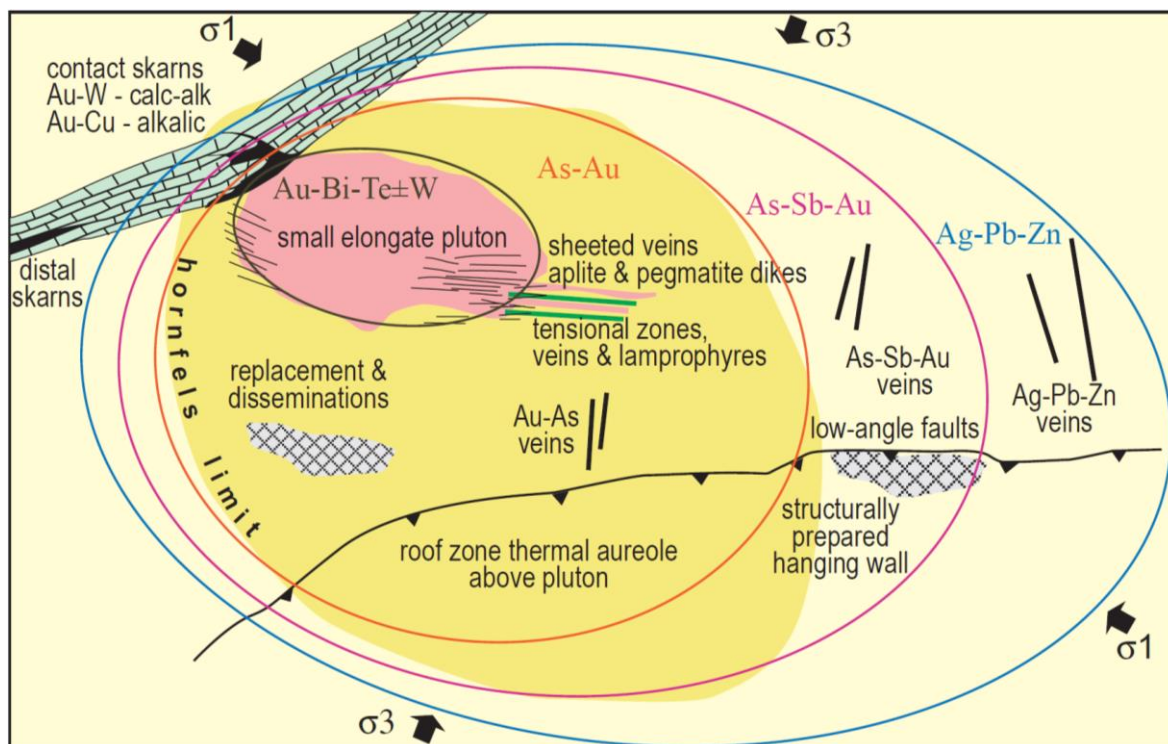


Figure 14: Plan of generalised IRG system from the Tintina Gold Province in Alaska and Canada  
Illustrating the variations in mineralisation style and geochemical zonation trends from the central intrusion which can range in size from 100 m to 5 km in diameter (after Hart, 2007).

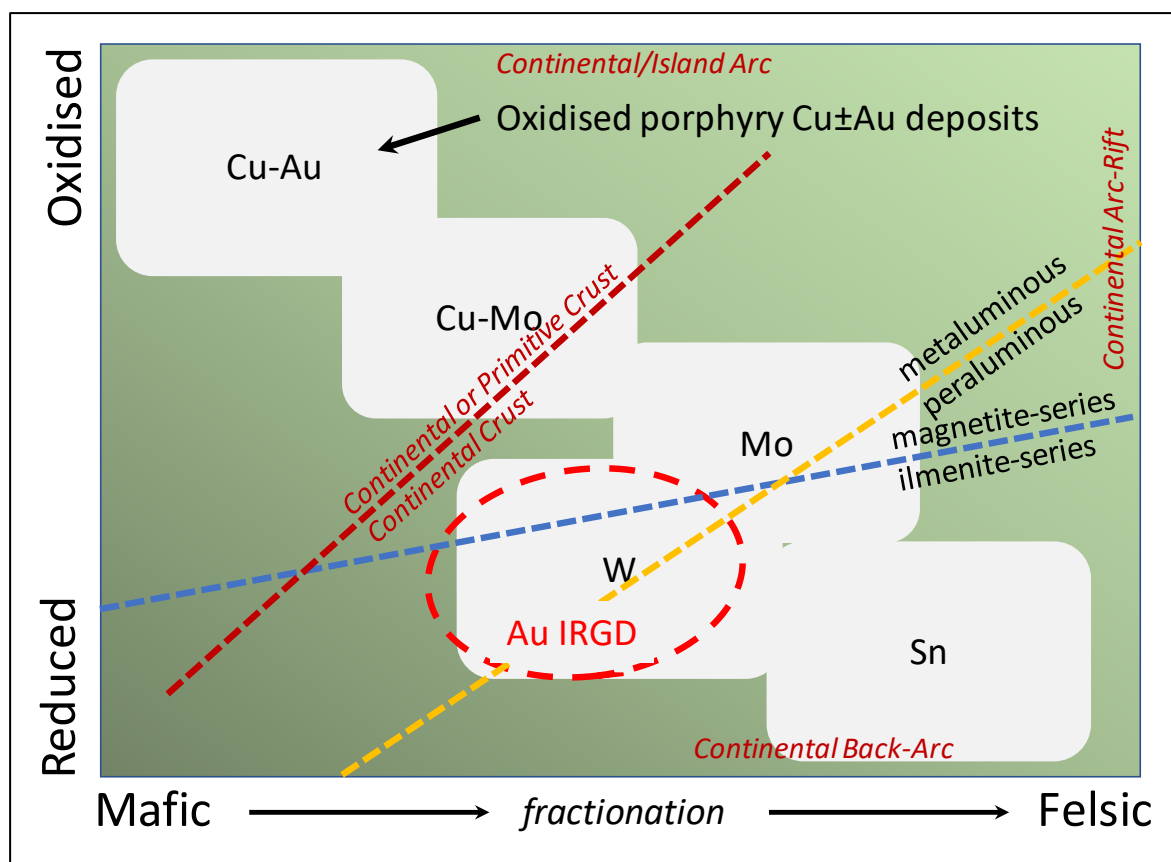


Figure 15: Schematic diagram showing relationships between metal associations and the fractionation and oxidation state of primary magmas  
Modified after Thompson et al. (1999) and Hart (2007)

### 3.10 Hobbs Pipe

The Hobbs Pipe gold deposit is located within EL6372 in the centre of the project area. The upper zone of the prospect was discovered in 1980 by Getty via geochemical sampling and air track drilling with subsequent drilling by various explorers continuing to elucidate the geology of the deposit during intermittent drilling campaigns over the following decades.

The host intrusive of the deposit is predominantly monzodiorite consisting predominantly of plagioclase feldspar, hornblende, biotite, augite and quartz and minor alkali feldspar. The stock is roughly circular in outcrop, 160 m in diameter with near-vertical walls which continue to great depth. At a depth of 500 m, it is interpreted to be approximately 180 m x 160 m in diameter. It has been intersected to a depth of approximately 900 m and is open. Drill intersections indicate that the pipe is altered and mineralised from the surface to its full depth. Two other small quartz-monzodiorite pipes located less than 100 m to the north of Hobbs Pipe. These intrusive pipes are significantly smaller in size (35 m in diameter) and have only been drilled to a depth of 80 m. By analogy with the Adelong norite-gabbro-diorite suite to the southeast, the intrusive is interpreted to be upper Silurian to lower Devonian in age.

Pyrite-sericite-albite alteration of the monzodiorite is associated with gold mineralisation, with disseminated pyrite and arsenopyrite the main sulphide minerals. Pyrite and arsenopyrite are uniformly disseminated within the pervasively sericite-albite altered medium grained monzodiorite. Sulphide veins and vuggy quartz veins are present but rare. At depth propylitic alteration of the quartz monzodiorite was intersected.

The majority of the pipe is altered and mineralised. Numerous mineralised intercepts are very wide (200 m to 300 m) and in the order of 0.5 g/t to 2.0 g/t Au grade range (Figure 17). Very few high grades intercepts were intersected within the pipe. Brittle deformation is minor with brecciation, intense fracturing and multi-directional stockwork generally not present in the core drilled to date. Petrographic and geochemical evidence suggests that mineralisation is directly linked to crystallisation of the magma – during a passive deep level mineralising event.

Contact metamorphism of the country rocks surrounding the intrusive pipe has produced a pyroxene hornfels from the basic volcanic host, with minor gold anomalism to 0.4 g/t Au.

A northeast trending fault offsets the major lithological units of the Mount Adrah–Bangadang sequences by up to 150 m about 500 m southeast of the Hobbs Pipe. A series of crosscutting faults which are associated with the main fault pass close to the pipe. Other faults mapped in the aeromagnetics are primarily of a northeast orientation, but a number are also northwest oriented.

CSA Global considers that the geology and geometry of the Hobbs Pipe mineralisation to have been adequately defined by previous exploration, and that no further work is required.

#### 3.10.1 Hobbs Pipe Exploration Results

Gossan Hill Gold Ltd commissioned AMC Consultants (AMC) to undertake a resource modelling exercise on the deposit (Burrows, 2013). It used an updated geological interpretation, and it was a comprehensive exercise, using all the holes drilled to that point, and superseded all previous work. This was reviewed and re-released by FRN (ASX announcement, 23 August 2019).

The database consisted of 154 drillholes; however, some lay outside the part of the main mineralised area. Drilling methods used were diamond core, RC and air track. Adequate documentation of procedures used for drill programs was lacking for all drilling programs, especially the pre-2010 programs. No quality assurance and quality control (QAQC) data was collected apart from internal laboratory QAQC data.

Table 8: Drilling statistics – Hobbs Pipe deposit

Drillhole type	Number of holes	Metres drilled	Percentage by length
Diamond core	12	4,517	68.7
RC	29	1,418	21.5
Air-core and other	10	645	9.8
<b>Total</b>	<b>51</b>	<b>6,580</b>	<b>100</b>

Figure 16 provides a map of the Hobbs Pipe area showing drillhole collars. AMC identified a problem with the accuracy of drillhole collar survey data with obvious discrepancy between the collar positions of many drillholes not matching the topographic surface. The discrepancy was not uniform suggesting that the collar survey method was not adequate. The problem was not dealt with or explained with at the time and remains unresolved.

CSA Global is of the opinion that accuracy of the drillhole collar locations and elevations needs to be addressed, should further work be undertaken at Hobbs Pipe.

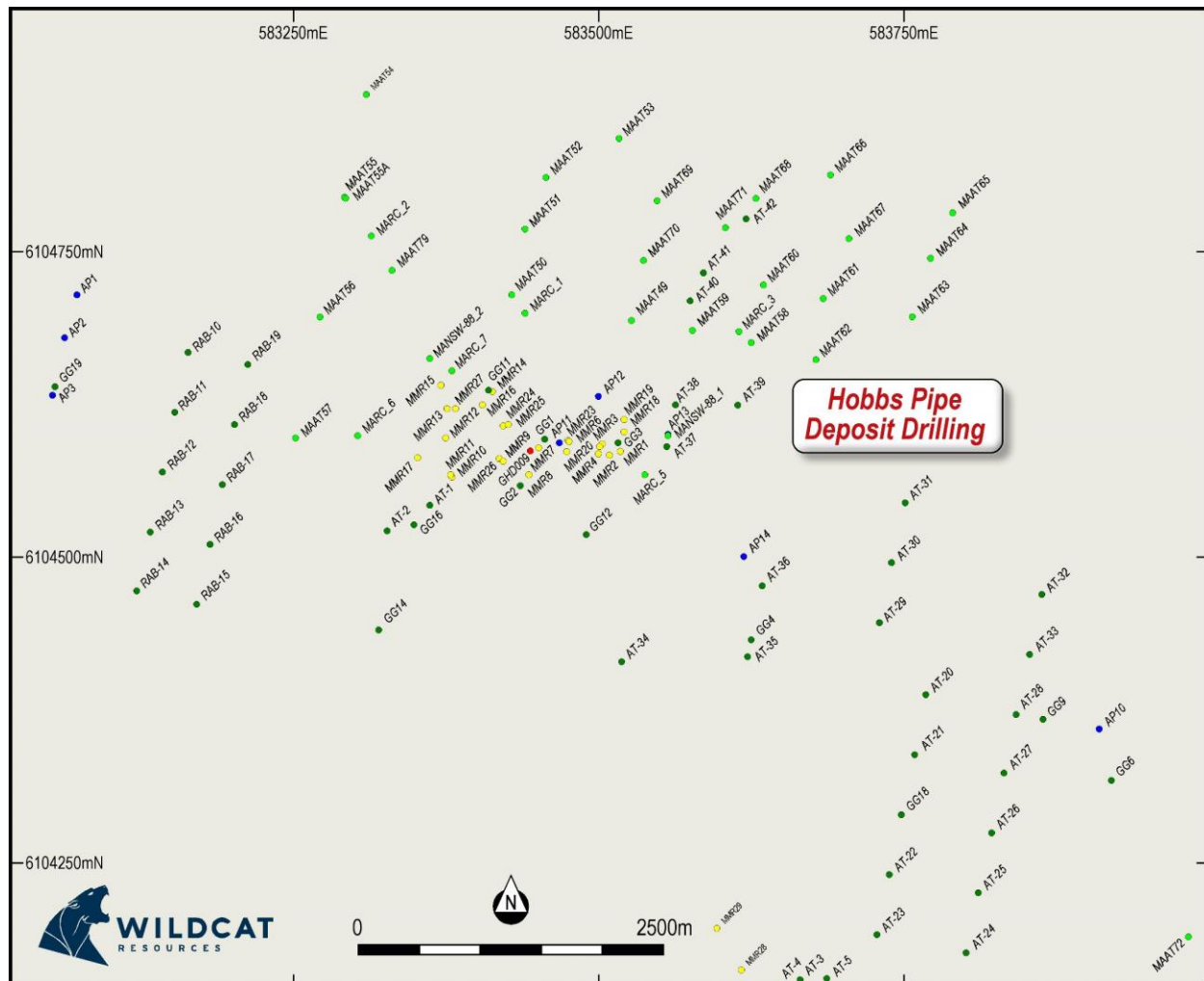


Figure 16: Surface plan of the Hobbs Pipe deposit showing drillhole collars

The Hobbs Pipe deposit has been interpreted by all previous explorers to be contained entirely within the monzodiorite intrusion which has a vertical pipe shaped geometry (Figure 17). Mineralisation associated with the two smaller neighbouring pipes is also interpreted to be constrained to the pipe shaped intrusive.

The most recent geological interpretation study was undertaken by AMC (Burrows, 2013) using three-dimensional (3D) modelling software and was done using plan views rather than conventional cross-section views, due to the vertically plunging geometry of the deposit (Figure 17). CSA Global considers the geological interpretation to provide a realistic model which appropriately reflects the drill data and the nature and style of the gold mineralisation.

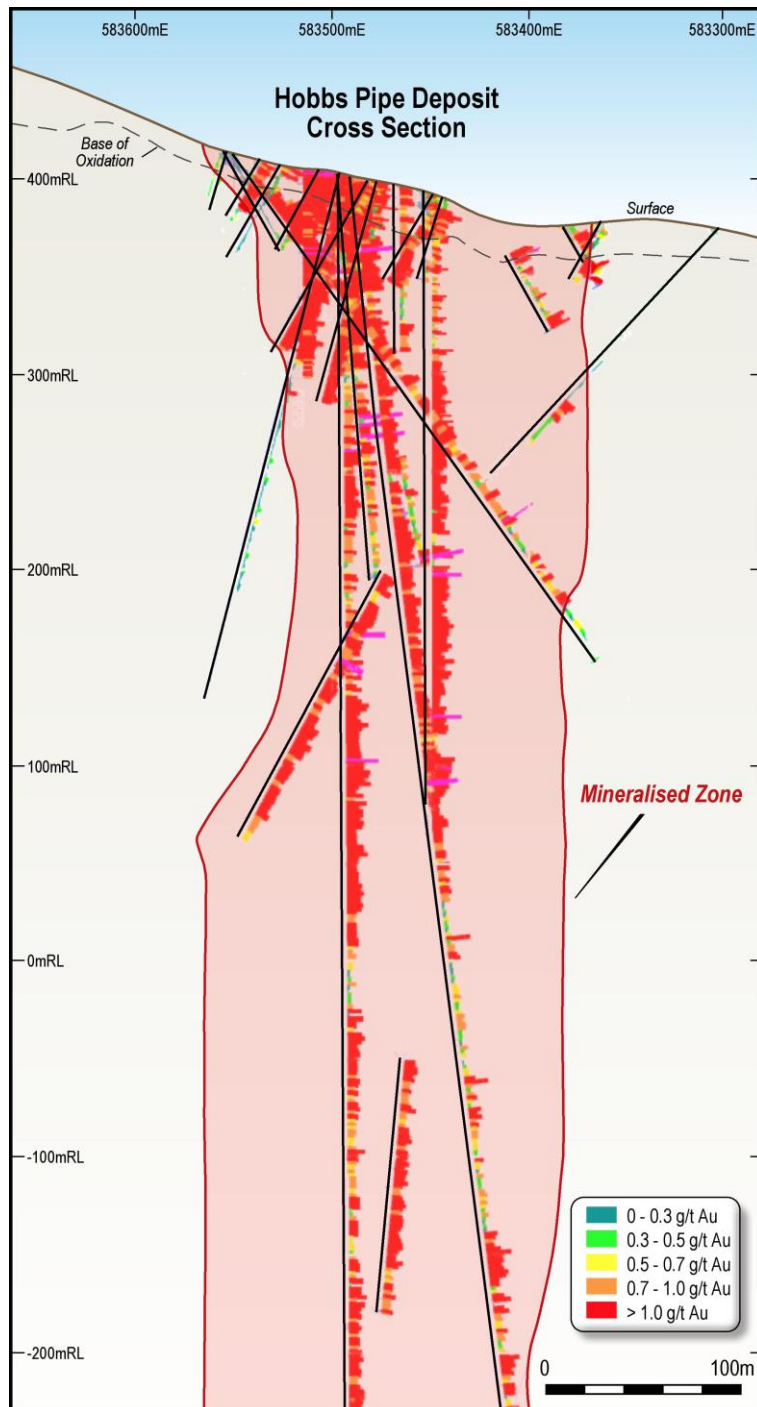


Figure 17: Cross-section view of Hobbs Pipe deposit – interpreted mineralised domain in pink  
Histograms on hole traces depict gold grade in height and colour as per legend.  
Source: Burrows (2013)

Historical holes were assayed by a combination of aqua regia, fire assay and unspecified atomic absorption spectroscopy (AAS). For holes drilled since 2000, diamond core was analysed by fire assay for gold and inductively coupled plasma – atomic emission spectroscopy (ICP-AES) or inductively coupled plasma – mass spectroscopy (ICP-MS) for multi-element analysis. Core was split by core saw with half core sent to ALS laboratories on a 2 m sample length basis. Table 9 provides a statistical analysis of the gold assay results of the 4,661 drill samples from within the pipe, broken up weathering domain. This data clearly define the homogenous nature of the gold distribution of this disseminated deposit, with the median and mean grades within 7% of each other, a standard deviation of 0.69 and a coefficient of variation of 0.61, **indicating that there is low variability in the data, and no significant skewing of the data distribution.**

Table 9: Assay statistics – Hobbs Pipe

	All samples – Au (g/t)	Oxide – Au (g/t)	Fresh – Au (g/t)
Number of samples	4,661	736	3,923
Mean	1.13	0.99	1.14
Median	1.06	0.95	1.07
Minimum	0.005	0.005	0.005
Maximum	9.02	3.50	9.02
Standard deviation	0.69	0.68	0.65
Coefficient of variation	0.61	0.68	0.57

The drilling intersected numerous long intervals of modest grade gold assays. The tenor of the grade data can be seen on the cross section (Figure 17) in the histograms on hole paths.

The bulk density of 46 core samples from the Hobbs Pipe were determined using the Archimedes method, yielding averaged values of 2.66 t/m<sup>3</sup> for oxide and 2.76 t/m<sup>3</sup> for fresh rock.

In CSA Global's opinion, the drilling, interpretation, assaying and density determination work is appropriate for use in technical assessment of the deposit.

### 3.10.2 Block Modelling Studies on the Hobbs Pipe Gold Deposit

AMC completed a geostatistical study on the Hobbs Pipe deposit. Gold was the only element studied. Samples were composited to 1 m, the mean sampling length (historical samples average 1 m assay intervals). Grade distribution graphs of the composited samples were used to determine that at the 99.9<sup>th</sup> percentile, a top cut of 5 g/t Au resulted, with five intervals from 3,498 composite samples above this cut level. It was determined that ordinary kriging would be an appropriate interpolation method for gold grades of the deposit.

CSA Global is of the opinion that the overall estimation rationale applied by AMC is reasonable for this style of mineralisation.

Table 10: Prior reporting of previous and historical Mineral Resources

Mineral Resource reported	Date	Code	Tenement Owner	Report by	Reference
Indicated and Inferred	Aug 2019	JORC (2012)	Wildcat Resources	FRN	Keys, 2019
Indicated and Inferred	Nov 2013	JORC (2012)	Gossan Hill Gold Limited	AMC	Burrows, 2013
Indicated and Inferred	Aug 2013	JORC (2012)	Gossan Hill Gold Limited	Geosun Pty Ltd	Tripathi, 2013
Indicated and Inferred	Sep 2005	JORC (2004)	Golden Cross Resources	SMC Consultants	Rankin, 2005
Not classified	1983	-	Getty	Getty	Hobbs, 1983

### 3.10.3 Metallurgical Studies on Hobbs Pipe Mineralisation

Metallurgical testwork determined that fresh Hobbs Pipe mineralisation is refractory and will pose problems for conventional carbon-in-leach gold recovery (Elvish, 1996; Zhao, 2013), due to most of the

gold being locked in solid solution in pyrite and arsenopyrite (i.e. present as very fine-grained particles included within sulphide grains).

An alternative recovery method, bacterial oxidation, was assessed by ALS Metallurgy (Zhao, 2013) which showed positive results. A large sample of cut drill core was submitted for preparation, flotation and leach assessment using the BIOX® process. Rougher flotation tests at p80=100 µm were performed to generate rougher concentrates. The results indicate approximately 96% gold was recovered at 16.6 ppm gold grade with 11% mass recovery. The sulphide recovery was 99% at 23% grade. BIOX® leach test on rougher concentrate oxidised approximately 98% sulphide. The sulphide grade in BIOX® leach residue is 0.55%. Diagnostic leach tests were performed on three different samples: rougher concentrates at p80=79 µm, rougher concentrates at p80=19 µm, BIOX® leach residue at p80=36 µm. The results indicate that only some 10% gold is cyanide soluble in rougher flotation concentrates, while cyanide soluble gold increases to 95.6% in the BIOX® leach residue due to oxidation of sulphide minerals and release of gold particles.

#### 3.10.4 Mining Studies on the Hobbs Pipe Gold Deposit

CSA Global considers the mining cost factors indicate that the grade of the Hobbs Pipe mineralisation is too low to satisfy Clause 20 of the JORC Code requirement for the Mineral Resources below 150 m to have “reasonable prospects for eventual economic extraction” at the valuation date.

A conceptual mining study of the Hobbs Pipe gold deposit was undertaken by AMC in 2014 at a gold price of A\$1,365/oz, commissioned by then owners, Gossan Hill Gold Ltd (English, 2014). The study was based on a block model developed by AMC in 2013. Their assessment using a low grade pit optimisation open pit mining method and yielded a conceptual inventory at a feed grade of 1.04 g/t Au at a stripping ratio of 1:1.3 metal which yielded cash flow one-tenth their estimated capital cost required for a start-up gold mine and ore processing facility. In summary, the open pit project fell well short of economic viability, based on the input parameters.

AMC also undertook a conceptual underground mining study based on the AMC block model. AMC's assessment using a sublevel caving mining method yielded a negative operating cash flow. AMC's assessment using a block caving mining method achieved an operating cashflow which was insufficient to cover the cost of mining capital. AMC concluded that underground mining of the deposit was not economic at current costs and prices.

Later in 2014, a preliminary pit optimisation on the Hobbs Pipe gold deposit was undertaken by Geosun (Tripathi, 2014) also based on the AMC block model. This study used what were, in CSA Global's opinion, unrealistically low figures for capital cost and ore processing cost inputs (under half those used for similar gold projects recently commissioned in Australia and under half the inputs used by AMC). It is also possible that the refractory nature of the deposit was not considered. Geosun's conceptual pit only extended to a depth of 280 m (28 x 10 m benches), even with the unrealistically low-cost figures. Most of the mineralised material in the block model (and historical resource estimates) is deeper than the base of this pit shell.

CSA Global's opinion is that these conceptual studies by AMC and Geosun do not provide a Reasonable Basis (as discussed by ASIC Information Sheet 214) to support any disclosure of financial forward-looking statements or production forecasts; and has elected to not disclose any findings from these preliminary mining studies.

#### 3.10.5 Hobbs Pipe Mineral Resource estimates

A Mineral Resource (Table 11) for the Hobbs Pipe was re-stated by FRN (ASX announcement, 23 August 2019).

Table 11: Mount Adrah Project Mineral Resources

Resources classification	Depth below surface	Oxidation zone	Cut-off (g/t Au)	Tonnes (Mt)	Grade (g/t Au)	Contained gold (oz)
Indicated	0–150 m	Oxide	0.4	0.6	0.9	18,000
		Fresh	0.9	3.0	1.0	96,000
	150–700 m	Fresh	0.9	8.5	1.2	320,000
<b>Total Indicated</b>				<b>12.1</b>	<b>1.1</b>	<b>440,000</b>
Inferred	0–150 m	Fresh	0.5	0.2	0.6	39,000
	150–700 m	Fresh	0.9	8.2	1.1	290,000
<b>Total Inferred</b>				<b>8.4</b>	<b>1.1</b>	<b>330,000</b>
<b>TOTAL MINERAL RESOURCES</b>				<b>20.5</b>	<b>1.1</b>	<b>770,000</b>

Source: Fraser Range ASX announcement, 23 August 2019

While anomalous gold mineralisation is present throughout the Hobbs Pipe, and the previous work has demonstrated sufficient geological evidence to be able to assume geological and grade continuity in the pipe at an Indicated level in some areas and Inferred elsewhere, the low total gold grade and dimensions of the deposit has led CSA Global to conclude that the prospects for underground extraction of the 1.1 g/t material are not yet sufficient clear to support the classification of this material as a Mineral Resource in its professional opinion. In CSA Global's opinion, only the Mineral Resources from surface to about 150 m below surface are currently likely to have reasonable prospects for eventual economic extraction at the valuation date.

CSA Global notes that the Wildcat's Competent Person reached a different conclusion.

### 3.10.6 Exploration Signature of the Hobbs Pipe Deposit

Previous exploration of the Hobbs Pipe deposit has resulted in a good understanding of its economic geology including lithology, mineral alteration, geochemical alteration, signature in regolith geochemical surveys and geophysical signature. These are viewed by Wildcat as a key component of their regional exploration strategy.

The pipe was discovered through geochemical exploration, giving a strong anomaly in stream sediment sampling survey, ridge and spur surveys and grid soil surveys. Pathfinder elements which also record anomalous results in the geochemistry include arsenic, copper, lead and zinc (Getty, 1981). Secondary dispersion has formed a large arsenic soil anomaly extending 1,900 m x 1,000 m from the pipe with an inner core to the soil anomaly at a 200-ppm arsenic threshold at 1,100 m x 150 m. In stream sediment samples, anomalous arsenic extended 1.25 km downstream (Marshall, 1991).

The magnetic signature of the Hobbs Pipe intrusive is a magnetically low feature. The area covered by the Hobbs Pipe magnetic low is mirrors the shape and extent of the pipe itself. The east-west diameter is about 230 m in extent and north-south about 160 m. The recorded profile low occurs as a magnetic depression on the flank of the broader Mount Adrah metabasalt trend response. This magnetic low has amplitude of only about 30–40 nT within an overall broader response of 150 nT, so although not large, the magnetic low is quite apparent. An elongate low amplitude radiometric potassium anomaly exists over the Hobbs Pipe zone, suggesting that potassic alteration and mineral enhancement is an association (Gidley, 2016).

During the 1980s, Getty conducted IP and resistivity ground geophysical surveys over the pipe and other prospects in their tenements, defining moderate to weak anomalous signatures over Hobbs Pipe (Getty, 1981).

## 4 Wellington Range Project

### 4.1 Location, Access and Infrastructure

The Wellington Range Project is centred approximately 180 km east of Wiluna and approximately 250 km north of Laverton to the southwest of Lake Carnegie. It is located in the eastern Earaheedy Basin on the Stanley and Kingston 1:250 000 map sheet (Figure 18). Access is via gravel road from Wiluna to Wongawol and Windidda and then by station tracks. The project's location is remote with little infrastructure in the area. Small settlements in the area include the Windidda and Wongawol communities, and the Lorna Glen, Prenti Downs and Carnegie homesteads. Supplies and logistic support can be sourced from Wiluna.

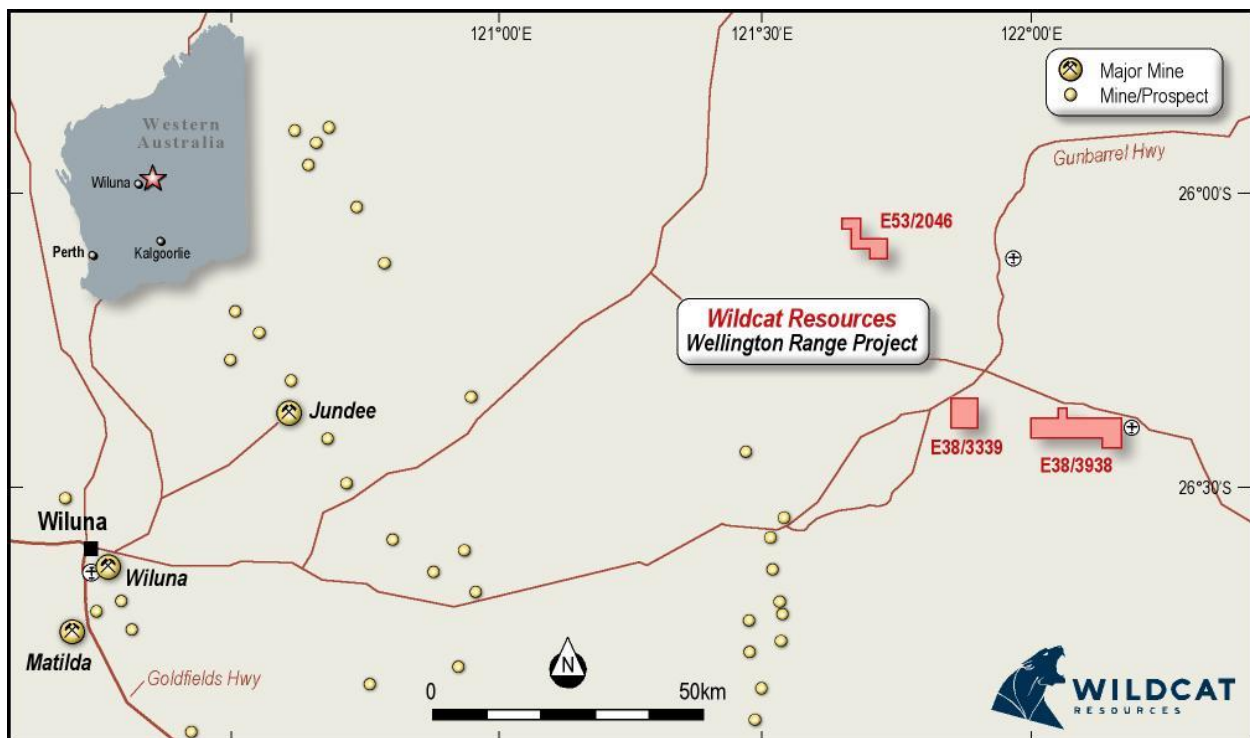


Figure 18: Location of the Wellington Range Project

### 4.2 Climate, Topography and Landforms

The area is classified as having a semi-arid climate with hot to extremely hot summers and mild winters. The topography of the project area is mostly flat, with occasional low hills and is thinly vegetated by scrub and a few larger trees. Landforms of the region include rocky outcrops, low hills, broad plains, and salt lakes. Topography is flat with an elevation of approximately 450 m above sea level. Vegetation is open, widely spaced eucalyptus with low scrub and saltbush throughout the region.

### 4.3 Tenure

Wildcat has applied for three exploration licences to form its Wellington Range Project. The total tenement area is approximately 126 km<sup>2</sup>. Table 12 provides the ID number for each tenement and its key details. The location of each tenement is shown in Figure 20. All tenements are applications held fully by Wildcat.

Table 12: Wellington Range Project tenements

Tenement ID	Type	Status	Holder name	Application date	Area (km <sup>2</sup> )	Blocks
E53/2046	EL	Pending	Wildcat Resources Ltd	12/07/2018	27.76	9
E38/3338	EL	Pending	Wildcat Resources Ltd	12/07/2018	70.76	23
E38/3339	EL	Pending	Wildcat Resources Ltd	12/07/2018	27.69	9

Source: MMTS tenement report (11 September 2019)

#### 4.4 Regional Geology

The project area lies in the Earraheedy Basin, a Paleoproterozoic tectonic unit. The geology of the Basin comprises a sequence of granular iron formation, clastic sediments and carbonates with minor intrusive dolerite sills and dykes. The interpreted geology of the Earraheedy Basin is illustrated in Figure 19.

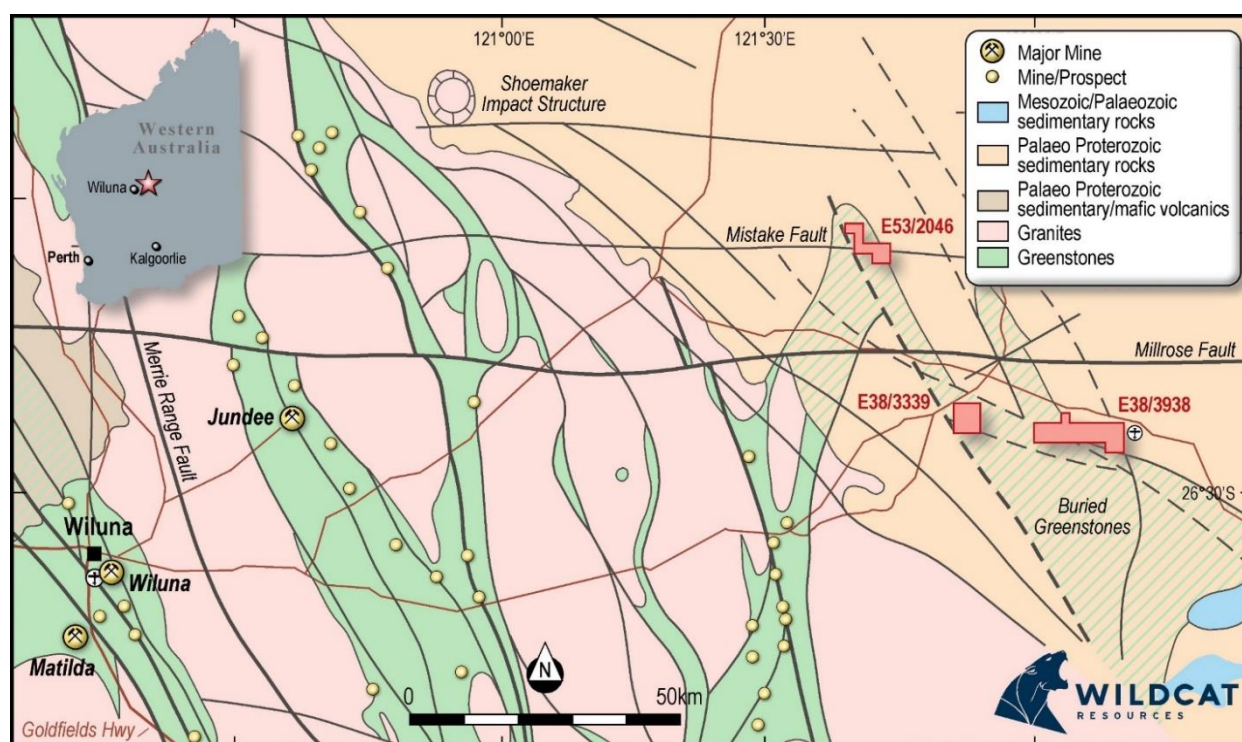


Figure 19: Regional geology map of the Wellington Range Project

The Earraheedy Basin occurs at the eastern end of the Capricorn Orogeny. The basement to the basin is mostly Archean aged Yilgarn Craton with the Yerrida Basin to the west. The Earraheedy Basin appears to have been originally much larger than its current size extending further to the southwest. The basin has been compressed to an easterly plunging open syncline with a zone of deformation evident along the northern flank, known as the Stanley Fold Belt. The Earraheedy Basin is younger than the Yerrida Basin (2200 Ma) and older than the Bangemall Basin (1800 Ma). Age constraints for the Earraheedy are not well established however stromatolite studies indicate an age between 1900 Ma and 1800 Ma while isotope age dating from mineralisation within the basin provides ages between 1800 Ma and 1700 Ma. The stratigraphy of the Earraheedy Basin is divided into two subgroups, the Tooloo and overlying Minningarra subgroups, which together form a 5 km-thick unit of shallow marine clastic and chemical sediments. The Kingston West Project tenements cover the southern margin of the basin where the Tooloo Subgroup outcrops. Some tenements show minor occurrences of the lower units of the Minningarra Subgroup (Sharp, 2016).

The Tooloo Subgroup is divided into the Yelma, Frere and Windidda formations. The Yelma Formation consists of shale, sandstone and carbonate deposited in shallow marine and fluvial environments. Carbonates at the top of the Formation are called the Sweetwaters Well Member and host the known

Mississippi Valley style lead-zinc mineralisation in the basin. The Frere Formation is composed of two to three intervals of granular iron formation with shale, siltstone, and minor carbonate in between. Sediment patterns indicate the granular iron formations were formed in waters above the storm wave base, yet deeper than 50 m, on the edge of a continental shelf. The Windidda Formation contains siltstone, shale, stromatolitic carbonate and minor granular iron formation. The Windidda Formation indicates a period of marine regression with carbonates forming in shallow water coastal lagoons. The Minningarra Subgroup is made up of the Chiall and Wongawol formations, and the Kuele Limestone and Mulgarra Sandstone. This lower Chiall is a breccia of carbonate clasts in a glauconitic sandstone matrix and is interpreted as the onset of a marine transgression where the Windidda carbonate has been reworked by the rising sea. Sedimentary structures in the upper Chiall and in the overlying Wongawol Formation indicate a tidal and lagoonal environment with localised emergent zones (Sharp, 2016).

The sediments have been regionally mapped and are flat lying, dipping 5–15° to the northeast. The magnetic map shows that late stage east-west dykes cut the project area; however, the major structure in the area is the Shoemaker Impact Structure. This meteor crater has reshaped the sediments in the area with the strike and dip of sediments now in a bowl shape reflecting the impact. Moderate to hot hydrothermal fluids have also been associated with this impact and it is possible that these fluids have significantly altered sediments in the area. In particular, the Frere Formation may have been subject to supergene enrichment because of these fluids. Further structural deformation is limited on the southern margin of the Earaaheedy with the tectonic history described as passive (Sharp, 2016).

#### 4.5 Local Geology

The tenements are located on the margin of the Paleoproterozoic aged Earaaheedy Basin close to where it meets the Archaean aged Yilgarn Craton. The tenements are situated over the iron formation, siltstone, sandstone, shale, and limestone sediments. The project tenements are covered by the Tooloo Subgroup, comprising the Yelma and Frere formations and the Chiall Formation from the Minningarra Subgroup. Areas of outcropping Frere Formation consists of granular iron formation interspersed with shale, siltstone and carbonate bands (Figure 20).

Manganiferous shales occur near the top of the sequence with manganese appearing to be reworked by fluid flow along underlying north-northwest trending Archean structures. Outcrop is varied with areas of extensive outcrop and zones of flat alluvial plains. The regolith of the area consists of Quaternary sand and river deposits over relatively fresh bedrock. Frere Formation outcrop is ubiquitous forming strike ridges. Depth to basement in flat lying areas is unknown; however, watercourses suggest that overburden is relatively shallow (5–15 m) in most areas. In the project tenement area, outcrop of the iron formation units is generally good but the interbedded siltstone units and overlying Windidda Carbonate Member generally has fairly subdued outcrop. Much of these latter units are covered by a thin veneer of iron formation scree or hardpan. In some areas, Permian glacial sediments also limit exposure of the Proterozoic sequence (Sharp, 2016).

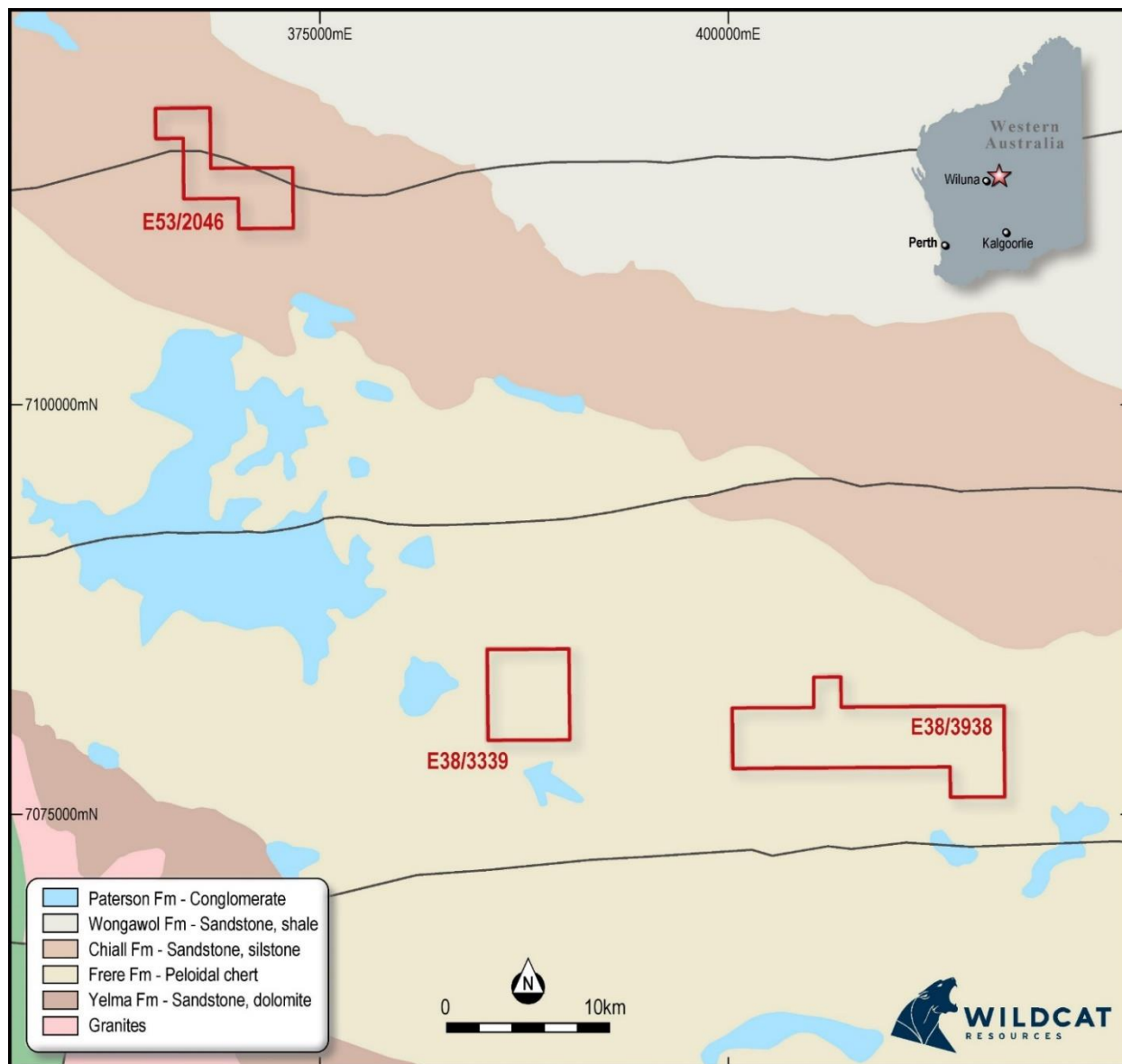


Figure 20: Geology map of the Wellington Range Project area

## 4.6 Mining and Exploration History

### 4.6.1 Historical Mining

No mining has been recorded from within the tenements or their immediate surrounds.

## 4.7 Exploration History

The eastern Earahedy Basin has been explored for iron ore, diamonds, base metals and uranium. The most significant work with relevance to the current project is a base metals exploration program by RGC Exploration Pty Ltd (RGC) in the mid-1990s. RGC drilled 35 RC holes at approximately 20 km x 5 km spacing following up anomalous stream and rock chip geochemistry. Most sampling of the drillholes was done with 10 m composites. RGC reported some intervals of manganese mineralisation intersected from their drill programs. Most of the low-grade manganese intersections occur near the top of the iron formation component of the Frere Formation adjacent to the contact with the overlying Windidda Carbonate Member.

The Wellington Range Project area has had a limited exploration history with sporadic attention. Exploration activities in recent years have been focused around the potential for manganese.

In 2008, Regalpoint Exploration Pty Ltd (Regalpoint) undertook field reconnaissance of their Windidda project area (E38/1975) which overlapped the eastern portion of the Wellington Range Project. RGC's work focused on the potential for calcrete hosted uranium deposits in the drainage systems of Banjo Creek, to the north of Wildcat's tenure (Bell, 2008).

In 2006 to 2007, Swancove Enterprises Pty Ltd (Swancove) explored a tenement (E53/1174) near Breakaway bore for iron mineralisation. Swancove's main unit of interest was the Frere Formation at the base of the Earahedy Group. Iron enrichment of ferruginous shales was noted during field inspection, in a sequence of dominantly ferruginous chemical sediments, fine-grained clastics and minor carbonates. In outcrop, thin, less than 2 m wide, bands of banded iron formation are interbedded with ferruginous shales at three horizons within the Frere Formation (Swancove, 2007).

Exploration by AusQuest in the period 2010 to 2014 included review of digital aerial photography, geophysical (VTEM) interpretation and RC drilling. At the Windidda prospect, AusQuest drilled two holes in 2013 at approximately 500 m spacing between existing 1 km spaced holes to test the variability of the manganese mineralisation in the earlier holes drilled in 2010. Similar intersections of modest manganese mineralisation were reported in both the original holes and follow-up holes drilled at Windidda. At the Dome prospect, 11 holes were drilled in 2013 on three sections. Two sections totalling nine holes were drilled across a VTEM anomaly and two additional holes were added to a previously drilled section to follow up a shallow intersection of manganese mineralisation. No intersections above 1% Mn were received for any of the drillholes at Dome (Jackson, 2014).

Exploration works completed by KingF and KingX on their Kingston Project during the 2011 to 2016 period included a desktop prospectivity review, field mapping, rock chip sampling, soil sampling, aeromagnetic interpretation, and RCP drilling. They located and investigated several areas identified as potentially being prospective for manganese deposits. Exploration work on the tenement group was aimed at identifying potential areas of manganese deposits. Works did not return any results deemed worthy of additional work and the tenement group was surrendered in full (Sharp, 2016).

#### **4.8 Recent Exploration**

Wildcat has only recently acquired applied for the Wellington Range tenements and has yet to undertake any exploration programs.

#### **4.9 Exploration Potential**

The Wellington Range project area is underexplored and prospective for the discovery of manganese mineralisation. The area includes a significant proportion of tenure that has only had cursory exploration completed on it in the past.

## 5 Valuation

Valuation of Mineral Assets is not an exact science and a number of approaches are possible, each with varying positives and negatives. While valuation is a subjective exercise, there are several generally accepted procedures for establishing the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

Refer to Appendix A for a discussion of valuation approaches and valuation methodologies, including a description of the VALMIN classification of Mineral Assets.

### 5.1 Commodities Market

The gold price history in US\$/oz and A\$/oz for the five years prior to 22 August 2019 is illustrated in Figure 21. The variation in the gold price within Figure 21 over time in US\$ and A\$ terms, highlights the need to normalise transactions to account for variations in commodity prices and foreign exchange rates over time.

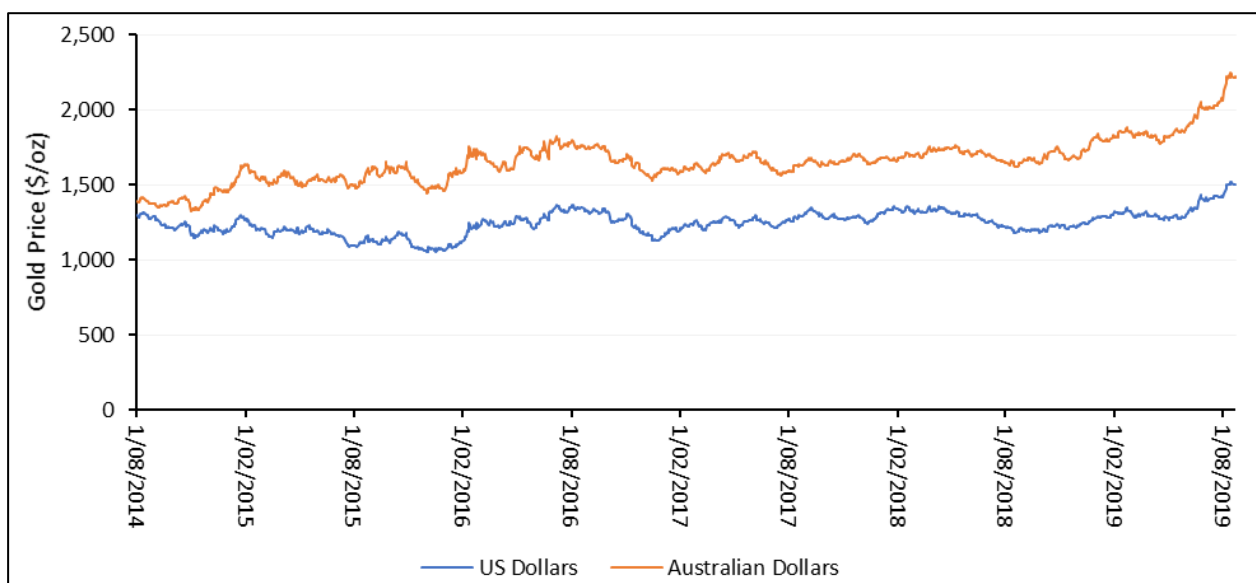


Figure 21: Five-year spot gold price in US\$ and A\$  
Source data: S&P Global Market Intelligence

### 5.2 Previous Valuations

CSA Global is not aware of any previous valuation over FRN's or Wildcat's project tenure in the last five years.

### 5.3 Valuation Assumptions

#### 5.3.1 Mount Adrah Mineral Resource

The valuation has been undertaken on the assumption that only the Mount Adrah Mineral Resources from surface to 150 m below surface have reasonable prospects for economic extraction at the valuation date. In CSA Global's opinion, the reported Mineral Resources below 150 m are optimistic with respect to

Clause 20 of the JORC Code requirement for Mineral Resources to have “reasonable prospects for eventual economic extraction” at the valuation date and therefore CSA Global has not valued them on a contained resource ounce of gold basis. However, the highly anomalous concentration of gold present in the Hobbs Pipe has been captured to an extent in the valuation opinion on the exploration licences.

## 5.4 Comparable Transactions Valuation

In analysing the transactions, all amounts were converted to A\$ at the relevant exchange rate at the time of the transaction announcement. Joint venture transactions were only valued to the first earn-in milestone and any subsequent earn-in milestones were ignored. Exploration expenditure was discounted at a nominal 10% over the earn-in period, to bring future expenditure back to a present value. Future payments contingent on a future milestone such as declaration of a Mineral Resource or decision to mine were ignored.

### 5.4.1 Mineral Resources

CSA Global identified 33 transactions from the last four years involving gold Mineral Resources in Australia with less than one million contained gold ounces at a similar developmental stage to the Hobbs Pipe deposit, considered to be comparable for valuation purposes. Transactions involving operating mines were excluded. Corporate transactions that involve a control premium have also been excluded. These transactions are summarised and analysed in Table B1 of Appendix B.

The normalised A\$/oz values were calculated using the spot gold price as at 22 August 2019, A\$2,218.78/oz (US\$1,500.70/oz).

A summary of the Mineral Resource transactions is presented in Table 13 and Figure 22. These transactions encompass a range of grade, metallurgical performance, and mining scenarios. The use of a weighted average limits the influence of transactions involving small Mineral Resources but does increase the influence of transactions involving larger Mineral Resources.

Table 13: Summary statistics of selected transactions of gold Mineral Resources in Australia

Statistic	All transactions		All transactions, less high values	
	Implied (A\$/oz)	Normalised (A\$/oz)	Implied (A\$/oz)	Normalised (A\$/oz)
Number of transactions	33	33	24	24
Minimum	1.78	2.35	1.78	2.35
Maximum	65.22	81.12	27.78	35.84
Median	10.56	12.84	7.07	9.22
Mean	20.63	26.72	10.36	13.67
Weighted average	16.75	21.78	9.47	12.62

CSA Global's analysis of the transactions show a group of higher value transactions, represented in orange in Figure 22, and a larger group of lower value transactions represented in blue, which range from A\$2.35/oz to A\$35.84/oz on a normalised basis. In CSA Global's professional judgement, Wildcat's Mineral Resources are better reflected by the lower value group of transactions.

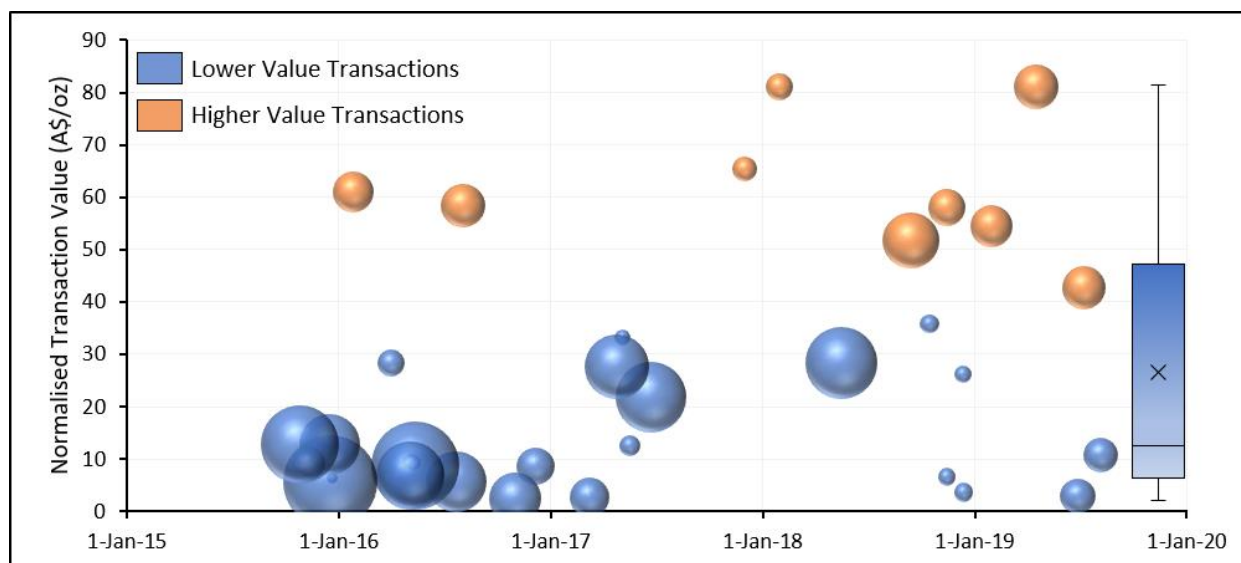


Figure 22: Comparison of Mineral Resource transactions

Note: Bubble size represents the contained gold ounces.

Based on CSA Global's professional judgement, a preferred value of A\$22.00/oz and A\$12.50/oz were selected for the Indicated and Inferred classified Mineral Resources respectively. The preferred factor for the Indicated Mineral Resources was based on the higher end of the low group of transactions in Table 13. The preferred value for the Inferred Mineral Resources was selected based on the weighted average in Table 13. The value difference between Indicated and Inferred classified Mineral Resources reflects the relative geological understanding and continuity of the gold mineralisation of the different resource classifications.

Following common industry practice, CSA Global has derived a valuation range by applying a  $\pm 20\%$  factor, giving a range of A\$17.60/oz to A\$26.40/oz for Indicated and a range of A\$10.00/oz to A\$15.00/oz for Inferred. These ranges are supported by the value distribution of the transaction set considered, and in CSA Global's opinion, this provides a reliable value range for Wildcat's Mineral Resources. A range greater than 20% creates too broad a range in CSA Global's opinion, and a range less than 20% does not reflect the uncertainty of a pre-development stage project.

Based on CSA Global's analysis, the valuation of the Mount Adrah Mineral Resource to a depth of 150 m below surface is presented in Table 14.

Table 14: Mount Adrah Mineral Resource valuation

Mineral Resource classification	Equity (%)	Contained Au (oz)	Valuation factors			Valuation (A\$ million)		
			Low	Preferred	High	Low	Preferred	High
Indicated (0-150 m) Oxide	100	18,000	17.60	22.00	26.40	0.32	0.40	0.48
Indicated (0-150 m) Primary	100	96,000	17.60	22.00	26.40	1.69	2.11	2.53
Inferred (0-150 m Primary)	100	39,000	10.00	12.50	15.00	0.39	0.49	3.32
<b>Total</b>		<b>153,000</b>	-	-	-	<b>2.40</b>	<b>3.00</b>	<b>3.59</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

#### 5.4.2 Exploration Licences

CSA Global considered the value of FRN and Wildcat's exploration licences in terms of the valuation factors derived from CSA Global's analysis of comparative market transactions of projects with exploration licences prospective for gold and base metals in Australia in the two years prior to the valuation date. These transactions are summarised in Table B2 of Appendix B and presented in Figure 23. CSA Global identified 54 transactions of projects consisting solely of exploration licences prospective for gold and base metals in Australia. Table 15 presents the summary statistics of all the transactions identified and a

subset of 30 transactions of exploration licences with a total area less than 200 km<sup>2</sup>, showing the normalised price in A\$/km<sup>2</sup> using the 22 August 2019 gold spot price of A\$2,218.78/oz (US\$1,500.70/oz).

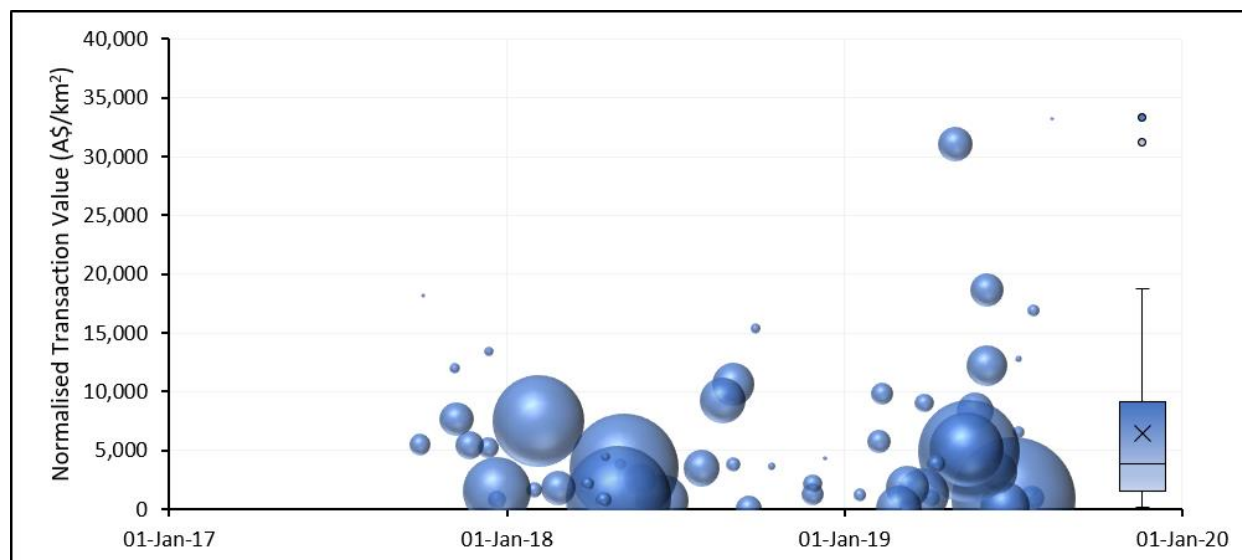


Figure 23: Comparison of exploration licence transactions

Note: Bubble size represents the area of the exploration licences.

Table 15: Summary statistics of selected exploration licence transactions prospective for gold

Statistic	All data		Transactions (area <200 km <sup>2</sup> )	
	Implied (A\$/km <sup>2</sup> )	Normalised (A\$/km <sup>2</sup> )	Implied (A\$/km <sup>2</sup> )	Normalised (A\$/km <sup>2</sup> )
Number of transactions	54	54	30	30
Minimum	69	92	69	92
Maximum	33,667	33,209	33,667	33,209
Median	3,090	3,850	3,263	4,090
Mean	5,264	6,381	5,619	6,721

Based on CSA Global's valuation experience of gold projects in Australia, generally, early exploration projects were found to range from A\$100/km<sup>2</sup> to A\$1,000/km<sup>2</sup>, average or mature exploration projects ranged from A\$1,000/km<sup>2</sup> to A\$5,000/km<sup>2</sup>, advanced projects with good prospectivity ranged from A\$5,000/km<sup>2</sup> to A\$10,000/km<sup>2</sup>, with projects with excellent prospectivity or having a strategic significance to the buyer having values >A\$10,000/km<sup>2</sup>. In general, as the area transacted gets larger, the lower the price paid per square kilometre.

From the above analysis, a summary of the valuation factors suitable for valuing exploration licences within various categories of exploration potential are presented in Table 16.

Table 16: Exploration licence valuation factors

Exploration Potential	Valuation factors (A\$/km <sup>2</sup> )		
	Low	Preferred	High
Low	100	550	1,000
Average	1,000	3,000	5,000
Good	5,000	7,500	10,000
Excellent/Strategic	10,000	15,000	20,000

CSA Global has undertaken a high-level assessment of FRN's exploration licences (total area of 55.85 km<sup>2</sup> excluding E63/1792) based on publicly available information and data supplied by FRN. CSA Global, in its professional judgement, has selected ranges and preferred values based on the exploration stage and

prospectivity of the tenure (Table 17). CSA Global notes that transactions in the Fraser Range area have received a premium to other areas of Western Australia.

Table 17: Summary assessment of FRN's exploration licences

Tenements	Comment	Valuation factors (A\$/km <sup>2</sup> )		
		Low	Preferred	High
E28/2876	Early stage exploration with average prospectivity	500	1,500	2,500
E28/2390, E28/2390	Average prospectivity, still relatively early stage exploration	1,500	4,000	6,500
E28/2385	Good prospectivity, with good geophysical anomalies for follow-up	10,000	15,000	20,000

In CSA Global's opinion, it considers the market value of FRN's exploration licences to range in value from A\$0.2 million to A\$0.5 million with a preferred value of A\$0.3 million (Table 18).

Table 18: Market value of Fraser Range Project's exploration licences

Tenement	Area (km <sup>2</sup> )	FRN equity (%)	Valuation factors (A\$/km <sup>2</sup> )			Valuation (A\$ million)		
			Low	Preferred	High	Low	Preferred	High
E28/2385	11.76	100	10,000	15,000	20,000	0.12	0.18	0.24
E28/2390	17.63	100	1,500	4,000	6,500	0.03	0.07	0.11
E28/2392	14.70	100	1,500	4,000	6,500	0.02	0.06	0.10
E28/2876	11.76	100	500	1,500	2,500	0.01	0.02	0.03
<b>Total</b>	<b>55.85</b>	<b>100</b>	-	-	-	<b>0.17</b>	<b>0.32</b>	<b>0.47</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

CSA Global has undertaken a high-level assessment of Wildcat's exploration licences (total area of 322.65 km<sup>2</sup>) based on publicly available information and data supplied by Wildcat. CSA Global, in its professional judgement, has selected ranges and preferred values based on the exploration stage and prospectivity of the tenure (Table 19).

Table 19: Summary assessment of Wildcats's exploration licences

Tenements	Comment	Valuation factors (A\$/km²)		
		Low	Preferred	High
Mount Adrah Project				
EL7844	Good prospectivity, some historical workings for assessment and follow-up	5,000	7,500	10,000
EL8606	Good to excellent prospectivity, several anomalies and historical workings requiring assessment and follow-up	7,500	10,000	12,500
EL6372	Excellent prospectivity, with good anomalies for follow-up	10,000	15,000	20,000
Wellington Range Project				
E38/3338, E38/3339, E53/2046	Very early stage exploration	100	550	1,000

In CSA Global's opinion, it considers the market value of Wildcats's Mount Adrah exploration licences to range in value from A\$1.47 million to A\$2.60 million with a preferred value of A\$2.03 million (Table 20).

Table 20: Market value of Mount Adrah's exploration licences

Tenement	Area (km <sup>2</sup> )	Wildcat equity (%)	Valuation factors (A\$/km <sup>2</sup> )			Valuation (A\$ million)		
			Low	Preferred	High	Low	Preferred	High
EL6372	28.06	100	10,000	15,000	20,000	0.28	0.42	0.56
EL7844	28.08	100	5,000	7,500	10,000	0.14	0.21	0.28
EL8606	140.3	100	7,500	10,000	12,500	1.05	1.40	1.75
<b>Total</b>	<b>196.44</b>	<b>100</b>	-	-	-	<b>1.47</b>	<b>2.03</b>	<b>2.60</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

In CSA Global's opinion, it considers the market value of Wildcats's Wellington Range exploration licences to range in value from A\$0.01 million to A\$0.13 million with a preferred value of A\$0.07 million (Table 21).

Table 21: Market value of Wellington Range's exploration licences

Tenement	Area (km <sup>2</sup> )	Wildcat equity (%)	Valuation factors (A\$/km <sup>2</sup> )			Valuation (A\$ million)		
			Low	Preferred	High	Low	Preferred	High
E53/2046	27.76	100	100	550	1,000	0.00	0.02	0.03
E38/3338	70.76	100	100	550	1,000	0.01	0.04	0.07
E38/3339	27.69	100	100	550	1,000	0.00	0.02	0.03
<b>Total</b>	<b>126.21</b>	<b>100</b>	-	-	-	<b>0.01</b>	<b>0.07</b>	<b>0.13</b>

Note: The valuation has been compiled to an appropriate level of precision, values may not add up due to rounding.

## 5.5 Yardstick Order of Magnitude Check

CSA Global used the Yardstick method as an order of magnitude check on the Mount Adrah Mineral Resources valuation completed using comparable transactions. The Yardstick order of magnitude check is simplistic (e.g. it is very generalised and does not address project specific value drivers but takes an "industry-wide" view). It provides a non-corroborative valuation check on the primary comparative transactions' valuation method, allowing CSA Global to assess the reasonableness of the derived comparative transactions valuation and whether there are any potential issues with the preferred primary valuation method.

For the Yardstick order of magnitude check, CSA Global used the spot price for gold as 22 August 2019 of A\$2,218.78/oz (US\$1,500.70/oz).

In addition, CSA Global utilised the following commonly used Yardstick factors:

- Inferred Mineral Resources: 0.5% to 1% of spot price
- Indicated Mineral Resources: 1% to 2% of spot price
- Measured Mineral Resources: 2% to 5% of spot price.
- Ore Reserves: 5% to 10% of spot price.

The spot price for gold as at 22 August 2019 used for the Yardstick order of magnitude check was consistent with that used for the evaluation of Comparative Transactions data so that the results could be compared.

### 5.5.1 Mount Adrah Project – Yardstick

As with the Comparable Transactions valuation of the Mineral Resources in Section 5.4.1, the Yardstick valuation has been done on the Mineral Resources that CSA Global consider have a reasonable prospect for economic extraction, being the Mineral Resources above the 270 mRL as outlined in Section 3.10.5.

A summary of the Yardstick order of magnitude check for the Mount Adrah Project based on the Yardstick factors above, resulted in the valuation ranges and preferred values for the Mineral Resources above the 270 mRL in Table 22. Table C1 in Appendix C contains the detailed breakdown for each Mineral Resource category based on Wildcat's attributable equity interest used in deriving Table 22.

Table 22: Summary Yardstick order of magnitude check of the Mount Adrah Project (Equity basis)

Mineral Resource	Gold (oz)	Wildcat equity (%)	Valuation (A\$ million)		
			Low	Preferred	High
Mount Adrah	153,000	100	2.9	4.4	5.9

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

## 5.6 Geoscientific Rating Factor Valuation Check

The Geoscience Rating Factor valuation method was used as a reasonableness check on the FRN and Wildcat exploration licence valuations completed using comparable transactions in Section 5.4.

The Geoscience method requires the consideration of those aspects of a mineral property, which enhance or downgrade the intrinsic value of the property. The first and key aspect of the Geoscientific Factor method described by Kilburn (1990) is the derivation of the Base Acquisition Cost (BAC) that is the basis for the valuation. Goulevitch and Eupene (1994) discuss the derivation of BAC. The BAC represents the average cost to identify, apply for and retain a base unit of area of tenement.

### 5.6.1 Base Acquisition Cost – Western Australian Exploration Licence

The BAC for a Western Australia mineral exploration licences has been estimated using the following data:

- Based on the Government of Western Australia's Department of Mines, Industry Regulation and Safety (DMIRS) tenement database as of 22 August 2019 and the West Australian mining code, it is determined that the average age of exploration licences in West Australia is 4.7 years, and the average size of these licences is approximately 74 km<sup>2</sup>.
- An average cost to identify an area of interest of A\$10,000 was chosen, as well as A\$20,000 for the cost of landowner notices, negotiations, legal costs and compensation.
- An application fee of A\$1,502/licence is payable.
- The holding cost includes a rental of A\$138/block or ≈A\$46/km<sup>2</sup> per annum for the initial three years and A\$233/block or ≈A\$77.7/km<sup>2</sup> for the fourth and fifth years.
- Western Australian mining law includes a minimum annual expenditure requirement of A\$1,000/block or ≈A\$333.33/km<sup>2</sup> for the initial three years and A\$1,500/block or ≈A\$500/km<sup>2</sup> for the fourth and fifth years.
- Annual shire rates are payable on mineral exploration licences in the Western Australia, estimated at A\$2,000 per annum.

This suggests a BAC for a Western Australia exploration licence of A\$1,687/km<sup>2</sup>, as shown in Table 23.

Table 23: Estimation of the BAC for Western Australia mineral exploration licences

Statistic	Unit	Value
Average licence size	km <sup>2</sup>	74
Average licence age	years	4.7
Application fee	A\$ per licence	1,502
Annual rent year 1-3	A\$ per km <sup>2</sup>	46.0
Annual rent year 4	A\$ per km <sup>2</sup>	77.7
Minimal annual expenditure Year 1-3	A\$ per km <sup>2</sup>	333.33
Minimal annual expenditure Year 4	A\$ per km <sup>2</sup>	500
Deemed cost of identification of a licence	A\$ per licence	10,000
Costs of landowner notices, negotiations, legal costs, and compensation	A\$ per licence	20,000
Annual costs of local govt rates	A\$ per licence	2,000
BAC of average licence	A\$ per km <sup>2</sup>	1,687

### 5.6.2 Base Acquisition Cost – New South Wales Exploration Licence

The BAC for an NSW mineral exploration licences has been estimated using the following data:

- Based on the Government of NSW's Department of Planning and Environment tenement database as of 22 August 2019 and the NSW *Mining Act 1992*, it is determined that the average age of exploration licences in NSW is 6.7 years, and the average size of these licences is approximately 41 units/123 km<sup>2</sup>.

- An average cost to identify an area of interest of A\$10,000 was chosen, as well as A\$100,000 for the cost of landowner notices, negotiations, legal costs, and compensation.
- An application fee of A\$1,513/licence is payable (A\$1,000 + A\$12.50 per unit).
- The holding cost includes a rental of A\$60/unit or ≈A\$20/km<sup>2</sup> per annum.
- Exploration licences have a life of two years and can be renewed for A\$2,000 per renewal.
- NSW mining law includes a minimum annual expenditure requirement of A\$20,000 plus A\$50/unit for the initial two years and A\$30,000 plus A\$100/unit for subsequent years.

This suggests a BAC for an NSW exploration licence of A\$1,233/km<sup>2</sup>, as shown in Table 24.

Table 24: Estimation of the BAC for New South Wales mineral exploration licences

Statistic	Unit	Value
Average licence size	km <sup>2</sup>	123
Average licence age	years	6.7
Application fee	A\$ per licence	1,513
Annual rent year	A\$ per unit	60.0
Renewal of exploration licence	A\$ per renewal	2,000
Minimal annual expenditure Year 1-2	A\$ per unit	20,000+50/unit
Minimal annual expenditure Year 3-6.7	A\$ per unit	30,000+100/unit
Deemed cost of identification of a licence	A\$ per licence	10,000
Costs of landowner notices, negotiations, legal costs and compensation	A\$ per licence	100,000
Annual costs of local govt rates	A\$ per licence	2,000
<b>BAC of average licence</b>	<b>A\$ per km<sup>2</sup></b>	<b>1,233</b>

### 5.6.3 Fraser Range Project

Factors indicated in Table A3 (Appendix A) were considered in assessing the Technical Value of each of the tenements. The ratings for the Fraser Range Project licences are indicated in Table D1 (Appendix D).

A Market Factor of 50% was applied based on CSA Global's professional judgement with reference to the valuation factors identified (see Table D1 in Appendix D), to derive a Fair Market Value from the Technical Value. The 0.5 Market Factor applied to the Geoscientific Valuation method derived average values for the tenement package of approximately A\$3,091/km<sup>2</sup> for the exploration licences, based on the preferred value (A\$0.17 million divided by the area 55.9 km<sup>2</sup>). The value derived is relatively consistent with those of the Comparative Market Transactions valuation method (see Section 5.4.2).

A summary of the secondary valuation method, based on Geoscience Factors, is presented in Table 25.

Table 25: Summary of Geoscience Factor valuation of Fraser Range Project licences

Licences	Area (km <sup>2</sup> )	Equity interest	Low (A\$ million)	Preferred (A\$ million)	High (A\$ million)
All	55.9	100%	0.06	0.17	0.29

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

### 5.6.4 Mount Adrah Project

Factors indicated in Table A3 (Appendix A) were considered in assessing the Technical Value of each of the tenements. The ratings for the Mount Adrah Project licences are indicated in Table D2 (Appendix D).

A Market Factor of 50% was applied based on CSA Global's professional judgement with reference to the valuation factors identified (see Table D2 in Appendix 4), to derive a Fair Market Value from the Technical Value. The 0.5 Market Factor applied to the Geoscientific Valuation method derived average values for the tenement package of approximately A\$10,071/km<sup>2</sup> for the exploration licences, based on the

preferred value (A\$1.98 million divided by the area 196.4 km<sup>2</sup>). The value derived is relatively consistent with those of the Comparative Market Transactions valuation method (see Section 5.4.2).

A summary of the secondary valuation method, based on Geoscience Factors, is presented in Table 26.

Table 26: Summary of Geoscience Factor valuation of Mount Adrah Project licences

Licences	Area (km <sup>2</sup> )	Equity interest	Low (A\$ million)	Preferred (A\$ million)	High (A\$ million)
All	147.75	100%	1.6	3.4	5.3

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

### 5.6.5 Wellington Range Project

Factors indicated in Table A3 (Appendix A) were considered in assessing the Technical Value of each of the tenements. The ratings for the Wellington Range Project licences are indicated in Table D3 (Appendix D).

A Market Factor of 50% was applied based on CSA Global's professional judgement with reference to the valuation factors identified (see Table D3 in Appendix D), to derive a Fair Market Value from the Technical Value. The 0.5 Market Factor applied to the Geoscientific Valuation method derived average values for the tenement package of approximately A\$1,826/km<sup>2</sup> for the exploration licences, based on the preferred value (A\$0.23 million divided by the area 126.2 km<sup>2</sup>). The value derived is relatively consistent with those of the Comparative Market Transactions valuation method (see Section 5.4.2).

A summary of the secondary valuation method, based on Geoscience Factors, is presented in Table 27.

Table 27: Summary of Geoscience Factor valuation of Wellington Range Project licences

Licences	Area (km <sup>2</sup> )	Equity interest	Low (A\$ million)	Preferred (A\$ million)	High (A\$ million)
All	147.75	100%	0.04	0.23	0.42

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

## 5.7 Valuation Summary

### 5.7.1 Fraser Range Project

In forming an opinion on the market value of the Fraser Range Project exploration licences, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Geoscience Factor valuation method as a secondary method (Figure 24).

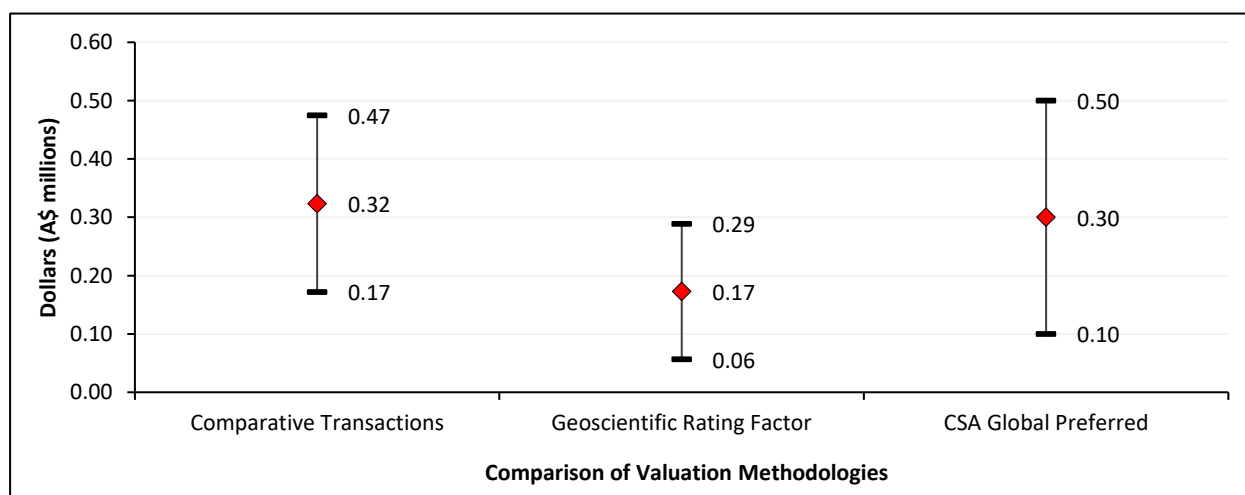


Figure 24: Fraser Range exploration licences – comparison of valuation techniques

CSA Global has elected to use the valuation numbers derived by the Comparative Transactions valuation method to value FRN's exploration licences. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Geoscience Factor valuation method.

### 5.7.2 Mount Adrah Project

In forming an opinion on the market value of Wildcat's Mount Adrah Mineral Resources, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Yardstick valuation as a secondary method (Figure 25).

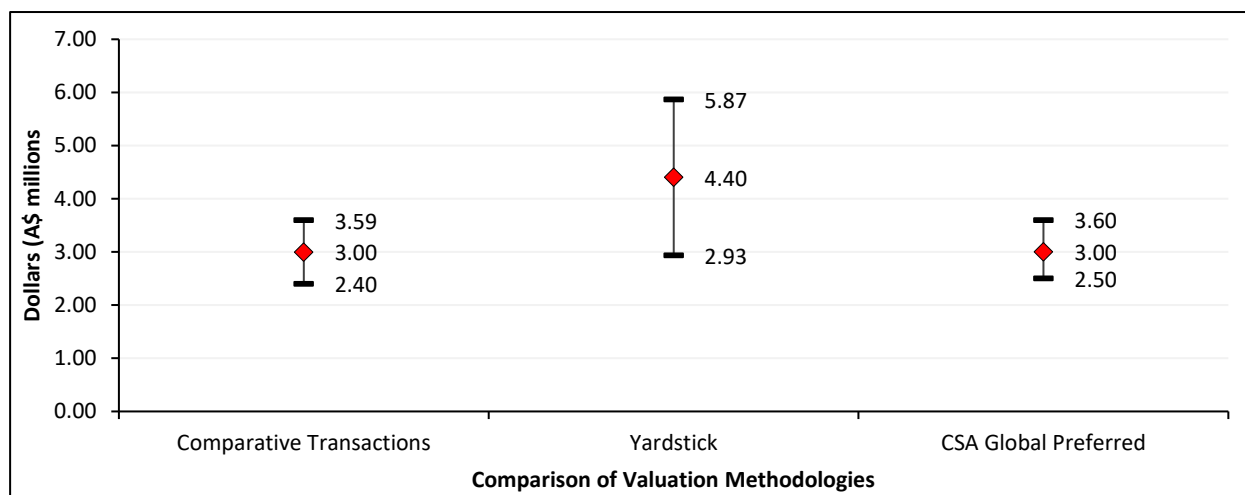


Figure 25: Wildcat's Mount Adrah Mineral Resource – comparison of valuation techniques

CSA Global has elected to use the valuation numbers derived by the Comparative Transaction valuation method to value Wildcat's Mount Adrah Mineral Resource. The secondary valuation by the Yardstick order of magnitude check determined that the Comparative Transactions valuation was reasonable. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Yardstick order of magnitude check, which is a secondary non-corroborative valuation method (see Section 5.5).

In forming an opinion on the market value of the Mount Adrah Project exploration licences, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Geoscience Factor valuation method as a secondary method (Figure 24).

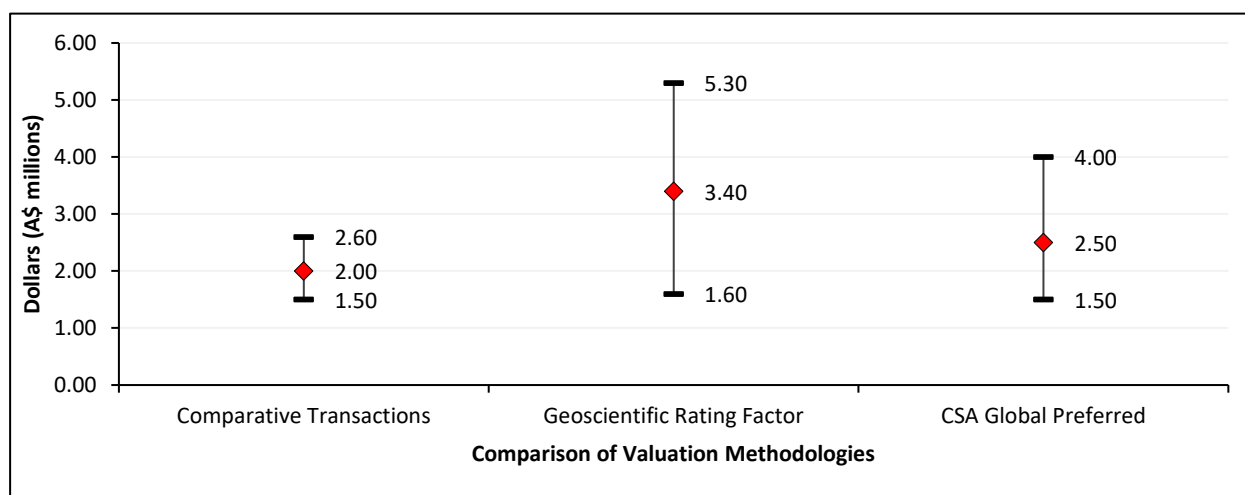


Figure 26: Mount Adrah exploration licences – comparison of valuation techniques

CSA Global has elected to use the valuation numbers derived by the Comparative Transactions valuation method to value Wildcat's exploration licences. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Geoscience Factor valuation method.

### 5.7.3 Wellington Range Project

In forming an opinion on the market value of the Wellington Range Project exploration licences, CSA Global has considered valuations derived from the Comparative Transactions as a primary method and Geoscience Factor valuation method as a secondary method (Figure 24).

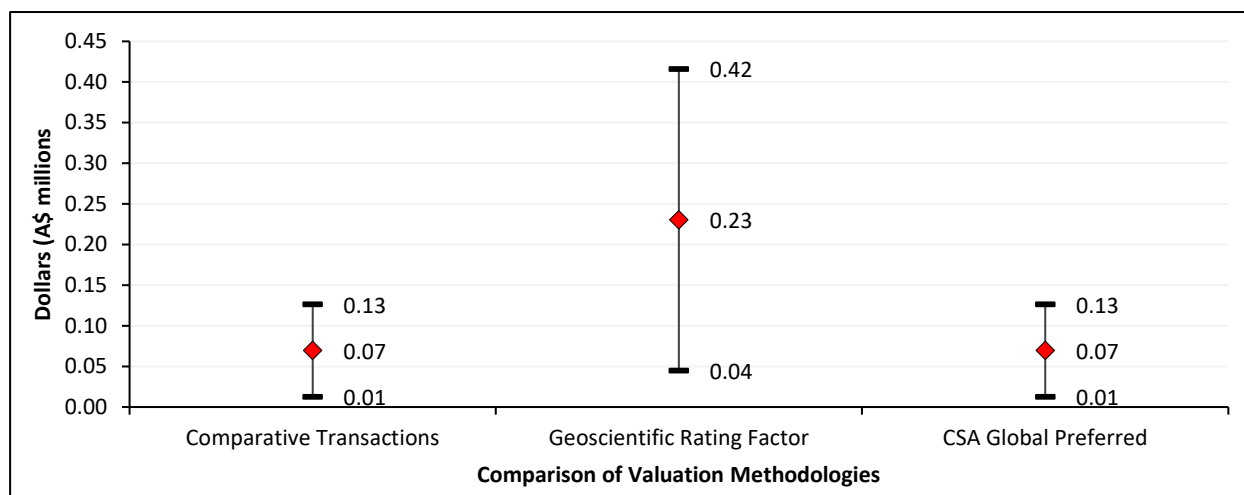


Figure 27: Wellington Range exploration licences – comparison of valuation techniques

CSA Global has elected to use the valuation numbers derived by the Comparative Transactions valuation method to value Wildcat's exploration licences. The Comparative Transactions valuation method is a primary valuation method and a more robust methodology for providing an indication of market value, compared to the Geoscience Factor valuation method.

### 5.7.4 CSA Global Valuation Summary

CSA Global's opinion on the Market Value of FRN's Australian mineral assets as at the valuation date is presented in Table 28.

Table 28: Summary market valuation of the FRN's mineral assets

Mineral asset	Equity (%)	Valuation (A\$ million)			Reference table
		Low	Preferred	High	
Exploration Tenements	100	0.1	0.3	0.5	Table 18

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

CSA Global's opinion on the Market Value of Wildcat's Australian mineral assets as at the valuation date is shown in Table 29.

Table 29: Summary market valuation of the Wildcat's mineral assets

Mineral asset	Equity (%)	Valuation (A\$ million)			Reference table
		Low	Preferred	High	
Mount Adrah – Mineral Resource	100	2.5	3.0	3.6	Table 14
Mount Adrah – Exploration Tenure	100	1.5	2.5	4.0	Table 20
Wellington Range – Exploration Tenure	100	0.01	0.07	0.13	Table 21
<b>Total</b>	<b>100</b>	<b>4.0</b>	<b>5.6</b>	<b>7.7</b>	-

Note: The valuation has been compiled to an appropriate level of precision; values may not add up due to rounding.

## 6 References

- Baker, T., and Lang, J.R., 2001. Fluid inclusion characteristics of intrusion-related gold mineralization, Tombstone-tungsten magmatic belt, Yukon Territory, Canada: *Mineralium Deposita*, v. 36, p. 563–582.
- Bell, B. 2008. Field Reconnaissance of Regalpoint Exploration Pty Ltd Mount Lancelot, Windidda & Hegarty Project Areas, Western Australia. Regalpoint Exploration Pty Ltd.
- Broomfield, J., 2019. Fraser Range Metals Group Limited Annual Technical Report Fraser Range Project Combined Group C145/2015, Period: 27 March 2018 – 26 March 2019. Fraser Range Metals Group Limited, 32 pp.
- Broomfield, J., 2019. Fraser Range Metals Group Limited Annual Technical Report Fraser Range Project E28/2385, Period: 27 March 2018 – 26 March 2019. Fraser Range Metals Group Limited, 31 pp.
- Fitzsimons, I.C.W., and Buchan, C., 2005. *Geology of The Western Albany Fraser orogeny, Western Australia – A Field Guide*. GSWA.
- Fraser Range, 2018. Amag and Gravity Interpretation Completed for the Fraser Range Project, ASX Announcement 6 April 2018, Fraser Range Metals Group Limited.
- Fraser Range, 2019. EM Anomalies Define Drill Targets in the Fraser Range, ASX Announcement 6 June 2019, Fraser Range Metals Group Limited.
- Fraser Range, 2019. Fraser Range Metals to Acquire Mount Adrah Gold Project, ASX Announcement 23 August 2019, Fraser Range Metals Group Limited.
- Gilgallon, K., 2019. Fraser Range Resources Fraser Range Project March 2019 Moving Loop Electromagnetics Modelling and Interpretation Summary, Southern Geoscience Consultants Pty Ltd, SGC3504, 20 pp.
- Goldfarb, R., Hart, C., Miller, M., Miller, L., Farmer, G.L., and Groves, D., 2000. The Tintina Gold Belt: A global perspective: *British Columbia and Yukon Chamber of Mines, Special Volume 2*, p. 5–34.
- Hart, C.J.R., 2007. Reduced intrusion-related gold systems, in Goodfellow, W.D., ed., *Mineral deposits of Canada: A Synthesis of Major Deposit Types, District Metallogeny, the Evolution of Geological Provinces, and Exploration Methods: Geological Association of Canada, Mineral Deposits Division, Special Publication No. 5*, p. 95–112.
- Hart, C.J.R., Baker, T., and Burke, M., 2000. New exploration concepts for country-rock hosted, intrusion-related gold systems, *Tintina Gold Belt: British Columbia and Yukon Chamber of Mines, Special Volume 2*, p. 145–172.
- Hart, C.J.R., McCoy, D., Goldfarb, R.J., Smith, M., Roberts, P., Hulstein, R., Bakke, A.A., and Bundtzen, T.K., 2002. *Geology, exploration and discovery in the Tintina gold province, Alaska and Yukon: Society of Economic Geologists, Special Publication 9*, p. 241–274.
- Jackson, D., 2014. Final Annual Report Stanley Mn Project — Windidda & Dome Prospects (E38/2167, 2168, 2239, 2240, 2764 & 2765, 53/1403 & 1460) Combined Report No C84\_2010, For The Period 29/06/2013 to 28/06/2014.
- Joint Ore Reserves Committee, 2012. *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition*. [online]. Available from <http://www.jorc.org> (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia).
- Lang, J.R., and Baker, T., 2001. Intrusion-related gold systems: the present level of understanding: *Mineralium Deposita*, v. 36, p. 477–489.
- McMahon Mining Title Services, 2019. Fraser Range Metals Group Ltd – Tenure Review, 2 pp.
- McMahon Mining Title Services, 2019. Wildcat Resources Ltd – Tenure Review, 2 pp.
- Myers, J.S., 1995. *Geology of The Albany 1:100,000 Sheet*. GSWA.
- O'Dea, M., Carlson, G., Harris, S., Fields, M., Tucker, T.L., and Smith, M.T., 2000. Structural and metallogenic framework for the Scheelite Dome Deposit, Yukon Territory: *British Columbia and Yukon Chamber of Mines, Special Volume 2*, p. 115–129.

- Pirajno, F., Hocking, R.M., Reddy, S.M., and Jones, A.J., 2009. A review of the geology and geodynamic evolution of the Palaeoproterozoic Earaheedy Basin, Western Australia, *Earth Science Reviews*, 94(1-4), 39-77.
- Sharp, J., 2016. Final Annual and Surrender Report Kingston Project E38/2212, E38/2213, and E53/1437 For the period 01/01/2011 – 11/2/2016, C8/2012. KingF Pty Ltd and KingX Pty Ltd, 1 April 2016.
- Spaggiari, C.V., Bodorkos, S., Barquero-Mollma, M., and Tyler, I.M., 2007. The Yilgarn Craton Meets the Albany Fraser Orogeny: Mesoproterozoic Reworking of the Southern Craton Margin. GSWA.
- Spaggiari, C.V., Bodorkos, S., Barquero-Mollma, M., Tyler, I.M., and Wingate, M.D.T., 2009/2010. Interpreted Bedrock Geology of the Southern Yilgarn and Central Albany Fraser Orogeny, Western Australia. GSWA.
- Spaggiari, C.V., Kirkland, C.L., Pawley, M.J., Wingate, M.D.T., Smithies, R.H., and Howard, H.M., 2010. Building the Proterozoic Albany Fraser Orogeny on the Yilgarn Craton Margin: Setting the Scene for Tropicana. GSWA.
- Spaggiari, C.V., Kirkland, C.L., Smithies, R.H., Occhipinti, S., and Wingate, M.D.T., 2014. Geological Framework of the Albany-Fraser Orogen. Seismic and MT Workshop: April 9th, 2014. GSWA.
- Stephens, J.R., Oliver, N.H.S., Baker, T., and Hart, C.J.R., 2000. Structural evolution and controls on gold mineralization at Clear Creek, Yukon, in Emond, D., and Weston, L., eds., *Yukon exploration and geology 1999: Exploration and Geological Services Division, Yukon Region, Indian and Northern Affairs Canada*, p. 151–163.
- Stephens, J.R., Mair, J.L., Oliver, N.H.S., Hart, C.J.R., Baker, T., Blenkinsop, T.G., Vearncombe, J.R., and Reddy, S.M., 2004. Structural and mechanical controls on intrusion-related deposits of the Tombstone gold belt, Yukon, Canada, with comparisons to other vein-hosted ore-deposit types: *Journal of Structural Geology*, v. 26, p. 1025–1041.
- Swancove, 2007. Annual Report E53/1174 25/09/2006 – 24/09/2007 by Swancove Enterprises Pty Ltd.
- Thompson, J.F.H., Sillitoe, R.H., Baker, T., Lang, J.R., and Mortensen, J.K., 1999. Intrusion-related gold deposits associated with tungsten-tin provinces: *Mineralium Deposita*, v. 34, p. 323–334.
- VALMIN, 2015. *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)*, 2015 edition. [online]. Available from <http://www.valmin.org> (The VALMIN Committee of The Australasian Institute of Mining and Metallurgy, and The Australian Institute of Geoscientists).

## 7 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia ([www.wikipedia.org](http://www.wikipedia.org)).

<b>aeromagnetic</b>	A survey undertaken by helicopter or fixed-wing aircraft for the purpose of recording magnetic characteristics of rocks by measuring deviations of the Earth's magnetic field.
<b>air-core drilling</b>	A relatively inexpensive drilling technique similar to RC drilling, in which the drill cuttings are returned to surface inside the rods.
<b>air track drilling</b>	A percussion drilling technique on a track mounted rig used pre-1990 which is similar to the rotary air blast (RAB) method.
<b>amphibolite</b>	A mafic metamorphic rock consisting mainly of amphibole minerals, especially hornblende and actinolite.
<b>anomaly</b>	An area where exploration has revealed results higher than the local background level.
<b>Archaean</b>	The oldest geologic time period, pertaining to rocks older than about 2,500 million years.
<b>assay</b>	The testing and quantification metals of interest within a sample.
<b>auger</b>	Geochemical sampling technique involving the use of either a hand auger or a small drilling rig with an auger bit.
<b>BIOX®</b>	Biohydrometallurgical process for the pre-cyanidation treatment of refractory gold ores which offers an alternative to conventional roasting or pressure oxidation techniques.
<b>carbonate</b>	Rock or mineral dominated by the carbonate ion ( $\text{CO}_3^{2-}$ ), of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron, carbon, and oxygen. Essential component of limestones and marbles.
<b>Craton</b>	An old and stable part of the continental lithosphere.
<b>diamond drilling</b>	Drilling method employing a (industrial) diamond encrusted drill bit for retrieving a cylindrical core of rock.
<b>domain</b>	Geological zone of rock with similar geostatistical properties; typically, a zone of mineralisation.
<b>dyke</b>	A tabular body of intrusive igneous rock, crosscutting the host strata at a high angle.
<b>en echelon</b>	Closely-spaced, parallel or subparallel, overlapping or step-like minor structural features in rock, which lie oblique to the overall structural trend.
<b>fault</b>	A wide zone of structural dislocation and faulting.
<b>geochemical</b>	Pertains to the concentration of an element.
<b>geochronology</b>	The science of determining the absolute age of rocks. Dating methods involve measuring the amount of radioactive decay of a radioactive isotope with a known half-life.
<b>geophysical</b>	Pertains to the physical properties of a rock mass.
<b>granite</b>	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
<b>greenstone</b>	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
<b>greenstone belt</b>	A broad term used to describe an elongate belt of rocks that have undergone regional metamorphism to greenschist facies.
<b>ground magnetic</b>	Geophysical survey method using a handheld magnetometer to record the strength of the earth's magnetic field usually along a grid.

<b>intrusive</b>	Any igneous rock formed by intrusion and cooling of hot liquid rock below the earth's surface.
<b>lithology</b>	The description of a rock unit's physical characteristics visible in hand or core samples, such as colour texture grain size and composition.
<b>lode</b>	A deposit of metalliferous ore formed in a fissure or vein.
<b>mafic</b>	Igneous rock composed dominantly of dark coloured minerals such as amphibole pyroxene and olivine, generally rich in magnesium and iron.
<b>metamorphic</b>	A rock that has been altered by metamorphism from a pre-existing igneous or sedimentary rock type.
<b>outcrop</b>	A visible exposure of bedrock or ancient superficial deposits on the surface of the Earth.
<b>pegmatite</b>	An exceptionally coarse-grained igneous rock with interlocking crystals, usually found as irregular dykes lenses or veins around the margins of batholiths.
<b>pluton</b>	Body of intrusive igneous rock, typically several kilometres in dimension
<b>porphyry</b>	Igneous rocks in which large crystals (phenocrysts) are set in finer groundmass, which may be crystalline or glass.
<b>quartz</b>	Common mineral composed of crystalline silica, with chemical formula SiO <sub>2</sub> .
<b>RAB drilling</b>	Rotary Air Blast. A relatively inexpensive but less accurate percussion drilling technique involving the collection of sample returned by compressed air from outside the drill rods.
<b>RC drilling</b>	Reverse Circulation. A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
<b>saprolite</b>	Soft clayey porous rock formed by in-place chemical weathering of rocks.
<b>schist</b>	A metamorphic rock dominated by fibrous or platy minerals, with a strongly foliated fabric (schistose cleavage).
<b>sedimentary</b>	A term describing a rock formed from sediment.
<b>shear</b>	A deformation resulting from stresses that cause rock bodies to slide relatively to each other in a direction parallel to their plane of contact.
<b>shoot</b>	Part of an orebody of elongated shape where higher grades are concentrated.
<b>soil sampling</b>	The collection of soil specimens for mineral analysis.
<b>strata</b>	Sedimentary rock layers.
<b>stratigraphic</b>	Pertaining to the composition, sequence and correlation of stratified rocks.
<b>strike</b>	Horizontal direction or trend of a geological strata or structure.
<b>structural</b>	Pertaining to rock deformation or to features that result from it.
<b>superterrane</b>	Composite terranes that comprise groups of individual terranes and other assemblages that share a distinctive tectonic history.
<b>terrane</b>	Any rock formation or series of formations or the area in which a particular formation or group of rocks is predominant.
<b>transpressional</b>	A type of strike-slip deformation that deviates from simple shear because of a simultaneous component of shortening perpendicular to the fault plane.
<b>ultramafic</b>	Igneous and meta-igneous rocks composed of greater than 90% mafic minerals with very high magnesium and iron content, very low silica and potassium content.
<b>volcanics</b>	Rocks formed or derived from volcanic activity.
<b>younging</b>	Direction in which stratigraphy becomes younger for a particular formation.

## 8 Abbreviations and Units of Measurement

%	percent
°	degrees
°C	degrees Celsius
3D	three-dimensional
A\$	Australian dollars
AAS	atomic absorption spectroscopy
AFO	Albany-Fraser Orogen
AIG	Australian Institute of Geoscientists
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Au	gold
AusIMM	Australasian Institute of Mining and Metallurgy
AUSLIG	Australian Surveying and Land information Group
BAC	base acquisition cost
cm	centimetre(s)
CSA Global	CSA Global Pty Ltd
DMIRS	Department of Mines, Industry Regulation and Safety
EL	exploration licence
EM	electromagnetic
FRN	Fraser Range Metals Group Limited
g/t	grams per tonne
Getty	Getty Oil Development
ha	hectares
ICP-AES	inductively coupled plasma – atomic emission spectroscopy
ICP-MS	inductively coupled plasma – mass spectrometry
IER	independent expert's report
IP	induced polarisation
IRG	intrusion-related gold
JORC Code	2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JORC	Joint Ore Reserves Committee
k	thousand(s)
km	kilometres
km <sup>2</sup>	square kilometres
m	metre(s)

M	million(s)
mm	millimetre(s)
MMTS	McMahon Mining Title Services Pty Ltd
NSW	New South Wales
nT	nano Tesla
oz	troy ounce (31.1035 grams)
PGE	platinum group elements
ppb	parts per billion (measure of concentration)
ppm	parts per million (measure of concentration)
QAQC	quality assurance and quality control (for sampling and assaying)
RAB	rotary air blast
RC	reverse circulation
Regalpoint	Regalpoint Exploration Pty Ltd
RGC	RGC Exploration Pty Ltd
SCR	State Conservation Reserve
SedEx	sedimentary exhalative
SGC	Southern Geoscience Consultants
SIS	Stantons International Securities Pty Ltd
Swancove	Swancove Enterprises Pty Ltd
t	tonne(s)
US\$	United States of America dollars
VALMIN	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports
VMS	volcanogenic massive sulphide
Wildcat	Wildcat Resources Limited

## Appendix A: Valuation Approaches

Valuation of Mineral Assets is not an exact science; and a number of approaches are possible, each with varying strengths and shortcomings. Whilst valuation is a subjective exercise, there are a number of generally accepted methods for ascertaining the value of Mineral Assets. CSA Global consider that, wherever possible, inputs from a range of methods should be assessed to inform the conclusions about the Market Value of Mineral Assets.

The valuation opinion is always presented as a range, with the preferred value identified. The preferred value need not be the median value and is determined by the Practitioner based on their experience and professional judgement.

### Background

Mineral Assets are defined in the VALMIN Code<sup>2</sup> as all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in connection with the exploration, development of and production from those tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of minerals in connection with that tenure.

Business valuers typically define market value as “The price that would be negotiated in an open and unrestricted market between a knowledgeable, willing, but not anxious buyer, and a knowledgeable, willing but not anxious seller acting at arm’s length”. The accounting criterion for a market valuation is that it is an assessment of “fair value”, which is defined in the accounting standards as “the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.” The VALMIN Code defines the value of a Mineral Asset as its Market Value, which is “the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm’s length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

Market Value usually consists of two components, the underlying or Technical Value, and a premium or discount relating to market, strategic or other considerations. The VALMIN Code recommends that a preferred or most-likely value be selected as the most likely figure within a range after considering those factors which might impact on Value.

The concept of Market Value hinges upon the notion of an asset changing hands in an arm’s length transaction. Market Value must therefore consider, inter alia, market considerations, which can only be determined by reference to “comparable transactions”. Generally, truly comparable transactions for Mineral Assets are difficult to identify due to the infrequency of transactions involving producing assets and/or Mineral Resources, the great diversity of mineral exploration properties, the stage to which their evaluation has progressed, perceptions of prospectivity, tenement types, the commodity involved and so on.

For exploration tenements, the notion of value is very often based on considerations unrelated to the amount of cash which might change hands in the event of an outright sale, and in fact, for the majority of tenements being valued, there is unlikely to be any “cash equivalent of some other consideration”. Whilst acknowledging these limitations, CSA Global identifies what it considers to be “comparative transactions” (i.e. transactions that are useful to consider) to be used in assessing the values to be attributed to Mineral Assets.

<sup>2</sup> *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) 2015 Edition*. Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists.

## Valuation Methods for Mineral Assets

The choice of valuation methodology applied to Mineral Assets, including exploration licences, will depend on the amount of data available and the reliability of that data.

The VALMIN Code classifies Mineral Assets into categories that represent a spectrum from areas in which mineralisation may or may not have been found through to Operating Mines which have well-defined Ore Reserves, as listed below:

- **“Early-stage Exploration Projects”** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **“Advanced Exploration Projects”** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource (as defined in the JORC<sup>3</sup> Code) estimate may or may not have been made but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **“Pre-Development Projects”** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely) but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **“Development Projects”** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Prefeasibility Study.
- **“Production Projects”** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Each of these different categories will require different valuation methodologies, but regardless of the technique employed, consideration must be given to the perceived “market valuation”.

The Market Value of Exploration Properties and Undeveloped Mineral Resources can be determined by the following general approaches: Income, Market and Cost (Table A1). The Market Value of Development and Production Projects are best assessed using the Market and Income approaches, whereas the Market Value of Exploration Projects are best assessed using the Market and Cost approaches.

Table A1: Valuation approaches for different types of mineral properties (VALMIN, 2015)

Valuation approach	Exploration properties	Mineral Resource properties	Development properties	Production properties
Income	No	In some cases	Yes	Yes
Market	Yes	Yes	Yes	Yes
Cost	Yes	In some cases	No	No

<sup>3</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) 2012 Edition. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

## Income

The discounted cash flow (DCF)/net present value (NPV) method.

The DCF valuation method recognises the time value of money, it is most suitable for Development Projects, where detailed studies have been completed to justify input assumptions and Production Projects, where there is actual historical data to justify input assumptions. Less commonly, the DCF methodology is applied to Pre-Development Projects.

The DCF valuation method provides a means of relating the magnitude of expected future cash profits to the magnitude of the initial cash investment required to purchase a mineral asset or to develop it for commercial production. The DCF valuation method determines:

- The NPV of a stream of expected future cash revenues and costs
- The internal rate of return (IRR) that the expected cash flows will yield on a given cash investment.

The DCF valuation method is a forward-looking methodology, requiring that forecasts be made of technical and economic conditions which will prevail in the future. All future predictions are inherently uncertain. The level of uncertainty reduces as the quality of the data available to project future rates of production and future costs, increases.

It is important to understand certain fundamental attributes of the mining industry in undertaking a DCF, such as:

- An Ore Reserve and in some cases Mineral Resource is the basis of any mineral development.
- Costs are determined by the number of tonnes mined and processed, while revenues are determined by the number of tonnes, pounds or ounces of metal produced. The two are related by the recovered grade of the ore.
- Profit is typically more sensitive to changes in revenue than to changes in costs.
- The commodity price is a principal determinant of revenue but is also the factor with the greatest level of financial risk.

The most significant factors, which must be considered in a DCF valuation of a mineral asset is the reliability of the Mineral Resource and Ore Reserve, particularly with respect to recovered grade, the price at which the product is sold and the risk of not maintaining the projected level of commodity price.

Key inputs into the DCF valuation method for a mineral asset valuation are:

- Life-of-mine planning assumptions.
- Capital cost estimates – can be the initial cost of constructing the project and/or the ongoing cost of sustaining the productive life of the operation.
- Operating cost estimates – costs incurred both on-site in producing the commodity which is shipped from the property, and off site, in the transportation and downstream processing of that commodity into saleable end products.
- Revenue estimates – revenue in the mining context is the product of the following factors:
  - The tonnage of ore mined and processed
  - The grade of the ore
  - The metallurgical recovery
  - The price of the saleable commodity.
- Taxation and royalty payments.
- Discount rate – represents the risk adjusted rate of interest expected to be yielded by an investment in the mineral asset.

The Income Approach is not appropriate for properties without Mineral Resources. It should be employed only where enough reliable data are available to provide realistic inputs to a financial model, preferably based on studies at or exceeding a prefeasibility level.

## Market

### *Comparative Transaction Method*

The Comparative Transactions method looks at prior transactions for the property and recent arm's length transactions for comparative properties.

The Comparative Transaction method provides a useful guide where a mineral asset that is generally comparable in location and commodity has in the recent past been the subject of an "arm's length" transaction, for either cash or shares.

For the market approach resources are not generally subdivided into their constituent JORC Code categories. The total endowment or consolidated *in situ* resources are what drives the derivation of value. Each transaction implicitly captures the specific permutation of resource categories in a project. There are too many project-specific factors at play to allow any more than a consideration of price paid versus total resource base. Therefore, considering individual project resource permutations is neither practicable nor useful for this valuation approach. To that end, CSA Global's discussion of the market approach is predicated on the consolidated resource base, to allow application of the method.

Where a progressively increasing interest is to be earned in stages, it is likely that a commitment to the second or subsequent stages of expenditure will be so heavily contingent upon the results achieved during the earlier phases of exploration that assigning a probability to the subsequent stages proceeding will in most cases be meaningless. A commitment to a minimum level of expenditure before an incoming party can withdraw must reflect that party's perception of minimum value and should not be discounted. Similarly, any upfront cash payments should not be discounted.

The terms of a sale or joint venture agreement should reflect the agreed value of the tenements at the time, irrespective of transactions or historical exploration expenditure prior to that date. Hence the current Value of a tenement or tenements will be the Value implied from the terms of the most recent transaction involving it/them, plus any change in Value as a result of subsequent exploration.

High quality Mineral Assets are likely to trade at a premium over the general market. On the other hand, exploration tenements that have no defined attributes apart from interesting geology or a "good address" may well trade at a discount to the general market. Market Values for exploration tenements may also be impacted by the size of the land holding, with a large, consolidated holding in an area with good exploration potential attracting a premium due to its appeal to large companies.

### *Yardstick*

The Rule-of-Thumb (Yardstick) method is relevant to exploration properties where some data on tonnage and grade exist, and these properties may be valued by methods that employ the concept of an arbitrarily ascribed current *in situ* net value to any Ore Reserves (or Mineral Resources) outlined within the tenement (Lawrence, 2001, 2012).

Rules-of-Thumb (Yardstick) methods are commonly used where a Mineral Resource remains in the Inferred category and available technical/economic information is limited. This approach ascribes a heavily discounted *in situ* value to the Resources, based upon a subjective estimate of the future profit or net value (say per tonne of ore) to derive a rule-of-thumb.

This Yardstick multiplier factor applied to the Resources delineated (depending upon category) varies depending on the commodity. Typically, a range from 0.4% to 3% of the current spot price is used for base metals and platinum group metals, whereas for gold and diamonds a range of 2% to 5% of the current

spot price is used, and typically much lower factors are applied for bulk commodities. The method estimates the *in situ* gross metal content value of the mineralisation delineated (using the spot metal price and appropriate metal equivalents for polymetallic mineralisation as at the valuation date).

The chosen percentage is based upon the valuer's risk assessment of the assigned Mineral Resource category, the commodity's likely extraction and treatment costs, availability/proximity of transport and other infrastructure (particularly a suitable processing facility), physiography and maturity of the mineral field, as well as the depth of the potential mining operation.

This method is best used as a non-corroborative check on the order of magnitude of values derived using other valuation methods that are likely to better reflect project-specific criteria.

## Cost

The Appraised Value or Exploration Expenditure method considers the costs and results of historical exploration

The Appraised Value method is based on the premise that the real value of an exploration property lies in its potential for the existence and discovery of an economic mineral deposit (Roscoe, 2002). It utilises a Multiple of Exploration Expenditure (MEE), which involves the allocation of a premium or discount to past *relevant and effective expenditure* using the Prospectivity Enhancement Multiplier (PEM). This involves a factor which is directly related to the success (or failure) of the exploration completed to date, during the life of the current tenements.

Guidelines for the selection of a PEM factor have been proposed by several authors in the field of mineral asset valuation (Onley, 1994). Table A2 lists the PEM factors and criteria used in this Report.

Table A2: PEM factors

PEM range	Criteria
0.2 to 0.5	Exploration (past and present) has downgraded the tenement prospectivity, no mineralisation identified
0.5 to 1.0	Exploration potential has been maintained (rather than enhanced) by past and present activity from regional mapping
1.0 to 1.3	Exploration has maintained, or slightly enhanced (but not downgraded) the prospectivity
1.3 to 1.5	Exploration has considerably increased the prospectivity (geological mapping, geochemical or geophysical activities)
1.5 to 2.0	Scout drilling (RAB, air-core, RCP) has identified interesting intersections of mineralisation
2.0 to 2.5	Detailed drilling has defined targets with potential economic interest
2.5 to 3.0	A Mineral Resource has been estimated at Inferred JORC category, no concept or scoping study has been completed
3.0 to 4.0	Indicated Mineral Resources have been estimated that are likely to form the basis of a Prefeasibility Study
4.0 to 5.0	Indicated and Measured Resources have been estimated and economic parameters are available for assessment

## Geoscience Factors

The *Geoscience Factor* (or Kilburn) method (GFM), as described by Kilburn (1990), provides an approach for the technical valuation of the exploration potential of mineral properties, on which there are no defined resources. It seeks to rank and weight geological aspects, including proximity to mines, deposits and the significance of the camp and the commodity sought.

Valuation is based upon a calculation in which the geological prospectivity, commodity markets, and mineral property markets are assessed independently. The GFM is essentially a technique to define a

Value based upon geological prospectivity. The method appraises a variety of mineral property characteristics:

- Location with respect to any off-property mineral occurrence of value, or favourable geological, geochemical or geophysical anomalies
- Location and nature of any mineralisation, geochemical, geological or geophysical anomaly within the property and the tenor of any mineralisation known to exist on the property being valued
- Number and relative position of anomalies on the property being valued
- Geological models appropriate to the property being valued.

The GFM method systematically assesses and grades these four key technical attributes of a tenement to arrive at a series of multiplier factors (Table A3).

Table A3: Geoscience Factor Ranking

Rating	Address/Off-property factor	On-property factor	Anomaly factor	Geological factor
0.5	Very little chance of mineralisation; Concept unsuitable to the environment	Very little chance of mineralisation; Concept unsuitable to the environment	Extensive previous exploration with poor results	Generally unfavourable lithology; No alteration of interest
1	Exploration model support; Indications of prospectivity; Concept validated	Exploration model support; Indications of Prospectivity; Concept validated	Extensive previous exploration with encouraging results; Regional targets	Deep cover; Generally favourable lithology/alteration (70%)
1.5	Reconnaissance (RAB/aircore) drilling with some scattered favourable results; Minor workings	Exploratory sampling with encouragement	Several early stage targets outlined from geochemistry and geophysics	Shallow cover; Generally favourable lithology/alteration (50% to 60%)
2	Several old workings; Significant reverse circulation percussion drilling leading to advanced project	Several old workings; reconnaissance drilling or reverse circulation percussion drilling with encouraging intersections	Several well-defined targets supported by recon drilling data	Exposed favourable; Lithology/alteration
2.5	Abundant workings; Grid drilling with encouraging results on adjacent sections	Abundant workings; Core drilling after reverse circulation percussion with encouragement	Several well-defined targets with encouraging drilling results	Strongly favourable lithology, alteration
3	Mineral Resource areas defined	Advanced resource definition drilling (early stages)	Several significant sub-economic targets; No indication of "size"	Generally favourable lithology with structures along strike of a major mine; Very prospective geology
3.5	Abundant Workings/mines with significant historical production; Adjacent to known mineralisation at PFS stage	Abundant workings/mines with significant historical production; Mineral Resource areas defined	Several significant sub-economic targets; Potential for significant "size"; Early stage drilling	
4	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Adjacent to known mineralisation at PFS stage	Marginally economic targets of significant "size" advanced drilling	
4.5	Adjacent to development stage project	Along strike or adjacent to Resources at Definitive Feasibility Study stage	Marginal economic targets of significant "size" with well drilled Inferred Resources	
5	Along strike from operating major mine(s)	Adjacent to development stage project	Several significant ore grade co-relatable intersections	

The Geoscience Rating Factor valuation method is a subjective valuation method and different valuation practitioners are likely to derive different on-off property, anomaly, and geological factors, based on their interpretation and understanding of the project. Different descriptions of the rating factors also exist. However, provided the same rating system of factors and descriptions of their values is used, the results from different practitioners should not be dramatically different.

The Basic Acquisition Cost (BAC) is an important input to the GFM. In essence, it is the average cost to acquire and hold an average age tenement in the jurisdiction and it is determined by summing the costs to identify and area of interest, application fees, annual rents and other government costs, work required to facilitate granting (e.g. native title, environmental etc.) and minimum annual statutory expenditures. In other words, the BAC is the total average expenditure per standard unit area (km<sup>2</sup>, hectare, sub-block, etc.) and captures the identification cost and then the application and retention costs. Each factor is then multiplied serially by the BAC to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The standard references on the method (Kilburn, 1990; Goulevitch and Eupene, 1994) do not provide much detail on how the market factor should be ascertained. CSA Global takes the approach of using the implied value range from our selected Comparable Transactions to inform the selection of a GFM market factor. Our presumption is that the comparatives are capturing the market sentiment, so any other valuation method should not be significantly different (order of magnitude).

This is achieved by finding the market factor that produces an average GFM preferred value per unit area for whole project (i.e. total preferred GFM value divided by the total area) that falls within the range of the comparatives implied values per unit area. It is CSA Global's view that this adequately accounts for global market factors on an empirical basis. For example, if the implied value range is \$100/km<sup>2</sup> to \$2,000/km<sup>2</sup>, then the market factor should give an average GFM preferred value per unit area that falls within that range.

CSA Global generally would select a market factor (rounded to an appropriate number of significant digits) that gives a value closer to the upper end of the range (though this is the valuer's judgement call). This is because the GFM is a tool that addresses the exploration potential of a project and is best suited to informing the upper end of valuation ranges for a project.

## Geological Risk Method

In the Geological Risk Valuation method, as described by Lord *et al.* (2001), the value of a project at a given stage of knowledge/ development is estimated based on the potential value of the project at a later stage of development, discounted by the probability of the potential value of the later stage being achieved, and considering the estimated cost of progressing the project to the next stage.

The relevant stages of exploration are defined in Table A4.

Table A4: Definition of exploration stages

Stage	Description
Stage A	Ground acquisition, project/target generation
Stage B	Prospect definition (mapping and geochemistry)
Stage C	Drill testing (systematic RC, DD)
Stage D	Resource Delineation
Stage E	Feasibility

The expected value (E) of a project at a given stage is then dependent on the target value at the next stage (T), the probability of successfully advancing the project to the next stage (P), and the cost of advancing the project (C). This can be expressed as:

$$E = P * (T - C)$$

This valuation method generates an expected value for each project (or prospect) at each of the main exploration stages or decision points, by working back from a project's target value. A project's target value can be based on an expected NPV from a reasonably constrained DCF model, or from a reasonable approximation of the value of a defined resource, in which case the initial target value will be the value at the end of Stage D, as opposed to the value at the end of Stage E.

Lord *et al.* (2001) concluded that the probability of successfully proceeding from one exploration phase to the following one was as depicted in Table A5, based on a detailed study of gold exploration programs in the Laverton area of Western Australia.

Table A5: Probability of successfully proceeding from one exploration stage to another

Stages	Probability of advancing
Generative to reconnaissance	0.54
Reconnaissance to systematic drill testing	0.17
Systematic drill testing to Resource delineation	0.58
Resource delineation to Feasibility	0.87
Feasibility to mine	0.90

Source: Lord *et al.* (2001)

### Valuation Approaches by Asset Stage

Regardless of the technical application of various valuation methods and guidelines, the valuer should strive to adequately reflect the carefully considered risks and potentials of the various projects in the valuation ranges and the preferred values, with the overriding objective of determining the "fair market value".

Table A1 shows the valuation approaches that are generally considered appropriate to apply to each type of mineral property.

## Appendix B: Comparative Transactions

Table B1: Selected comparative transactions of gold Mineral Resources in Australia

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100%) A\$M	Implied value (A\$/oz)	Normalised value (A\$/oz)
6 Aug 2019	Western Queen	Rumble Resources Ltd	Ramelius Resources Ltd	3.90	0.12	23	1.27	10.56	10.77
9 Jul 2019	Menzies and Goongarrie	Kingwest Resources Ltd	Intermin Resources Ltd	2.40	0.20	33	7.57	38.81	42.67
28 Jun 2019	Spargos Reward	Corona Resources Ltd	Mithril Resources Ltd	3.90	0.13	67	0.33	2.65	2.91
18 Apr 2019	Box Well and Deep South	Saracen Mineral Holdings Ltd	Hawthorn Resources Ltd	1.58	0.21	54	13.50	65.22	81.12
31 Jan 2019	Wilcherry	Alliance Resources Ltd	Tyranna Resources Ltd	5.10	0.18	49	8.07	44.58	54.47
13 Dec 2018	Devon	Matsa Resources Ltd	GME Resources Ltd	2.70	0.04	63	0.10	2.78	3.59
12 Dec 2018	New Hope	Chinova Resources Cloncurry Mines Pty Ltd	Pegmont Mines Ltd	9.42	0.03	89	0.58	20.31	26.12
14 Nov 2018	Snake Well	Adaman Resources Pty Ltd	Kalamazoo Resources Ltd	2.45	0.14	48	6.14	43.53	57.99
14 Nov 2018	Zelica	Matsa Resources Ltd	Anova Metals Ltd	1.63	0.03	63	0.15	4.97	6.62
16 Oct 2018	Penny West	Spectrum Metals Ltd	Patina Resources Pty Ltd and Plateaux Resources Pty Ltd	5.00	0.04	78	1.00	27.78	35.84
13 Sep 2018	Marda	Ramelius Resources Ltd	Black Oak Minerals Ltd	1.96	0.33	76	13.00	38.98	51.69
17 May 2018	Kirkalocka	Adaman Resources Pty Ltd	Shandong Tyan Home Co. Ltd	1.10	0.55	78	12.00	21.90	28.34
29 Jan 2018	Horse Well	Alloy Resources Ltd	Doray Minerals Ltd	2.76	0.08	0	4.55	60.53	81.07
1 Dec 2017	Eureka	Tyranna Resources Ltd	Central Iron Ore Ltd	4.40	0.06	0	3.20	49.84	65.41
23 Jun 2017	Tuckabianna	Westgold Resources Ltd	Silver Lake Resources Ltd	2.04	0.52	31	8.50	16.22	21.69
18 May 2017	Kat Gap	Classic Minerals Ltd	Sulphide Resources Pty Ltd	2.90	0.04	Unknown	0.40	9.45	12.43
5 May 2017	Black Cat	Beacon Minerals Ltd	Flinders Exploration Ltd	2.00	0.02	53	0.59	24.80	33.20
24 Apr 2017	Bundarra	Saracen Mineral Holdings Ltd	Bligh Resources Ltd	1.90	0.43	67	9.00	20.88	27.52
8 Mar 2017	Ant Hill	Intermin Resources Ltd	Echo Resources Ltd	1.00	0.16	18	0.30	1.88	2.60
6 Dec 2016	Trojan	Overland Resources Ltd	Westgold Resources Ltd	1.61	0.14	64	0.88	6.10	8.62
1 Nov 2016	Cargo	Agricultural Equity Investments Pty Ltd	Golden Cross Resources Ltd	0.84	0.28	0	0.50	1.78	2.35
3 Aug 2016	Coolgardie	Primary Gold Ltd	MacPhersons Resources Ltd	1.63	0.20	62	9.45	47.11	58.35
21 Jul 2016	Lake Carey	Matsa Resources Ltd	Fortitude Gold Pty Ltd	1.90	0.39	45	1.75	4.54	5.72
12 May 2016	Plutonic Dome	Vango Mining Ltd	Dampier Gold Ltd	3.10	0.82	54	5.50	6.71	8.62

Date	Project	Buyer	Seller	Mineral Resource grade (g/t)	Mineral Resource contained Au (Moz)	Measured and Indicated Resources (%)	Transaction value (100%) A\$M	Implied value (A\$/oz)	Normalised value (A\$/oz)
6 May 2016	Zeus	Hanking Gold Mining Pty Ltd	Cazaly Resources Ltd	1.97	0.03	0	0.22	7.42	9.39
4 May 2016	Sandstone	Middle Island Resources Ltd	Black Oak Minerals Ltd	1.38	0.48	4	2.50	5.21	6.77
31 Mar 2016	Gunga West	Metals X Ltd	Kidman Resources Ltd	1.70	0.07	82	1.50	20.55	28.41
27 Jan 2016	Burbanks and Gunga West	Kidman Resources Ltd	Blue Tiger Mines Pty Ltd	2.85	0.17	30	7.50	43.60	61.07
21 Dec 2015	Twin Hills	Melrose Resources Pty Ltd	Golden Deeps Ltd	20.86	0.01	100	0.05	4.25	6.28
18 Dec 2015	Mount Holland	Kidman Resources Ltd	Convergent Minerals Ltd	1.61	0.93	63	3.50	3.77	5.65
16 Dec 2015	Spring Hill	PC Gold Pty Ltd	Thor Mining Plc	1.74	0.39	100	3.36	8.65	12.84
10 Nov 2015	Cheritons Find	Hanking Gold Mining Pty Ltd	Riedel Resources Ltd	2.46	0.11	0	0.70	6.33	9.05
26 Oct 2015	Karlawinda	Malagasy Minerals Ltd	Greenmount Resources Pty Ltd	1.10	0.65	0	6.00	9.22	12.73

Notes: The spot price used for normalising the transactions was A\$2,218.78/oz.

Table B2: Comparative transactions of exploration licences prospective for gold and base metals in Australia

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$k	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
14 Aug 2019	Commonwealth	Alkane Resources Ltd	Impact Minerals Ltd	Au	Acquisition – 100%	101	33,667	33,209
25 Jul 2019	Bar and Twenty	Private Buyer	Anova Metals Ltd	Au	Acquisition – 100%	25	1,379	1,500
25 Jul 2019	Balagundi	Black Cat Syndicate Ltd	Pioneer Resources Ltd	Au	Joint Venture – 75%	630	15,527	16,886
23 Jul 2019	Lake Rebecca	Bulletin Resources Ltd	Matsa Resources Ltd	Au	Acquisition – 80%	156	908	991
9 Jul 2019	Marble Bar	Calidus Resources Ltd	Epminex WA Pty Ltd	Au	Acquisition – 50%	110	11,659	12,820
9 Jul 2019	Bulgera	Norwest Minerals Ltd	Accelerate Resources Ltd	Au	Acquisition – 100%	220	5,977	6,572
4 Jul 2019	South Gawler	Freport-McMoran Exploration Australia Pty Ltd	Terramin Australia Ltd	Au-Cu	Joint Venture – 70%	3,715	821	903
24 Jun 2019	Illaara	Dreadnaught Resources Ltd	Newmont Goldcorp Corp	Au	Acquisition – 100%	120	165	181
14 Jun 2019	Myall Creek	Fortescue Metals Group	Strategic Energy Resources Ltd	Au-Cu	Joint Venture – 80%	1,477	2,757	3,115
5 Jun 2019	Wild Horse	Freeport-McMoran Exploration Australia Pty Ltd	Terramin Australia Ltd	Cu-Au	Joint Venture – 51%	4,861	10,523	12,242
5 Jun 2019	Horn Island	St Barbara Ltd	Alce Queen Ltd	Au	Joint Venture – 70%	4,953	16,036	18,655
23 May 2019	Mount Venn	Woomera Mining Ltd	Cazaly Resources Ltd	Au-Ni-Cu	Joint Venture – 80%	2,740	7,026	8,356
16 May 2019	Tobruk	Newmont Exploration Pty Ltd	Prodigy Gold NL	Au	Joint Venture – 51%	12,664	4,140	4,928

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$k	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
14 May 2019	Tambourah, Hillside, Panorama and Bonnie Scot	Fe Ltd	Macarthur Minerals Ltd	Au-Li	Joint Venture – 25%	6,869	4,293	5,101
1 May 2019	Ned's Creek	Vango Mining Ltd	Lodestar Minerals Ltd	Au	Joint Venture – 51%	8,628	25,534	31,110
11 Apr 2019	Carterton	Syndicated Metals Ltd	Gateway Mining Ltd	Au	Acquisition – 100%	283	3,167	3,866
5 Apr 2019	Rushworth	Dart Mining NL	Ostract Pty Ltd	Au	Acquisition – 100%	66	805	981
29 Mar 2019	Hobbess	Crosspick Resources Pty Ltd	OreCorp Ltd	Au	Joint Venture – 40%	705	7,416	9,016
27 Mar 2019	Pilbara	Thor Mining PLC	Private Seller	Au	Acquisition – 100%	833	1,063	1,273
11 Mar 2019	Pilbara Basin	Monteray Minerals Inc	CTTR Mining Tenements Pty Ltd	Au	Acquisition – 100%	813	1,549	1,875
1 Mar 2019	Chillagoe	Thomson Resources Ltd	Bacchus Resources Pty Ltd	Au	Acquisition – 90%	56	94	113
11 Feb 2019	Sherlock River	Monteray Minerals Inc	Ridge Street Investments Pty Ltd	Au	Acquisition – 100%	1,105	8,185	9,798
8 Feb 2019	Laverton	Global Fortune Investment Ltd	Expose Resources Ltd	Au	Joint Venture – 51%	740	4,836	5,789
18 Jan 2019	Paynes Find	Oakajee Corporation Ltd	Attgold Pty Ltd	Au	Acquisition – 80%	44	974	1,208
11 Dec 2018	Penny West	Spectrum Metals Ltd	Private Seller	Au	Acquisition – 100%	15	3,359	4,314
28 Nov 2018	Kirkalocka	Blaze International Ltd	Iron Clad Prospecting Pty Ltd	Au	Acquisition – 100%	130	981	1,297
28 Nov 2018	Kirkalocka	Blaze International Ltd	Beau Resources	Au	Acquisition – 100%	160	1,662	2,198
15 Oct 2018	Mount Hawthorn	Marindi Metals Ltd	Bar None Exploration Pty Ltd	Au	Acquisition – 100%	41	2,831	3,655
27 Sep 2018	Golden Palm	Pacton Gold Inc.	Private Seller	Au	Acquisition – 100%	280	11,373	15,397
20 Sep 2018	Wallbrook	Nexus Minerals Ltd	Newmont Exploration Pty Ltd	Au	Acquisition – 100%	13	69	92
3 Sep 2018	Mon Ami Area	Great Southern Mining Ltd	Strategic Minerals Plc	Au	Acquisition – 100%	145	2,876	3,833
3 Sep 2018	Drummond	Evolution Mining Ltd	Andormeda Metals Ltd	Au	Joint Venture – 51%	4,153	7,987	10,643
23 Aug 2018	Pilbara	Pacton Gold Inc.	Arrow Minerals Ltd	Au	Acquisition – 49%	4,147	6,809	9,234
31 Jul 2018	Holleton	Ramelius Resources Ltd	Element 25 Ltd	Au	Acquisition – 100%	1,000	2,604	3,515
18 Jun 2018	Ruby Plains	Dampier Gold Ltd	Private Seller	Au	Acquisition – 100%	473	577	743
25 May 2018	South Darlot	Kingwest Resources Ltd	Central Iron Ore Ltd	Au	Acquisition – 100%	580	2,007	2,580
8 May 2018	Euro	Newcrest Mining Ltd	Prodigy Gold NL	Au	Joint Venture – 51%	9,723	2,796	3,531
4 May 2018	Kirkalocka	Bar None Exploration Pty Ltd	Blaze International Ltd	Au	Acquisition – 100%	100	3,012	3,834
2 May 2018	Connors Arc	Evolution Mining Ltd	Orion Minerals Ltd	Au	Acquisition – 100%	2,500	781	996
18 Apr 2018	Slate Dam	Aruma Resources Ltd	Rare Earth Contracting Pty Ltd	Au	Acquisition – 100%	66	3,474	4,440

Date	Project	Buyer	Seller	Prospective commodities	Transaction type	Transaction value (100%) A\$k	Implied value A\$/km <sup>2</sup>	Normalised value A\$/km <sup>2</sup>
16 Apr 2018	Ockerburry Hill	Red 5 Ltd	AngloGold Ashanti Australia Ltd	Au	Acquisition – 100%	45	664	849
29 Mar 2018	Warrawoona	Calidus Resources Ltd	Gardner Mining Pty Ltd	Au	Acquisition – 100%	77	1,714	2,204
26 Feb 2018	Queen Lapage	Riversgold Ltd	Alloy Resources Ltd	Au	Joint Venture – 70%	448	1,392	1,818
5 Feb 2018	South Yamarna	Gold Road Resources Ltd	Sumitomo Metal Mining Oceana Pty Ltd	Au	Acquisition – 50%	14,000	5,675	7,480
31 Jan 2018	Mary River	Pantoro Ltd	Private Seller	Au	Acquisition – 100%	80	1,246	1,664
22 Dec 2017	Hacks Well	Matsa Resources Ltd	Australian Potash Ltd	Au	Acquisition – 100%	55	611	821
22 Dec 2017	Omni Projects	Gateway Mining Ltd	OMNI GeoX Pty Ltd	Au-BM	Acquisition – 100%	1,500	1,120	1,506
13 Dec 2017	Pilbara Region	Tando Resources Ltd	Geko-Co Pty Ltd	Au	Option to Acquire – 100%	223	9,935	13,454
12 Dec 2017	Dalgaranga	Gascoyne Resources Ltd	Private Seller	Au	Acquisition – 100%	499	3,868	5,237
22 Nov 2017	Eastman	Peako Ltd	Sandrib Pty Ltd	Au-BM	Joint Venture – 60%	920	4,160	5,428
8 Nov 2017	Croydon Top Camp	Coziron Resources Ltd	Creasy Group Companies	Au	Joint Venture – 70%	1,829	5,768	7,641
6 Nov 2017	Black Hills	Greatland Gold Plc	Private Seller	Au	Acquisition – 100%	225	9,000	12,010
3 Oct 2017	Mertondale East	Magnetic Resources NL	Private Seller	Au	Acquisition – 100%	40	13,333	18,173
29 Sep 2017	Charteris Creek	LMTD Wits Pty Ltd	Riedel Resources Ltd	Au	Acquisition – 100%	500	4,065	5,511

## Notes:

- Prospective commodities; Au – gold, BM – base metals, Cu – copper, Li – lithium, Ni – nickel.
- The Joint Venture transaction earn-in percentage is the first earn-in percentage.
- The spot price used for normalising the transactions was A\$2,218.78/oz.
- Transactions highlighted in orange were considered outliers.

## Appendix C: Detailed Yardstick Valuation

Table C1: Mount Adrah Project – detailed Yardstick valuation

Mineral Resource	Classification	Material	Ounces	Equity (%)	Yardstick factors			Valuation (A\$M)		
					Low	Preferred	High	Low	Preferred	High
Mount Adrah	Indicated (Surface 150 m)	Oxide	18,000	100	1.0%	1.50%	2.00%	0.40	0.59	0.79
	Indicated (Surface-150 m)	Primary	96,000	100	1.0%	1.50%	2.00%	2.11	3.17	4.22
	Indicated (150-700 m)	Primary	320,000	100	NOT VALUED					
	Inferred (Surface-150 m)	Primary	39,000	100	0.5%	0.75%	1.00%	0.43	0.64	0.86
	Inferred (150-700 m)	Primary	290,000	100	NOT VALUED					
	<b>Total</b>		153,000	<b>100</b>	-	-	-	<b>2.93</b>	<b>4.40</b>	<b>5.87</b>

Notes: The material below 150 m from surface (270 mRL) in CSA Global's opinion does not to satisfy Clause 20 of the JORC Code requirement for Mineral Resources to have "reasonable prospects for eventual economic extraction".

## Appendix D: Detailed Geoscientific Factor Rating Valuation

Table D1: Fraser Range Project exploration licence Geoscientific Factor Rating valuation

Tenement	Equity	Area (km <sup>2</sup> )	Off property		On property		Anomaly		Geology		Valuation (A\$M)		
			Low	High	Low	High	Low	High	Low	High	Low	Preferred	High
E28/2385	100%	11.8	1	1.5	1	1.5	1.3	1.8	1.5	2.5	0.04	0.12	0.20
E28/2390	100%	17.6	1	1.5	1	1.5	1	1.5	1	1.5	0.03	0.09	0.15
E28/2392	100%	14.7	1	1.5	1	1.5	1	1.5	1	1.5	0.02	0.08	0.13
E28/2876	100%	11.8	1	1.5	1	1.5	1	1.5	1	1.5	0.02	0.06	0.10
E63/1792	100%	202.5	NOT VALUED – NATURE RESERVE								0.00	0.00	0.00
<b>Total</b>		<b>258.4</b>	-	-	-	-	-	-	-	-	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>

Notes: The BAC used was A\$1,687/km<sup>2</sup> and a 0.5 market factor was applied.

Table D2: Mount Adrah Project exploration licence Geoscientific Factor Rating valuation

Tenement	Equity	Area (km <sup>2</sup> )	Off property		On property		Anomaly		Geology		Valuation (A\$M)		
			Low	High	Low	High	Low	High	Low	High	Low	Preferred	High
EL6372	100%	28.1	1.5	2.5	2	3	3	4	2	3	0.31	0.93	1.56
EL7844	100%	28.1	2	3	2	2	1.5	2	2	2.5	0.21	0.36	0.52
EL8606	100%	140.3	2	3	2	2.5	1.5	2	2	2.5	1.04	2.14	3.24
<b>Total</b>		<b>196.4</b>	-	-	-	-	-	-	-	-	<b>0.6</b>	<b>3.5</b>	<b>5.3</b>

Notes: The BAC used was A\$1,233/km<sup>2</sup> and a 0.5 market factor was applied.

Table D3: Wellington Range Project exploration licence Geoscientific Factor Rating valuation

Tenement	Equity	Area (km <sup>2</sup> )	Off property		On property		Anomaly		Geology		Valuation (A\$M)		
			Low	High	Low	High	Low	High	Low	High	Low	Preferred	High
E53/2046	100%	27.8	0.75	1.25	0.75	1.25	0.75	1.25	1	2	0.01	0.05	0.09
E38/3338	100%	70.8	0.75	1.25	0.75	1.25	0.75	1.25	1	2	0.03	0.13	0.23
E38/3339	100%	27.7	0.75	1.25	0.75	1.25	0.75	1.25	1	2	0.01	0.05	0.09
<b>Total</b>		<b>126.2</b>	-	-	-	-	-	-	-	-	<b>0.04</b>	<b>0.23</b>	<b>0.42</b>

Notes: The BAC used was A\$1,687/km<sup>2</sup> and a 0.5 market factor was applied.



Australia • Canada • Indonesia • Russia  
Singapore • South Africa • United Kingdom

[csaglobal.com](http://csaglobal.com)



### Schedule 3 - Pro forma Balance Sheet

			Pro-forma adjustments				Final pro-forma \$
			Consideration paid	Wildcat – Share Issues	Mt Adrah Settlement	Consolidation adjustment	
	FRN	Wildcat	Total				
	30-Jun-19	30-Jun-19					
	\$	\$	\$	\$	\$	\$	\$
Current assets							
Cash and cash equivalents	1,978,113	3,328	1,981,441	-	111,000	-	2,092,441
Trade and other receivables	26,732	-	26,732	-	-	-	26,732
Total current assets	2,004,845	3,328	2,008,173	-	111,000	-	2,119,173
Non-current assets							
Other assets	-	30,000	30,000	-	-	-	30,000
Investment in subsidiary	-	-	-	1,459,375	-	-	-
Exploration assets	296,963	250,000	546,963	-	-	50,000	1,975,588
Total Non-current assets	296,963	280,000	576,963	1,459,375	-	50,000	2,005,588
Total assets	2,301,808	283,328	2,585,136	1,459,375	111,000	50,000	4,124,761
Current liabilities							
Trade and other payables	61,493	28,592	90,085	-	-	-	90,085
Financial liabilities	-	223,987	223,987	-	-	-	223,987
Total current liabilities	61,493	252,578	314,071	-	-	-	314,071
Total liabilities	61,493	252,578	314,071	-	-	-	314,071
Net assets	2,240,315	30,750	2,271,065	1,459,375	110,000	50,000	3,810,690
Equity							
Issued capital	31,836,017	275,000	32,111,017	1,341,575	110,000	50,000	33,288,392
Reserves	84,702	-	84,702	118,000	-	-	202,702
Accumulated losses	(29,680,404)	(244,250)	(29,924,654)	-	-	-	(29,680,404)
Total equity	2,240,315	30,750	2,271,065	1,459,375	110,000	50,000	3,810,690

## Schedule 4 - Terms and Conditions of Performance Shares

Each Class A Performance Shares and Class B Performance Shares (**Performance Share**) will be issued with the following terms and conditions:

### 1. General

- (a) **(Share capital)**: Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings)**: Each Performance Share confers on the holder (Holder) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.
- (c) **(No voting rights)**: A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No dividend rights)**: A Performance Share does not entitle the Holder to any dividends.
- (e) **(No return of capital rights)**: A Performance Share does not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(No rights on winding up)**: A Performance Share has no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (g) **(Transfer of Performance Shares)**: The Performance Shares are not transferable.
- (h) **(Reorganisation of Capital)**: In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (i) **(Quotation)**: The Performance Shares will not be quoted on ASX.
- (j) **(No participation in entitlements and bonus issues)**: Subject always to the rights under paragraph 1(h) (Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- (k) **(Amendments required by ASX)**: The terms of the Performance Shares may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (l) **(No other rights)**: A Performance Share does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

## 2. Conversion of the Performance Shares into Shares

(a) **(Milestones):** The Performance Shares will convert into Shares in accordance with the following Milestones:

- (i) 67,000,000 Performance Shares (**Performance A Shares**) will convert into Shares if the Company delineates on the Tenements a minimum Inferred Resource of 7.75Mt at 1 gram per tonne for 250,000 ounces of gold (with a resource cut off of 0.5 grams per tonne) outside the current Hobbs Pipe resource estimate (**Milestone A**); and
- (ii) 67,000,000 Performance Shares (**Performance B Shares**) will convert into Shares if the Company delineates on the Tenements a minimum Inferred Resource of 15.55Mt at 1 gram per tonne for 500,000 ounces of gold (with a resource cut off of 0.5 grams per tonne) outside the current Hobbs Pipe resource estimate (**Milestone B**).

Where Milestone B is satisfied, the Milestone A will automatically be deemed to have been satisfied.

(b) **(Change in Control Event):**

- (i) All Performance Shares on issue shall convert, at the election of the Vendors, into Shares up to a maximum number that is equal to 10% of the Company's issued capital (as at the date of any of the following events) upon the happening of either of the following events:
  - (A) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that takeover bid has become unconditional; or
  - (B) **scheme of arrangement:** the announcement by the Company that the Company's shareholders (**Shareholders**) have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.
- (ii) The Company must ensure the allocation of Shares issued under paragraph 2(b)(i) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Shares and all remaining Performance Shares held by each Holder will automatically consolidate into one Performance Share and will then convert into one Share.]

(c) **(Expiry Date):** The Performance Shares expire on the date that is five years from the date of their issue (**Expiry Date**). To the extent that a milestone for a Performance Share has not been achieved by the Expiry Date, such Performance Shares will automatically consolidate into a sum total of one Performance Share, which will then convert into one Share. Subject to paragraph 2(e), where a milestone for the Performance Share is met on the

Expiry Date, the Performance Shares expire upon conversion, which must occur within one month of the milestone being met.

- (d) **(Conversion of Performance Shares):** Any conversion of Performance Shares into Shares is on a one for one basis. For the avoidance of doubt, the conversion of the Performance Shares to Shares does not involve a cancellation, redemption or buy-back of the Performance Shares. Rather the conversion is simply varying the rights of the Performance Shares such that they are the same as the Shares
- (e) **(Takeover Provisions):**
  - (i) If the conversion of Performance Shares (or part thereof) under paragraph 2(a) or 2(b) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this paragraph 2(e)(i), the Company shall at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1).
  - (ii) Where paragraph 2(e)(i) applies, if requested to do so by the affected Holder, the Company must seek to obtain the approval of its shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Shares at the Company's next annual general meeting.
  - (iii) A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under paragraph 2(a) or 2(b) may result in the contravention of section 606(1), failing which the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).
  - (iv) The Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within 7 days if they consider that the conversion of Performance Shares under paragraph 2(a) or 2(b) may result in the contravention of section 606(1). If the Holder does not confirm to the Company within 7 days that they consider such conversion may result in the contravention of section 606(1), then the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).
- (f) **(Quotation of Shares issued on conversion):** If the Company is listed on the ASX at the time, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion and issue either a cleansing notice under section 708A(5) of the Corporations Act or a cleansing

prospectus under section 708A(11) of the Corporations Act to permit the on-sale on Shares issued on conversion within five days of the issue of Shares.

- (g) **(Conversion procedure):** The Company will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.
- (h) **(Ranking of Shares):** The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

## **Schedule 5 - Terms and conditions of the Consideration Options, Director Options and Incentive Options**

The Consideration Options, Director Options and Incentive Options entitle the holder to subscribe for Shares on the following terms and conditions:

1. **(Entitlement):** Each Consideration Option, Director Option and Incentive Option **(Option)** entitles the holder **(Holder)** to subscribe for one Share upon exercise of the Option.
2. **(Issue Price):** No cash consideration is payable for the issue of the Options.
3. **(Exercise Price):** The exercise price for each Option is as follows:
  - (a) **(Consideration Option):** \$0.04 per Share; and
  - (b) **(Director Options (Tranches 1-3) and Incentive Options (Tranches 1-4)):**
    - (i) **(Tranche 1):** \$0.025 per Share;
    - (ii) **(Tranche 2):** \$0.05 per Share;
    - (iii) **(Tranche 3):** \$0.075 per Share; and
    - (iv) **(Tranche 4):** \$0.10 per Share,**(Exercise Price).**
4. **(Expiry Date):** The Options expire at 5:00pm (WST) 3 years after the date of issue **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
5. **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
6. **(Quotation of the Options):** The Company will not apply for quotation of the Options on ASX.
7. **(Transferability of the Options):** The Options are transferable with the prior written approval of the Company, subject to any restriction or escrow arrangements imposed by ASX or compliance with the Corporations Act.
8. **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
9. **(Exercise Date)** Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
10. **(Issue of Shares on exercise):** Within 5 Business Days after the Exercise Date, the Company will:
  - (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (c) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph (b) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing Notice" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing Notice" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a Notice is issued by the Company. The Company must issue the Notice by no later than 30 days after the date of issue of the Shares, or such later date as is agreed with the Holder.

- 11. **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- 12. **(Dividend and voting rights):** The Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.
- 13. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act at the time of the reconstruction.
- 14. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- 15. **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.
- 16. **(Constitution)** Upon the issue of Shares on exercise of the Options, the Holder agrees to be bound by the Company's Constitution.

## Schedule 6 - Terms and conditions of the Director Performance Rights

The Director Performance Rights (**Performance Rights**) entitle the holder to subscribe for Shares on the following terms and conditions:

For the purpose of these terms and conditions:

**ASX** means ASX Limited ACN 008 624 691 or, as the context permits, the securities exchange operated by that entity.

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

**Company** means Fraser Range Metals Group Ltd (ACN 098 236 938).

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

**Holder** means a holder of a Performance Right.

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

**Performance Right** means a Performance Right issued on these terms and conditions.

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

**VWAP** means volume weighted average price.

1. (**Entitlement**) Each Performance Right entitles the Holder to be issued one Share upon exercise of the Performance Right by the Holder.
2. (**Vesting Condition**) Each Performance Right will vest upon the Company's Shares achieving a 5-day VWAP of \$0.05 or more on or before the Expiry Date.
3. (**Expiry Date**) Each Performance Right will expire at 5pm (WST) on the date which is 4 years from the date of grant. If the Vesting Condition is not achieved by the Expiry Date or a Performance Right is not exercised by the Expiry Date then the Performance Right will lapse.
4. (**Exercise Period**) Subject to item 5, a Performance Right may only be exercised at any time after the Vesting Condition is satisfied and prior to the Expiry Date.
5. (**Vesting on Change of Control**) Any Performance Rights that have not yet vested will automatically vest upon a Change of Control. For these purposes, **Change of Control** means one or more of the following events occurring:
  - (a) the bidder under a takeover bid in respect of all Shares has achieved acceptances in respect of more than 50.01% of Shares and that takeover bid has become unconditional;
  - (b) the announcement by the Company that its Shareholders have, at a court convened meeting of Shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all securities of the Company are to be either:
    - (i) cancelled; or
    - (ii) transferred to a third party,and the court, by order, approves the proposed scheme of arrangement; or

- (c) any person, individually or together with their associates, acquires a relevant interest in 50.01% or more of the total number of Shares on issue by any other means.
- 6. **(Notice of Exercise)** A Performance Right may be exercised by notice in writing to the Company **(Notice of Exercise)**. Any Notice of Exercise of a Performance Right received by the Company will be deemed to be a notice of exercise of that Performance Right as at the date of receipt.
- 7. **(Takeover provisions)**
  - (a) If the conversion of Performance Rights (or part thereof) under these terms and conditions would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act. Following a deferment under this paragraph, the Company will at all times be required to convert that number of Performance Rights that would not result in a contravention of section 606(1) of the Corporations Act.
  - (b) The Holder will give notification to the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.
  - (c) The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven days if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act. If the Holder do not give notification to the Company within seven days that they consider the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act then the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.
- 8. **(Shares issued on exercise)** Shares issued on exercise of the Performance Rights rank equally with the then Shares of the Company.
- 9. **(Quotation of Shares on exercise)** Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Performance Right within the period required by the Listing Rules.
- 10. **(Participation in new issues)** There are no participation rights or entitlements inherent in the Performance Rights and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.
- 11. **(Adjustment for bonus issues)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of a Performance Right will be increased by the number of

Shares which the Holder would have received if the Holder had exercised the Performance Right before the record date for the bonus issue.

12. **(Adjustment for rights issue)** If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the number of Shares which must be issued on the exercise of the Performance Rights.
13. **(Adjustments for reorganisation)** If there is any reorganisation of the issued share capital of the Company, the rights of the Holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.
14. **(Quotation of Performance Rights)** No application for quotation of the Performance Rights will be made by the Company.
15. **(No voting rights)** A Performance Right does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
16. **(No dividend rights)** A Performance Right does not entitle a Holder to any dividends.
17. **(No rights to surplus profits or assets)** A Performance Right does not entitle a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
18. **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation or sub-division, but excluding a return of capital) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
19. **(Performance Rights not transferable)** Performance Rights are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.
20. **(Deferred Taxation)** Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Performance Rights.

### Schedule 7 - Vendors

VENDORS	WILDCAT SHARES	CONSIDERATION SHARES	% OF COMPANY ON COMPLETION	CLASS A PERFORMANCE SHARES	CLASS B PERFORMANCE SHARES	CONSIDERATION OPTIONS
ALEXANDER R H HEWLETT AND MICHELLE T HEWLETT	1,000,000	3,616,071	1.14%	3,792,982	3,792,982	1,019,010
AMANDA HARGREAVES	1,000,000	3,616,071	1.14%	3,792,982	3,792,982	1,019,010
BLU BONE PTY LTD	3,500,000	12,656,247	3.99%	13,275,438	13,275,438	3,566,536
ELEFANTINO PTY LTD	250,000	904,018	0.29%	948,246	948,246	254,753
EMMESS PTY LTD*	432,100	1,562,504	0.49%	1,638,948	1,638,948	440,314
GREG NELLIGAN	250,000	904,018	0.29%	948,246	948,246	254,753
JHAC PTY LTD	2,500,000	9,040,176	2.85%	9,482,455	9,482,455	2,547,524
KOBIA HOLDINGS PTY LTD**	1,000,000	3,616,071	1.14%	3,792,982	3,792,982	1,019,010
LAMPAM PTY LTD*	432,100	1,562,504	0.49%	1,638,948	1,638,948	440,314
LONGREACH 52 PTY LTD	750,000	2,712,053	0.86%	2,844,737	2,844,737	764,258
MATTHEW IAN BANKS	1	4	0.00%	4	4	1
MATTHEW IAN BANKS & SANDRA ELIZABETH BANKS	2,000,000	7,232,141	2.28%	7,585,964	7,585,964	2,038,020
MAZZA RESOURCES PTY LTD	500,000	1,808,035	0.57%	1,896,491	1,896,491	509,505
NARDIE GROUP PTY LTD	150,000	542,411	0.17%	568,947	568,947	152,852

VENDORS	WILDCAT SHARES	CONSIDERATION SHARES	% OF COMPANY ON COMPLETION	CLASS A PERFORMANCE SHARES	CLASS B PERFORMANCE SHARES	CONSIDERATION OPTIONS
PATO NEGRO PTY LTD	2,000,000	7,232,141	2.28%	7,585,964	7,585,964	2,038,020
PHILUCHNA PTY LTD	150,000	542,411	0.17%	568,947	568,947	152,852
ROCK THE POLO PTY LTD	750,000	2,712,053	0.86%	2,844,737	2,844,737	764,258
TIM HARGREAVES	1,000,000	3,616,071	1.14%	3,792,982	3,792,982	1,019,010
<b>TOTALS</b>	<b>17,664,201</b>	<b>63,875,000</b>	<b>20.15%</b>	<b>67,000,000</b>	<b>67,000,000</b>	<b>18,000,000</b>

\*Per Section 8.3(d), it is noted that of the 20,000,000 Consideration Options in total, 18,000,000 will be issued proportionately to the Vendors, with the remaining 2,000,000 being issued to two Vendors who provided working capital loans to Wildcat during the period since the Acquisition Agreement was executed.

\*\*Entity associated with Company director Mr Thomas Bahen

# AGM Registration Card

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

## Vote by Proxy: FRN

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 27 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

#### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES






If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

<b>Return your completed form</b>		<b>All enquiries to Automic</b>
 <b>BY MAIL</b> Automic GPO Box 5193 Sydney NSW 2001	 <b>IN PERSON</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	 <b>BY EMAIL</b> meetings@automicgroup.com.au
		 <b>WEBCHAT</b> <a href="https://automic.com.au/">https://automic.com.au/</a>
		 <b>PHONE</b> 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

[illegible]

Resolutions		For	Against	Abstain	Resolutions		For	Against	Abstain
1.	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11a.	Approval to issue Director Securities to Mr Matthew Banks (Options)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Election of Director – Mr Zane Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11b.	Approval to issue Director Securities to Mr Alexander Hewlett (Options)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Re-election of Director – Mr Aidan Platel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11c.	Approval to issue Director Securities to Mr Matthew Banks (Performance Rights)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Approval to change in scale of activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11d.	Approval to issue Director Securities to Mr Alexander Hewlett (Performance Rights)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Approval to create a new class of Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12a.	Approval to issue Incentive Options to Mr Thomas Bahen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Approval of Acquisition and Issue of Related Vendor Consideration to Related Vendor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12b.	Approval to issue Incentive Options to Mr Aidan Platel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Approval to issue Unrelated Vendor Consideration to Unrelated Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12c.	Approval to issue Incentive Options to Mr Zane Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Approval to issue Force Shares to Force	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13.	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Election of Director – Mr Matthew Banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14.	Replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Election of Director – Mr Alexander Hewlett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>																			
Individual or Securityholder 1							Securityholder 2							Securityholder 3					
Sole Director and Sole Company Secretary							Director							Director / Company Secretary					
Contact Name:																			
Email Address:																			
Contact Daytime Telephone												Date (DD/MM/YY)							
												<div style="display: flex; justify-content: space-around; align-items: center;"> <span><div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div></span> <span><div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div></span> <span>/</span> <span><div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div></span> <span><div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div></span> <span>/</span> <span><div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div></span> <span><div style="border: 1px solid black; width: 20px; height: 20px; display: inline-block;"></div></span> </div>							

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).