



EZA CORPORATION LTD
ACN 151 155 734
(to be renamed "Santa Fe Minerals Ltd")

PROSPECTUS

For the offer of 10,000,000 Shares at an issue price of \$0.10 each to raise \$1,000,000 (before costs) (Public Offer).

It is proposed that the Public Offer will close at 5.00pm (WST) on 18 October 2017. The Directors reserve the right to close the Public Offer earlier or to extend this date without prior notice. Applications must be received before that time.

This Prospectus also contains an offer of 1,250,000 Shares and 1,250,000 Vendor Options to the Vendors for the acquisition of the Challa Projects (**Vendor Offer**).

This is also a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy ASX's requirements for re-quotation of the Shares on the Official List, following a change to the nature and scale of the Company's activities.

The Securities offered pursuant to this Prospectus should be regarded as speculative. Refer to Section 7 for a summary of the key risks associated with an investment in the Company.

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

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IMPORTANT NOTICE

This Prospectus is dated, and was lodged with ASIC on, 20 September 2017. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5.00pm (WST) on the date which is 13 months after the date this Prospectus was lodged with ASIC. No Securities will be issued on the basis of this Prospectus after that expiry date.

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

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

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

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

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

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

As announced to ASX on 3 July 2017, the Company entered into the Tenement Sale Agreement (as varied by the Deed of Variation) pursuant to which, subject to Shareholder approval and the satisfaction of certain other conditions, the Company agreed to acquire the Challa Projects from the Vendors. Please refer to Section 3 for information on the Challa Projects, and Section 9 for details of the key terms and conditions of the Tenement Sale Agreement and details of the Deed of Variation.

The Company's proposed acquisition of the Challa Projects will involve a significant change in the nature and scale of the Company's activities which requires the approval of Shareholders under Chapter 11 of the Listing Rules. At the Annual General Meeting, Shareholders will be asked to consider and approve, among other things, the Acquisition, the Return of Capital, the issue of the Capital Raising Shares and the Consideration Securities, and the change in nature and scale of the Company's activities.

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

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

Suspension from trading

Trading in the Company's listed securities was suspended on 7 December 2015. If Shareholders pass all Acquisition Resolutions and do not pass the Requisitioned Resolutions, trading in Shares will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules.

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

Conditions to the Offers

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

Electronic Prospectus and Application Forms

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

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

Prospective investors wishing to apply for Shares under the Public Offer should complete the Application Form attached to this Prospectus. If acceptance is by BPAY® there is no need to return an Application Form.

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

Risks

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Please refer to Section 7 for details of the key risks applicable to an investment in the Company.

Speculative Investment

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

Prospective investors should carefully consider whether the Securities offered under this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Please refer to Section 7 for details of the key risks applicable to an investment in the Company.

Website

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

Foreign Investors

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

Exposure Period

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

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants, prior to the acceptance of Applications and the raising of funds. That examination may

result in the identification of deficiencies in this Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Privacy Statement

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

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

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

Forward-looking Statements

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 7. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

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

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

No Forecast Financial Information

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

Diagrams

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

Currency

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

Rounding

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

Time

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

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 12.

Competent Persons Statement

The information in this Prospectus that relates to the Challa Projects is based on information compiled and conclusions derived by Mr James Guy and fairly represents this information. Mr Guy has over 30 years' experience in the minerals industry, in both mining and exploration roles across a wide range of commodities. Mr Guy is a principle consultant at James Guy & Associates Pty Ltd. Mr Guy has a Bachelor of Science (Applied Geology) from the University of New South Wales, and a Graduate Diploma in Finance and Investment from the Securities Institute of Australia. Mr Guy is a Member of the Australasian Institute of Mining and Metallurgy ("AUSIMM"). Mr Guy has the relevant qualifications, experience and independence to be considered a "Competent Person" as defined by the JORC Code (2012). Mr Guy consents to the inclusion in the Prospectus of the matters based on his information and has reviewed all statements pertaining to this information in the form and context in which it appears. Mr Guy has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.

Proximate Statements

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

CORPORATE DIRECTORY

Existing Board

Mr Mark Jones – Non-Executive Chairman
Mr Douglas Rose – Managing Director
Mr Andrew Quin – Non-Executive Director
Mr Terence Brown – Non-Executive Director

Company Secretary

Ms Krystel Kirou

Registered Office

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

Share Registry

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

Auditor & Investigating Accountant

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

Independent Geologist

James Guy & Associates Pty Ltd
PO Box 538
Mt Hawthorn WA 6915

Legal Advisor

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

Lead Manager

Patersons Securities Limited
Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

ASX Code

Current: EZA

Proposed: SFM

Website

www.ezacorp.com.au

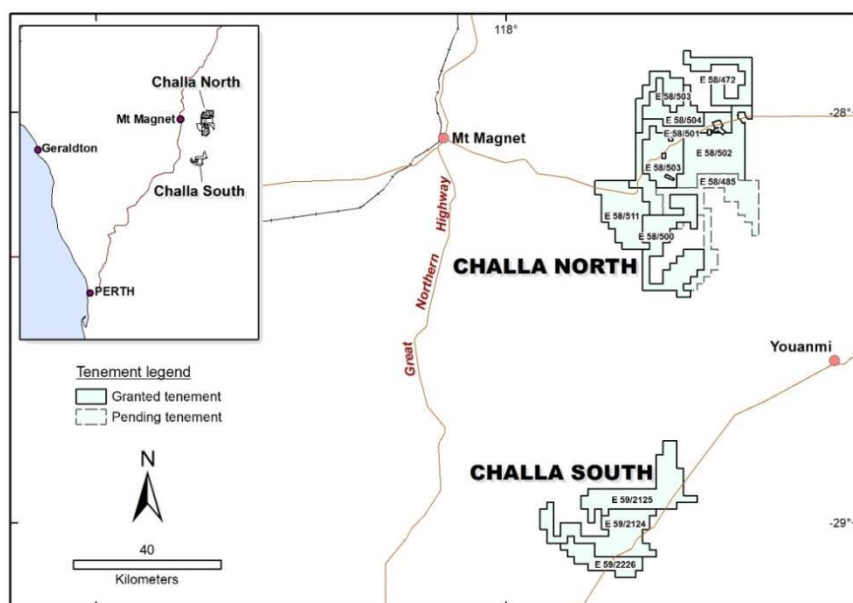
LETTER FROM THE CHAIRMAN

Dear Investor

It is with great pleasure that I invite you to become a shareholder of EZA Corporation Ltd (to be renamed "Santa Fe Minerals Limited") (**Santa Fe** or the **Company**).

On 3 July 2017, the Company announced that it had agreed, subject to Shareholder approval and the satisfaction of certain other conditions, to acquire the Challa Projects (**Acquisition**). The Challa Projects are located in the Yalgoo and Murchison mineral fields between Mt Magnet and Sandstone in Western Australia and are considered by the Board to be prospective for gold and other base metals (**Challa Projects**). The Challa Projects area covers part of the Windimurra and Narndee Layered Igneous Complexes.

The Company will hold its annual general meeting on 29 September 2017 (**Annual General Meeting**) to seek Shareholder approval for a number of resolutions to give effect to the Acquisition. Refer to Section 2.4 for further details on the Annual General Meeting. The Company intends to become a Perth-based mineral exploration and development company with an initial focus on the Challa Projects.



In the late 1800's, gold was first discovered in a series of small scale gold diggings in the Paynesville and Windsor area, which are located in the north-eastern corner of the Challa Project area. Historical records indicate that small scale mines produced an estimated 108kg of gold from 5,823t of ore at an average grade of approximately 18.5 g/t. The Windimurra Complex was first recognised in the early 1960's as prospective for PGE style mineralization. Early exploration by Mangore Australia Limited located

vanadium-rich magnetite rocks near the Windimurra Homestead, as well as platinum group element (**PGE**) anomalous horizons in the Wonginong area. The Board considers the area to be underexplored, particularly for gold and other non-PGEs.

The tenements forming the Challa Projects have only recently been consolidated into a prospective package. This provides Santa Fe with potential to undertake modern large-scale targeted greenfields exploration at the Challa Projects. It is Santa Fe's intention to conduct exploration, with a view to developing the Challa Projects into a gold and base metals production project. The Company will continue to identify and investigate other opportunities in the resources industry which complement the Company's proposed activities.

Under this Prospectus, Santa Fe is inviting investors to subscribe for 10,000,000 Shares at an offer price of \$0.10 per Share to raise \$1,000,000 (before costs) (**Public Offer**). The majority of the Public Offer proceeds will be used to fund exploration activities at the Challa Projects and support the future growth, expansion and capital requirements of the Company.

The Company has also issued this Prospectus for:

- (a) an offer of 1,250,000 Shares and 1,250,000 Options to the vendors of the Challa Projects in part consideration for the acquisition of the Challa Projects (**Vendor Offer**); and

- (b) the purpose of re-complying with Chapters 1 and 2 of the Listing Rules, following a change to the nature and scale of the Company's activities to a mineral exploration company, following completion of the Acquisition (refer to Section 1.3 for further details).

Refer to Section 1 for further details of the Public Offer and Vendor Offer (**Offers**) under this Prospectus.

This Prospectus contains detailed information about the Offers and the Company's assets, as well as the risks of investing in the Company. These risks include commercial risks inherent in mineral exploration such as title risk and risks regarding the grant and/ or renewal of required licences (refer to Section 7 for details).

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

On behalf of the Board, I look forward to welcoming you as a shareholder of Santa Fe Minerals Ltd.

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

Mark Jones
Non-Executive Chairman

KEY OFFER DETAILS

Public Offer	
Issue price per Share	\$0.10
Shares offered	10,000,000
Amount to be raised (before costs)	\$1,000,000
Vendor Offer	
Shares offered to the Vendors	1,250,000
Options offered to the Vendors	1,250,000
General	
Total cash and cash equivalents on completion of the Offers^{1, 2, 3}	\$6,579,185
Total Shares on issue before completion of the Offers	61,068,789
Total Shares on issue after completion of the Offers	72,318,789
Total Options on issue after completion of the Offers	1,250,000

Note:

Please refer to Section 1.9 for further details relating to the Company's proposed capital structure.

¹ Based on the pro-forma consolidated statement of financial position of the Company at 30 June 2017.

² This figure takes into account the Return of Capital (refer to Section 2.3).

³ Excludes 7,500,000 shares held in Emerald Resources NL valued at \$300,000 as at 30 June 2017.

INDICATIVE TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC	20 September 2017
Opening Date	27 September 2017
Annual General Meeting	29 September 2017
Ex Date for Return of Capital	3 October 2017
Record Date for Return of Capital (Record Date)	4 October 2017
Payment Date for Return of Capital	6 October 2017
Closing Date	18 October 2017
Completion of Acquisition and Issue of Securities under the Public Offer	23 October 2017
Mailing of holding statements	24 October 2017
Expected date for re-quotation of the listed Securities on the Official List	26 October 2017

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

INVESTMENT OVERVIEW

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

Topic	Summary	Further Information
A. Company Overview		
Who is the issuer of this Prospectus?	EZA Corporation Ltd ACN 151 155 734 (to be renamed "Santa Fe Minerals Limited") (Company).	Section 2
Who is the Company and what does it do?	<p>The Company is an Australian public company that has been listed on the Official List (ASX code: EZA) since 5 October 2011.</p> <p>The Company's wholly owned subsidiary, Challa Resources Pty Ltd, incorporated on 21 June 2017, for the purpose of acquiring the Challa Projects.</p> <p>Since the disposal of the ATM Business in October 2014, the Company has been actively pursuing investment opportunities.</p> <p>The Company's listed Securities have been suspended from Official Quotation since 7 December 2015.</p>	Sections 2.1 and 2.2
What is the "Acquisition"?	<p>The Acquisition is the Company's proposed acquisition of 100% of the interests in the Challa Projects from the parties referred to in Section 9.1 (Vendors) pursuant to the Tenement Sale Agreement (as varied by the Deed of Variation).</p> <p>The Challa Projects comprise of a portfolio of mineral exploration licenses and a mineral exploration license application located in the Murchison District of Western Australia.</p>	Item B, Sections 2 & 3
What is the Company's strategy?	<p>Following completion of the Acquisition, the Company will own 100% of the interest in the Challa Projects.</p> <p>Initially, the Company will conduct exploration programs on the Challa Projects and seek to drive capital growth for Shareholders through achieving exploration success from these exploration programs. Details of the initial proposed exploration programs are set out in Section 3.3 and part 8 of the Independent Geologist's Report contained in Section 5. The Challa Projects will provide the Company with an opportunity to explore across an area that is considered prospective for gold and base metals.</p> <p>The Company's longer term plan post-completion of the Acquisition and the Offers is to explore and exploit the Challa Projects with the aim of developing those assets into income generating assets of the Company through the mining and sale of minerals. In addition, the Company will investigate and assess opportunities to acquire value adding assets.</p> <p>The Company's business model is dependent on the achievement of technical and commercial success from its exploration programs.</p>	Section 3

Topic	Summary	Further Information
	If Completion does not occur, the Company will continue to actively pursue investment opportunities in Australia and overseas, with a view to creating Shareholder value.	
What are the Company's objectives?	<p>The Company's main objectives on completion of the Offers and the Acquisition are:</p> <ul style="list-style-type: none"> in relation to the Challa Projects, to conduct the exploration programs, as outlined in Section 3.3; and to investigate new acquisition opportunities that may provide commodity and/or jurisdictional diversification benefits to the Company. <p>The Directors are satisfied that on completion of the Public Offer, the Company will have sufficient funds to carry out its stated objectives.</p>	Section 3
How does the Company generate revenue?	<p>Following completion of the Offers and the Acquisition, the Company will seek to explore and develop the Challa Projects.</p> <p>As at the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Challa Projects are successfully developed.</p>	Section 2.1
B. The Acquisition		
What is the Acquisition?	<p>On 3 July 2017, the Company announced that it had executed the Tenement Sale Agreement with the Vendors, pursuant to which Challa Resources Pty Ltd, a wholly owned subsidiary of the Company, acquired the right to acquire a 100% interest in the Challa Projects.</p> <p>On 14 August 2017, the Company announced, amongst other things, that it had:</p> <ul style="list-style-type: none"> completed its due diligence investigations and was proceeding with the Acquisition; and amended the consideration payable to the Vendors. This was effected pursuant to the Deed of Variation. <p>The key terms of the Tenement Sale Agreement and Deed of Variation are summarised in Sections 9.1 and 9.2.</p> <p>Completion of the Acquisition under the Tenement Sale Agreement is subject to Shareholder approval at the Company's Annual General Meeting to be held on 29 September 2017. Refer to Section 2.4 for further details.</p>	Sections 2, 3 & 9
What are the conditions precedent for the Acquisition?	<p>Completion under the Tenement Sale Agreement is conditional on, amongst other things:</p> <ul style="list-style-type: none"> the Company obtaining Shareholder approval for the proposed change in the nature and scale of the Company's activities in accordance with Listing Rule 11.1.2; the Company obtaining Shareholder approval to issue the Capital Raising Shares and the Consideration Securities in accordance with 	Sections 9.1

Topic	Summary	Further Information
	<p>Listing Rule 7.1;</p> <ul style="list-style-type: none"> the Company obtaining the written consent from the Minister to transfer any Tenement comprising the Challa Projects which is in its first year of grant at the time of Completion; and the Company obtaining all necessary regulatory approvals, on terms acceptable to the Company, as are required to give effect to the Acquisition. 	
What is the consideration payable by the Company for the Acquisition?	<p>The consideration payable by the Company to the Vendors for the Challa Projects pursuant to the Tenement Sale Agreement (as varied by the Deed of Variation) is as follows:</p> <ul style="list-style-type: none"> \$25,000 cash upon signing of the Tenement Sale Agreement, which has already been paid; \$50,000 cash upon the Company being satisfied with its due diligence investigations, which has already been paid; and upon the Company's listed Securities being reinstated to Official Quotation, the Company will: <ul style="list-style-type: none"> pay the Vendors \$100,000 cash; grant the Vendors a 0.4% net smelter return royalty on future production in respect of the Challa Projects (NSR Royalty); and issue the Vendors: <ul style="list-style-type: none"> 1,250,000 Shares; and 1,250,000 Vendor Options, (together, the Consideration Securities) in the proportions set out in Section 9.1. 	Sections 9.1 and 9.2
C. Summary of the Challa Projects		
What are the Challa Projects?	<p>The Challa Projects consist of the Challa North and Challa South projects, comprising of exploration licenses E58/472, E58/500, E58/501, E58/502, E58/503, E58/504, E58/511, E59/2124, E59/2125 and E59/2226, and exploration license application E58/485.</p> <p>The Challa Projects lie between the historic gold mining centers of Mt Magnet and Sandstone in Western Australia.</p> <p>The Challa Projects are considered to be prospective for gold and other base metals. Refer to the Independent Geologist's Report in Section 5.</p>	Section 3.1
What is the proposed work program in relation to the Challa Projects?	<p>At Challa North, exploration activities will focus on defining and testing structural gold targets through outcrop mapping, detailed interpretation of aeromagnetic surveys, bedrock geochemical drilling and follow up reverse circulation and/or diamond drilling.</p> <p>At Challa South, the Company intends to test the Yarrambie Target with high powered, fixed loop electromagnetic surveying, and then test any conductors as defined with reverse circulation and/or diamond</p>	Section 3.3

Topic	Summary	Further Information
	drilling, followed by possible further down hole electromagnetic surveying.	
Is there an Independent Geologist's Report relating to the Challa Projects?	<p>The Company has engaged James Guy and Associates Pty Ltd to prepare an Independent Geologist's Report in relation to the Challa Projects. The Independent Geologist's Report provides information on:</p> <ul style="list-style-type: none"> the location of the Challa Projects; the geology and mineralisation of the Challa Projects and surrounding areas; and the Company's exploration strategy and budget. 	Section 5
Is there a Solicitor's Report on the Challa Projects?	<p>The Company has engaged DLA Piper Australia to prepare a Solicitor's Report on the Challa Projects. The Solicitor's Report provides information on:</p> <ul style="list-style-type: none"> the Company's interests in the Challa Projects; an overview of the relevant law; the Tenement Sale Agreement; and the status of the Challa Projects. 	Section 6
D. Summary of the Offers		
What is the Public Offer and what are its key terms?	<p>The Company is offering 10,000,000 Shares at an issue price of \$0.10 per Share to raise \$1,000,000 (before costs) (Public Offer).</p> <p>The minimum subscription is \$1,000,000.</p> <p>There will be no oversubscriptions in respect of the Public Offer.</p>	Section 1.1
What is the Vendor Offer and what are its key terms?	<p>The Company is offering:</p> <ul style="list-style-type: none"> 1,250,000 Shares; and 1,250,000 Vendor Options; <p>to the Vendors in consideration for the Acquisition (Vendor Offer).</p>	Section 1.2
What are the conditions of the Offers?	<p>Completion of the Offers is conditional on:</p> <ul style="list-style-type: none"> Shareholders approving the Acquisition Resolutions at the Annual General Meeting; Shareholders not approving the Requisitioned Resolutions at the Annual General Meeting; the Minister providing written consent to the Company to transfer any tenement comprising the Challa Projects which is in its first year of grant at the time of Completion; the Company receiving conditional approval from ASX for re-quotation of the Shares on the Official List on terms which the Company reasonably considers are capable of satisfaction; and the Company achieving the Minimum Subscription. <p>If the above conditions are not satisfied, the Company will not proceed with the Public Offer and will return to Applicants all the Application Monies (without interest) in accordance with the provisions of the Corporations Act.</p>	Section 1.4

Topic	Summary	Further Information
	If the Public Offer does not proceed, the Vendor Offer will not proceed.	
What is the purpose of the Offers?	<p>The purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> assist the Company to meet the requirements of ASX for the reinstatement of its listed Securities to Official Quotation (which includes re-complying with Chapters 1 and 2 of the Listing Rules); and provide the Company with sufficient funding to carry out the exploration programs on the Challa Projects, achieve its stated objective in Section 3.4 and for working capital following completion of the Acquisition. <p>The purpose of the Vendor Offer is to issue the Consideration Securities to the Vendors in accordance with the Tenement Sale Agreement (as varied by the Deed of Variation). As such, no funds will be raised pursuant to the Vendor Offer.</p>	Section 1.7
What is the proposed use of funds raised pursuant to the Public Offer?	<p>The funds raised pursuant to the Public Offer will be utilised by the Company:</p> <ul style="list-style-type: none"> to provide the Company with sufficient funding to carry out the exploration programs on the Challa Projects as described in Section 3.3 and to assist it to achieve its objectives as described in Section 3.4; to identify and investigate new acquisition opportunities that may provide commodity and/or jurisdictional diversification benefits to the Company; to satisfy the expenses associated with the Acquisition and the Public Offer and re-complying with Chapters 1 and 2 of the Listing Rules; and to provide the Company with additional working capital following Completion. 	Section 1.8
What is the effect of the Offers on the capital structure of the Company?	The Shares issued under the Offers will represent approximately 15.55% of the issued share capital of the Company immediately following Completion.	Section 1.9
Who are the significant existing shareholders of the Company and what will their interests be after completion of the Offers?	Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus and post completion of the Offers are detailed in the table in Section 1.12.	Section 1.12
Is the Public Offer underwritten?	The Public Offer is not underwritten.	Section 1.20
What are the terms of the Securities offered	A summary of the rights and liabilities attached to the Shares and Vendor Options offered pursuant to this	Sections 10.1 and 10.2

Topic	Summary	Further Information
pursuant to this Prospectus?	Prospectus are detailed in Section 10.	
Who is the Lead Manager of the Public Offer?	Patersons Securities Limited is the lead manager of the Public Offer.	Section 9.4
E. Re-compliance with Listing Rules 1 and 2		
What approvals are being sought at the Annual General Meeting?	<p>At the Annual General Meeting, in addition to the annual general meeting business, the Company will seek Shareholder approval for:</p> <ul style="list-style-type: none"> the proposed change in the nature and scale of the Company's activities in accordance with Listing Rule 11.1.2; the Return of Capital pursuant to which the Company will pay an amount of \$0.045 per Share to all shareholders of the Company on the Record Date; the issue of the Capital Raising Shares and the Consideration Securities in accordance with Listing Rule 7.1; and the change of the Company's name to "Santa Fe Minerals Ltd" with effect as soon as reasonably practicable following Completion. <p>On 11 August 2017, the Directors received a notice, under section 249D of the Corporations Act, from the Requisitioning Shareholders to convene a general meeting of the Company to consider and vote on the voluntary winding up of the Company and the appointment of the Proposed Liquidator for that purpose (Requisitioned Resolutions). The Requisitioned Resolutions will be considered by Shareholders at the Annual General Meeting.</p>	Section 2.4
Why does the Company need to re-comply with Listing Rules 1 and 2?	<p>The Acquisition of the Challa Projects and the Public Offer will result in a change in the nature and scale of the Company's activities for the purposes of Listing Rule 11.1. Accordingly, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules, and this Prospectus is issued to assist the Company to comply with these requirements.</p> <p>There is a risk that the Company may not be able to meet the requirements for the reinstatement of its listed Securities to Official Quotation. If the conditions to Completion under the Tenement Sale Agreement are not satisfied (including if the Company does not receive conditional approval for re-quotation of its Shares on terms which the Company reasonably considers are capable of satisfaction) then the Company will not proceed with the Public Offer and will refund all Application Monies received (without interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Vendor Offer or the Acquisition.</p>	Sections 1.1 and 1.3

Topic	Summary	Further Information
F. Financial Information		
What is the financial position of the Company?	<p>Following the change in the nature of its activities, the Company will focus on undertaking its exploration programs on the Challa Projects. Accordingly, the Company's past operational and financial performance will not be of significant relevance to future activities.</p> <p>An investigating accountant's report (containing historical financial information for the Company, pro forma historical financial information and a pro forma statement of financial position) is contained in Section 4.</p>	Section 4
What are the Company's financial prospects and position?	<p>Assuming the Company raises A\$1,000,000 (refer to Section 1.1), the Company's pro forma statement of financial position on completion of the Offers has net assets of A\$7,173,838.</p> <p>This takes into account a range of subsequent events and transactions, as detailed in Section 4 and is made up of total assets of \$7,254,077 (including cash of \$6,579,185) and total liabilities of A\$81,144.</p> <p>Relevant financial information in respect to the Company, including a pro forma statement of financial position detailing the effect of the Offer, is in Section 4.</p> <p>Mineral exploration is inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. On this basis, and after considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared, and accordingly, financial forecasts have not been included in this Prospectus.</p>	Section 4
How will the Company report to Shareholders on the performance of its activities?	<p>The Company will send to its Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au.</p>	Section 10.10
What is the Company's dividend policy?	<p>The Company does not intend to declare or pay any dividends in the immediately foreseeable future. The extent, timing and payment of any dividends declared or payable in the future will be determined by the Directors, based on a number of factors, including future earnings and the Company's financial position.</p>	Section 1.22
G. Key Risks		
What are the key risks of investing in the Company?	<p>Some of the key risks of investing in the Company are detailed below. This list is not exhaustive, and further details of these risks and other risks associated with an investment in the Company are detailed in Section 7.</p> <p>In undertaking its business activities, the Company will be exposed to risks which include, but are not limited to:</p> <ul style="list-style-type: none"> • Offers Conditional: As part of the Company's 	Section 7

Topic	Summary	Further Information
	<p>change in activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Company's listed Securities will consequently remain suspended from Official Quotation.</p> <p>If the conditions referred to in Section 1.4 are not satisfied or the Company does not receive conditional approval for reinstatement to Official Quotation, the Company will not proceed with the Public Offer and will repay all Applications Monies received. If the Company does not proceed with the Public Offer, it will not proceed with the Vendor Offer or the Acquisition.</p> <ul style="list-style-type: none"> • Single asset risk: The Company's sole asset, following Shareholders approving a change in nature and scale of activities and completion of the Acquisition, will be its interest in the Challa Projects. Although the Company will continue to identify and investigate new acquisition opportunities that may provide commodity and or jurisdictional diversification benefits to the Company, it is currently anticipated that the Company's main focus upon completion of the Acquisition will be the Challa Projects. The Company's focus on a single asset increases the Company's exposure to risks inherent in mineral exploration. • Commercial risks of mineral exploration: The Challa Projects are at early stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Challa Projects or any other tenements that may be acquired in the future, will result in the discovery of any economic deposits. Even if the Company identifies a viable deposit, there is no guarantee that the mineral deposit can be economically exploited. • New projects and acquisitions: The Company may make acquisitions in the future as part of future growth plans. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and issuances of equity securities, which might involve a substantial dilution to Shareholders. • Future capital requirements: The Company's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised by the Public Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or 	

Topic	Summary	Further Information
	equity to fund expansion after the substantial exhaustion of the net proceeds of the Public Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or if at all. Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.	
H. Directors and Related Party Interests and Arrangements		
Who are the Directors?	<p>The Directors (as at the date of this Prospectus) are:</p> <ul style="list-style-type: none"> • Mr Mark Jones – Non-Executive Chairman; • Mr Douglas Rose – Managing Director; • Mr Andrew Quin – Non-Executive Director; and • Mr Terence Brown – Non-Executive Director. <p>There will be no change to the Board following completion of the Acquisition and Public Offer.</p> <p>The key experience of each current Director is detailed in Section 8.1.</p>	Section 8.1
What qualifications do the Directors have?	<p>Mr Mark Jones was instrumental in the initial listing of the Company on ASX and subsequent capital raisings. Mr Jones is a Non-Executive Director (Private Clients) of Patersons Securities Limited and brings 23 years' of capital markets experience to the Board.</p> <p>Mr Douglas Rose has been the Managing Director of the Company since 1 July 2013, and has overseen the restructure and sale of the ATM Business. Prior to his appointment as Managing Director, Mr Rose was a Private Client Adviser with Patersons Securities Limited. He holds a Bachelor of Commerce degree from Curtin University and has over 11 years' experience in the financial services industry.</p> <p>Mr Andrew Quin is an economist with extensive experience in both the Australian and US stock markets. He has a unique international perspective and macro view on markets, global economics and investment strategy. Mr Quin holds a Master of Science, Mineral Economics from Curtin University of Technology.</p> <p>Mr Terence Brown is a geologist with over 30 years' experience in mining and exploration of precious, base and industrial minerals. He has been involved in exploration, project development and operational roles within Australia and Africa for a number of mid-tier mining companies including Resolute Mining Limited and Integra Mining Limited. Mr Brown has a Bachelor of Science</p>	Section 8.1

Topic	Summary	Further Information
	(Mining Geology) from Western Australian School of Mines and a Post-Graduate Diploma in Natural Resources from Curtin University.	
What are the benefits being paid to the Directors?	The only benefits being paid to the Directors are their annual remuneration and fees.	Sections 8.3 and 8.5.
What interests do the Directors have in the Securities and the Offers?	<p>The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:</p> <ul style="list-style-type: none"> Mr Mark Jones holds 5,860,000 Shares; and Mr Douglas Rose holds 4,000,000 Shares. <p>Mr Andrew Quin and Mr Terence Brown do not hold any securities in the Company at the date of this Prospectus. The Securities held by each Director are detailed in Section 8.4.</p>	Section 8.4
I. Applications and Other Information		
Who is eligible to participate in the Public Offer?	The Public Offer is open to all investors with a registered address in Australia.	Section 1.23
How can I apply under the Public Offer?	<p>You may apply for Shares offered pursuant to the Public Offer under this Prospectus by completing the Application Form attached to, or accompanying, this Prospectus. If acceptance is by BPAY® there is no need to return an Application Form.</p> <p>Applications from Existing Shareholders, who hold less than 20,000 Shares (Minimum Holding) must be for a minimum number of Shares to give that Shareholder, upon acceptance of that Application by the Company, a total number of Shares in the Company equal to or greater than the Minimum Holding. Payment for all the Shares must be made in full at the issue price of \$0.10 per Share.</p> <p>Applications from Existing Shareholders, who hold more than 20,000 Shares must be for a minimum of \$100 (1,000) Shares and thereafter in multiples of \$100 (1,000 Shares). Payment for all the Shares must be made in full at the issue price of \$0.10 per Share.</p> <p>Applications from New Investors must be for a minimum of \$2,000 (20,000 Shares) and thereafter in multiples of \$100 (1,000 Shares) and payment for all the Shares must be made in full at the issue price of \$0.10 per Share.</p> <p>To the extent permitted by law, a completed Application Form lodged together with the Application Monies constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form.</p>	Section 1.15(a)

Topic	Summary	Further Information
What is the allocation policy?	The allotment of Shares under the Public Offer will be determined by the Directors in conjunction with the Lead Manager. The Directors reserve the right to issue to an Application a lesser number of Shares than the number applied for or reject an Application. If the number of Shares issued is less than the number applied for by an Application, surplus Application Monies will be refunded in full without interest in accordance with the Corporations Act.	Section 1.16
Who is eligible to participate in the Vendor Offer?	Only those Vendors to whom the Company elects to make an offer can accept the Vendor Offer. A personalised application form will be issued to each such Vendor together with a copy of this Prospectus (Vendor Application Form). The Company will only provide a Vendor Application Form to persons entitled to participate in the Vendor Offer.	Section 1.15(b)
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares pursuant to the Public Offer.	Section 1.15(a)
What are the tax implications of investing in the Company?	The tax consequences of any investment in Shares will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest.	Section 10.7
Can the Offers be withdrawn?	The Directors may at any time decide to withdraw this Prospectus and the Offers in which case the Company will refund all Application Monies in full (without interest) in accordance with the Corporations Act.	Section 1.19
How can I obtain further information?	Further information can be obtained by reading this Prospectus and consulting your professional advisers. Questions relating to the Offers can be directed to Douglas Rose, on +61 409 465 511.	Section 1.26
J. Miscellaneous		
What is the Return of Capital?	At the Annual General Meeting, the Company is seeking shareholder approval to undertake the Return of Capital pursuant to which the Company will distribute \$0.045 per Share in cash to all shareholders of the Company on the Record Date. The Return of Capital is an Acquisition Resolution, therefore if the Return of Capital, or one of the other Acquisition Resolutions is not approved at the Annual General Meeting, none of the Acquisition Resolutions will take effect and the Acquisition, and other matters contemplated by the Acquisition Resolutions, will not be completed.	Section 2.3 and 2.4
What material contracts is the Company a party to?	The material contracts of the Company include: <ul style="list-style-type: none"> the Tenement Sale Agreement; the Deed of Variation; 	Section 9

Topic	Summary	Further Information
	<ul style="list-style-type: none"> the Access Agreements; and the Lead Manager Mandate. 	
Will any Shares be subject to escrow?	<p>No Shares issued under the Public Offer will be subject to escrow.</p> <p>The Vendors have agreed to enter into Voluntary Escrow Arrangements for a period of 18 months from the date of Completion or ASX imposed escrow (whichever is longer) with respect to the Consideration Securities to be issued pursuant to the Vendor Offer.</p> <p>ASX has not yet made a final determination with respect to the application of escrow to the Consideration Securities, however subject to the Company's listed Securities being reinstated to Official Quotation, ASX has indicated that it is likely that the Consideration Securities will be classified by ASX as Restricted Securities and will be required to be held in escrow for up to 24 months from the date of reinstatement.</p>	Sections 1.14 and 9.1

1. DETAILS OF THE OFFERS

1.1 The Public Offer

This Prospectus invites investors to apply for 10,000,000 Shares (**Capital Raising Shares**) at an issue price of \$0.10 each to raise \$1,000,000 (before costs) (**Public Offer**).

All Shares issued pursuant to the Public Offer will rank equally with other Shares on issue. Please refer to Section 10.1 for details of the rights and liabilities attaching to Shares.

1.2 The Vendor Offer

Pursuant to this Prospectus, the Company is also offering:

(a) 1,250,000 Shares; and

(b) 1,250,000 Options (**Vendor Options**);

to the Vendors (or their respective nominee) in consideration for the Acquisition (**Vendor Offer**).

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

Please refer to Section 10.2 for details of the rights and liabilities attaching to the Vendor Options.

Only those Vendors to whom the Company elects to make an offer can accept the Vendor Offer. Please refer to Section 1.15(b) for further details.

1.3 Re-compliance with the Listing Rules

At the Annual General Meeting to be held on 29 September 2017, the Company will seek Shareholder approval for, among other things:

(a) the change in nature and scale of the activities of the Company as a result of the Acquisition (**Change of Activities**) (refer to Section 1.3);

(b) the Return of Capital (refer to Section 2.3);

(c) the issue of the Consideration Securities to the Vendors (refer to sections 9.1 and 9.2); and

(d) the issue of Capital Raising Shares under the Public Offer (refer to Section 1.1);

(together, the **Acquisition Resolutions**); and

(e) the winding-up of the Company; and

(f) and the appointment of Proposed Liquidator,

(together, the **Requisitioned Resolutions**) (refer to Section 2.4).

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

Trading in the Company's Shares on ASX was suspended on 7 December 2015 and if Shareholders pass all the Acquisition Resolutions and do not pass the Requisitioned Resolutions at the Annual General Meeting, trading in the Company's Shares on ASX will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules. Refer to Section 2.4 for further details on the resolutions being considered by Shareholders at the Annual General Meeting.

There is a risk that the Company may not be able to meet the requirements for the reinstatement of its listed Securities to Official Quotation. If the Conditions (refer to Section 1.4) are not satisfied (including if the Company does not receive conditional approval for the

reinstatement of its listed Securities to Official Quotation from ASX on terms which the Company reasonably believes are capable of satisfaction) then the Company will not proceed with the Public Offer and will refund Application Monies received (without interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Vendor Offer or the Acquisition.

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

The Company will not apply to ASX for Official Quotation of the Vendor Options issued pursuant to this Prospectus.

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

1.4 Conditional Offer

Completion of the Public Offer is conditional on:

- (a) Shareholders approving at the Annual General Meeting:
 - (i) the change in nature and scale of the activities of the Company as a result of the Acquisition (refer to Section 1.3);
 - (ii) the Return of Capital (refer to Section 2.3);
 - (iii) the issue of the Consideration Securities to the Vendors (refer to sections 9.1 and 9.2);
 - (iv) the issue of Capital Raising Shares under the Public Offer (refer to Section 1.1);
 - (b) Shareholders not approving at the Annual General Meeting:
 - (i) the winding-up of the Company;
 - (ii) and the appointment of Proposed Liquidator
 - (c) the Company receiving conditional approval for the reinstatement of its listed Securities to Official Quotation on terms which the Company reasonably considers are capable of satisfaction; and
 - (d) the Company achieving the Minimum Subscription (refer to Section 1.5),
- (together, the **Conditions**).

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

If the Public Offer does not proceed, the Vendor Offer will not proceed.

Refer to Section 2.4 for further details on the Annual General Meeting, the Acquisition Resolutions, and the Requisitioned Resolutions.

1.5 Minimum Subscription

If the Public Offer of \$1,000,000 (being 10,000,000 Shares) has not been raised by the Closing Date (unless extended), the Company will not issue any Shares under the Public Offer and will refund all Application Monies in full (without interest) in accordance with the Corporations Act.

1.6 Oversubscriptions

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

1.7 Purpose of the Offers

The purpose of the Public Offer is to:

- (a) assist the Company to meet the requirements of ASX for the reinstatement of its listed Securities to Official Quotation (which includes re-complying with Chapters 1 and 2 of the Listing Rules);
- (b) provide the Company with sufficient funding to:
 - (i) carry out the exploration programs on the Challa Projects as described in Section 3.3;
 - (ii) assist it to achieve the objectives detailed in Section 3.4;
 - (iii) satisfy the working capital requirements and business development costs of the Company, following completion of the Acquisition and the Offers; and
 - (iv) meet the costs of the Public Offer; and
- (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Public Offer by retail investors or the sale of any Shares issued under or issued upon conversion of Vendor Options issued under the Vendor Offer.

The purpose of the Vendor Offer is to issue the Consideration Securities to the Vendors in accordance with the Tenement Sale Agreement (as varied by the Deed of Variation). As such, no funds will be raised pursuant to the Vendor Offer.

1.8 Use of Funds

As at 30 June 2017, the Company had cash reserves of approximately \$8,776,440 (refer to Section 4).

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

Funds Available	Use of Funds	
Existing cash reserves of the Company ¹	\$8,776,440	
Return of Capital ²	\$(2,748,096)	
Consideration for the Acquisition ³	\$(175,000)	
Estimated costs of the transaction	\$(274,159)	
Proceeds from the Public Offer (before costs)	\$1,000,000	
TOTAL	\$6,579,185	
Allocation of Funds (over 24 months following reinstatement)	Use of Funds	Percentage of Funds
Exploration on Challa North project ⁴	\$2,505,350	38.1%
Exploration on Challa South project ⁴	\$1,264,900	19.2%
Challa Projects rents and license fees/rates ⁵	\$164,820	2.5%
New opportunity investigations ⁶	\$200,000	3.0%
Administration ⁷	\$1,320,000	20.1%

Funds Available	Use of Funds	
Working capital ⁸	\$1,124,115	17.1%
TOTAL	\$6,579,185	100%

Notes:

1. These funds represent existing cash held by the Company at 30 June 2017.
2. Refer to Section 2.3 for further details.
3. Refer to Section 9.1 for further details.
4. Refer to Section 3.3 for further details.
5. Estimated annual rents and other fees/rates payable in accordance with Department of Mines, Industry Regulation and Safety.
6. The Board will continue to investigate new opportunities in, or complementary to, the resources sector which the Board considers may add shareholder value.
7. Administration costs includes corporate overheads, payment of director fees, ASX fees, audit fees, rent and other general administration costs.
8. Working capital is intended to be applied to expenditure where necessary and which is outside of the budgeted amounts. This could relate to potential travel for key management personnel and exploration expenditure if the Company determines it appropriate to allocate additional funds to project-related exploration expenditure.

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

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

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

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

The above estimated expenditures will be subject to modification on an on-going basis depending on the results obtained from the Company's activities. Due to market conditions and the development of new opportunities or any number of other factors (including the risks outlined in Section 7), actual expenditure levels may differ significantly to the above estimates. The Company also intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in the above estimates.

1.9 Capital Structure

On the basis that the Company completes the Acquisition and the Conditions are satisfied (refer to Section 1.4), the Company's capital structure will be as follows:

Item	Shares	Options
As at the date of this Prospectus	61,068,789	-
Consideration Securities to be issued to the Vendors under the Vendor Offer	1,250,000	1,250,000 ¹
Shares to be issued under the Public Offer	10,000,000	-
Total	72,318,789	1,250,000

Note:

1. Exercisable at \$0.20 on or before 30 September 2020.

1.10 Effect on Control

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

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

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

1.11 Dilution

The Company currently has 61,068,789 Shares on issue and will issue:

- (a) 10,000,000 Shares under the Public Offer;
- (b) 1,250,000 Shares as part of the consideration for the Acquisition; and
- (c) 1,250,000 Shares if all Vendor Options issued to the Vendors are exercised.

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

Shares under the Public Offer (10,000,000)	Shares issued under the Vendor Offer (1,250,000)	Shares to be issued upon exercise of the Vendor Options issued under the Vendor Offer (1,250,000)	Total shares on issue ¹	Percentage of shares held by current shareholders	Dilutionary effect on current shareholders
			61,068,789	100%	0%
x			71,068,789	85.93%	14.07%
x	x		72,318,789	84.44%	15.56%
x	x	x	73,568,789	83.01%	16.99%

Note:

1. Assumes that no current Shareholder participates in the Offers.

As detailed in the above table, immediately following the issue of the Securities offered under this Prospectus, current Shareholders will retain approximately 84.44% of the Company's Shares.

Immediately following the issue of the Shares offered under this Prospectus, and if all the Vendor Options exercised are exercised, current Shareholders will retain approximately 83.01% of the Company's Shares.

1.12 Substantial Shareholders

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

Name	Number of Shares	Percentage of Shares
Oakajee Corporation Limited	11,000,000	18.012%
Mercantile OFM Pty Limited	8,001,230	13.102%
Mark Jones and associated entities	5,860,000	9.596%
Asian Star Investments Limited	4,750,000	7.778%
Garry Thomas and associated entities	4,580,000	7.499%
Success Concept Investment Limited	4,500,000	7.369%
Douglas Rose and associated entities	4,000,000	6.550%

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

Name	Number of Shares	Percentage of Shares ¹
Oakajee Corporation Limited	11,000,000	15.210%
Mercantile OFM Pty Limited	8,001,230	11.064%
Mark Jones and associated entities	5,860,000	8.103%
Asian Star Investments Limited	4,750,000	6.568%
Garry Thomas and associated entities	4,580,000	6.333%
Success Concept Investment Limited	4,500,000	6.222%
Douglas Rose and associated entities	4,000,000	5.531%

Note:

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

1.13 Market Price of Shares

The Company's Shares have been suspended from trading on ASX since the close of trading on 7 December 2015. The closing price of the Company's Shares in 7 December 2015 was \$0.12.

1.14 Restricted Securities

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

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

The Vendors have agreed that the Consideration Securities to be issued under the Vendor Offer will be subject to:

- (a) Voluntary Escrow Arrangements for a period of 18 months from Completion; or
- (b) the escrow regime required by ASX,

whichever is longer.

ASX will make its final determinations with respect to the application of escrow to the Consideration Securities prior to the Company's listed Securities being reinstated to Official Quotation. Subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, the Company anticipates that the Consideration Securities will be treated as Restricted

Securities and be escrowed for a period of up to 24 months from the date on which the Company's listed Securities are reinstated to official quotation.

In the event that ASX requires the Consideration Securities to be escrowed for less than 18 months from Completion, the Company will enter into Voluntary Escrow Arrangements for the difference so that the Consideration Securities are subject to either ASX imposed escrow or Voluntary Escrow Arrangements for a period not less than 18 months from Completion.

Prior to the Company's listed Securities being reinstated to Official Quotation, the Company will enter into Restriction Agreements or a Voluntary Escrow Deeds (as applicable) with the Vendors, in respect of the Consideration Securities (and any other person as required by ASX) in accordance with Chapter 9 of the Listing Rules.

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

1.15 How to Apply

(a) Public Offer

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

(i) New Investors

Applications from New Investors must be for a minimum of \$2,000 (20,000 Shares) and thereafter in multiples of \$100 (1,000 Shares) and payment for all the Shares must be made in full at the issue price of \$0.10 per Share.

(ii) Existing Shareholders

Applications from Existing Shareholders who currently hold less than 20,000 Shares (**Minimum Holding**) must be for a minimum number of Shares to give that Shareholder, upon acceptance of that Application by the Company, a total number of Shares in the Company equal to or greater than the Minimum Holding, and thereafter in multiples of \$100 (1,000 Shares). Payment for all the Shares must be made in full at the issue price of \$0.10 per Share.

For example, an Existing Shareholder who holds 15,000 Shares who wishes to apply under the Public Offer must complete an Application Form applying for at least 5,000 Shares, thereby giving that Existing Shareholder the Minimum Holding. The Application must be accompanied by payment in full at the issue price of \$0.10 per Share. Refer to the Application Form attached to, or accompanying, this Prospectus for further details.

Applications from Existing Shareholders who currently hold more than 20,000 Shares must be for a minimum of \$100 (1,000 Shares) and thereafter in multiples of \$100 (1,000 Shares). Payment for all the Shares must be made in full at the issue price of \$0.10 per Share.

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

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

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

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

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

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

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

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

(b) Vendor Offer

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

Completed Application Forms should be returned as follows:

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

1.16 Issue and Allocation of Securities

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

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

Subject to the Conditions being satisfied (or waived, if applicable) (refer to Sections 1.4 and 9.1), the Securities issued pursuant to the Offers will be issued as soon as practicable after the Closing Date.

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

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

1.17 CHESS

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

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

Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Security holders may request a holding statement at any other time however there may be a charge for such additional statements.

1.18 ASX Waivers

Listing Rule 2.1 Condition 2 provides that the issue price or sale price of all securities for which an entity seeks quotation (except options) must be at least \$0.20. ASX has granted the Company a waiver from Listing Rule 2.1 Condition 2 such that the issue price of the Capital Raising Shares need not be at least \$0.20, on the condition that the issue price must not be less than \$0.02 per Share and Shareholders approve the issue price. Shareholder approval of the issue of the Capital Raising Shares will be sought at the Annual General Meeting.

Listing Rule 7.25 provides that an entity must not reorganise its capital if the effect of doing so would be to decrease the price at which its main class of securities would be likely to trade after the reorganisation to an amount less than \$0.20. ASX has granted the Company a waiver from Listing Rule 7.25 to the extent necessary to permit the Company to undertake the Return of Capital (refer to Section 2.3 for further details).

1.19 Withdrawal

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

1.20 Underwriting

The Offer is not underwritten.

1.21 Lead Manager

The Company has appointed Patersons Securities Limited as the lead manager of the Public Offer on the terms and conditions of a mandate agreement dated 29 August 2017 (**Lead Manager Mandate**). Please refer to Section 9.4 for further details on the Lead Manager Mandate.

1.22 Dividend Policy

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

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

1.23 Overseas Applicants

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

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

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

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

1.24 Risks

As with any securities investment, there are risks associated with investing in the Company. Key risks that could affect the financial and market performance of the Company are detailed in Section 7. The Shares offered under this Prospectus should be considered highly speculative.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 7), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

1.25 Taxation

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

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

1.26 Enquiries in relation to the Offers

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

Questions relating to the Offers can be directed to Doug Rose (Managing Director) on +61 409 465 511.

2. OVERVIEW OF THE COMPANY AND THE ACQUISITION

2.1 The Company

The Company is an Australian public company that has been listed on the Official List (ASX code: EZA) since 5 October 2011, with Australian Company Number 151 155 734.

On 29 October 2014, the Company sought and obtained shareholder approval to dispose of its business of supplying, installing, and operating ATM's (**ATM Business**). The sale of the ATM Business completed on 31 October 2014.

On 7 December 2015, the Company's listed Securities were suspended from Official Quotation on ASX due to non-compliance with Listing Rule 12.1 as the Company did not have a sufficient level of operations. The Company's listed Securities have remained suspended from Official Quotation since that date.

On 24 May 2017, Mercantile OFM Pty Ltd (**Mercantile OFM**) announced a conditional, unsolicited offer to acquire all of the Shares in the Company for \$0.1375 per Share (**Mercantile Offer**). At the time of making the Mercantile Offer, Mercantile OFM had a relevant interest in 4.7% of the Company's Shares. The Mercantile Offer was on substantially the same terms as a previous offer by Mercantile OFM, which closed on 3 April 2017, pursuant to which Mercantile OFM received acceptances equaling approximately 2.25% of the Company's Shares. The Mercantile Offer closed on 1 August 2017. Mercantile OFM received acceptances equaling approximately 6.15% of the Company's Shares under the Mercantile Offer.

2.2 The Acquisition

Background to the Acquisition

Since the disposal of its ATM Business, the Company has been focused on evaluating new opportunities to deliver value to all Shareholders.

The Board has reviewed numerous opportunities across a number of different industries and jurisdictions throughout the 2015, 2016 and 2017 calendar years. However, the opportunities identified by the Company were either:

- (a) unfavourable corporate structures; or
- (b) high risk exploration ventures,

which the Board considered were high risk undertakings which would be unlikely to provide value to Shareholders.

In mid-2016, the Company shifted its focus towards identifying and evaluating opportunities in the resource sector and in particular, gold exploration assets. Accordingly, the Board ultimately determined that the Acquisition (defined below) is in the best interests of Shareholders.

The Acquisition

On 3 July 2017, the Company announced that it had entered into the Tenement Sale Agreement with T.E. Johnston & Associates Pty Ltd, Pegmatite Holdings Pty Ltd, Mr Bruce Legendre, Mr Robert Perring and Corporate & Resource Consultants Pty Ltd (together, the **Vendors**), pursuant to which the Company, through its wholly owned subsidiary, Challa Resources Pty Ltd, will acquire exploration licenses E58/472, E58/500, E58/501, E58/502, E58/503, E58/504, E58/511, E59/2124, E59/2125 and E59/2126, and exploration licence application E58/485 (together, the **Tenements**) (**Acquisition**).

On 14 August 2017, the Company announced that it had exercised its right to acquire the Challa Projects and that the Tenement Sale Agreement had been varied by a deed of variation dated on the same day (**Deed of Variation**) pursuant to which the consideration payable to the Vendors was amended (refer to Section 9.2).

The consideration payable by the Company pursuant to the Tenement Sale Agreement (as varied by the Deed of Variation) is as follows:

- (a) \$25,000 cash upon signing of the Tenement Sale Agreement, which has already been paid and is non-refundable;

- (b) \$50,000 cash upon the Company being satisfied with its due diligence investigations, which has already been paid and is non-refundable; and
- (c) upon the Company's listed Securities being reinstated to Official Quotation, the Company will:
 - (i) pay the Vendors \$100,000 cash;
 - (ii) grant the Vendors a 0.4% net smelter return royalty on future production in respect of the Challa Projects (**NSR Royalty**); and
 - (iii) issue the Vendors (as amended by the Deed of Variation) (refer to Section 9.2):
 - (A) 1,250,000 Shares; and
 - (B) 1,250,000 Vendor Options,
 (together, the **Consideration Securities**) in the proportions detailed in Section 9.1.

For a full summary of the terms of the Tenement Sale Agreement and the Deed of Variation, refer to Section 9.

The Acquisition requires the Company to re comply with the Listing Rules as if it were applying for admission to the official list of ASX for the first time (**ASX Recombliance**). As part of the ASX Recombliance, the Company will undertake the Return of Capital and seek to raise \$1,000,000 (before costs) pursuant to this Prospectus (refer to Section 2.3 for details on the Return of Capital).

The Company's past operational and financial performance will not be of significant relevance to future activities.

2.3 Return of Capital

Prior to undertaking the Offers and completing the Acquisition, the Company proposes to distribute \$0.045 per Share in cash to shareholders of the Company on the Record Date by way of an equal capital reduction (**Return of Capital**). This equates to a reduction in the Company's share capital by approximately \$2.75 million assuming 61,068,789 Shares are on issue on the Record Date. The Return of Capital will be undertaken in accordance with section 256B(1) of the Corporations Act.

The rationale for the Return of Capital is as follows:

- (a) to provide a quick and efficient way of returning funds to all Shareholders who have been unable to trade on-market in the Company's listed Securities since they were suspended from Official Quotation on 7 December 2015; and
- (b) to reduce the Company's net asset position which will assist the Company to meet ASX's reinstatement requirements in light of the Public Offer, and the Company's budgeted capital expenditure requirements following completion of the Acquisition (refer to Section 3.3 for further details).

The effect of the Return of Capital on the Company's capital structure will be as follows:

- (a) No Shares will be cancelled as part of the Return of Capital and the number of Shares on issue will not change as a result of the Return of Capital.
- (b) The Company's share capital will be reduced by \$0.045 per Share, which amounts to approximately \$2,748,096. All Shares issued by the Company are fully paid and will remain fully paid after the Return of Capital is effected.

Refer to Section 4 for a pro-forma statement of financial position of the Company following completion of the Return of Capital, Capital Raising and the Acquisition.

The Company has been granted a waiver from ASX with respect to Listing Rule 7.25 in order to undertake the Return of Capital (refer to Section 1.18 for further details).

2.4 Meeting

At the Company's Annual General Meeting to be held on 29 September 2017 at 10.00am (WST), in addition to ordinary annual general meeting resolutions, the Company will seek Shareholder approval for, among other things, the Acquisition and the change in the nature and scale of the Company's activities. Specifically, Shareholder approval will be sought for the following resolutions:

- (a) the proposed change in the nature or scale of the Company's activities in accordance with Listing Rule 11.1.2;
 - (b) the Return of Capital;
 - (c) the issue of the Consideration Securities under the Vendor Offer in accordance with Listing Rule 7.1;
 - (d) the issue of the Capital Raising Shares under the Public Offer in accordance with Listing Rule 7.1;
- ((a) to (d) are, together the **Acquisition Resolutions**), and
- (e) the change of the Company's name to "Santa Fe Minerals Ltd" with effect as soon as reasonably practicable following Completion.

The Acquisition Resolutions are interdependent, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Annual General Meeting. If any of the Acquisition Resolutions are not approved at the Annual General Meeting, none of the Acquisition Resolutions will take effect and the Acquisition, and other matters contemplated by the Acquisition Resolutions, will not be completed. If one or more of the Acquisition Resolutions are not passed at the Annual General Meeting by the requisite majority of Shareholders, the Company will not proceed with the Public Offer and will refund all Application Monies (without interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Vendor Offer or the Acquisition.

Requisitioned Resolutions

On 11 August 2017, the Directors received a notice, under section 249D of the Corporations Act, from One Managed Investments and Mercantile OFM (**Requisitioning Shareholders**) to convene a general meeting of the Company to consider and vote on the voluntary winding up of the Company and the appointment of the Proposed Liquidator for that purpose (**Requisitioned Resolutions**). The Requisitioned Resolutions will be considered by Shareholders at the Annual General Meeting.

As detailed in Section 2.1, on 24 May 2017, Mercantile OFM announced the conditional, unsolicited Mercantile Offer to acquire all of the Shares in the Company for \$0.1375 per Share. At the time of making the Mercantile Offer, Mercantile OFM had a relevant interest in 4.7% of the Company's Shares. The Mercantile Offer was on substantially the same terms as a previous offer by Mercantile OFM, which closed on 3 April 2017, pursuant to which Mercantile OFM received acceptances equaling approximately 2.25% of the Company's Shares. The Mercantile Offer closed on 1 August 2017. Mercantile OFM received acceptances equaling approximately 6.15% of the Company's Shares.

If the Requisitioned Resolutions are passed at the Annual Meeting by the requisite majority of Shareholders, the Company must, in accordance with the Corporations Act, cease to carry on ordinary business (except so far as to give effect to the winding up of the Company). Therefore, if Shareholders have approved the Acquisition Resolutions, it is likely that the transactions contemplated by the Acquisition Resolutions will not proceed and the Company will be wound up.

It is likely that the Proposed Liquidator, if appointed, will not proceed with the Offers and will refund all Application Monies (without interest) in accordance with the Corporations Act.

Refer to the Company's Notice of Meeting lodged with ASX on 28 August 2017, for further details on the Acquisition Resolutions, Requisitioning Shareholders and the Requisitioned Resolutions.

3. THE CHALLA PROJECTS

3.1 Details of the Challa Projects

The Challa Projects comprise of the Challa North Project (**Challa North**) and the Challa South Project (**Challa South**), a total area 1,757 km² lying between the historic gold mining centres of Mt Magnet and Sandstone in Western Australia (together, the **Challa Projects**). Challa North is prospective for gold and covers the northern part of the Windimurra Layered Igneous Complex (**LIC**). Challa South is prospective for nickel and other base metals. It covers the southern part of the Narndee LIC and surrounding supracrustal greenstone sequences (Figure 1).

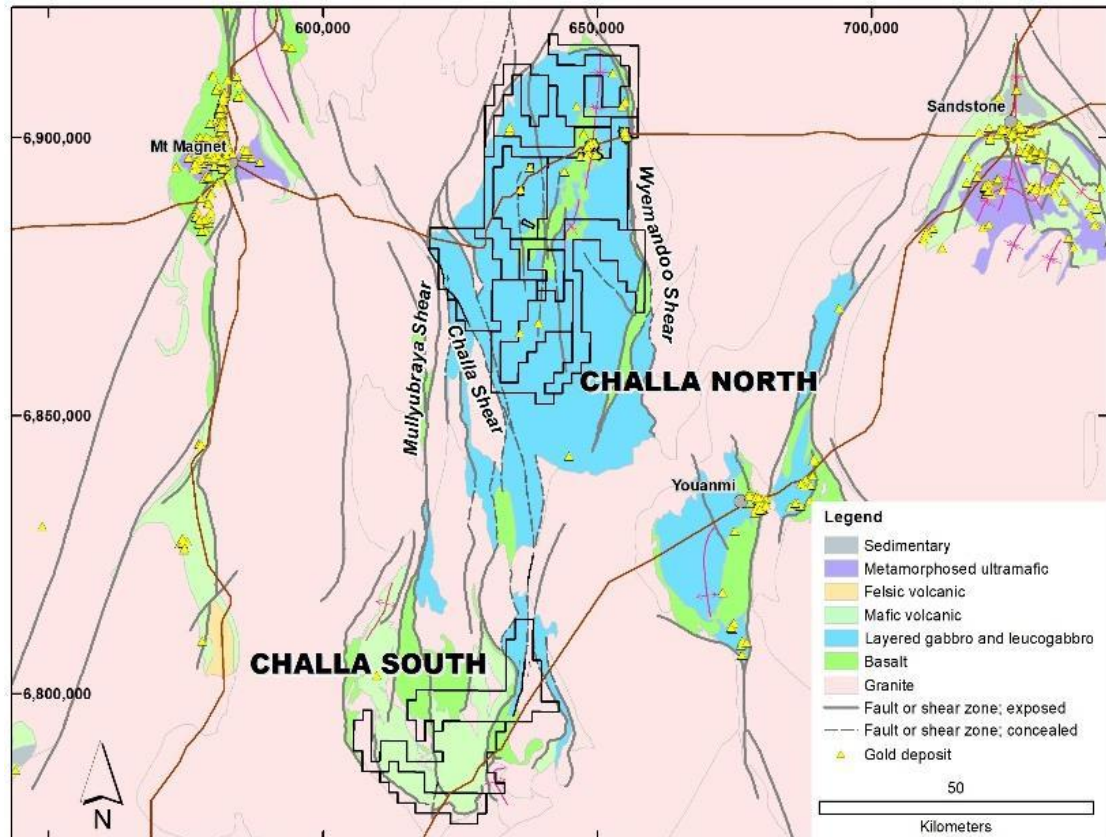


Figure 1 - Challa Project area and geology

The Directors are of the view that the Challa Projects represent a rare opportunity to conduct meaningful exploration on two prospective and contiguous tenement packages in a world class mining jurisdiction. Ownership in the area has historically been fragmented, which in the Board's opinion, has inhibited systematic exploration. The Vendors have recently consolidated the tenement package, making large scale exploration more attractive.

The Company has completed a preliminary compilation of the past exploration work undertaken over the Challa Projects area and this work has already generated gold and nickel targets.

(a) Challa North - Gold

Challa North hosts the Paynesville Gold Trend which is a 45km long mineralisation trend encompassing historical gold mines (some excised from the current project), gold diggings, and nugget patches, all with little drilling or systematic exploration. Primary gold mineralisation occurs within structurally emplaced quartz veins associated with gabbro-norite host rocks. The tenements being acquired cover almost the entire trend. Three gold targets have been identified, based on structural interpretation and known gold occurrences (Figure 2).

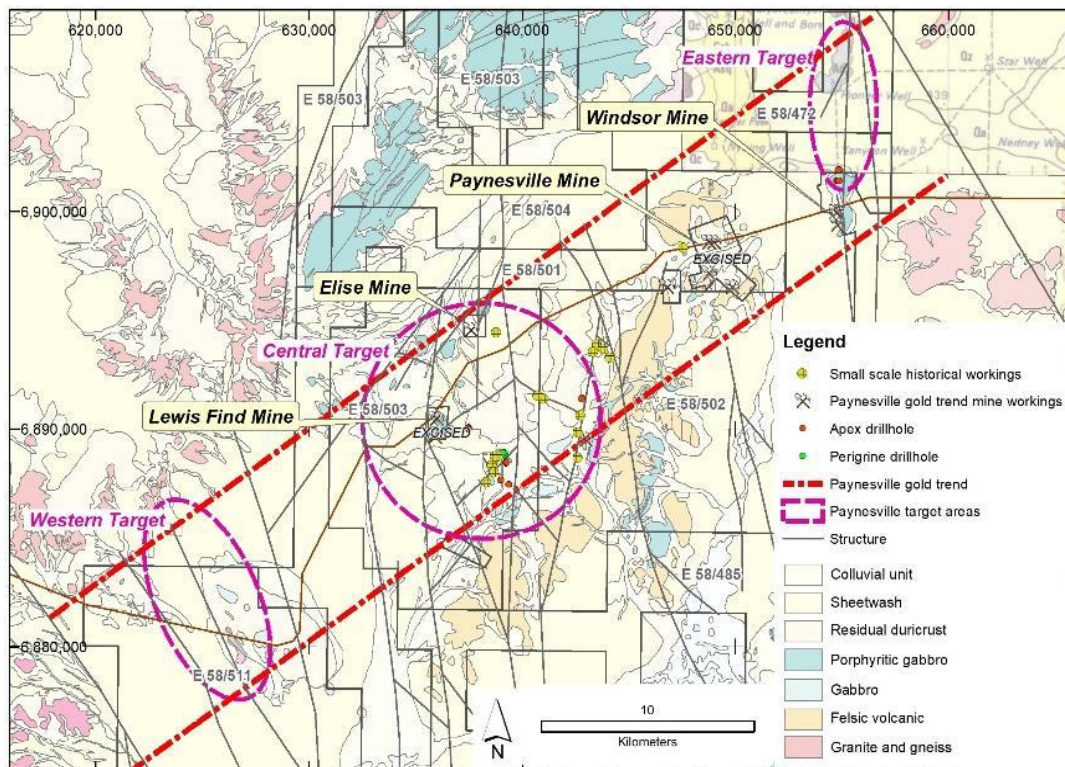


Figure 2 – Paynesville Gold Trend (Challa North) and priority targets 1.) Central Target 2.) Eastern Target 3.) Western Target

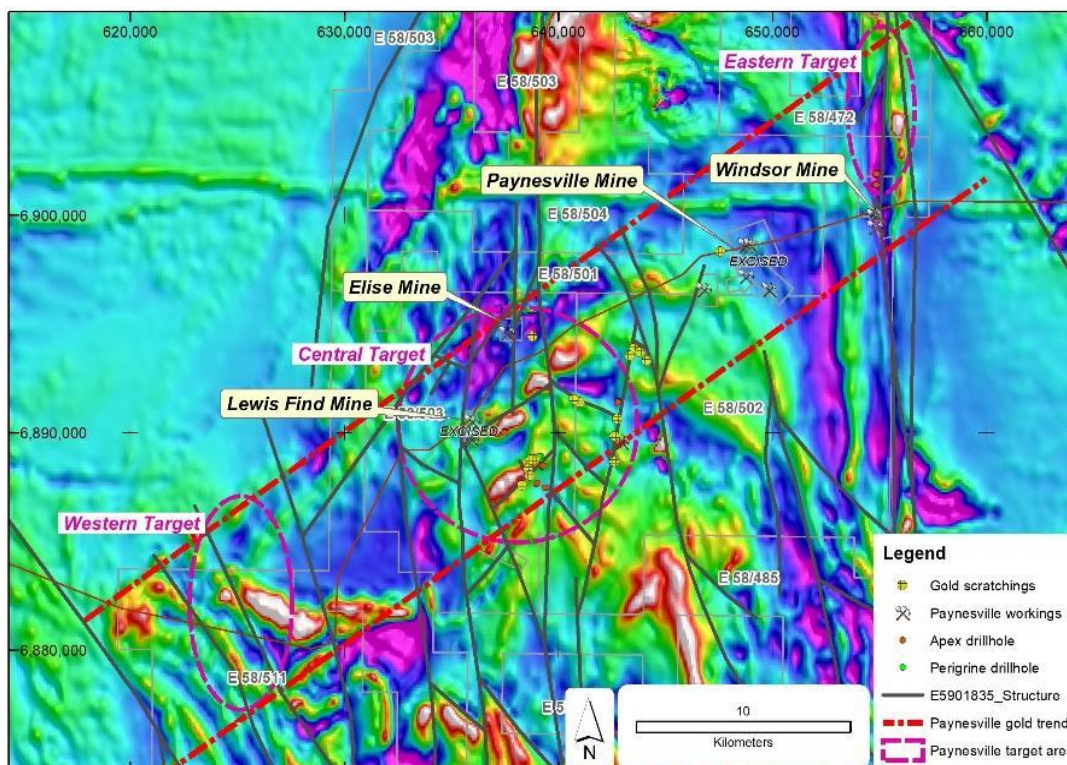


Figure 3 - Paynesville Gold Trend with Aeromagnetic survey

Central Target

The Central Target covers a zone of significant structural offset within the gabbro-norite unit surrounding the Lewis Find and Elsie workings (Figure 2). There are numerous prospector pits dug on exposed auriferous quartz veins in the area. Many of the prospector workings

and reported nugget patches lie on, or close to interpreted aeromagnetic structures (Figure 3). Apex Minerals NL completed a regional lag sampling program over part of the area, which defined several low order +5 ppb gold anomalies. Several of the lag anomalies appear to sit over structures, however the majority of the anomalies are believed to be in transported cover. Rock chip sampling of quartz veining undertaken by the vendors has also defined auriferous trends that may be related to controlling bedrock structures.

The Central Target is a structural complex area, cut by a series of north south striking splay structures and north east and north west striking link structures. Known gold occurrences lie on, or close to these structures. The area has had little effective exploration in the past, and the Company believes the area could potentially host stockwork style gold mineralisation at, or close to the intersection of the known mineralised structures. This style of target has not been previously recognised in the area. As the majority of the area is under cover it represents an attractive target for exploration. The Company is proposing to test the concept with systematic auger or shallow RAB drilling across the target, to better define structure and bedrock gold anomalism. Any such anomalism would be followed up by deeper reverse circulation drilling to target bedrock mineralisation.

Eastern Target

The Eastern Target covers the Wyemandoo Shear and interpreted splay structures which separate the Windimurra LIC and basement granite rocks, and is along strike from the Windsor Gold Mine. The majority of the area is under a veneer of transported cover. Isolated outcrops of sheared gabbro, containing malachite stained quartz veining which hosts the Pioneer mine working, occur approximately 5 km north of the Windsor Mine area. Recent rock chip sampling by the Vendors around the Pioneer workings, and outcropping quartz veining along strike from the workings has returned anomalous gold values up to 33.28 Au g/t, from a malachite stained quartz vein which has an observed strike of approximately 600m.

Aeromagnetic interpretation suggests several structures strike through the target. These structures are largely under cover and have not been adequately tested by modern exploration techniques. The Company has proposed a program of auger or shallow RAB geochemical drilling be used to define geochemical anomalies along the structures. Any gold anomalies defined by this work will require more detailed RAB or reverse circulation drill testing.

Western Target

The Western Target covers a series of splay structures of the Challa Fault. These faults are interpreted to strike northwest - southeast and cut leucogabbro units of the Upper Zone of the Windimurra LIC. A raft of sheared metagranite is interpreted to have been emplaced by faulting, offering a competency contrast that could create favourable sites for the formation of gold mineralisation. The Western Target is covered by a veneer of transported material, and no previous exploration for gold has occurred in the area. The Company believes the target warrants testing and has proposed a program of bedrock geochemical drilling and sampling targeting the interpreted structures to define targets for follow up deeper drill testing.

(b) **Challa South - Yarrambie Nickel/Copper/Cobalt**

Challa South comprises a coincident nickel/copper/cobalt maglag surface geochemical anomaly, and rock chip samples returning anomalous copper assays, corresponding with a bullseye aeromagnetic anomaly. The target (Yarrambie) is proximal to ultramafic intrusive rocks which may provide a source for the mineralisation and adjacent to an interpreted regional structure which may have acted as a pathway for mineralised fluids. The target is prospective for disseminated nickel copper sulphide mineralisation associated with deep seated structures.

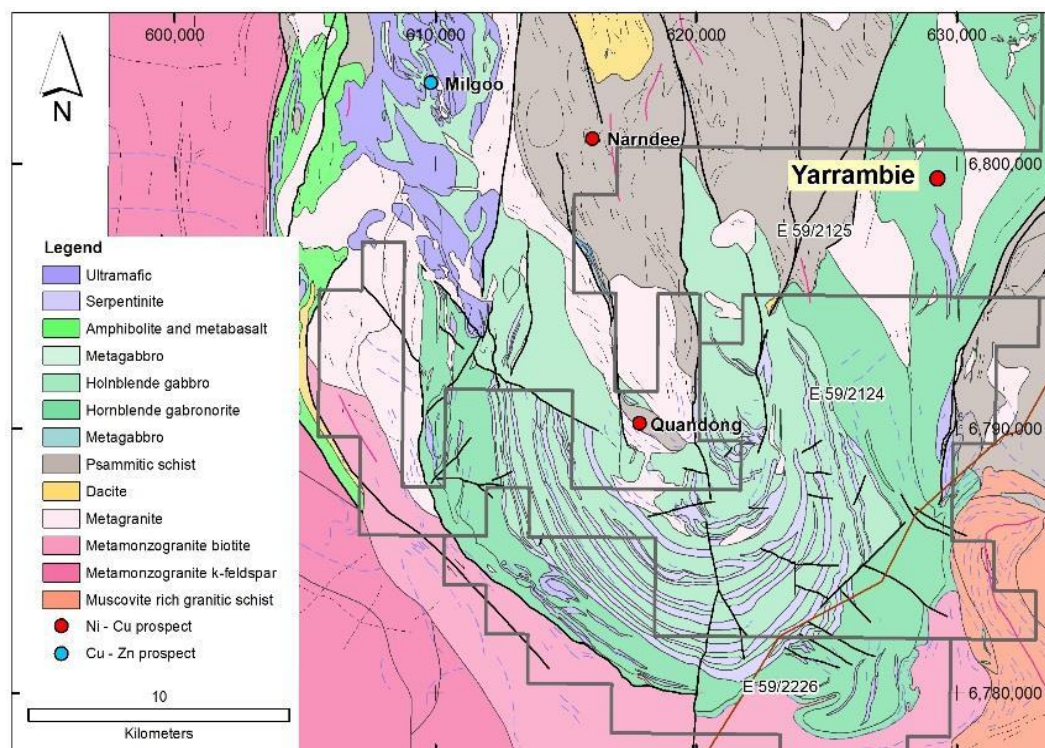


Figure 5: Challa South Location/Yarrambie Prospect

The geochemical anomalism and coincident aeromagnetic high (Figure 6) has defined an exciting near term target that the Directors consider requires additional testing. The Company intends to test the target by completing a ground electromagnetic geophysical survey followed by reverse circulation or diamond drilling of any conductors identified by the survey. In addition, prospective deep - seated structures are also interpreted to strike through the project area under a veneer of transported cover. The Directors believe further testing of these structures by auger or shallow RAB geochemical drilling is warranted and may lead to additional targets for further exploration.

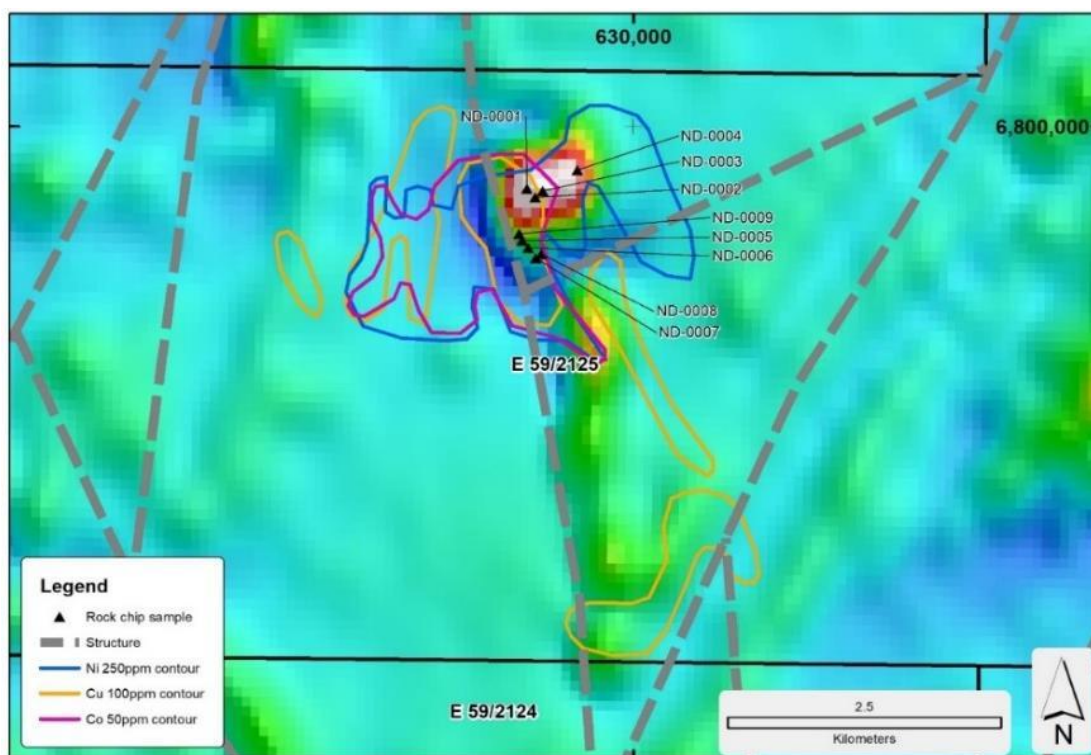


Figure 6: Yarrambie Aeromagnetic image and coincident soil anomaly

3.2 Additional Regional Prospectivity

The Company is aware of the history of exploration in the general area since the early 1970's, however the area was previously constrained by fragmented tenement holdings and poorly funded exploration companies, which has meant that in the past, little effective exploration work has been completed on the current tenements. The Company is currently in the process of compiling the considerable amount of historical exploration data available over the Challa Projects.

3.3 Proposed Exploration Programs in relation to the Challa Projects

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

At Challa North, exploration activities will focus on defining and testing structural gold targets along the Paynesville Gold Trend. This work will involve regolith and outcrop mapping, detailed interpretation of aeromagnetic surveys, bedrock geochemical drilling and follow up RC and/or diamond drilling.

At Challa South, the Company intends to test the Yarrambie Target with high powered, fixed loop electromagnetic (**EM**) surveying, and test any conductors as defined with RC and/or diamond drilling, followed by down hole EM surveying.

The Company also intends to undertake a detailed compilation of data collected during previous nickel, copper, PGE, and base metal exploration programs. This work will be completed to determine the effectiveness of the previous work and if warranted, to follow up any new targets generated.

2 Year Exploration Budget	Amount (\$)
Challa North	
Geology ¹	\$632,850
Geophysics ²	\$104,000
Drilling	\$1,128,750
Assay ³	\$324,450
Field Support ⁴	\$315,300
Sub-total	\$2,505,350
Challa South	
Geology ¹	\$347,750
Geophysics ²	\$104,000
Drilling	\$494,250
Assay ³	\$204,000
Field Support ⁴	\$114,900
Sub-total	\$1,264,900
TOTAL	\$3,770,250

Notes:

1. "Geology" relates to payments made to qualified Geologists for geological interpretation, exploration program planning and Geological reporting.
2. "Geophysics" relates to ground/downhole magnetic surveys and purchase/acquisition of high resolution aerial imagery.
3. "Assays" relates to single and multi-element testing of soil, rock chip and drilling samples by qualified laboratory services.
4. "Field Support" relates to field assistants, fuel and supplementary supplies as required.

Please refer to Section 5 for the Independent Geologist Report on the Challa Projects.

3.4 Strategy, Funding and Objectives of the Company

(a) Strategy

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

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

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

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

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

(b) Funding

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

(c) Objectives

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

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

Such opportunities may include:

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

4. INVESTIGATING ACCOUNTANT'S REPORT



Accountants | Business and Financial Advisers

11 September 2017

The Board of Directors
EZA Corporation Limited
19 Clifton Street
NEDLANDS WA 6009

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT – EZA CORPORATION LIMITED

INTRODUCTION

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a prospectus to be dated on or about 15 September 2017 ("Prospectus") by EZA Corporation Limited ("EZA" or "the Company") in relation to the Company's proposed re-compliance with Listing Rules of the Australian Securities Exchange ("ASX"), comprising an offer of 10,000,000 Shares at an issue price of \$0.10 per share to raise \$1,000,000 (before costs) (Public Offer).

This Prospectus also contains an offer of 1,250,000 Shares and 1,250,000 Vendor Options to the Vendors for the acquisition of the Challa Projects (Vendor Offer) (together the Offers).

This Report has been included in the Prospectus to assist potential investors and their financial advisers to make an assessment of the financial position and performance of the Company.

All amounts are expressed in Australian dollars and expressions defined in the Prospectus have the same meaning in this Report.

HLB has not made and will not make any recommendation, through the issue of this Report, to potential investors of the Company, as to the merits of the Offers and takes no responsibility for any matter or omission in the Prospectus other than the responsibility for this Report. Past performance is not a guide to future performance.

Further declarations are set out in Section 6 of this Report.

STRUCTURE OF REPORT

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Financial information;
4. Subsequent events;
5. Statements; and
6. Declaration.

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HLB Mann Judd (WA Partnership) is a member of **HLB International**, a world-wide organisation of accounting firms and business advisers

1. BACKGROUND INFORMATION

The Company is an Australian public company that has been listed on the Official List (ASX code: EZA) since 5 October 2011.

On 29 October 2014, the Company sought and obtained shareholder approval to dispose of its business of supplying, installing, and operating ATM's (ATM Business). The sale of the ATM Business completed on 31 October 2014.

On 7 December 2015, the Company's securities were suspended from official quotation due to non-compliance with Listing Rule 12.1, the requirement to have a sufficient level of operations. The Company's securities have remained suspended since that date.

On 3 July 2017, the Company announced it had entered into an Agreement (Tenement Sale Agreement (as varied by the Deed of Variation)) to acquire the Challa North and Challa South base metal projects (Projects) from T.E. Johnston & Associates Pty Ltd, Pegmatite Holdings Pty Ltd, Mr Bruce Legendre, Mr Robert Perring and Corporate & Resource Consultants Pty Ltd (together, the Vendors). Further details are outlined in Section 2 and Section 3 of the Prospectus.

The proforma financial information presented in this Report is the historical financial information of the Company for the year ended 30 June 2017, assuming that the proposed transactions set out in Section 3(b) of this Report had been completed as at that date.

The proforma financial information has been prepared using a balance date of 30 June 2017 corresponding to the most recently available published financial information.

For completeness, extracts of audited historical financial information for the years ended 30 June 2016 and 30 June 2015 of EZA are set out in Appendix 2.

The intended use of the funds raised by the issue of Shares under the Prospectus together with the Company's cash reserves is specified in Section 1.8 of the Prospectus.

2. SCOPE OF REPORT

You have requested HLB to prepare this Report presenting the following information:

- a) the historical financial information of the Company comprising the historical Statement of Financial Position as at 30 June 2017 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the year then ended as set out in Appendix 1 to this Report; and
- b) the proforma financial information of the Company comprising the proforma Statement of Financial Position as at 30 June 2017 and the proforma Statement of Comprehensive Income, proforma Statement of Cash Flows and proforma Statement of Changes in Equity for the year then ended as set out in Appendix 1 to this Report.

The Directors have prepared and are responsible for the historical and proforma information. We disclaim any responsibility for any reliance on this Report or on the financial information to which it relates for any purposes other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus.

The historical financial information and the proforma financial information are presented in an abbreviated form insofar as they do not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports.

The historical financial information as set out in Appendix 1 has been extracted from the audited financial statements of the Company for the year ended 30 June 2017, which was subject to HLB's audit in accordance with Australian Auditing Standards.

The audited financial report for the year ended 30 June 2017 was issued on 15 August 2017 and contained an unqualified audit opinion.

The historical financial information as set out in Appendix 2 has been extracted from the audited financial statements of the Company for the years ended 30 June 2016 and 30 June 2015, which was subject to HLB's audit in accordance with Australian Auditing Standards. Unqualified audit opinions were issued in both years.

We performed a review of the historical and proforma financial information of the Company as at 30 June 2017 in order to ensure consistency in the application of applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

Our review of the historical and proforma financial information of the Company was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Auditing Standard on Assurance Engagements ASRE 3450 *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information"* and included such enquiries and procedures which we considered necessary for the purposes of this Report.

The review procedures undertaken by HLB in our role as Investigating Accountant were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the historical financial information and proforma financial information, analytical review procedures and discussions with senior management. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the historical information or proforma information included in this Report or elsewhere in the Prospectus.

In relation to the information presented in this Report:

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

3. FINANCIAL INFORMATION

Set out in Appendix 1 (attached) are:

- a) the audited historical financial information of the Company comprising the historical Statement of Financial Position as at 30 June 2017 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the year ended 30 June 2017; and
- b) the proforma Statement of Financial Position of the Company as at 30 June 2017 and the proforma Statement of Comprehensive Income, proforma Statement of Cash Flows and proforma Statement of Changes in Equity of the Company for the year ended 30 June 2017 as they would appear after incorporating the following significant events and proposed transactions by the Company subsequent to 30 June 2017:
 - i) the Return of Capital by the Company, post 30 June 2017 of \$0.045 per ordinary shares assuming 61,068,789 ordinary shares;
 - ii) The consideration payable by the Company for the Acquisition of the Projects under the terms of the Agreement is as follows:
 - (a) \$25,000 cash upon signing of the Agreement, which has already been paid and is non-refundable;
 - (b) \$50,000 cash upon the Company being satisfied with its due diligence investigations, which has already been paid and is non-refundable.

- (c) \$100,000 cash upon the Company receiving conditional approval from ASX for the reinstatement of the Company's listed Securities to Official Quotation;
- (d) a 0.4% net smelter return royalty on future production in respect of the Challa Projects (NSR Royalty); and
- (e) the issue of:
 - (i) 1,250,000 Shares; and
 - (ii) 1,250,000 Vendor Options.

The Shares have been valued at \$0.10 per share and the Vendor Options have been valued at \$0.037 per option (refer Note 5).

- iii) the issue by the Company pursuant to this Prospectus of 10,000,000 ordinary fully paid shares (Shares) issued at \$0.10 each raising \$1,000,000 before the expenses of the Offers;
- iv) the write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 10.5 of the Prospectus of \$274,159; and

- c) Notes to the historical financial information and proforma financial information.

Set out in Appendix 2 (attached) are:

- a) the audited historical financial information of the Company comprising the historical Statement of Financial Position as at 30 June 2016 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the year ended 30 June 2016; and
- b) the audited historical financial information of the Company comprising the historical Statement of Financial Position as at 30 June 2015 and the historical Statement of Comprehensive Income, historical Statement of Cash Flows and historical Statement of Changes in Equity for the year ended 30 June 2015.

4. SUBSEQUENT EVENTS

There have been no material items, transactions or events subsequent to 30 June 2017 not otherwise disclosed in the Prospectus or this Report which have come to our attention during the course of our review that would require comment in, or adjustment to, the content of this Report or which would cause such information included in this Report to be misleading.

5. STATEMENTS

Based on our review, which was not an audit, we have not become aware of any matter that causes us to believe that:

- a) the historical financial information of the Company as at 30 June 2017 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations and its cash flows for the year then ended;
- b) the proforma financial information of the Company as at 30 June 2017 as set out in Appendix 1 of this Report, does not present fairly the financial position of the Company as at that date in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory reporting requirements in Australia, and its performance as represented by its results of its operations and its cash flows for the year then ended, as if the transactions referred to in Section 3(b) of this Report had occurred during that year; and

- c) the assumptions and applicable criteria used in the preparation of the proforma financial information do not provide a reasonable basis for presenting the significant effects directly attributable to the Offers and do not reflect proper application of those adjustments to the unadjusted financial information.

6. DECLARATION

- a) HLB will be paid its usual professional fees based on time involvement, for the preparation of this Report and review of the financial information, at our normal professional rates.
- b) Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- c) Neither HLB, nor any of its employees or associated persons has any interest in the Company or the promotion of the Company. HLB has acted as the Company's auditors since its appointment on 10 June 2011. In HLB's capacity as auditor, HLB has audited the Company's annual financial report for the years ended 30 June 2015, 30 June 2016, and 30 June 2017.
- d) Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.
- e) HLB has consented to the inclusion of this Report in the Prospectus in the form and context in which it appears.

Yours faithfully
HLB MANN JUDD


D I BUCKLEY
Partner

APPENDIX 1

EZA CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2017

		<i>Audited Historical</i>	<i>Subsequent Events</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
	<i>Notes</i>				
CURRENT ASSETS		\$	\$	\$	\$
Cash and cash equivalents	2	8,776,440	(75,000)	(2,122,255)	6,579,185
Trade and other receivables		26,336	-	-	26,336
Other financial assets		951	-	-	951
TOTAL CURRENT ASSETS		8,803,727	(75,000)	(2,122,255)	6,606,472
NON-CURRENT ASSETS					
Property, plant & equipment		2,569	-	-	2,569
Exploration & evaluation expenditure	3	-	75,000	270,941	345,941
Assets classified as available-for-sale		300,000	-	-	300,000
TOTAL NON-CURRENT ASSETS		302,569	75,000	270,941	648,510
TOTAL ASSETS		9,106,296	-	(1,851,314)	7,254,077
CURRENT LIABILITIES					
Trade and other payables		52,475	-	-	52,475
Employee benefits liability		28,669	-	-	28,669
TOTAL CURRENT LIABILITIES		81,144	-	-	81,144
TOTAL LIABILITIES		81,144	-	-	81,144
NET ASSETS		9,025,152	-	(1,851,314)	7,173,838
EQUITY					
Issued capital	4	16,405,862	-	(1,897,255)	14,508,607
Reserves	5	(72,452)	-	45,941	(26,511)
Accumulated losses		(7,308,258)	-	-	(7,308,258)
TOTAL EQUITY		9,025,152	-	(1,851,314)	7,173,838

The above should be read in conjunction with the accompanying notes.

EZA CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 30 JUNE 2017

	<i>Audited Historical</i>	<i>Subsequent Events</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
	\$	\$	\$	\$
Other income	236,141	-	-	236,141
Employee benefits expense	(257,443)	-	-	(257,443)
Depreciation	(2,429)	-	-	(2,429)
Other expense	(356,567)	-	-	(356,567)
Profit from disposal of available-for-sale assets	27,459	-	-	27,459
Loss before tax	(352,839)	-	-	(352,839)
Income tax expense	-	-	-	-
Loss after tax	(352,839)	-	-	(352,839)
Other comprehensive income <i>Items that may be reclassified to profit or loss</i>				
Changes in fair value of available-for-sale assets	(72,452)	-	-	(72,452)
Total comprehensive loss for the year	(425,291)	-	-	(425,291)

The above should be read in conjunction with the accompanying notes.

EZA CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR TO 30 JUNE 2017

REVIEWED HISTORICAL	<i>Issued capital</i>	<i>Asset revaluation reserve</i>	<i>Share-based payment reserve</i>	<i>Accumulated losses</i>	<i>Total Equity</i>
	\$	\$		\$	\$
As at 1 July 2016	16,405,862	-	-	(6,955,419)	9,450,443
Loss for the year	-	-	-	(352,839)	(352,839)
Other comprehensive income	-	(72,452)	-	-	(72,452)
Total comprehensive loss for the year	-	(72,452)	-	(352,839)	(425,291)
As at 30 June 2017	16,405,862	(72,452)	-	(7,308,258)	9,025,152
REVIEWED PROFORMA					
Return of Capital	(2,748,096)	-	-	-	(2,748,096)
Shares issued pursuant to Prospectus	1,000,000	-	-	-	1,000,000
Share issue costs	(274,159)	-	-	-	(274,159)
Shares to acquire Challa Projects	125,000	-	-	-	125,000
Vendor Options to acquire Challa Projects	-	-	45,941	-	45,941
Proforma total	14,508,607	(72,452)	45,941	-	7,173,838

The above should be read in conjunction with the accompanying notes.

EZA CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR TO 30 JUNE 2017

	<i>Audited Historical</i>	<i>Subsequent Events</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
	\$	\$	\$	\$
<i>Cash flows from operating activities</i>				
Other income	294,955	-	-	294,955
Payments to suppliers & employees	(555,951)	-	-	(555,949)
<i>Net cash used in operating activities</i>	(260,996)	-	-	(260,996)
<i>Cash flows from investing activities</i>				
Payments for available-for-sale assets	(765,823)	-	-	(765,823)
Proceeds from disposal of available-for-sale assets	420,830	-	-	420,830
Payments for exploration & evaluation	-	(75,000)	(100,000)	(175,000)
<i>Net cash used in investing activities</i>	(344,993)	(75,000)	(100,000)	(519,993)
<i>Cash flows from financing activities</i>				
Return of Capital	-	-	(2,748,096)	(2,748,096)
Proceeds from the issue of shares	-	-	1,000,000	1,000,000
Share issue costs	-	-	(274,159)	(274,159)
<i>Net cash provided by financing activities</i>	-	-	(2,022,255)	(2,022,255)
Net decrease in cash and cash equivalents	(605,989)	(75,000)	(2,122,255)	(2,803,244)
Cash at the beginning of the financial year	9,382,429	-	-	9,382,429
<i>Cash at the end of the financial year</i>	8,776,440	(75,000)	(2,122,255)	6,579,185

The above should be read in conjunction with the accompanying notes.

EZA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 30 JUNE 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial information has been prepared in accordance with applicable accounting standards including the Australian equivalents of International Reporting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Material accounting policies have been adopted in the preparation of the historical and proforma financial information are shown below.

(a) Basis of preparation

The financial statements have been prepared in accordance with the measurement requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia using the accrual basis of accounting, including the historical cost convention.

Historical cost convention

These financial statements have been prepared under the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(f).

Going concern

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

(b) Cash and cash equivalents

Cash comprises cash at bank and cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(c) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within years ranging from 15 to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent year, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

EZA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 30 JUNE 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment of assets

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(e) Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

(f) Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is

EZA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 30 JUNE 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Derecognition of financial assets and financial liabilities (cont'd)

measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(h) Exploration and evaluation expenditure

Exploration and evaluation costs, excluding the costs of acquiring tenements and permits, are expensed as incurred. Acquisition costs will be assessed on a case-by-case basis and, if appropriate, they will be capitalised. These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

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

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

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

(i) Trade payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

**EZA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 30 JUNE 2017**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Employee Entitlements

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the year in which the employees render the related service, are recognised in respect of employees services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled.

(k) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(l) Share-based payment transactions

The cost of equity-settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted.

Where the identifiable consideration received (if any) is less than the fair value of the equity instruments granted or liability incurred, the unidentifiable goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received (or to be received) measured at the grant date.

(m) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

(n) Income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management yearically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

EZA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 30 JUNE 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Income tax (cont'd)

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

EZA Corporation Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

EZA Corporation Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

EZA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 30 JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Recovery of deferred tax assets

Deferred tax assets are recognised when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(p) Proforma transactions

The proforma Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been derived from the historical financial information as at 30 June 2017 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 30 June 2017:

- i) the Return of Capital by the Company, post 30 June 2017 of \$0.045 per ordinary shares assuming 61,068,789 ordinary shares;
- ii) The consideration payable by the Company for the Acquisition of the Projects under the terms of the Agreement is as follows:
 - (a) \$25,000 cash upon signing of the Agreement, which has already been paid and is non-refundable;
 - (b) \$50,000 cash upon the Company being satisfied with its due diligence investigations, which has already been paid and is non-refundable
 - (c) \$100,000 cash upon the Company receiving conditional approval from ASX for the reinstatement of the Company's listed Securities to Official Quotation;
 - (d) a 0.4% net smelter return royalty on future production in respect of the Projects (NSR Royalty); and
 - (e) the issue of:
 - (i) 1,250,000 Shares; and
 - (ii) 1,250,000 Vendor Options.

The Shares have been valued at \$0.10 per share and the Vendor Options have been valued at \$0.037 per option (refer Note 5).
- iii) the issue by the Company pursuant to this Prospectus of 10,000,000 ordinary fully paid shares issued at \$0.10 each raising \$1,000,000 before the expenses of the Offer; and
- iv) the write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 10.5 of the Prospectus of \$274,159.

EZA CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR TO 30 JUNE 2017

2. CASH AND CASH EQUIVALENTS

	<i>Audited Historical</i>	<i>Subsequent Events</i>	<i>Proforma Adjustments</i>	<i>Reviewed Proforma</i>
	\$	\$	\$	\$
Balance as at 30 June 2017	8,776,440	-	-	8,766,440
Consideration for acquisition of Projects	-	(75,000)	(100,000)	(175,000)
Shares pursuant to the Prospectus	-	-	1,000,000	1,000,000
Share issue costs	-	-	(274,159)	(274,159)
Return of Capital	-	-	(2,748,096)	(2,748,096)
	<u>8,776,440</u>	<u>(75,000)</u>	<u>(2,122,255)</u>	<u>6,569,185</u>

3. Exploration & evaluation expenditure

Balance as at 30 June 2017	-	-	-	-
Acquisition of Projects	-	75,000	270,941	345,941
	-	25,000	320,941	345,941

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

4. ISSUED CAPITAL

	<i>Fully Paid Number</i>	\$
<i>Reviewed Historical</i>		
Balance as at 30 June 2017	61,068,789	16,405,862
	<u>61,068,789</u>	<u>16,405,862</u>
<i>Reviewed Proforma</i>		
Return of Capital	-	(2,748,096)
Shares issued pursuant to prospectus	10,000,000	1,000,000
Share issue costs	-	(274,159)
Shares issued to acquire Projects	1,250,000	125,000
Proforma balance	<u>72,318,789</u>	<u>14,508,607</u>

5. OPTIONS

Assuming the successful completion of all events in the Prospectus, the following options shall be on issue (exercisable at \$0.20 per share):

	Number
Options exercisable on or before 30 September 2020:	
Balance as at 30 June 2017	-
Vendor Options	1,250,000
Pro forma total	1,250,000

Details of the assumptions used in the valuation of these options issued are as follows:

Item	Vendor Options
Number of options	1,250,000
Exercise price (\$)	0.20
Grant share price (\$)	0.10
Valuation (approval) date	3 October 2017
Expiration period (years)	3
Vesting date	immediate
Exercise conditions	nil
Value	\$0.037

The options will vest immediately on approval by shareholders and a total amount of \$45,941 will be capitalised as exploration and evaluation expenditure in the statement of financial position.

6. CONTINGENCIES AND COMMITMENTS

The Directors are not aware of any contingencies other than as set out in the Prospectus.

7. RELATED PARTY TRANSACTIONS

Details of Directors' interests in the Company's issued capital and transactions with the Company are included in Section 8.3 to 8.5 and Section 10.4 of the Prospectus.

APPENDIX 2

EZA CORPORATION LIMITED
HISTORICAL FINANCIAL INFORMATION

Set out below is summarised financial information of EZA Corporation Limited. The following information has been extracted from the audited financial statements for the years ended 30 June 2015 and 30 June 2016.

The 2015 and 2016 Auditor's report was unqualified.

EZA CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION

	<i>Audited</i> 30 June 2016 \$	<i>Audited</i> 30 June 2015 \$
CURRENT ASSETS		
Cash and cash equivalents	9,382,429	9,661,464
Trade and other receivables	223,407	295,546
Other financial assets	26,608	27,242
Current tax asset	-	20,296
TOTAL CURRENT ASSETS	9,498,112	9,804,473
NON-CURRENT ASSETS		
Plant and equipment	4,998	6,806
TOTAL NON-CURRENT ASSETS	4,998	6,806
TOTAL ASSETS	9,503,110	9,811,279
CURRENT LIABILITIES		
Trade and other payables	31,471	37,353
Employee benefits liability	21,196	19,162
TOTAL CURRENT LIABILITIES	52,667	56,515
TOTAL LIABILITIES	52,667	56,515
NET ASSETS	9,450,443	9,754,764
EQUITY		
Issued capital	16,405,862	16,405,862
Accumulated losses	(6,955,419)	(6,651,098)
TOTAL EQUITY	9,450,443	9,754,764

The above should be read in conjunction with the notes outlined in Appendix 1.

EZA CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME

	<i>Audited</i> 30 June 2016	<i>Audited</i> 30 June 2015
	\$	\$
ATM network revenue	-	5,916,475
ATM network expense	-	(3,678,901)
Gross profit	-	2,237,574
Employee benefits expense	(389,782)	(1,062,240)
Other expenses	(227,038)	(1,254,026)
Depreciation	(2,348)	(298,825)
Amortisation	-	(855,564)
Profit from disposal of listed investments	35,289	-
Results from operating activities	(583,879)	(1,233,081)
Profit from disposal of ATM business	-	8,131,009
Finance income	279,641	214,129
Finance costs	(83)	(55,994)
Net finance income	279,558	158,135
(Loss)/profit before tax	(304,321)	7,056,063
Income tax expense	-	(42,261)
Net (loss)/profit for the year	(304,321)	7,013,802
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	(304,321)	7,013,802

The above should be read in conjunction with the notes outlined in Appendix 1.

EZA CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY

	<i>Issued capital</i> \$	<i>Accumulated losses</i> \$	<i>Total Equity</i> \$
Balance at 1 July 2014	18,047,607	(13,664,900)	4,382,707
Profit for the year	-	7,013,802	7,013,802
Total comprehensive income for the year, net of tax	-	7,013,802	7,013,802
Shares bought-back	(1,761,745)	-	-
Share-based payment	120,000	-	-
As at 30 June 2015	16,405,862	(6,651,098)	9,754,764
Loss for the year	-	(304,321)	(304,321)
Total comprehensive loss for the year, net of tax	-	(304,321)	(304,321)
As at 30 June 2016	16,405,862	(6,955,419)	9,450,443

The above should be read in conjunction with the notes outlined in Appendix 1.

EZA CORPORATION LIMITED
STATEMENT OF CASH FLOWS

	<i>Audited</i> 30 June 2016 \$	<i>Audited</i> 30 June 2015 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	-	6,178,197
Payments to suppliers & employees	(623,710)	(6,155,939)
Finance income	289,713	118,943
Finance costs	(83)	(55,994)
Income tax received/(paid)	20,296	31,507
<i>Net cash (outflow)/inflow from operating activities</i>	(313,784)	116,714
<i>Cash flows from investing activities</i>		
Payments for property, plant & equipment	(1,412)	(101,722)
Proceeds from disposal of property, plant and equipment	660	15,929
Proceeds from disposal of ATM business, net of cash sold	-	10,396,891
Payment for listed investment	(175,156)	-
Proceeds on disposal of listed investment	210,657	-
<i>Net cash inflow from investing activities</i>	34,749	10,311,098
<i>Cash flows from financing activities</i>		
Proceeds from borrowings	-	72,051
Repayment of borrowings	-	(1,226,138)
<i>Net cash outflow from financing activities</i>	-	(1,154,087)
Net (decrease) / increase in cash and cash equivalents	(279,035)	9,273,725
Cash at the beginning of the financial year	9,661,464	387,739
<i>Cash at the end of the financial year</i>	9,382,429	9,661,464

The above should be read in conjunction with the notes outlined in Appendix 1.

5. INDEPENDENT GEOLOGIST'S REPORT

James Guy & Associates Pty. Ltd Consulting Geologists
ABN 66 156133658

James Guy and Associates Pty Ltd

ABN: 66156133658

PO Box 538 Mount Hawthorn, WA, 6915

Email: jamesguyconsulting@bigpond.com

The Directors,
EZA Corporation Limited,
39 Clifton Street,
Nedlands, WA, 6009.

Dear Sir's,

James Guy and Associates Pty Ltd ("JGA") has been commissioned by EZA Corporation Limited ("EZA") to provide an Independent Geological Report ("Report") on the Challa Gold Nickel Project located in the Murchison Region of Western Australia which EZA has obtained an exclusive right to acquire under the terms set out in the EZA's announcements to the Australia Securities Exchange dated 3rd July 2017 and 14th August 2017. The Independent Geological Report is to be included in a Prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") and the Australian Securities Exchange ("ASX") on or about the 15th September 2017, ("Prospectus").

EZA is acquiring a total of ten granted exploration licenses and one ungranted licenses covering a combined area of approximately 1757 sq. km. within the Murchison region of Western Australia ("Tenements"). The legal status of the Tenements including Native Title considerations associated with the Tenements being acquired are subject to a separate report included in the Prospectus. These matters have not been independently verified by JGA. The present status of the Tenements listed in this Report is based on information provided by EZA, and the Report has been prepared on the assumption the Tenements will prove to be lawfully accessible for evaluation.

This Report has been prepared as a technical assessment in accordance with the Australasian Code of Public Reporting of Technical Assessment of Mineral Assets (the "Valmin Code", 2015 edition), which is binding upon members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG") as well as the rules and guidelines issued by the ASIC and the ASX which pertains to Independent Expert Reports (Guidelines RG111 and RG112 March 2011).

Where exploration results have been referred to in this Report, they are historic in nature and were prepare either before the adoption of the 2012 edition of the Australian Code for Reporting of Mineral Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"), or earlier versions of the JORC code that was current at the time. Information on exploration data collected or compiled by the vendors of the Challa Gold Nickel Project ("Vendors") was incorporated into a JORC table format as part of EZA's announcements to the Australian Securities Exchange dated 3rd of July 2017 and 14th August

James Guy & Associates ph 0407195447 email jamesguyconsulting@bigpond.com

2017. Additional historical exploration data referenced in this Report has been compiled into JORC Table 1 format and attached as appendix 1 of this Report.;

The author Mr James Guy ("Author"), accompanied by directors of EZA, and Mr. Robert Perring representing the Vendors, undertook a field trip to the project area between the 4th and 6th of August 2017. The field trip inspected prospects along the Paynesville Gold Trend and Yarrambie Prospect as well as allowed the Author to gain an understanding of the local geology and regolith conditions.

The Author of this Report, Is not aware of any additional information or data that materially effects the information included in the earlier reports. Under the definitions provided by the VALMIN Code, the mineral properties being acquired are classified as early stage exploration projects where mineralisation may or may not have been identified, but where mineral resources have not been identified. The properties are sufficiently prospective to warrant further exploration to fully access the economic potential of the tenements.

JGA has not been requested to provide an Independent Valuation, nor have it been asked to comment on the fairness and reasonableness of the consideration payable to the Vendors, and therefore has not offered any opinion on these matters.

Sources of Data

The statements and opinions contained in this Report are given in good faith and are based on data from previous company exploration reports, government survey maps and information provided by the Vendors. The Author has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to EZA, along with a written request to identify any material errors or omissions prior to lodgement.

The Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the distribution of this report in the form and context in which it appears. The Author has no reason to doubt the authenticity or substance of the information provided.

Qualifications and Experience

The Report has been prepared by Mr. James Guy, Principal Consultant at James Guy and Associates. Mr. Guy has a BSc (Applied Geology) from the University of New South Wales and a Graduate Diploma in Finance and Investment from the Securities Institute of Australia. Mr. Guy is a member of the Australian Institute of Mining and Metallurgy (AusIMM)

Mr. Guy has more than 30 years' experience in mineral exploration and mining geology covering a range of commodities including gold, nickel, copper, potash, manganese, and industrial minerals in a variety of geological settings. Mr. Guy has the appropriate relevant qualifications, experience, competence and independence to be considered as a "Competent Person" the Australian Valmin and JORC Codes. Mr. Guy consents to the inclusion in this report the matters based on his information in the form and context in which it appears.

James Guy & Associates ph 0407195447 email jamesguyconsulting@bigpond.com

Independence

Neither James Guy and Associates Pty Ltd or James Guy personally have any material interest in the Tenements or EZA. The relationship between JGA and EZA is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Yours faithfully



James Guy
MAusIMM
James Guy and Associates Pty Ltd

11th September 2017

Independent Geological Report

on the

CHALLA GOLD and BASE METAL PROJECT

For

EZA Corporation Limited

Prepared By

James Guy and Associates Pty Ltd

11th September 2017

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1.0 Introduction

EZA Corporation Limited is acquiring two groups of mineral titles forming the Challa Gold Nickel Project within the Murchison District of Western Australia, under the terms set out in the company's announcements to the Australia Stock Exchange dated 3rd July 2017 and 14th August 2017.

The Challa Gold Nickel Project comprises the Challa North Project, covering the northern part of the Windimurra Layered Igneous Complex (LIC), and the Challa South Project covering the southern part of the Narndee LIC and surrounding supracrustal greenstone sequences. The projects are prospective for gold, nickel, copper, and PGE mineralisation.

The vendors have completed a preliminary compilation of the past exploration work undertaken over the project area and this work has generated advanced gold and nickel copper base metal targets that, based on the past work, warrant follow up evaluation.

- **Paynesville Gold Trend** located in the Challa North Project Area. The Paynesville Gold Trend is a 45km long structural trend encompassing many historical gold mines (excised from the current project), gold diggings, and nugget patches, all with little drilling or systematic exploration. Primary gold mineralisation occurs within structurally emplaced quartz veins associated with gabbro-norite host rocks. Three conceptual gold targets have been defined within the tenements for acquisition, based on structural interpretation and known gold occurrences. The targets each offer potential to host gold mineralisation and warrant additional exploration
- **Yarrambie Ni-Cu-Co Target** in the Challa South Project area. The target comprises a coincident Ni-Cu-Co maglag surface geochemical anomaly, and rock chip samples returning anomalous copper assays, corresponding with a bullseye aeromagnetic anomaly. The target is within ultramafic intrusive rocks, and adjacent to an interpreted regional structure which may have acted as a pathway for mineralised fluids. The target is prospective for disseminated nickel copper sulphide mineralisation associated with deep seated structures.

In addition, the company will have 1757 sq. km of Archaean greenstone prospective for gold, nickel copper, cobalt, and PGE deposits. The company is aware of the extensive history of exploration in the general area since the early 1970's, however historically the area was constrained by fragmented tenement holdings and poorly funded exploration companies, has meant that in the past, little effective exploration work has been completed on the current tenements.

EZA is currently in the process compiling the vast amount of historical exploration data available over the Project. At the time of finalising this report, this process was ongoing and the exploration data set used as a basis for compiling this report was still incomplete.

The projects being acquired are considered grass roots, and targets identified to date are at an early stage of exploration. The company has prepared a two-year exploration budget to further evaluate the existing targets and develop additional prospects, with the majority of the funds directed toward in-ground expenditure.

2.0 Project Location and Access

The Challa Gold – Nickel Project is located approximately 500km north-north east of the state capital of Perth, Western Australia, and 300km due east of the port of Geraldton. Access is via the sealed North-West Highway passing to the west of the project. The sealed Mt Magnet to Sandstone road runs east west through the northern part of the project. Unsealed shire roads, and station tracks provide access to most parts of the project area (figure 1).

The historic gold mining township of Mt Magnet is located approximately 40 km to the west of the northern part of the project and acts as a regional base for exploration activities. Pastoral activities dominate the current land use over the project area.

The project straddles the Yalgoo and Murchison Mineral Fields and is covered by the CUE SG5015, SANDSTONE SG5016, KIRKALOCKA SH5003, YOUANMI SH5004 and NINGAN SH5007 1: 250,000 map sheets.

2.1 Climate and Landform

The area is used primarily for pastoral agriculture, and comprises gentle plains that are either covered by saltbush or acacia scrub, or isolated moderately timbered hills.

The region is in a temperate desert region with the average summer daytime temperature of around 35^o and the average winter temperature of around 15^o. The average rainfall is 200mm per annum, with most of the rain falling between February and July.

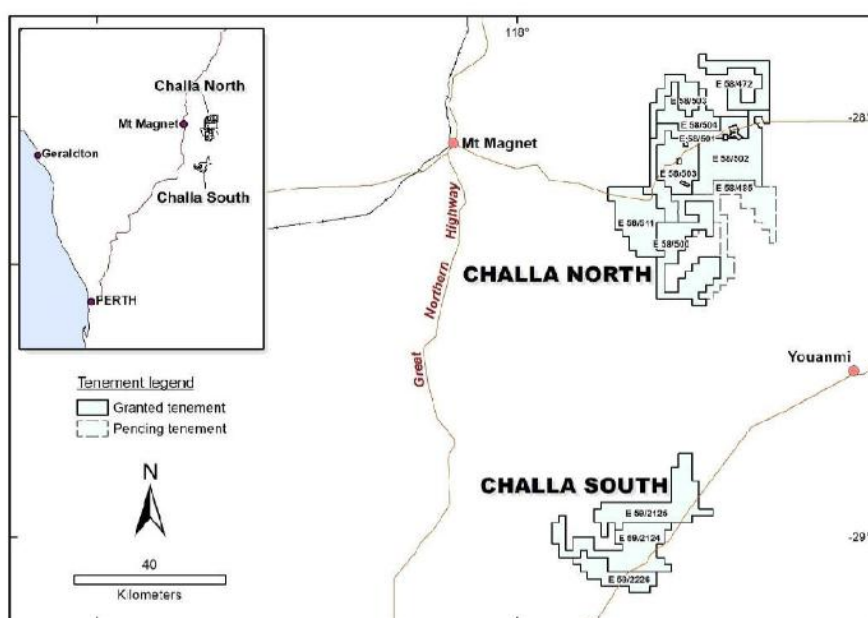


Figure 1 Location and Tenement Plan

3.0 Ownership and Tenure

The table below lists the tenements that form the basis of this report and their current details, as provided by EZA. JGA has not made any enquiries to validate the titles or their status. A plan showing the tenements is presented in figure 1.

Tenement	Status	Registered Holder	Date Granted	Blocks (No.)
E58/472	Live	Corporation& Resource Consultants Pty Ltd.; T.E Johnstone & Associates Pty Ltd, Legendre Bruce	8/09/2015	34
E58/485	Pending	Corporation& Resource Consultants Pty Ltd.; T.E Johnstone & Associates Pty Ltd, Legendre Bruce		70
E58/500	Live	Corporation& Resource Consultants Pty Ltd.; Legendre Bruce, Perring Robert	31/08/2017	70
E58/501	Live	Corporation& Resource Consultants Pty Ltd.; Perring Robert, Legendre Bruce	30/0/2016	45
E58/502	Live	Pegmatite Holding Pty Ltd	1/9/2016	70
E58/503	Live	Pegmatite Holding Pty Ltd	1/9/2016	69
E58/504	Live	Corporation& Resource Consultants Pty Ltd.; Legendre Bruce, Perring Robert	30/8/2016	31
E58/511	Live	Pegmatite Holding Pty Ltd	23/09/2016	55
E59/2124	Live	Corporation& Resource Consultants Pty Ltd. Legendre Bruce TE Johnstone and Associates Pty Ltd	6/10/2016	70
E59/2125	Live	Corporation& Resource Consultants Pty Ltd. Legendre Bruce, TE Johnstone and Associates Pty Ltd	17/03/2016	70
E59/2226	Live	Corporation& Resource Consultants Pty Ltd. Legendre Bruce, TE Johnstone and Associates Pty Ltd	27/07/2017	31

Table 1 Current Tenement Ownership Details

4.0 Regional Geological Setting

The project area is located within the north western Yilgarn Craton of Western Australia, lying along the boundary of the Murchison and Southern Cross granitoid greenstone provinces (figure 2). The regional geology is dominated by typical Archaean granite greenstone terrain, with the greenstone sequences dated between 3.03Ga and 2.8Ga and the granites at 2.95 Ga and 2.6Ga. The project area covers parts of the Windimurra and Narndee Layered Igneous Complexes (LIC) and surrounding supracrustal rocks.

The oldest Archaean rocks in the area belong to the Norrie Group (approx. 2800Ga) which comprise the Murrouli Basalt Formation, the Yaloginda Formation, and the Kantie – Murdana Volcanic Member. This sequence has been extensively stoned out by latter intrusions, and only isolated rafts of the greenstone sequence remains.

The Murrouli Basalt comprises interbedded Ti-rich, Al-depleted komatiites and komatiitic volcanoclastic sediments, and a thick succession of pillowed and massive tholeiitic basalts. The unit is thought to be conformable with the overlying Yaloginda Formation and the Kantie- Murdana Member. The Yaloginda

Formation and Kantie – Murdana Member both consists of rhyolite, fine to medium grained felsic volcanoclastic sediments with interbedded units of ferruginous shale, and banded iron formation.

The Windimurra and Narndee LIC have intruded the Norrie Group along preexisting deep crustal structures. The contacts between the intrusive complexes and Norrie Group sequences are not well understood. The Windimurra LIC is an elliptical body with dimensions of approximately 85 km north-south and 35 km east - west, and covers a total area of approximately 2350 sq. km. The magmatic layering dips inwards from the margins and flattens in the centre of the complex, consistent with the complex having a basin-shaped or lopolith form (Ahmat 1986).

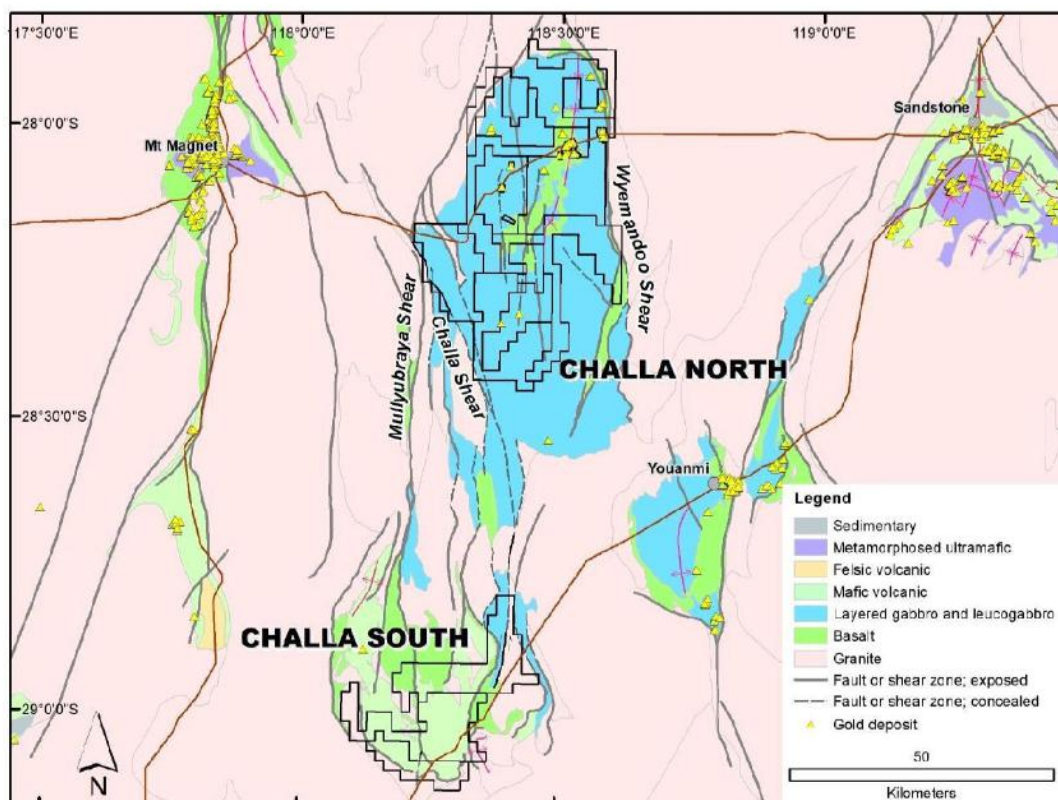


Figure 2 Regional Geological Setting

The Windimurra LIC is dominantly comprised of basic cumulate rocks, that can be broadly classified as gabbroic in composition. Work undertaken by Ahmat, 1990, and Ivanic 2016 has developed an internal magmatic stratigraphy for the complex, comprising from the base to top:

- Dolerite Border Zone -typically 100m thick and occurs along the boundary between the sheared supracrustal rocks and lower gabbro Zone.

- Ultramafic Zone –the only exposure is in small outcrops close to Muleryon Hill. Characterized by abundant peridotite.
- Lower Zone -hosts olivine-rich gabbros and gabbro-norites, that grade upward to leucocratic gabbros. Unit is layered on a centimetre to metre scale and rock types repeated every 200m.
- Middle Zone -composed of troctolitic rocks with intercumulus magnetite.
- Upper Zone –magnetite-bearing leuconorite, and anorthosite with locally abundant magnetite. This unit hosts the Windimurra V_2O_5 deposit.
- The Corner Well Gabbro -a late phase series of gabbroic pipes which intrude into the middle and upper zones of the western lobe of the Complex.
- The Roof Zone -comprises kilometre-scale tabular dolerite and porphyritic dolerite and gabbros.
- Unassigned units -comprise units that have become detached from the known stratigraphy and are not of a distinctive composition. The sequence hosting the Watsons Well Prospect is an unassigned unit.

The Narndee LIC occupies the majority the southern part of the project. The complex consists of rhythmically layered ultramafic and gabbroic sequences, which are poorly exposed over a strike length of approximately 50 kilometres. The complex covers a surface area of approximately 700 sq. km and is interpreted to represent a cumulative stratigraphic thickness of 6-9 km. The internal stratigraphy of the Narndee LIC has been subdivided into three zones

- Upper Ultramafic Zone -approximately 1 km thick composed of pyroxene peridotite and olivine pyroxenite.
- Middle Zone -cyclically layered pyroxenite and gabbro-norite up to 2 km thick.
- Lower Zone -cyclically layered peridotite–pyroxenite-gabbro-norite – anorthosite.

The youngest rocks in the area are the Mt Kenneth metagranite which comprises a series of small plutons intruding within both complexes. Regional metamorphism is low grade except in shear zones.

Two north - south striking regional shears, the Wyemandoo Shear to the east and the Mullyubarya Shear to the west, separate the greenstone sequences from the basement granite gneiss terrane. Both shears have been interpreted as part of a regional anastomosing shear system. The Wyemandoo Shear incorporates mafic and felsic schists and banded iron formation, and may also include rocks of granitic composition. At its southern extent, the shear cuts the lower units of the Windimurra LIC. Further north the Wyemandoo Shear forms the sheared eastern boundary between the gabbroic bodies and granitoids. On the western boundary, the less well defined Mullyubarya Shear separates the greenstone sequences from basement granitoids. The Mullyubarya Shear is interpreted to be up to 20 km wide, and may truncate the south west margin of the Windimurra LIC. Brittle faults with east northeast and northwest strikes splay from the main north - south structures and dislocate stratigraphy. The largest spay fault, the Challa Fault, strikes north west - south east across the western side of the Windimurra Complex, effectively separating the northern part of the intrusion from the remainder of the complex

5.0 Previous Mining and Exploration History

Initial exploration and mining activities in the area were for gold. During the late 1800's and early 1900's gold was produced from a series of small scale gold diggings in the Paynesville and Windsor area, which are located in the northeastern corner of the Challa North Project area. Recorded gold production from mines within the project area is listed in table 2. These mines are excised from the tenements the company is acquiring.

Group Name	Ore Treated (tonnes)	Gold Produced (grams)	Grade (g/t)	Period
Lady Maud	1040.16	30,600	29.42	1898-1916
Hannah May	62.48	514.17	8.23	1899-1901
Killarney	4.06	179.76	44.28	1899-1900
South Australian	111.78	2,362.42	20.95	1899-1902
Surprise	164.59	14,079.88	85.53	1898-1902
Windsor	3,729.44	33,384.95	8.95	1898-1902
Elsie	59.18	14917.34	252.07	1922-1928
Lewis Find	19.58	1,334.41	68.15	1923-1928
Total	5823.97	108069.77	18.55	

Table 2 Historical Mine Production Paynesville Trend

The Windimurra Complex was first recognised in the early 1960's as prospective for PGE style mineralization, due to its similarities to the Bushveld Complex. Early exploration by Mangore Australia Limited located vanadium-rich magnetite rocks near the Windimurra Homestead, as well as PGE anomalous horizons in the Wonginong area. After these discoveries, many companies have explored the region for PGE's, gold, and base metals.

Between 1980 and 1987, Alcoa of Australia Pty Ltd (Alcoa) explored the northwest, central and southeast parts of the Windimurra Complex, carrying out detailed geological mapping, rock chip, and soil sampling, as well as ground and airborne magnetic surveys. Alcoa tested four PGE targets without success, however one hole unexpectedly intersected zinc-lead sulphide mineralisation within felsic volcanics in the pre-collar. Shallow scout drilling around the intersection defined a northerly strike for the mineralisation but no further work was undertaken.

During the same period, Anaconda Aust. Inc. (Anaconda) explored the Windimurra and Narndee complex for platinum and chromite. Exploration included geological mapping, rock chip, soil and stream sediment sampling, as well as ground and airborne magnetic surveys. Results of the work were disappointing and they withdrew from the area

Between 1977 and 1984, Western Mining Corporation Limited (WMC) completed an exploration program for vanadium, titanium, magnetite and PGE mineralisation over the Canegrass area in the northern part of the current project, with poor results.

Between 1986 and 1990 Pancontinental Mining Limited, and Pancontinental Mining (Europe) GmbH, in joint venture with Degussa Ag, undertook an extensive exploration program over the Windimurra

Complex for PGE mineralisation. Work included petrographic studies, rock chip, stream sediment surveys and detailed geological mapping, as well as airborne and ground magnetic surveys.

In 1989 Hunter Resources commenced exploration over parts of the Narndee Complex, exploring for PGE mineralization. Work included geological mapping, trenching, and stream sediment sampling, and tested seven targets with sixteen RC drill holes, all of which failed to return any significant mineralisation.

Peregrine Resources NL explored the Paynesville area for gold mineralisation between 1992-1994. Work completed included collecting 1,274 lag/soil samples and completing 21 RAB drill holes for 788m of drilling. The surface samples were analyzed for gold only, while composite drill samples were analyzed for gold with a multi-element suite completed on the bottom of hole sample. The soil sampling produced several low order gold anomalies. Location control on the work was poor but it appears to have been completed within the area of the current E58/502 lease. Drilling focused on testing an outcropping quartz reef at the Little Fenceline Prospect within the current Central Zone Target. Due to the orientation of the holes it is unlikely that the drilling would have been an effective test of the target.

In 1997, Windimurra Resources Pty Ltd completed an extensive soil sampling program within the current leases E58/502 and E 58/503. Sample traverses were completed along fence lines and station tracks, as well as infill lines. Sample spacing were variable and location control was poor. The samples were submitted to Genalysis Laboratory Services for Au, Cr, Fe, Ni, Cu, Zn, As, Ag, Pb, Pd and Ag analysis. Many low-grade gold anomalies were returned, which were later covered by more systematic soil sampling by Apex Minerals NL. Within the current tenure, soil sampling at Paynesville identified a 2 km X 1.5 km gold-in-soil anomaly, which was associated with significant quantities of nugget gold recovered by prospectors using metal detectors.

In 2002, Apex Minerals NL acquired title over the majority Windimurra and Narndee LIC's. Apex listed on the Australian Stock Exchange with the purpose of exploring for PGE and magmatic Ni-Cu-PGE mineralisation. Following data compilation, Apex flew low level aeromagnetic's, and tested many historical PGE targets outside the current project area. Apex also completed a program of gold exploration across the Paynesville area. Work included collecting 3,198 surface soil/lag samples on a 100m X100m grid pattern, analysing for Au, Cu, Ni, Zn, and Fe. The program generated several low order +5 ppb anomalies. Apex completed follow up testing on many the anomalies, including an area to the south of the earlier Peregrine drilling. In total 46 reverse circulation holes were drilled, including 32 holes in the current project area. Maximum gold in hole results for the drilling within the current tenure are tabulated in Table 3.

Reviewing the results of the lag sampling and geological logs, it appears that most of the anomalies tested were in transported cover and not reflective of bedrock mineralisation.

In 2002 Falconbridge joint ventured into the project, focusing on PGE mineralisation, but most of the work undertaken was outside the current project areas. In 2004 WMC joint ventured into the project and completed maglag sampling over parts of the Challa South Project. The sampling was completed on a 500m X 200m grid pattern. Samples were analysed for Ag, As, Au, Bi, Ca, Cd, Co, Cr, Fe Mg, Mn, Mo, Ni,

Pb, Pd, Pt, Sb, Ti, U, V, Zn. This work generated the Yarrambie Prospect, where coincident anomalous copper, cobalt and nickel corresponds with an aeromagnetic “bulls-eye” anomaly. Following BHP’s acquisition of WMC, the company withdrew from the project.

Hole	Prospect	AMG84_E	AMG84_N	Dip	Azi	RL	EOH	From	To	Width	Au ppb
3WMA001	Windsor	654836	6901870	-60	120	500	39	36	39	3	7.83
3WMA002	Windsor	654850	6901864	-60	135	500	42	20	21	1	18
3WMA003	Windsor	654871	6901857	-60	125	500	44	36	40	4	11.78
3WMA004	Windsor	654850	6901920	-60	75	500	15	12	15	3	1.03
3WMA005	Windsor	654867	6901910	-60	86	500	45	28	32	4	12.17
3WMA006	Windsor	654889	6901918	-60	90	500	51	16	20	4	34.49
3WMA007	Windsor	654842	6901909	-60	90	500	51	13	14	1	143
3WMA008	Windsor	654760	6901402	-60	90	500	24	12	16	4	2.85
3WMA009	Windsor	654782	6901403	-60	90	500	27	16	20	4	1.88
3WMA010	Windsor	654816	6901402	-60	90	500	30	0	4	4	3.98
3WMA011	Windsor	654841	6901402	-60	90	500	54	28	32	4	4
3WMA012	Windsor	654880	6901402	-60	90	500	36	12	16	4	4.04
3WMA013	Windsor	654860	6901402	-60	90	500	27	0	4	4	4.44
3WMA014	Lewis E	637498	6890068	-60	360	500	45	18	19	1	35
3WMA015	Lewis E	637498	6890043	-60	360	500	63	0	4	4	3.91
3WMA016	Lewis E	637498	6890018	-60	360	500	60	52	56	4	2.69
3WMA017	Lewis E	637498	6889973	-60	360	500	36	24	28	4	30.7
3WMA018	Fenceline	638706	6888425	-60	180	500	57	20	24	4	29.26
3WMA019	Fenceline	638706	6888400	-60	180	500	51	16	20	4	100.5
3WMA020	Fenceline	638706	6888450	-60	180	500	45	16	20	4	17.34
3WMA021	Fenceline	639256	6888425	-60	180	500	51	0	4	4	7.58
3WMA022	Fenceline	639256	6888450	-60	180	500	63	56	58	2	7.83
3WMA023	Fenceline	639263	6888482	-60	180	500	51	0	4	4	1.88
3WMA024	Fenceline	639304	6888453	-60	360	500	45	22	24	2	2.97
3WMA025	Fenceline	639006	6887653	-60	45	500	48	16	20	4	8.05
3WMA026	Fenceline	638987	6887633	-60	45	500	35	12	16	4	20
3WMA027	Fenceline	639030	6887664	-60	45	500	27	12	16	4	5.36
3WMA028	Fenceline	639399	6887454	-60	90	501	31	12	16	4	6.53
3WMA029	Fenceline	639365	6887453	-60	90	502	24	12	16	4	7.8
3WMA030	The Gap	642826	6891427	-60	45	500	36	0	4	4	6.99
3WMA031	The Gap	642810	6891414	-60	45	500	35	24	28	4	13.59
3WMA032	The Gap	642792	6891387	-60	45	500	36	24	28	4	2.81

Table 3 Apex Reverse Circulation Drill Results Maximum Gold in Hole (ppb)

Maximus Resources Ltd acquired title to the majority of the Windimurra and Narndee complexes around 2005. Maximus focused their activities on defining a magnetite resource outside the current project area. In 2006 Maximus completed a program of aircore drilling testing gold and uranium targets in the

Wonginong Hill project in the current Challa North Project. Two targets were drill tested, the Wonginong Paleochannel, and the Wyemandoo Shear. The paleochannel drilling was abandoned due to hard silcrete ground conditions. A single north - south traverse of aircore holes was drilled to test the Wyemandoo Shear target between the Windsor and Pioneer workings; in total 7 holes were drilled with an average depth of approximately 12 metres. No assay data was provided in the technical report on the drilling lodged with the Mines Department, though the report states that no meaningful results were returned.

In 2008 Maximus flew an extensive aerial REPTM electromagnetic survey over the project area, and identified several conductors. Follow up exploration work was focused on two target areas, which lead to the discovery of the Narndee Cu-Zn prospect (located to the northeast of the Challa South Project) and a nickel target in the Milgoo area. Maximus does not appear to have completed any further follow up testing of the conductors identified by the survey.

Recent work by the vendors has included compilation of past work, target generation, and rock chip sampling. At Paynesville, the vendors have collected approximately 80 rock chip samples from outcropping quartz veins, host rock and mullock piles. The sample sites were located by hand held GPS unit. The samples were analysed for low level gold, as well as a multi-element suite. Results of the rock chip sampling are tabulated in the table below, with the locations shown in figure 5. Results ranged from below detection limit to 33.25 g/t Au.

Sample ID	East	North	Au ppb	Description
RBP-78	639278	6888261	293	Quartz vein
RBP-82	638828	6888327	138	Quartz vein N-S orientation
RBP-86	638825	6888373	14	Quartz vein
RBP-87	638825	6888351	2	Ironstone (gossanous)
RBP-92	639565	6887423	25	Quartz vein (near 65ppb BLEG)
RBP-94	639133	6888896	15080	Quartz vein (prospector dig)
RBP-99	634385	6892370	6620	Quartz vein (mullock heap)
RBP-101	640951	6896752	5140	Quartz vein (mullock heap)
RBP-103	639130	6888895	11510	Quartz vein (mullock heap)
RBP-105	639208	6889042	73	Quartz/Fe leader
RBP-106	639207	6889041	100	Quartz/Fe leader
RBP-113	639107	6889200	183	Working: White vein quartz
RBP-114	638452	6888190	82	Working: White vein quartz
RBP-115	638430	6888237	22	Working: White vein quartz
RBP-116	639194	6888520	7	Working: White vein quartz and gabbro wall rock
RBP-118	642594	6884398	-1	Quartz sandstone derived from felsic volcanic.
DTBP-119	655128	6859718	7	Dunn's Tank Prospect: Weakly gossanous banded chert (BIF)
DTBP-120	655128	6859718	2	Dunn's Tank Prospect: Weakly gossanous banded chert (BIF)
DTBP-121	655119	6859655	50	Dunn's Tank Prospect: White crystalline quartz, possibly silica replacement of BIF.
DTBP-122	655134	6859755	-1	Dunn's Tank Prospect: BIF
DTBP-123	655117	6859693	2	Dunn's Tank Prospect: BIF
DTBP-124	655119	6859654	19	Dunn's Tank Prospect: BIF
DTBP-125	655093	6859620	37	Dunn's Tank Prospect: Sulphide boxworks in silica altered BIF.
CH0003	604374	6795804	-0.5	Quartz vein in sheared ultramafic. Broad shear, minor Quartz vein in the area.

Sample ID	East	North	Au ppb	Description
CH0004	604490	6795808	0.5	Quartz vein in sheared ultramafic. Broad shear, moderate amount of Quartz vein in the area.
CH0005	628954	6839067	4.5	Quartz vein, 1m wide, strike 030 deg.
CH0006	628486	6839299	-0.5	Quartz vein
CH0007	627563	6838735	3.7	Quartz vein, 6m wide, polyphase
CH0008	634364	6892354	-0.5	white buck Quartz vein, 0.5m wide
CH0010	634289	6892100	2.2	Quartz vein, ~0.5m wide, white and buck, vuggy
CH0011	634249	6892080	-0.5	Quartz vein, white and buck, vuggy, poking through sheet wash.
CH0012	634108	6891850	-0.5	Quartz vein, white and buck, vuggy, poking through sheet wash.
CH0013	633981	6891713	30.4	Quartz vein, white and buck, vuggy, poking through sheet wash.
CH0014	634480	6892463	-0.5	Quartz vein, white and buck, vuggy, poking through sheet wash.
CH0015	634617	6892646	43.7	Quartz vein, white and buck, vuggy, poking through sheet wash.
CH0016	634885	6893281	-0.5	Quartz vein, white and buck, vuggy, poking through sheet wash.
CH0017	635917	6893255	-0.5	Quartz vein, white and buck, vuggy poking through sheet wash.
CH0018	636580	6893566	-0.5	Quartz vein, 5m wide, carbonate/sulphide boxworks, strike 050 deg.
CH0019	636648	6893617	3.5	Quartz vein, 5m wide, carbonate/sulphide boxworks, strike 050 deg.
CH0020	636872	6893777	-0.5	Quartz vein, 3m wide, buck and laminated, sheared.
CH0021	637112	6894030	-0.5	Quartz vein, 3m wide, buck and laminated, sheared.
CH0022	637230	6894185	2.4	Quartz vein, 3m wide, buck, poking through sheet wash.
CH0023	637764	6894602	2.9	Elsie Mullock. Quartz vein in sheared anorthosite, quartz-sericite-pyrite alteration.
CH0024	637271	6895186	1.8	Quartz vein, buck, poking through sheet wash.
CH0025	637278	6894985	-0.5	Quartz vein, buck, poking through sheet wash.
CH0026	638336	6893541	-0.5	Quartz vein, buck, poking through sheet wash.
CH0027	638222	6893578	2.6	Quartz vein, buck, poking through sheet wash.
CH0028	638164	6893749	-0.5	Quartz vein, buck, poking through sheet wash, machinery activity.
CH0029	638119	6893859	14.8	Quartz vein, buck, poking through sheet wash.
CH0030	637322	6893609	136	Quartz vein, buck, poking through sheet wash.
CH0031	637052	6893377	-0.5	Quartz vein, buck, strike 070 deg, poking through sheet wash.
CH0032	640964	6896765	-0.5	Quartz vein, iron stained, strike 120 deg, working.
CH0033	639200	6888515	6840	Quartz vein, 5m composite across vein, boxworks after carbonate/sulphide
CH0034	639160	6888510	14.5	Quartz vein, 5m composite across vein, boxworks after carbonate/sulphide
CH0035	639155	6888623	16.3	Quartz vein, 2m composite across Quartz vein rubble.
CH0036	639135	6888895	0.7	Quartz vein, 2m wide, laminated, boxworks after carbonate/sulphide. Fence Vein.
CH0037	638906	6888512	426	Quartz vein, 2m composite.
CH0038	638874	6888662	0.6	Quartz vein, prominent quartz blow.
CH0039	638932	6888710	5.5	Quartz vein, 3m composite, laminated, grey, strike 160 deg.
CH0040	638822	6889020	2.9	Quartz vein rubble, ~0.5m wide, in-situ.
CH0041	638734	6888891	1.2	Quartz vein stringers in gabbro.
CH0042	642121	6891192	-0.5	Quartz vein, 0.4m wide, lots of wall rock contamination.
CH0043	642012	6891196	9.1	Quartz vein, 0.4m wide, lots of wall rock contamination.
CH0044	641977	6891253	1	Quartz vein, quartz blow, isolated.
CH0045	654489	6905615	1.1	Quartz vein, 0.4m wide, 000 deg strike (N), in gabbronorite, malachite-stained. Windsor Working.
CH0046	654788	6905878	3310	Quartz vein, 0.2m wide, 165 deg strike, in gabbronorite. Windsor Working.
CH0047	638943	6891649	1410	Quartz vein, 0.3m wide, 085 deg strike, small recent extraction activity (~15 oz. peers com.) Golden Girls Vein.
CH0048	638562	6891866	226	Quartz vein, 0.3m wide, 188 deg strike, sheared. Golden Boys Vein.
WS152	654800	6905650	84	Quartz float, proximal.
WS153	654800	6905650	388	Quartz float and gabbronorite host rock.
WS157	654800	6905705	141	Quartz
WS161	654780	6905870	33250	qv, malachite staining. Working.
WS162	654761	6906110	71	silicified gabbroid (probably gabbronorite)

Sample ID	East	North	Au ppb	Description
WS163	654748	6906108	436	Quartz vein
WS164	654767	6906275	15	Quartz vein float, proximal.
WS165	654776	6906272	16	gabbro-norite
WS170	654489	6905617	7200	Quartz vein, malachite staining. Working.

Table 4 Paynesville Gold Trend Vendor Rockchip Sample Results

At the Yarrambie Prospect, a total of nine rock chip samples were collected. The samples were from predominately outcropping dunite and pyroxenites, showing variable weathering and limonite staining. Results of the sampling are presented as table 5

Sample No	East	North	Type	Description	Au ppb	Co ppm	Cr ppm	Cu ppm	Mg %	Ni ppm	Pd ppb	Pt ppb
ND-0001	629028	6799415	Local Float	Limonite after pyrite. Near dunite.	-1	99.5	613	55.9	0.06	612	-10	-5
ND-0002	629107	6799336	Local Float	Limonite after pyrite. Near dunite.	-1	85.3	2994	119.8	0.05	1046.2	-10	-5
ND-0003	629172	6799394	Float	Limonite cobbles. Possibly off dunite	-1	81.5	519	96.4	0.13	797.9	-10	-5
ND-0004	629490	6799590	Outcrop	Hematite 'fens' in dunite.	-1	142.3	3113	94	0.03	1651.9	-10	-5
ND-0005	628985	6798931	Outcrop	Limonite-hematite on dunite.	-1	85.2	1163	53.6	0.03	1399.2	-10	-5
ND-0006	629040	6798860	Outcrop	Limonite-hematite on dunite.	-1	42.1	3786	36.1	0.02	461.8	-10	-5
ND-0007	629111	6798766	Outcrop	Dense hematite on dunite.	-1	133.2	1836	60.4	0.08	1706.7	-10	-5
ND-0008	629159	6798804	Outcrop	Dense hematite on dunite.	2	217.9	2502	43.4	0.08	1481.7	-10	-5
ND-0009	628955	6798993	Local Float	Dense hematite.	-1	59.2	3291	19.9	0.04	520.4	-10	-5

Table 5 Yarrambie Prospect Vendor Rock Chip Sample Results.

6.0 Challa North Project

6.1 Project Geology

Mapping by the Geological Survey of Western Australia and others shows the Challa North Project area covers an area of isolated outcrop of Archaean bedrock, forming low rises separated by shallow valleys comprising colluvium and recent alluvial sediments.

The Challa North Project covers the northern part of the Windimurra LIC and surrounding supacrustal rocks. The regional scale Wyemando Shear separates the greenstone sequence from the basement granites and gneiss terrane to the east, and the Challa Shear strikes north westerly through the southwestern boundary of the project area. The northern part of the Windimurra LIC forms a broad basin structure. A sequence of felsic volcanics and sedimentary rocks, belonging to the Kantie-Murdana Volcanic Member of the Norrie Group, strike in a north easterly direction through the centre of the project area. This unit forms a topographic high and may represent a roof pendant sitting over the younger igneous complex. Intrusive mafic rocks of predominately of gabbro-norite composition belonging to the Middle and Upper zones of the Windimurra complex, occupy most of the project area (figure 3).

Structurally the area is dominated by the Wyemandoo and Challa Shears, with many secondary and tertiary splay faults striking roughly north - south and east - west. These are interpreted to cross cut the area.

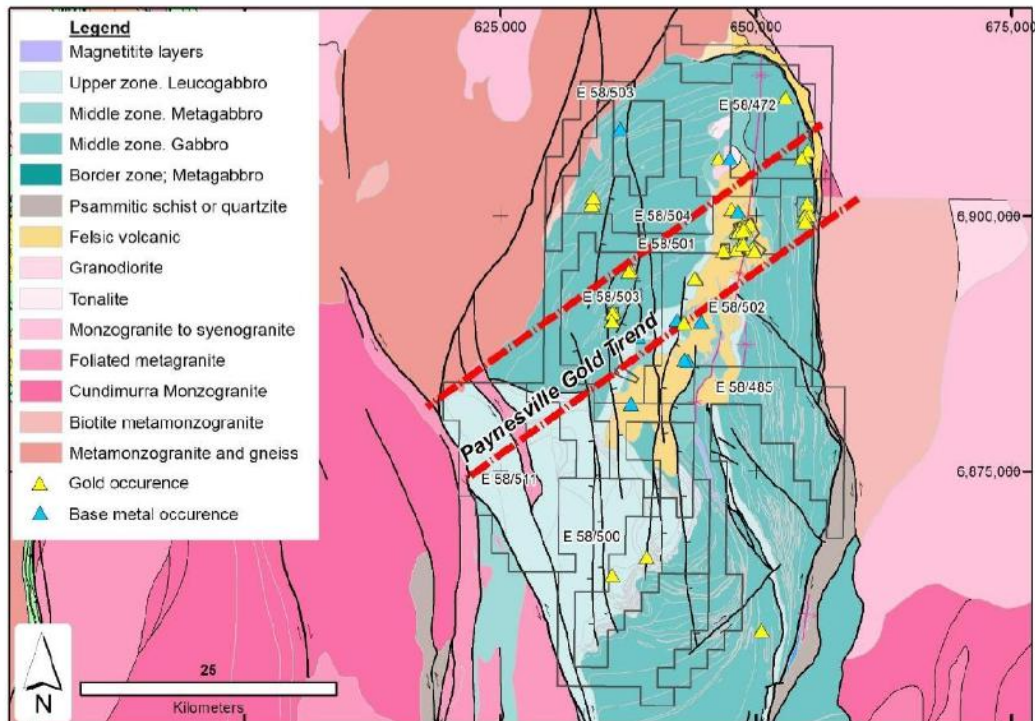


Figure 3 Challa North Project Geology

6.2 Gold Mineralisation

The recorded gold production from the Windimurra area is modest, when compared to the +1 million ounce gold camps located with adjacent greenstone belts at Mt Magnet, Meekatharra, Cue and Sandstone. It is reasonable to speculate if similar potential may exist with the Windimurra Complex, and specifically the Challa North Project area.

The presence of deep crustal structures and a network of splay structures within the Challa North Project creates a suitable plumbing system for mineralised fluids to migrate to favorable trap sites for deposition. Based on existing gold occurrences within the area, the iron rich gabbro-norite rocks are believed to be favorable host rocks for gold mineralisation. Significant stockwork-style gold mineralisation could occur within the gabbro units if suitable structural settings could be identified.

The known gold workings in the area all occur in area of outcrop easily identified by early prospectors. Larger areas of the Challa North Project area are covered by a veneer of transported cover. From the drilling completed by Apex, the cover is between 1 to 5 metres thick and effectively masks the

underlying bedrock. The majority of the earlier lag and soil sampling completed over the area is believed to be ineffective, and has generated false anomalies that returned negative results when drill tested.

6.3 Paynesville Gold Trend

The Paynesville Gold Trend is a 45-kilometre-long by 6 km wide, northeast - southwest striking structural zone cutting through the central section of the Challa North Project. The trend is bound to the east and southwest by the regional scale Wyemandoo and Challa shears respectively. The trend is defined on the basis of gravity and aeromagnetic data, historical gold mines and shallow gold diggings that occur in the area (Figure 4). The largest historical producers within the trend were the Windsor and Paynesville workings (both excised from the current tenure) which occur in the northeastern corner of the area. Records indicate gold mineralisation is primarily associated with quartz veins infilling shears within gabbro-norite, and to lesser extent felsic volcanic rocks of the Kantie-Murdana Member

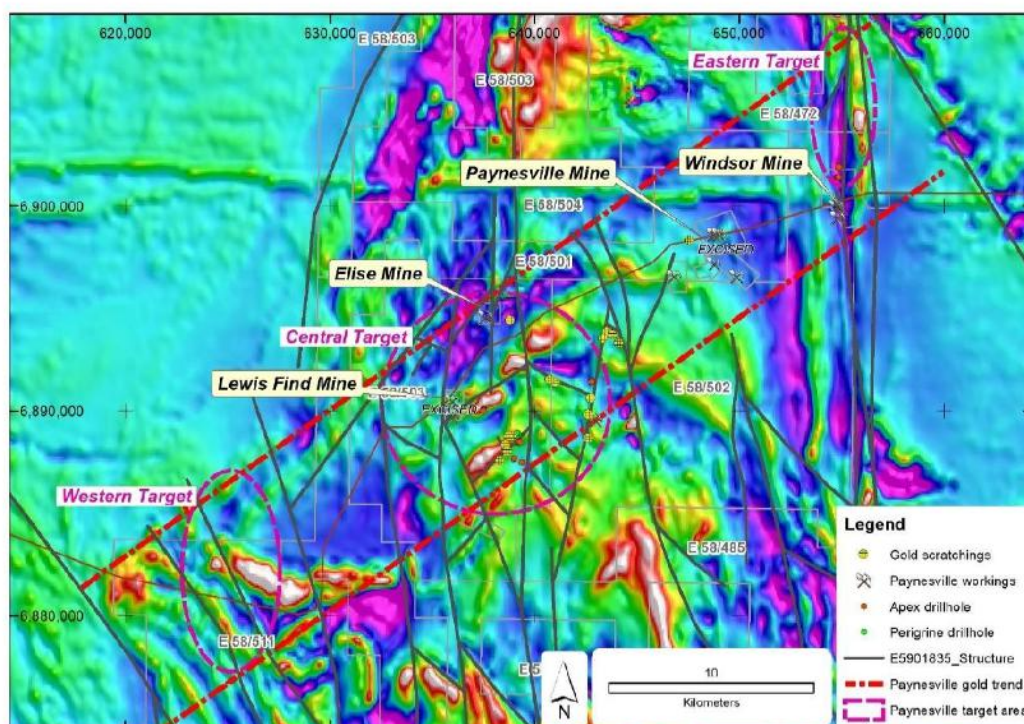


Figure 4 Paynesville Gold Trend

Based on recent interpretations, three structural gold targets have been identified along the Paynesville gold trend that the company believes warrant additional testing. These targets are conceptual in

nature, but are supported in some cases by historical workings and results of recent rock chip sampling undertaken by the vendors.

Eastern Target

The Eastern Target covers the Wyemando Shear and interpreted splay structures which separate the Windimurra LIC and basement granite rocks, and is along strike from the Windsor Gold Mine. The majority of the area is under a veneer of transported cover. Isolated outcrops of sheared gabbro, containing malachite stained quartz veining and which hosts the Pioneer mine working, occur approximately 5 km north of the Windsor Mine area. Recent rock chip sampling by the vendors around the Pioneer workings, and outcropping quartz veining along strike from the workings has returned anomalous gold values up to 33.28 g/t Au, from malachite stained quartz veining along a strike of approximately 600m

Aeromagnetic interpretation suggests several mineralised structures strike through the target. These structures are largely under cover and have not been adequately tested by modern exploration techniques. Based on the data collected to date, the company believes further testing of the shear structures is warranted. The company has proposed a program of auger or shallow RAB geochemical drilling be used to define geochemical anomalies along the structures. Any gold anomalies defined by this work will require more detailed RAB or reverse circulation drill testing.

Central Target

The Central Target covers a zone of significant structural offset within the gabbro-norite unit surrounding the Lewis Find and Elsie workings (Figure 5). There are numerous prospector pits dug on exposed auriferous quartz veins in the area. Many of the prospector working and reported nugget patches lie on, or close to interpreted aeromagnetic structures. Apex completed a regional lag sampling program over part of the area, which defined several low order +5 ppb gold anomalies. Several of the lag anomalies appear to sit over structures, however the majority of the anomalies are believed to be in transported cover. Rock chip sampling of quartz veining undertaken by the vendors has also defined auriferous trends that may be related to controlling bedrock structures.

The Central Target is a structural complex area, cut by a series of north south striking splay structures and north east and north west striking link structures. Known gold occurrences lie on, or close to these structures. The area has had little effective exploration in the past, and the company believes the area could potentially host stockwork style gold mineralisation at, or close to the intersection of the known mineralised structures. This style of target has not been previously recognised in the area. As the majority of the area is under cover it represents an attractive target for exploration. The company is proposing testing the concept with systematic auger or shallow RAB drilling across the target, to better define structure and bedrock gold anomalism. Any such anomalism would be followed up by deeper reverse circulation drilling to target bedrock mineralisation.

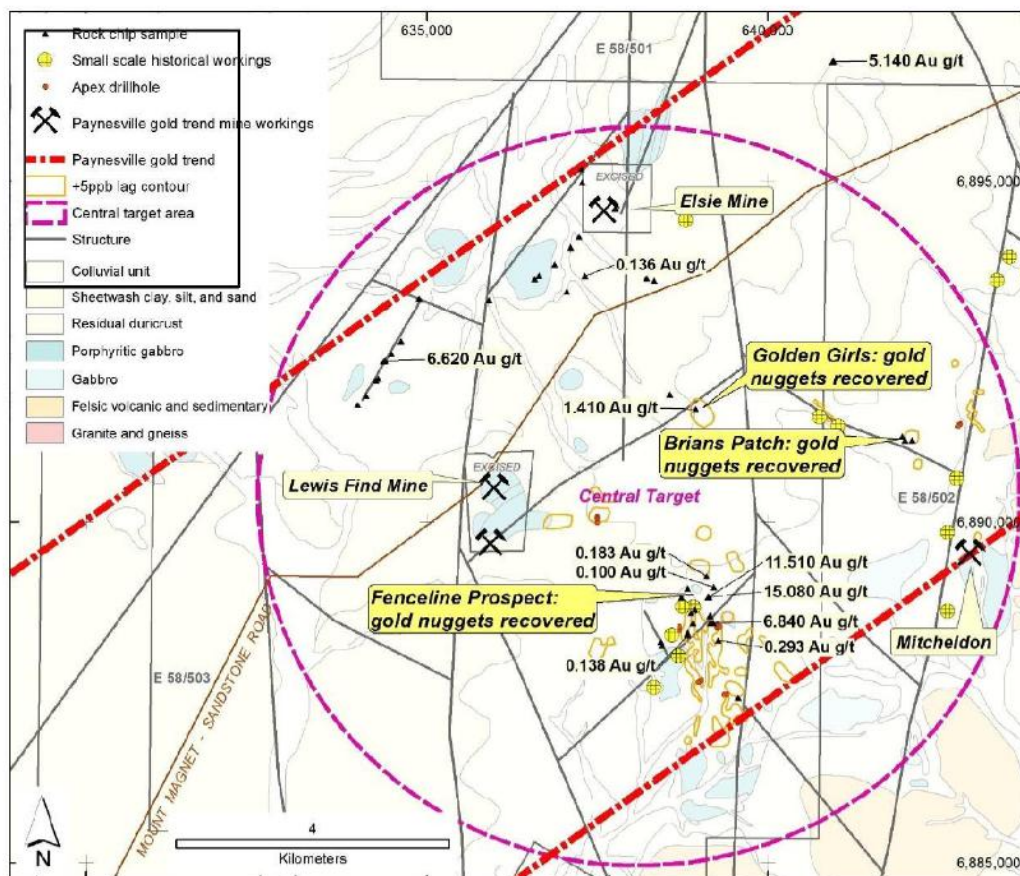


Figure 5 Paynesville Gold Trend – Central Target Area

Western Target

The Western Target is a conceptual target covering a series of splay structures of the Challa Fault. These faults are interpreted to strike northwest - southeast, and cut leucogabbro units of the Upper Zone of the Windimurra LIC. A raft of sheared metagranite is interpreted to have been emplaced by faulting, offering a competency contrast that could create favorable sites for the formation of gold mineralisation. This target is covered by a veneer of transported material, and no previous exploration for gold has occurred in the area. At this stage, the target is largely conceptual, however the company believes the target warrants testing and has proposed a program of bedrock geochemical drilling and sampling targeting the interpreted structures to define targets for follow up deeper drill testing.

6.3 Additional Prospectivity

The Windimurra Mafic Igneous complex has long been recognised as being prospective for nickel, copper and PGE - style mineralisation. Two styles of mineralisation have been proposed for the area; Bushvelt Reef PGE and Magmatic Mafic Intrusive - hosted Ni-Cu-PGE. The company's Challa North Project area occupies a central core of the complex, making the project prospective for both these styles of mineralisation. In addition, the identification of zinc and lead mineralisation during the early work by Alcoa warrant additional follow up. As part of the regional compilation of data, targets related to these styles of mineralisation will be reviewed, and if warranted further exploration using modern exploration techniques will be employed to evaluate the targets. In the company's proposed budget, funds have been allocated to complete this work.

7.0 Challa South Project

7.1 Local Geology

Geological mapping by the GSWA and explorers indicates that outcrop of Archaean bedrock is sparse in the northern and eastern parts of the project area, and becomes more extensive toward the south and south west of the area. The bedrock outcrop forms low rises and ridges with occasional intact relict laterite, and the intervening valleys and depressions are filled with colluvium and recent transported material.

The Challa South Project covers the southern part of the Narndee LIC, and surrounding supracrustal rocks. It covers a broad regional basin structure approximately 30 km wide. The oldest rocks belonging the Yaloginda Formation is interpreted to occur to the north and east. This formation consists of a rhyolite, fine to medium grained felsic volcanoclastic sedimentary rocks, with interbedded units of ferruginous shales and banded iron formation.

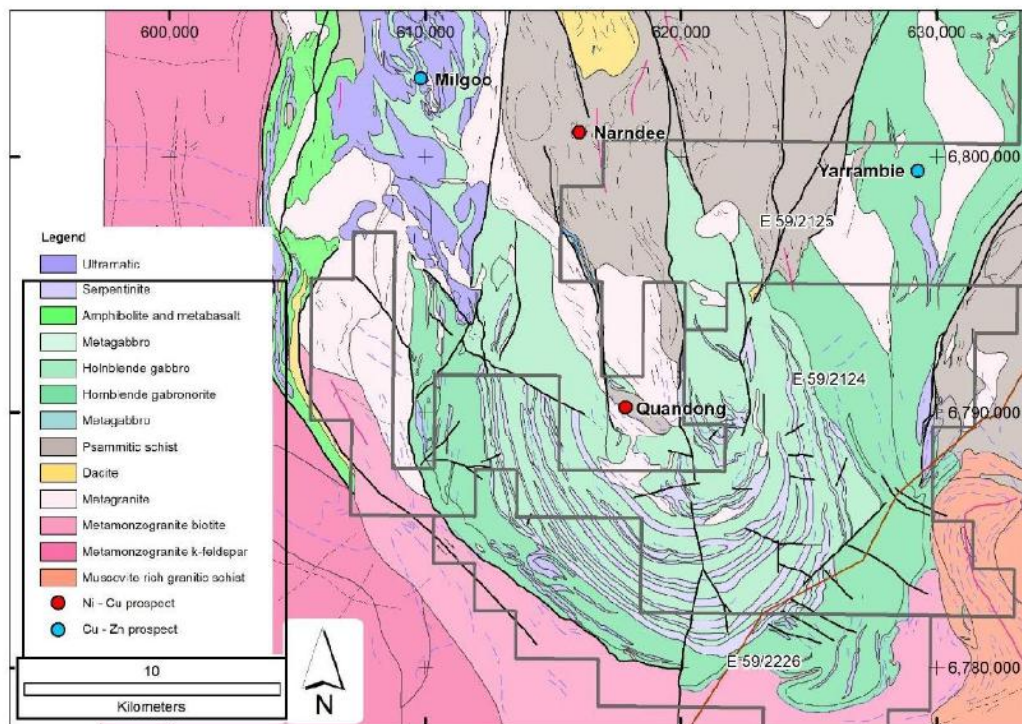


Figure 6 Challa South Interpreted Geology showing Base Metal Prospects

The contact between the Yaloginda Formation and younger Narndee LIC is not exposed, and the older rocks may form a roof pendant over the intrusive complex.

The southern part of the project area covers the Lower and Middle Zone of the Narndee LIC. The Middle zone comprises a cyclically layered pyroxenite and gabbro-norite sequence. The Lower Zone, which is a zone approximately 2 kilometres thick, and comprises cyclically layered peridotite, pyroxenite, gabbro-norite and anorthosite. The cyclical nature of these units attests to the periodic introduction of new pulses of less evolved parental magma into the more evolved resident magma within the main chamber.

The eastern side of the project area is interpreted to contain a raft of the upper Windimurra LIC that has been offset from the main body by regional scale faulting.

Granitic rocks belonging to the Mount Kenneth Group intrude the sequence.

7.2 Yarrambie Prospect

The Yarrambie Prospect is located within the lower zone of the Narndee complex. The prospect covers a shallow rise of outcropping serpentinitised dunite, pyroxenite and gabbro-norites interpreted to belong to the Middle Zone of the Narndee LIC, surrounded by colluvium and recent alluvial deposits. Aeromagnetic interpretation suggest that a number of faults dislocate the intrusive sequence. These faults appear to be deep seated structures and are believed to be long lived, and may have acted as a feeder for mineralised fluids.

The prospect was initially identified as a magnetic bullseye anomaly. Regional maglag sampling undertaken by WMC on a 500m by 200m pattern across the area identified a coincident copper, cobalt and nickel geochemical anomaly, corresponding with the magnetic bulls-eye target. Vendor rock chip sampling of outcropping ultramafic lithologies returned a number of samples with elevated copper assays, with the remaining elements at background levels for the rock types sampled.

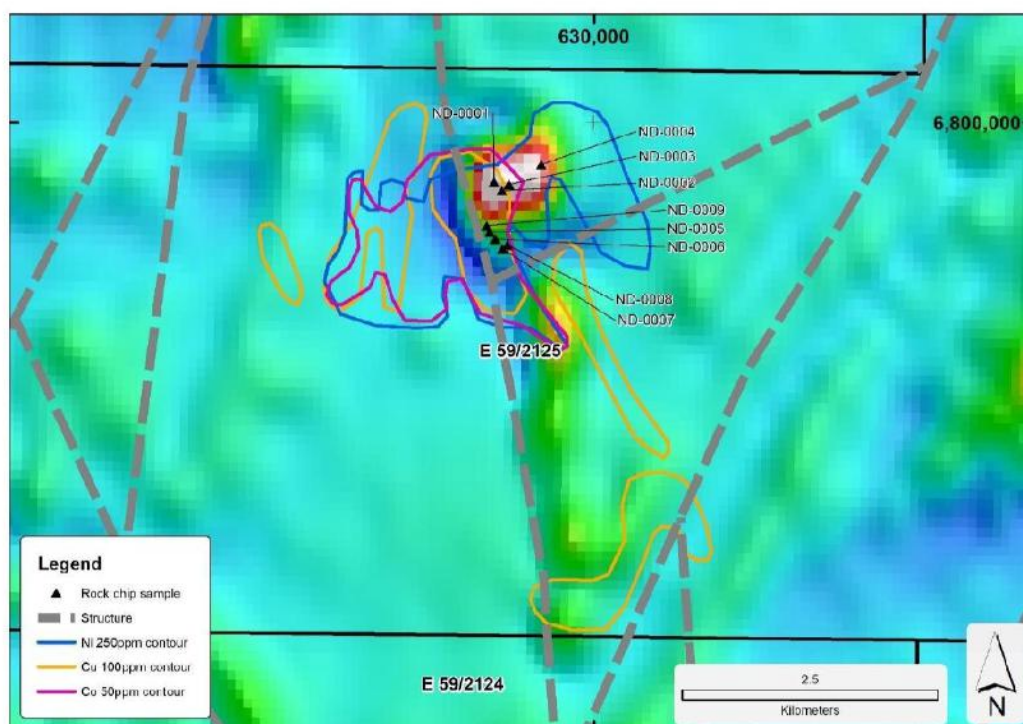


Figure 7 Yarrambie Project Aeromagnetic image and anomalous maglag metal contours and rock chip locations

Potential

The Yarrambie Project is a conceptual magmatic nickel and copper sulphide target. The deep seated structures interpreted to cut the olivine rich ultramafic rocks may represent conduit systems for disseminated nickel copper sulphide mineralisation associated with the less evolved magma.

The broad spaced lag anomalism and coincident aeromagnetic high has defined a target that the company considers requires additional testing. The Company intends to test the target by completing a ground electromagnetic geophysical survey followed by reverse circulation or diamond drilling of any conductors identified by the survey. In addition, prospective deep - seated structures are also interpreted to strike through the project area under a veneer of transported cover. The mag lag sampling previously completed over the area is not considered an effective test of this material. The company believes further testing of these structures by auger or shallow RAB geochemical drilling is warranted and may lead to additional targets for further exploration.

7.3 Additional Prospectivity

The South Challa Project area secures significant exposure to the Yaloginda Formation, which comprises a sequence of felsic volcanics, volcanic sedimentary rocks metasediments and banded iron formation. There are many copper and copper - zinc prospects within the Yaloginda Formation in the vicinity of the Challa South Project area. These indicate the formation could be prospective for volcanogenic massive sulphide mineralisation. At Quandong Well, early exploration work undertaken by BHP identified oxide copper mineralisation in shallow drilling, that was at the time suggested to be related to VMS mineralisation. More recently, Maximus Resources Limited discovered the Narndee Copper Zinc Prospect, situated in the northwestern part of the Project area. Drill results released by Maximus to the ASX include 11 metres at 0.41% Zn in hole NX12 -16, 8 metres at 0.44% Cu in hole NX 12-13 and 2 metres at 3.8% Zn in hole NX12-11 (refer to Maximus Resources December 2012 Quarterly Report). To date, no specific VMS target has been identified within the Challa South Project, however the company believes exploration for this style of mineralisation is warranted. Future work programs including mapping and geochemical sampling are planned.

8.0 Exploration Budget and Work Program

The company has prepared an anticipated exploration program and exploration budget for the first two years of exploration, which have been reviewed by this writer.

At Challa North, exploration activities will focus on defining and testing structural gold targets along the Paynesville Gold Trend. This work will involve regolith and outcrop mapping, detailed interpretation of aeromagnetic's, bedrock geochemical drilling and follow up RC and/or diamond drilling. At Challa South, the company intends to test the Yarrambie Target with high powered, fixed loop EM surveying, and test any conductors defined with RC and/or diamond drilling, followed by down hole EM surveying.

In conjunction with this work, the company intends to undertake a detailed compilation of data collected during previous Nickel, Copper and PGE, and base metal exploration programs. This work will

be completed to determine the effectiveness of the previous work and if warranted, to follow up any new targets generated.

The overall budgets provided by the company are tabulated below:

	Year 1	Year 2
Challa North		
Geology	\$224,050	\$408,800
Geophysics	\$93,500	\$10,500
Drilling	\$327,750	\$801,000
Assay	\$91,2000	\$233,250
Field Support	\$83,100	\$232,200
TOTAL	\$819,600	\$1,685,750
Challa South		
Geology	\$124,950	\$222,800
Geophysics	\$93,500	\$10,500
Drilling	\$108,250	\$386,0000
Assay	\$38,250	\$165,750
Field Support	\$27,900	\$87,000
TOTAL	\$392,850	\$872,050

Table 6 Planned Exploration Expenditure

The budget excludes payments for statutory rents and rates. The exploration budget will be subject to modifications on an ongoing basis, depending on results obtained from exploration activities as they progress. The proposed budget is sufficient to cover the minimum expenditure commitments as specified by the Department of Mines, Industry Regulation and Safety.

It is considered that the Company's proposed exploration program and budget over the two years is reasonable and consistent with its stated objectives. It is also considered that the program is warranted and justified based on the potential for the discovery of economic mineral resources within the tenement package, and results of exploration undertaken to date.

9.0 Sources of Information

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Apex Minerals NL 2002	Prospectus to list on the Australian Stock Exchange
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Perring R 2016	Challa Gold Nickel Project Investor Presentation (unpublished)
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WAMEX 6774, 1974	The Broken Hill Propriety Co Ltd, Narndee WA Field Investigations
WAMEX 11341, 1982	Alcoa Australia Limited, Exploration on Temporary Reserves 808 4H, 808 4H,855 8H, 8756H, within the Windimurra Complex Western Australia
WAMEX 11348 ,1982	Anaconda Australia Inc. 1981 Annual Report Windimurra Temporary Reserves 8240H- 8250H Mt Magnet Mining District WA
WAMEX 13058, 1984	Anaconda Australia Inc. 1983 Annual Report to 18 th December 1983 Windimurra Exploration License 58/13 and Mineral Claims 58/2490-2511 Mt Magnet Mining District WA
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WAMEX 42308, 1994	Peregrine Resources (Aust) N.L. Annual Report on Exploration license 58/126 Paynesville Western Australia 1984

WAMEX 55389, 1998	Windimurra Resources Pty Ltd Geological Report Windimurra- Narndee Project E 58/164, E58/203,204,206, E59/770-773,775, Western Australia
WAMEX 68139, 2004	Narndee Project Combined Annual Report for January 1 to December 31, 2003, E57/529, E59/908, E59/1078, E59/1081-1085, E59/1096
WAMEX 68969, 2004a	Apex Minerals NL 2004 Annual and Combined Interim Report C30/2003 for the period 1/07/2003 -30/06/2004 Windimurra Project
WAMEX 70457, 2005	WMC Resources Limited Combine Annual Report C114/2004 for the Period 1 April 2004 to 31 March 2005 Windimurra Project
WAMEX 70649 2004b	Apex Minerals NL 2004 Annual and Combined Interim Report C30/2003 Windimurra Project
WAMEX 73939 2006	Maximus Resources Limited 2006 Annual Report For the period 28/10/2005 to 27/10/2006 E58/270 Wonginong Hill
WAMEX 75332, 2007	Apex Mineral NL Surrender Report C114/2004 period ending 22 May 2007

10.0 Glossary

alteration	A change in mineral composition of a rock commonly due to hydrothermal fluids
Anorthosite	A plutonic rock comprised almost entirely of plagioclase that is usually the Ca-rich labradorite variety.
Anomaly	An area where exploration has revealed results higher than expected background level s
anticline	Applied to strata which dip in opposite directions from a common ridge or axis.
Archaean	The oldest rocks of the Precambrian era, older than about 2,500 million years.
arenite	A sedimentary rock composed of cemented or compacted detrital mineral grains.
Auger sampling	A sampling method using auger drill to penetrate the upper profile to sample up to 2 – 4 metres below the surface
basalt	A volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene.
base metal	Referring to the transition elements, including iron, copper, zinc and lead.
basement	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
BIF	A rock consisting essentially of iron oxides and cherty silica
billion years	1,000,000,000 years
Cainozoic	An era of geological time spanning the period from 65 million years ago to the present.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chromitite	Rock composed primarily of the mineral chromite, an opaque mineral of chromium pentoxide.
Clastic	Components of a sedimentary rock that were deposited by erosion and transportation of mineral and rock fragments.
Colluvium	A loose heterogenous and incoherent mass of soil material
Coeval	Formed at the same time
Conduits	The main pathways that facilitate the movement of mineralised fluids
craton	Large, and usually ancient, stable mass of the earth's crust.
cumulate	Textural term relating to layers formed by gravity settling of crystals within a magma chamber. The term can be modified to distinguish the texture and proportion of gravity-settled crystals relative to the minerals formed by crystallisation from the fluid trapped between those crystals.
deformation	A general term for the process of folding, faulting, shearing, compression or extension of rocks as a result of stress.

depletion	The lack of gold in the near surface environment due to leaching process during weathering
dilational	Open space within a rock mass commonly formed as a response to folding or faulting
dolerite	A medium grained mafic intrusive rock composed mostly of pyroxenes and sodium-calcium feldspar.
dolomite	A mineral composed of calcium and magnesium carbonate; a rock predominantly comprised of this mineral is also referred to as dolomite or dolostone.
ductile	Deformation of rocks or rock structures involving stretching or bending in response to folding or faulting
dyke	Thin, sheet-like intrusion of magmatic rock
facies	The aspect belonging to a geologic unit of sedimentation, including mineral composition, type of bedding, fossil content, etc.
fault zone	A wide zone of structural dislocation and faulting
Follow up	A term used to describe more detailed exploration work over targets generated during earlier exploration
felsic	Light colored rocks containing an abundance of feldspars and quartz.
fluvial	Pertaining to streams and rivers.
gabbro	A coarse grained intrusive rock, which is low in silica and has relatively elevated levels of iron and magnesium minerals.
gabbroonorite	Iron-rich intrusive rock comprised of pyroxene, calcic plagioclase, and iron oxides
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
greenstone	Term commonly applied to low metamorphic grade rocks of basic composition and comprised of the minerals chlorite and amphibole. Commonly applied to Archaean rock sequences dominated by these rock types.
hydrothermal	Pertaining to hot aqueous solutions having temperatures up to 400°C. The solutions transport and deposit metals and chemicals in solution.
igneous	Rocks that have solidified from magma.
intrusive	A mass of rock formed by magma cooling beneath the earth's surface.
Landsat TM	Imagery of the earth's surface collected by satellite and commonly processed to enhance particular features.
leuco (eg. leucogabbro)	Description indicating rocks with a dominance of white minerals, usually plagioclase feldspar and sometimes olivine.
Lherzolite	Ultramafic rock composed dominantly of olivine and containing greater than 5% of the mineral pyroxene.
LIC	Layered Igneous Complex is a large sill like body of igneous rock which exhibit vertical layering or differences in composition and texture.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lopolith	Saucer-shaped igneous intrusion with concave upward form.
mafic	Descriptive of rocks composed dominantly of magnesium, iron and calcium-rich rock-forming silicates.
Maglag	A geochemical sampling technique where the sample medium is near surface magnetic lag material

magnetic anomalies	Zones where the magnitude and orientation of the earth's magnetic field differs from adjacent areas.
Mesoproterozoic	Middle Proterozoic era of geological time, 1,600 to 1,000 years ago.
metamorphic	A rock that has been modified by the effects of pressure, heat and fluids within the crust.
nickel laterite mineralisation	Nickel ore hosted within the laterite profile, usually derived from the weathering of olivine-rich ultramafic rocks.
norite	A coarse-grained igneous rock of basic composition consisting essentially of plagioclase (near labradorite in composition) and orthopyroxene.
olivine	An olive-green magnesium-iron silicate (Mg, Fe) ₂ SiO ₄ , common in mafic and ultramafic igneous rocks.
peridotite	A general term for intrusive ultramafic igneous rocks dominantly consisting of olivine and lacking feldspar.
PGE	An abbreviation for the platinum group elements, referring to ruthenium, rhodium, palladium, osmium, iridium and platinum.
pyroxenite	A coarse grained igneous intrusive rock dominated by the mineral pyroxene.
REPTM	A form of Airborne electromagnetic surveying
RAB	A form of drilling where by air is blown down the inside of the drill rods and lifts sample cuttings through the outside annulus.
RC	A form of drilling where sample cutting are returned inside the drill rods, allowing for less contamination and cleaner sample
sulphur saturation	Condition at which the chemical concentration of an element(s) in a magma (fluid or melt) is sufficiently high such that crystallization of a mineral must occur.
sediment hosted	Referring to rocks, typically of mineralisation, that are hosted within sedimentary rocks but which are not necessarily of sedimentary origin.
stockwork	A network of (usually) quartz veinlets of varying orientation, produced during pervasive brittle fracture.
stratabound	Referring to rocks that may be replacement in origin, but which occur predominantly within a specific package of sedimentary beds.
stratigraphic	Sequence of layering formed in rocks by the depositional from a fluid, usually applied to sedimentary rocks but also to igneous rocks showing compositional variations within former magma chambers.
stromatolite	Marine organism that secretes calcareous material to form a dome shape and is typically found in shallow water.
thrust	A low angle (shallowly inclined) fault or shear on which the rocks on the top have moved up and over the rocks on the bottom.
troctolite	A variety of gabbro consisting essentially of labradorite feldspar and olivine with little or no pyroxene.
ultramafic	Igneous rocks consisting essentially of ferromagnesium minerals with trace quartz and feldspar.
under-saturated	Condition where the composition of an element(s) in a magma (fluid or melt) is too low to allow crystallization of a mineral.

Appendix 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Reverse circulation Drilling Reverse circulation drill samples were collected at intervals ranging from 1 metre to 4 metres composite samples
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> 34 reverse circulation drill holes. It is noted that in the drill report submitted to the Mines Department the holes are recorded as aircore but field inspection indicates the holes were reverse circulation, based on the drill collar, type of sample had hardness of the rock penetrated.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Not documented

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Drill holes were geologically logged using a standard logging code
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Air core samples: the collection of metre and composite samples is unknown
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Previous explorers used reputable laboratories for assaying. Gold was analysed by AAS and base metals by mass spectrometry, both methods are considered appropriate for the metal being analysed Previous explorers did not document any additional QA/QC procedures Metadata provided includes Laboratory reference numbers
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data 	<ul style="list-style-type: none"> Not documented

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Hand held GPS was used to record drill hole locations
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> No systematic drill spacing was employed Holes were testing individual geochemical anomalies
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Holes were orientated perpendicular to strike of geochemical anomaly or assume strike of mine workings
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not documented
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Not documented

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Information provided in body of Independent Geologists Report

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Previous explorers held title either covering parts of the current tenure or in its entirety Referenced in the body of the Independent Geologists Report
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Information provided in the body of the Independent Geologists Report
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Table 3 in the body of the Independent Geologists Report tabulates all the geographic data relating to the drilling undertaken
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Intercepts as quoted in the Independent Geologists Report are derived from information provided by Previous explorers No metal equivalents have been stated
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All drilling reported is reverse circulation, none of the drilling intersected significant mineralisation
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of 	<ul style="list-style-type: none"> Representative diagrams are in the body of

Criteria	JORC Code explanation	Commentary
	intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	the Independent Geologists Report
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Information discussed in the body of the Independent Geologists Report
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Information discussed in the body of the Independent Geologists Report
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Information discussed in the body of the Independent Geologists Report

6. SOLICITORS REPORT



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18 September 2017

Dear Sirs

SOLICITOR'S REPORT ON MINING TENEMENTS – CHALLA PROJECT

This report is prepared for inclusion in a prospectus to be issued by EZA Corporation Limited (**Company**) for the offer of:

- (a) 10,000,000 fully paid ordinary shares in the capital of the Company at an issue price of A\$0.10 each to raise A\$1,000,000; and
- (b) 1,250,000 fully paid ordinary shares in the capital of the Company and 1,250,000 unquoted options exercisable at A\$0.20 on or before 30 September 2020 in respect of fully paid ordinary shares in the capital of the Company in consideration for purchase of the mining tenements and application set out in Schedule 1, comprising the Challa Project (together, the **Assets**).

PART A – INTRODUCTION

Purpose of this report

- 1 The directors of the Company have requested that we provide a report in relation to:
 - 1.1 the interests held by Challa Resources Pty Ltd (**Challa Resources**), a wholly owned subsidiary of the Company, in the Assets, being:
 - 1.1.1 ten exploration licences granted under the *Mining Act 1978* (WA) – E58/472, E58/500, E58/501, E58/502, E58/503, E58/504, E58/511, E59/2124, E59/2125 and E59/2226; and
 - 1.1.2 one application for an exploration licence under the *Mining Act 1978* (WA) – E58/485.
 - 1.2 any matters relevant to the exercise of interests in the Assets, including:
 - 1.2.1 any material agreements relating to the Assets;

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- 1.2.2 any unusual or onerous conditions applicable to the Assets;
- 1.2.3 any concurrent interests in the land the subject of the Assets, including:
 - (a) other mining tenements;
 - (b) pastoral leases; and
 - (c) native title; and
- 1.2.4 any material statutory approvals.

Scope of this report

- 2 In preparing this report, we have relied upon:
 - 2.1 the searches of the public databases identified in Schedule 2 (**Searches**), the results of which are included in Schedule 1; and
 - 2.2 copies of the Material Agreements, being:
 - 2.2.1 the Tenement Sale Agreement made 1 July 2017 between the Company, Challa Resources and Corporate & Resources Consultants Pty Ltd (**CRC**), T.E. Johnston & Associates Pty Ltd (**TEJ**), Pegmatite Holdings Pty Ltd (**Pegmatite**), Bruce Robert Legendre (**Legendre**) and Robert John Perring (**Perring**) (together, the **Vendors**), as varied by the deed of variation made 14 August 2017;
 - 2.2.2 the First Land Access Agreement made 17 August 2017 between Atlantic Vanadium Pty Ltd (**Atlantic**) (a subsidiary of Midwest Vanadium Pty Ltd (**MVPL**)), CRC, Legendre and Perring; and
 - 2.2.3 the Second Land Access Agreement made 8 September 2017 between Atlantic Vanadium Pty Ltd, CRC, Legendre and TEJ.
- 3 We have made inquiries of the Vendors as to other material documents or information. Those inquiries have not identified, and we are not aware of, any other material documents or information.
- 4 Schedule 1 is an essential part of this report and must be read in conjunction with this report.
- 5 This report must be read subject to the assumptions and qualifications in Schedule 3.

PART B – MATERIAL AGREEMENTS

Tenement Sale Agreement

- 6 The Tenement Sale Agreement (as varied) provides that the Company will purchase the Assets from the Vendors, to be held by Challa Resources, for the following consideration:
 - 6.1 cash payments totalling \$175,000;
 - 6.2 1,250,000 fully paid ordinary shares in the capital of the Company;

- 6.3 1,250,000 unquoted options exercisable at A\$0.20 on or before 30 September 2020 in respect of fully paid ordinary shares in the capital of the Company ; and
- 6.4 a 0.4% net smelter royalty in respect of all minerals produced from the land the subject of the Assets.
- 7 Settlement of the purchase remains conditional upon satisfaction or waiver of the following conditions precedent:
 - 7.1 the Company's shareholders passing resolutions necessary to facilitate the purchase of the Assets and the reinstatement of the Company's shares to the official list of the ASX;
 - 7.2 the Company receiving conditional approval from the ASX for the reinstatement of the Company's shares to the official list; and
 - 7.3 to the extent required, the Company, receiving the prior written consent of the Minister responsible for the administration of the *Mining Act 1978* (WA) for the transfer of any legal or beneficial interest in the Assets.
- 8 In the event that the conditions precedent have not been satisfied or waived by 28 February 2018, or another date agreed by the parties, then the Company or the Vendors may terminate the Tenement Sale Agreement. The Vendors are entitled to retain the cash payments made by the Company prior to termination.
- 9 The Vendors must keep the Assets in good standing and must not sell, dispose, surrender or relinquish their interests in the Assets pending settlement.
- 10 Beneficial ownership of the Assets passes to Challa Resources upon settlement, except where beneficial ownership may not pass without the consent of the Minister referred to at 7.3 above, in which case Challa Resources is granted a contractual licence to enter upon the land the subject of the Assets unless and until such consent is obtained or no longer required.
- 11 The Company is obliged to procure that Challa Resources keeps the Assets in good standing at all times pending reinstatement of the Company's shares to the official list of the ASX or transfer to the Vendors in the manner set out in 12 below.
- 12 In the event that the Company's shares are not reinstated to the official list of the ASX on or before 28 February 2018, Challa Resource must transfer the Assets to the Vendors for \$1.00. The Vendors are entitled to retain the cash payments made by the Company prior to termination.
- 13 The Vendors are entitled to lodge a caveat against the Assets in respect of their net smelter royalty.

First Land Access Agreement

- 14 E58/500 is laterally traversed by the Mid West Gas Pipeline (**Pipeline**), the Pipeline is operated by APA Group, which runs between the Dampier to Bunbury Natural Gas Pipeline to the Windimurra Vanadium Project (currently on care and maintenance) owned by MVPL.
- 15 The First Land Access Agreement was entered into by Atlantic, CRC, Legendre and Perring for the purposes of procuring consent to the grant of E58/500.

- 16 In consideration for consent to the grant of E58/500, CRC, Legendre and Perring agreed that they would not, without the prior written consent of Atlantic:
- 16.1 conduct mining at a depth shallower than 50 metres below the natural surface of the land, install any surface infrastructure, leave any vehicles or equipment or interfere with any drainage patterns within 25 metres of the Pipeline;
 - 16.2 conduct excavation approaching 25 metres of the Pipeline except at a distance equal to three times the depth of the excavation; and
 - 16.3 use explosives within 150 metres of the Pipeline.

- 17 Pursuant to the First Land Access Agreement, this consent cannot be unreasonably withheld.

Second Land Access Agreement

- 18 E58/485 is also laterally traversed by the Pipeline.
- 19 The Second Land Access Agreement was entered into by Atlantic, CRC, Legendre and TEJ for the purposes of procuring consent to the grant of E58/485.
- 20 In consideration for consent to the grant of E58/485, CRC, Legendre and TEJ agreed to terms, in relation to the Pipeline, reflecting those set out in 16 and 17 above.

Other agreements

- 21 Our inquiries of the Vendors have not identified any agreements relating to the Assets other than the Tenement Sale Agreement, the First Land Access Agreement and the Second Land Access Agreement.

PART C – ASSETS

Ownership

- 22 As recorded in Schedule 1:
- 22.1 CRC, Legendre and TEJ are the registered holders of E58/472, E59/2124, E59/2125 and applicants for E58/485 (holding or having applied for 60/100, 30/100 and 10/100 shares respectively);
 - 22.2 CRC, Legendre and Perring are the registered holders of E58/500, E58/501, E58/504 and E59/2226 (holding 56/100, 24/100 and 20/100 shares respectively);
 - 22.3 Pegmatite, a wholly-owned subsidiary of CRC, is the registered holder of E58/502, E58/503, and E58/511.
- 23 Subject to certain statutory approvals, the registered holder of an exploration licence under the *Mining Act 1978* (WA) is authorised:
- 23.1 to enter the land the subject of the licence;
 - 23.2 to explore that land;
 - 23.3 to remove mineral bearing substances from that land to a prescribed limit; and

- 23.4 to take and divert water from that land.
- 24 Exploration licences are granted for an initial term of five years. The term may be extended, where the Minister is satisfied that any one of several prescribed grounds for extension exist, by:
 - 24.1 one period of five years; and
 - 24.2 a further period or periods of two years.
- 25 The prescribed grounds for extension include:
 - 25.1 difficulties or delays occasioned by law, arising from governmental or other authority administrative, political and environmental requirements, the conduct of an Aboriginal heritage survey on the land or in obtaining requisite consents or approvals or in gaining access to the land;
 - 25.2 that the land the subject of the licence has been unworkable for the whole or a considerable part of any year of the term; and
 - 25.3 that the work carried out under the exploration licence justifies further exploration.
- 26 The holder of an exploration licence has the right to apply for, and have granted, one or more mining leases or general purposes leases in respect of the land the subject of the licence. The right to grant of a mining lease is subject to the *Mining Act 1978* (WA), which gives the Minister a residual discretion to refuse a mining lease application, including on public interest grounds.
- 27 Where the holder of an exploration licence applies for a mining lease or general purpose lease over that land, the exploration licence continues in force until the application for a lease has been determined.
- 28 The holder of an exploration licence is obliged:
 - 28.1 to pay an annual rent;
 - 28.2 unless exempt, to expend a minimum amount annually in connection with exploration on the exploration licence in excess of the prescribed annual expenditure commitment; and
 - 28.3 to surrender 40% of the number of blocks subject to the exploration licence within six years after the date of grant.
- 29 Failure to comply with these obligations may result in forfeiture of the exploration licence or the imposition of a penalty.
- 30 Details of the annual rent for the Assets is set out in Schedule 1. The Searches indicate that the rental payments for each of the Assets are up to date.
- 31 Details of the minimum annual expenditure requirements for the Assets, and reporting against those requirements, is set out in Schedule 1.
- 32 As at the date of this report, the due date for the Vendors to report on their expenditure in relation to the Assets, other than E58/472, has not yet passed. As set out in Schedule 1, the

Vendors reported expenditure in excess of the minimum in respect of the first year of E58/472.

- 33 As E58/500, E58/511, E59/2124, E59/2125 and E59/2226 are in their first year following grant, the written consent of the Minister will be required prior to the transfer of any legal or equitable interest in those licences. The written consent of the Minister (or his delegate) is recorded in the Tenement Sale Agreement as a condition precedent.
- 34 In general terms, consent will be forthcoming where the Minister (or his delegate) is satisfied that:
 - 34.1 the transaction has been concluded at arm's length and otherwise on reasonable terms; and
 - 34.2 the transferee has sufficient financial and technical capacity to meet the obligations under the exploration licences.
- 35 We have no reason to believe consent will not be forthcoming.

Unusual or onerous conditions

- 36 Exploration licences are subject to various other conditions, including standard conditions for the protection of the environment and certain third party interests in land.
- 37 Each of the Assets is subject to a set of standard conditions. We do not consider any of the conditions to be unusual or unduly onerous.
- 38 E58/500 and E58/511, being laterally transversed by the Pipeline, are subject to conditions which provide that the holder is prohibited, without prior written consent of the Director of Petroleum, from:
 - 38.1 mining at a depth shallower than 50 metres below the natural surface of the land, installing any surface infrastructure, leaving any vehicles or equipment or interfering with any drainage patterns within 25 metres of the Pipeline;
 - 38.2 excavating approaching 25 metres of the Pipeline except at a distance equal to three times the depth of the excavation; and
 - 38.3 using explosives within 150 metres of the Pipeline.
- 39 As noted at 18 above, the application for E58/485 is similarly transversed by the Pipeline. Equivalent conditions will be placed on the exploration licence granted pursuant to that application, following grant.
- 40 On the basis of the Searches, we are not aware of any non-compliance with the conditions of the exploration licences.

PART D – CONCURRENT INTERESTS

Mining tenements

- 41 Mining tenements under the *Mining Act 1978* (WA) are exclusive only for the purposes for which they are granted and, where granted in respect of Crown land (as is the case for the Assets), are capable of co-existing with:

- 41.1 miscellaneous licences granted under the *Mining Act 1978* (WA); and
- 41.2 pastoral leases, native title, Crown reserves and public infrastructure.

Miscellaneous licences

- 42 Under the *Mining Act 1978* (WA), where two mining tenements coexist, the subsequent tenement is deemed to be granted subject to a reservation of the rights of the prior tenement.
- 43 In practice, in the absence of agreement to the contrary, this means that activities under the prior tenement are entitled to priority in the event of any conflict or interference.
- 44 As recorded in Schedule 1, some of the Assets include land the subject of other mining tenements, specifically:
 - 44.1 the application for E58/485 includes land the subject of L58/27, L58/28, L58/30, L58/32 and L58/35 held by MVPL in connection with the Pipeline; and
 - 44.2 E58/500 includes land the subject of L58/30 and L58/35 held by MVPL, also in connection with the Pipeline.
- 45 As referred to at 15 above, the First Land Access Agreement was entered into for the purposes of:
 - 45.1 procuring consent to the grant of E58/500; and
 - 45.2 ensuring compliance with the conditions of E58/500.
- 46 As referred to at 19 above, the Second Land Access Agreement was entered into for the purposes of procuring consent to the grant of E58/485.

Pastoral leases

- 47 Under the *Mining Act 1978* (WA), the rights of a tenement holder generally have priority over the rights of a pastoral lessee. A pastoral lessee has an entitlement to:
 - 47.1 withhold consent to the conduct of activities within 400 meters of the outer edge of any water works, race, dam, well or bore not being an excavation previously made and used for mining purposes by a person other than the pastoral lessee; and
 - 47.2 compensation for damage to improvements or loss of earnings from interference with pastoral activities.
- 48 The provision of consent (if required) and payment of compensation (if applicable) is often dealt with by an agreement which also provides for the consent of the pastoral lessee to the grant of the mining tenement.

- 49 As recorded in Schedule 1, the Assets variously coexist with the following pastoral leases:
- 49.1 Boodanoo pastoral lease held by Julie Anne Leaver;
 - 49.2 Challa pastoral lease held by Ashley William Dowden;
 - 49.3 Meeline pastoral lease held jointly by Adrian James Morrissey, Karen Diane Morrissey and Acve Holdings Pty Ltd;
 - 49.4 Narndee pastoral lease held by Julie Anne Leaver;
 - 49.5 Pindabunna pastoral lease held by Rangeland Red Pty Ltd;
 - 49.6 Windimurra pastoral lease held by Ashley William Dowden;
 - 49.7 Windsor pastoral lease held by Pierre Charles Folezzani;
 - 49.8 Wondinong pastoral lease held by Robert Jason Homewood;
 - 49.9 Wydgee pastoral lease held by Wydgee Pastoral & Grazing Co Pty Ltd; and
 - 49.10 Wynyangoo pastoral lease held by R & G Joseph Pty Ltd.
- 50 Our inquiries of the Vendors have not identified any agreements with the pastoral lessees. This is not unusual.
- 51 If compensation is not ultimately determined by agreement it will be determined by the Warden's Court.

Native title and Aboriginal heritage

- 52 The common law of Australia recognises the proprietary rights and interests of Aboriginal and Torres Strait Islander people arising under traditional laws and customs in relation to their traditional lands and waters.
- 53 These rights and interests will be recognised where the persons claiming to hold those rights and interests can establish that they have maintained a continuous connection with the land in accordance with traditional laws and customs since non-Indigenous settlement and those rights and interests have not been lawfully extinguished by the grant of rights and interests to other persons.
- 54 The *Native Title Act 1993* (Cth) codifies much of this common law and establishes a framework pursuant to which:
- 54.1 persons claiming to hold native title in land and waters, excluding freehold land certain other specified categories of land, can have their claims determined by the Federal Court;
 - 54.2 persons whose claim demonstrates a *prima facie* case to hold native title are entitled to certain procedural rights in respect of the grant of future rights and interests, including mining tenements, to other persons over that land and waters; and
 - 54.3 persons found to hold native title are entitled to compensation in respect of the effect on that native title of the grant to other persons over that land and waters of

any rights and interests after the commencement of the *Racial Discrimination Act 1975* (Cth), including any future rights and interests.

- 55 In relation to the grant of mining tenements, the relevant procedural rights include:
 - 55.1 in respect of the proposed grant of exploration licences, a right to object to the application of the expedited procedure under the *Native Title Act 1993* (Cth) which, unless an objection is upheld, has the effect of permitting the grant of mining tenements without requiring negotiation in the same manner as for mining leases and to have that objection heard and determined by the National Native Title Tribunal;
 - 55.2 in respect of the proposed grant of miscellaneous licences for specified infrastructure, a right to object in relation to the impact on native title of the activities proposed to be conducted under that licence, to be consulted in relation to that impact and to have that objection heard and determined by an independent person (in practice, the Chief Magistrate of Western Australia); and
 - 55.3 in respect of the proposed grant of mining leases, an obligation to negotiate in good faith with the tenement application and the State of Western Australia with a view to reaching agreement in relation to the grant of that mining lease, failing which any party to those negotiations may, no earlier than six months after notification of proposed grant, apply to the National Native Title Tribunal for a determination as to whether or not the leases should be granted in the absence of agreement.
- 56 Under the *Native Title Act 1993* (Cth) and the *Mining Act 1978* (WA), liability for payment of compensation in respect of the grant of a mining tenement falls upon the tenement holder at the time the compensation is determined except:
 - 56.1 if the amount is to be paid and held in trust, in which case the liability falls upon the tenement holder at the time payment is required; and
 - 56.2 in the event that, at the relevant time, the tenement has been surrendered, forfeited or expired, in which case the liability falls upon the tenement holder immediately prior to that surrender, forfeiture or expiry (as applicable).
- 57 In addition to rights and interests recognised by the *Native Title Act 1993* (Cth), the *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) protect places and objects of significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs.
- 58 The *Aboriginal Heritage Act 1972* (WA) provides that it is an offence for a person to damage or in any way alter an Aboriginal site protected by that Act, except with the consent of the Minister for Aboriginal Affairs.
- 59 The Registrar of Aboriginal Sites maintains a non-exhaustive register of Aboriginal sites protected by the *Aboriginal Heritage Act 1972* (WA), as well as a record of other heritage places which may have cultural significance to Aboriginal people but either have not yet been assessed for the purposes of the Act or do not satisfy the criteria specified under the Act.
- 60 The practical effect of both the *Aboriginal Heritage Act 1972* (WA) and the *Aboriginal and Torres Strait Islander Act 1984* (WA) is to require the conduct of due diligence to be carried out prior to ground-disturbing works for the purposes of identifying whether or not those works may impact on an Aboriginal site. Due diligence will require, at a minimum, a search

of the register of Aboriginal sites and, in most cases where the area has not been subject to previous disturbance, conduct of an Aboriginal heritage survey.

- 61 The consent of the Minister must be obtained prior to the conduct of ground-disturbing works that cannot be conducted without disturbing an Aboriginal site.
- 62 As recorded in Schedule 1, native title has been determined not to exist in the land the subject of the Assets.
- 63 As recorded in Schedule 1, searches of the register maintained by the Department of Aboriginal Affairs under the *Aboriginal Heritage Act 1972* (WA) indicate that:
 - 63.1 there are Aboriginal sites registered under the *Aboriginal Heritage Act 1972* (WA) located within the boundaries of:
 - 63.1.1 E58/500, E58/501, E58/502, E58/511 and E59/2226; and
 - 63.1.2 application for E58/485, and
 - 63.2 there are other heritage places registered under the *Aboriginal Heritage Act 1972* (WA) located within the boundaries of:
 - 63.2.1 E58/500, E58/501, E58/503, E58/511 and E59/2125; and
 - 63.2.2 application for E58/485.
- 64 In certain circumstances, Challa Resources will need to seek to engage with Aboriginal persons with appropriate traditional knowledge of the land the subject of Assets, including but not limited to those on which there are registered Aboriginal sites and other heritage places, in order to ensure that any proposed ground-disturbing exploration activities will not interfere with any Aboriginal sites. Our inquiries of the Vendors have not identified any existing Aboriginal heritage agreements.
- 65 Challa Resources will need to seek the consent of the Minister prior to the conduct of any ground-disturbing exploration activities on the surface of those tenements and application where effects on Aboriginal sites cannot be avoided.

PART E – MATERIAL STATUTORY APPROVALS

- 66 The Searches have not identified any historical or existing statutory approvals relating to the Assets.
- 67 Various statutory approvals will be required prior to the conduct of ground-disturbing activities on the land the subject of the Assets.



Please contact the undersigned if you have any queries in relation to this report.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Rhys Davies'.

RHYS DAVIES
Partner
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SCHEDULE 1: ASSETS

Key details			Term		Financial & Dealings				Concurrent Interests				Native title & Aboriginal heritage			
Tenement/ Application	Holder/ Applicant	Shares	Area (hectares)	Grant date	Expiry date	Annual Rent ex- GST	Form 5 Due	Minimum expenditure	Mining Rehabilitation Fund	Encumbrances/ dealings	Mining tenements	Pastoral leases	Native Title claim determination	Native title notification date	Native title completion date	Aboriginal sites/Other heritage places
E58/472	CRC	60						\$34,000.00								
	Legandre	30	34	8-Sep-15	7-Sep-20	\$4,403.00	6-Nov-17	(\$37,964.00 reported for year ending 8-Sep-16)	-	-	-	Woodlunge (N050685), Challa (N049669) and Windarra (N049466)	Native title does not exist (Badimia native title determination)	25-May-15	10-Aug-15	No Registered Aboriginal Sites No Other Heritage Places
	TEJ	10														
Application E58/485	CRC	60														
	Legandre	30	70	7-Apr-15	-	\$8,547.00	-	-	-	-	L58/27, L58/28, L58/30 and L58/32 and L58/35	Challa (N049669), Windarra (N049896) and Windarra (N049466)	Native title does not exist (Badimia native title determination)	25-May-15	10-Aug-15	1 Registered Aboriginal Site: Windarra (15745) 2 Other Heritage Places: Little Lake (17060) and Challa Salt Lake System (20470)
	TEJ	10														
E58/500	CRC	56														
	Legandre	24	69	31-Aug-17	30-Aug-17	\$8,767.50	31-Oct-18	\$69,000.00	-		L58/30 and L58/35	Challa (N049669), Windarra (N049896) and Windarra (N049896)	Native title does not exist (Badimia native title determination)	25-May-15	10-Aug-15	2 Registered Aboriginal Sites: Windarra (15747) and Challa Claypan (15939) 1 Other Heritage Place: Challa Salt Lake System (20470)
	Perring	20														
E58/501	CRC	56														
	Legandre	24	45	30-Aug-16	29-Aug-21	\$5,636.25	28-Oct-17	\$45,000.00	-		-	Woodlunge (N050685), Wyayungoo (N049617), Challa (N049669), Windarra (N049896) and Windarra (N049896)	Native title does not exist (Badimia native title determination)	25-May-15	10-Aug-15	3 Registered Aboriginal Sites: Challa Claypan (15939), Mt Magnet - Sandstone 9 (16697) and Mt Magnet - Sandstone 8 (16698) 1 Other Heritage Place: Challa Salt Lake System (20470)
	Perring	20														
E58/502	Pegannite	100	70	1-Sep-16	31-Aug-21	\$8,767.50	30-Oct-17	\$70,000.00	-	-	-	Windarra (N049466) Windarra (N049896) and Windarra (N049896)	Native title does not exist (Badimia native title determination)	25-May-15	10-Aug-15	1 Registered Aboriginal Site: Kani Mudum (1742) No Other Heritage Places
E58/503	Pegannite	100	69	1-Sep-16	31-Aug-21	\$8,642.25	30-Oct-17	\$69,000.00	-	-	-	Woodlunge (N050685), Wyayungoo (N049617), Challa (N049669) and Windarra (N049896)	Native title does not exist (Badimia native title determination)	25-May-15	10-Aug-15	No Registered Aboriginal Sites 1 Other Heritage Place: Karraguma (5179)

Key details				Term		Financial & Dealings					Concurrent Interests				Native title & Aboriginal heritage		
Tenement/ Application	Holder/ Applicant	Shares	Area (hectares)	Grant date	Expiry date	Annual Rent ex- GST	Form 5 Due	Minimum expenditure	Mining Rehabilitation Fund	Encumbrances/ dealings	Mining tenements	Pastoral leases	Native Title claim determination	Native title notification date	Native title completion date	Aboriginal sites/Other heritage places	
E58/504	CRC	56															
	Legnaire	24	31	30-Aug-16	29-Aug-21	\$3,882.72	28-Oct-17	\$31,000.00	-	-	-	Woodroffe (N050685) and Challa (N049699)	Native title does not exist (Badamina native title determination)	25-May-15	10-Aug-15	No Registered Aboriginal Sites No Other Heritage Places	
	Perring	20															
E58/511																	
	Pegmatite	100	55	23-Sep-16	22-Sep-21	\$7,122.50	21-Nov-17	\$55,000.00	-	-	-	Challa (N049699) and Merlane (N050515)	Native title does not exist (Badamina native title determination)	25-May-15	10-Aug-15	4 Registered Aboriginal Sites: Challa Claypan (15939), Mt Magnet Sandstone 7 (16699), Mt Magnet Sandstone 4 (16702) and Mt Magnet Sandstone 3 (16703) 3 Other Heritage Places: Percy's Circle (15772), Boogahindoo Survey Site 2 (17082) and Challa Salt Lake System (20470)	
E59/2124	CRC	60															
	Legnaire	30	70	6-Oct-16	5-Oct-21	\$8,547.00	4-Dec-17	\$70,000.00	-	-	-	Wydgee (N049920) and Nuradee (N049739)	Native title does not exist (Badamina native title determination)	25-May-15	10-Aug-15	No Registered Aboriginal Sites No Other Heritage Places	
	TEJ	10															
E59/2125	CRC	60															
	Legnaire	30	70	17-Mar-17	16-Mar-22	\$8,547.00	15-May-18	\$70,000.00	-	-	-	Wydgee (N049920), Nuradee (N049739) and Boodmoos (N049904)	Native title does not exist (Badamina native title determination)	25-May-15	10-Aug-15	No Registered Aboriginal Sites 1 Other Heritage Place: Challa Salt Lake System (20470)	
	TEJ	10															
E59/2226	CRC	56															
	Legnaire	24	31	27-Jul-17	26-Jul-22	\$4,014.50	19-Sep-18	\$31,000.00	-	-	-	Wydgee (N049920), Nuradee (N049739) and Pindabum (N050244)	Native title does not exist (Badamina native title determination)	25-May-15	10-Aug-15	1 Registered Aboriginal Site: Pindabum Wydgee Bud cache (5346) No Other Heritage Places	
	Perring	20															

SCHEDULE 2: PUBLIC SEARCHES

	Search	Date(s)
1.	Mining tenement searches obtained from the register maintained by the Department of Mines and Petroleum	30 August 2017
2.	Quick Appraisal searches obtained from the TENGRAPH system maintained by the Department of Mines and Petroleum	30 August 2017
3.	Searches of the Register of Native Title Claims and National Native Title Register maintained by the National Native Title Tribunal	30 August 2017
4.	Search of the Native Title Vision system maintained by the National Native Title Tribunal	30 August 2017
5.	Searches of the Aboriginal Heritage Inquiry System maintained by the Department of Aboriginal Affairs	10 July 2017

SCHEDULE 3: ASSUMPTIONS AND QUALIFICATIONS

Assumptions

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

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

Qualifications

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

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

7. RISK FACTORS

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

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

7.1 Specific Risks

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

Acquisition Conditions

Completion of the Acquisition of the Challa Projects is subject to the Acquisition Conditions, including:

- (i) Shareholders approving at the Annual General Meeting, the following:
 - (A) the change to the nature and scale of the activities of the Company; and
 - (B) the issue of the Capital Raising Shares and the Consideration Securities; and
- (ii) the Minister providing written consent to the Company to transfer any tenement comprising the Challa Projects which is in its first year of grant.

If any of the Acquisition Conditions are not satisfied (or waived), the Acquisition will not proceed and the Company will not proceed with the Public Offer and will refund all Application Monies (without interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Vendor Offer or the Acquisition. Refer to Section 9.1 for further details on the Acquisition Conditions.

Acquisition Resolutions and Requisitioned Resolutions

As detailed in Section 2.4, at the Company's Annual General Meeting Shareholders will be asked to consider the Acquisition Resolutions and the Requisitioned Resolutions.

The Acquisition Resolutions are interdependent, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Annual General Meeting. If any of the Acquisition Resolutions are not approved at the Annual General Meeting, none of the Acquisition Resolutions will take effect and the Acquisition, and other matters contemplated by the Acquisition Resolutions, will not be completed. If one or more of the Acquisition Resolutions are not passed at the Annual General Meeting by the requisite majority of Shareholders, and the Requisitioned Resolutions are passed by the requisite majority of Shareholders, the Company will not proceed with the Public Offer and will refund all Application Monies (without interest) in accordance with the Corporations Act. If the Company does not proceed with the Public Offer, it will not proceed with the Vendor Offer or the Acquisition.

ASX Reconciliation

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

(b) Single Asset Risk

The Company's sole asset, following Shareholders approving a change in nature and scale of activities and completion of the Acquisition, will be its interest in the Challa Projects. Although the Company will continue to identify and investigate new acquisition opportunities that may provide commodity and or jurisdictional diversification benefits to the Company, it is currently anticipated that the Company's main focus upon completion of the Acquisition will be the Challa Projects. The Company's focus on a single asset increases the Company's exposure to risks inherent in mineral exploration.

(c) Commercial risks of mineral exploration and extraction

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

(d) New projects and acquisitions

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

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

(e) Future capital requirements

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

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

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's

failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(f) Title risk

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

(g) Exploitation, exploration and mining licences

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

(h) Conditions on Tenements

Exploration Licences E58/800 and E58/511 are laterally transversed by the Mid West Gas Pipeline (**Pipeline**), which runs between the Dampier to Bunbury Natural Gas Pipeline to the Windimurra Vanadium Project (currently on care and maintenance) owned by Midwest Vanadium Pty Ltd. Exploration Licences E58/500 and E58/511 are subject to conditions which provide that the holder of the Exploration Licences is prohibited, without prior written consent of the Director of Petroleum, from:

- (i) mining at a depth shallower than 50 metres below the natural surface of the land, installing any surface infrastructure, leaving any vehicles or equipment or interfering with any drainage patterns within 25 metres of the Pipeline;
- (ii) conducting excavation approaching 25 metres of the Pipeline except at a distance equal to three times the depth of the excavation; and
- (iii) using explosives within 150 metres of the Pipeline.

Tenement Application E58/485 is similarly transversed by the Pipeline. Equivalent conditions will be placed on the exploration licence granted pursuant to that application, following grant.

There is a risk that, should the Company be of the view that mineralisation occurs and the Company be required to undertake the activities described in (i) to (iii) above to further assess such mineralisation, should the consent of the Director of Petroleum not be forthcoming, the Company may be unable to assess, and potentially extract such minerals.

(i) Commodity price volatility

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

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

(j) Environmental risk

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

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

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

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

(k) Change in regulations

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Company.

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

(l) Dilution risk

Future equity offerings by the Company may dilute the percentage ownership of the Company by existing Shareholders. In certain circumstances, securities issued by the Company in the future may have rights, preferences or privileges attached

to them that are senior, to or otherwise adversely affect, those attached to the Shares.

(m) Equipment risk

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

(n) Contractual disputes

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(o) Third Party Risk

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

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

(p) Litigation

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

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

7.2 Industry Specific Risks

(a) Nature of Mineral Exploration and Mining

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

(b) Operational Risks

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and

operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

7.3 General Risks

(a) Securities investments

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

(b) Economic risk

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

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

(c) Dilution

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted.

(d) Share market

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

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

- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

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

(e) Unforeseen expenses

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

(f) Macro-economic risks

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

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

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

(g) Broader general risks

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

- (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and
- (ii) higher than budgeted costs associated with the provision of service offerings.

(h) Accounting standards

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

7.4 Investment highly Speculative

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

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

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

8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Directors and Directors' Profiles

There will be no change to the current Board as a result of the Acquisition. The names and details of the Directors are as follows:

- (a) Mr Mark Jones – Non-Executive Chairman

Mr Jones has been the Non-Executive Chairman of the Company since the Company floated on the Australian Securities Exchange in October 2011. He was instrumental in the listing of the company and subsequent capital raisings. Mr Jones is a Non-Executive Director (Private Clients) of Patersons Securities Limited and brings 23 years' of capital markets experience to the Board.

- (b) Mr Douglas Rose – Managing Director

Mr Rose was appointed to the Board in March 2013 as a Non-Executive Director. He has been the Managing Director of the Company since 1 July 2013, and oversaw the restructure and sale of the ATM Business. Prior to his appointment as Managing Director, Mr Rose was a Private Client Adviser with Patersons Securities Limited. He holds a Bachelor of Commerce degree from Curtin University and has over 11 years' experience in the financial services industry.

- (c) Mr Andrew Quin – Non-Executive Director

Mr Quin is an economist with extensive experience in both the Australian and US stock markets. He has a unique international perspective and macro view on markets, global economics and investment strategy. He holds a Master of Science in Mineral Economics from Curtin University (MSc. Min. Econ.).

- (d) Mr Terence Brown – Non-Executive Director

Mr Brown is a geologist with over 30 years' experience in mining and exploration of precious, base and industrial minerals. He has been involved in exploration, project development and operational roles within Australia and Africa for a number of mining companies including Resolute Mining Limited and Integra Mining Limited. Mr Brown has a Bachelor of Science (Mining Geology) from Western Australian School of Mines and a Post-Graduate Diploma in Natural Resources from Curtin University.

8.2 Key Management

With effect from Completion, the Directors will be the persons having the authority and responsibility for planning, directing and controlling the major activities of the Company.

8.3 Interests of Directors

No Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,
- and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:
- (d) any Director to induce him to become, or to qualify as, a Director; or

- (e) any Director for services which he (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offers,

except as disclosed in this Prospectus.

8.4 Director Holdings

As at the date of this Prospectus, the interests of the Directors and their associated entities in Securities are as follows:

Director	Shares	Options
Mark Jones	5,860,000 ¹	Nil
Douglas Rose	4,000,000 ²	Nil
Andrew Quin	Nil	Nil
Terence Brown	Nil	Nil

Notes:

- 50,000 Shares are held by Worldpower Pty Ltd an entity controlled by Mr Mark Jones, 5,500,000 Shares are held by Dog Meat Pty Ltd an entity controlled by Mr Mark Jones, 300,000 Shares are held by Worldpower Pty Ltd <Superfund A/C> an entity controlled by Mr Mark Jones and 10,000 Shares are held directly by Mark Jones.
- 3,105,331 Shares are held by Parabolica Capital Pty Ltd <Tabac A/C> an entity controlled by Mr Douglas Rose, 314,669 Shares are held by Parabolica Capital Pty Ltd <Degner Superfund A/C> an entity controlled by Mr Douglas Rose and 580,000 Shares are held directly by Mr Douglas Rose.

8.5 Remuneration of Directors

The remuneration (including superannuation) of the Directors for the past two financial years and for this financial year is as follows:

	Financial Year ending 30 June 2017 to date	Financial Year ending 30 June 2017	Financial Year ending 30 June 2016
Mark Jones	\$18,250	\$109,500	\$164,250
Douglas Rose	\$18,250	\$109,500	\$164,250
Andrew Quin ¹	\$4,562	\$27,375	\$14,570
Terence Brown ²	\$2,777	N/A	N/A
TOTAL	\$43,839	\$246,375	\$343,070

Notes:

- Mr Quin was appointed on 19 January 2016.
- Mr Brown was appointed on 14 August 2017.

8.6 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management, and monitoring the achievement of these goals.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The table in Section 8.7 provides a summary and explanation of the Company's departure from the Recommendations. The Company will also provide an explanation of any departures from the Recommendations in its future annual reports.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below. All of the Company's corporate governance policies are available on the Company's website at www.ezacorp.com.au.

(a) Board charter

The Board has adopted a board charter which prescribed certain principles for the operation and structure of the Board, including its specific responsibilities and composition, the role of the Chairman, the role, composition and creation of Board committees, Board meetings and the role of the Company Secretary. The charter also establishes certain principles and procedures in accordance with which the Board is required to act including allowance and limitations to access by Directors to company information and professional advice and the Board disclosure policy, and allocates the functions of the Company between the Board and management of the Company, including outlining the relationship between the Board, Directors and management.

(b) Code of conduct

The Board has adopted a code of conduct which sets basic principles of ethical business conduct and duties of care to which the directors, officers and employees of the Company must adhere. The code of conduct also establishes principles regarding conflicts, public and media comment and proper use of company resources, security and information, including intellectual property or copyright materials. Occupational health and safety policies, the requirement to comply with legislation and prohibitions on insider trading are also outlined in the code of conduct. The code of conduct acknowledges the Company's responsibilities to stakeholders and a commitment to fair trading practices. Reference is made in the code of conduct to breaches of the code of conduct and the process for reporting matters of concern.

(c) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value and serve the interests of the shareholders honestly;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities;
- (iii) ensure compliance with the Company's legal and regulatory objectives; and
- (iv) recognise its duties and responsibilities to its employees, customers and the community.

Consistent with these goals, the Board assumes the following specific responsibilities:

- (i) appointment, and where necessary, the replacement, of the Chief Executive Officer/Managing Director/Executive Director and other senior executives and the determination of their terms and conditions including remuneration and termination;

- (ii) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (v) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (vi) approving the annual, half yearly and quarterly accounts;
- (vii) approving significant changes to the organisational structure;
- (viii) approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with the Listing Rules if applicable);
- (ix) procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively;
- (x) approving the Company's remuneration framework;
- (xi) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (xii) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the Listing Rules if applicable); and
- (xiii) meeting with the external auditor, at their request, without management being present.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board's discussions on a fully-informed basis. All Directors have unrestricted access to information except where the Board restricts access in the Company's interest, and may consult management and employees, as well as seek independent advice where necessary.

It is the role of management to support the Board in day to day operations and administration.

(d) **Composition of the Board**

Election of Directors is substantially the province of the Shareholders in a general meeting.

However, subject thereto, the Company is committed to the following principles:

- (i) the Board is to comprise of persons with a blend of skills, experience and attributes appropriate for the Company and its business;
- (ii) the principal criterion for the appointment of a new director is his or her ability to add value to the Board, the Company and its business;
- (iii) where practical, the majority of the Board is comprised of Non-Executive Directors, and where practical the majority will be independent in accordance with the definition set out in the Recommendations. Directors must disclose their interests, positions, associations or relationships and should have their independence reassessed regularly by the Board. The independence of each Director will be disclosed by the Board, and any change to this independence must be disclosed to the Board, and subsequently by the Board to the market; and
- (iv) Board members (except for the Managing Director) cannot serve more than 3 years without being re-elected by the Shareholders and the Board

must disclose the length of service of each Director, their qualifications and experience.

Prior to proposing re-election of Non-Executive Directors, their performance will be evaluated by the Nomination Committee. The role of the Nomination Committee is currently performed by the Board, rather than a separate committee. The Nomination Committee is also responsible for conducting annual performance reviews.

(e) Board Meetings

Two Directors are required for a quorum. Formal Board meetings will be scheduled at least quarterly. Minutes of meetings shall be prepared by the Company Secretary and approved by the Chairman before being circulated after each meeting. Specific details regarding Board meetings are in the Company's Constitution.

(f) Board Committees

The Board committees are discussed in detail at (d), (m) and (p) of this Section 8.6. Committees will be established by the Board, have their own Board-approved terms of reference, and report to the Board. Where the Board feels a separate committee does not benefit the Company, the Board assumes the role of that committee.

(g) The Chairman

The Chairman, where practical, shall be an independent Non-Executive Director, and where practical the CEO/Managing Director should not be the Chairman. The Chairman must discharge the role effectively, ensure responsible leadership by the Board, set the Board's agenda, conduct Board and Shareholder meetings, and facilitate effective Director contributions and promote good relations between Board members and management.

(h) Company Secretary

The Company Secretary is accountable directly to the Board, and her role is to facilitate information flow, induction of directors, implementation of Board policies and procedures and advise the Board on corporate governance, the Constitution, Listing Rules and other matters and laws. The Company Secretary is appointed and removed by the Board.

(i) Identification and management of risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(j) Continuous disclosure policy

The Board has adopted a continuous disclosure policy to ensure the Company complies with its disclosure obligations.

Under the policy, the Board has primary responsibility for ensuring the Company complies with its continuous disclosure obligations.

(k) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(l) Independent professional advice

Subject to prior consultation with the Chairman, the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(m) Remuneration Committee

Due to the size of the Board following Completion, it will not be possible for the Company to maintain a discrete Remuneration Committee. Accordingly, the responsibilities ordinarily ascribed to a Remuneration Committee will be subsumed by the Board.

The Board will decide the remuneration of an Executive Director without the affected Executive Director participating in the decision making process. Meetings will take place at least once per year, and can occur more frequently if the circumstances require.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Director's remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval (i.e. non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Director's time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(n) Trading policy

The Board has adopted a security trading policy that provides guidelines on the sale and purchase of Securities by Directors, officers, and other key management personnel and employees of the Company and their associates. The security trading policy prohibits trading during certain designated periods, subject to certain exemptions. The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(o) Risk management policy

The Board is responsible for determining the Company's risk profile and overseeing and approving risk management strategy.

(p) Audit & Risk Committee

Due to the size of the Board following Completion, it will not be possible for the Company to maintain a discrete Audit & Risk Committee. Accordingly, the responsibilities ordinarily ascribed to an Audit & Risk Committee will be subsumed by the Board.

The responsibilities include, but are not limited to, monitoring and reviewing the quality and integrity of financial reporting and disclosure practices, internal auditing, the Company's compliance with applicable laws and company policies, the performance and independence of external auditors, the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function.

(q) Diversity policy

The Company is committed to a diverse and inclusive workforce across a wide range of workforce demographics that extends beyond gender. The Board considers that due to the size of the Company, formally documenting the policy concerning gender diversity and the setting of measurable diversity objectives is not appropriate.

The Company provides equal employment opportunities to men and women at all times. Measurable objectives will be considered by the Board when the Company becomes of a size that warrants such objectives. Once established, the Board will review progress against any objectives identified on an annual basis.

(r) Shareholder communications

The Board aims to ensure that Shareholders are informed of developments affecting the Company, both internally and externally. The Company will inform shareholders of new developments through:

- (i) the ASX website, where shareholders can access the annual report, half yearly and quarterly reports, notices and explanatory memoranda of the annual general and general meetings and all other disclosures and announcements made to the ASX by the Company;
- (ii) the Company's website, where links will be made to ASX documents, Director profiles, corporate governance policies and press releases;
- (iii) the annual general meeting;
- (iv) opt-in email notifications; and
- (v) making their own Shareholder inquiries.

8.7 Departures from the Recommendations

The Company's departure from the Recommendations as at the date of this Prospectus is detailed in the table below.

Principles and Recommendations	Explanation for Departure
Recommendation 2.1 The board of a listed entity should have a nomination committee.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes the process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors. Where appropriate, independent consultants will be engaged to identify possible new candidates for the Board.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	<p>The Board does not have a majority of directors who are independent, primarily due to their substantial shareholdings in the Company and/or their executive capacity with the Company.</p> <p>All Directors bring to the Board the requisite skills which are complementary to those of the other Directors and enable them to adequately discharge their responsibilities and bring independent judgments to bear on their decisions.</p> <p>The following measures are in place to ensure the decision making process of the Board is subject to independent judgments:</p> <ul style="list-style-type: none">▪ a standard item on each Board Meeting agenda requires directors to focus on and declare any conflicts of interest in addition to those already

Principles and Recommendations	Explanation for Departure
	<p>declared;</p> <ul style="list-style-type: none"> ▪ directors are permitted to seek the advice of independent experts at the Company's expense, subject to the approval of the Chairman; ▪ all directors must act at all times in the interest of the Company; and ▪ directors meet as required independently of executive management.
<p>Recommendation 4.1</p> <p>The board of a listed entity should have an audit committee of at least three members that are non-executive directors.</p>	<p>The Board has not established a separate Audit Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee.</p> <p>Accordingly, the Board performs the role of Audit Committee and performs the following responsibilities:</p> <ul style="list-style-type: none"> ▪ reviewing and approving statutory financial reports and all other financial information distributed externally; ▪ monitoring the effective operation of the risk management and compliance framework; ▪ reviewing the effectiveness of the Company's internal control environment including compliance with applicable laws and regulations; ▪ the nomination of the external auditors and the review of the adequacy of the existing external audit arrangements; and ▪ considering whether non audit services provided by the external auditor are consistent with maintaining the external auditor's independence.
<p>Recommendation 7.1</p> <p>The board of a listed entity should have a risk committee.</p>	<p>The Board has not established a separate Risk Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board performs the role of Audit and Risk Committee.</p> <p>The Board is responsible for effective oversight and management of risks, including but not limited to identification of principal risks and effective management of those risks. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.</p> <p>The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit and Risk Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.</p>

Principles and Recommendations	Explanation for Departure
<p>Recommendation 8.1</p> <p>The board of a listed entity should have a remuneration committee.</p>	<p>The Board has not established a separate Remuneration Committee. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee.</p> <p>The full Board approves all management remuneration including the allocation of options (if any) and involves itself in the nomination, selection and retirement of Directors. No Director may be involved in setting their own remuneration or terms and conditions and in such a case relevant Directors are required to be absent from the full Board discussion.</p> <p>The Board seeks to ensure that collectively its membership represents an appropriate balance between Directors with experience and knowledge of the Company and Directors with an external or fresh perspective. It shall review the range of expertise of its members on a regular basis and seeks to ensure that it has operational and technical expertise relevant to the operation of the Company.</p>

9. MATERIAL CONTRACTS

9.1 Tenement Sale Agreement

On 1 July 2017, the Company entered into the Tenement Sale Agreement with T.E. Johnston & Associates Pty Ltd, Pegmatite Holdings Pty Ltd, Mr Bruce Legendre, Mr Robert Perring and Corporate & Resource Consultants Pty Ltd (together, the **Vendors**), pursuant to which the Company, through its wholly owned subsidiary, Challa Resources Pty Ltd, will acquire exploration licenses E58/472, E58/500, E58/501, E58/502, E58/503, E58/504, E58/511, E59/2124, E59/2125 and E59/2126, and exploration licence application E58/485 (together, the **Tenements**) (**Acquisition**) in consideration for (as varied by the Deed of Variation):

- (a) \$25,000 cash upon signing of the Tenement Sale Agreement, which has already been paid and is non-refundable;
- (b) \$50,000 cash upon the Company being satisfied with its due diligence investigations, which has already been paid and is non-refundable; and
- (c) upon the Company's listed Securities being reinstated to Official Quotation, the Company will:
 - (i) pay the Vendors \$100,000 cash;
 - (ii) grant the Vendors a 0.4% net smelter return royalty on future production in respect of the Challa Projects (**NSR Royalty**); and
 - (iii) issue the Vendors (as amended by the Deed of Variation) (refer to Section 9.2):
 - (A) 1,250,000 Shares; and
 - (B) 1,250,000 Vendor Options,(together, the **Consideration Securities**) in the following proportions:

Vendor	Cash	Shares	Vendor Options
Corporate & Resource Consultants Pty Ltd	\$155,000	893,750	700,000
T.E. Johnston & Associates Pty Ltd	-	-	-
Pegmatite Holdings Pty Ltd	-	-	-
Mr Bruce Robert Legendre	-	262,500	300,000
Mr Robert John Perring	\$20,000	93,750	250,000
Total	\$175,000	1,250,000	1,250,000

Completion under the Tenement Sale Agreement (as varied by the Deed of Variation) is subject to, and conditional on:

- (a) Shareholders passing all necessary resolutions to give effect to the Acquisition, including:
 - (i) approval of the change to the nature and scale of the activities of the Company for the purposes of Listing Rule 11.1.2; and

- (ii) approval of the issue of the Capital Raising Shares, and the Consideration Securities to the Vendors for the purposes of Listing Rule 7.1; and
- (b) the Minister providing written consent to the Company to transfer any tenement comprising the Challa Projects which is in its first year of grant at the time of Completion.

(together, the **Acquisition Conditions**).

If the Company's listed Securities are not reinstated to official quotation on ASX by 28 February 2018 (or such other date as agreed between the Company and the Vendors):

- (a) the Vendors will retain all monies paid by the Company to date;
- (b) if transfer of the Challa Projects to the Company has already occurred, the Company shall return the Challa Projects to the Vendors for \$1.00; and
- (c) the Tenement Sale Agreement will terminate.

NSR Royalty

Under the terms of the Tenement Sale Agreement, the Company has agreed to grant the Vendors a royalty equal to 0.4% of the Net Smelter Return.

"Net Smelter Return" means, for each Quarter, Gross Revenue and Adjustments (whether plus or minus) minus Allowable Deductions for that Quarter, whereby:

- (a) "Quarter" means a period of three consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year, commencing on the date on which the Company commences commercial extraction and recovery of minerals from the land the subject of the Tenements (**Royalty Area**) (the **Product**);
- (b) "Gross Revenue" includes the gross proceeds received by the Company or applied to its benefit, or the value of refined Product held by the Company for more than 20 business days;
- (c) "Adjustments" means any adjustment made by the Company which:
 - (i) arise from a subsequent adjustment to the amount paid to the Company based on actual Products recovered after refining;
 - (ii) to correct any accounting records; or
 - (iii) otherwise made in accordance with the Tenement Sale Agreement or agreed by the Company and the Vendors;
- (d) "Allowable Deductions" means all costs paid or incurred by the Company in relation to the sale of the Product or other initial processing, within or adjacent to the Royalty Area, including:
 - (i) the costs of smelting and refining the minerals;
 - (ii) all freight, security and incidental costs incurred between the outer boundary of the Royalty Area and the point of delivery of the Product to a refinery;
 - (iii) all handling and other incidental costs;
 - (iv) actual sale costs, including marketing and agency and brokerage costs;
 - (v) administrative costs and other overheads; and

- (vi) Allowable Deductions that exceed Gross Revenue in a Quarter which are carried forward and deducted from Gross Revenue in subsequent Quarters.

Voluntary Escrow Arrangements

The Vendors acknowledge that the Consideration Securities are likely to be subject to the escrow regime imposed by ASX.

Pursuant to the terms of the Tenement Sale Agreement, the Vendors have agreed to enter into Voluntary Escrow Deeds or Restriction Agreements (as applicable) in respect of the Consideration Securities for the longer of:

- (a) 18 months from Completion; or
- (b) the period required by ASX.

Under either the Voluntary Escrow Deeds or the Restriction Agreements, the Vendors will be prevented from transferring effective ownership or control of the securities subject to the Voluntary Escrow Deeds or the Restriction Agreements. There are no restrictions on the voting of the Consideration Securities subject to escrow.

The purpose of these Voluntary Escrow Arrangements is to align the interests of the Vendors (and their respective nominees) with all other Shareholders and to promote an orderly market for the securities following Completion and the reinstatement of the Company's listed Securities to Official Quotation.

9.2 Deed of Variation

On 14 August 2017, the Company and the Vendors executed a deed of variation (**Deed of Variation**) pursuant to which the Consideration Securities to be issued to the Vendors was amended as follows:

- (a) from 1,000,000 Shares to 1,250,000 Shares; and
- (b) from 1,000,000 Vendor Options to 1,250,000 Vendor Options.

9.3 Access Agreements

A number of the Vendors have entered into two access agreements with the registered holders of miscellaneous licences which overlap the Tenements (**Access Agreements**) as follows:

- (a) on 17 August 2017, a number of the Vendors entered into an Access Agreement with Atlantic Vanadium Pty Ltd, the holder of L58/30 and L58/35, which overlap land the subject of E58/500 held by a number of the Vendors; and
- (b) on 8 September 2017, a number of the Vendors entered into an Access Agreement with Atlantic Vanadium Pty Ltd, the holder of L58/27, L58/28, L58/30, L58/32 and L58/35, which overlaps land the subject of E58/485 held by a number of the Vendors.

Both E58/500 and E58/485 are laterally traversed by the Mid West Gas Pipeline (**Pipeline**).

Each Access Agreement includes the following key terms prohibiting:

- (a) mining at a depth shallower than 50 metres below the natural surface of the land, the installation of any surface infrastructure, the leaving of any vehicles or equipment or interference with any drainage patterns within 25 metres of the Pipeline;
- (b) conducting excavation approaching 25 metres of the Pipeline except at a distance equal to three times the depth of the excavation; and
- (c) the use explosives within 150 metres of the Pipeline.

The Vendors intend to assign these Access Agreements to the Company in due course.

9.4 Lead Manager Mandate

On 29 August 2017, the Company and Patersons Securities Limited (**Patersons**) entered into the Lead Manager Mandate, pursuant to which Patersons will assist the Company through provision of capital raising and corporate advisory services, and acting as lead manager to the Public Offer.

The fees for the completion of the services detailed above will include the following:

- (a) upon Completion, a corporate advisory fee of \$20,000 (excluding GST); and
- (b) a capital raising fee of 6% (excluding GST) of the gross amount raised through the Public Offer.

In addition, Patersons will be entitled to be reimbursed for reasonable out of pocket expenses incurred. The Lead Manager Mandate contains warranties, representations and indemnities that are customary for such an agreement.

Mr Mark Jones, a Director, is a Non-Executive Director (Private Clients) at Patersons. Mr Mark Jones will not receive a fee or other financial benefit arising from the Offers in connection with his position at Patersons.

10. ADDITIONAL INFORMATION

10.1 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with the Corporations Act.

(b) Voting rights

At a meeting of Shareholders, subject to any rights or restrictions attaching to any class of Shares, every Shareholder present in person or by proxy, representative or attorney, has one vote on a show of hands and one vote for each Share on a poll.

(c) Dividend rights

The profits of the Company may be distributed by way of dividends, in a manner determined by the Directors. The Directors may fix the amount, the time for and the method of payment of dividends. No interest is payable in respect of unpaid dividends.

(d) Winding-up

Subject to any Applicable Law, if the Company is wound up, the liquidator may, with the approval of a special resolution of the Company, divide among Shareholders in kind all or any of the Company's assets (subject to the rights of any classes of Shareholders) and vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator sees fit.

(e) Shareholder liability

As the Shares to be issued under the Offers contained in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Subject to the Constitution and any restrictions attached to a Shareholder's Shares, a Shareholder may transfer Shares by a written transfer instrument in any usual or common form or any other form approved by the Directors.

The Company must not refuse or fail to register or give effect to, or delay or in any way interfere with, a Proper ASTC Transfer of Shares or other securities.

The Company may participate in any computerised or electronic system for market settlement, securities transfer and registration conducted in accordance with the Corporations Act and the Listing Rules or corresponding laws or securities exchange rules in any other country. If so, Shares may be transferred and transfers may be registered in any manner required or permitted by the Listing Rules or the CS Facility Rules (or corresponding laws or securities exchange rules in any other country) applying in relation to the system.

(g) Variation of rights

Subject to the Applicable Law, rights attaching to a class of Shares may only be varied or cancelled with the consent in writing of 75% of the Shareholders of the

issued Shares of the class or with the approval of a special resolution passed at a separate meeting of the holders of Shares of that class.

10.2 Terms of the Vendor Options

The key terms of the Vendor Options are as follows:

(a) Entitlement

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

(b) Expiry Date and Exercise Price

Each Vendor Option is exercisable at \$0.20 (**Exercise Price**) and will expire on 30 September 2020 (**Expiry Date**).

(c) Exercise Period

Subject to clause (h), each Vendor Option is exercisable at any time after the date of grant of the Vendor Option and before the Expiry Date (**Exercise Period**). After this time, the unexercised Vendor Options will automatically lapse.

(d) Notice of Exercise and Payment

The Vendor Options may be exercised by notice in writing to the Company (**Exercise Notice**) together with payment of the Exercise Price for each Vendor Option being exercised. Any Exercise Notice for a Vendor Option received by the Company will be deemed to be a notice of the exercise of that Vendor Option as at the date of receipt. Cheques paid in connection with the exercise of Vendor Options must be in Australian currency, made payable to the Company and crossed "Not Negotiable".

(e) Shares issued on exercise

Shares issued on exercise of Vendor Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

(f) Quotation of Shares

Provided that the Company is quoted on ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Vendor Options.

(g) Timing of issue of Shares

Subject to clause (h), within five business days after the later of the following:

- (i) receipt of an Exercise Notice given in accordance with these terms and conditions, and payment of the Exercise Price for each Vendor Option being exercised, by the Company, if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (ii) the date the Company ceases to be in possession of excluded information with respect to the Company (if any) following the receipt of the Notice of Exercise and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of Vendor Options;

- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent that it is legally able to do so); and
- (v) apply for official quotation on the ASX of the Shares issued pursuant to the exercise of Vendor Options.

(h) Shareholder and regulatory approvals

Notwithstanding any other provision of these terms and conditions, exercise of Vendor Options into Shares will be subject to the Company obtaining all required Shareholder and regulatory approvals (if any) for the purpose of issuing the Shares to the holder. If exercise of the Vendor Options will result in any person being in contravention of section 606(1) of the Corporations Act then the exercise of each Vendor Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606(1) of the Corporations Act. Holders of Vendor Options must give notification to the Company in writing if they consider that the exercise of Vendor Options may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will be entitled to assume that the exercise of Vendor Options will not result in any person being in contravention of section 606(1) of the Corporations Act.

(i) Participation in new issues

There are no participation rights or entitlements inherent in the Vendor Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of Vendor Options. However, the Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Vendor Options the opportunity to exercise their Vendor Options prior to the announced record date for determining entitlements to participate in any such issue.

(j) 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):

- (i) the number of Shares which must be issued on the exercise of a Vendor Option will be increased by the number of Shares which the holder would have received if the holder had exercised a Vendor Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(l) Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the holders may be varied to comply with the Listing Rules which apply to the reorganisation at the time of the reorganisation.

(m) Quotation

The Company will not apply for quotation of the Vendor Options on ASX.

(n) Transferability

The Vendor Options are not transferable.

10.3 Interests of Promoters, Analysts and Advisers

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) holds, or has held in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (a) Advanced Share Registry Limited is the Company's share registry, and will be paid for these services on standard industry terms and conditions. The Company and the Lead Manager are responsible for the management of all Applications and the reconciliation of funds received under the Public Offer;
- (b) Patersons has acted as the Lead Manager to the Public Offer. In respect of this work the Company will pay Patersons approximately \$80,000. Mr Mark Jones, a Director, is a Non-Executive Director (Private Clients) at Patersons. Mr Mark Jones will not receive a fee or other financial benefit arising from the Offers in connection with his position at Patersons (refer to Section 9.4 for further details);
- (c) HLB Mann Judd has acted as the investigating accountant and has prepared the Investigating Accountant's Report which has been included in Section 4. The Company will pay HLB Mann Judd approximately \$9,500 for these services. During the two years preceding lodgement of this Prospectus with ASIC, HLB Mann Judd has received fees from the Company totalling \$57,809 (relating to audit and tax advisory services - refer below);
- (d) HLB Mann Judd (Audit and Assurance) has acted as auditor to the Company. As detailed above, during the two years preceding lodgement of this Prospectus with ASIC, HLB Mann Judd has received fees from the Company totalling \$57,809;
- (e) James Guy & Associates Pty Ltd has acted as the independent technical expert to the Company and has prepared the Geologist's Report which has been included in Section 5. The Company will pay James Guy & Associates approximately \$15,500 for these services; and
- (f) DLA Piper Australia has acted as the Australian lawyers to the Offers. In respect of this work the Company will pay DLA Piper Australia approximately \$90,000. Subsequently, fees will be charged in accordance with normal charge out rates. During the two years preceding lodgement of this Prospectus with ASIC, DLA Piper Australia has received approximately \$43,715 in fees from the Company, which includes fees for services provided in relation to the Mercantile Offer.

The amounts disclosed above are exclusive of GST.

10.4 Related Party Transactions

Except as set out elsewhere in this Prospectus, the Directors are not aware of any material transactions between the Company and related parties and/or Directors.

10.5 Expenses of Offers

The estimated total expenses of the Offers payable by the Company are as follows:

	(\$)
ASX Quotation Fee	56,159
ASIC Fees	2,500
Lead Manager Fee	80,000
Legal Fees	90,000
Investigating Accountant Fee	9,500
Independent Geologist Fee	15,500
Share Registry Fees	6,500
Other costs	14,000
TOTAL	274,159

10.6 Company Tax Status and Financial Year

The Directors expect the Company will be taxed in Australia as a public company.

The financial year of the Company ends on 30 June annually. The taxation year of the Company ends on 30 June annually.

Revenues and expenditures disclosed in this Prospectus are presented exclusive of the amount of GST, unless otherwise disclosed.

10.7 Taxation Implications

The acquisition and disposal of Securities will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Securities.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

10.8 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

10.9 Consents

Each of the parties referred to in this Section 10.9:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

None of the parties referred to in this section authorised or caused the issue of this Prospectus or the making of the Offers.

Name	Role
Advanced Share Registry Limited	Share Registry
HLB Mann Judd (Audit and Assurance)	Auditor to the Company
HLB Mann Judd	Investigating Accountant
James Guy & Associates Pty Ltd	Independent Geologist
Patersons Securities Limited	Lead Manager
DLA Piper Australia	Lawyers to the Company

Each of the Directors have given his or her written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name and any statement or report included in this Prospectus with the consent of that party as described above.

10.10 Continuous Disclosure

The Company is a "disclosing entity" for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules which require it to disclose to ASX any information which it becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Securities. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) quarterly cash flow reports, provided to ASX within a specified time at the end of each quarter;
- (b) half yearly reports provided to ASX within a specified time of the end of each half and full year accounting period respectively; and
- (c) financial statements, lodged with ASX within a specified time after the end of each accounting period.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC;
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during between the Opening Date and the Closing Date:

- (i) the annual financial report for the Company for the financial year ended 30 June 2017 (being the annual financial report most recently lodged by the Company with ASIC);
- (ii) any continuous disclosure notices given by the Company during the period after lodgement of the annual financial report for the year ended 30 June 2017 and before the date of this Prospectus; and
- (iii) the documents used to notify ASX of information relating to the Company during the period after lodgement of the annual financial report for the year ended 30 June 2017 and before the date of this Prospectus.

10.11 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and refunded in full (without interest) to the Applicant as soon as practicable.

10.12 Documents Available for Inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 10.9.

10.13 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements contained in the Investigating Accountant's Report (refer to Section 4) there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

11. AUTHORISATION

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

A handwritten signature in black ink, appearing to be 'Mark Jones', written over a faint rectangular box.

Mark Jones
Non-Executive Chairman

Dated: 20 September 2017

12. GLOSSARY

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Access Agreements	has the meaning given in Section 9.3.
Acquisition	has the meaning given in Section 2.2.
Acquisition Conditions	has the meaning given in Section 9.1.
Acquisition Resolutions	the resolutions detailed in Section 2.4.
Annual General Meeting	means the annual general meeting of the Company to be held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth on Friday, 29 September 2017, at 10:00am (WST).
Applicable Law	means the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules.
Applicant	a person who submits an Application Form.
Application	a valid application for Shares under the Public Offer made pursuant to an Application Form.
Application Form	an application form attached to, or accompanying, this Prospectus.
Application Monies	application monies for Shares under the Public Offer received by the Company from an Applicant.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Reconciliation	has the meaning given in Section 2.2.
ASX Settlement Operating Rules	ASX settlement operating rules of ASX Settlement Pty Ltd ABN 49 008 504 532.
Atlantic Vanadium Pty Ltd	Atlantic Vanadium Pty Ltd (ACN 160 583 090)
ATM Business	has the meaning given in Section 2.1.
Board	the board of Directors from time to time.
Capital Raising Shares	has the meaning given in Section 1.1.
Challa North	has the meaning given in Section 3.1.
Challa Projects	has the meaning given in Section 3.1.
Challa Resources	Challa Resources Pty Ltd ACN 619 903 196, a wholly-owned subsidiary of the Company.
Challa South	has the meaning given in Section 3.1.
Change in Activities	has the meaning given in Section 1.3.
CHESS	has the meaning given in Section 1.17.
Closing Date	the closing date of the Offers, as detailed in the Indicative Timetable.
Company	EZA Corporation Ltd ACN 151 155 734.

Completion	completion of the Acquisition in accordance with the Tenement Sale Agreement (as varied by the Deed of Variation).
Conditions	has the meaning given in Section 1.4.
Consideration Securities	the Shares and Vendor Options to be issued to the Vendors pursuant to the Tenement Sale Agreement (as varied by the Deed of Variation) as detailed in Sections 9.1 and 9.2.
Constitution	the constitution of the Company.
Corporate Directory	'Corporate Directory' on page 5.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Deed of Variation	has the meaning given in Section 9.2.
Director of Petroleum	means the Director of Petroleum within the Department of Mines, Industry Regulation and Safety.
Directors	the directors of the Company from time to time.
Exercise Price	has the meaning given in Section 10.2.
Existing Shareholder	means a person who: <ul style="list-style-type: none"> (a) is a Shareholder at 4.00pm (WST) on the date of this Prospectus; and (b) has a registered address in Australia.
Expiry Date	has the meaning given in Section 10.2.
Exposure Period	the exposure period under section 727(3) of the Corporations Act, being the seven days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
Group Company	any one of the Company or a Related Body Corporate.
GST	goods and services tax.
Independent Geologist's Report	the report prepared by James Guy & Associates Pty Ltd included in Section 5.
Indicative Timetable	the indicative timetable for the Offers on page 9.
Investigating Accountant's Report	the report prepared by HLB Mann Judd included in Section 4.
Lead Manager	Patersons Securities Limited ACN 008 869 311.
Lead Manager Mandate	has the meaning given in Section 1.21.
LIC	means Layered Igneous Complexes.
Listing Rules	the official listing rules of ASX.
Mercantile Investments	Mercantile Investment Company Limited ACN 121 415 576.
Mercantile Offer	has the meaning given in Section 2.1.
Mercantile OFM	Mercantile OFM Pty Ltd ACN 120 221 623.

Minimum Holding	means 20,000 Shares.
Minimum Subscription	has the meaning given in Section 1.5.
Minister	means the Minister referred to in Section 10 of the Mining Act 1981 (WA).
New Investor	means a person who is not an Existing Shareholder.
Notice of Meeting	means the notice convening the Annual General Meeting, including the Explanatory Memorandum.
Offers	the Public Offer and the Vendor Offer.
Official List	the official list of ASX.
Official Quotation	official quotation by ASX in accordance with the Listing Rules.
One Managed Investments	One Managed Investment Funds Limited (ACN 117 400 987).
Opening Date	the date specified in the Indicative Timetable as the opening date for the Offers.
Option	an option to acquire a Share.
Patersons	means Patersons Securities Limited ACN 008 896 311 (AFSL No. 239 052).
PGE	means Platinum Group Element.
Pipeline	has the meaning given in Section 9.3.
Privacy Statement	the privacy statement detailed on page 3.
Promoter	has the meaning given in the Listing Rules.
Proper ASTC Transfer	has the same meaning given to that term in the regulations under the Corporations Act.
Proposed Liquidator	Peter Krejci of BRI Ferrier (NSW) Pty Ltd.
Prospectus	this prospectus dated 20 September 2017.
Public Offer	has the meaning given in Section 1.1.
Recommendations	has the meaning given in Section 8.6.
Record Date	means the date referred to as such in the Indicative timetable detailed on page 9.
Related Body Corporate	has the meaning given in the Corporations Act.
Related Party	has the meaning given in section 228 of the Corporations Act.
Requisitioned Resolutions	has the meaning given in Section 2.4.
Requisitioning Shareholders	has the meaning given in Section 2.4.
Restriction Agreement	a restriction agreement in a form set out in the Listing Rules.
Restricted Securities	has the meaning given in the Listing Rules.
Return of Capital	has the meaning given in Section 2.3.

Section	a section of this Prospectus.
Securities	a Share, Option or other form of security issued or granted (as the case may be) by the Company.
Share	fully paid ordinary share in the capital of the Company.
Share Registry	Advanced Share Registry Limited ACN 127 175 946.
Shareholder	a registered holder of a Share.
Solicitor's Report	the report prepared by DLA Piper Australia included in Section 6.
Takeover Bid	has the meaning given in section 9 of the Corporations Act.
Tenement Application	means E58/485.
Tenement Sale Agreement	means the Tenement Sale Agreement between the Company and the Vendors dated 1 July 2017 as varied by the Deed of Variation.
Tenements	means E58/472, E58/500, E58/501, E58/502, E58/503, E58/504, E58/511, E59/2124, E59/2125 and E59/2126 and the tenement granted pursuant to the Tenement Application.
WST	western standard time, being the time in Perth, Western Australia.
Vendor Application Form	has the meaning given in Section 1.15(b).
Vendor Offer	has the meaning given in Section 1.2.
Vendor Options	has the meaning given in Section 1.2.
Vendors	means: <ul style="list-style-type: none"> (a) Corporate & Resource Consultants Pty Ltd ACN 073 232 318; (b) T.E. Johnston & Associates Pty Ltd ACN 009 234 520; (c) Pegmatite Holdings Pty Ltd ACN 140 904 543; (d) Mr Bruce Robert Legendre; and (e) Mr Robert John Perring.
Voluntary Escrow Arrangement	means the arrangement between the Company and the Vendors pursuant to which the Vendors will be restricted from dealing in the Consideration Securities they hold on Completion by executing a Voluntary Escrow Deed.
Voluntary Escrow Deed	means a deed under which the holder of securities voluntarily escrows the securities subject to the Voluntary Escrow Deed for the time period stipulated in the Voluntary Escrow Deed.

