

## Statement of Commitments

(Based on Actual Funds Raised - \$3,500,000)

The Company intends to apply funds raised under the initial public offer (together with existing cash reserves) over the first two years following admission of the Company to the official list of ASX as follows:

Allocation of funds	(\$)	Percentage of Funds (%)
Exploration expenditure and assessment of the Cairn Hill Gold Project (including commitments under Joint Venture Agreement) <sup>1</sup>	1,770,000	46.04
Exploration expenditure and assessment of the Mt Clement Gold Project <sup>1</sup>	320,000	8.32
Exploration expenditure and assessment of the Capricorn Lithium Project <sup>1</sup>	170,000	4.42
Administration costs	880,000	22.89
Working capital	419,840	10.92
Costs of the Offer <sup>2</sup>	285,000	7.41
<b>Total</b>	<b>3,844,840</b>	<b>100.00</b>

**Notes:**

1. Refer to the Independent Geologist's Report in Section 5 of the Prospectus dated 22 July 2016 for further information on the planned exploration activities and expenditure budget for the Projects.
2. Refer to Section 11.8 of the Prospectus dated 22 July 2016 for further details.

It should be noted that the Company's budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration and evaluation work carried out. This will involve an ongoing assessment of the Company's mineral interests. The results obtained from exploration and evaluation programs may lead to increased or decreased levels of expenditure on certain projects reflecting a change in emphasis.

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

For and on Behalf of the Board

Melanie Li  
Company Secretary

Berkut Minerals Limited