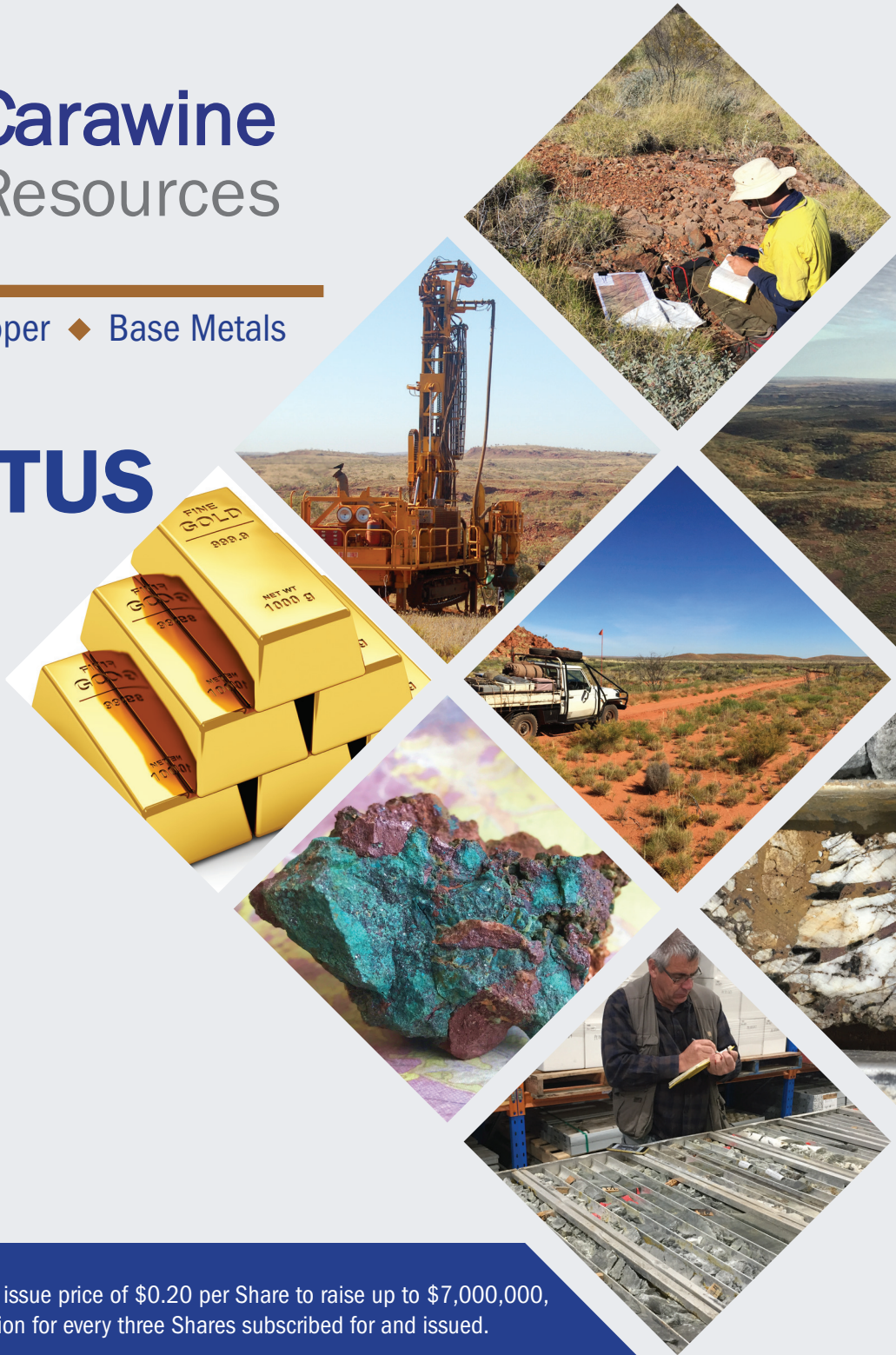
Carawine
Resources

Exploration ◆ Gold ◆ Copper ◆ Base Metals

# PROSPECTUS




For an offer of up to 35,000,000 Shares at issue price of $0.20 per Share to raise up to $7,000,000, together with one free attaching Loyalty Option for every three Shares subscribed for and issued.

**Lead Manager to the Offer**
Patersons Securities Limited (AFSL 239052)

PATERSONS

**IMPORTANT INFORMATION**
This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered highly speculative.**

**CARAWINE RESOURCES LIMITED**
**ACN 611 352 348**

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*Tubuddabudda area, Oakover Project*

## 1. CORPORATE DIRECTORY

**Directors**

William Burbury
*Non-Executive Chairman*

David Boyd
*Managing Director*

David Archer
*Non-Executive Director*

Bruce McQuitty
*Non-Executive Director*

**Company Secretary**

Gemma Davies

**Proposed ASX Code**

CWX

**Share Registry**

Link Market Services Limited
Level 12, QV1 Building
250 ST Georges Terrace
PERTH WA 6000

**Solicitors**

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

**Registered Office**

Level 2, 41-47 Colin Street
WEST PERTH WA 6005

Telephone: + 61 8 6555 8777

Email: info@carawine.com.au
Website: www.carawine.com.au

**Lead Manager**

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

**Investigating Accountant**

HLB Mann Judd (WA Partnership) Level 4,
130 Stirling Street
PERTH WA 6000

**Independent Geologist**

Agricola Mining Consultants Pty Ltd
PO Box 473
SOUTH PERTH WA 6951

**Auditor**

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
PERTH WA 6000

## 2. IMPORTANT NOTICE

This Prospectus is dated 1 November 2017 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

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

### 2.1 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this 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. Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

### 2.2 No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

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

### 2.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.carawine.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6555 8777 during office hours or by emailing the Company at info@carawine.com.au.

The Company reserves the right not to accept an Application Form or a payment made via BPAY in accordance with Section 6.9 from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

No document or information included on our website is incorporated by reference into this Prospectus.

## 2.4 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' 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 our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by 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.

We have 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.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8 of this Prospectus.

## 2.5 Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

## 2.6 Competent Person's statement

The information in the Investment Overview Section, included at Section 5 of the Prospectus, the Company and Project Overview included at Section 7 of this Prospectus and the Independent Geologist's Report, included at Section 9 of the Prospectus, which relate to exploration results is based on information compiled by Mr Malcolm Castle (BSc (Hons), GCertAppFin (Sec Inst), MAusIMM)), a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy and is bound by and follows the Institute's codes and recommended practices. Malcolm Castle is not a full-time employee of the Company but is employed by Agricola Mining Consultant Pty Ltd who has been engaged by the Company as a consultant to prepare the Independent Geologist's Report. Mr Castle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the VALMIN Code and the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Malcolm Castle consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

## 2.7 Definitions

Terms used in this Prospectus are defined in the Glossary in Section 17.

## 2.8 Important information for New Zealand Investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

*Copper mineralisation hand specimen, Western Star Prospect*

## 3. CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors, I look forward to welcoming you as a shareholder of Carawine Resources Limited (**Company** or **Carawine**). Carawine is a gold and base metals focussed exploration company with projects located in Victoria and Western Australian (**Carawine Assets**).

The Company was established by its parent company Sheffield Resources Limited (**Sheffield**) following a strategic review and decision by the Sheffield Board to demerge its gold and base metals exploration assets into a stand-alone entity.

At a shareholder meeting to be held on 22 November 2017, Sheffield is seeking approval to undertake a pro rata distribution of 20,000,000 Shares held by Sheffield to eligible Sheffield Shareholders registered on the Record Date.

The purpose of this Offer is to expand the Company's Shareholder base, raise sufficient funds to explore and develop the Carawine Assets and at the same time, as a condition of the Offer, seek a listing of the Company on ASX.

The Carawine Assets comprise the following high quality exploration Projects:

- Jamieson Project, Au-Cu-Ag-Zn-Pb VHMS targets, Victoria.
- Oakover Project, stratabound and structural Cu-Co targets, Western Australia.
- Paterson Project, Nifty style Cu-Co and Telfer style Au-Cu targets, Western Australia.
- Fraser Range Project, Nova-Bollinger Ni-Cu-Co and Tropicana Au targets, Western Australia

The Company's strategy will initially focus on commencing a diamond drilling program at the high grade Jamieson gold-base metal VHMS Project and to advance copper-cobalt targets on the Oakover Project to drill ready status.

The Board and management team have extensive experience in the exploration, development and financing of mining projects in Australia and overseas. Upon achieving Official Quotation, implementation of the Board's strategy will be led by Mr Dave Boyd who has been highly successful in the role of Sheffield's exploration manager. I am confident that we have the assets, the team and the strategic relationships to ensure the Company's success.

An investment in the Company involves a number of risks and must be considered speculative. **The key risks associated with an investment in the Company are included in Section 8, and should be read and considered in detail.**

I encourage you to read the Prospectus, request that you consider the risks of investment, and invite you to become a shareholder in the Company, which I believe has terrific potential.

Yours sincerely

**William Burbury**
**NON-EXECUTIVE CHAIRMAN**

## 4. KEY OFFER INFORMATION

**KEY OFFER DATES - Indicative timetable***

| | |
|---|---|
| Lodgement of Prospectus with the ASIC | 1 November 2017 |
| Opening Date | 9 November 2017 |
| Closing Date | 24 November 2017 |
| Issue of Securities under the Offer | 11 December 2017 |
| Despatch of holding statements | 11 December 2017 |
| Expected date for Official Quotation | 12 December 2017 |

**KEY OFFER DETAILS**

| | Minimum Subscription | Maximum Subscription |
|---|---|---|
| Offer Price per Share | $0.20 | $0.20 |
| Shares currently on issue | 20,000,000 | 20,000,000 |
| Options currently on issue | Nil | Nil |
| Shares to be issued under Offer | 25,000,000 | 35,000,000 |
| Options to be issued under Offer | 8,333,333 | 11,666,667 |
| Gross proceeds of the Offer | $5,000,000 | $7,000,000 |

**OTHER KEY DATES- Indicative timetable***

| | |
|---|---|
| Notice of Sheffield Annual General Meeting | 22 November 2017 |
| Record Date for the Distribution | 30 November 2017 |
| Completion of the Distribution | 7 December 2017 |
| Loyalty Options Bonus Issue | 8 December 2017 |

** The dates included in this Section are indicative only and may change without notice. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.*

## 5. INVESTMENT OVERVIEW

| Item | Summary | Further information |
|---|---|---|
| **A. Company** | | |
| Who is the issuer of this Prospectus? | Carawine Resources Limited (ACN 611 352 348) (**Company** or **Carawine**). | Section 7.1 |
| Who is the Company? | The Company was incorporated as a proprietary company limited by shares on 16 March 2016, for the primary purpose of housing the base metal and gold exploration projects for its parent company Sheffield Resources Limited (**Sheffield**). The Company became an unlisted public company limited by shares on 5 October 2017. As at the date of this Prospectus, the Company is a wholly-owned subsidiary of Sheffield.<br><br>On 19 October 2017, Sheffield announced that, following a strategic review and subject to obtaining Sheffield shareholder approval, it would demerge Carawine and accordingly spin-out its interests in the Carawine Assets by way of distributing the 20,000,000 Shares it holds in Carawine in specie to eligible Sheffield Shareholders on a pro-rata basis (**Spin-out**).<br><br>The rationale for the Spin-out is that Sheffield's activities have recently been dominated by the success of its Mineral Sands Assets, specifically the Thunderbird Project and such success has overshadowed the significant potential and value of the Carawine Assets<br><br>At a shareholder meeting to be held on 22 November 2017, Sheffield is seeking shareholder approval (amongst other things) to undertake a pro rata distribution of the 20,000,000 Shares held by Sheffield to eligible Sheffield Shareholders registered on the Record Date (**Distribution**).<br><br>Subject to shareholder approval and the satisfaction of the Offer Conditions, the Company will be de-merged from Sheffield following the Closing Date. | Sections 7.1 and 7.3 |
| What is the Company's interest in the Carawine Assets? | The Company holds the interests in the following four mineral exploration projects in Western Australia and Victoria, being the **Carawine Assets**:<br>• Jamieson Project (Au-Cu-Ag-Zn-Pb) (0% with an opportunity to earn 100%).<br>• Oakover Project (Cu-Co) (100%);<br>• Paterson Project (Au-Cu-Co) (100%);<br>• Fraser Range Project (Ni-Cu-Co-Au) (49% with joint venture partner holding a 51% interest with the opportunity to earn in a further 24%); and | Sections 7 and 9 |

| Item | Summary | Further information |
|---|---|---|
| | Full details of the mineral leases, exploration licenses, mineral authorities, mineral lease applications and exploration licence applications which make up the Carawine Assets are set out in the Solicitor's Report on Tenements contained in Section 11. | |
| What is the Company's business model? | A detailed explanation of the Company's business model is provided at Section 7.3 | Sections 7.3 and 9 |
| **B. Business Model** | | |
| What are the key business objectives of the Company? | Following completion of the Offer, the Company's proposed business model will be to further explore and develop deposits located within the Carawine Assets (where possible) in well-established mineral provinces. A detailed explanation of the Company's business model is provided at Section 7.3. | Section 7.3 |
| **C. Key Advantages and Key Risks** | | |
| What are the key advantages of an investment in the Company? | The Directors are of the view that an investment in the Company provides the following non-exclusive list of advantages:<br>(a) the potential for value uplift through the exploration and development of the Company's key projects being the Jamieson and Oakover Projects;<br>(b) historic gold, copper and zinc results in drilling at the Jamieson Project (as further set out in the Independent Geologist Report at Section 9) show potential to prove-up and extend identified mineralisation with additional drilling, as well as the potential for additional discoveries through continued target generation;<br>(c) the Oakover Project includes the Western Star prospect which through early-stages of exploration, returned copper and cobalt values from surface rock samples and historic workings (as further set out in the Independent Geologist Report at Section 9), with potential for such mineralisation to extend below surface;<br>(d) exposure to exploration discoveries in the Paterson and Fraser Range regions of Western Australia; and<br>(e) the opportunity to participate in a company with a growth strategy; and<br>(f) the opportunity to participate in a company with a highly credible and experienced team with a proven track record of discovery, commercial dealing and development to unlock value in its Projects. | Section 7 |

| Item | Summary | Further information |
|---|---|---|
| | The Directors are satisfied that on completion of the Offer, the Company will have sufficient funds to carry out its stated objectives. | |
| What are the key risks of an investment in the Company? | The business, assets and operations of the Company, including following admission to the Official List of the ASX, have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company.<br><br>The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.<br><br>Based on the information available, a non-exhaustive list of the key risk factors affecting the Company are as follows:<br><br>(a) **Tenure, access and grant of applications**<br><br>Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for the Tenements will be approved.<br><br>The Tenements are also at various stages of application and grant, specifically the tenements for the Paterson Project are still under application. There can be no assurance that the tenement applications that are currently pending will be granted. There can be no assurance that when the tenement is granted, it will be granted in its entirety.<br><br>(b) **Exploration and operating**<br><br>The mineral exploration licences (assuming all are granted) comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of these Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.<br><br>The future exploration activities of the Company may be affected by a range of factors beyond the control of the Company.<br><br>(c) **Joint Venture and Contractual Risk** | Section 8 |

| Item | Summary | Further information |
|---|---|---|
| | The Company's interest in the Jamieson Project and Fraser Range Project are subject to contracts with third parties. Accordingly, the ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under these agreements. Additionally, if the Company is unable to satisfy its undertakings under these agreements the Company's interest in their subject matter may be jeopardised.<br><br>Additional key risks are disclosed at Section 8 of this Prospectus. | |
| **D. Directors and Key Management Personnel** | | |
| Directors | The current Board is not anticipated to change upon listing, and shall be comprised of:<br>(a) Mr William Burbury;<br>(b) Mr David Boyd;<br>(c) Mr Bruce McQuitty; and<br>(d) Mr David Archer. | Section 12.1 |
| Other Key Management Personnel | The Company Secretary is Gemma Davies. | Section 12.1 |
| What are the Director's interests in the Company? | Each Director's interest in the Company is set out at Section 12.2. | Sections 12.2 and 15.8 |
| **E. Financial Information** | | |
| How has the Company performed over the past 12 months? | As the Company was only recently incorporated (16 March 2016) it has limited historical financial performance and has no operating history independent of the Sheffield Group.<br><br>As a result, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma balance sheet which is included in the Investigating Accountant's Report set out in Section 10 of this Prospectus. | Section 7.7 Section 10 |
| What is the financial outlook for the Company? | Given the current status of the Company's Projects and the speculative nature of mineral exploration, the Directors do not consider it appropriate to forecast future earnings.<br><br>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis. | Section 10 and Section 15.14 |
| **F. Offer** | | |

| Item | Summary | Further information |
|---|---|---|
| What is being offered? | The Offer is an offer of up to 35,000,000 Shares at an issue price of $0.20 per Share to raise up to $7,000,000 (before costs). The Company will issue one (1) Loyalty Option for every three (3) Shares subscribed for and issued under the Offer. The Offer is not underwritten.<br><br>The minimum amount to be raised under the Offer is $5,000,000. The Company may accept oversubscriptions for up to a further 10,000,000 Shares at an issue price of $0.20 per Share to raise a further $2,000,000, being $7,000,000 in total.<br><br>The purpose of the Offer is to facilitate an application by the Company for admission of the Company to the Official List of the ASX and to position the Company to seek to achieve the objectives stated at Section B above.<br><br>The Board believes that on completion of the Offer, the Company will have sufficient working capital to achieve its objectives. | Section 6 |
| What will the Company's capital structure look like after completion of the Offer? | The Company's capital structure on a post-Offer basis is set out in Section 6.6. | Section 6.6 |
| What are the terms of the Securities offered under the Offer? | A summary of the material rights and liabilities attaching to the Shares offered under the Offer is set out in Section 15.2.<br><br>A summary of the material rights and liabilities attaching to the Loyalty Options offered under the Offer is set out in Section 15.3. | Sections 15.2 and 15.3. |
| Will any of the Securities issued under the Offer be subject to escrow? | No, none of the Securities issued under the Offer will be subject to escrow.<br><br>However the Company anticipates that other Securities on issue at the Admission Date will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the Admission Date. | Section 6.10 |
| Will the Securities issued under the Offer be quoted? | The Company will make an application to ASX for Official Quotation of all Shares to be issued under the Offer.<br><br>The Options issued under the Offer will be unquoted. | Section 6.10 |
| What are the key dates of the Offer? | The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section. | Section 4 |
| What is the minimum investment size under the Offer? | Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of $0.20 per Share. | Section 6.9 |

| Item | Summary | Further information |
|---|---|---|
| | Loyalty Options will be issued free attaching on a one for three basis, rounding down. Accordingly, if the minimum of 10,000 Shares is applied for, then the applicant would receive 3,333 Loyalty Options. | |
| Are there any conditions to the Offer? | The Offer is conditional upon the Company raising the Minimum Subscription, and the satisfaction of the Offer Conditions. | Section 6.4 |
| **G. Use of proceeds** | | |
| How will the proceeds of the Offer be used? | The Offer proceeds and the Company's existing cash reserves will be used for:<br>(a) exploration for gold, copper and base metals at the Jamieson and Oakover Projects;<br>(b) administration and corporate costs; and<br>(c) general working capital.<br>Further details of which are set out in Section 6.5. | Sections 6.5, 9 and 10 |
| **H. Additional information** | | |
| Is there any brokerage, commission or stamp duty payable by applicants? | No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offer.<br>However, the Company will pay to the Lead Manager 6% (ex GST) of the total amount raised under the Prospectus (a capital raising fee of 5% and management fee of 1%). | Sections 6.8, 6.15 and 14.3 |
| What are the tax implications of investing in Securities? | The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.<br>Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus. | Section 6.8 |
| What are the corporate governance principles and policies of the Company? | To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).<br>The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 13 of this Prospectus.<br>In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.carawine.com.au).<br>Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations. | Section 13 |

| Item | Summary | Further information |
|---|---|---|
| Where can I find more information? | (a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.<br>(b) By contacting the Company Secretary on +61 8 6555 8777.<br>(c) By contacting the Share Registry on +61 1300 554 474. | |

This Section is a summary only and not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

## 6. DETAILS OF THE OFFER

### 6.1 The Offer

Pursuant to this Prospectus, the Company invites applications for up to 35,000,000 Shares at an issue price of $0.20 per Share to raise up to $7,000,000. The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

### 6.2 Loyalty Options

The Company will issue one (1) free attaching Loyalty Option for every three (3) Shares subscribed for and issued under the Offer. The Loyalty Options will be exercisable at $0.30 each, within three (3) years of issue.

Fractional entitlements will be rounded down to the next whole number.

The Loyalty Options are subject to a vesting condition that the Loyalty Option holder hold Shares on the Vesting Date, being the date that is six months following the commencement of trading of the Shares on the ASX.

For the avoidance of doubt, Sheffield Shareholders who will receive Shares pursuant to the Distribution will not and are not entitled to receive Loyalty Options under the Offer or the Distribution.

As the Offer includes free attaching Loyalty Options, so as not to disadvantage the existing Shareholders immediately prior to the issue of Securities under the Offer, the Company intends to make a bonus issue to existing Shareholders in the Company of one (1) Loyalty Option for every three (3) Shares held (**Bonus Issue**).

A summary of the terms and conditions of the Loyalty Options is set out in Section 15.3.

### 6.3 Minimum subscription

The minimum amount which must be raised under this Prospectus is $5,000,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

### 6.4 Conditional

The Offer is conditional upon the following events occurring:

(a) Sheffield obtaining shareholder approval for the Distribution;

(b) the Company raising the Minimum Subscription, being $5,000,000, under the Offer (refer to Section 6.3); and

(c) the Company receiving a letter confirming that the ASX will admit the Company to the Official List, subject to the satisfaction of certain conditions on terms acceptable to the Company,

(together the **Offer Conditions**).

If these conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

## 6.5 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List of ASX as follows:

| Funds available | Minimum Subscription ($) ($5,000,000) | Percentage of Funds (%) | Maximum Subscription ($) ($7,000,000) | Percentage of Funds (%) |
|---|---|---|---|---|
| Funds raised from the Offer | 5,000,000 | 100 | 7,000,000 | 100 |
| **Total** | | **100** | | **100** |
| **Allocation of funds** | | | | |
| Exploration at the Jamieson Project[1,2] | 1,950,000 | 39 | 3,775,000 | 54 |
| Exploration at the Oakover Project[1,2] | 1,590,000 | 32 | 1,590,000 | 23 |
| Administration costs[3] | 740,000 | 15 | 780,000 | 11 |
| Working capital | 170,500 | 3 | 179,500 | 2 |
| Costs of the Offer[4] | 549,500 | 11 | 675,500 | 10 |
| **Total** | **5,000,000** | **100** | **7,000,000** | **100** |

**Notes:**

1. Refer to the Independent Geologist's Report in Section 9 of this Prospectus for further information on the planned exploration activities and expenditure budget for the Projects, specifically section 6.
2. The proposed exploration budget will be spent on granted tenements, and will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress and the granting of tenements now in application. For further information on the break down on the exploration activities please refer to section6of the Independent Geologist's Report contained at Section 9. No budget is set for the Fraser Range Project as the granted tenements are part of the Fraser Range JV whereby it is expected that the Company will not be required to commit any exploration expenditure within the next two years. Refer to Section 14 for more information on the Fraser Range JVA. No budget is set for the Paterson Project as no tenements have successfully been granted for the Project. Refer to the Solicitor's Reports on Tenements in Section 11 of this Prospectus for more information on the Tenements that make up the Fraser Range Project and the Jamieson Project.
3. Includes director fees, employee and executive salaries, overheads, office rent, corporate services and company secretarial fees including the fees to be paid under the Services Agreement summarised in Section 14.6.
4. Refer to Section 15.11 of this Prospectus for further details.

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

In the event the Company raises more than the Minimum Subscription of $5,000,000, the additional funds raised will be first applied towards the additional expenses of the Offers, then toward the exploration works on the Carawine Assets noted above, then toward administrative costs and lastly toward working capital.

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

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 8.

It is anticipated that the funds raised under the Offer will enable 2 years of full operations (if the Minimum Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's exploration of the Carawine Assets. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Carawine Assets or to capitalise on acquisition opportunities in the resources sector.

## 6.6 Capital Structure

The capital structure of the Company following completion of the Offer is summarised below[1]:

**Shares[2]**

| | Number (Minimum Subscription) | Number (Maximum Subscription) |
|---|---|---|
| Shares currently on issue | 20,000,000 | 20,000,000 |
| Shares to be issued pursuant to the Offer | 25,000,000 | 35,000,000 |
| **Total Shares on completion of the Offer[3]** | **45,000,000** | **55,000,000** |

**Options**

| | Number (Minimum Subscription) | Number (Maximum Subscription) |
|---|---|---|
| Options currently on issue | Nil | Nil |
| Options to be issued pursuant to the Offer[5] | 8,333,333 | 11,666,667 |
| Options to be issued prior to Official Quotation[4] | 7,166,667 | 7,166,667 |
| **Total Options on completion of the Offer** | **15,500,000** | **18,833,334** |

**Performance Rights**

| | Number (Minimum Subscription) | Number (Maximum Subscription) |
|---|---|---|
| Performance Rights currently on issue[3] | Nil | Nil |
| Performance Rights to be issued pursuant to the | Nil | Nil |

| | | |
|---|---|---|
| Offer | | |
| Performance Rights to be issued prior to Official Quotation[3] | 1,700,000 | 1,700,000 |
| **Total Performance Rights on completion of the Offer** | **1,700,000** | **1,700,000** |

**Notes:**

1. Refer to Appendix 1 of the Investigating Accountant's Report set out in Section 10 of this Prospectus for further details.
2. The rights attaching to the Shares are summarised in Section 15.2 of this Prospectus.
3. In accordance with the Jamieson Agreement the Company will be required to issue Shares worth $200,000 to Jamieson in accordance with the Jamieson Agreement. The number of Shares will be determined based on the trading price of Shares at the time of issue, assuming a trading price of $0.20, 1,000,000 Shares will be issued to Jamieson. Refer to Section 14.1 for further details. The Company anticipates that this will occur around 6 months following Official Quotation.
4. As the terms of the Offer include free attaching Loyalty Options, not to disadvantage the pre Offer Shareholders, the Company intends that prior to Admission Date it will make a Bonus Issue of one (1) Loyalty Option for every three (3) Shares held at that time. Accordingly, all Shareholders before the issue of securities under this Prospectus will be issued Loyalty Options on a one for three basis. The Company also intends to issue 500,000 ESOP Options pursuant to the Company's ESOP to eligible participants who are not related parties of the Company. The terms of the ESOP Options are set out in Section 15.7.
5. The Loyalty Options will be exercisable at $0.30 each, within three (3) years of issue. Loyalty Options will vest on the date that is six months from Admission Date of the Company subject to the vesting conditions. Full terms of the Loyalty Options are set out in Section 15.3.
6. Subject to achieving the Offer Conditions, the Company will issue 1,700,000 Performance Rights to Mr David Boyd pursuant to the terms of the Performance Rights Plan. Full terms of the Performance Rights Plan and the Performance Rights are set out in Sections 15.4 and 15.5 of this Prospectus.

## 6.7 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus are set out in the respective tables below.

***As at the date of the Prospectus***

| Shareholder | Shares | Options | % (undiluted) | % (fully diluted) |
|---|---|---|---|---|
| Sheffield Resources Limited | 20,000,000 | Nil | 100% | 100% |

***Following the Offer***

As at the date of this Prospectus it is not intended that any Shareholder will hold more than 5% of the Shares on issue after the completion of the Offer (which will occur following the Distribution).

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

## 6.8 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

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

No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offer.

### 6.9 Applications

Applications for Securities under the Offer must be made by using the Application Form as follows:

(a) using an online Application Form at www.carawine.com.au and pay the application monies electronically; or

(b) complete a paper-based application using the relevant Application Form attached to, or accompanying this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each Applicant under the Offer will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of $0.20 per Share. Loyalty Options will be issued free attaching to Shares issued under the Offer on a one for three basis.

Completed Application Forms and accompanying cheques, made payable to "**Carawine Resources IPO Account**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (WST) on the Closing Date, which is scheduled to occur on 24 November 2017.

If paying by BPAY®, please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid. Applicants using BPAY should be aware of their financial institutions cut-off time (the time payment must be made to be processed overnight) and ensure payment is process by their financial institution on or before the day prior to the Closing Date of the Offer. You do not need to return any documents if you have made payment via BPAY.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Offer early.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 1300 554 474.

### 6.10 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

The Company will not apply for Official Quotation of the Loyalty Options offered pursuant to this Prospectus.

Subject to the Company being admitted to the Official List, certain Securities on issue 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 Official Quotation. The Board does not expect that any Securities issued under the Offer will be subject to escrow under the ASX Listing Rules. ASX has provided in principle advice that it will be likely to grant a waiver from Listing Rule 9.1.3 to the extent necessary so that the Shares issued under the Distribution and Loyalty Options issued under the Bonus Issue to parties that are not related parties or promoters of the Company or Sheffield (and any of their associates) will not be subject to escrow.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX. The Company confirms that at Official Quotation the free float of Carawine Shares will be more than 20%.

ASX has also provided in principle advice that it will be likely to grant a waiver from Listing Rule 1.1 condition 8 to the extent necessary to permit the Company to include up 150 Shareholders required to satisfy the requirements of Listing Rule 1.1 condition 8 (excluding the related parties and promoters of the Company and Sheffield and their respective associates), who hold a parcel of ordinary shares with a value of at least $2,000 by reason of the Distribution in the calculation of spread.

### 6.11 Issue

Subject to the Minimum Subscription to the Offer being reached, the Offer Conditions being met and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Securities offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Securities in their sole discretion. The Directors reserve the right to reject any application or to allocate

any applicant fewer Securities than the number applied for. Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

### 6.12 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia or New Zealand. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia or New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form or if applicable, payment by BPAY as set out in Section 6.9 will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

New Zealand applicants should ensure that they have read Section 2.8

### 6.13 Not underwritten

The Offer is not underwritten.

### 6.14 Lead Manager

Patersons Securities Limited (ACN 008 896 311) (AFSL: 239052) (**Patersons**) has been appointed as lead manager to the Offer pursuant to the Lead Manager Mandate. The key terms of the Lead Manager Mandate with Patersons are set out in Section 14.3.

### 6.15 Commissions payable

The Company reserves the right to pay a commission of up to 5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee. Patersons will be responsible for paying all commissions that Patersons and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to Patersons under the Lead Manager Mandate.

## 7. COMPANY AND PROJECTS OVERVIEW

### 7.1 Background

The Company was incorporated as a proprietary company limited by shares on 16 March 2016, for the primary purpose of housing Sheffield's interests in its base metals and gold exploration projects. The Company became an unlisted public company limited by shares on 5 October 2017. As at the date of this Prospectus, the Company is a wholly-owned subsidiary of Sheffield.

On 19 October 2017, Sheffield announced that, following a strategic review and subject to obtaining shareholder approval, it would demerge Carawine and accordingly spin-out its interests in the Carawine Assets by way of distributing the 20,000,000 Shares it holds in Carawine in specie to eligible Sheffield's Shareholders on a pro-rata basis (**Spin-out**).

The rationale for the Spin-out is that Sheffield's activities have recently been dominated by the success of its Mineral Sands Assets, specifically the Thunderbird Project and such success has overshadowed the significant potential of the Carawine Assets being base metal and gold assets.

At the annual general meeting for Sheffield, to be held on 22 November 2017, Sheffield is seeking shareholder approval (amongst other things) to undertake a pro rata distribution of 20,000,000 Shares held by Sheffield to eligible Sheffield Shareholders registered on the Record Date (**Distribution**).

Subject to Sheffield shareholder approval and the satisfaction of the Offer Conditions, the Company will be de-merged from Sheffield following completion of the Distribution.

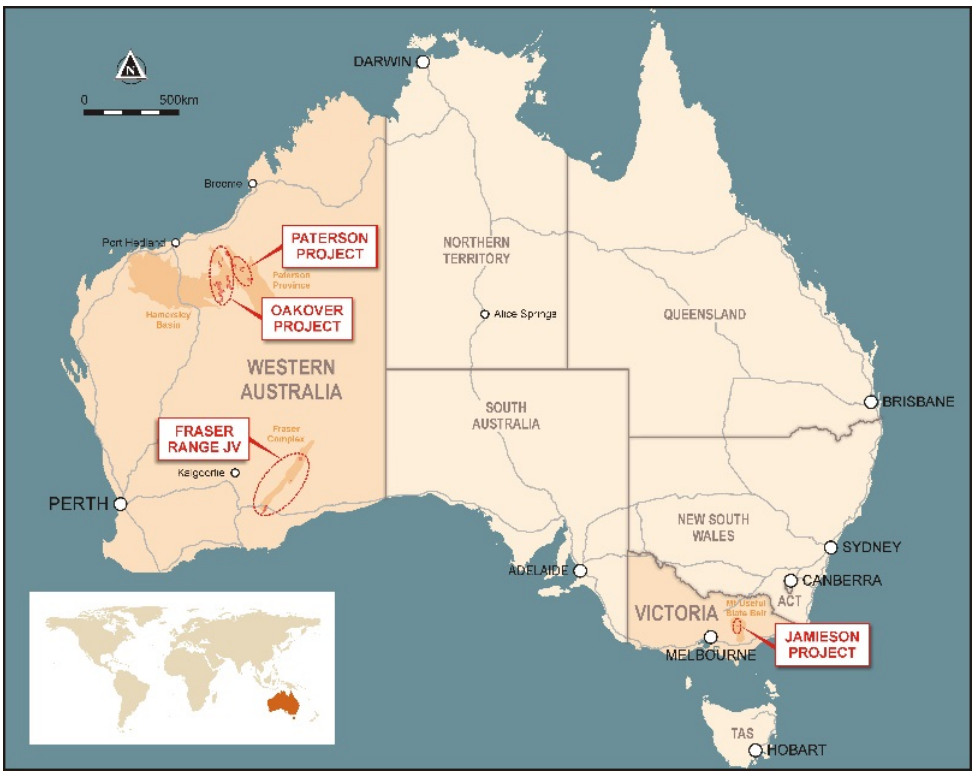
Following Distribution and completion of the Offer, Carawine will continue to be an exploration company whose primary focus is to explore for, and ultimately develop, economic gold, copper and base metal deposits in Australia.

### 7.2 Overview of the Carawine Assets

The Company has compiled four gold, copper and base metal Projects, each targeting high-grade deposits in well-established mineralised provinces throughout Australia, as follows:

- Jamieson Project, Au-Cu-Ag-Zn-Pb VHMS targets, Victoria. Carawine earning 100% by spending $190,000 plus issuing Jamieson that number of Shares equal to $200,000.
- Oakover Project, stratabound and structural Cu-Co targets, Western Australia. Carawine 100%.
- Paterson Project, Nifty style Cu-Co and Telfer style Au-Cu targets, Western Australia. Carawine 100%.
- Fraser Range Project, Nova-Bollinger Ni-Cu-Co and Tropicana Au targets, Western Australia. Carawine 49%, Independence Group NL (ASX:IGO) 51% interest with the option to earn up to 70% by spending $5 million.

The Tenements are in Victoria and Western Australia, as shown in the map below, and combined, cover an area of about 4,407 km$^2$.




Full details of the mineral leases, exploration licenses, mineral authorities, mineral lease applications and exploration licence applications which make up the Carawine Assets are set out in the Solicitor's Report on Tenements contained in Section 11. A summary of each of the Carawine Assets including information on prospectivity is set out in the Independent Geologist's Report contained in Section 9.

Set out below are summaries of the main Projects which make up the Carawine Assets. Please refer to the Independent Geologist's Report in Section 9 for further details of the exploration work which has already been undertaken on each of the Projects summarised below.

### 7.2.1 Jamieson Project

The Jamieson Project is located near the township of Jamieson in the central eastern Victorian Goldfields and comprises granted EL5523, containing the Hill 800 gold and Rhyolite Creek zinc-gold-silver prospects within its 34 km$^2$ area. In June 2017, the Company entered into the Jamieson Agreement to earn an interest of 100% in the Jamieson Project. A summary of the Jamieson Agreement is set out in Section 14.1 of this Prospectus.

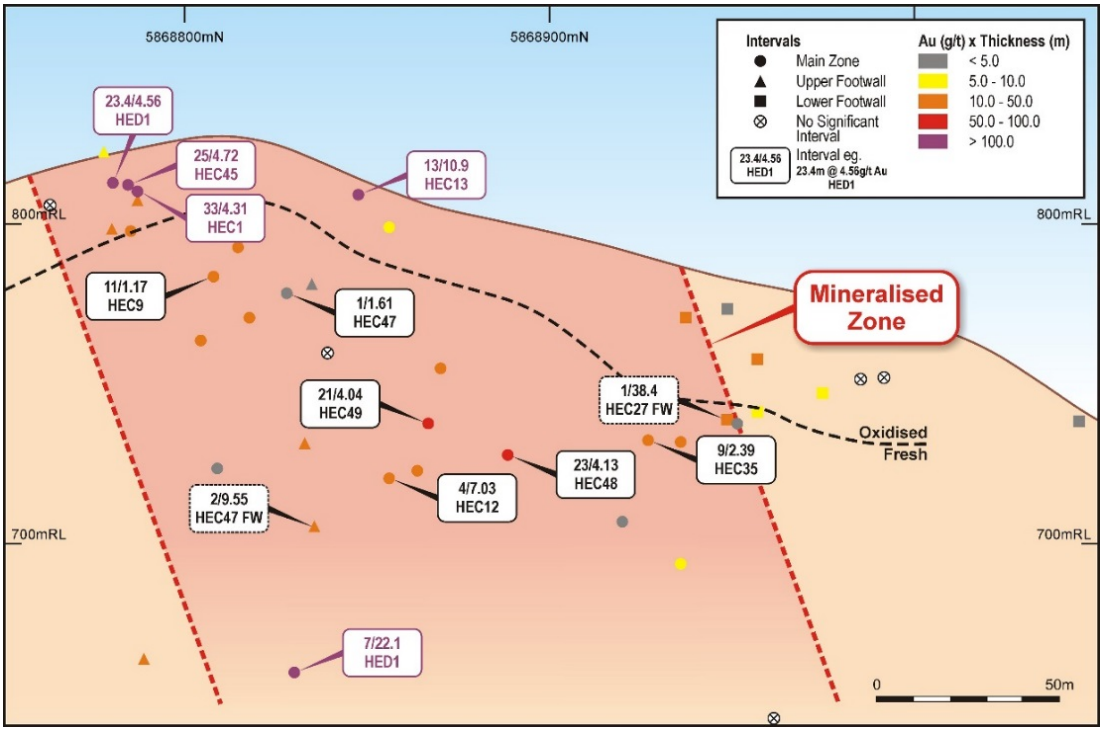
**Hill 800** was discovered by New Holland Mining NL (**New Holland**) in 1994, following sampling of outcropping gold-rich gossans. The prospect is a volcanic-hosted massive sulphide (**VHMS**) gold-copper (Au-Cu) system with similar host rock, age and mineralisation style to the 1.5Moz Henty gold deposit, and Hellyer lead-zinc-silver-gold deposits in Western Tasmania.


***Quartz-carbonate-sulphide breccia from 34.5m in drill hole HED1 (half-HQ core)***

New Holland drilled 51 reverse circulation (**RC**) and 6 diamond holes at Hill 800 (6,309m total) between 1996 and 1999, returning significant gold results as shown in the figure below, including:

- 33m @ 4.31g/t Au, from surface (HEC1)
- 13m @ 10.9g/t Au, from surface (HEC13), including 3m @ 38.8 g/t Au from surface
- 23.4m @ 4.56g/t Au, from 0.5m (HED1)
- 25m @ 4.72g/t Au, from 3m (HEC45), including 1m @ 24.0g/t Au from 16m
- 21m @ 4.04g/t Au, from 76m (HEC49), including 1m @ 20.9g/t Au from 80m
- 23m @ 4.13g/t Au, from 86m (HEC48)
- 4m @ 7.03g/t Au, from 91m (HEC12), including 1m @ 23.2g/t Au from 92m
- 7m @ 22.1g/t Au, from 184m (HED1), including 1m @ 28.9g/t Au from 184m and 1m @ 122g/t Au from 188m

  (down hole widths may not represent true thickness, a complete listing of significant intervals is included in the Independent Geologist Report.)




***Hill 800 Long section, see Section 9 for details.***

Gold mineralisation is associated with silica-sericite-pyrite alteration in intermediate volcanic rocks at the core of a well-defined alteration zonation plunging approximately 70 degrees to the north. Within this zone, higher gold grades occur in a main, sub-vertical lode, and two parallel mineralised trends in the footwall to the main lode.

The effectiveness of prior drilling was restricted by limited site preparation and the use of large truck-mounted drill rigs, leading to a number of oblique intersections and holes missing mineralisation. Carawine believes the use of small diamond drill rigs and better drill site preparation presents an opportunity for Carawine to more effectively test the interpreted lode geometry and target down-plunge extensions and potential parallel lodes, with the objective of compiling sufficient information to eventually allow estimation of an updated Mineral Resource for the deposit.

The **Rhyolite Creek Prospect**, located about 5km south of Hill 800, was discovered by previous explorer Goldsearch Ltd, in 2008. Diamond hole RCD001, targeted a linear magnetic anomaly in an area of gold-silver-base metal anomalism in surface geochemical samples, intersected a zone of strong alteration and sulphide mineralisation and returned an interval of:

- 8m @ 3.7% Zn, 0.3% Pb, 0.1% Cu, 1.6g/t Au and 29g/t Ag from 220m
  including 1.4m @ 15.6% Zn, 1.5% Pb, 0.5% Cu, 7.4g/t Au and 113g/t Ag from 223m

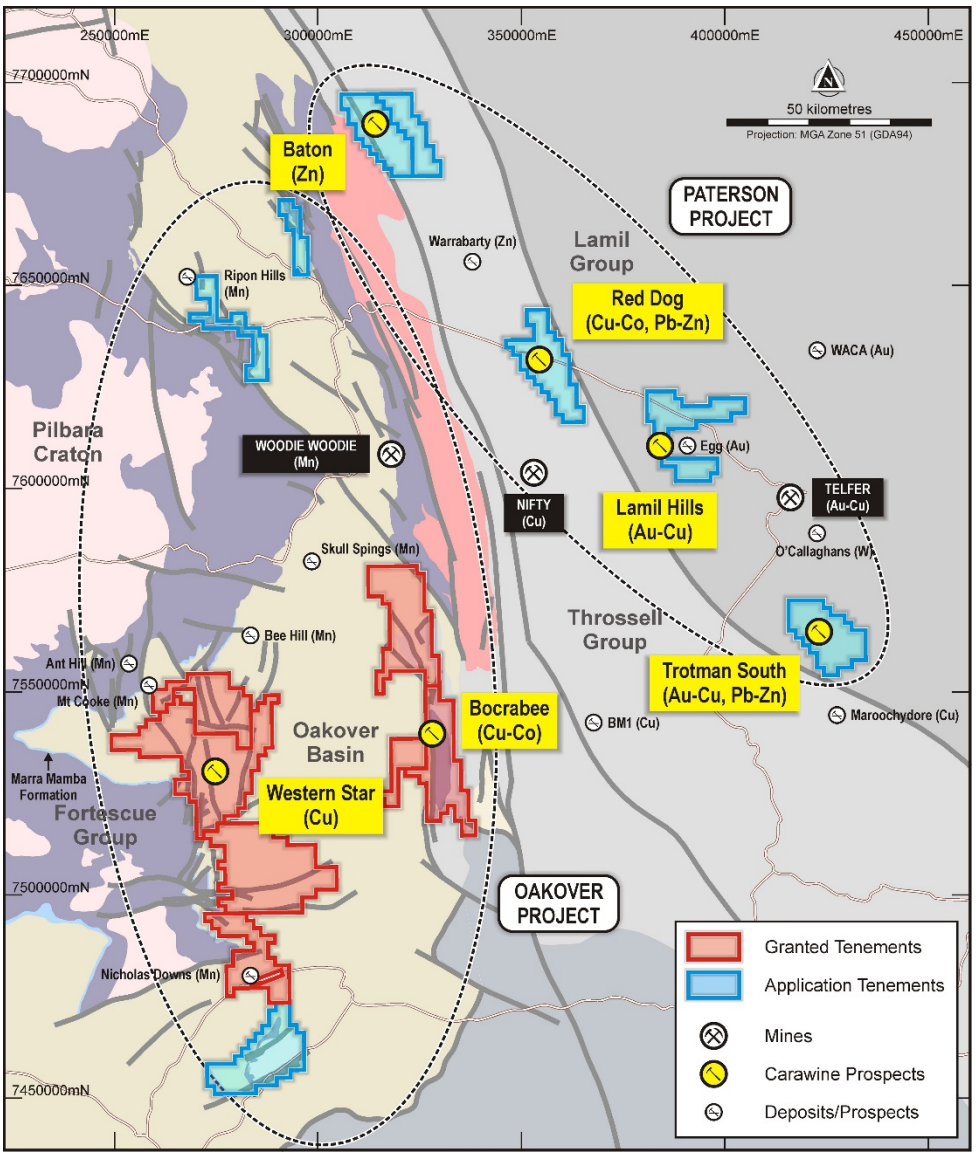
The mineralisation was identified as being related to low-iron sphalerite and the footwall to this high-grade zone was reported as being strongly altered intermediate volcanics, with significantly elevated zinc values. The Company believes the high-grade zinc-gold-silver horizon intersected in RCD001 is potentially associated with a VHMS seafloor or sub-seafloor deposit, occurring at the contact of intermediate and felsic volcanic sequences, with wide zones of footwall alteration and anomalism. Additional holes drilled by previous explorers has intersected this position over a strike length of about 400m, remaining open along strike.

The discovery to date of two VHMS-style systems on the tenement confirms the outstanding potential of the Jamieson Project. Typically, deposits of this style occur in clusters often defining significant mining camps. Gold-rich VHMS deposits are particularly attractive given their high-grade and polymetallic nature. The Jamieson Project area is considered to be under-explored, with limited systematic exploration for VHMS deposits completed to date, representing an excellent opportunity for Carawine to realise the potential of the area.

### 7.2.2 Oakover Project

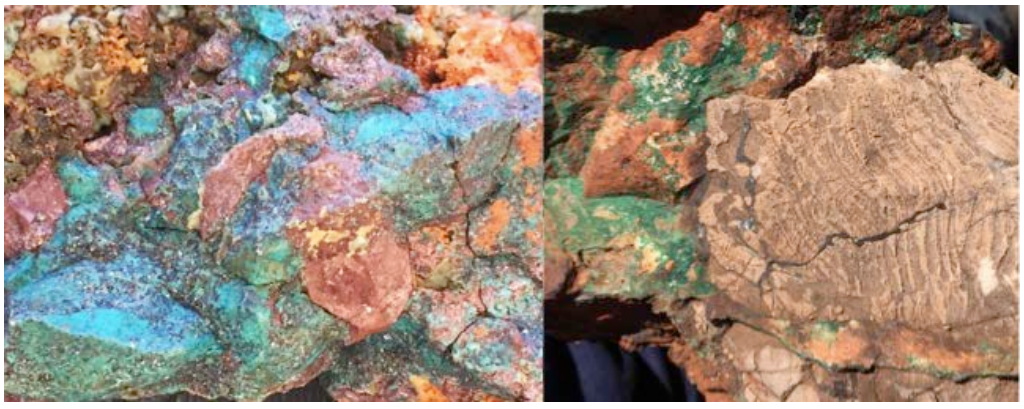
Carawine's Oakover Project, located in the highly prospective Eastern Pilbara region, comprises seven granted exploration licences and three exploration licence applications with a total area of about 2,655km$^2$. All tenements are held 100% by the Company.

The Oakover Project is centred on the Proterozoic Oakover Basin, prospective for copper, cobalt, manganese and iron. At Western Star the Company is developing a significant carbonate-hosted copper target. Numerous additional historic copper prospects will be evaluated along with the area's potential for significant manganese, and to a lesser extent, iron mineralisation.



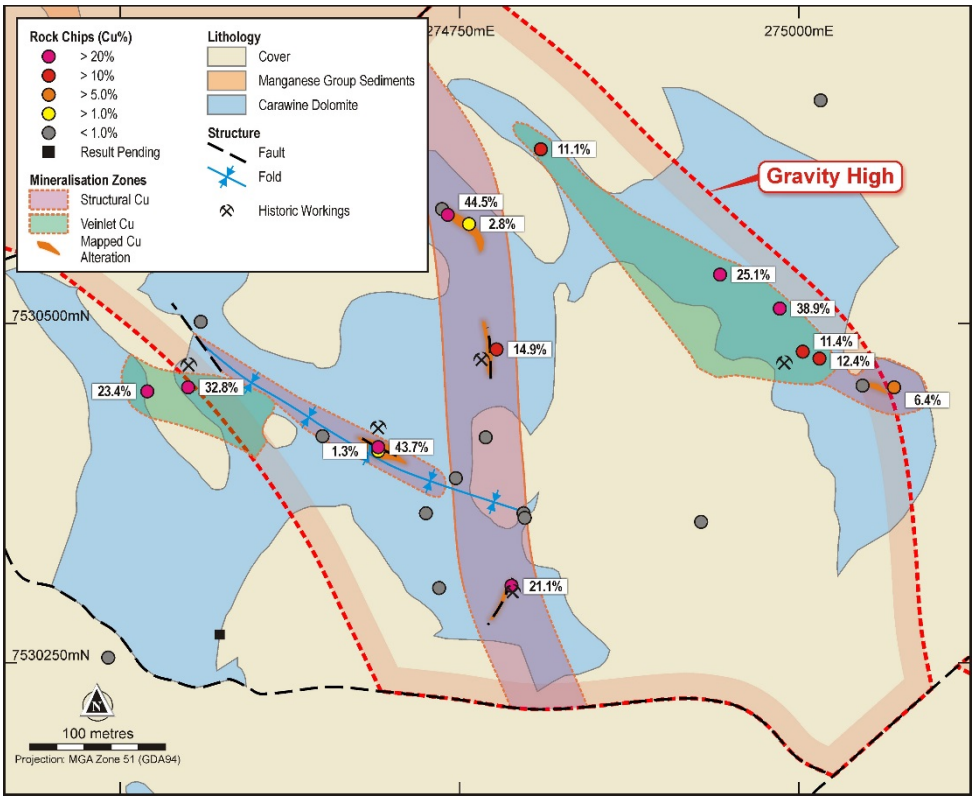

***Oakover and Paterson Project tenement location plan***

The **Western Star Prospect** is a 500m x 500m area of Carawine Dolomite and Pinjian Chert Breccia hosting a number of historic workings and exploration costeans. Detailed geological mapping and rock chip sampling by Carawine has identified three main mineralised trends of high-grade copper mineralisation in breccia and vein stockworks in dolomite.



***Western Star Prospect - copper breccia (left), copper vein stock work in stromatolitic dolomite (right).***

Assay results from 27 rock chip samples of barren country rock, altered wall rock and mineralisation exposed in outcrop and in historic workings have returned assay values ranging from less than 0.1% up to 44.5% Cu. Petrological work indicates that the surface copper mineralisation is typical of oxide zone assemblages associated with weathering of copper-sulphides at depth in carbonate-rich host rocks. In addition to high copper, single samples with highly anomalous cobalt, silver, palladium and platinum values were returned, indicative of a polymetallic mineralising system.




***Western Star Prospect geological map and rock chip sample locations labelled with Cu assays***

Copper mineralisation at the **Bocrabee Prospect** occurs over a strike length of about 800m, with widths varying from 30m to 80m, in a synclinal setting analogous to the nearby Nifty copper deposit operated by Metals X Limited. Despite two phases of drill-testing by previous explorers and perceived limitations of its size potential, the mineralisation remains open for extensions. It also establishes the potential of the area for additional Nifty-style sediment-hosted copper deposits.

The **Xmas** cobalt-manganese prospect, identified from historic lag and rock chip samples collected by CRA Exploration Pty Ltd, is a greenfields target with excellent exploration potential.

### 7.2.3 Paterson Project

The Company's Paterson Project, situated in the Paterson Province at the edge of the Pilbara Craton, is dominated by Proterozoic age rocks of the Rudall Metamorphic Complex and the overlying Yeneena Supergroup. The Paterson area is host to the Telfer Au-Cu deposit, and the Nifty and Maroochydore stratabound Cu-(Co) deposits.

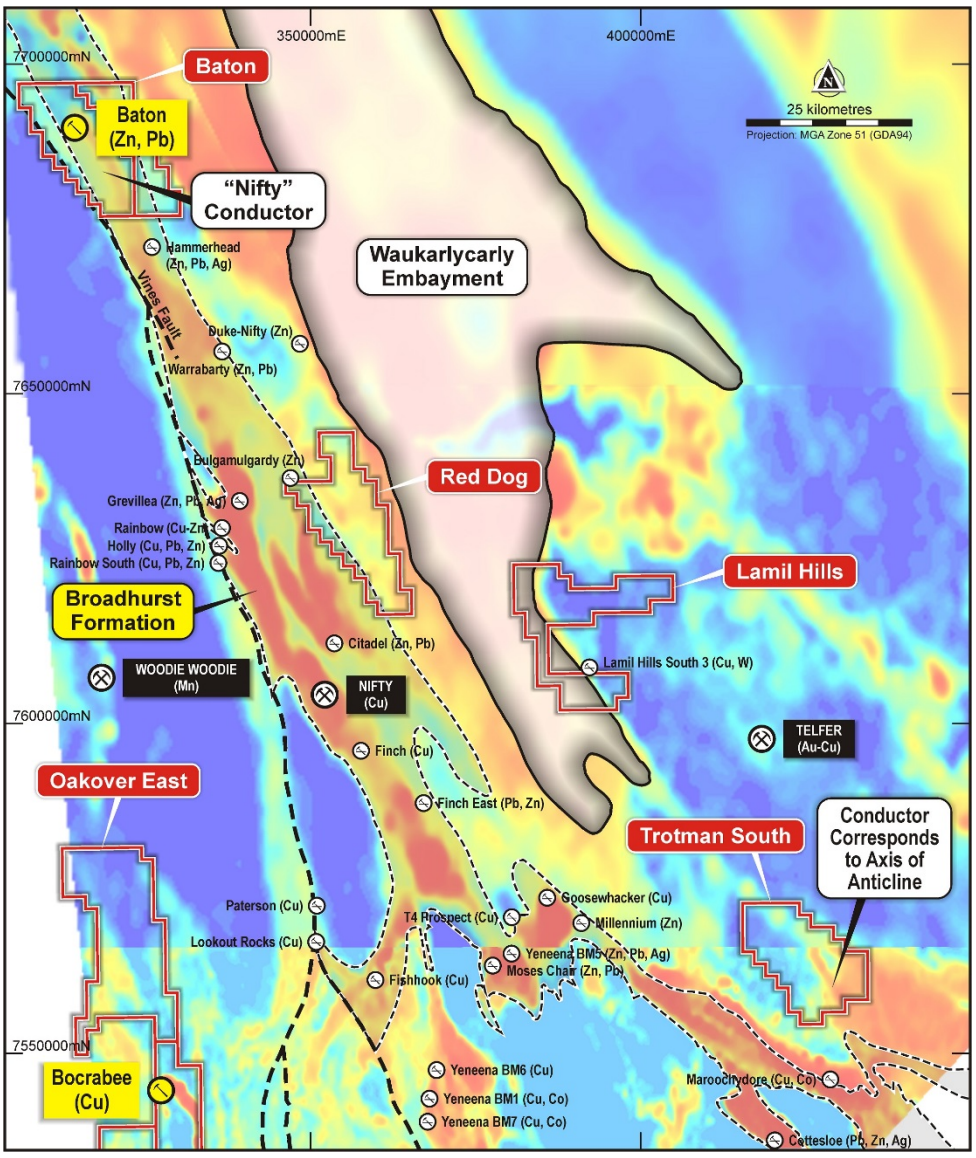
Carawine's Paterson Project comprises five exploration licence applications over an area of about 989km$^2$. These are divided into four regions: Lamil Hills, Trotman South, Red Dog and Baton.

**Lamil Hills**, approximately 25km northwest of the Telfer gold mine, is considered prospective for Telfer-style gold-copper mineralisation with similar host stratigraphy to Telfer and the presence of domal structures on the tenement, and identified gold-copper mineralisation on adjacent tenure. Several prospects with gold and copper mineralisation have been identified on Carawine's tenement and reported by previous explorers.

**Trotman South**, just 27km south of the Telfer gold mine and 10km north of the Maroochydore Cu-Co deposit, has many of the structural elements normally associated with gold deposits in the Telfer region, i.e. domes/anticlines and WNW to NW-striking faults. Interpreted demagnetised zones in otherwise strongly magnetic layers in gabbro-monzonite sills, could represent discrete alteration halos to gold mineralisation, with previous explorers reporting anomalous bedrock intersections in Rotary Air Blast ("RAB") drilling occurring adjacent to one such zone. Base metal (Zn, Co) anomalism in historic drilling also occurs within the tenement, associated with a variety of dolomitic sediments and intrusive bodies, indicating the potential for both sedex and skarn styles of base metal mineralisation.

**Red Dog** is located approximately 16km northeast of the Nifty copper mine in moderately deformed, low grade metasedimentary rocks along the NW margin of the Yeneena Basin. The tenement is considered prospective for stratiform Cu-Co deposits e.g. Nifty and Maroochydore, and Pb-Zn deposits e.g. Warrabarty, within the upper Broadhurst and Isdell Formations. Aircore drilling by previous explorer MMG Limited (**MMG**) returned several anomalous lead-zinc and copper-cobalt intercepts. The anomalism and alteration patterns recognised by MMG remain open for further testing.

**Baton** is located about 100km north of the Nifty copper deposit, and contains copper, lead and zinc mineralisation hosted by dolomitic breccia in a sequence of dolomite, carbonaceous siltstone and carbonaceous shale of the Broadhurst Formation (host to the Nifty deposit). Brecciation is associated with a major NNW-trending, ENE-dipping fault that separates carbonaceous siltstone units to the west from crystalline carbonate units to the east. The style of mineralisation and stratigraphic setting of Baton is similar to that of the Warrabarty zinc deposit and the Millenium prospect. Historic drilling results have outlined a substantial mineralised system, with further work required to establish vectors to higher grade zones.




***Paterson project tenements on Geoscience Australia electromagnetic image showing location of regionally prospective base metal host conductive units***

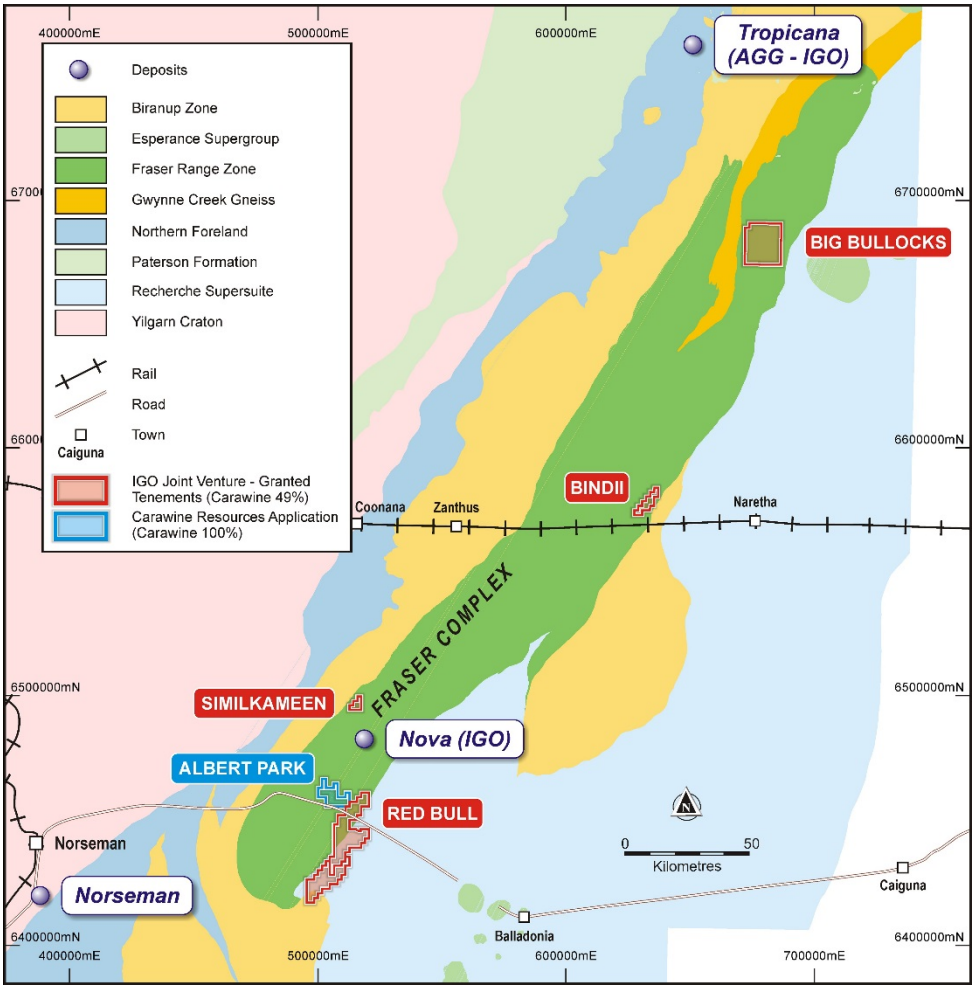
### 7.2.4 Fraser Range Project

The Company has a joint venture with Independence Group NL (**IGONL**) for the exploration of five tenements in the Fraser Range region of Western Australia, targeting magmatic nickel-sulphide deposits such as that at IGONL's Nova nickel-copper-cobalt operation. The Fraser Range JVA includes the Red Bull, Bindii, Big Bullocks and Similkameen tenements (the **Fraser Range Tenements**).

IGO are the Manager and Operator of the Fraser Range JV. They currently hold a 51% interest in the Fraser Range Tenements and can earn an additional 19% interest by spending $5 million within 5 years. As a dedicated nickel explorer with a long term commitment to the region, the Company considers IGO is well placed to carry the Fraser Range Project forward, providing the Company with significant exposure to exploration success in the Fraser Range.

The Company has also recently applied for one exploration licence adjacent to the Red Bull tenements: E69/3521, "Albert Park". The tenement is one of six competing applications and will therefore be subject to ballot to determine its priority for acceptance by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**). The tenement is not required to be included in the

Fraser Range JV. Combined the Company's tenements cover an area of about 729km$^2$.




***Fraser Range project location plan***

**Red Bull** is located just 20km south of Nova and is situated near a number of advanced nickel targets including Crux, Centauri, Plato, SHG02 and Western Margin. Previous exploration identified a number of targets. RC and diamond drilling of these targets did not identify economically significant mineralisation, however anomalous Ni results were obtained from ultramafic rocks containing disseminated Ni-sulphides, demonstrating the presence of host rocks and a geological setting highly prospective for the formation of magmatic-hosted nickel sulphide deposits, and scope for future discoveries.

At **Bindii** sparse historic drilling has identified thick cover over the basement with saprolite between 96m and 156m depth. Anomalous nickel is reported by previous explorers in auger samples in calcrete in the far south of the tenement, coincident with a magnetic low striking west from the Boonderoo Fault, as well as a low level gold auger anomaly coincident with a similar proximal westerly striking magnetic low. Given the depth of cover it is unknown if these surface anomalies relate to mineralisation at depth.

**Big Bullocks** is an area of complexly folded and faulted felsic and mafic/ultramafic intrusive centres of the Fraser Complex, conceptually well-suited to formation of magmatic Ni-sulphide and/or gold deposits, with thin recent cover resulting in the area being under-explored to date. Regional-scale drilling by Sheffield, and interpretation of airborne geophysical data, have identified a number of possible targets of interest.

**Similkameen** is located 17km north of Nova, and 50km southwest of Classic Minerals' Mammoth Cu-Ni target. The majority of historic exploration has focused on gold exploration particularly along the Fraser Range Shear Zone. The presence of mafic and ultramafic intrusions within the Fraser Complex has been interpreted from aeromagnetic data and these intrusions are expected to form the focus for future Ni-Cu-Co exploration.

## 7.3 Business Model

As an exploration company, Carawine's objective is to create value for Shareholders through the exploration, discovery and development of mineral deposits. It will focus on high-value commodities: gold, copper and associated minerals cobalt, zinc and silver, in well-established mineral provinces throughout Australia. It has a balanced portfolio of exploration assets, with projects ranging from greenfields to advanced stages in the exploration cycle.

Carawine's board is a close-knit and successful team, with demonstrated success in creating value through discovery. With a proven track record of discovery and corporate transactions, substantial experience in the target commodities and mineral provinces, it believes it is well placed to deliver the Company's corporate objectives.

As a junior explorer, the Company will dedicate its resources on achieving these objectives through effective evaluation of its targets, demonstrating the economic potential of any potential deposits and defining JORC compliant resources across its multiple project areas.

The Company also intends to evaluate and pursue other prospective opportunities in the resources sector in line with its strategy to develop high quality assets. Details of the development plans are set out below.

### 7.3.1 Proposed Exploration Program and Expenditure

It is currently proposed that the initial exploration program proposed by the Company for the Carawine Assets will include a total of approximately $3,540,000 and $5,365,000 budgeted for the first two financial years as set out in section 6 of the Independent Geologist's Report included at Section 9, assuming the Company raises the Minimum Subscription and Maximum Subscription respectively.

The exploration programs and budgeted expenditure outlined at section 6 of the Independent Geologist's Report included at Section 9 is subject to modification on an ongoing basis and is contingent on circumstances, results and other opportunities. Expenditure may be reallocated as a consequence of such changes or new opportunities arising and will always be prioritised in accordance with due regard to geological merit and other business decisions related to the Company's activities. Ongoing assessment of the Company's Projects may lead to increased or decreased levels of expenditure reflecting a change of emphasis.

The proposed exploration budget will be spent on granted tenements, and will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress and the granting of tenements now in application.

The budget is consistent with the stated objectives and the program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of mineralisation.

Jamieson Project

Proposed exploration at the Jamieson Project will initially concentrate on confirming the interpreted model for gold mineralisation at Hill 800, and then move to defining the system's strike and plunge extents. This will comprise diamond core drilling and downhole geophysics. It is reasonable to expect this work would lead to a new estimate of Mineral Resources for the deposit.

Diamond core drilling to follow-up to the high grade zinc and gold interval in RCD001 is also proposed for Rhyolite Creek. Additional target generation will comprise examining the historic exploration database (geological, geochemical and geophysical) to identify and prioritise additional prospects typical of VHMS camps, with follow-up comprising surface geochemical and geophysical programs followed by drilling. For full details on the proposed exploration budget for the Jamieson Project refer to section 6 of the Independent Geologist's Report included at Section 9.

Oakover Project

The immediate focus of exploration on the Oakover Project will be to advance the Western Star copper prospect to enable definition of the targets, and RC drill testing to establish the grade, width and size extents of the mineralisation identified at surface.

Similar targets identified from reconnaissance fieldwork and review of historic exploration in the region, for example at Bocrabee and Xmas, will also be assessed through geological mapping and surface sampling and prioritised for advanced exploration including ground geophysical surveys and drilling. For full details on the proposed exploration budget for the Oakover Project refer to section 6 of the Independent Geologist's Report included at Section 9.

Fraser Range Project

No budget is set for the Fraser Range Project as the granted tenements are part of the Fraser Range JV whereby it is expected that Carawine will not be required to commit any exploration expenditure within the next 2 years.

Paterson Project

No budget is set for the Paterson Project as there are currently no granted tenements in the project.

### 7.4 Strategy Post Listing

The primary objective of the Company is to focus on exploration of resource opportunities that have the potential to deliver value for Shareholders. In order to achieve this objective following Admission Date the Company proposes to undertake the exploration programs highlighted above and further explained in the Independent Geologist Report in Section 9 of this Prospectus. The results of the exploration programs will determine the economic viability and possible timing for the commencement of further testing including pre-feasibility studies and commencement of other mining operations on the Projects.

In summary, the Company's management strategy and purpose of this Offer is to provide Carawine with funding to:

(a) systematically explore the Company's key projects being the Jamieson Project and Oakover Projects and the Paterson Project (if the applications are granted);

(b) maintain its obligations under the Fraser Range JV;

(c) implement a growth strategy to seek out further exploration, acquisition and joint venture opportunities in Australia; and

(d) provide working capital for the Company.

The Company has sufficient working capital to carry out its stated objectives for the two years following admission to the official list of ASX. Further information regarding the Company's planned activities is set out in Independent Geologist Report in Section 9.

## 7.5 Directors and key personnel

**Mr William Burbury, B.Comm, LLB appointed on 16 March 2016 (Non-executive chairman)**

Mr Burbury practised as a corporate lawyer with a leading Australian law firm prior to entering the mining and exploration industry in 2003. During his career, he has been actively involved in the identification and financing of many Australian and African resources projects. He has held senior management positions and served on the boards of several private and publicly listed companies.

Mr Burbury was a founding director, and is currently the non-executive chairman of Sheffield.

Mr Burbury was previously Chairman of ASX listed Warwick Resources Limited prior to its merger with Atlas Iron Limited in 2009 and was also formerly a director of Lucapa Diamond Company Limited.

**Mr David Boyd, B.Sc (Hons) appointed on 21 September 2017 (Managing Director)**

Mr Boyd is a highly experienced geologist with 24 years' experience in the mining industry. He was Sheffield's founding Exploration Manager, and was responsible for the identification and development of the 42-year Thunderbird Mineral Sands Project.

Previously, Mr Boyd was the general manager of Geology with Consolidated Minerals Limited where he was responsible for managing exploration and resource development. Mr Boyd has previously worked in senior exploration roles with major gold-mining houses including RGC/Goldfields Limited, Placer Dome Asia Pacific. and Barrick Gold Corporation. During this time he was involved in a number of gold discoveries, including the Raleigh and Homestead Underground gold mines in the Eastern Goldfields of WA.

**Mr Bruce McQuitty, B.Sc, MEconGeol appointed on 16 March 2016 (Non-executive director)**

Mr McQuitty has 34 years' experience in the mining and civil industries. During this time, he has held various senior positions in large mining houses and has been involved in exploration through to the development of mines. Mr McQuitty has significant technical expertise in exploration, project generation, feasibility, underground mining and engineering geology and has managed exploration teams in Australia and overseas.

Mr McQuitty was a founding director and managing director of Sheffield. During 2015, Mr McQuitty elected to stand down as managing director and remained as a non-executive director of Sheffield. Mr McQuitty was previously managing director of ASX listed Warwick Resources Limited prior to its merger with Atlas Iron Limited in 2009. Prior to that he held senior positions with listed companies, Consolidated Minerals Limited and Gympie Gold Limited.

**Mr David Archer, B.Sc (Hons) appointed on 16 March 2016 (Non-executive director)**

Mr Archer is a geologist with around 30 years' experience in exploration and mining in Australia. He has held senior positions with major Australian mining companies, including Renison Goldfields Consolidated Limited, and has spent the last ten years as a director of Archer Geological Consulting specialising in project generation, geological mapping and project evaluation.

Mr Archer was a consultant to Atlas Iron Limited (ASX: AGO) and Warwick Resources Limited and was responsible for significant iron ore discoveries for both companies in the Pilbara. He was also involved in the discovery of the Magellan lead mine and the Raleigh and Paradigm gold mines.

Mr Archer was a founding director, and is currently an executive director, of Sheffield.

**Gemma Davies (Company Secretary)**
Ms Davies is an Accountant with over 10 years' experience in the resources industry. Ms Davies has held senior finance based roles within the copper and mineral sands sectors and has experience in finance, accounting and administration, and compliance.

## 7.6 Financial Information

As the Company was only recently incorporated (16 March 2016) and was considered dormant prior to the period 1 July 2016, the Company has only limited historical financial performance and has no operating history independent of the Sheffield Group.

Accordingly, the Company is not in a position to disclose any key financial ratios other than its statement of profit and loss, statement of cash flows and pro-forma balance sheet which is included in the Investigating Accountant's Report set out in Section 10 of this Prospectus.

## 7.7 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

(a) the Independent Geologist's Report in Section 9 for further details about the geology, location and mineral potential of the Company's Projects; and

(b) the Solicitor's Report on Tenements in Section 11 for further details in respect to the Company's interests in the Tenements.

## 7.8 Dividend Policy

The Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected

to dominate at least, the first two-year periods following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and 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.

## 8. RISK FACTORS

### 8.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in our Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to our business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 8.2 Company specific

(a) **Limited history**

Having been incorporated on 16 March 2016, the Company does not have any significant operating history independent of the Sheffield Group. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Projects. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(b) **Tenure, access and grant of applications**

Mining and exploration tenements (assuming all are granted) are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements will be approved.

The Tenements are also at various stages of application and grant, specifically the tenements for the Paterson Project are still under application, including some with competing applications from third parties. There can be no assurance that the tenement applications that are currently pending will be granted. There can be no assurance that when the tenement is granted, it will be granted in its entirety. Additionally, some of the tenement areas applied for may be excluded. The Company is unaware of any circumstances that would prevent the tenement application from being granted, other than the competing applications, however the consequence of being denied the applications for reasons beyond the control of the Company could be significant specifically for the Patersons Project.

Tenements are subject to the applicable mining acts and regulations in Western Australia and Victoria. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's Projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and Victoria and the ongoing expenditure budgeted for by the Company.

However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.

Please refer to the Solicitor's Report on Tenements in Section 11 for further details.

(c) **Exploration and operating**

The mineral exploration licences comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Projects.

As stated elsewhere in this Prospectus, the mechanism of participation in the Jamieson Agreement allows the Company to measure the relative benefits to Shareholders in continuing with or diluting and withdrawing from the Jamieson Agreement. This deal structure has largely mitigated the risk to the Company and to Shareholders inherent in Jamieson Project exploration activities.

(d) **Joint Venture and Contractual Risk**

The Company's interest in the Jamieson Project and Fraser Range Project are subject to contracts with Jamieson Minerals Pty Ltd and Independence Newsearch Pty Ltd and Independence Group NL respectively.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under these agreements.

If the Company is unable to satisfy its undertakings under these agreements the Company's interest in their subject matter may be jeopardised.

If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

Refer to Sections 14.1 and 14.2 for summaries of the Jamieson Agreement and the Fraser Range JVA.

### 8.3 Industry specific

(a) **Exploration costs**

The exploration costs of the Company as summarised in Section 7 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.

(b) **Resource and reserves and exploration targets**

The Company has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(c) **Mine development**

Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns,

access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on any of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.

The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

(d) **Environmental**

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

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(e) **Native title and Aboriginal heritage**

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

Please refer to the Solicitor's Report on Tenements in Section 11 of this Prospectus for further details.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

### 8.4 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Carawine Assets may have to be surrendered or not renewed. General economic conditions may also affect the value of Securities and its valuation regardless of its actual performance.

(b) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(c) **Competition risk**

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

(d) **Currently no market**

There is currently no public market for the Company's Securities, the price of its Securities is subject to uncertainty and there can be no assurance that an active market for the Company's Securities will develop or continue after the Offer.

The price at which the Company's Shares trade on ASX after listing may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Securities will develop or that the price of the Securities will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Securities. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(e) **Market conditions**

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

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

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Securities regardless of the Company's performance.

(f) **Taxation**

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

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

(g) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised

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

(h) **Reliance on key personnel**

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

(i) **Force majeure**

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

(j) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Western Australia or Victoria may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(k) **Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(l) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(m) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

## 8.5 Investment 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.

Therefore, the Securities to be issued 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 investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

## 9. INDEPENDENT GEOLOGIST'S REPORT

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

1 November 2017

The Directors
Carawine Resources Ltd
Level 2, 41 – 47 Colin Street
West Perth WA 6005

Dear Sirs,

Re: **INDEPENDENT GEOLOGIST'S REPORT ON**

**MINERAL PROJECTS IN VICTORIA AND WESTERN AUSTRALIA**

Agricola Mining Consultants Pty Ltd ("Agricola") has been commissioned by the Directors of Carawine Resources Ltd, ACN 611 352 348 ("Carawine" or the "Company") to provide an independent technical report ("Report") on the Jamieson Au-Cu-Ag-Zn-Pb project, Oakover Cu-Co project, Paterson Au-Cu-Co (Zn-Pb) project and the Fraser Range Ni-Cu-Co project (the "Projects") held by the Company. This Report is to be included in a Prospectus to be lodged by the Company with the Australian Securities and Investments Commission ("ASIC") in respect of the Company's initial public offer (the "Offer"). The funds raised under the Offer will be used for undertaking detailed geological exploration and working capital requirements.

## The Projects

- Jamieson project, Au-Cu-Ag-Zn-Pb VHMS targets, Victoria.
- Oakover project, stratabound and structural Cu-Co targets, Western Australia.
- Paterson project, Nifty style Cu-Co and Telfer style Au-Cu targets, Western Australia.
- Fraser Range project, Nova-Bollinger Ni-Cu-Co and Tropicana Au targets, Western Australia.

## Declarations

### Relevant codes and guidelines

This Report has been prepared as a technical assessment in accordance with the Australasian Code for Public Reporting of Technical Assessment of Mineral Assets (the "VALMIN Code", 2015 Edition), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), as well as

the rules and guidelines issued by the ASIC and the ASX Limited ("ASX") which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011).

Where exploration results have been referred to in this report, the information was prepared and first disclosed under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"), prepared by the Joint Ore Reserves Committee of the AusIMM, the AIG and the Minerals Council of Australia 2012.

Under the definition provided by the VALMIN Code, the mineral projects are classified as 'early stage exploration projects' where mineralisation may or may not have been identified, but where Mineral Resources have not been estimated. The properties are considered to be sufficiently prospective, subject to varying degrees of risk, to warrant further exploration and development of their economic potential.

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

**Sources of Information**

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

In compiling this Report, Agricola did not carry out a site visit to the Project areas. Based on its professional knowledge and experience and the availability of extensive databases and technical reports made available by various government agencies, Agricola considers that sufficient current information was available to allow an informed appraisal to be made without such a visit.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given for the inclusion of this Report in the Prospectus relating to the Offer and distribution of this Report in the form and context in which it appears. Agricola has no reason to doubt the authenticity or substance of the information provided.

The report draws on the Technical Geological Report prepared by Mr David Boyd, which is based on various ASX releases by Sheffield Resources Limited along with technical reports prepared by consultants, previous tenements holders and other relevant published and unpublished data for the area. The Company is a wholly owned subsidiary of Sheffield Resources Ltd. The information in the Technical Geological Report that relates to Exploration Results is based on information compiled from historic exploration data by Mr David Boyd, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Mr

Boyd is a full-time employee of Sheffield Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Boyd is a shareholder of Sheffield Resources, a director of Carawine and is proposed to be the Managing Director of Carawine. Mr Boyd consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

This Report contains statements attributable to third persons. These statements are made in, or based on statements made in previous geological reports that are publicly available from either a government department or the ASX. The authors of these previous reports have not consented to the statements used in this Report, and these statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72.

**Qualifications and Experience**

The person responsible for the preparation of this Report is:

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

> Malcolm Castle has over 40 years' experience in exploration geology and property evaluation, working for major companies for 20 years as an exploration geologist. He established a consulting company over 20 years ago and specializes in exploration management, technical audit, due diligence and property valuation at all stages of development. He has wide experience in a number of commodities including uranium, gold, base metals, iron ore and mineral sands. He has been responsible for project discovery through to feasibility study in Australia, Fiji, Southern Africa and Indonesia and technical audits in many countries. He has completed numerous Independent Geologist's Reports and Mineral Asset Valuations over the last decade as part of his consulting business.
>
> Mr Castle is a qualified and competent witness in a court or tribunal capable of supporting his valuation reports or to give evidence of his opinion of market value issues.
>
> Mr Castle completed studies in Applied Geology with the University of New South Wales in 1965 and has been awarded a B.Sc.(Hons) degree. He has completed postgraduate studies with the Securities Institute of Australia in 2001 and has been awarded a Graduate Certificate in Applied Finance and Investment in 2004.
>
> Mr Castle is the Principal Consultant for Agricola Mining Consultants Pty Ltd (ABN: 84 274 218 871), an independent geological consultancy established over 10 years ago. He is a Member of the AusIMM.

*Declaration – VALMIN Code:* The information in this Report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Malcolm Castle, who is a Member of AusIMM. Malcolm Castle is not a permanent employee of the Company.'

Malcolm Castle has sufficient experience relevant to the Technical Assessment and Valuation of the Mineral Assets under consideration and to the activity, which he is undertaking to

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

*Competent Persons Statement – JORC Code 2012:* The information in this Report that relates to Exploration Results of the Company has been reviewed by Malcolm Castle, who is a Member of AusIMM. Mr Castle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as an Expert and Competent Person as defined under the VALMIN Code and in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code 2012"). Mr Castle consents to the inclusion in this Report of the matters based on the information in the form and context in which they appear.

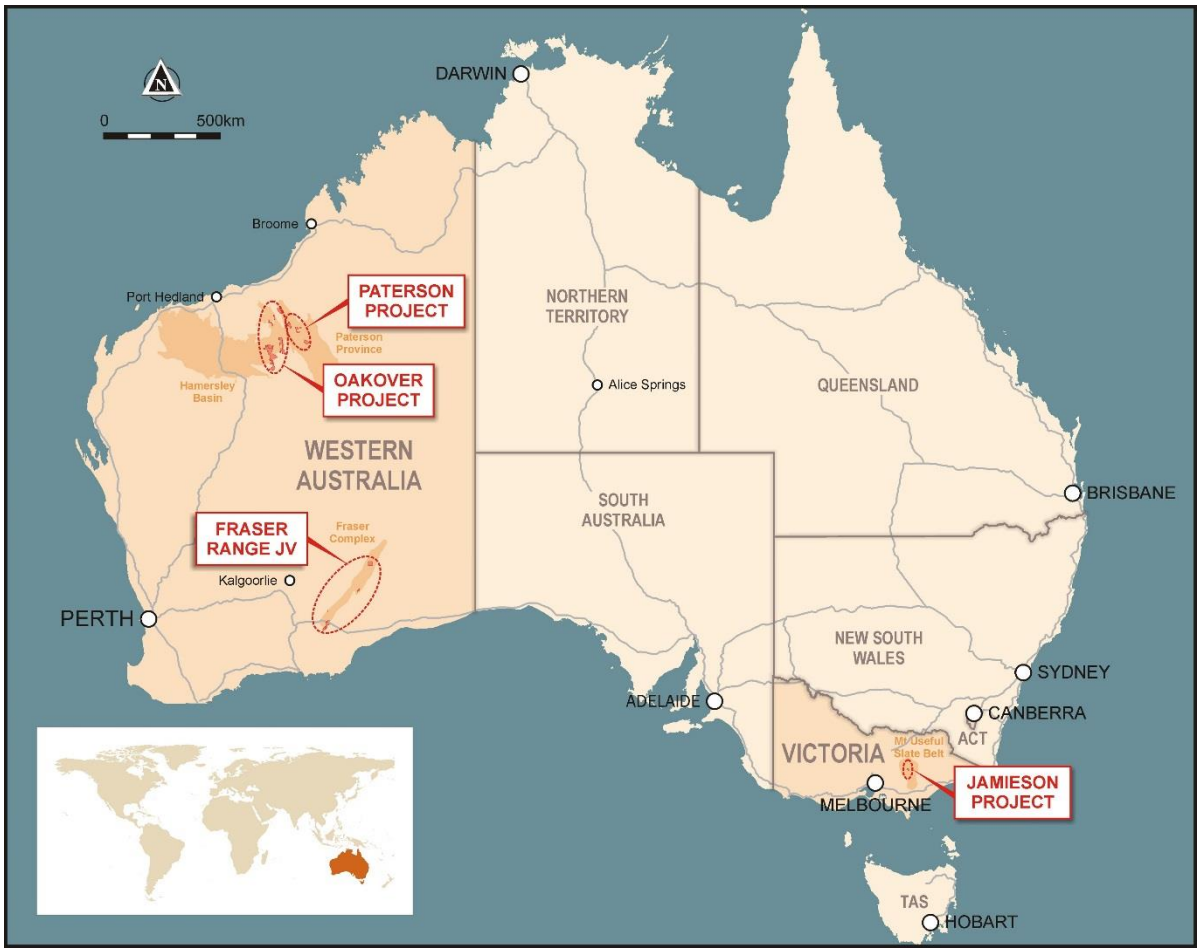
**Independence**

Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of the Company and have no material interest in the Project. The relationship with the Company is solely one of professional association between client and independent consultant. The review work and this Report are prepared in return for professional fees of $11,000 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Agricola and Malcolm Castle consent to the inclusion of the matters based on the information in the form and context in which they appear in the Company's Offer.

Yours faithfully

Malcolm Castle
B.Sc.(Hons), MAusIMM, GCertAppFin (Sec Inst)
Agricola Mining Consultants Pty Ltd ABN: 84 274 218 871




*Project Locations*[1]

[1] Source: Sheffield 2017c, Competent Person: David Boyd

## 1. TENEMENT SCHEDULE

| Tenement | Name | Holder | Status | Area, km$^2$ | Start | Expiry |
|---|---|---|---|---|---|---|
| **Jamieson Project, Victoria** | | | | | | |
| EL 5523 | Jamieson | Jamieson Minerals | Granted | 34 | 1-Oct-15 | 30-Sep-20 |
| **Oakover Project, Western Australia** | | | | | | |
| E 46/1041-I | Mt Divide | Carawine Resources | Granted | 483 | 23-Mar-16 | 22-Mar-21 |
| E 46/1042-I | Balfour | Carawine Resources | Granted | 205 | 3-Aug-17 | 2-Aug-22 |
| E 46/1044-I | Bandido | Carawine Resources | Granted | 89 | 23-Mar-16 | 22-Mar-21 |
| E 46/1069-I | Saddleback | Carawine Resources | Granted | 572 | 3-Jun-16 | 2-Jun-21 |
| E 46/1099-I | Bocrabee | Carawine Resources | Granted | 270 | 15-May-17 | 14-May-22 |
| E 46/1116-I | Fig Tree | Carawine Resources | Granted | 328 | 1-Sep-17 | 31-Aug-22 |
| E 46/1119-I | Shag Pool | Carawine Resources | Granted | 235 | 1-Sep-17 | 31-Aug-22 |
| E 45/4958 | Braeside | Carawine Resources | Pending | 64 | Application | |
| E 45/4959 | Midgengage | Carawine Resources | Pending | 127 | Application | |
| E46/1194 | Mt Frank | Carawine Resources | Pending | 282 | Application | |
| **Paterson Project, Western Australia** | | | | | | |
| E 45/4845 | Lamil Hills | Carawine Resources | Pending | 224 | Application | |
| E 45/4847 | Trotman South | Carawine Resources | Pending | 220 | Application | |
| E 45/4881 | The Duke | Carawine Resources | Pending | 224 | Application | |
| E 45/4871 | Baton | Carawine Resources | Pending | 196 | Application | |
| E 45/4955 | Bolt | Carawine Resources | Pending | 125 | Application | |
| **Fraser Range Project** | | | | | | |
| E 28/2374-I | Bindii | Carawine Resources | Granted | 38 | 18-Jun-14 | 17-Jun-19 |
| E 28/2563 | Similkameen | Carawine Resources | Granted | 17 | 2-Jun-17 | 1-Jun-22 |
| E 39/1733 | Big Bullock | Carawine Resources | Granted | 238 | 19-Nov-13 | 18-Nov-18 |
| E 69/3033 | Boingaring Rocks | Carawine Resources | Granted | 131 | 27-Jul-12 | 26-Jul-17 |
| E 69/3052 | Harms Way | Carawine Resources | Granted | 229 | 11-Dec-12 | 10-Dec-17 |
| E 69/3521 | Albert Park | Carawine Resources | Pending | 76 | Application | |

*Tenements in the Jamieson Project are held by Jamieson Minerals Pty Ltd. Tenements in the Oakover, Paterson and Fraser Range Projects are held by Carawine Resources Pty Ltd*

The status of the tenements and applications for tenements has been reviewed by reference to the Minerals Titles Online database of the Department of Mines and Petroleum, WA, and GeoVic - Earth Resources Victoria online information, pursuant to section 7.2 of the Valmin Code, 2015. The tenements and applications are believed to be in good standing.

## 2. JAMIESON PROJECT

The Jamieson project is located on unrestricted crown land about 20km east of the township of Jamieson in the central eastern Victorian Goldfields, about 140km northeast of Melbourne (*Figure **1*** & *Figure **2***). Access to the Project from Jamieson is via the unsealed Jamieson-Licola Road, and then by secondary forestry tracks.

The Project area covers steep, wooded terrain, with 200m to 500m change in elevation from valley floors to hill peaks. Vegetation comprises mainly eucalyptus and mountain ash and a thick understory of ferns, wattles and other wet temperate shrubs (Cherry, 2003). The Jamieson River and Jamieson River South both run through the Project area.

The region was founded on gold mining in the 1850s and a number of gold mines have operated in the region, including the A1 Mine near Gaffney's Creek south of Kevington,

currently operated by Centennial Mining Ltd. The area has also been logged for forest products in the past.

The Jamieson project contains the Hill 800 gold and Rhyolite Creek zinc-gold-silver prospects, as well as a number of other gold and base metal targets.


*Figure 1: Jamieson Project location.*[2]

## 2.1 Tenure

The Jamieson project comprises exploration licence EL5523, covering an area of 34km$^2$, on unrestricted crown land south of, and adjacent to, the Alpine National Park (*Figure **2***).

**Table 1 Jamieson Project tenement details.**

| Tenement | Name | Commodity | Holder | Carawine Interest | Status | Area (km$^2$) |
|---|---|---|---|---|---|---|
| EL 5523 | Jamieson | Gold, base metals | Jamieson Minerals Pty Ltd | Earning 100% | Granted | 34 |

## 2.2 Geological Setting

The Project lies within the Palaeozoic Mt Useful Slate Belt, an imbricate thrust terrane where fault-bounded slices of Cambrian, Ordovician and Silurian rocks define one of the most deformed and structurally complex zones of the Lachlan Fold Belt in eastern Victoria.[3]

[2] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG
[3] Cherry, 2003

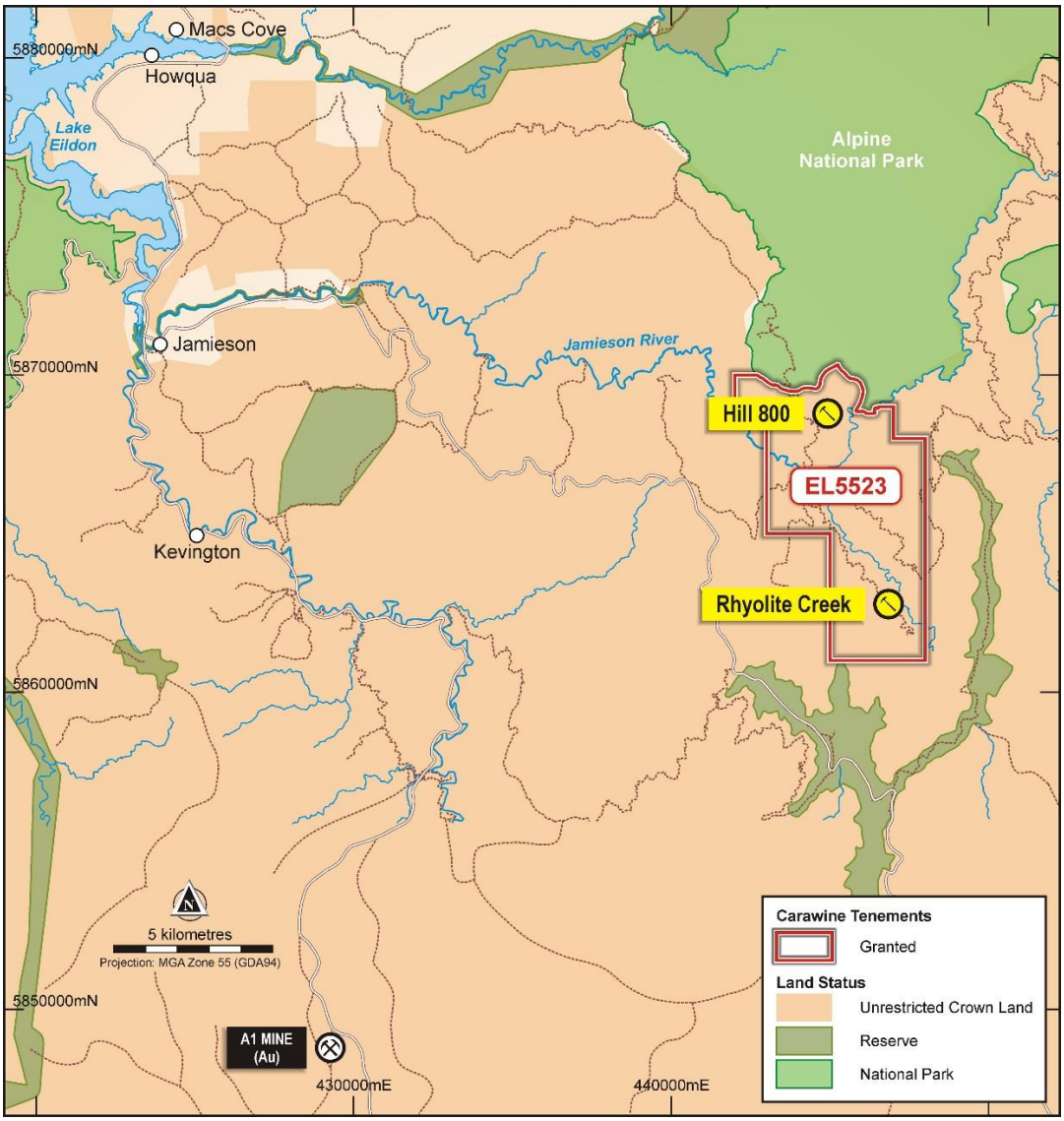



*Figure 2: Jamieson Project EL5523 location.*[4]

Four separate structurally emplaced "windows" expose the Cambrian geology, with the northernmost "Jamieson" window exposing the Barkly River Volcanics within the Project area (*Figure **3***). Main rock types comprise volcaniclastic siltstone, sandstone and breccia units interbedded with andesite, dacite and rhyolite lavas, dykes and stocks. Regional metamorphism is to greenschist facies, with dominant alteration to chlorite and quartz and patchy epidote alteration. Zones of mineralisation are associated with intense sericite alteration, with local development of prehnite-pumpellyite, intense epidote, and intense silica alteration systems.[5]

Locally the majority of the volcanic units comprise andesitic lavas, breccia and volcaniclastic sediment, with a zone of mainly rhyolitic rocks in the southern part of the window around Rhyolite Creek. The rocks strike WNW for the most part, parallel to the dominant foliation and generally dip to the SSW. A major Devonian thrust fault, the Fullarton Thrust, has structurally emplaced younger Silurian quartz-rich sandstones and siltstones and Ordovician siltstone and black shale over the older Cambrian Volcanics.[6]

[4] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG
[5] Cherry, 2003
[6] Corbett, 1999

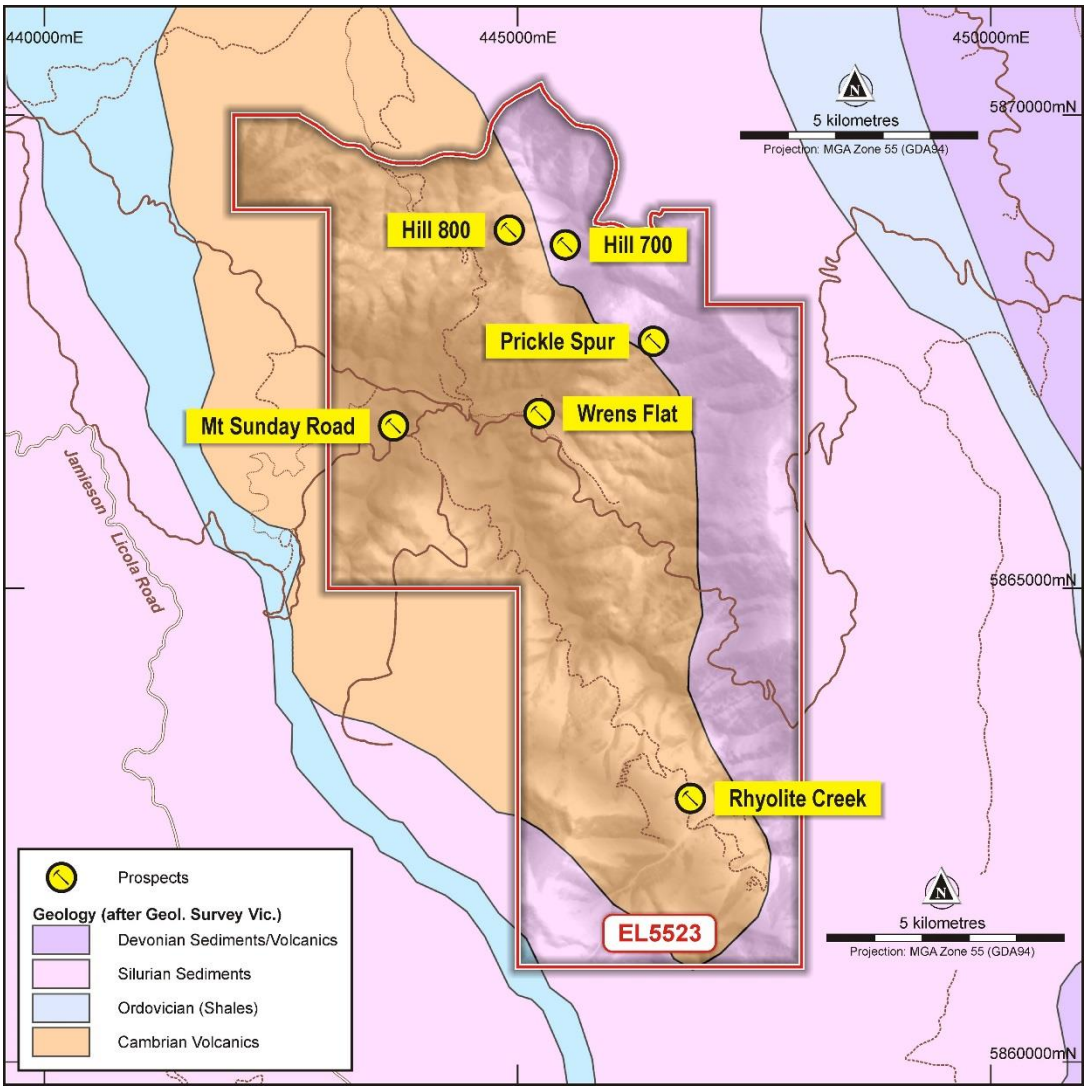



*Figure 3: Jamieson Project regional geology and prospects (derived from Geological Survey Victoria publications) showing windows of Cambrian Volcanics.*[7]

## 2.3 Previous Exploration

*Australian Anglo American Prospecting PL 1979-1981*[8]

Anglo American completed regional scale stream sediment sampling and geological mapping in the southern part of the Project area, targeting low grade disseminated or stock work gold mineralisation in felsic volcanics. A coherent Cu-Pb-Zn anomaly identified from this work was followed up with detailed mapping and rock chip and soil sampling over a 2km x 2km area. This work identified altered rhyolitic rocks anomalous in Cu, Pb, Zn and highly anomalous in Au over an area of 350m x 1,200m. The potential for supergene related gold leaching from the near-surface oxidised environment was noted in this work, recognising the potential for higher grades at depth. Despite Anglo American describing "characteristics of a major hydrothermal system", no drilling was completed and the exploration licenced surrendered.

[7] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG
[8] McKenna (1983

*Hardrock Exploration Pty Ltd joint-ventures with BP Minerals, BHP Minerals 1983-1988*[9]

Hardrock identified the potential of the Rhyolite Creek area, picking up the ground surrendered by Anglo American, with exploration completed by joint venture partners; initially BP Minerals (to 1984) and then BHP Minerals (1985-1988). Hardrock's target was primarily gold, with exploration based on an epithermal gold mineralisation model evidenced by alteration associated with anomalous gold-silver-base metals.

BP completed an initial program of rock chip sampling and a ground magnetic survey which confirmed the anomalism identified by Anglo American, but then withdrew from the joint venture. BHP Minerals then joint ventured into the property, testing the peak surface gold anomaly with one diamond hole (RCK1). Further testing was recommended.

From 1986 to 1988 the Hardrock/BHP joint venture completed additional soil and stream sampling, mapping, alteration studies and induced polarisation (IP) surveys. Four additional diamond holes were completed (RCK2-5) testing the two surface gold geochemical targets and a third target which comprised a major barium anomaly. In total about 955m of diamond core was drilled. Low grade mineralisation was intersected, and selected material results for each hole reported included:

2m @ 0.46g/t Au, <1g/t Ag from 0m (RCK1)

13.5m @ 1.01g/t Au, <1g/t Ag from 5.1m (RCK2)

31m @ 0.5g/t Au, 50g/t Ag from 69.5m (RCK3)

1.1m @ 1.09g/t Au, 14g/t Ag from 105.5m (RCK4)

2m @ 0.30g/t Au, <1g/t Ag (RCK5)

*The intersections are calculated as weighted averages based on drill hole length as reported by the previous explorer. Other dill intersections are not considered to be material and were of lower tenor. Down hole widths are reported and may not represent true thickness. A complete listing of drill holes and results is included in the Appendix.*

BHP considered these results to be below the grades necessary for an open-cut gold resource, suggesting future work concentrate on discovering high grade zones through extensive drilling. BHP were unwilling to fund this next stage of exploration, and withdrew from the joint venture with Hardrock.

Hardrock recognised Rhyolite Creek as a very large, zoned mineralised system, with structural controls poorly understood, and recommended exploration should continue.

*Hardrock Exploration Pty Ltd 1989-1993*[10]

Upon the grant of two development leases (505 and 506), Hardrock established additional track access, completed additional mapping and surface sampling, and completed a target generation and ranking exercise and identified targets for drill testing, mostly IP and soil anomalies not tested by BHP.

Hardrock drilled 30 shallow RAB percussion holes into these targets (RP1-30, total 812m), with mixed results described as "generally disappointing", in that no wide or high grade gold intervals were recorded. In the "northern" anomaly highly siliceous and pyritic rhyolite was intersected, but without gold grades sufficient to explain the soil anomalies they were testing.

[9] Van Riel, 1996, McKenna, 1989, BHP 1988

[10] McKenna, 1992

Holes drilled near RCK2 similarly returned "poor" results, apart from RP18 which drilled a gossan, returning elevated gold values. Holes drilled near RCK1 again returned anomalous but low grade gold results. The third main target was black carbonaceous shales overlying anomalous gold intersections in rhyolite in drill holes RCK3 and 4. Thin pyritic quartz veinlets were found to be associated with anomalous results.

This program of shallow, low cost drilling by Hardrock (without a JV partner) confirmed the large mineralised system at Rhyolite Creek without discovering the high grade gold zone objective of the program.

*Perseverance Mining Pty Ltd 1994-2000*[11]

In 1994 Perseverance Mining earned a 60% interest in the Rhyolite Creek tenements from Hardrock, recognising evidence for a gold bearing high sulphidation epithermal alteration system as the source of the main anomalous zone (large scale, low grade), and recognising the potential for base metal (Cu and Zn) mineralisation in the system. Establishment of new drill access tracks allowed refinement of the existing geochemical anomalies, and discovered a new target in altered andesite peripheral to the main silicified rhyolite anomaly (Van Riel, 1996).

Perseverance completed 15 RC holes totalling 948m, testing six different target areas. Altered, pyritic, 150m thick rhyolite breccia carrying 0.2g/t Au over 75m, with elevated copper (to 0.55%) and zinc (to 1.6%) described a large diffuse alteration system. Gold values from the RC program were described as "generally low" in addition to several sub-economic intervals. A 6m intersection of elevated values was reported from RC35 associated with massive sulphide adjacent to a "silica knob" outcrop.

At the completion of this drilling program in 1996, Perseverance describe the most promising target as the main anomaly targeted by previous explorers, near the Zig Zag track, hosted in brecciated rhyolite and fragmented epiclastic units and yielding the highest gold grades in drilling to date (RC45, RCK3, RCK4). Perseverance also described excellent potential for the "silica knobs" targets north of the Jamieson River South Branch, where massive sulphide associated with anomalous gold, copper and zinc required extensive additional drilling. Lastly, they describe altered andesite near the Jamieson River South branch as requiring further exploration.

In 1997 Perseverance engaged an expert from consultants SRK to review the Project, following which "a major shift in geological thinking" occurred, whereby the alteration patterns thought by previous explorers to be related to epithermal mineralised systems were re-interpreted to be associated with structurally focussed fluid flow. The focus of exploration was therefore changed to high grade, low tonnage shear zone hosted gold, and extensive additional mapping and structural studies recommended prior to any additional drilling. In 2000 Perseverance withdrew from the joint venture, and the tenement was subsequently relinquished by Hardrock in 2001.

[11] Van Riel, 1996, Murphy & Turner, 2009, Potter, 1998; Van Riel, 1999

*Mt Wellington Gold (New Holland Mining NL) 1993-2004*[12]

In 1993 Wyncross Pty Ltd (later changing to Mt Wellington Gold Pty Ltd, then Mt Wellington Gold NL, then Barkly River Greenstones Pty Ltd) successfully applied for an exploration licence over the ground previously held and explored by Hardrock Exploration, surrounding development leases 505 and 506 (see above). From 1994 New Holland Mining NL managed exploration in the area under a joint venture with Mt Wellington, initially targeting similar mineralisation to that at Rhyolite Creek and eventually discovering and drilling the Hill 800 gold deposit. From 1999 Mt Wellington managed exploration on the properties, with New Holland retaining a 34% interest in Mt Wellington Gold NL.

In 1994 New Holland commenced a program of geological mapping, rock chip and soil sampling, focussing on radiometric (K) and magnetic anomalies in recently released Victorian Government airborne geophysical survey data. This work led to the discovery of Hill 800, initially from 9 rock chip samples with values ranging from 0.53g/t to 11.3g/t Au (average 3.35g/t) in gossanous quartz and silica breccia outcrops over a 200m x 50m area. Sericite alteration associated with mineralisation was recognised as the source of the potassium radiometric anomaly, with outer epidote alteration also recognised.

In 1995 compilation of previous surface geochemical databases (Anglo American and Hardrock/BHP), and regional and local soil sampling programs by New Holland further defined the Hill 800 soil anomaly to an area in excess of 1Ha, within a 1.5km x 2km alteration envelope. Soil gold and base-metal anomalies were also identified at Hill 700 (adjacent, but separate to Hill 800) and Prickle Spur prospects (all within EL5523).

From 1996 to 1999 New Holland/Mt Wellington continued mapping and surface sampling programs, establishing and extending sample grids at Hill 800, Hill 700, Prickle Spur and Mt Sunday Road prospects (all within EL5523). Drilling included 51 RC holes and 5 diamond core holes at Hill 800, 8 RAB holes at Hill 700 and 5 RC holes at Prickle Spur. Ground geophysical surveys were also completed, comprising fixed and moving loop EM and IP at Hill 800 to Hill 700 and CSAMT and Self Potential at Hill 800. Downhole geophysics comprised DHEM (HED1-3) and DHMMR (HED4a). Airborne surveys included regional DIGHEM (helicopter-borne EM) and AIRSAR (airborne radar) surveys.

This work established the gold-copper deposit at Hill 800, and recognised the association of mineralisation with disseminated pyrite and chalcopyrite within a well-defined and zoned sericite-silica-chlorite alteration system analogous to VHMS deposits. Results of drilling beneath surface anomalies at Hill 700 and Prickle Spur returned low grades.

*Goldsearch Ltd 2006-2013*[13]

In 2006 Goldsearch Ltd applied for tenure over ground which included the Hill 800, Hill 700 and Rhyolite Creek Prospects, as well as a number of additional prospects outside the area now covered by EL5523 under the "Mt Wellington" project. Goldsearch applied two mineralisation models: intrusion-related Cu-Au mineralisation analogous to deposits at Mt Morgan (Queensland) and North Lyell (Tasmania); and intrusion-related low-sulphidation

[12] Reynolds, 1993, Choy, 1994, Choy *et al*, 1995, Turner and Cherry, 1996; Turner *et al.*, 1997; Turner *et al.*, 1998; Turner *et al.*, 2004

[13] Turner, 2013, Turner, 2008, Murphy and Turner, 2009, Goldsearch (ASX:GSE) June 2014 Quarterly Activities Report, Turner and Wilson, 2010

epithermal Au-Zn-Cu-Pb vein breccia analogous to deposits at Cowal (NSW) and Porgera (Papua New Guinea).

Goldsearch explored the prospects until 2013, after which they report the Project as "under assessment and review" and sought interested parties to joint venture into the Project. In mid-2014 Goldsearch announced a change of direction of the Company to healthcare, and surrendered their tenements in the area.

Hill 800

Goldsearch did not conduct any new exploration at Hill 800. The near-surface, low grade mineralisation suggested a shallow northerly plunge, and did not incorporate results from all holes drilled at the deposit.

Rhyolite Creek

From 2008 to 2010, Goldsearch completed extensive geological mapping, supported by rock chip sampling, and structural interpretation as well as a program of IP surveys over a number of target areas at Rhyolite Creek. They also completed 5 diamond core holes during this period: RCD001-005, for a total 1,896.9m.

RCD001, drilled in 2008, targeted part of a north-south trending magnetic anomaly identified by previous explorers and spatially related to surface gold and base metal anomalism associated with gossans. The hole intersected a shallowly dipping zone of strong alteration and sulphide mineralisation including low-iron sphalerite at the sheared contact of rhyolite lava/felsic volcaniclastic with altered andesite/intermediate volcaniclastic.

**Table 2: RCD001 main mineralised zone – individual assays.**

| Hole ID | Depth From* | Depth To* | Au (g/t) | Ag (g/t) | Cu (ppm) | Pb (ppm) | Zn (%) | Description |
|---|---|---|---|---|---|---|---|---|
| RCD001 | 220 | 221 | 0.28 | 9.3 | 1,520 | 568 | 2.2 | 5 cm pug shear |
| RCD001 | 221 | 222 | 0.45 | 6.8 | 434 | 390 | 0.8 | porphyritic volcaniclastic |
| RCD001 | 222 | 223 | 0.24 | 7.7 | 307 | 298 | 0.5 | 40 cm shear |
| RCD001 | 223 | 224 | 8.95 | 127 | 4,330 | 15,200 | 14.7 | strong pyrite |
| RCD001 | 224 | 224.4 | 3.63 | 79.6 | 8,110 | 13,500 | 17.9 | abundant pyrite with galena |
| RCD001 | 224.4 | 225.6 | 0.41 | 6.4 | 259 | 716 | 0.9 | quartz veins |
| RCD001 | 225.6 | 226.5 | 0.29 | 4.7 | 223 | 428 | 0.3 | shear zone 50 cm |
| RCD001 | 226.5 | 228 | 0.52 | 23.6 | 798 | 2,000 | 1.8 | strong silica breccia |

* half-NQ core cut to geological intervals to maximum 1m, downhole widths in metres.

In 2009 two diamond core holes were drilled to follow up the mineralisation identified in RCD001. RCD002 was drilled from the same location as RCD001 but in the opposite direction, and intersected a porphyritic diorite dyke at the target depth. The 1.5m of sheared volcaniclastic intersected at the contact returned anomalous Au, Ag and Zn assay values. RCD003 was collared about 300m north of RCD001 & 002 and intersected the "target shear zone". As with RCD001, RCD003 intersected altered intermediate volcanics in the footwall to the target zone, returning wide zones of anomalous zinc.

In 2010 two further diamond holes, RCD004 & RCD005, were drilled to test for extensions to the mineralisation intersected in RCD001 and RCD003. RCD005 was drilled to the east of RCD003, targeting mineralisation about 300m to 400m up-dip (despite the 120m step-out objective referred to in reports). The hole intersected similar rock units, but without the "target shear zone" or anomalous assays described from the contact of upper felsic and lower

intermediate volcanics. RCD004 was drilled from the same location as RCD001 and RCD002, but in a perpendicular orientation (to the southeast). The hole intersected the "target shear zone" about 150m along strike from the main mineralised zone in RCD001.

*Jamieson Minerals Pty Ltd 2016 - Current*

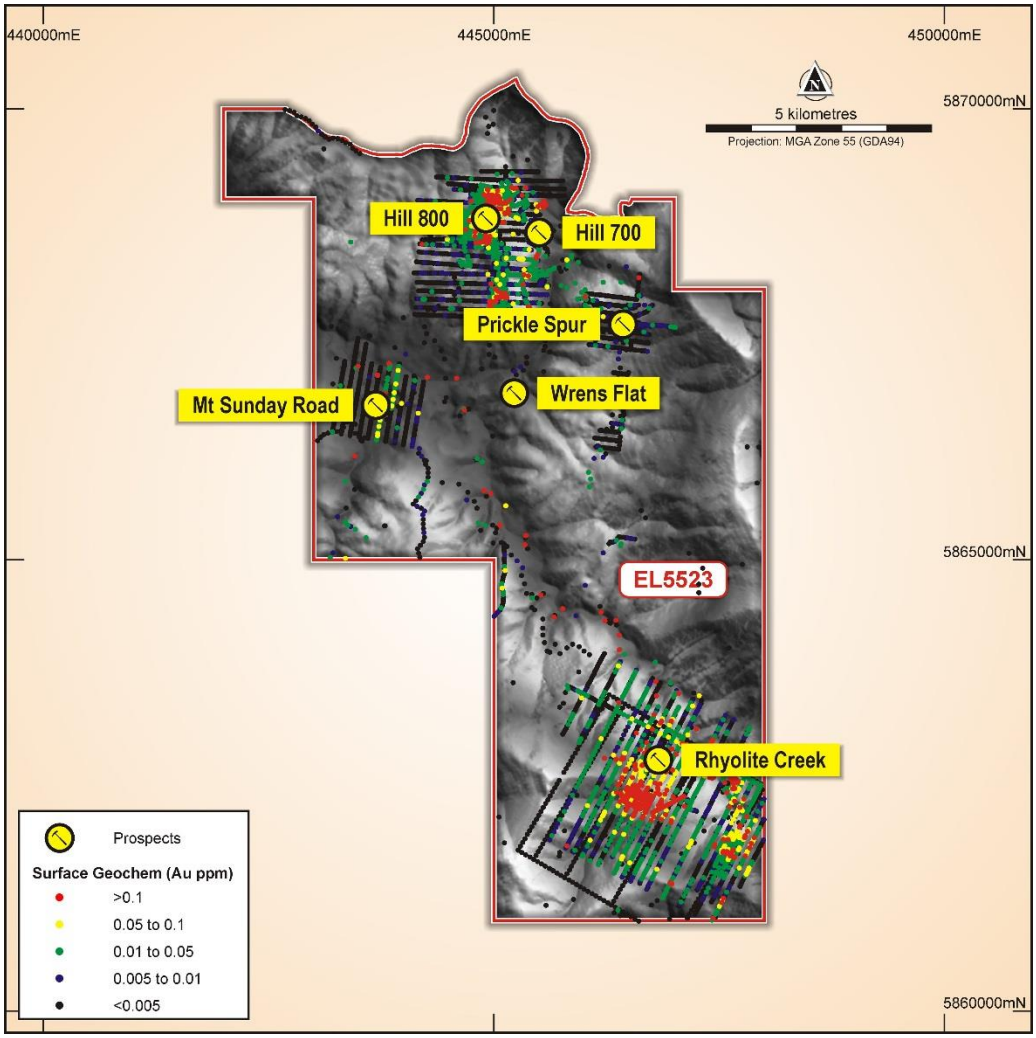



*Figure 4: Jamieson tenement EL5523 historic surface geochemical sample coverage and prospect locations.*[14]

Following the grant of EL5523 in 2015, Jamieson focussed its efforts on compiling results from previous exploration at Hill 800, including all surface sampling, geophysical programs and drilling results. The data was analysed in three dimensions using GIS and mining software. A summary compilation of data from Rhyolite Creek was also completed. Work included examination of outcrop and diamond core from Hill 800, rock chip sampling and re-sampling (including multi-element assaying) of drill core. The sampling and observations confirmed and validated previously reported results from the area.

This work culminated in the preparation of an Information Memorandum for Hill 800 including an Independent Review of the Resource Potential of Hill 800, as Jamieson sought a partner to explore the tenement.

[14] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

## 2.4 Exploration Potential

The tenement covers a "window" of Cambrian-aged volcanic rocks equivalent to the Mt Read Volcanics in western Tasmania, a world-class VHMS district. The discovery to date of two VHMS-style systems on the tenement confirms the outstanding potential of the project, and it is expected that with further evaluation of historic work, additional prospects will be identified. Typically, deposits of this style occur in clusters often defining mining camps. Gold-rich VHMS deposits are particularly attractive given their high grade and polymetallic nature.

The immediate priority for exploration on the tenement will be to confirm the model for gold mineralisation at Hill 800 and scope the system's extents. It is reasonable to expect this work would lead to a new estimate of Mineral Resources for the deposit. Follow-up of the high grade zinc and gold interval in RCD001 at Rhyolite Creek will also be a priority, given the mineralisation remains open with unknown size potential. Ongoing work will involve further analysis of the existing exploration database (geological, geochemical and geophysical) to identify additional targets typical of VHMS camps.

*Further details of drilling results for Hill 800 and Rhyolite Creek are included in Appendix 1. Historic Exploration Results discussed in the Report may not include all assays or all intersections of drill holes. The company reports of previous exploration often only include the most material results on the understanding that other results are not material in the context of the reported information. In some cases it is either impractical to report complete information, or it has not been provided in the original reports. In all cases the reporting of historic exploration results is balanced to accurately reflect the exploration potential of a prospect or area.*

### 2.4.1 Hill 800 Prospect[15]

New Holland discovered the prominent outcropping gold-rich gossans at Hill 800 in 1994 after following up magnetic and radiometric anomalies in data acquired and released by the Victorian Government. Mapping and surface geochemical surveys followed, identifying a 1km-long NE-trending zone of alteration and gold anomalism along the northern edge of a ridge-line.

A subsequent induced-polarisation (IP) survey over the ridge defined a large, strong chargeability anomaly plunging steeply north, which was targeted by several phases of reverse circulation (RC) and diamond drilling, with numerous gold intervals reported (*Figure **5***, *Figure **6***; Appendix 1).

In total New Holland drilled 51 RC and 6 Diamond holes at Hill 800 (total 6,309m) between 1996 and 1999, with high-grade gold results returned, including:

33m @ 4.31g/t Au, from surface (HEC1)

13m @ 10.9g/t Au, from surface (HEC13), *including* 3m @ 38.8g/t Au from surface

23.4m @ 4.56g/t Au, from 0.5m (HED1)

25m @ 4.72g/t Au, from 3m (HEC45), *including* 1m @ 24.0g/t Au from 16m

21m @ 4.04g/t Au, from 76m (HEC49), *including* 1m @ 20.9g/t Au from 80m

[15] Morey, *et al.* 2002, Corbett, 1999, Callaghan, 2001

23m @ 4.13g/t Au, from 86m (HEC48)

4m @ 7.03g/t Au, from 91m (HEC12), *including* 1m @ 23.2g/t Au from 92m

7m @ 22.1g/t Au, from 184m (HED1), *including* 1m @ 28.9g/t Au from 184m *and* 1m @ 122g/t Au from 188m

*The intersections are calculated as weighted averages based on drill hole length. A complete list of intersections is included in Appendix 1, and shown on Figure 5. Down hole widths are reported and may not represent true thickness. See Appendix 1 for further details*

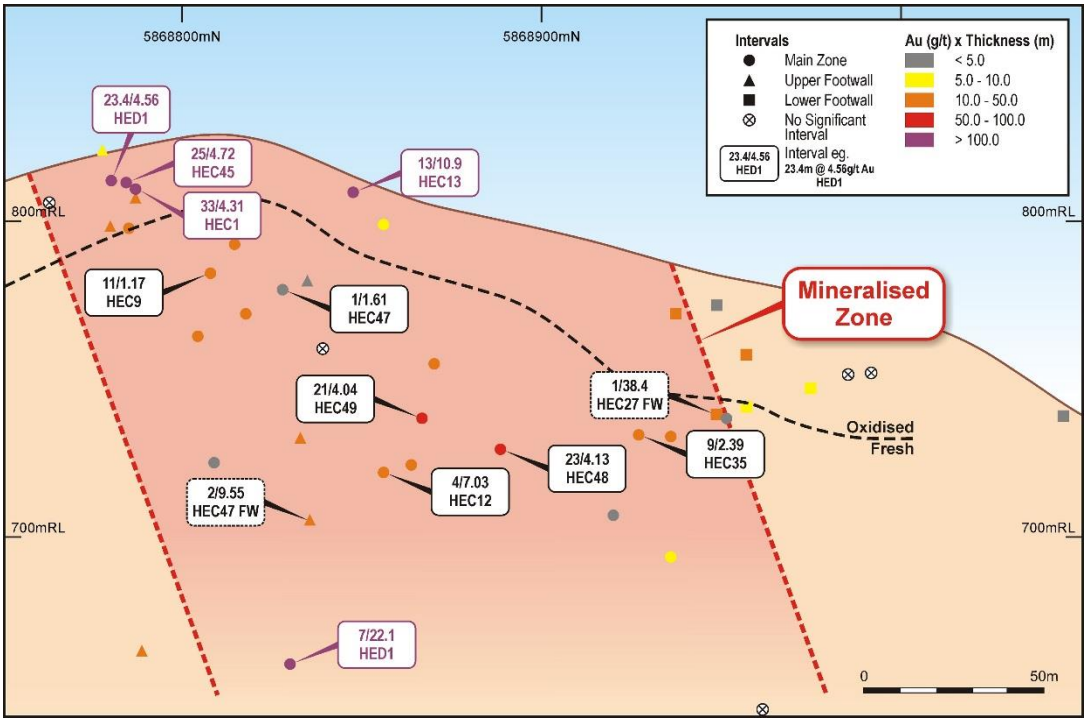



*Figure 5: Hill 800 Long section with drill hole intersections projected onto a plane oriented 030 degrees with respect to True North. Note three sub-parallel trends are depicted: Main, Upper Footwall and Lower Footwall, and an interpreted overall trend to the mineralised envelope. In most cases the holes have been drilled oblique to mineralisation, therefore the downhole widths stated may not represent true widths.*[16]

Gold mineralisation identified from this drilling is associated with silica-sericite-pyrite alteration in intermediate volcanic rocks at the core of a well-defined alteration zonation plunging approximately 70 degrees to the north. Within this alteration zone higher gold grades occur in a main, sub-vertical lode, and two parallel mineralised trends in the footwall to the main lode (*Figure **5***).

The effectiveness of prior drilling was restricted by limited site preparation and the use of large truck-mounted drill rigs resulting in poorly located and oriented drill holes (*Figure **6***). This has resulted in a number of oblique intersections and holes missing mineralisation. The use of small diamond drill rigs and better drill site preparation presents an opportunity for Carawine to more effectively test the interpreted lode geometry and target down-plunge extensions and potential parallel lodes.

[16] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

Copper mineralisation in the form of chalcopyrite was also intersected from historic drilling, often coincident with, and at times separate to gold mineralisation; for example:

1m @ 2.1% Cu, 122g/t Au from 188m (HED1), and;

7m @ 0.9% Cu, 0.69g/t Au from 254m, including 2m @ 2.0% Cu, 0.65g/t Au from 255m (HED1).

*(Down hole widths, may not represent true thickness. See Appendix 1 for further details)*

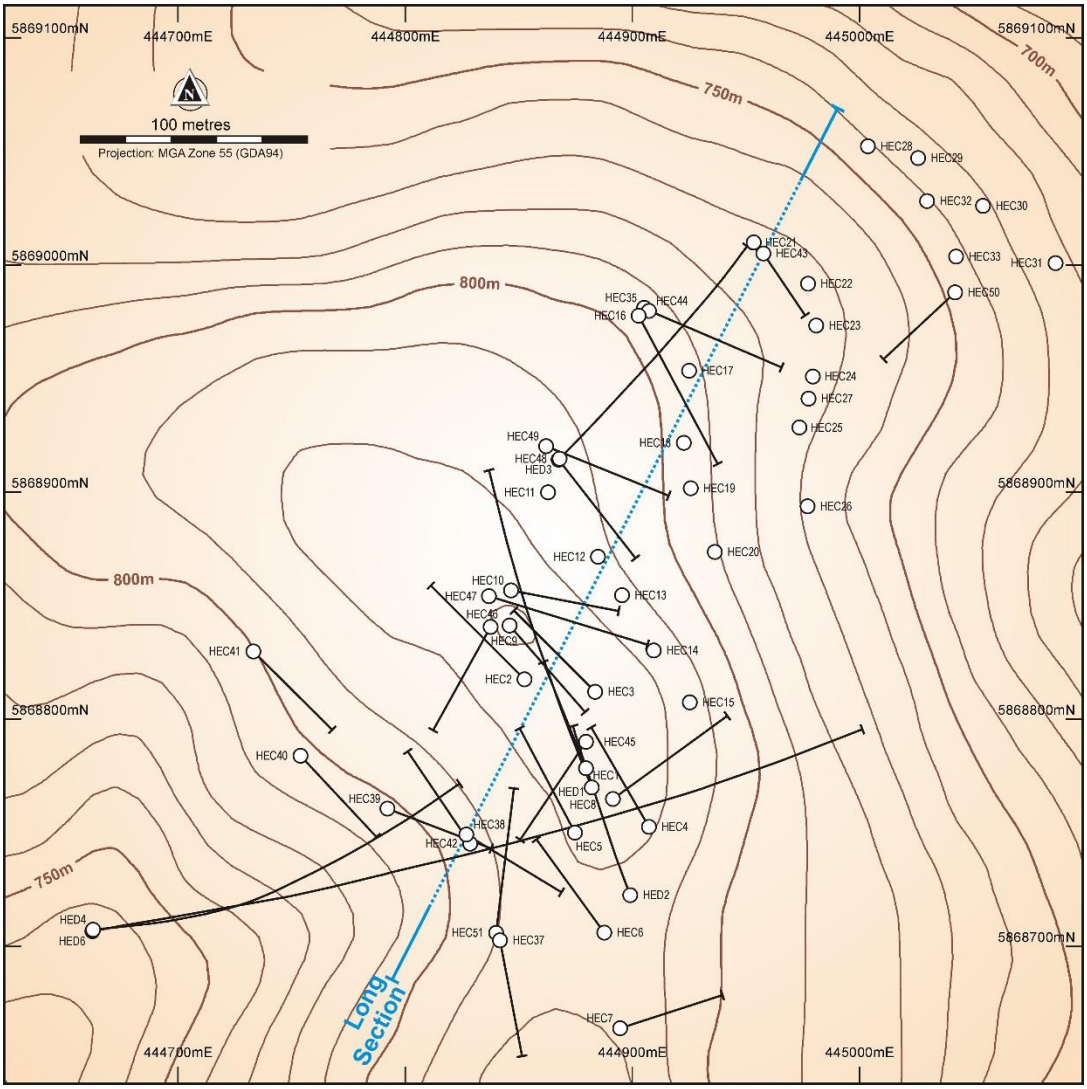



*Figure 6: Plan view of historic drilling at Hill 800, with drill traces projected to surface (10m contours).*[17]

The geology at Hill 800 comprises mainly andesitic lava breccia, volcaniclastic sandstones and some coherent porphyritic andesite. These alternate as bands or zones of breccia and sandstone, ranging in thickness from a few metres to possibly ten metres. The breccia varies in coarseness and rare bedded features in volcaniclastic rocks suggest a SE dip of approximately 50 degrees which appears to have been rotated into the dominant foliation direction. A south facing to the sequence from graded bedding in diamond drill holes has been reported.

[17] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

Alteration consists of a well-defined zone of silica-sericite-pyrite extending NE-SW for approximately 600 metres length, attaining a maximum width of about 110 metres on the crest of Hill 800. Previous explorers report the zone resembles a large sigmoidal tension gash vein in plan view, with gold mineralisation extending over 200m north-south by 50m east-west.

Gold mineralisation is associated with silica-sericite-pyrite alteration surrounded by an outer halo of sericite alteration grading out into distal chlorite-sericite (propylitic) alteration, analogous to that observed in the main mineralised zone at the 1.5Moz Henty deposit in Western Tasmania. Gold mineralisation is associated with minor chalcopyrite and pyrite occurring as disseminations, quartz-sulphide stringer veins and some massive replacement lodes. There is an association between Au and Cu, Pb and Zn but not As. These elemental associations and the historic assay methods used suggests that the gold is not refractory.

Similarities of host rock, age and mineralisation styles between Hill 800 and those of the 1.5Moz Henty gold deposit, and Hellyer lead-zinc-silver-gold deposit in western Tasmania are noted in establishing the potential of Hill 800, and for discovery of additional deposits.

### 2.4.2 Rhyolite Creek Prospect

The Rhyolite Creek prospect, located about 5km south of Hill 800 (*Figure **3***), has been the focus of most of the historic exploration within EL5523, with numerous phases of geological mapping, alteration studies, geochemical sampling, geophysical surveys and drilling programs completed since the early 1980s. This work has identified three targets which require follow-up drilling, comprising two potential large tonnage, low grade gold targets and one potential seafloor-position VHMS gold and base metal target.

The VHMS target at Rhyolite Creek is the zinc-gold-silver horizon at the contact of felsic (above) and intermediate volcanics (below), intersected in diamond hole RCD001 drilled by Goldsearch in 2008. RCD001 targeted a linear magnetic anomaly in an area of gold-silver-base metal anomalism in surface geochemical samples, intersecting variably altered volcaniclastic sediment, rhyolite and andesite, including a zone of strong alteration and massive sulphide mineralisation which returned an interval of:

> RCD001: 8m @ 3.7% Zn, 0.3% Pb, 0.1% Cu, 1.6g/t Au and 29g/t Ag from 220m including 1.4m @ 15.6% Zn, 1.5% Pb, 0.5% Cu, 7.4g/t Au and 113g/t Ag from 223m

Re-sampling of core within this interval, from 223.5 to 224.5m by Jamieson returned assay values of 20.3% Zn, 1.5% Pb, 0.7% Cu, 178g/t Ag and 10.3g/t Au (see Appendix 1 for further details). Zinc mineralisation was identified as being related to low-iron sphalerite, returning exceptional grades as described above. The footwall to this high grade zone was reported as being strongly altered intermediate volcanics, with elevated zinc values over more than 50m downhole width, containing several individual 1m assay values of 1.1% to 2.5% Zn (*Figure **7***; *Appendix 1*), e.g.: RCD001: 59m @ 0.5% Zn from 228m (>0.1% Zn, max. 1m internal waste).

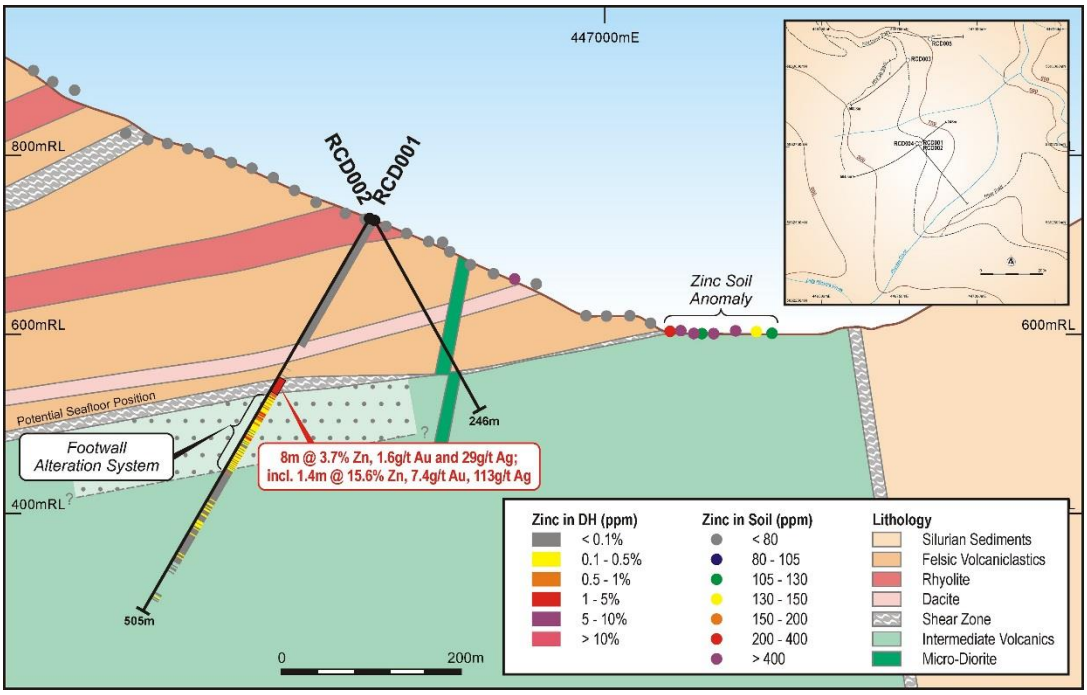



*Figure 7: Rhyolite Creek cross-section through RCD001 and RCD002, adapted from Goldsearch 2008 -2010 open file Annual Reports to Earth Resources Victoria (see Figure 8 for section location).*[18]

The high-grade zinc-gold-silver horizon intersected in RCD001 is potentially associated with a VHMS seafloor or sub-seafloor deposit, occurring at the contact of intermediate and felsic volcanic sequences, with wide zones of footwall alteration and anomalism. It has been intersected over a strike length of about 400m and remains open.

The second target style at Rhyolite Creek is gold mineralisation in the felsic volcanic sequence (rhyolite lavas and volcaniclastic sediments) which was the focus of previous explorers up until the mid-2000s (*Figure **8***). Two areas requiring immediate follow-up drilling are the Zig Zag Track 500m southwest of RCD001, and the Jamieson River South area about 1km southeast of RCD001.

At the Zig Zag Track area, brecciated rhyolite and fragmented epiclastic units with massive sulphides adjacent to a "silica knob" outcrop in two holes yielded the following results (re-calculated from historic data):

RC045: 12m @ 1.18 g/t Au from 44m (> 0.1g/t Au);

including 6m @ 2.12g/t Au from 48m (> 0.5g/t Au)

RCK003: 37m @ 0.44 g/t Au, 44g/t Ag and 0.2% Cu from 67.5m (> 0.1g/t Au);

including 19.1m @ 0.71g/t Au, 69g/t Ag and 0.2% Cu 81.5m (> 0.5g/t Au)

At the Jamieson River South area Hole RCK002 intersected near surface gold mineralisation:

RCK002: 18.6m @ 0.77 g/t Au from 2m (> 0.1g/t Au);

including 13.5m @ 1.01g/t Au from 5.1m (> 0.5g/t Au)

*The intersections are calculated as weighted averages based on drill hole length. A complete listing of dill intersections are included in Appendix 1 and shown on Figure 8, those not quoted here are not considered to be*

[18] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

*material and were of lower tenor. Down hole widths are reported and may not represent true thickness. See Appendix 1 for further details*

Both areas have had only limited follow-up drilling and as such are targets for future drilling.

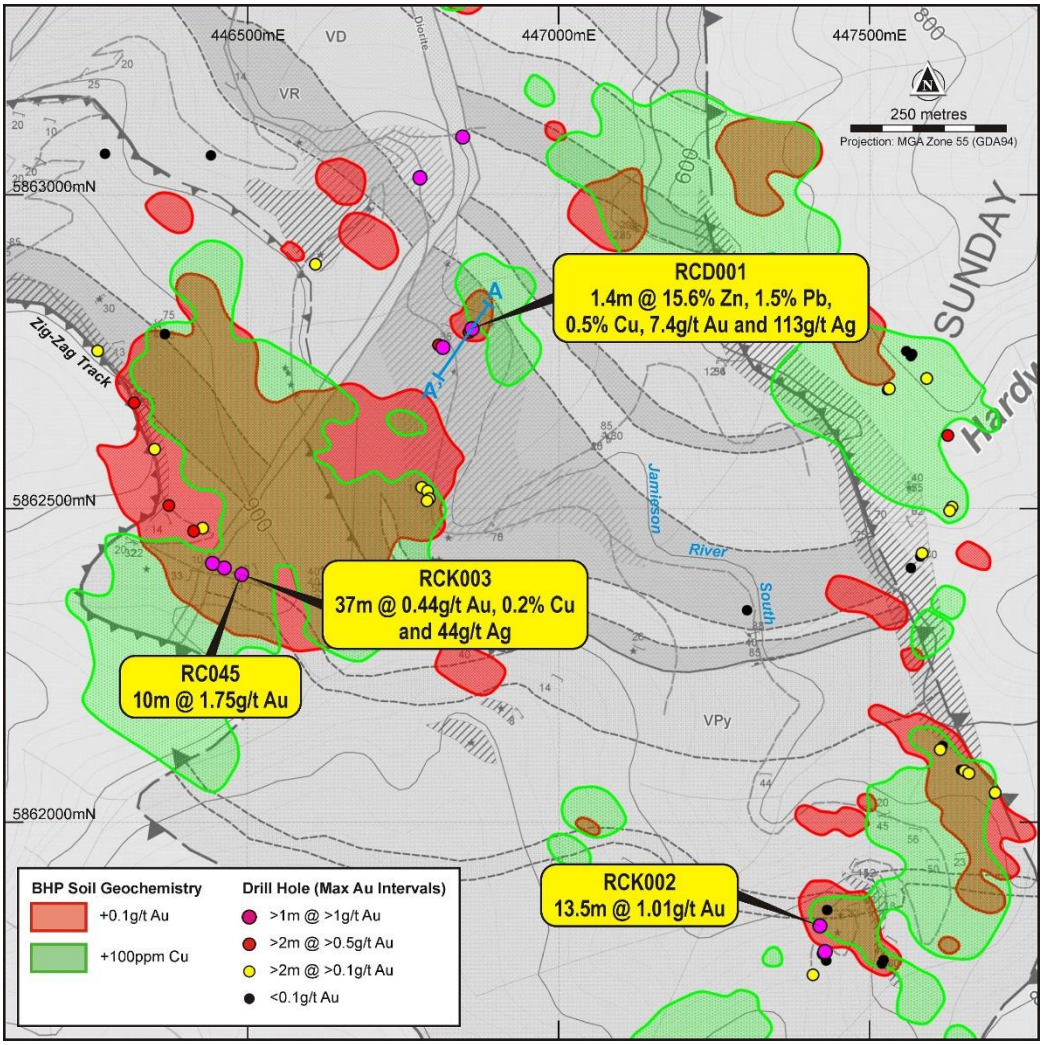



*Figure 8: Rhyolite Creek prospect area with historic surface gold and copper anomalism and selected drill intervals.*[19]

### 2.4.3 Target Generation

Within the Jamieson project tenement extensive previous exploration has been completed, with two main prospect/deposit areas identified at Hill 800 and Rhyolite Creek. Major components of this exploration database comprise surface geochemical sampling, and electromagnetic (EM) and induced polarisation (IP) geophysical surveys. Carawine plans to complete a comprehensive review of this data in the context of VHMS deposit camps, with a specific focus on identifying palaeo-seafloor positions in the stratigraphy and buried massive sulphide deposits for future testing. The terrain, lack of conductive overburden, and sulphide targets make the area especially conducive to airborne EM systems.

[19] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

## 3. OAKOVER PROJECT

The Oakover project is located in the eastern Pilbara region of northern Western Australia, adjacent to the Little and Great Sandy Deserts. The majority of the tenement areas cover pastoral leases (for beef production), and vacant crown land.

Access is via the Ripon Hills Road south from Marble Bar to the Woodie Woodie Manganese Mine, east from Nullagine along the Skull Springs Road, or north from Newman to Balfour Downs. Numerous roads and station tracks provide access to and within the Project tenements.

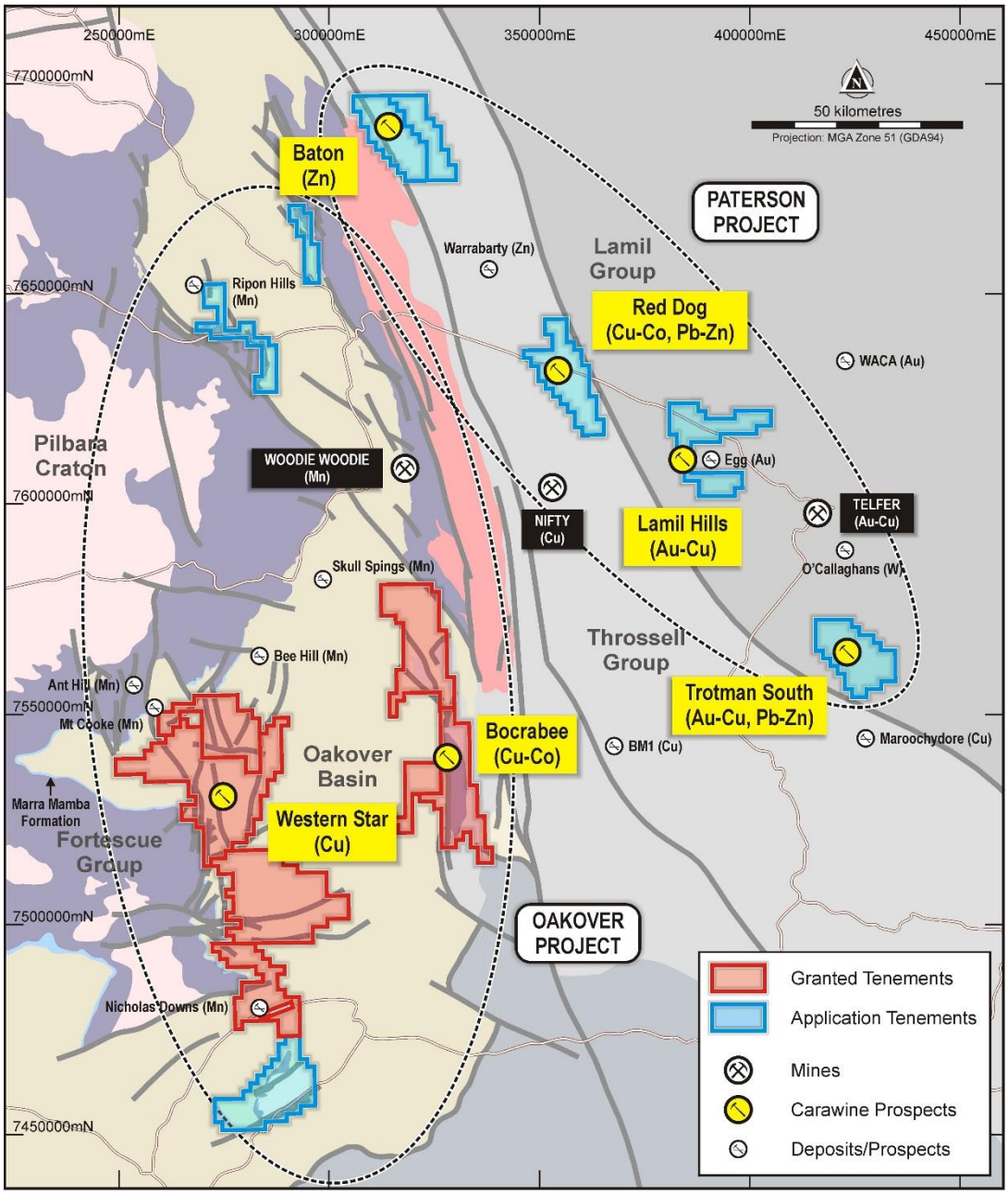



*Figure 9 Oakover and Paterson Project tenement location plan.*[20]

The region is remote and sparsely populated. Active mine sites at Woodie Woodie, Nifty and Telfer, and Pastoral Station homesteads at Balfour Downs, Mt Divide and Warrawagine are the nearest habitation centres in the area. Vegetation is a mixture of open low level scrubland

[20] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

and pockets of larger acacia and white gum trees in the west grading to red sand longitudinal dunes of the desert dominant in the east. The Oakover and Davis Rivers transect the region, flowing north to the De Grey catchment.

The Project is centred on the Oakover Basin and is prospective for copper, cobalt, manganese and iron (*Figure **9***). At Western Star the Company is developing a carbonate-hosted copper target. Numerous additional historic copper prospects will be evaluated along with the area's potential for manganese, and to a lesser extent, iron mineralisation.

### 3.1 Tenure

The Oakover project comprises seven granted exploration licences and three exploration licence applications with a total area of about 2,655km$^2$. All tenements are held 100% by the Company.

**Table 3: Oakover project tenement details.**

| Tenement | Name | Commodity | Holder | Carawine Interest | Status | Area (km$^2$) |
|---|---|---|---|---|---|---|
| E 46/1041-I | Mt Divide | Cu, Co, Mn | Carawine Resources Ltd | 100% | Granted | 483 |
| E 46/1042 | Balfour | Cu, Co, Mn | Carawine Resources Ltd | 100% | Granted | 205 |
| E 46/1044-I | Bandido | Cu, Co | Carawine Resources Ltd | 100% | Granted | 89 |
| E 46/1069-I | Saddleback | Cu, Co | Carawine Resources Ltd | 100% | Granted | 572 |
| E 46/1099-I | Bocrabee | Cu, Co | Carawine Resources Ltd | 100% | Granted | 270 |
| E 46/1116 | Fig Tree | Cu, Co, Mn | Carawine Resources Ltd | 100% | Granted | 328 |
| E 46/1119 | Shag Pool | Cu, Co, Mn | Carawine Resources Ltd | 100% | Granted | 235 |
| E 46/1194 | Mt Frank | Cu, Co, Mn | Carawine Resources Ltd | 100% | Pending | 282 |
| E 45/4958 | Braeside | Cu, Co, Mn | Carawine Resources Ltd | 100% | Pending | 64 |
| E 45/4959 | Midgengage | Cu, Co, Mn | Carawine Resources Ltd | 100% | Pending | 127 |

Granted tenements are grouped by region. The Oakover West region comprises the Mt Divide, Balfour, Saddleback, Shag Pool and Mt Frank tenements in the western side of the Oakover Basin the Oakover East region comprises the Bocrabee, Fig Tree and Bandido tenements along the eastern margins of the Basin, and the Oakover North region comprises the Braeside and Midgengage tenements, which are both under application and are in the northeastern and northwestern parts of the Basin respectively.

### 3.2 Geological Setting[21]

The Oakover project is situated within the Oakover Basin, a sedimentary basin occurring along the eastern margin of the Archean Pilbara Craton. The geological setting of the Oakover Basin has been described by various workers, and is summarised as follows.

Flat-lying to gently dipping Carawine Dolomite (2.6 Ga) of the Archaean Hamersley Group dominates the centre of the Oakover Basin and is conformably overlain by the Pinjian Chert Breccia, representing a weathering product formed from subaerial exposure dissolution and collapse of the dolomite. Below the Carawine Dolomite are gently to moderately dipping basalt, basaltic volcanoclastics (Fortescue Basalt) and shale and chert (Jeerinah Formation) units of the older Fortescue Group (2.7 Ga). Extensions or lateral equivalents of Marra Mamba Formation have also been mapped along the southwestern margin of the Basin.

[21] Hickman (1978), Jones (2011

The Carawine Dolomite and Pinjian Chert Breccia are unconformably overlain by sedimentary breccia, conglomerate, sandstone and siltstone of the Coondoon Formation, or Stag Arrow Formation sandstone and conglomerate at the base of the 1.3 to 0.9 Ga Manganese Group (a correlate of the Collier Subgroup of the Mesoproterozoic Bangemall Basin). The upper Manganese Group stratigraphy comprises silty dolomite (Enacheddong Dolomite) and shale, dolomitic siltstone, sandstone and dolomite of the Balfour Formation. These formations are intruded by dykes and sills of the circa 523 Ma Davis Dolerite.

Along the south eastern margins of the Oakover Basin, conglomerate, sandstone, siltstone and dolomite of the 850 Ma Tarcunyah and Yeneena Groups unconformably overlie the Manganese Group. Within the Company's tenements the base of the Tarcunyah Group is represented by the Googenhama Conglomerate and Waroongunyah Formation. The Waroongunyah Formation is regarded as the equivalent of the Broadhurst Formation - host to the Nifty copper deposit.

Cover is dominated by Permian fluvioglacial sediments of the Paterson Formation which are thickest in the centre of the Basin, and thin Tertiary sedimentary sequences.

A complex structural history across the Basin includes a major compressive event overprinting an early extensional history, where early extensional structures have controlled the geometry of subsequent structures reactivated during later (compressional) deformation.

Extensional faults and fractures are interpreted to be a major control on hydrothermal fluid flow and associated mineralisation, including that related to deposition of manganese, iron, and copper.

### 3.3 Previous Exploration

*Historic Exploration Results discussed in the Report may not include all assays or all intersections of drill holes. The company reports of previous exploration often only include the most material results on the understanding that other results are not material in the context of the reported information. In some cases it is either impractical to report complete information, or it has not been provided in the original reports. In all cases the reporting of historic exploration results is balanced to accurately reflect the exploration potential of a prospect or area. Further details are included in Appendix 3.*

#### 3.3.1 Oakover West

*Historic Mining*

Historic mining for copper in the Mt Divide and Balfour regions commenced in the 1920s, with records from 1958 to 1965 stating over 179t of ore grading 20.4% Cu was produced from workings in the Tubuddabudda area (Western Star Prospect). Western Australian Department of Mines records (WAMEX) indicate 9t @ 26.6% Cu and 53t @ 15.3% Cu were mined form workings in the Criddles and Clarkes areas respectively.

*Exploration*[22]

From about 1966 to 1987 a number of explorers targeted the Oakover West tenements, particularly E46/1069 and E46/1041, for iron, manganese and copper undertaking programs

[22] Dampier, 1977, Marston, 1979, Smith, 2016, Jackson, 1985, Findlay, 1995, Schwann, 2010, Etheridge, 1993

of geological mapping, rock chip sampling and limited drilling. BHP were first into the area, intersecting low grade manganese in drilling at Nooganoonga; copper mineralisation was mapped in the basal Manganese Group siltstone at Coorapline Well, and copper in old workings at Tubuddabudda (Western Star).

From 1991 to 1994 Geopeko and Northern Mining Ltd completed airborne and ground electromagnetic surveys, ground magnetics, and stream, soil and rock chip sampling targeting manganese, copper, cobalt and zinc at Coorapline Well, Criddles and Peelbegunja Hill (all within E46/1041). At Coorapline Well widely spaced RC drilling of a 1.6km x 2km Cu-Zn soil anomaly returned only low grade copper mineralisation (<500ppm) in Balfour Formation green and purple siltstones. Rock chip samples from Criddles and Peelbegunja Hill returned elevated values of manganese.

During a similar period, CRA explored along the western margin of the Oakover Basin for iron ore mineralisation in Marra Mamba Formation beneath Carawine Dolomite, targeting magnetic highs without success. Following this their focus changed, having recognised the potential for Zambian-style copper mineralisation in siltstone and sandstone units at the base of the Manganese Group, where it on-lapped Fortescue Group basement. Regional mapping recognised the old copper workings at Tubuddabudda (Western Star), and targeted Balfour Formation shales and siltstones within the Nooganoonga Valley – a 20km x 3km rift valley - concentrating on the Old Mia prospect (within E46/1069). Limited RC drilling at Old Mia returned disappointing results, although rock chip sampling at Donkan returned anomalous copper from Balfour Formation shale.

During the 1990s and early-2000s, several Companies including Portman Mining, Pharoah Metals, Valiant Consolidated, Golden Reef and Hunter Exploration continued to explore the region for manganese, iron, copper, cobalt and zinc. Portman were the most successful during this time, intersecting medium grade manganese near the historic Davis River mine (currently held by Consolidated Minerals). Copper exploration activity included mapping and rock chip sampling, targeting the basal shale units of the Balfour Formation, although no drilling was completed.

From 2003 until 2016 the area covered by the Oakover West tenements was held by Consolidated Minerals (CML), operators of the Woodie Woodie Manganese mine about 80km to the northeast. CML focussed their exploration efforts on discovering manganese deposits like those at Woodie Woodie, i.e. fault-bound hydrothermal replacement of Carawine Dolomite and Pinjian Chert Breccia. Regional mapping, rock chip sampling, gravity and helicopter-borne electromagnetic surveys were completed to generate manganese targets. Dipole-dipole induced polarisation (DDIP) surveys were completed across prospects at Constantine, Percival, Mordred, Ywain and Gingalain. RC drilling at Constantine targeted surface manganese outcrop grading up to 57.9%, and a DDIP anomaly. Results from drilling were disappointing; with only thin low-grade manganese and haematite altered dolomite intersected. Numerous additional high grade manganese occurrences throughout the area remain untested.

At Blue Valley (on E46/1069) CML intersected high grade iron mineralisation at the contact between Carawine Dolomite and Pinjian Chert Breccia. A program of 30 RC drill holes targeted surface manganese and iron outcrops within a fault-bound valley. Iron intervals were

obtained from 9 of the holes with high grades from 10m (BVLRC029)[23]. The style and grade of the iron mineralisation at Blue Valley is similar to that of high grade iron rock chip samples reported from the region, suggesting potential for widespread hydrothermal iron mineralisation within the Carawine Dolomite.

The one tenement under application at Oakover West, E46/1194, has been noted by CRA as having potential for sediment hosted copper associated with Meso-Proterozoic sediments adjacent to basement highs (the Billinnooka Inlier). Barite veins up to 5m wide and 100m long occur in Enacheddong Dolomite within a 500m long zone parallel to regional NE-striking faults, about 3km southeast of Deep Bore. The veins contain traces of copper mineralisation and are evidence of hydrothermal activity, possibly relating to the intrusion of the Davis Dolerite. Surficial manganese enrichment occurs in Balfour Formation sediments in the western part of the tenement and there are indications of gold and base metal anomalism in stream sediment, soil and rock chip samples requiring follow up work.

### 3.3.2 Oakover East[24]

Previous exploration on the Oakover East tenements (E46/1044, E46/1099 and E46/1119) has concentrated on extensive outcropping manganese through the centre of E46/1119 (Fig Tree); and copper mineralisation at the Enacheddong prospect, also known as the Bocrabee prospect. Lag sampling by CRA at the Xmas prospect has identified a 3km x 0.75km cobalt (+ manganese) anomaly, 18km south of Bocrabee on E46/1099.

A number of other manganese prospects associated with the Carawine Dolomite and Manganese Group, and copper prospects associated with basal Tarcunyah Group conglomerate, sandstone and siltstone have been explored previously. These include Enacheddong Creek (Mn), Xmas South (Mn), Christies (Mn), Aquarius (Cu-Pb-Zn), Googenhama (Pb-Cu-Zn) and Leo (Pb-Zn-Ag) (*Figure **19***).

*Enacheddong – Bocrabee Copper Prospect*

Copper mineralisation was first discovered at Enacheddong in 1971 by Metremar Minerals, with prospecting work identifying copper in coarse, friable conglomeratic sandstone and siltstone. From 1983 to 1987, Panoz Ventures explored the prospect area, completing reconnaissance geological mapping and rock chip sampling which led to a joint venture with Dominion Mining. Dominion completed detailed mapping and a ground magnetic survey, then drilled 9 shallow RAB holes (drilled to 2.8m depth) and 10 deeper RAB holes (average 35m depth, max. 60m), identifying secondary copper mineralisation over a strike length of 580m.

From 1984 to 1989 Hancock and Wright Prospecting explored the region around Enacheddong, targeting sediment hosted copper in basal units of the Tarcunyah Group (Yeneena Group equivalent) in the Bocrabee Embayment. Stream sediment, lag, auger soil, rock chip sampling and an aeromagnetic survey were completed, with a program of 19 percussion holes (50-196m deep) targeting an 8km long, linear magnetic anomaly sourced by pyrite and pyrrhotite-bearing black shales. Thick (40-50m) intervals of 10% sulphides, consistently anomalous in copper with a maximum value of 481ppm were reported from the

[23] Smith, 2016
[24] Turley, 1998, Joyce (2002, Agnew, 1993b

Enacheddong East prospect area, with Hancock suggesting similar mineralisation could extend along the 8km strike length of the magnetic anomaly.

From 1992 to 1994 CRA Exploration continued exploration within the Bocrabee Embayment, completing programs of rock chip, soil and lag sampling, airborne electromagnetics (GEOTEM) and RAB, RC and diamond drilling. Drilling tested several lag anomalies and 3 GEOTEM conductivity anomalies. Several areas of anomalous Cu, Pb, Zn and Mn were discovered and remain open (Joyce, 2002). CRA also explored the Enacheddong copper prospect under a joint venture with Kriston Pty Ltd, drilling 18 RC holes (1,927m total) and one diamond hole, predominantly north of the area previously targeted by Dominion. Five of the RC holes and the diamond hole were drilled at the Enacheddong prospect. The other 13 holes were drilled about 1km north at Enacheddong North, testing Waroongunyah Formation (Tarcunyah Group) sediments under cover. Low tenor copper results were returned.

*Xmas Cobalt Prospect*

From 1992-1994 regional and targeted soil, rock chip and lag sampling by CRA identified cobalt anomalism at the Xmas prospect, about 18km south of Bocrabee on E46/1099. Samples define a 3km x 0.75km anomaly above 500ppm Co associated with elevated manganese (2.7% to 34.5%) in Waroongunyah Formation dolomite. The source of this anomalism has not been tested, the nearest drilling being 2 RC holes and one diamond hole drilled 250m to 500m east of, and outside, the anomaly.

*Fig Tree Manganese*

From 2003 to 2016 Consolidated Minerals Ltd (CML) held and explored the area now covered by E46/1116 and E46/1044, concentrating most of their efforts on manganese targets along 20km of strike length of the Carawine Dolomite within E46/1116. Their work comprised regional and prospect-scale mapping and rock chip sampling, aerial photography, helicopter-borne EM surveys, ground gravity surveys and DDIP surveys, with more than 14 manganese occurrences identified. RC drilling by CML comprised 195 holes drilled across the Haden, Kent, Gemms, Nam Doc Mai, Zillate, Sugai Turpentine, Ah Ping, and Mapulehu prospects. Anomalous manganese intervals were recorded at Ah Ping, Haden, Mapulehu, Nam Doc Mai, Sugai, Turpentine and Zillate. It should be noted that most holes targeted geophysical targets adjacent to, and in some cases some distance from, manganese outcrops rather than direct testing of the outcrops themselves.

### 3.3.3 Oakover North[25]

The Oakover North region comprises two tenements under application: E45/4958 and E45/4959 located on the eastern and western margins of the Oakover Basin respectively. Carawine is targeting manganese and copper on these tenements (*Figure **20***).

On E45/4958 CML reported a rock chip sample assaying 900ppm Cu associated with manganiferous shale of the Jeerinah Formation. At the Gingorran Well prospect, rock chip sampling of manganese outcrop over about 1km of strike returned some high manganese values.

[25] Smith, 2016, Richards, 1985

E45/4959 is adjacent to the historic Ripon Hill manganese mining centre (currently retained by CML under mining leases). The tenement includes the Yilagong prospect where CRA targeted the Lewin Shale for stratiform lead-zinc mineralisation, with one diamond hole drilled within the tenement.

### 3.4 Exploration Potential[26]

The Oakover Basin is recognised as having the main elements of a significant base metal and manganese mineral province. It is a large sedimentary basin, formed on the edge of the Pilbara Craton during extensional tectonic events above a metal-rich, predominantly mafic volcanic basement. These periods of extension and subsequent compression have provided opportunities throughout the Basin for focussed fluid flow within fault zones and along stratigraphic units through reactive host sequences, enabling mineralisation to occur in a variety of settings. This has established potential for the region to yield copper and manganese deposits, and to a lesser extent cobalt, zinc and iron deposits.

Several mineralisation models have been developed for the Oakover project, based on current observations and results of historic exploration. These include reduced marine facies hosted "Zambian-style" stratabound copper deposits as described by Theron (2013), where copper is mobilised by oxidised brines from "red-bed" shales and deposited in environments either close to rifted basement margins or distal to basement in evaporites or carbonate algal mats (*Figure **10***). This model is applied to copper mineralisation at Oakover East (e.g. Bocrabee), where the base of the Tarcunyah Group is recognised as equivalent to the Broadhurst Formation - host to the Nifty Copper deposit

Metasomatic hydrothermal copper deposit models are also applicable to mineralisation styles in the Oakover project, most notably at Western Star but with a number of other less-advanced copper prospects especially along the western margin of the Basin. The model, analogous to that derived for the Kennecott copper deposit in Alaska, invokes medium temperature hydrothermal fluids leaching copper from basement source rocks focussed along faults and depositing copper sulphides in reactive carbonate or black shale (reduced) host rocks.

The Oakover Basin is also host to the world class Woodie Woodie Manganese mine, which has been a source of high grade manganese since the 1960s; as well as a number of other smaller producing mines (Nicholas Downs, Skull Springs, Davis River, Ant Hill etc.). Manganese deposits occur as stratabound deposits, typically as lower grade mineralisation in Manganese Group shales and Pinjian Chert Breccia, or as high grade hydrothermal carbonate replacement mineralisation in the Carawine Dolomite. In both mineralisation styles the importance of growth faults is recognised as a major control on fluid flow (*Figure **12***). There is a predominance for stratabound manganese deposits on the western side of the Basin and carbonate replacement manganese deposits on the eastern side of the basin, although this is not an exclusive association.

[26] Czarnota *et al.*, 2009, Theron 2013, Pearce, 1944

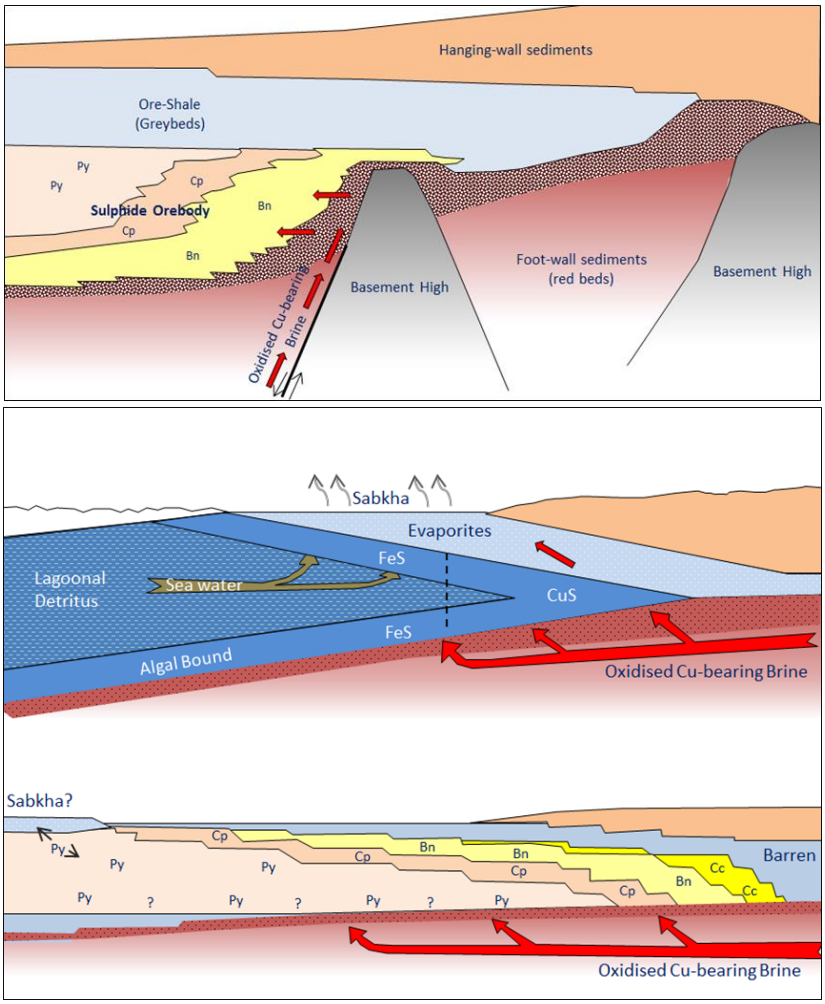



*Figure 10: Mineralisation models of basement-proximal (top) and basement-distal (bottom) Zambian and DRC Copperbelt deposits (from Theron, 2013)*[27]

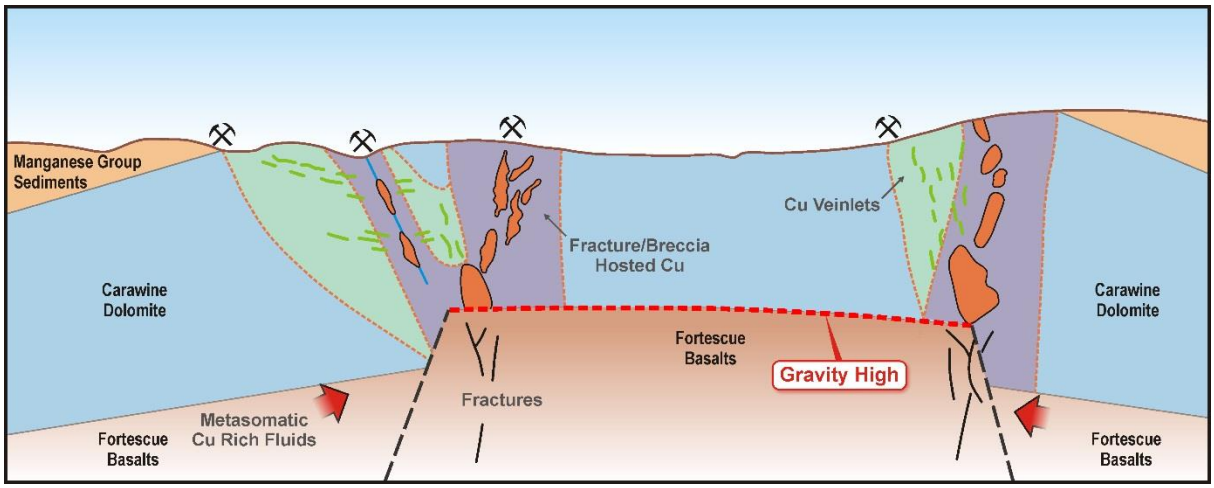



*Figure 11: Copper mineralisation model for the Western Star prospect, adapted by Carawine from the model section for the Kennecott Copper deposit in Perkins (2004, 2004b).*[28]

[27] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG
[28] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

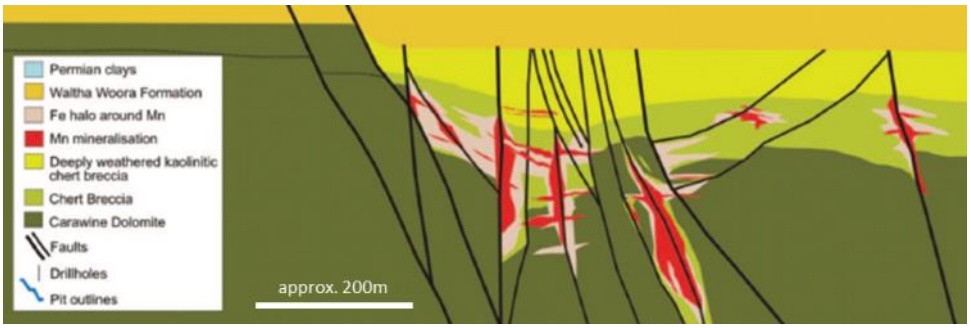



*Figure 12: Reconstructed cross-section illustrating the geological setting and alteration of hydrothermal dolomite-replacement manganese mineralisation associated with pre-compression growth faults at the Greensnake deposit, Woodie Woodie Mine (after Jones, 2011).*[29]

The same processes for manganese deposits are invoked to explain a number of hydrothermal, very high grade haematite iron deposits in the region (e.g. Blue Valley on E46/1069), with the predominance of iron over manganese interpreted to be a function of fluid chemistry and wall rock reactivity. Units of Marra Mamba Formation are also mapped on the Oakover project tenements, representing potential for discovery of direct shipping iron ore (DSO).

Exploration within the Oakover Basin has been dominated by Consolidated Minerals Ltd (CML) since the late 1990s, whose focus was the discovery of manganese deposits of sufficient size to support their Woodie Woodie operations. In the process the search for other commodities was largely ignored, with CRA being the last to complete systematic copper (and other base metal) exploration across the region about 25 years ago. This has resulted in a historic exploration database which will be used to guide future exploration, and leaves open the potential for greenfields discoveries to be made.

Two copper prospects have been advanced by Carawine and prioritised for immediate follow-up work. At Western Star, high grade carbonate replacement copper oxide mineralisation is present in historic workings. At Bocrabee, shale/siltstone hosted copper mineralisation occurs in a synclinal setting analogous to the nearby Nifty Copper deposit. Despite two phases of drill-testing by previous explorers and perceived limitations of its size potential, the mineralisation remains open for extensions. It also establishes the potential of the area for additional Nifty-style sediment-hosted copper deposits.

The Xmas cobalt-manganese prospect, identified from historic CRA Exploration lag and rock chip sample data, is a greenfields target with excellent exploration potential. Cobalt-manganese deposits are not as widespread as traditional cobalt sources (as by-products from sulphide copper or sulphide and laterite nickel deposits), but have been recognised as a source of cobalt since the early 20$^{th}$ century.

### 3.4.1 Western Star Copper Prospect

The Western Star copper prospect is a 500m x 500m area of Carawine Dolomite and Pinjian Chert Breccia hosting a number of historic workings and exploration costeans. It is located on E46/1069, about 8km north of Mt Divide. Detailed geological mapping and rock chip

[29] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

sampling by Carawine has identified three main mineralised trends of high grade copper mineralisation in breccia and vein stockworks in dolomite.

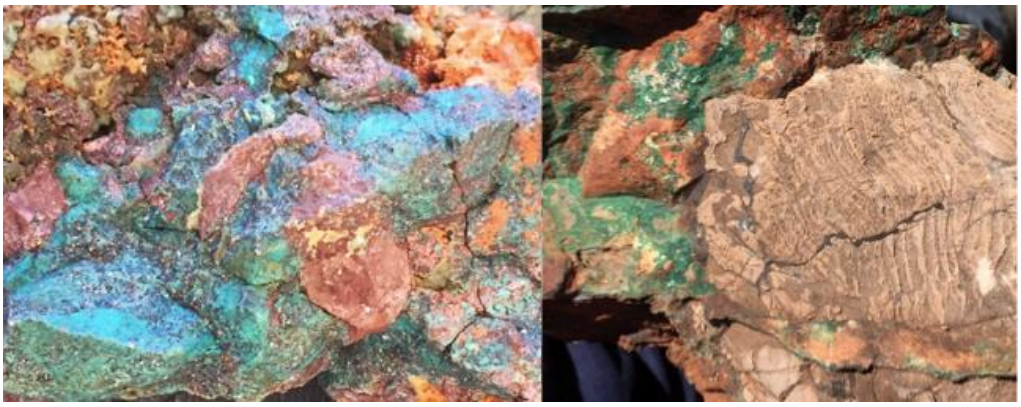


*Figure 13: Western Star prospect - copper breccia (left), copper vein stock work in stromatolitic dolomite (right).*

**Table 4: Significant Rock chip assay results from the Western Star prospect.**

| Sample | Cu (%) | Co (ppm) | Au (ppb) | Ag (ppm) | Pd (ppb) | Pt (ppb) | Description |
|---|---|---|---|---|---|---|---|
| CB20007 | **11.4** | 34.8 | 19 | 4.93 | 3.7 | 3.6 | Malachite, chalcocite veinlets in small workings |
| CB20008 | **38.9** | **810** | 21 | 9.36 | 10.7 | 1.1 | Malachite, limonite, chalcocite, calcite |
| CB20009 | **25.1** | 10.8 | 11 | 5.16 | 13.1 | 2.8 | Malachite veinlets in dolomite |
| CB20010 | **11.1** | 46.3 | 2 | 3.99 | 1.2 | 1.3 | Cuprite, malachite, chalcocite veinlets |
| CB20011 | **14.9** | 10.4 | 7 | 0.49 | 3.4 | 0.8 | Malachite, chalcocite, cuprite and chrysocolla breccia and stockwork, workings |
| CB20012 | **21.1** | 7.8 | 32 | 0.49 | **113** | **160** | Hematitic dolomite, malachite, cuprite and chalcocite in costean |
| SA042188 | 0.032 | **884** | 2 | 0.13 | 2.1 | 3.5 | Siliceous altered manganiferous subcrop |
| SA042189 | 0.095 | **577** | 2 | 0.1 | <0.5 | <0.5 | Thin subvertical vein |
| SA062401 | **6.36** | **1436** | <1 | 2.57 | <0.5 | <0.5 | Thin malachite-cuprite vein |
| SA062472 | **44.5** | **495** | 6 | 14.1 | 2.6 | 2.1 | Malachite interstitial to brecciated dolomite |
| SA062476 | **23.4** | **511** | 12 | 9.33 | 2.6 | 1.9 | Small malachite veins |
| SA062477 | **32.8** | **853** | 10 | 6.24 | 3.3 | 1.6 | Old workings, malachite veining. |
| SS08328 | **43.7** | 22.1 | 35 | **50.4** | 2.9 | 1.9 | Old workings, malachite and chalcocite. Fe veinlets at surface with silica alteration. |
| SS08334 | **12.4** | 2.1 | 2 | 14.1 | 0.6 | <0.5 | Vein and fractures in dolomite |

*See Figure 14 and Appendix 2 for sample locations, details and complete sample listing.*

Assay results from 27 rock chip samples of barren country rock, altered wall rock and mineralisation exposed in outcrop and in historic workings have returned very high grade assay values, up to 44.5% Cu (*Figure **14***, Table 4; Appendix 2, and further detail in Sheffield Resources' June 2017 Quarterly Activities Report dated 27 July 2017). Petrological work indicates that the surface copper mineralisation is typical of oxide zone assemblages associated with weathering of copper sulphides at depth in carbonate-rich host rocks. In addition to extremely high copper, the mineralisation has highly anomalous cobalt values (up to 0.14%), and single samples with high Ag (50ppm) and Pd and Pt (113ppm and 160ppm respectively), indicative of a polymetallic mineralising system (Appendix 2).

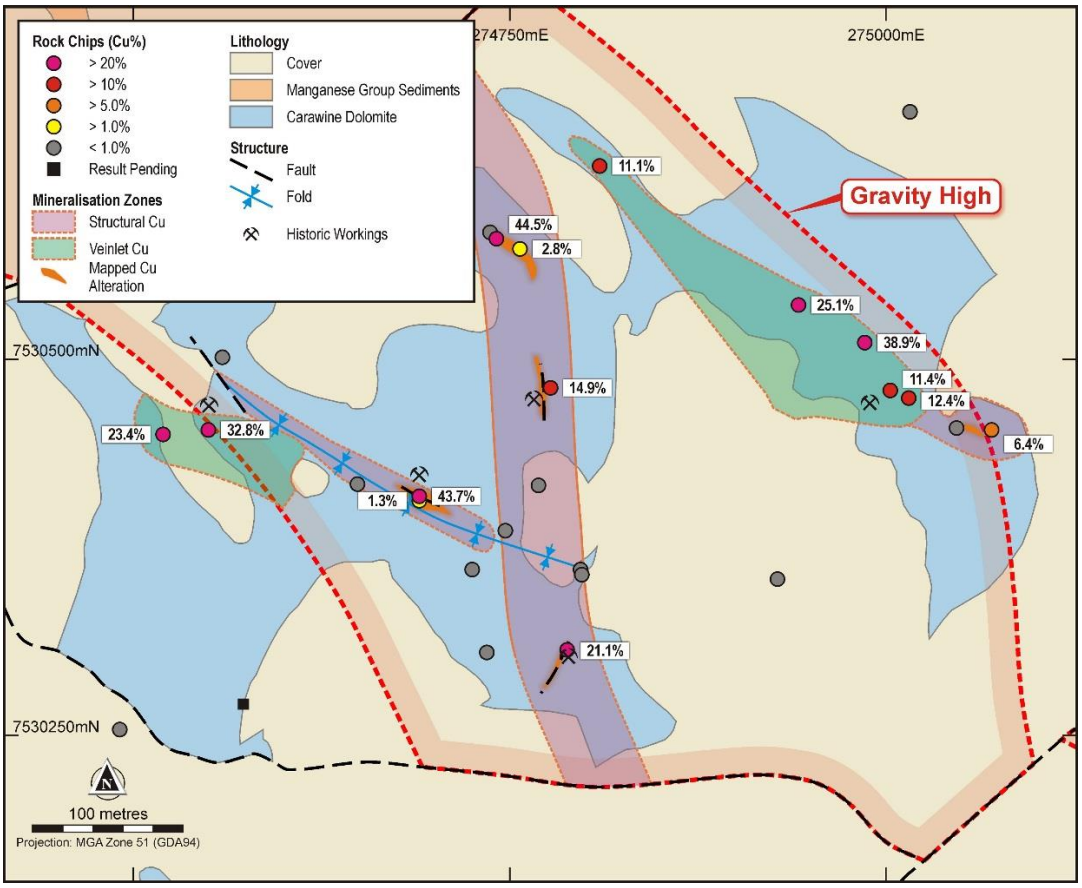



*Figure 14: Western Star prospect geological map and rock chip sample locations.*[30]

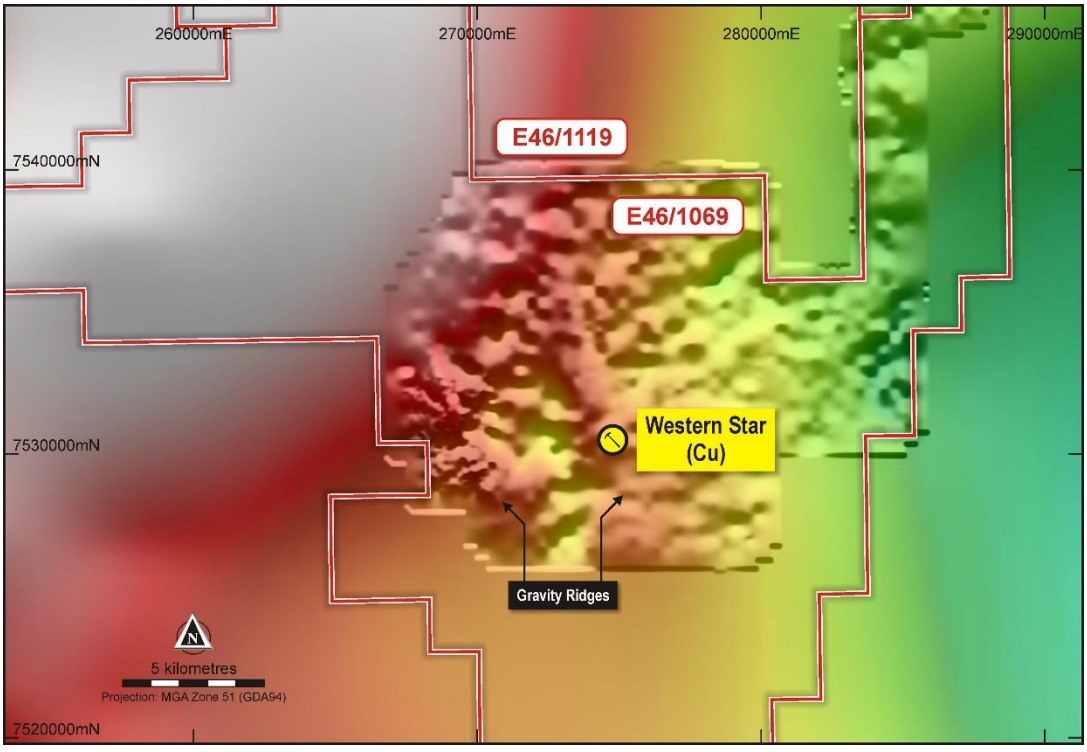



*Figure 15: Bouger Gravity Image at Western Star.*[31]

[30] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG
[31] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

The prospect area lies along one of two large gravity ridges trending through the tenement (*Figure **15***), interpreted as fault-bounded basement highs. These have been incorporated with observations from mapping, petrology, and assay results to develop a conceptual mineralisation model for Western Star analogous to that developed for the large, high grade Kennecott Copper deposit in Alaska (*Figure **11***). This model will be used to guide and assess future exploration at the prospect and regionally.

### 3.4.2 Bocrabee Copper Prospect[32]

The Bocrabee copper prospect is situated on E46/1099, east of Balfour Downs station near the western margin of the Great Sandy Desert. Carawine has completed a review of historic exploration, in particular that done by Panoz and CRA Exploration from 1983 to 1994, as well as reconnaissance mapping to confirm the work of previous explorers and to complete a geological interpretation of the prospect.

Copper mineralisation occurs over a strike length of about 800m, with widths varying from 30m to 80m. The mineralisation is stratabound within the Waroongunyah Formation. Copper anomalism in surface samples collected by CRA indicate potential for a 20m wide by 250m long, northeast extension to the mineralisation, wrapping around an open regional anticline.

At surface, copper mineralisation is characterised by goethitic dolomitic siltstone and sandstone of the Waroongunyah Formation and gossanous stockworks. Malachite is present in the sediment matrix, discolouring the siltstone/sandstone to a pale green. Chrysocolla and azurite occur on bedding planes and fractures in the highest grade samples (*Figure **17***).

Limited historic drilling by Panoz and CRA is summarised above in *Previous Exploration*, with drill hole collars shown on *Figure **16***. This work suggests the copper mineralisation is restricted to the eastern limb of the syncline proximal to the fold hinge, which plunges at a shallow angle to the north. The strongest mineralisation (described as above 0.1% Cu cut off) is up to 12m thick. The five RC holes and one diamond hole drilled by CRA returned anomalous results from 10m depth in hole 93ENRC004 (*Figure **16***). Scope exists to extend and better define the mineralisation identified in these drill holes, representing an early opportunity for drilling at Bocrabee.

The most prospective untested region is along the thin soil anomaly to the north and where the Waroongunyah trends undercover to the northeast. The syncline has been adequately drill tested by CRA were it dips under cover to the north and drilling by Panoz has adequately tested to the south.

The presence of stratabound, sediment hosted copper mineralisation at Bocrabee, and further north at the Googenhama copper occurrence, establishes the potential for the area to yield additional sediment hosted copper deposits. Lower formations of the Tarcunyah Group are recognised as equivalent to the Broadhurst Formation in the Yeneena Group which hosts the Nifty copper deposit. The style of mineralisation at Bocrabee and Googenhama has strong parallels with Zambian style copper mineralisation.

[32] Agnew, 1993

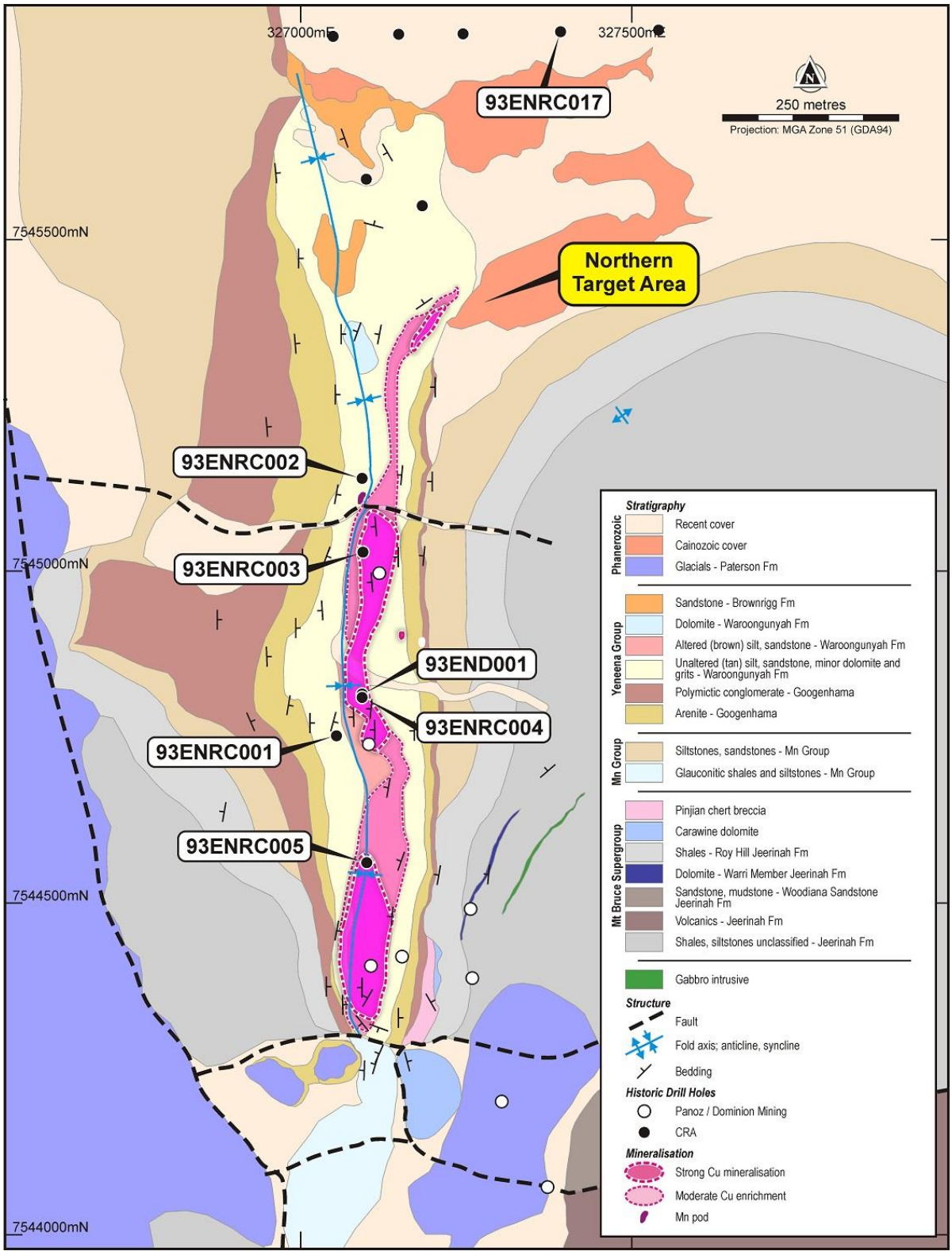



*Figure 16: Bocrabee Panoz/ Dominion and CRA historic drill locations on Carawine mapped geology.*[33]

[33] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

*Figure 17: Oxidised copper mineralisation in siltstone at Bocrabee***.**

### 3.4.3 Regional Target Generation

Previous explorers have identified numerous copper, cobalt, manganese and iron prospects across the Oakover project tenements. These range in advancement from prospective units identified from regional mapping, to RC drill testing of mineralised outcrop and geophysical targets. The Company intends to systematically assess each historic prospect with field checking and confirmatory surface sampling in order to prioritise further exploration.

*Oakover West*

Apart from the Western Star copper prospect, there are a number of historic copper occurrences of similar style recognised throughout the tenements, for example Coorapline Well, Criddles and Peelbegunja Hill (*Figure **18***). At Coorapline Well widely spaced RC drilling of a 1.6km x 2km Cu-Zn soil anomaly returned only low grade copper mineralisation (<500ppm) in Balfour Formation green and purple siltstones. The drilling was not comprehensive, and results indicate potential for stratabound sediment (Zambian Style) hosted copper.

The tenements also contain a number of Manganese occurrences reported by previous explorers, hosted by Carawine Dolomite and Manganese Group shales. These were the focus of exploration by Consolidated Minerals, and a number of occurrences remain untested so will be examined by Carawine, but at a lower priority to the copper and cobalt targets.

The tenements are also prospective for high grade haematite iron ore. CRA recognised the potential for iron within the Marra Mamba Formation and explored along the western margin of the Oakover Basin for iron ore. Reconnaissance mapping on the Oakover West tenements by Carawine has identified hematite enrichment associated with outcropping Marra Mamba Formation and hydrothermal replacement of the Carawine Dolomite. These targets will be examined by Carawine, but at a lower priority to the copper and cobalt targets.

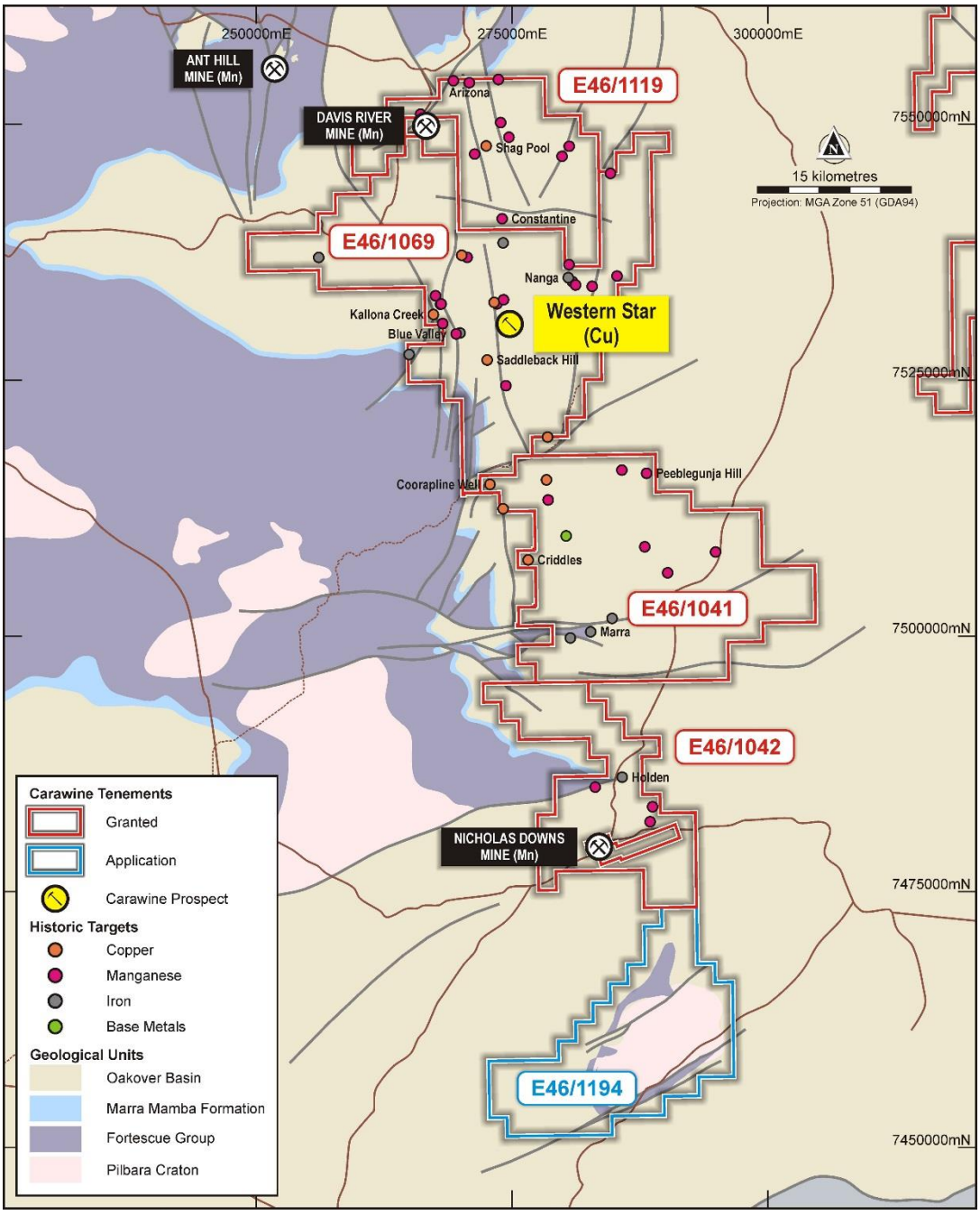



*Figure 18: Oakover West tenements, prospects and regional targets.*[34]

*Oakover East*

CRA identified a potential cobalt target at the Xmas prospect, defining a 3km x 0.75km anomaly associated with elevated manganese in Waroongunyah Formation dolomite (*Figure **19***). The anomaly itself has not been directly targeted with drilling, and represents an early stage prospect requiring field checking to establish its significance.

Consolidated Minerals' extensive manganese exploration on E46/1116 requires detailed examination to assess the effectiveness of their RC drilling. For example, in some cases the surface manganese outcrop was largely ignored, with holes instead drilling adjacent geophysical anomalies. This potential will be assessed by Carawine, but at a lower priority to copper and cobalt targets.

[34] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

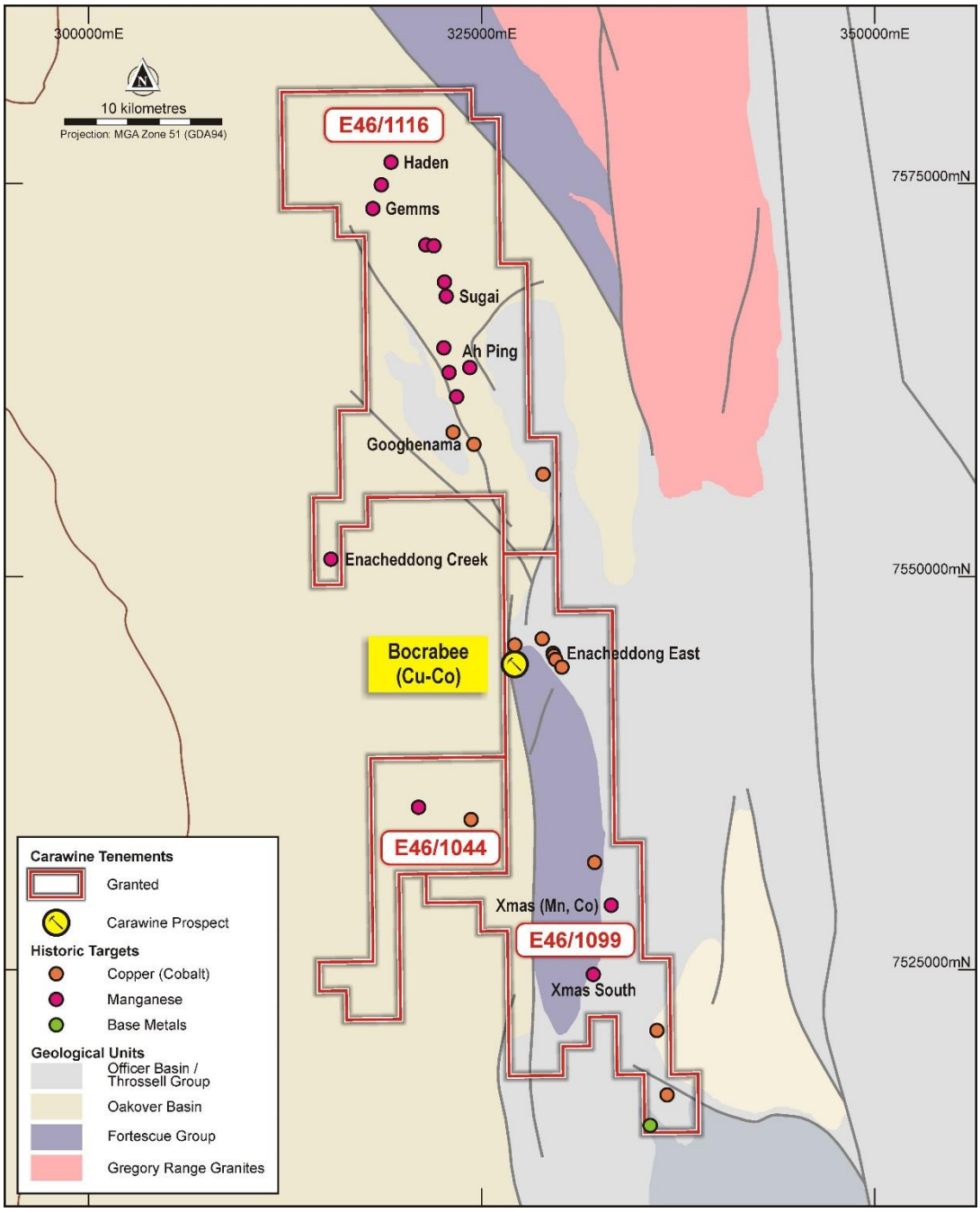



*Figure 19: Oakover East tenements, prospects and regional targets.*[35]

*Oakover North*

Only preliminary work has been completed on the two tenement applications comprising the Oakover North project areas (*Figure **20***). Both are prospective for manganese, and to a lesser extent copper, based on work by previous explorers. This will be further reviewed closer to the grant of the tenements.

[35] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

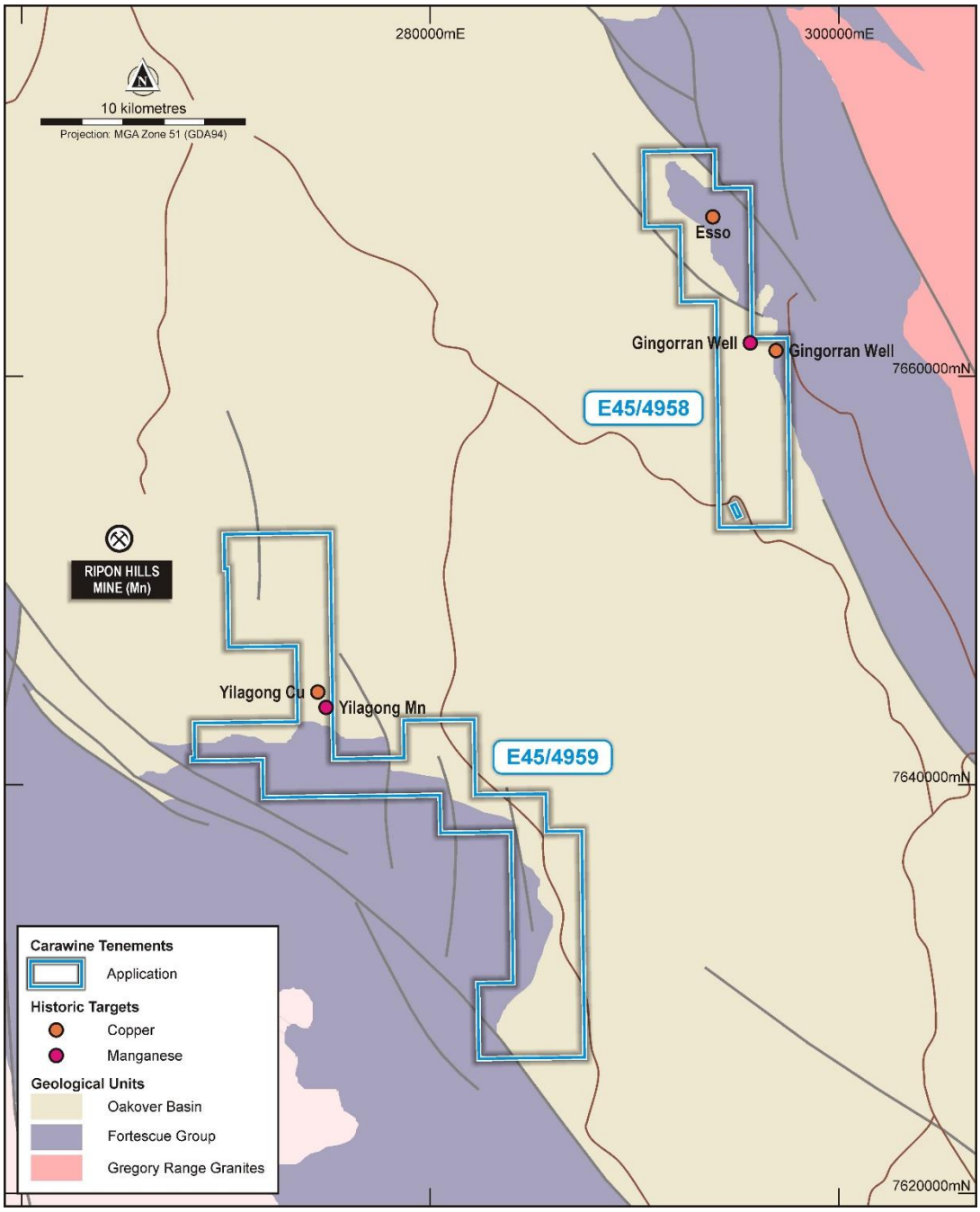



*Figure 20: Oakover North tenements, prospects and regional targets.*[36]

[36] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

## 4. PATERSON PROJECT

The Paterson project comprises tenements located in the Paterson Province in the East Pilbara district of Western Australia (*Figure **9***).

### 4.1 Tenure

The Paterson project comprises five exploration licence applications (Table 5). The applications were lodged between 17 October 2016 and 7 July 2017 and are at varying stages of progress towards grant. The Company has no reason to expect they will not be granted in due course.

The tenements are grouped by region, with each region comprising a single tenement apart from Baton which includes E45/4871 and E45/4955.

**Table 5: Paterson Project tenement details.**

| Tenement | Name | Commodity | Holder | Carawine Interest | Status | Area ($km^2$) |
|---|---|---|---|---|---|---|
| E 45/4845 | Lamil Hills | Gold, base metals | Carawine Resources Ltd | 100% | Pending | 224 |
| E 45/4847 | Trotman South | Gold, base metals | Carawine Resources Ltd | 100% | Pending | 220 |
| E 45/4881 | The Duke | Base metals | Carawine Resources Ltd | 100% | Pending | 224 |
| E 45/4871 | Baton | Base metals | Carawine Resources Ltd | 100% | Pending | 196 |
| E 45/4955 | Bolt | Base metals | Carawine Resources Ltd | 100% | Pending | 125 |

### 4.2 Regional Geological Setting[37]

The Paterson Province is dominated by two distinct lithological groups of Proterozoic age: the basement rocks of the Rudall Metamorphic Complex and the overlying Yeneena Supergroup.

The Yeneena Supergroup has been subdivided into the Throssell Range Group and the Lamil Group. The Throssell Range Group comprises three units, the Coolbro Sandstone, a quartzose sandstone with basal conglomerate, the Broadhurst Formation, a carbonaceous shale/siltstone unit, and the Isdell Formation, a carbonate dominated unit. These formations are interpreted to have been deposited in fluviatile to shelf environments and represent rifting and sag phases of the breakup of the basement complex. The constituents of the Lamil Group are: the Malu Formation – turbiditic sandstone interbedded with calcareous siltstones; the Puntapunta Formation – finely bedded silty to sandy carbonate; and the Wilki Formation – a mature quartzitic sandstone. SHRIMP U-Pb zircon geochronology indicates the Yeneena Basin was deposited between ca. 850 and 830 Ma,

The Broadhurst Formation is a succession of carbonaceous shale, turbiditic sandstone-shale, dolomite and limestone units. Carbonaceous shale interbedded with limestone and dolomite occupies the middle and upper parts of the formation. The shale-dominated sections include beds with up to 10% pyrite and pyrrhotite, the latter giving rise to aeromagnetic highs. It is the principal formation of interest for base metal exploration regionally and is host to the

[37] Maidment et al., 2010, Ferguson et al., 2005, Busbridge, 1995. Bagas 2004, Ferguson et al., 2005, Czarnota, et al 2009, Hickman and Clarke (1994), Hunt, 1996, Roach, 2010, Maidment et al., 2010.

Nifty and Maroochydore stratabound Cu-(Co) deposits which have global resources of 99 Mt @ 1.7% Cu and 51 Mt @ 1.0% Cu[38], respectively.

The Isdell Formation is a mixed clastic and carbonate sequence and is considered prospective for stratabound and skarn Pb-Zn mineralisation. The dolomites include fine grained, laminated, clastic and stromatolitic varieties. The contact of the Isdell Formation with the underlying Broadhurst Formation is considered to be either a structural contact or an unconformity.

The most noteworthy deposit in the Paterson area is the Telfer Au-Cu deposit with a resource of over 1,300t Au and 1.6 Mt Cu[39]. Much of this deposit, which is hosted by siltstone and quartzite of the Malu Formation, has a strong stratigraphic control, hosted by bedding-parallel quartz reefs within the Telfer Dome. However, exploration at depth has defined cross-cutting breccia and sheeted veins.

Major NW to NNW striking terrane-bounding structures, the Vines and Camel-Tabletop Faults, were major growth structures involved in basin formation during deposition of the Yeneena Supergroup.

The Yeneena Basin is intruded by mafic sills and rare intermediate intrusives related to basin formation (rifting), and by younger granites related to deformation associated with the Miles Orogeny. Mafic dolerite sills and monzonites intrude the upper Broadhurst, Isdell, Malu and Puntapunta Formations and have been dated at ca. 830 Ma. Syn-tectonic monzogranite to syenogranite bodies of the O'Callaghans Supersuite with emplacement ages between ca. 654 Ma and 630 Ma (Dunphy and McNaughton, 1998; Maidment et al., 2010) intrude the Lamil Group near Telfer.

The supersuite can be subdivided into the oxidised, magnetite-bearing Mount Crofton Suite which forms magnetic highs, and the reduced, ilmenite-bearing O'Callaghans Suite which have a subdued magnetic signature. The O'Callaghans Suite is considered to have the greater potential for gold mineralisation.

Yeneena Supergroup deposition was terminated by basin inversion during the Miles Orogeny between ~820 and 810 Ma. This event comprises two phases of regional deformation overprinting the Paleoproterozoic deformational fabrics of the Rudall Complex. The first phase produced dextral strike-slip and reverse fault reactivation of the Vines and Camel-Tabletop faults and recumbent folding in the Throssell Range Group.

The second phase was responsible for broad folds, conjugate faulting and greenschist facies metamorphism and resulted in a series of domal structures, including the Telfer Dome. These domes are important controls on gold mineralisation. The subsequent Paterson Orogeny involved open folds and a later episode of NW trending dextral and ENE striking sinistral faults at ~550-540 Ma. The Waukarlycarly Embayment occupies the region between the Throssell Shelf and the Anketell Shelf. The Waukarlycarly Embayment is a deep (> 3.5 km) rift basin filled with Canning Basin sediments

[38] Aditya Birla Minerals Annual Report, 2006
39 Ferguson et al., 2005

### 4.3 Lamil Hills[40]

The Lamil Hills exploration licence application E45/4845 is located approximately 25km northwest of the Telfer gold mine and is readily accessed from the Telfer-Marble Bar Road which transects the northern part of tenement. E45/4845 borders Encounter Resources Ltd's (Encounter) Telfer West gold exploration project and covers potential NW and SE strike extensions to gold mineralised structures identified by ongoing drilling at Telfer West (*Figure **21***).

*Geological Setting*

The Lamil Hills tenement is underlain by sediments of the Isdell, Malu, Puntapunta and Wilki Formations which are intruded by granites of the Mt Crofton Supersuite.

In the northern part of E45/4845, outcrop is dominated by Wilki quartzite that occurs in a large NW-trending syncline. The quartzite and underlying Puntapunta Formation have been extensively intruded by the Mt Crofton Granite forming a prominent range of hills (Lamil Hills).

Outcrop is sparse in the southern part of E45/4845, comprising a few isolated hills of Malu Formation quartzite and Mt Crofton Granite and some outcropping Puntapunta meta-dolarenite and Wilki Formation in the far southeast.

The NW-axially oriented Lamil Hills Anticline occupies the region between the northern and southern portions of E45/4845. This doubly-plunging anticline informally referred to as the "Telfer West Dome" occurs on Encounter's tenement, however magnetic images show the axial closures extending onto E45/4845.

Much of the tenement is blanketed by Permian and younger cover. Gravity images show the eastern edge of the Waukarlycarly Embayment underlies the westernmost part of E45/4845 and exploration to the west of this would be impractical due to the depth of cover. To the east of the Waukarlycarly Embayment, limited historical drilling shows a relatively shallow depth of cover.

*Previous Exploration*

Very little prior drilling has been done on the ground covered by E45/4845 which is likely to be due to the limited amount of outcrop. Historical drilling by WMC and Newmont in the 1980s to early 1990s focused mainly on the outcropping Malu Formation forming the northeastern limb of the Lamil Hills Anticline, on ground now held by Encounter.

The gold occurs as broad intervals of lower grade vein stockwork style mineralisation and narrower high grade intervals associated with discrete veins.

Exploration within E45/4845 has included geological mapping, regional gravity and magnetic surveys, geochemical lag, stream sediment and rock chip sampling and a minor amount of RAB drilling.

RAB drilling by MIM in 1991 tested for gold along the contact of the Mt Crofton Granite with carbonate-rich stratigraphy. Twenty holes (MC1-20) totalling 249m were drilled on an east-west traverse in the southeastern part of E45/4845. All holes reached Proterozoic

[40] Manzi, 1999,(Hutton, 1993).

bedrock at shallow depths which comprised granite and variably contact-metamorphosed carbonate rocks. Although base metal values were weakly elevated (maximum 450ppm Cu, 450ppm Zn), no material gold anomalies were identified.

In 1999, Normandy completed a program of RAB drilling which included 33 holes within the northern part of E45/4845. These holes mainly intersected Mt Crofton granite and metasediments of the Puntapunta Formation. The depth of cover varied from 2m up to 98m in the northwest, no material results were reported and no follow up work was undertaken.

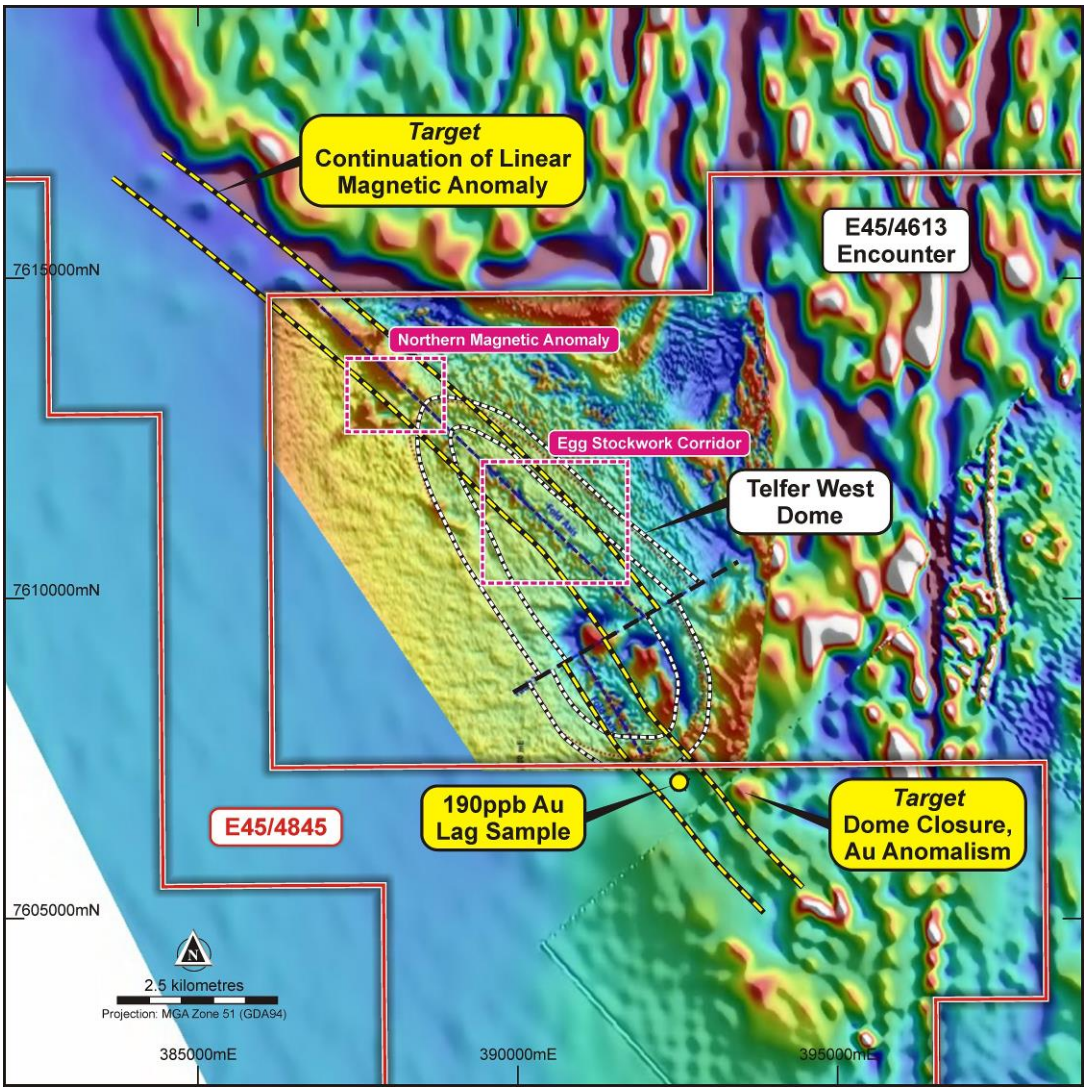



*Figure 21: Lamil Hill targets in relation to Encounter (ASX:ENR) gold targets on magnetics image (E45/4613 detail sourced from Encounter public reports).*[41]

*Historic Exploration Results discussed in the Report may not include all assays or all intersections of drill holes. The company reports of previous exploration often only include the most material results on the understanding that other results are not material in the context of the reported information. In some cases it is either impractical to report complete information, or it has not been provided in the original reports. In all cases the reporting of historic exploration results is balanced to accurately reflect the exploration potential of a prospect or area. Further details are included in Appendix 3.*

[41] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

*Exploration Potential*[42]

Lamil Hills is considered prospective for Telfer-style gold-copper mineralisation on the basis of similar host stratigraphy to Telfer and the presence of domal structures with identified gold-copper mineralisation on adjacent tenure.

The primary exploration targets are strike extensions to the northeast and southwest of gold mineralisation identified in the axial region of the Lamil Hills Anticline by Encounter Resources, indicated by magnetic features which can be traced onto E45/4845 (*Figure **21***).

Encounter's Northern Magnetic anomaly gold prospect occurs on a linear magnetic high that can be traced on Carawine's tenement for over 3km. There has been no effective drilling of this potential extension on Carawine's tenement.

Encounter's Egg and Southern Magnetic Anomaly targets occur around the flank of the Lamil Hills Anticline, which extend to the southwest onto Carawine's tenement. Anomalous gold in historic lag samples reported by WMC in 1982 indicates the potential of this target on Carawine's tenement. WMC collected 617 samples (-6mm +2mm) on an approximate 250m x 50m pattern over areas of outcrop and subcrop around the Lamil Hills Anticline. WMC reported a strongly anomalous result of 190ppb Au near an outcrop of Malu Formation on Carawine's tenement, close to the axis of the anticline (*Figure **21***). Adjacent samples were reported to have returned values of 20ppb Au and 10ppb Au, which are of similar tenor to those around Encounter's prospect areas.

Lamil Hills is also considered prospective for base metal and tungsten skarn deposits which could potentially occur in carbonates of the Puntapunta and lsdell Formations in the contact metamorphic aureoles of granites of the Mt Crofton Supersuite, as reported above in *Previous Exploration*.

## 4.4 Trotman South

*Geological Setting*

Trotman South is located in the southern Yeneena Basin, just 27km south of the Telfer gold mine and 10km north of the Maroochydore Cu-Co deposit.

Mapping and historical drilling shows the Proterozoic basement lithology within the project is predominantly dolomite, dolomitic sandstone and siltstone of the Isdell Formation. Regionally the sequence youngs to the east, however a major NW-axially trending anticline occupies the centre of the tenement. A corresponding NW-axially oriented open syncline lies near the western margin of the tenement.

The lower Isdell Formation is intruded by gabbro and monzonite sills which are associated with prominent, laterally continuous curvilinear features in magnetic images. The Isdell Formation sediments are hornfelsed at the intrusive contacts. Newmont (Rankins, 1989) recognised four sills and considered these to be related to the larger Eva Well gabbroic intrusive complex located on the southern margin of the Trotman South tenement.

The Broadhurst Formation has not previously been mapped or interpreted on the tenement, however previous workers such as Koning (1994), recognised the potential for it to exist

[42] Castleden, 1992, Lindsay 1985

"beneath the Eva Well gabbroic intrusive sill complex" i.e. in the core of the anticline central to E45/4847. The AGSO regional airborne EM survey (Roche, 2010) shows a late-time conductor corresponding to the axis of the anticline which may be due to the carbonaceous and sulphidic sediments within the upper Broadhurst Formation (*Figure **22***).

Some faulting is evident in magnetic images, including several ENE-striking faults which offset the magnetic linears associated with sills. NW-oriented faults are also interpreted.

Much of the Trotman South project is covered by fluvioglacial deposits of the Permian Paterson Formation and Quaternary aeolian sand deposits including seif dunes up to 15m high. The western half of the tenement has from zero to 50m of cover. In the northeast of the tenement the depth of cover locally exceeds 100m due to the presence of a Permian palaeochannel.

*Previous Exploration*[43]

Only Newmont 1987-1989 and Newcrest 1990-1991 and 2005-2008 have done work involving drilling within the area now covered by E45/4847. These companies drilled a total of 2 diamond drill holes, 115 RAB holes and 52 aircore holes (half of the latter failed to reach basement) between 1988 and 2007 within the bounds of E45/4847. Both companies were focused on gold. No systematic exploration for base metals has taken place and only a very limited suite of elements has been assayed for.

In 1987, Newmont completed an aeromagnetic and radiometric survey on 200m spaced lines and regional BLEG soil sampling. Infill BLEG sampling returned anomalous values associated with a monzonite sill, identifying the Mt Isdell prospect. Follow-up work at Mt Isdell in 1988 comprised 161 soil samples, with 160 BLEG (both surficial & 1m deep samples), 11 rock chip samples and 13 anthill samples plus a ground magnetics survey. A diamond drill hole, MID 88-1 of 200.2m depth and an associated water bore were drilled into the monzonite sill. In 1989, a detailed gravity survey was completed at Mt Isdell. In the Mt Isdell Dome area, a total of 57 RAB drill holes were completed for 3,836m on 7 traverses, returning some moderately anomalous base metal intersections. All of these drill holes fall within E45/4847.

In 1989 Newmont also completed 3 traverses of RAB drilling (C22-24) totalling 85 holes for 3,633m targeting the flank of the Eva Well Intrusive. Traverses C22 & C23 fall mostly within E45/4847. Some anomalous Zn, Pb, Cu and Co results were obtained from this program.

In 1991 Newcrest drilled 16 RAB holes for 878m, targeting a magnetic anomaly "Anomaly 52" and broader reconnaissance coverage. A ground magnetic survey over Anomaly 52 delineated a moderately dipping magnetic body at 120m depth, which was tested by vertical diamond drill hole MIC0101 (126.5m), located about 40m within E45/4847 boundary. The drill hole intersected a gabbro body with anomalous copper as chalcopyrite beneath carbonate and quartz-veined Isdell Formation.

From 1992-1994 Normandy and Idemitsu in joint venture explored a package of tenements bordering on the Trotman South project. In 1991, the JV flew an airborne EM survey to the southwest of Trotman South which encroached onto the southwest margin of E45/4847. Three high priority anomalies (I-27 to 29) were identified near the southwest corner of the

[43] Rankins, 1989, Cierlitza, 1992, Wright & Stewart, 2006, Taylor, 1991, Wright et al., 2007

Trotman South project, one of which, I-29, lies within the tenement boundary. The anomalies have not been drilled.

Between 2005 and 2008, Newcrest explored the Trotman South region as part of their Telfer Regional project. In 2005 an aeromagnetic survey was flown. In 2006, data from this survey was interpreted and several NW & WNW striking shears (an orientation considered prospective by Newcrest) were identified for further targeting.

In 2007, an aircore drill program of 62 holes for 4,044m was completed of which 45 holes lie within the boundaries of E45/4847. Approximately half these drill holes failed to reach basement. Anomalous intersections from this program were encountered in drill hole TA 07082[44]. Newcrest considered the intersection to be associated with quartz and monzonite cobbles in basal Permian fluvioglacials. Based on the low tenor of other gold and arsenic results, no further work was recommended.

*Historic Exploration Results discussed in the Report may not include all assays or all intersections of drill holes. The company reports of previous exploration often only include the most material results on the understanding that other results are not material in the context of the reported information. In some cases it is either impractical to report complete information, or it has not been provided in the original reports. In all cases the reporting of historic exploration results is balanced to accurately reflect the exploration potential of a prospect or area. Further details are included in Appendix 3.*

*Exploration Potential*

The project has many of the structural elements normally associated with gold deposits in the Telfer region, i.e. domes/anticlines and WNW to NW-striking faults. The project is located just 5km from Newcrest's Grace group of gold prospects which are located on similarly oriented structures.

Interpreted demagnetised zones in otherwise strongly magnetic layers in gabbro-monzonite sills, could represent discrete alteration halos to gold mineralisation, with anomalous bedrock RAB intersection of occurring adjacent to one such zone (*Figure **22***).

Base metal and cobalt anomalism is reported to occur near monzonite and gabbro sills on the western limb of the major anticline and around the Eva Well gabbroic intrusive in the south of the project, and anomalous copper is reported from a gabbroic intrusive near the northeastern margin of the project tenement. These geochemical anomalies, the presence of dolomitic sediments and intrusive bodies indicates potential for both sedex and skarn styles of mineralisation.

In addition, the axial region of the large anticline could contain the upper Broadhurst Formation at relatively shallow depth, this conceptual target has not yet been tested, along with Normandy-Idemitsu's high priority conductor I-29 which remains another potential drill target. This conductor coincides with the axis of a syncline in the Isdell Formation and is adjacent to the Eva Well intrusion.

[44] Wright et al., 2007

## 4.5 Red Dog

The Red Dog region comprises exploration licence E45/4881 of 224km$^2$ which is located approximately 16km northeast of the Nifty copper mine and straddles the Marble Bar-Telfer Road.

*Geological Setting*

The Red Dog project is located in moderately deformed, low grade metasedimentary rocks along the NW margin of the Yeneena Basin. The interpreted Proterozoic solid geology is derived primarily from the interpretation of magnetics and limited drill coverage which broadly delineates a package of NW-striking, pelites of the Broadhurst Formation overlain by carbonate and arenaceous rocks of the Isdell and Malu Formations that have been intruded by a sequence of mafic dykes and/or sills and monzonitic stocks. Regionally, the sequence youngs to the east.

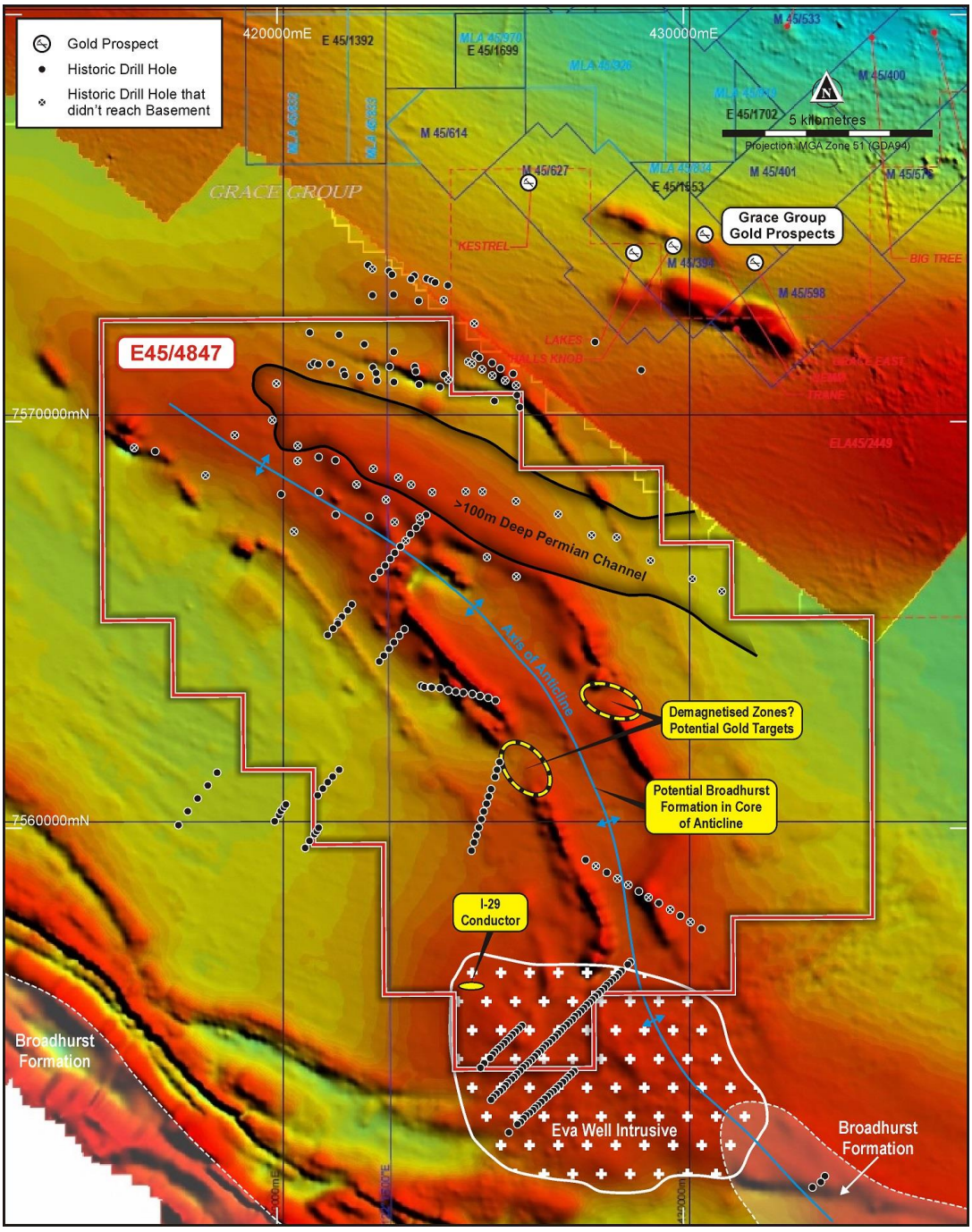


*Figure 22: Trotman South magnetic image and results of historic exploration.*[45]

The tenement lies immediately to the west of the major NNW-striking Camel-Tabletop Fault. The position of this fault is poorly constrained and may lie just within the eastern margin of the tenement.

*Previous Exploration*[46]

The Red Dog project has had relatively little prior exploration, which may be due in part to the lack of outcrop.

Western Mining Corporation explored the project area from 1980 to 1985. In 1980, WMC identified a coincident magnetic and gravity feature which was named the Duke prospect. Between 1980 and 1983, five RC drill holes SKP1-5 (total 466m) and one diamond drill hole SKD-1 (280.8m) were drilled at Duke. SKD-1 intersected magnetite-bearing calcsilicate skarn from 109m, before passing into leucogabbro with some anomalous copper values relating to narrow veins. Review of the historical assay data shows a 2.8m interval of anomalous tin from 111.7m, corresponding to an interval logged as "carbonate-diopside?-amphibole-calcsilicate (poor core recovery)". Down-hole EM failed to locate any off-hole conductors. Of the five RC drill holes, only two successfully reached basement with logs recording metamorphosed dolomites with calc-silicate mineral assemblages.

From 1984-1985 WMC undertook regional geochemical lag sampling which produced three low-order Cu-Pb-Zn anomalies within the bounds of E45/4881. These were not followed up, probably due to the presence of numerous stronger anomalies elsewhere within WMC's large Throssell Range project. The lack of strong lag anomalies at Red Dog may be due to the extensive blanket of transported overburden.

BHP explored the project area from 1993 until 1997 as part of their large regional Bulgamulgardy project. In 1993, five aircore holes were drilled within the bounds of E45/4881 and another eight aircore holes which plot just outside the boundary of E45/4881.

In 1994, BHP re-examined earlier WMC TEM data which showed a conductor "Anomaly G" on two regional TEM lines to the south of BHP40, interpreted as a slice of Lower Broadhurst Formation situated between two major east dipping faults. Extrapolation of this anomaly to the north showed that it should lie just to the west of BMP40. Moving loop and fixed loop EM surveys were undertaken to further define the conductive target prior to drilling a vertical diamond drill hole BMD1 of 216.5m depth. The hole intersected variably silicified dolomite breccia from 76m to end-of-hole. This intersection is outside, 810m north of the northern boundary, of E45/4881. The TEM conductor was quoted as remaining unexplained.

From 1993 to 1997 MIM explored their Muttabarty project which overlaps the far northwest of E45/4881. MIM targeted lead-zinc mineralization of similar style to the Warrabarty lead-zinc deposit, located 20km north of E45/4881. WMC's aeromagnetic and Sirotem survey data was re-processed and re-interpreted and used to model basement geology. No drilling was undertaken.

Warriedar Pty Ltd explored the Red Dog area from 2008 to 2016. Warriedar's tenement comprised the same 70 blocks that are now held under E45/4881 application. MMG Australia

[45] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

[46] Johnson, 1994, Davis & Kerr, 1995, Koning, 1995, van Dongen and Pietrass-Wong, 2014

Ltd (MMG) entered an option and JV Agreement with Warriedar over the tenement in January 2011.

During 2011 and 2012, Fugro completed an interpretation of airborne magnetic–radiometric survey data and the 2010 Geoscience Australia TEMPEST data, identifying EM anomalies thought to be associated with synclines and faults.

MMG completed an additional TEMPEST Airborne Electromagnetic (AEM) Survey at a 200m line-spacing to improve conductor definition. A number of deep features were observed, but due to the extensive cover and a paucity of deep drill holes these features could not be reliably interpreted.

From July to September 2013, an aircore and percussion drilling program was conducted for a total of 103 holes for 8,313.8m. Maximum values for Pb, Zn and Cu were elevated, but MMG[47] considered they were not of sufficient tenor to indicate the presence of base metal mineralization directly:

- 10m @ 2,292ppm Zn, 653ppm Pb from 92m to end-of-hole (KH092)
- 2m @ 1,750ppm Zn, 203ppm Pb, 776ppm Co, 377ppm Cu, from 56m (KH083)
- 2m @ 542ppm Cu, 375ppm Co from 60m (KH103)

*The intersections were calculated as weighted averages based on drill hole length. Other dill intersections are not considered to be material and were of lower tenor, as indicated. Down hole widths are reported and may not represent true thickness.*

The highest Pb-Zn values correlate with dolomitic lithologies. The intersection in KH092 is associated with laminated siltstone within the Isdell Formation, whilst the other anomalous intervals are in an area of interpreted dolomite alteration near the Broadhurst/Isdell Formation contact. The anomalous interval in KH083 also contains anomalously high levels of Ba and Mn, elements considered important pathfinders for sediment hosted Cu-Co-Pb-Zn deposits.

Geological consultant Dr Douglas Haynes completed a geological interpretation using available geophysical data and identified two target areas "Yen One & Yen Two" based on electrically resistive gravity highs, conductivity anomalies, zones of dolomitisation and prospective structures. These targets have not been drilled

Following MMG's withdrawal from the JV in 2015, Warriedar reduced the size of the tenement to 7 blocks to cover the Duke prospect and focused on halloysite as an exploration target. In April 2016 one RC drill hole of 102m depth was completed at Duke, however XRD analytical results were negative for halloysite. Their tenement was surrendered on 16 June 2016.

*Historic Exploration Results discussed in the Report may not include all assays or all intersections of drill holes. The company reports of previous exploration often only include the most material results on the understanding that other results are not material in the context of the reported information. In some cases it is either impractical to report complete information, or it has not been provided in the original reports. In all cases the reporting of historic exploration results is balanced to accurately reflect the exploration potential of a prospect or area. Further details are included in Appendix 3.*

[47] Pietrass-Wong, 2016

*Exploration Potential*[48]

The Red Dog tenement is considered prospective for stratiform Cu-Co deposits e.g. Nifty and Maroochydore, and Pb-Zn deposits e.g. Warrabarty, within the upper Broadhurst and Isdell Formations. It contains intrusive units of similar age and composition to the nearby Dromedary (Duke-Nifty) zinc prospect (currently held by Metals X) and is considered prospective for similar skarn and stratiform base metal deposits. Limited drilling indicates that the Duke magnetic anomaly is associated with calc-silicate skarn mineralisation in the halo to a gabbro intrusion.

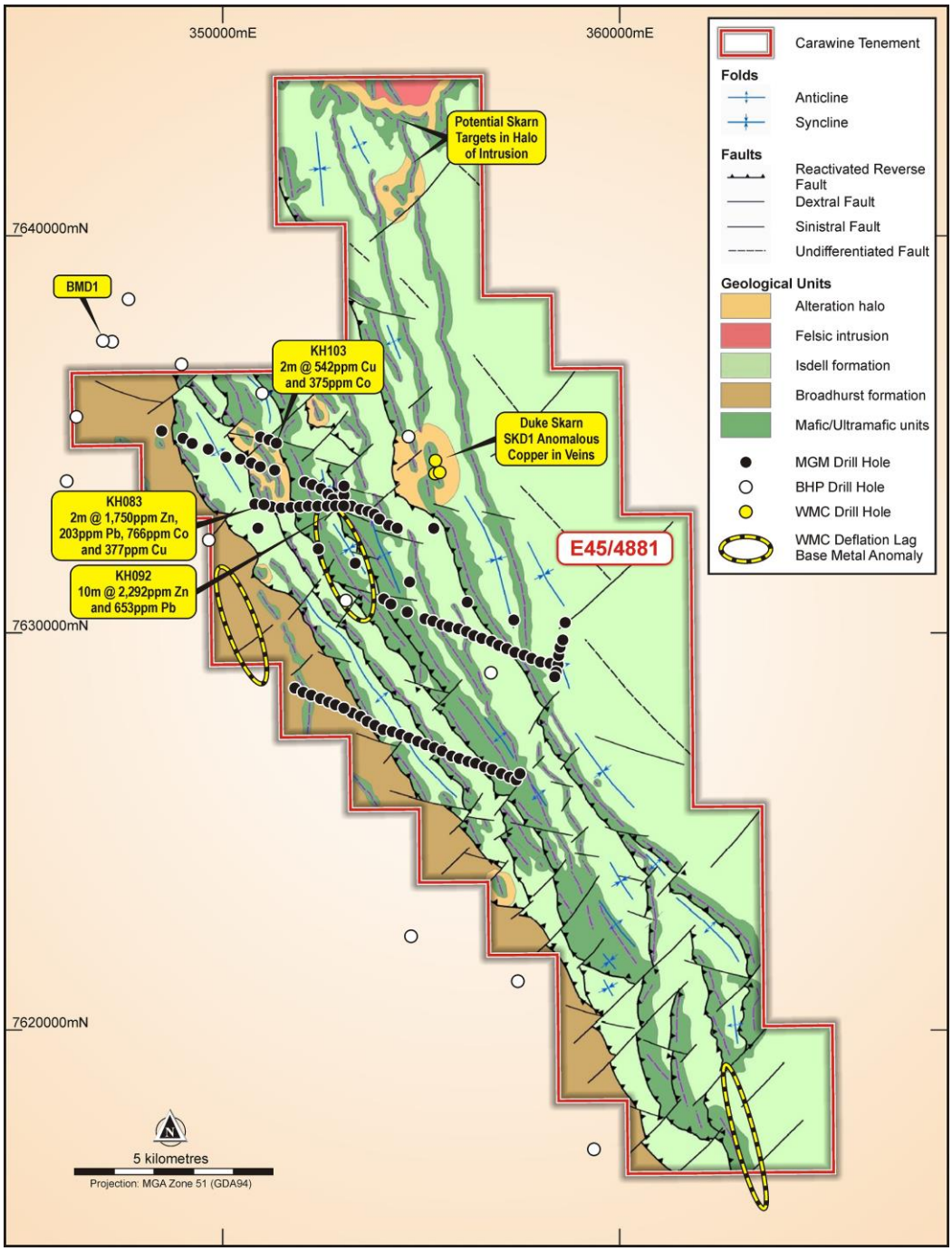



*Figure 23: Red Dog solid geology and alteration interpretation with historic drilling and anomalous drill holes referred to in the text (after Fugro in Johnson, B & Pietrass-Wong, 2012).*[49]

[48] Johnson, B & Pietrass-Wong, 2012, Czarnota et al., 2009, Roach, 2010

Fugro interpreted a large felsic intrusion to lie in the northernmost part of E45/4881. Magnetic anomalies surrounding this intrusion could represent skarn mineralisation and have not been tested by historic drilling. This area was also identified as prospective by Dr Douglas Haynes who noted a late time conductor at the southern end of the intrusive.

### 4.6 Baton

The Baton sub-project comprises contiguous exploration licence applications E45/4871 "Baton" and E45/4955 "Bolt" with a total area of 321km$^2$.

*Geological Setting*

The Baton tenements are underlain by dolomite, dolomitic breccia, carbonaceous siltstone and carbonaceous shale of the Broadhurst Formation. In the eastern part of the project, the Broadhurst Formation is overlain by the Isdell and Malu Formations, with the sequence younging to the east. The Vines Fault, a major NNW-striking terrane-bounding structure is located near the western margin of the project. Permian fluvioglacial and Jurassic/Cretaceous sedimentary rocks of the Canning Basin unconformably overlie the Proterozoic rocks. Baton is located about 100km north of the Nifty copper deposit, which is hosted by the Broadhurst Formation.

*Previous Exploration*

Between July 1986 and July 1991 WMC conducted regional aeromagnetic and SIROTEM surveys, and drilled 100 RC holes for 10,326m and 3 diamond holes for 1,019.8m. Seventy of these holes were drilled at the Baton prospect located at the northern tip of the regional conductivity high extending 100km northward from the Nifty deposit (*Figure **24*** & *Figure **25***).

In 1994 MIM drilled 10 RC holes for 1,495m along the length of the "Nifty" conductivity high within the licence.

Anomalous intervals reported from this historic drilling at the Baton prospect range from 6m up to 26m in width from depths of 98m to 161m, with zinc grades ranging from 0.2% up to 0.5%, including narrower zones over 2.5m up to 1.1%. Associated anomalous levels of lead (0.1 to 0.4%) and copper (0.1 to 0.2%) are also reported[50] (*Figure **24***).

About 5km to the south of Baton, anomalous copper and zinc (4m @ 1,870ppm Cu, 460ppm Zn) from 132m depth are reported from hole THRC0399[51], associated with black pyritic shales (*Figure **24***). No other anomalous results (>1,000ppm Cu) were obtained from this area.

*The intersections are calculated as weighted averages based on drill hole length. Other dill intersections are not considered to be material and were of lower tenor, as shown in the attached figure. Down hole widths are reported and may not represent true thickness.*

Between 1993 and 1996 BHP conducted exploration across the licence as part of their Bulgamulgardy project. They conducted geochemistry, a regional TEM survey and limited aircore drilling. In July 1993 BHP drilled 5 vertical aircore holes for 334m. Results were poor. In October 1994 a diamond hole (BMD002) was drilled immediately north of the Baton

[49] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG
[50] Ryan, 2014
[51] Brooke, 1988

prospect in order to test a conductivity anomaly. The hole intercepted 48m of black shale which was thought to explain the anomaly.

*Historic Exploration Results discussed in the Report may not include all assays or all intersections of drill holes. The company reports of previous exploration often only include the most material results on the understanding that other results are not material in the context of the reported information. In some cases it is either impractical to report complete information, or it has not been provided in the original reports. In all cases the reporting of historic exploration results is balanced to accurately reflect the exploration potential of a prospect or area. Further details are included in Appendix 3.*

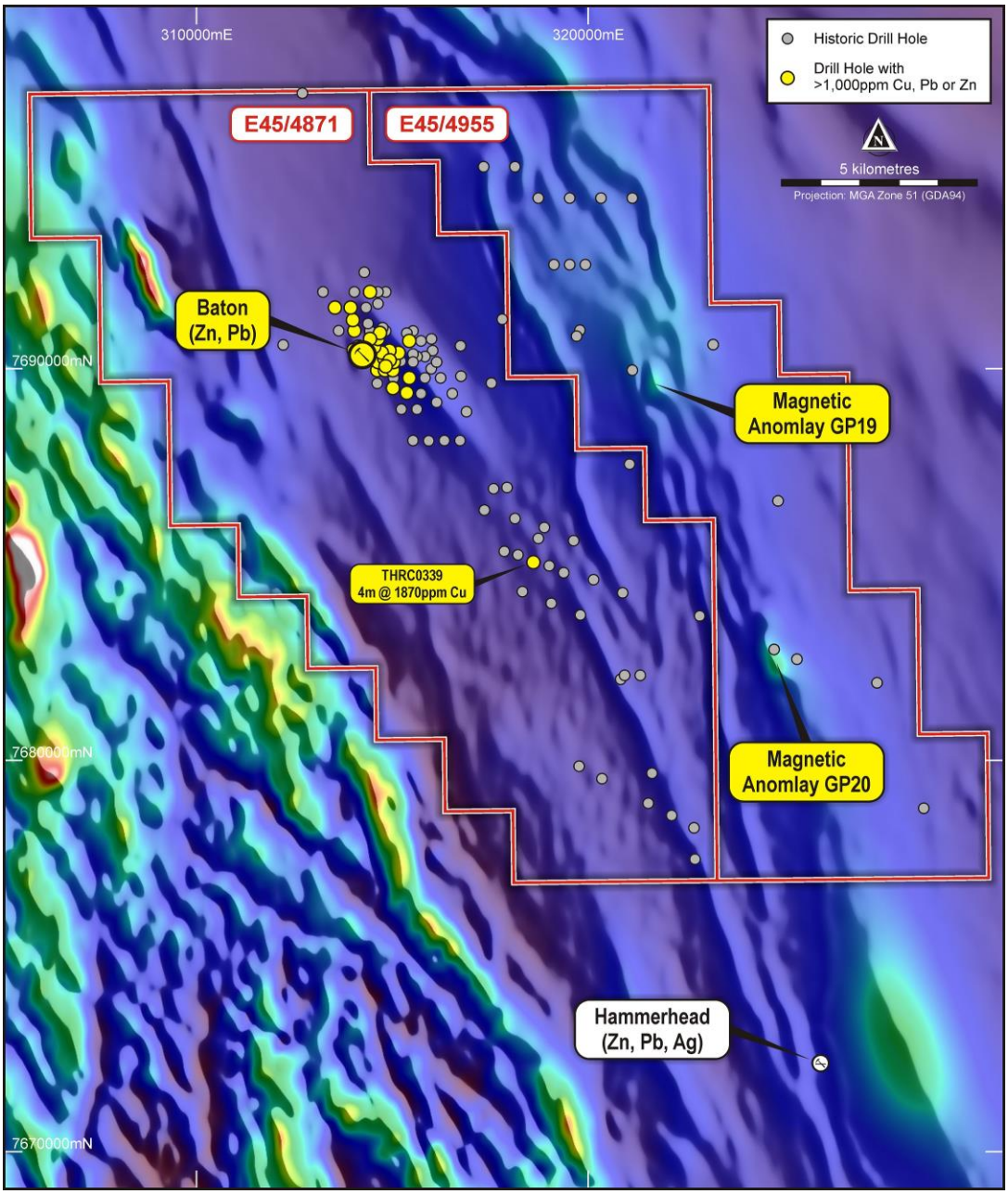



*Figure 24: Baton magnetics image with location of targets, historic drilling and selected results.*[52]

[52] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

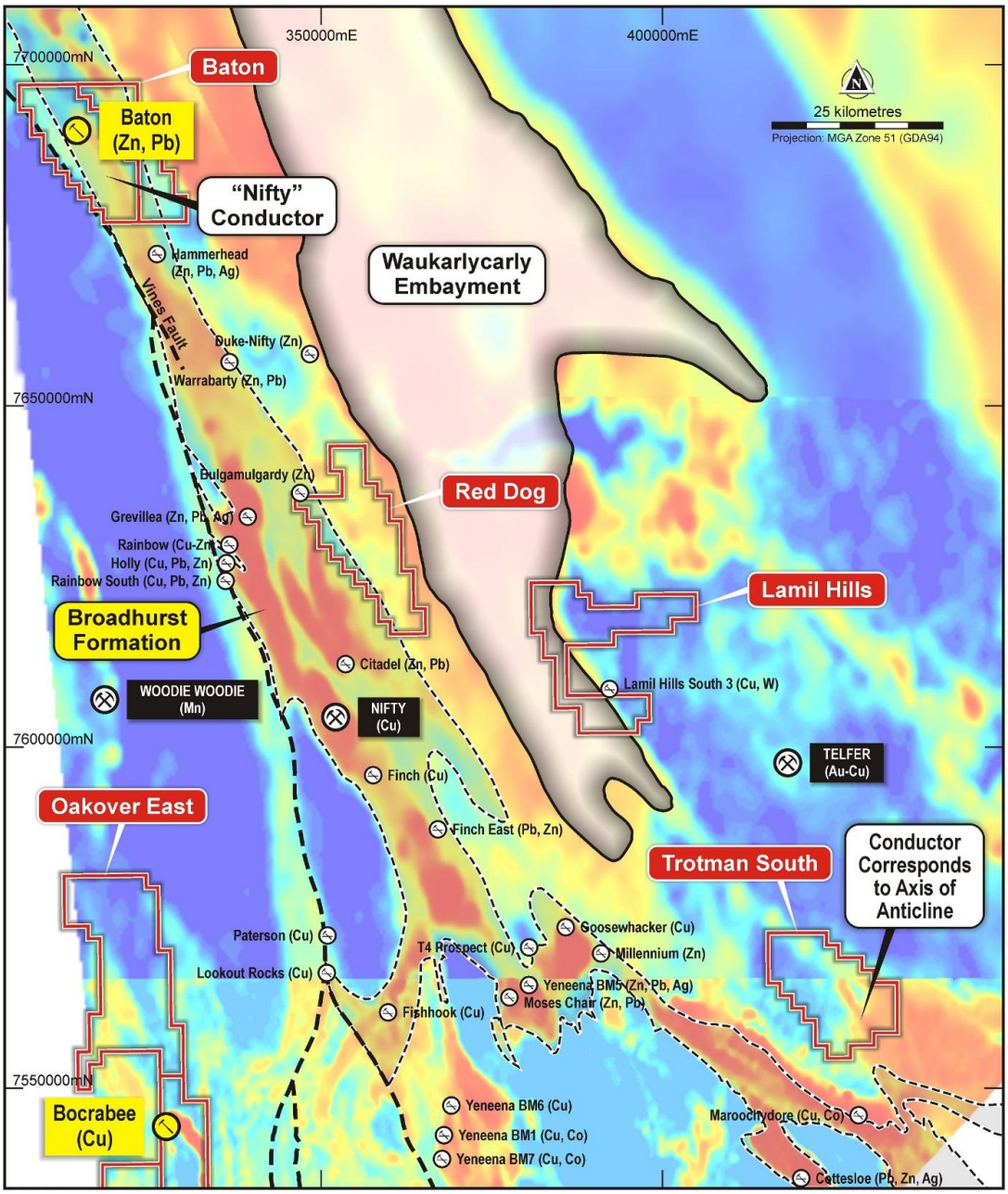



*Figure 25: Paterson project tenements on Geoscience Australia electromagnetic image showing location of regionally prospective conductive units.*[53]

*Exploration Potential*[54]

The Baton prospect contains copper, lead and zinc mineralisation hosted by dolomitic breccia. Brecciation is associated with a major NNW-trending, ENE-dipping fault that separates carbonaceous siltstone units to the west from crystalline carbonate units to the east. The style of mineralisation and stratigraphic setting of Baton is similar to that of the Warrabarty zinc deposit and the Millenium prospect. The drilling results obtained to-date have outlined a substantial mineralised system, with further work required to establish vectors to higher grade zones.

[53] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG
[54] Smith, 1996. Ryan, 2014

The Baton prospect is located at the northern end of the "Nifty" conductivity anomaly (*Figure **25***), known to be associated with carbonaceous and pyritic shales. However, the highest grade zinc intervals at Baton are associated with carbonate rocks which would be expected to have low conductivity. Hence the historic exploration drilling which focused on EM conductors may have not adequately tested the targeted zinc mineralisation.

The anomalous copper in WMC drill hole THRC0399 sits on the "Nifty" conductivity high, indicating potential for a sedex copper deposit. The historical drilling around this intersection approximates a 400m x 1,000m pattern and therefore may not have adequately tested the target.

Other targets include two discrete magnetic highs on E45/4955: GP19 and GP20 (*Figure **24***). GP19 has not been directly drill tested, whereas GP20 was tested by WMC who completed 2 RC drill holes, intersecting skarn style alteration containing magnetite and low-tenor Cu and Zn anomalism (Brooke, 1987). These magnetic anomalies require further modelling as the historical drilling has not provided an adequate test.

## 5. FRASER RANGE PROJECT

The Company has a Joint Venture with Independence Group NL ("IGO") (ASX: IGO) for the exploration of five tenements in the Fraser Range region of Western Australia, targeting magmatic nickel-sulphide (e.g. Nova) and gold deposits (e.g. Tropicana). IGO are the Manager and Operator of the Joint Venture and currently hold a 51% interest in the tenements, they can earn an additional 19% interest by spending $5 million on the tenements within 5 years (see Sheffield's ASX announcement dated 16 November 2016 for further details). As a dedicated nickel explorer with a long term commitment to the region, IGO are well placed to carry the Project forward, providing the Company with exposure to exploration success in the Fraser Range as it focuses on exploration at its 100% owned projects.

In addition, the Company has recently applied for exploration licence E69/3521 "Albert Park" adjacent to the Red Bull tenements: The tenement is one of six competing applications and will therefore be subject to ballot to determine its priority for acceptance by the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS). The tenement is not required to be included in the Fraser Range JV.

### 5.1 Tenure

| Tenement | Name | Commodity | Holder | Carawine Interest | Status | Area ($km^2$) |
|---|---|---|---|---|---|---|
| E 28/2374-I | Bindii | Nickel, copper | Carawine Resources Ltd | 49%* | Live | 38 |
| E 28/2563 | Similkameen | Nickel, copper, gold | Carawine Resources Ltd | 49%* | Live | 17 |
| E 39/1733 | Big Bullock | Nickel, copper, gold | Carawine Resources Ltd | 49%* | Live | 238 |
| E 69/3033 | Boingaring Rocks | Nickel, copper | Carawine Resources Ltd | 49%* | Live | 131 |
| E 69/3052 | Harms Way | Nickel, copper | Carawine Resources Ltd | 49%* | Live | 229 |
| E 69/3521 | Albert Park | Nickel, copper | Carawine Resources Ltd | 100% | Pending | 76 |

** Fraser Range JV tenement, IGO earning 70%*

## 5.2 Geological Setting

The Fraser Range project is located within the Albany-Fraser Orogenic Belt which is situated on the eastern margin of the Yilgarn Craton. The Fraser Range has been described as Australia's 'New Nickel Province', with the 2012 discovery of the Nova-Bollinger Ni-Cu-Co deposit having an impact on the resources sector. The province is similar in age and genesis to Canada's Circum-Superior Belt, host to some of the world's most important nickel discoveries and mines, including the Voisey's Bay and Thompson nickel deposits. The project tenements overly the main gravity high defining the highly nickel-prospective Fraser Complex.

Prior to the discovery of the Nova Ni-Cu-Co deposit, exploration in the region was primarily focussed on exploring for Tropicana style gold deposits. This changed after Sirius Resources (later acquired by IGO) discovered the Nova deposit, drilling disseminated nickel-sulphides in ultramafic intrusive rocks by targeting a EM conductor beneath surface Ni and Cu soil anomalism.

Since the discovery of the Nova Ni-Cu-Co deposit, the region has been the focus of intense early stage nickel exploration, predominantly by junior explorers. IGO has changed this by consolidating a large exploration position through acquisitions and exploration joint ventures.

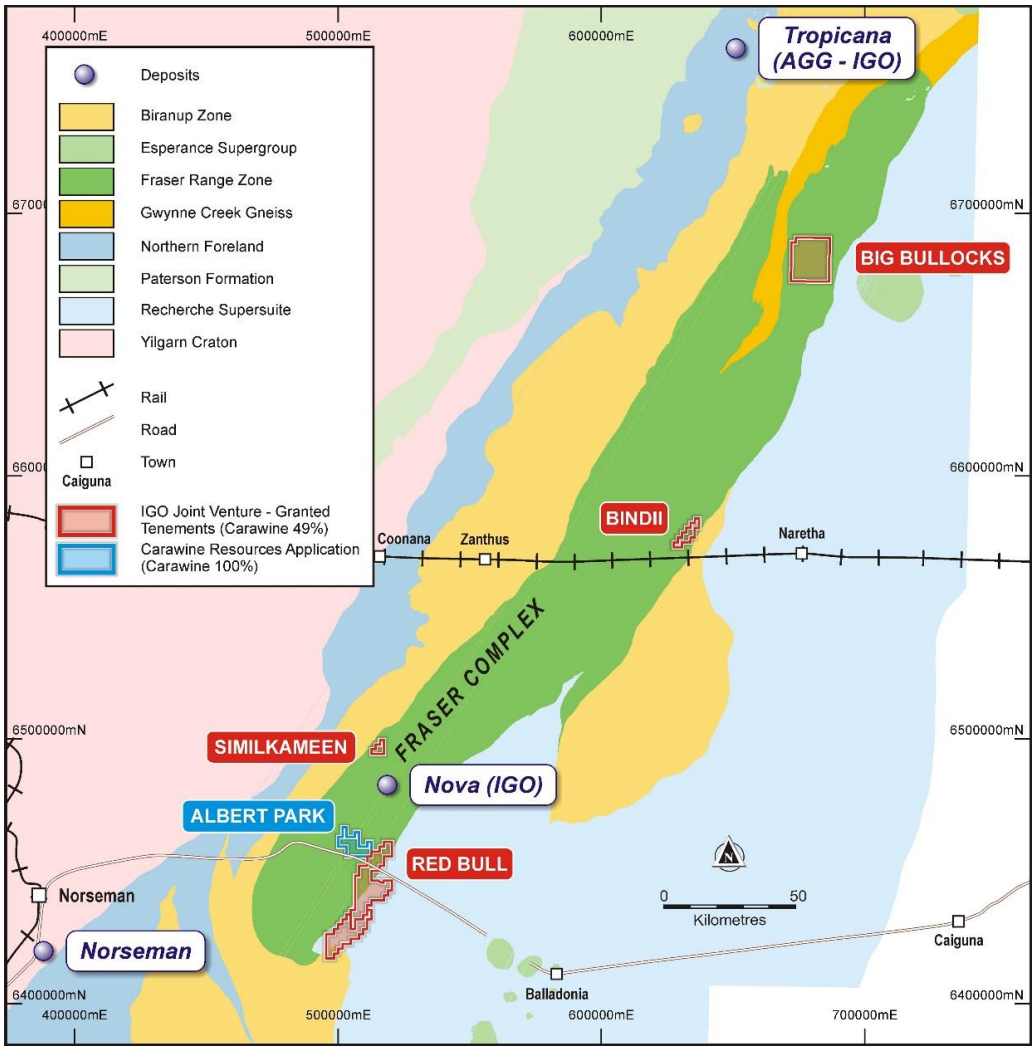



*Figure 26: Fraser Range project location plan.*[55]

[55] Source: Boyd, D. et al 2017, Competent Person: David Boyd AIG

## 5.3 Red Bull

The Red Bull region is located 20km south of the Nova mine, straddling the Eyre Highway about 50km west of Balladonia. It comprises granted Red Bull tenements E69/3052 and E69/3033 (Fraser Range JV) and Albert Park exploration licence application E69/3521 (*Figure **26***).

Terrain is characterised by thick saprolite clays forming flat to gently undulating topography. Occasional hills of Proterozoic rocks protrude the Tertiary and Quaternary cover.

*Geological Setting*

The majority of the tenements are located in the Fraser Zone comprising a series of mafic granulite, granite gneiss and meta-sediment, whilst granite with slithers of mafic rocks are present to the south in the Nornalup Zone. Deep-seated transpressional shears formed during Albany-Fraser Orogeny, and are interpreted to have formed conduits for fertile mafic/ultramafic fractionated intrusions with the potential for hosting magmatic Ni-Cu-Co mineralisation within the Fraser Zone.

*Previous Exploration*[56]

The Fraser Zone has been explored by various companies since the mid-1960s, exploring the region for gold, base metals, PGEs and diamonds in the high metamorphic grade Proterozoic belt, and for heavy mineral sands in Eocene cover.

Growth Resources (1988 - 1990) carried out aeromagnetic surveys, ground magnetics, aerial photography, literature research, rock chipping, soils and RAB drilling for titanium, vanadium, cerium, PGE's, chromite and diamonds.

Drilling carried out at Harms Lake intersected medium-grained feldspar-amphibole-garnet-quartz gneiss, and Malora Dam intersected medium grained feldspar-quartz-amphibole gneiss with accessory biotite and garnet; although no anomalous results were intercepted.

CRA Exploration Pty Ltd (1989 - 1990) explored the general region for diamonds and also gold following a sample located in the Harms Lake Region returning an assay of 4.7ppm Au. Further work was unsuccessful in defining any more anomalous results, the anomaly was believed to be due to contamination.

Gold Partners (1996 - 1997) used aeromagnetics to explore north-northeast of Newman Rock for Proterozoic ultramafics and pyroxene hosted gold, tungsten and nickel. Drilling identified nickel anomaly 200m wide and 300m long, associated with ultramafic rocks beneath a thick saprolite profile They concluded that the area was highly prospective for structurally controlled epigenetic gold mineralisation as well as magmatic base and precious metal mineralisation associated with a large Meso-Proterozoic layered complex.

BHP (1999 - 2000) interpreted aeromagnetic data, under took a historic review and commenced soil and calcrete sampling to assess two packages for 'Broken Hill Type' setting in a lower quartzo-feldspathic rock and overlying meta-sediments. Calcrete geochemical

[56] Gibson, 1988, O'Grady, 1990, Underhill, 1989, Carter 1995; Booth 1996; Booth 1998, Stephens & Grimley, 2000, Williams, 2011; Williams and Robertson, 2011, Provins, 2008a,b, Provins, 2010

sampling identified Au +/- Cu-Ag anomaly with other lower priority multi-element anomalies.

FraserX Pty Ltd (2006 - 2010) explored for base metals hosted in felsic granulites intercalated with metasediments, granitoids and mafic-ultramafic intrusions. Activities include soil sampling, rock chips, mapping, airborne EM, ground TEM, ground EM, ground gravity and magnetics, air core, and remodelling of Gold Partners magnetic data. Strong aeromagnetic responses were postulated to be sourced from iron and titanium mineralisation.

Sirius Resources NL (2007 - 2011) completed reconnaissance surface sampling on an 800 x 400m grid on E63/1103 and which is now covered by tenement E69/3033. Soil, stream and calcrete samples (totalling 1,670) were collected showing a poor correlation with historic results (Gollan, 2011).

Sheffield Resources (2012 - 2016) applied for E69/3033 and E69/3052 in 2012, prior to the discovery of the Nova deposit. A considerable work program has been completed, including extensive soil sampling, airborne and ground electromagnetic (EM) surveys, and regional and targeted aircore, RC and diamond drilling. This work identified a number of coherent nickel geochemical anomalies, including the Earlobe, Stud, Sleeper and Hook prospects, located in the Northern Targets region over a strike length of 8km within a layered mafic-ultramafic sequence. Most recent RC drilling, at the Stud prospect, was unsuccessful in identifying economic nickel grades, with elevated Ni results repeating those from aircore drilling and interpreted to relate to supergene enrichment above gabbroic intrusive rocks.

Airborne and ground EM surveys identified five high conductance anomalies, all of which have been tested by diamond drilling, without success. In most cases graphite and disseminated pyrite was identified as the cause of the conductive anomalies at the target depths. The last such target drilled by Sheffield was a deep conductive anomaly beneath the Stud prospect which was drilled by diamond core hole REDD005.

REDD005 intersected a 12m zone of graphitic meta-sediment from 348m depth, and a 13m interval of brecciated ultramafic with trace disseminated sulphides from 436m depth. A subsequent Down Hole Transient Electromagnetic ('DHTEM') survey confirmed the graphitic meta-sediment from 348m depth as the source of the target bedrock conductor. No anomalous nickel values were returned from this zone. However, anomalous nickel assay results were returned from the deeper interval, associated with a contact zone between brecciated, quartz-carbonate veined peridotite and biotite-rich meta-sediment. Mineralogical analysis identified trace nickel sulphide (pentlandite) and pyrrhotite within the peridotite, with evidence of the pentlandite having dissipated out of olivine silicates, indicating a magmatic source. Whilst the assay results were not considered economic, their association with magmatic nickel sulphide in olivine-rich ultramafic intrusive does indicate the presence of rock types and a geological setting prospective for magmatic nickel sulphide deposits (see Sheffield Resources' December 2015 Quarterly Activities Report dated 20 April 2016 for further details).

*Historic Exploration Results discussed in the Report may not include all assays or all intersections of drill holes. The company reports of previous exploration often only include the most material results on the understanding that other results are not material in the context of the reported information. In some cases it is either impractical to report complete information, or it has not been provided in the original reports. In all cases the reporting of*

*historic exploration results is balanced to accurately reflect the exploration potential of a prospect or area. Further details are included in Appendix 3.*

*Exploration Potential*

The Red Bull region is located just 20km south of the Nova mine and is situated near some of the regions more advanced nickel targets including Crux, Centauri, Plato, SHG02 and Western Margin. A number of second and third order EM targets on the tenements have not been followed up. A nickel-chrome anomaly identified in aircore drilling at the Hook prospect is associated with a mafic granulite and remains untested.

Auger soil sampling completed by Sheffield also delineated a number of nickel-copper-cobalt soil anomalies that remain untested. The aeromagnetic data defines a number of distinct regions and anomalies, particularly within the southern tenement which have not been tested by drilling.

A total of 4,305 new gravity stations were collected by IGO at Red Bull during 2017. The new data will be used to identify possible mafic and ultramafic intrusions that are blind to magnetic data.

### 5.3.1 Albert Park

The Albert Park exploration licence application E 69/3521 is located just 22km southwest of the Nova mine and overlies the central zone of the Fraser Complex. The region contains abundant outcropping mafic granulites and the aeromagnetic data clearly indicates the potential for multiple layered mafic/ultramafic intrusives with a number of "eye-like" geophysical features present.

## 5.4 Bindii

The Bindii project is situated approximately 90km northeast of the Nova mine, near the locality of Kitchener. Access is via the unsealed Trans Australian Rail Access Road.

Terrain is characterised by thin recent kankar and thick Phanerozoic marine sediments forming a flat and gently undulating topography.

*Geological Setting*

The Bindii project is situated approximately 2km from the transpressional sinistral Boonderoo Fault, which runs parallel to the tenement. This fault juxtaposes the Meso-Proterozoic metagabbroics, granitoids and sediments of the Fraser Zone and granites of the Recherche Supersuite in the Nornalup Zone and is a major deep seated crustal fault.

*Previous Exploration*

Mining Corp Exploration NL (1971) undertook aeromagnetic surveys for gold at their Plumridge project.

Consolidated Goldfields Australia Ltd (1973) undertook uranium drilling in Phanerozoic sediments. Hole CGFA19 was drilled east of the tenement on a magnetic high, intersecting granitoidal basement at 156m depth. No uranium anomalies were present.

Quadrant Resources Pty Ltd (1998) explored for precious and base metals. Airborne magnetitic and radiometric surveys were carried out at 200m line spacing and 60m altitude.

Difficulties distinguishing rock types in the granulite sequences and an absence of zoning and alteration resulted in limited targets generated from this work.

Ponton Minerals Pty Ltd (2007-2011) undertook gold and base metal exploration. Surface sampling of calcrete (+5mm) and soils (-2mm) using an auger to a maximum depth of 1.3m was completed. Samples were assayed by aqua regia finishing with ICPMS for 64 elements and also by AAS for low level gold.

Air core drilling was carried out on wide spread 18km by 4km grid lines, with two holes PNAC044 and PNAC054 drilled within the historic tenure. Both holes intersected thick Cretaceous and Tertiary cover to 100m depth.

*Exploration Potential*

Sparse historic drilling has identified thick cover over basement with saprolite between 96m and 156m depth at Bindii. Anomalous nickel in auger samples in calcrete have been identified in the far south of the tenement, coincident with a magnetic low striking west from the Boonderoo Fault, and a low level gold auger anomaly is also present to the south coincident with a similar proximal westerly striking magnetic low. Given the depth of cover it is unknown if these surface anomalies relate to any mineralisation at depth.

**5.5 Big Bullocks**

The Big Bullocks project is situated on vacant crown land 325km east of Kalgoorlie, north of the unsealed Trans-Australian rail access road. The terrain is generally flat, other than in the northwest which is dominated by eastward striking sand dunes.

*Geological Setting*

The geology of the tenement comprises an eastern series of intercalated mafic granulite and amphibolite with intrusions of granite, albitite and gabbro, and a western series of felsic gneisses including pyroxenite and quartz-rich granitoid intrusions. Aeromagnetic images show tight isoclinal fold domains separated by major linear shear zones, with decreasing fold intensity towards the eastern part of the tenement.

Disruption of fold patterns and coincident aeromagnetic lows with high gravity response in the eastern portion of the Big Bullocks tenement suggest multiple intrusions which are likely to be of mafic composition.

Phanerozoic cover comprises 15m to 20m of Eocene marine sandstone and siltstone sediments of the Nullarbor Plain. In the south of Big Bullocks, air core drilling has intersected fluvial sediments. To the northeast residual sand and kankar is present. The remainder of the tenement is covered by aeolian seif dunes and red sands. Occasional playa lakes and salt pans form in depressions.

*Previous Exploration*

Very little historic exploration took place on the Big Bullocks tenement until Ponton Minerals Pty Ltd (2007-2013) completed gold, base metal and mineral sands exploration as part of their Ponton project. Calcrete and soil samples were taken on a 0.8km by 0.4km grid, with infill over areas of interest at 0.2km by 0.1km spacing. Ponton also completed an air core

drilling program of sixty-seven holes for a total 1,704.5m in the northwest of the tenement, targeting predominantly airborne magnetic anomalies.

Following the grant of the Big Bullocks tenement, Sheffield Resources engaged consultants Southern Geoscience Corporation (SGC) to complete a geophysical interpretation over the project area. The geophysical observations were integrated with geological mapping and other relevant data to generate a solid geology interpretation.

A number of possible targets and areas of interest were identified during the interpretation including:

- Zones of depleted magnetic signal associated with the movement of hydrothermal fluid (involving magnetite destruction) along interpreted faults and shears.
- Zones of remanent magnetisation that overprint the magnetic stratigraphy indicating alteration or the formation of magnetic mineralisation (magnetite or pyrrhotite) due to hydrothermal fluid flow and / or intrusive activity.
- Discrete magnetic anomalies that may indicate the presence of magnetic sulphide or magnetite mineralisation.
- Dilatational settings, jogs, faults, shears and bends in lithological units which may act as fluid traps during deformation events providing gold mineralisation target zones.
- Discrete potassium radiometric anomalies possibly associated with potassic alteration at surface.
- Intrusive related features that present targets for (primarily Nova style) mineralisation

In 2015 Sheffield drilled 110 aircore holes for a total 3,432m as a first pass test of bedrock lithologies across the tenement. Depth to basement varied from between 4m and 73m. Mafic/ultramafic intrusive complexes were identified, confirming the presence of rock types suitable for formation of magmatic Ni-sulphide deposits. In addition, two felsic intrusive units with sulphidic and potassic alteration and anomalous copper values were identified.

IGO recently completed an eighty-nine (89) hole aircore drilling program on the tenement for a total of 2,796m with an average hole depth of 31m at a nominal drill spacing of 3km x 1km. No material results have been reported to date.

*Exploration Potential*

Big Bullocks is an area of complexly folded and faulted felsic and mafic/ultramafic intrusive centres of the Fraser Complex, conceptually well-suited to formation of magmatic Ni-sulphide and/or gold deposits, with thin recent cover resulting in the area being under-explored to date. Regional-scale drilling by Sheffield, and interpretation of airborne geophysical data, identified a number of possible targets and areas of interest.

### 5.6 Similkameen

The Similkameen project is located just 17km north of the Nova mine and 50km southwest of Classic Minerals' Mammoth Cu-Ni target.

*Geological Setting*

The tenement is within the Proterozoic Fraser Range Tectonic zone close to the southeastern margin of the Archaean Yilgarn Craton.

*Previous Exploration*

Open file searches have found only limited work completed in the Similkameen region. Geographe Resources (1998 - 1999) completed 1km x 1km soil carbonate sampling across a large part of the Fraser Range. Homestake Gold of Australia (1997 - 1999) completed infill sampling at 200m x 200m around a number of Geographe's anomalous areas. Terrrex NL (1997 - 1998) explored the region for shear related gold mineralisation associated with the Fraser Range Shear Zone, limiting their work to office based reviews, minor reconnaissance rock chip, lag and soil sampling and an aeromagnetic interpretation.

Triton Gold Ltd (2007 - 2011) undertook an aeromagnetic survey, helicopter supported soil program, infill soil sampling programme and aircore drilling programmes in 2008, 2009 and 2010. Most recently Matsa Resources Ltd (2012 - 2015) undertook gold and nickel exploration as part of their Fraser Range North Joint Venture. Drilling by Matsa at Similkameen was intended to test a discrete 2.5km long soil gold anomaly and historic drill intercepts for structurally controlled "Tropicana" style gold mineralisation.

*Exploration Potential*

The majority of historic exploration has focused on gold exploration particularly along the Fraser Range Shear Zone. The presence of mafic and ultramafic intrusions within the Fraser Complex has been interpreted from aeromagnetic data and these intrusions are expected to form the focus for future Ni-Cu-Co exploration.

## 6. PROPOSED EXPLORATION AND BUDGET

*Proposed Exploration Budget.*

| Project | Minimum Raising $A | | | Maximum Raising $A | | |
|---|---|---|---|---|---|---|
| | Year 1 | Year 2 | Total | Year 1 | Year 2 | Total |
| Jamieson Project | 955,000 | 995,000 | 1,950,000 | 1,875,000 | 1,900,000 | 3,775,000 |
| Oakover Project | 815,000 | 775,000 | 1,590,000 | 815,000 | 775,000 | 1,590,000 |
| **Total** | **1,770,000** | **1,770,000** | **3,540,000** | **2,690,000** | **2,675,000** | **5,365,000** |

The budget will be spent on the granted tenements. The exploration budget will be subject to modification on an ongoing basis depending on the results obtained from exploration and development activities as they progress and the granting of tenements now in application.

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

### 6.1 Jamieson Project proposed exploration and budget

Proposed exploration at Jamieson will initially concentrate on confirming the interpreted model for gold mineralisation at Hill 800, and then move to defining the system's strike and plunge extents. This will comprise diamond core drilling and downhole geophysics (EM). It is reasonable to expect this work would lead to a new estimate of Mineral Resources for the deposit.

Diamond core drilling to follow-up to the high grade zinc and gold interval in RCD001 is also proposed for Rhyolite Creek. Additional target generation will comprise leveraging the existing exploration database (geological, geochemical and geophysical) to identify and prioritise additional prospects, typical of VHMS camps, with follow-up work comprising surface geochemical and geophysical programs followed by drilling.

*Jamieson Project proposed exploration budget.*

| Activity | Minimum | | | Maximum | | |
|---|---|---|---|---|---|---|
| | Year 1 | Year 2 | Total | Year 1 | Year 2 | Total |
| Surface exploration | | $20,000 | $20,000 | $20,000 | $20,000 | $40,000 |
| Drilling and assay | $440,000 | $440,000 | $880,000 | $1,005,000 | $980,000 | $1,985,000 |
| Geophysics | $20,000 | $0 | $20,000 | $20,000 | $30,000 | $50,000 |
| Tenements & permitting | $10,000 | $10,000 | $20,000 | $10,000 | $10,000 | $20,000 |
| Resource studies | - | $40,000 | $40,000 | - | $40,000 | $40,000 |
| Staff and contractors | $420,000 | $420,000 | $840,000 | $720,000 | $720,000 | $1,440,000 |
| Travel & Accommodation | $65,000 | $65,000 | $130,000 | $100,000 | $100,000 | $200,000 |
| *Total Jamieson* | *$955,000* | *$995,000* | *$1,950,000* | *$1,875,000* | *$1,900,000* | *$3,775,000* |

## 6.2 Oakover Project proposed exploration budget

The immediate focus of exploration on the Oakover project will be to advance the Western Star copper prospect to defining and drilling targets designed to establish the grade, width and size extents of mineralisation identified at surface. Similar targets in the region will also be assessed and prioritised for advanced work (e.g. geophysics and drilling). At Bocrabee the immediate objective is to assess the extent of copper mineralisation in sediments at the main prospect area, at the same time as extending the search for additional, larger targets in the folded sediment package over the larger area. Regional mapping and rock chip sampling will continue, in order to identify additional targets that justify drill testing.

*Oakover Project proposed exploration budget.*

| Activity | Minimum | | | Maximum | | |
|---|---|---|---|---|---|---|
| | Year 1 | Year 2 | Total | Year 1 | Year 2 | Total |
| Surface exploration | $40,000 | $60,000 | $100,000 | $40,000 | $60,000 | $100,000 |
| Drilling and assay | $360,000 | $320,000 | $680,000 | $360,000 | $320,000 | $680,000 |
| Geophysics | $60,000 | $40,000 | $100,000 | $60,000 | $40,000 | $100,000 |
| Tenements & permitting | $95,000 | $95,000 | $190,000 | $95,000 | $95,000 | $190,000 |
| Resource studies | - | - | - | - | - | - |
| Staff and contractors | $220,000 | $220,000 | $440,000 | $220,000 | $220,000 | $440,000 |
| Travel & Accommodation | $40,000 | $40,000 | $80,000 | $40,000 | $40,000 | $80,000 |
| *Total Oakover* | *$815,000* | *$775,000* | *$1,590,000* | *$815,000* | *$775,000* | *$1,590,000* |

## 6.3 Paterson Project proposed exploration budget.

No budget has been set for the Paterson project because there are currently no granted tenements in this project.

## 6.4 Fraser Range Project proposed exploration budget.

The Company is not required to contribute to Joint Venture expenditure while IGO are sole-funding expenditure to earn an additional 19% interest in the Project (to take their interest to

70%). The earn-in expenditure amount is $5 million, to be spent by November 2021. Until such time as IGO complete the additional earn-in expenditure, Carawine will ensure sufficient funds and resources are available to comply with their obligations under the Joint Venture agreement.

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## 8. APPENDIX 1

Jamieson Project JORC Code (2012) Table 1

Jamieson Project drill hole information tables

### JORC (2012) Table 1 Report (applicable to Sections 2.3, 2.4)

*Section 1 Sampling Techniques and Data*

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | *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.*<br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>*Aspects of the determination of mineralisation that are Material to the Public Report.*<br>*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.* | HED, RCD, RCK holes half sawn HQ or NQ diamond core and sampled on geological intervals with a nominal maximum 1m downhole sample interval.<br>HEC holes were drilled using a 5 inch Reverse Circulation system, for holes HEC1-10 samples are reported as having been collected by spear (scoop samples) on 1m intervals to collect a nominal 2kg sample. For holes HEC35-51 samples are reported as having been collected from a riffle splitter on 1m intervals to collect a nominal 2kg sample. For holes HEC11-34 sample collection methods are not reported, however it is assumed that subsequent to the initial program (HEC1-10) samples were collected by riffle splitter as per typical methods of the time for follow-up drilling programs.<br>RC and RP series holes type indicated in the relevant table |
| *Drilling techniques* | *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).* | HED, RCD and RCK holes are HQ/NQ diameter diamond core.<br>HEC holes were drilled using 5 inch Reverse Circulation and a face-sampling bit.<br>RC and RP series holes are unknown diameter, given the date of drilling 3.5 or 5 inch diameter is likely |
| *Drill sample recovery* | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>*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.* | Recovery measurements were made on HED and RCD core holes<br>To note is the top ~6m of HED1 which shows poor recovery. The reported assay interval for HED1 is of similar tenor to the nearest HEC drill hole therefore it is assumed recovery has not had a material effect on reported assay results.<br>Orientation processes are reported from the start of the HEC drilling program to maximise recovery and representivity of the material drilled.<br>Recovery unknown for RC and RP series holes |
| *Logging* | *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.*<br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>*The total length and percentage of the relevant intersections logged.* | All core and HEC holes have been geologically logged to a relatively high detail. Alteration and petrographic examination has been done throughout the drilling programs.<br>Geotechnical information for HED holes is sparsely recorded and is of sufficient quality for reporting of Exploration Results, but would require further work to support Mineral Resource estimation. Core is available for study.<br>Geotechnical information for RCD holes is of sufficient quality |

| | | |
|---|---|---|
| | | to support Mineral Resource estimation.<br>Summary descriptions are available for RC and RP series holes |
| *Sub-sampling techniques and sample preparation* | *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>*If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>*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.*<br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | HED and RCD samples were sampled as sawn half-core.<br>For holes HEC1-10 samples are reported as having been collected by spear (scoop samples) on 1m intervals to collect a nominal 2kg sample. For holes HEC35-51 samples are reported as having been collected from a riffle splitter on 1m intervals to collect a nominal 2kg sample. For holes HEC11-34 sample collection methods are not reported, however it is assumed that subsequent to the initial program (HEC1-10) samples were collected by riffle splitter as per typical methods of the time for follow-up drilling programs.<br>No methods of representivity eg field duplicates, have been reported, however industry standard techniques have been employed therefore it is assumed the data are of sufficient quality for reporting of Exploration Results.<br>No techniques reported for RC and RP series holes. |
| *Quality of assay data and laboratory tests* | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>*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.*<br>*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.* | For HEC and HED holes, the assay method is described at AAS for Au, and ICP for Cu, Pb, Zn, As, Mo, Co, Mn and Ba. It is unclear what the digestion method is for these, however it is assumed aqua-regia (for gold) and 4-acid digest (for base metals) has been used. For gold, aqua-regia is a partial digestion method especially with refractory gold, compared with fire assay. Petrological studies report gold in fresh material is not bound within sulphide but rather on the edges of sulphide grains, and therefore would be available for digestion. It is considered that if there is a bias for gold, assays it will be conservative, and therefore are of sufficient quality to be reported as exploration results.<br>For HEC1-10 2 reference standards were analysed per assay batch and returned values within expected ranges.<br>For RCD holes Au was by Aqua-Regia digest ICP-MS then repeated by fire assay. Results show moderately higher gold values in fire assay data compares with aqua-regia digest. Ag, Cu, Pb, Zn, As, Co, Hg, Mo, S, Mn were by Aqua-Regia digest ICP-AES.<br>Resample and assay of 1m of RCD001 by Jamieson was by 4-acid digest, ICP-AES for base metals and Ag, and for Au by fire assay.<br>Standard industry practices have been employed in the collection and assaying of samples from the tenement, with modern exploration and assay techniques conducted by recognised explorers within a low-risk jurisdiction. Considering these factors along with reported information, the data are assumed to have sufficient quality for the reporting of Exploration Results. |
| *Verification of sampling and assaying* | *The verification of significant intersections by either independent or alternative company personnel.*<br>*The use of twinned holes.*<br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>*Discuss any adjustment to assay data.* | Material intersections reported are reviewed by senior geological personnel.<br>No twinned holes are reported.<br>All data has been reported in technical reports submitted by Companies to the Victorian Government which are now available as open file. Any relevant data quality issues are stated in this report/<br>No assay data have been adjusted. |
| *Location of data points* | *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.*<br>*Specification of the grid system used.*<br>*Quality and adequacy of topographic control.* | Holes have been located to a local grid, where still available in the field these have been confirmed to +/- 5m accuracy. RL is projected to a government surface DEM. Coordinates reported are MGA Zone 55.<br>Diamond holes have been surveyed down hole by single shot camera every 30m (nominal). |

| | | |
|---|---|---|
| | | Location data is considered to be of sufficient quality for reporting of exploration results. |
| *Data spacing and distribution* | *Data spacing for reporting of Exploration Results.*<br>*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.*<br>*Whether sample compositing has been applied.* | See figures in the report for drill hole distribution.<br>Samples have not been composited. |
| *Orientation of data in relation to geological structure* | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>*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.* | At Hill 800 mineralisation is interpreted to trend 30deg. with a moderate to steep plunge to the north. However, it should be noted that a number of alternative interpretations can be supported by the current dataset. Further work will be aimed at confirming the interpretation of the orientation and extent of mineralisation.<br>For HEC and HED holes, due to limitations of the drilling rig used and topography holes drilled either vertically, or angled towards the northwest, have been drilled oblique and at a low angle to the main mineralised direction. This results in these intersections not reflecting true widths.<br>At Rhyolite Creek it is considered only preliminary exploration work has been done and therefore the mineralisation is open. |
| *Sample security* | *The measures taken to ensure sample security.* | No measures taken regarding sample security have been reported however this is not considered a high risk given the Project location. |
| *Audits or reviews* | *The results of any audits or reviews of sampling techniques and data.* | The Project has been reviewed in an Independent Geological Report commissioned by Jamieson.<br>Sheffield geologists have conducted reviews of exploration data reported by Jamieson and previous explorers, and have visited the Hill800 site and examined core from holes HED1-3 and HED6. |

## *Section 2 Reporting of Exploration Results*

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

| Criteria | Statement | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | *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.*<br>*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.* | Exploration Licence (EL) 5523 is 20km east of the township of Jamieson in Central Victoria, Australia. It was granted to Jamieson Minerals Pty Ltd on 1 October 2015 and is due to expire on 30 September 2020. Carawine Resources has entered an Earn-In Agreement with Jamieson Minerals Pty Ltd which gives it the right to earn 100% of the tenement by incurring $190,000 of exploration expenditure within the next 2 years, followed by a further $200,000 issue of shares.<br>There are no known impediments to obtaining a licence to operate in the area, exploration work, including drilling, has taken place on the tenement as recently as 2010. |
| *Exploration done by other parties* | *Acknowledgment and appraisal of exploration by other parties.* | This information in the announcement is based entirely of work conducted by previous explorers, as detailed in the report, and in this Appendix. |
| *Geology* | *Deposit type, geological setting and style of mineralisation.* | The Project is hosted in strongly altered andesitic volcanic rocks of the Cambrian Barkly River Formation.<br>Alteration at Hill 800 comprises a zone of silica-sericite-pyrite extending NE-SW for about 600m to maximum width of about 110m on the crest of Hill 800. An outer halo of sericite alteration grades into distal chlorite-sericite (propylitic) alteration. PIMA studies define a paragonite core associated with the silica-pyrite-gold mineralisation grading into an outer halo dominated by sericite.<br>Gold mineralisation extends over 200m north-south by 50m |

| Criteria | Statement | Commentary |
|---|---|---|
| | | east-west in the core of the silica-paragonite-pyrite alteration.<br>At Rhyolite Creek Goldsearch summarise the local geology as a Cambrian volcanic sequence progressing from andesite lavas and volcaniclastics through dacitic and rhyolite lavas and associated felsic volcaniclastic sediments. Acid volcanism apparently terminated with a series of thick pyroclastic units, followed by alternating very fine to medium grained feldspathic sandstones.<br>A zone of massive sulphide is reported to sit at the sheared boundary between felsic volcaniclastic sediments above, and andesitic volcanics below, with a large "footwall" silica-sulphide-pyrophyllite alteration zone extending into the rocks below the contact. Other geological details are included in the body of the report.<br>Carawine geologists interpret the setting and alteration styles to indicate the potential of the prospects to sit within a larger VHMS deposit camp. |
| *Drill hole Information* | *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:*<br>*easting and northing of the drill hole collar*<br>*elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>*dip and azimuth of the hole*<br>*down drill hole length and interception depth*<br>*drill hole length.*<br>*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.* | See body of the report for details. |
| *Data aggregation methods* | *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.*<br>*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.*<br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Criteria for reporting weighted intervals are included with the relevant tables.<br>At Rhyolite Creek assays from the identified geologically significant interval are reported in RCD holes. At this early stage of the Project's investigation only anomalous threshold cut-off grades and intervals are considered appropriate for reporting. |
| *Relationship between mineralisation widths and intercept lengths* | *These relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*If it is not known and only the down drill hole lengths are reported, there should be a clear statement to this effect (eg 'down drill hole length, true width not known').* | At Hill 800 most drill holes have been drilled oblique and at a low angle to the interpreted mineralisation, and therefore are unlikely to represent true widths. Plan and long-section diagrams, along with full collar and hole orientation information is included in the announcement.<br>At Rhyolite Creek the geological interval reported from RCD001 is at a high angle to the interpreted orientation of the mineralisation and is considered to approximate true width. |
| *Diagrams* | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | See body of report for plan and section views and tabulations of material assay intervals. |
| *Balanced reporting* | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be* | All information considered material to the reader's understanding of the Exploration Results has been reported. |

| Criteria | Statement | Commentary |
|---|---|---|
| | *practiced to avoid misleading reporting of Exploration Results.* | |
| *Other substantive exploration data* | *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.* | Information relating to the most advanced data from the primary prospects on the tenement have been reported. Additional exploration including ground and down-hole geophysics, and surface mapping and sampling programs have been conducted at these, and other prospects within the tenement.<br>At this early stage of the Project's life, these have not been reported as they are considered to be not material to the reader's understanding.<br>Anomalous intervals have been reported for Rhyolite Creek RC, RP and RCK series drill holes in order to provide an indication of mineralisation outside the geologically confined interval reported from RCD001.<br>All information considered material to the reader's understanding of the Exploration Results has been reported. |
| *Further work* | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Further work is detailed in the report. |

**Table A1.1: Hill 800 historic RC (HEC) and core (HED) drilling results compiled from open-file technical reports.** Gold intervals tabulated for the Main Zone, Upper and Lower Footwall Zones, and outside these zones (>1g/t Au, >1m downhole width, <2m internal waste; including >20g/t Au, >1m width, <1m internal waste.). Collar information coordinates are MGA Zone 55, AHD RL.

**Main Zone**

| Hole ID | Depth From (m) | | Depth To (m) | Interval* | | | | Drill hole Collar Information | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Width (m) | Au (g/t) | Cu (%) | Zn (%) | Easting | Northing | RL | Depth (m) | Dip | Azimuth |
| **HEC1** | **0** | | **33** | **33** | **4.31** | | | **444,880** | **5,868,778** | **824** | **101** | **-60** | **338** |
| HEC12 | 14 | | 15 | 1 | 9.62 | | | 444,885 | 5,868,872 | 813 | 99 | -90 | 0 |
| **and** | **91** | | **95** | **4** | **7.03** | | | | | | | | |
| ***including*** | ***92*** | | ***93*** | ***1*** | ***23.2*** | ***0.1*** | | | | | | | |
| **HEC13** | **0** | | **13** | **13** | **10.9** | | | **444,895** | **5,868,855** | **815** | **39** | **-90** | **0** |
| ***including*** | ***0*** | | ***3*** | ***3*** | ***38.8*** | | | | | | | | |
| HEC17 | 56 | | 69 | 13 | 1.55 | 0.1 | | 444,925 | 5,868,953 | 794 | 152 | -90 | 0 |
| and | 100 | | 101 | 1 | 7.42 | 0.2 | | | | | | | |
| HEC18 | 38 | | 39 | 1 | 1.93 | 0.5 | | 444,923 | 5,868,922 | 796 | 60 | -90 | 0 |
| and | 41 | | 50 | 9 | 1.69 | | | | | | | | |
| and | 54 | | 60 | 6 | 1.74 | | | | | | | | |
| HEC3 | 36 | | 42 | 6 | 3.22 | 0.1 | | 444,884 | 5,868,812 | 826 | 101 | -60 | 315 |
| and | 64 | | 65 | 1 | 16.3 | 1.1 | | | | | | | |
| HEC35 | 71 | | 80 | 9 | 2.32 | 0.1 | | 444,903 | 5,868,978 | 798 | 148 | -60 | 152 |
| and | 104 | | 106 | 2 | 1.79 | 0.1 | | | | | | | |
| HEC44 | 61 | | 62 | 1 | 1.19 | | | 444,907 | 5,868,980 | 791 | 127 | -60 | 113 |
| **HEC45** | **3** | | **28** | **25** | **4.72** | | | **444,880** | **5,868,790** | **825** | **101** | **-59** | **214** |
| ***including*** | ***16*** | | ***17*** | ***1*** | ***24.0*** | | | | | | | | |
| HEC47 | 60 | | 61 | 1 | 1.61 | 0.1 | | 444,837 | 5,868,854 | 831 | 146 | -60 | 107 |
| **HEC48** | **86** | | **109** | **23** | **4.13** | | | **444,862** | **5,868,920** | **813** | **122** | **-62** | **112** |
| HEC49 | 62 | | 71 | 9 | 1.59 | 0.1 | | 444,868 | 5,868,914 | 812 | 110 | -60 | 142 |
| **and** | **76** | | **97** | **21** | **4.04** | | | | | | | | |
| ***including*** | ***80*** | | ***81*** | ***1*** | ***20.9*** | ***0.1*** | | | | | | | |
| and | 100 | | 107 | 7 | 5.88 | | | | | | | | |
| *including* | *102* | | *104* | *2* | *15.5* | *0.1* | | | | | | | |
| HEC9 | 51 | | 62 | 11 | 1.70 | 0.1 | | 444,846 | 5,868,841 | 832 | 101 | -60 | 139 |
| and | 79 | | 80 | 1 | 14.8 | 0.2 | | | | | | | |
| *including* | *79* | | *80* | *1* | *14.8* | *0.2* | | | | | | | |
| **HED1** | **0.5** | | **23.9** | **23.4** | **4.56** | | | **444,882** | **5,868,770** | **823** | **300** | **-60** | **338** |
| and | 26.3 | | 32.7 | 6.4 | 2.08 | 0.1 | | | | | | | |
| and | 114.0 | | 115.0 | 1.0 | 2.21 | 1.3 | 0.1 | | | | | | |
| **and** | **184.0** | | **191.0** | **7.0** | **22.1** | **0.4** | **0.1** | | | | | | |
| ***including*** | ***184.0*** | | ***185.0*** | ***1.0*** | ***28.9*** | ***0.1*** | ***0.1*** | | | | | | |
| ***including*** | ***188.0*** | | ***189.0*** | ***1.0*** | ***122*** | ***2.1*** | ***0.1*** | | | | | | |

**Upper Footwall Zone**

| Hole ID | Depth From (m) | Depth To (m) | Interval* | | | | Drill hole Collar Information | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Width (m) | Au (g/t) | Cu (%) | Zn (%) | Easting | Northing | RL | Depth (m) | Dip | Azimuth |
| HEC14 | 34 | 35 | 1 | 2.77 | | | 444,909 | 5,868,830 | 815 | 51 | -90 | 0 |
| HEC4 | 23 | 27 | 4 | 3.12 | | | 444,907 | 5,868,753 | 820 | 101 | -60 | 330 |
| HEC47 | 114 | 116 | 2 | 7.97 | 0.2 | | 444,837 | 5,868,854 | 831 | 146 | -60 | 107 |
| **and** | **144** | **146** | **2** | **9.55** | **0.4** | **0.1** | | | | | | |
| HEC8 | 0 | 3 | 3 | 2.81 | | | 444,891 | 5,868,765 | 823 | 101 | -52 | 54 |
| **and** | **14** | **27** | **13** | **2.78** | | | | | | | | |
| HED2 | 167.0 | 168.0 | 1.0 | 16.2 | | | 444,899 | 5,868,723 | 816 | 190 | -65 | 338 |

**Lower Footwall Zone**

| Hole ID | Depth From (m) | Depth To (m) | Interval* | | | | Drill hole Collar Information | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Width (m) | Au (g/t) | Cu (%) | Zn (%) | Easting | Northing | RL | Depth (m) | Dip | Azimuth |
| HEC23 | 26 | 27 | 1 | 6.94 | | | 444,981 | 5,868,973 | 773 | 45 | -90 | 0 |
| HEC24 | 10 | 21 | 11 | 2.09 | 0.1 | | 444,979 | 5,868,951 | 773 | 54 | -90 | 0 |
| and | 30 | 34 | 4 | 1.56 | | | | | | | | |
| HEC25 | 0 | 6 | 6 | 3.53 | | | 444,974 | 5,868,928 | 774 | 36 | -90 | 0 |
| HEC27 | 1 | 3 | 2 | 2.42 | | | 444,977 | 5,868,941 | 775 | 45 | -90 | 0 |
| **and** | **36** | **37** | **1** | **38.4** | **0.1** | | | | | | | |
| HEC28 | 1 | 2 | 1 | 2.45 | | | 445,004 | 5,869,052 | 740 | 39 | -90 | 0 |

**Intervals meeting criteria, outside the Main and Footwall Zones**

| Hole ID | Depth From (m) | Depth To (m) | Interval* | | | | Drill hole Collar Information | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Width (m) | Au (g/t) | Cu (%) | Zn (%) | Easting | Northing | RL | Depth (m) | Dip | Azimuth |
| HEC1 | 76 | 77 | 1 | 1.04 | 0.2 | | 444,880 | 5,868,778 | 824 | 101 | -60 | 338 |
| HEC10 | 35 | 36 | 1 | 1.00 | | | 444,847 | 5,868,857 | 830 | 101 | -62 | 101 |
| and | 37 | 38 | 1 | 1.12 | | | | | | | | |
| and | 43 | 44 | 1 | 1.14 | | | | | | | | |
| HEC12 | 19 | 20 | 1 | 2.93 | 0.7 | | 444,885 | 5,868,872 | 813 | 99 | -90 | 0 |
| and | 71 | 72 | 1 | 1.18 | | | | | | | | |
| HEC13 | 19 | 20 | 1 | 1.92 | 0.1 | | 444,895 | 5,868,855 | 815 | 39 | -90 | 0 |
| HEC15 | 24 | 25 | 1 | 1.11 | 0.1 | | 444,925 | 5,868,807 | 816 | 48 | -90 | 0 |
| HEC17 | 81 | 85 | 4 | 1.17 | 0.1 | | 444,925 | 5,868,953 | 794 | 152 | -90 | 0 |
| and | 112 | 116 | 4 | 1.21 | 0.1 | | | | | | | |
| HEC19 | 1 | 5 | 4 | 1.59 | | | 444,926 | 5,868,902 | 796 | 99 | -90 | 0 |
| and | 12 | 13 | 1 | 1.41 | | | | | | | | |
| and | 33 | 37 | 4 | 1.03 | | | | | | | | |
| and | 43 | 45 | 2 | 1.28 | | | | | | | | |
| and | 66 | 67 | 1 | 2.13 | | | | | | | | |
| and | 79 | 85 | 6 | 2.21 | 0.2 | | | | | | | |
| HEC20 | 0 | 1 | 1 | 1.27 | | | 444,936 | 5,868,874 | 794 | 20 | -90 | 0 |
| HEC23 | 4 | 8 | 4 | 1.12 | | | 444,981 | 5,868,973 | 773 | 45 | -90 | 0 |
| and | 11 | 12 | 1 | 1.73 | | | | | | | | |
| and | 20 | 21 | 1 | 2.91 | | | | | | | | |
| HEC24 | 1 | 7 | 6 | 1.87 | | | 444,979 | 5,868,951 | 773 | 54 | -90 | 0 |

| Hole ID | Depth From (m) | Depth To (m) | Interval* | | | | Drill hole Collar Information | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Width (m) | Au (g/t) | Cu (%) | Zn (%) | Easting | Northing | RL | Depth (m) | Dip | Azimuth |
| and | 40 | 41 | 1 | 2.57 | | | | | | | | |
| and | 46 | 47 | 1 | 1.35 | | | | | | | | |
| HEC26 | 19 | 20 | 1 | 1.08 | 0.1 | | 444,977 | 5,868,894 | 770 | 30 | -90 | 0 |
| HEC27 | 15 | 16 | 1 | 1.26 | | | 444,977 | 5,868,941 | 775 | 45 | -90 | 0 |
| HEC3 | 90 | 91 | 1 | 1.01 | 0.1 | 0.1 | 444,884 | 5,868,812 | 826 | 101 | -60 | 315 |
| HEC33 | 43 | 44 | 1 | 1.37 | 0.1 | | 445,042 | 5,869,004 | 741 | 51 | -90 | 0 |
| HEC35 | 83 | 86 | 3 | 1.72 | 0.1 | | 444,903 | 5,868,978 | 798 | 148 | -60 | 152 |
| and | 89 | 93 | 4 | 1.26 | 0.4 | | | | | | | |
| and | 97 | 98 | 1 | 1.45 | 0.2 | | | | | | | |
| HEC38 | 52 | 53 | 1 | 1.35 | 0.6 | | 444,827 | 5,868,749 | 807 | 98 | -60 | 121 |
| HEC39 | 12 | 13 | 1 | 1.86 | 0.2 | | 444,792 | 5,868,761 | 797 | 98 | -60 | 111 |
| HEC40 | 33 | 36 | 3 | 1.73 | 0.1 | | 444,754 | 5,868,784 | 795 | 98 | -60 | 137 |
| HEC42 | 13 | 14 | 1 | 1.18 | 0.3 | | 444,829 | 5,868,745 | 807 | 98 | -60 | 326 |
| HEC45 | 90 | 93 | 3 | 1.20 | | | 444,880 | 5,868,790 | 825 | 101 | -59 | 214 |
| HEC47 | 20 | 21 | 1 | 1.01 | | | 444,837 | 5,868,854 | 831 | 146 | -60 | 107 |
| and | 49 | 50 | 1 | 1.19 | 0.4 | | | | | | | |
| and | 129 | 130 | 1 | 1.98 | 0.1 | | | | | | | |
| HEC48 | 2 | 3 | 1 | 1.00 | | | 444,862 | 5,868,920 | 813 | 122 | -62 | 112 |
| and | 78 | 80 | 2 | 1.35 | 0.5 | | | | | | | |
| HEC49 | 56 | 57 | 1 | 1.37 | | | 444,868 | 5,868,914 | 812 | 110 | -60 | 142 |
| and | 60 | 61 | 1 | 1.45 | 0.2 | | | | | | | |
| HEC5 | 0 | 3 | 3 | 1.58 | | | 444,875 | 5,868,750 | 821 | 101 | -59 | 332 |
| and | 9 | 10 | 1 | 3.65 | | | | | | | | |
| and | 15 | 18 | 3 | 1.81 | | | | | | | | |
| and | 21 | 22 | 1 | 1.41 | | | | | | | | |
| and | 27 | 28 | 1 | 1.05 | 0.1 | | | | | | | |
| and | 45 | 46 | 1 | 1.61 | 0.1 | | | | | | | |
| HEC51 | 29 | 30 | 1 | 2.34 | 0.7 | | 444,840 | 5,868,706 | 810 | 128 | -60 | 7 |
| HEC8 | 6 | 7 | 1 | 1.13 | | | 444,891 | 5,868,765 | 823 | 101 | -52 | 54 |
| HEC9 | 38 | 39 | 1 | 1.08 | | | 444,846 | 5,868,841 | 832 | 101 | -60 | 139 |
| and | 94 | 95 | 1 | 1.96 | 0.2 | | | | | | | |
| HED1 | 121.0 | 122.0 | 1.0 | 1.65 | 0.6 | | 444,882 | 5,868,770 | 823 | 300 | -60 | 338 |
| and | 175.0 | 176.0 | 1.0 | 1.13 | 1.3 | 0.1 | | | | | | |
| and | 198.0 | 199.0 | 1.0 | 2.89 | 0.2 | 0.1 | | | | | | |
| and | 208.0 | 209.0 | 1.0 | 1.24 | 0.3 | 0.2 | | | | | | |
| and | 254.0 | 255.0 | 1.0 | 2.20 | 0.7 | | | | | | | |
| HED2 | 34.0 | 35.0 | 1.0 | 1.20 | | | 444,899 | 5,868,723 | 816 | 190 | -65 | 338 |
| HED3 | 116.0 | 117.0 | 1.0 | 1.10 | | | 444,868 | 5,868,915 | 812 | 257 | -60 | 45 |

**Drill hole collar details (holes with no material gold intervals)**

| Hole ID | Easting | Northing | RL | Depth (m) | Dip | Azimuth |
|---|---|---|---|---|---|---|
| HEC11 | 444,884 | 5,868,812 | 826 | 101 | -60 | 315 |
| HEC16 | 444,891 | 5,868,765 | 823 | 101 | -52 | 54 |
| HEC2 | 444,885 | 5,868,872 | 813 | 99 | -90 | 0 |
| HEC21 | 444,909 | 5,868,830 | 815 | 51 | -90 | 0 |
| HEC22 | 444,925 | 5,868,807 | 816 | 48 | -90 | 0 |
| HEC29 | 444,977 | 5,868,992 | 773 | 48 | -90 | 0 |
| HEC30 | 444,979 | 5,868,951 | 773 | 54 | -90 | 0 |
| HEC31 | 444,974 | 5,868,928 | 774 | 36 | -90 | 0 |
| HEC32 | 444,977 | 5,868,894 | 770 | 30 | -90 | 0 |
| HEC34 | 445,004 | 5,869,052 | 740 | 39 | -90 | 0 |
| HEC36 | 445,054 | 5,869,026 | 732 | 39 | -90 | 0 |
| HEC37 | 445,086 | 5,869,001 | 723 | 60 | -90 | 0 |
| HEC41 | 444,811 | 5,868,561 | 798 | 98 | -60 | 144 |
| HEC43 | 444,827 | 5,868,749 | 807 | 98 | -60 | 121 |
| HEC46 | 444,733 | 5,868,830 | 798 | 98 | -60 | 135 |
| HEC50 | 444,838 | 5,868,841 | 832 | 104 | -60 | 209 |
| HEC6 | 444,862 | 5,868,920 | 813 | 122 | -62 | 112 |
| HEC7 | 444,868 | 5,868,914 | 812 | 110 | -60 | 142 |
| HED4 | 444,663 | 5,868,707 | 737 | 280 | -50 | 85 |
| HED5 | 444,662 | 5,868,707 | 736 | 600 | -50 | 80 |
| HED6 | 444,865 | 5,869,160 | 717 | 377 | -68 | 150 |

**Copper intervals (>0.5% Cu, >2m downhole width, <2m internal waste; including >1% Cu, >1m width, <1m internal waste.)**

| Hole ID | Depth From (m) | Depth To (m) | Interval* | | | |
|---|---|---|---|---|---|---|
| | | | Width (m) | Cu (%) | Zn (%) | Au (g/t) |
| HEC18 | 37 | 39 | 2 | 0.8 | 0.0 | 1.42 |
| HEC38 | 52 | 54 | 2 | 0.7 | 0.0 | 0.74 |
| HEC39 | 6 | 8 | 2 | 0.7 | 0.0 | 0.78 |
| and | 44 | 46 | 2 | 0.5 | 0.0 | 0.09 |
| HED1 | 113 | 115 | 2 | 1.0 | 0.1 | 1.20 |
| *including* | *114* | *115* | *1* | *1.3* | *0.1* | *2.21* |
| and | 254 | 261 | 7 | 0.9 | 0.1 | 0.69 |
| *including* | *255* | *257* | *2* | *2.0* | *0.1* | *0.65* |

## Table A1.2: Rhyolite Creek RCD hole series historic drilling.

**Assay listing for geological interval in RCD001**

| Hole ID | Depth From (m) | Depth To (m) | Width (m) | Zn % | Pb % | Cu % | Au g/t | Ag g/t | Geology description |
|---|---|---|---|---|---|---|---|---|---|
| RCD001 | 220 | 221 | 1 | 2.2 | 0.06 | 0.15 | 0.28 | 9 | 5 cm pug shear |
| RCD001 | 221 | 222 | 1 | 0.8 | 0.04 | 0.04 | 0.45 | 7 | porphyritic volcaniclastic |
| RCD001 | 222 | 223 | 1 | 0.5 | 0.03 | 0.03 | 0.24 | 8 | 40 cm shear |
| RCD001 | 223 | 224 | 1 | 14.7 | 1.52 | 0.43 | 8.95 | 127 | strong pyrite |
| RCD001 | 224 | 224.4 | 0.4 | 17.9 | 1.35 | 0.81 | 3.63 | 80 | abundant pyrite with galena |
| RCD001 | 224.4 | 225.6 | 1.2 | 0.9 | 0.07 | 0.03 | 0.41 | 6 | qz vns |
| RCD001 | 225.6 | 226.5 | 0.9 | 0.3 | 0.04 | 0.02 | 0.29 | 5 | shear zone 50 cm |
| RCD001 | 226.5 | 228 | 1.5 | 1.8 | 0.20 | 0.08 | 0.52 | 24 | str silica breccia |

**Jamison Resources RCD001 re-sample assay results.**

| Hole ID | Depth From (m) | Depth To (m) | Width (m) | Zn % | Pb % | Cu % | Au g/t | Ag g/t |
|---|---|---|---|---|---|---|---|---|
| RCD001 | 223.5 | 224.5 | 1 | 20.3 | 1.54 | 0.66 | 10.3 | 178 |

**RCD drill hole collar details**

| Hole ID | Easting | Northing | RL | Depth (m) | Dip | Azimuth |
|---|---|---|---|---|---|---|
| RCD001 | 446,814 | 5,862,758 | 729 | 504.6 | -60 | 225 |
| RCD002 | 446,816 | 5,862,760 | 729 | 246 | -61 | 33 |
| RCD003 | 446,777 | 5,863,028 | 723 | 500.3 | -60 | 216 |
| RCD004 | 446,807 | 5,862,762 | 730 | 422.8 | -60 | 141 |
| RCD005 | 446,846 | 5,863,093 | 696 | 223.1 | -60 | 86 |

**Table A1.3: Rhyolite Creek historic drilling results compiled from open-file technical reports for anomalous gold intervals** (>0.1g/t Au, >2m downhole width, <2m internal waste; including >0.5g/t Au, >2m width, <2m internal waste.). Collar information coordinates are MGA Zone 55, AHD RL. Hole type RC (Reverse Circulation), RABH (Rotary Air Blast (open hole) hammer), DD (diamond core).

| Hole ID | Depth From (m) | Depth To (m) | Width (m) | Au (g/t) | Ag (>1g/t) | Cu (>0.1%) | Zn (>0.1%) | Drill hole Collar Information | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Easting | Northing | RL | Type | Depth (m) | Dip | Azi |
| RC031 | 4.0 | 6.0 | 2.0 | 0.13 | | | | 446,859 | 5,862,789 | 709 | RC | 41 | -58 | 35 |
| and | 10.0 | 28.0 | 18.0 | 0.38 | | | | | | | | | | |
| *including* | *14.0* | *22.0* | *8.0* | *0.60* | | | | | | | | | | |
| and | 32.0 | 34.0 | 2.0 | 0.11 | | | | | | | | | | |
| RC033 | 2.0 | 6.0 | 4.0 | 0.18 | 3.3 | 0.1 | | 447,591 | 5,862,708 | 707 | RC | 73 | -50 | 310 |
| and | 14.0 | 20.0 | 6.0 | 0.16 | 4.0 | 0.1 | | | | | | | | |
| and | 26.0 | 28.0 | 2.0 | 0.20 | 4.0 | | 0.1 | | | | | | | |
| and | 34.0 | 40.0 | 6.0 | 0.22 | 2.0 | 0.1 | | | | | | | | |
| RC034 | 42.0 | 44.0 | 2.0 | 0.19 | 3.0 | 0.1 | | 447,591 | 5,862,708 | 707 | RC | 76 | -50 | 120 |
| and | 48.0 | 54.0 | 6.0 | 0.14 | 1.3 | | 0.3 | | | | | | | |
| and | 68.0 | 70.0 | 2.0 | 0.13 | 1.0 | | | | | | | | | |
| RC035 | 0.0 | 2.0 | 2.0 | 0.43 | 2.0 | 0.1 | | 447,625 | 5,862,618 | 687 | RC | 100 | -45 | 300 |
| and | 12.0 | 20.0 | 8.0 | 0.24 | 5.3 | 0.4 | 0.1 | | | | | | | |
| and | 28.0 | 30.0 | 2.0 | 0.11 | 2.0 | | 0.2 | | | | | | | |
| and | 36.0 | 38.0 | 2.0 | 0.12 | 2.0 | | | | | | | | | |
| and | 44.0 | 46.0 | 2.0 | 0.22 | | | | | | | | | | |
| and | 52.0 | 66.0 | 14.0 | 0.34 | 6.1 | 0.2 | 0.4 | | | | | | | |
| *including* | *54.0* | *56.0* | *2.0* | *0.61* | *8.0* | *0.2* | | | | | | | | |
| *including* | *62.0* | *64.0* | *2.0* | *0.56* | *5.0* | *0.1* | *0.7* | | | | | | | |
| and | 86.0 | 88.0 | 2.0 | 0.10 | | | | | | | | | | |
| RC038 | 0.0 | 2.0 | 2.0 | 0.10 | 1.2 | | | 447,652 | 5,862,084 | 672 | RC | 57 | -50 | 275 |
| RC040 | 2.0 | 6.0 | 4.0 | 0.11 | | | | 446,609 | 5,862,891 | 787 | RC | 60 | -50 | 18 |

| Hole ID | Depth From (m) | Depth To (m) | Width (m) | Au (g/t) | Ag (>1g/t) | Cu (>0.1%) | Zn (>0.1%) | Drill hole Collar Information | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Easting | Northing | RL | Type | Depth (m) | Dip | Azi |
| RC041 | 2.0 | 4.0 | 2.0 | 0.10 | | | | 446,609 | 5,862,891 | 787 | RC | 40 | -50 | 118 |
| RC042 | 4.0 | 10.0 | 6.0 | 0.21 | | | | 446,374 | 5,862,506 | 971 | RC | 58 | -50 | 50 |
| and | 20.0 | 58.0 | 38.0 | 0.27 | 2.6 | 0.2 | | | | | | | | |
| *including* | *54.0* | *58.0* | *4.0* | *0.58* | *1.0* | *0.3* | | | | | | | | |
| RC043 | 0.0 | 30.0 | 30.0 | 0.16 | | | | 446,428 | 5,862,470 | 948 | RC | 56 | -50 | 40 |
| and | 34.0 | 38.0 | 4.0 | 0.15 | 1.0 | 0.1 | | | | | | | | |
| and | 42.0 | 44.0 | 2.0 | 0.10 | 1.0 | | | | | | | | | |
| and | 48.0 | 56.0 | 8.0 | 0.16 | 1.0 | | | | | | | | | |
| RC044 | 6.0 | 22.0 | 16.0 | 0.30 | 1.8 | | | 446,413 | 5,862,466 | 951 | RC | 22 | -50 | 90 |
| *including* | *16.0* | *18.0* | *2.0* | *0.57* | *2.0* | | | | | | | | | |
| RC045 | 6.0 | 8.0 | 2.0 | 0.25 | | | | 446,463 | 5,862,407 | 932 | RC | 82 | -50 | 60 |
| and | 20.0 | 22.0 | 2.0 | 0.28 | 1.0 | | | | | | | | | |
| and | 44.0 | 56.0 | 12.0 | 1.18 | 2.2 | | | | | | | | | |
| *including* | *48.0* | *54.0* | *6.0* | *2.12* | *2.0* | | | | | | | | | |
| and | 78.0 | 82.0 | 4.0 | 0.12 | | 0.1 | | | | | | | | |
| RCD001 | 8.1 | 15.3 | 7.2 | 0.18 | | | | 446,814 | 5,862,758 | 729 | DD | 505 | -60 | 225 |
| and | 215.9 | 228.0 | 12.1 | 1.09 | 19.8 | 0.1 | 2.4 | | | | | | | |
| RCD003 | 149.7 | 155.8 | 6.1 | 0.23 | 5.2 | | | 446,777 | 5,863,028 | 724 | DD | 500 | -60 | 216 |
| and | 176.8 | 181.5 | 4.7 | 0.92 | 8.5 | | 0.1 | | | | | | | |
| *including* | *177.8* | *180.4* | *2.6* | *1.56* | *12.6* | | 0.1 | | | | | | | |
| and | 292.9 | 295.5 | 2.6 | 0.43 | 8.9 | | 0.2 | | | | | | | |
| and | 303.4 | 309.3 | 5.9 | 0.14 | 4.6 | | 0.2 | | | | | | | |
| and | 313.5 | 316.2 | 2.7 | 0.21 | 5.8 | | 0.1 | | | | | | | |
| and | 323.0 | 325.0 | 2.0 | 0.15 | 3.8 | | 0.1 | | | | | | | |
| and | 487.7 | 491.3 | 3.6 | 0.24 | | 0.1 | 0.4 | | | | | | | |
| RCD004 | 233.6 | 237.8 | 4.2 | 0.55 | 9.7 | 0.1 | 2.2 | 446,807 | 5,862,762 | 730 | DD | 423 | -60 | 141 |
| *including* | *235.7* | *237.8* | *2.1* | *0.72* | *9.1* | *0.1* | *2.5* | | | | | | | |
| RCD005 | 93.6 | 95.6 | 2.0 | 0.34 | 3.4 | | | 446,846 | 5,863,093 | 697 | DD | 223 | -60 | 86 |

| Hole ID | Depth From (m) | Depth To (m) | Width (m) | Au (g/t) | Ag (>1g/t) | Cu (>0.1%) | Zn (>0.1%) | Drill hole Collar Information | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Easting | Northing | RL | Type | Depth (m) | Dip | Azi |
| RCK001 | 0.0 | 12.7 | 12.7 | 0.37 | | | | 446,780 | 5,862,535 | 738 | DD | 255 | 0 | 240 |
| and | 15.6 | 26.4 | 10.9 | 0.16 | | | | | | | | | | |
| and | 250.0 | 255.1 | 5.1 | 0.12 | 4.4 | 0.1 | | | | | | | | |
| RCK002 | 2.0 | 20.6 | 18.6 | 0.77 | | | | 447,428 | 5,861,796 | 850 | DD | 152 | -60 | 40 |
| *including* | *5.1* | *18.6* | *13.5* | *1.01* | *1.1* | | | | | | | | | |
| RCK003 | 9.1 | 18.1 | 9.0 | 0.17 | | | | 446,491 | 5,862,396 | 925 | DD | 203 | -60 | 20 |
| and | 21.1 | 32.8 | 11.7 | 0.21 | | | | | | | | | | |
| and | 55.5 | 63.5 | 8.0 | 0.32 | | 0.2 | | | | | | | | |
| *including* | *55.5* | *57.5* | *2.0* | *0.52* | | 0.3 | | | | | | | | |
| and | 67.5 | 104.5 | 37.0 | 0.44 | 44.1 | 0.2 | | | | | | | | |
| *including* | *81.5* | *100.6* | *19.1* | *0.71* | *69.3* | *0.2* | | | | | | | | |
| and | 106.7 | 124.0 | 17.3 | 0.17 | 4.1 | 0.1 | | | | | | | | |
| and | 136.0 | 139.0 | 3.0 | 0.18 | 1.8 | 0.1 | | | | | | | | |
| and | 148.0 | 150.0 | 2.0 | 0.11 | 1.0 | 0.1 | | | | | | | | |
| and | 153.0 | 157.0 | 4.0 | 0.11 | 1.0 | 0.1 | | | | | | | | |
| and | 179.0 | 195.0 | 16.0 | 0.14 | | 0.1 | | | | | | | | |
| RCK004 | 13.6 | 16.6 | 3.0 | 0.24 | 1.0 | | | 446,444 | 5,862,414 | 936 | DD | 260 | -55 | 20 |
| and | 19.6 | 26.5 | 6.9 | 0.30 | | | | | | | | | | |
| and | 30.5 | 32.5 | 2.0 | 0.12 | | | | | | | | | | |
| and | 36.5 | 55.3 | 18.8 | 0.52 | 1.0 | | | | | | | | | |
| *including* | *38.5* | *42.5* | *4.0* | *1.64* | *1.0* | | 0.1 | | | | | | | |
| and | 67.5 | 70.5 | 3.0 | 0.17 | | | | | | | | | | |
| and | 80.0 | 86.7 | 6.7 | 0.28 | 3.5 | 0.1 | | | | | | | | |
| and | 97.5 | 146.5 | 49.0 | 0.28 | 6.6 | 0.1 | | | | | | | | |
| *including* | *103.6* | *106.6* | *3.0* | *0.89* | *15.3* | *0.1* | | | | | | | | |
| and | 149.0 | 163.5 | 14.5 | 0.25 | 3.8 | | | | | | | | | |
| and | 169.5 | 176.7 | 7.2 | 0.12 | 3.2 | | | | | | | | | |
| and | 196.5 | 199.5 | 3.0 | 0.20 | | | | | | | | | | |

| Hole ID | Depth From (m) | Depth To (m) | Width (m) | Au (g/t) | Ag (>1g/t) | Cu (>0.1%) | Zn (>0.1%) | Drill hole Collar Information | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Easting | Northing | RL | Type | Depth (m) | Dip | Azi |
| and | 208.5 | 210.5 | 2.0 | 0.11 | 3.0 | | | | | | | | | |
| and | 212.5 | 218.5 | 6.0 | 0.12 | 1.3 | 0.1 | | | | | | | | |
| RCK005 | 118.5 | 120.5 | 2.0 | 0.10 | | | | 447,409 | 5,861,760 | 870 | DD | 127 | -60 | 20 |
| RP004 | 21.6 | 25.2 | 3.6 | 0.12 | | | | 447,531 | 5,862,692 | 661 | RABH | 36 | -60 | 351 |
| RP005 | 21.6 | 25.2 | 3.6 | 0.10 | | | | 447,632 | 5,862,504 | 629 | RABH | 36 | -60 | 351 |
| RP006 | 10.8 | 14.4 | 3.6 | 0.12 | | | | 447,628 | 5,862,498 | 626 | RABH | 36 | -60 | 171 |
| RP008 | 0.0 | 13.2 | 13.2 | 0.15 | 0.9 | | | 447,584 | 5,862,430 | 641 | RABH | 29 | -60 | 351 |
| and | 18.0 | 21.6 | 3.6 | 0.10 | | | | | | | | | | |
| and | 25.2 | 28.8 | 3.6 | 0.10 | | | | | | | | | | |
| RP009 | 0.0 | 3.6 | 3.6 | 0.12 | | | | 447,613 | 5,862,118 | 642 | RABH | 16 | -60 | 171 |
| RP011 | 12.0 | 14.4 | 2.4 | 0.16 | 3.0 | | | 447,659 | 5,862,080 | 675 | RABH | 18 | -60 | 171 |
| RP012 | 3.6 | 7.2 | 3.6 | 0.12 | | | | 447,701 | 5,862,049 | 682 | RABH | 32 | -60 | 351 |
| RP017 | 0.0 | 3.6 | 3.6 | 0.10 | | | | 447,425 | 5,861,793 | 852 | RABH | 36 | -90 | 351 |
| RP018 | 0.0 | 3.6 | 3.6 | 0.99 | 2.0 | | | 447,420 | 5,861,837 | 827 | RABH | 16 | -90 | 351 |
| *including* | *0.0* | *2.4* | *2.4* | *1.38* | *2.0* | | | | | | | | | |
| and | 7.2 | 10.8 | 3.6 | 0.12 | | | | | | | | | | |
| RP020 | 3.6 | 21.6 | 18.0 | 0.18 | | | | 446,789 | 5,862,530 | 730 | RABH | 25 | -60 | 351 |
| RP021 | 0.0 | 18.0 | 18.0 | 0.20 | | | | 446,792 | 5,862,517 | 726 | RABH | 18 | -60 | 171 |
| RP022 | 1.2 | 18.0 | 16.8 | 0.21 | | | | 446,789 | 5,862,514 | 729 | RABH | 19 | -60 | 171 |
| RP023 | 10.8 | 21.6 | 10.8 | 0.64 | | | | 446,861 | 5,862,788 | 710 | RABH | 22 | -60 | 351 |
| *including* | *13.2* | *19.2* | *6.0* | *0.82* | *1.1* | | | | | | | | | |
| RP024 | 10.8 | 18.0 | 7.2 | 0.35 | | | | 446,856 | 5,862,782 | 712 | RABH | 24 | -60 | 171 |
| *including* | *12.0* | *14.4* | *2.4* | *0.70* | | | | | | | | | | |
| RP028 | 28.8 | 36.0 | 7.2 | 0.21 | | | | 446,259 | 5,862,753 | 990 | RABH | 36 | -90 | 351 |
| RP029 | 0.0 | 3.6 | 3.6 | 0.10 | | | | 446,318 | 5,862,670 | 1,001 | RABH | 26 | -90 | 351 |
| and | 14.4 | 26.4 | 12.0 | 0.45 | 1.6 | | | | | | | | | |
| *including* | *18.0* | *24.0* | *6.0* | *0.52* | *1.6* | | | | | | | | | |
| RP030 | 0.0 | 7.2 | 7.2 | 0.35 | | | | 446,351 | 5,862,596 | 998 | RABH | 25 | -90 | 351 |

| Hole ID | Depth From (m) | Depth To (m) | Width (m) | Au (g/t) | Ag (>1g/t) | Cu (>0.1%) | Zn (>0.1%) | Drill hole Collar Information | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Easting | Northing | RL | Type | Depth (m) | Dip | Azi |
| and | 10.8 | 25.2 | 14.4 | 0.30 | 1.1 | | | | | | | | | |

**Table A1.4: Rhyolite Creek historic drill hole collar details (holes with no anomalous gold interval)**

| Hole ID | Easting | Northing | RL | Type | Depth (m) | Dip | Azimuth |
|---|---|---|---|---|---|---|---|
| RC032 | 447,558 | 5,862,752 | 708 | RC | 40 | -50 | 300 |
| RC036 | 447,566 | 5,862,407 | 625 | RC | 100 | -50 | 135 |
| RC037 | 447,431 | 5,861,863 | 816 | RC | 103 | -50 | 140 |
| RC039 | 447,646 | 5,862,086 | 671 | RC | 54 | -50 | 85 |
| RCD002 | 446,816 | 5,862,760 | 728 | DD | 246 | -61 | 33 |
| RP001 | 447,568 | 5,862,747 | 710 | RABH | 29 | -60 | 351 |
| RP002 | 447,566 | 5,862,744 | 708 | RABH | 36 | -65 | 171 |
| RP003 | 447,528 | 5,862,690 | 658 | RABH | 36 | -65 | 171 |
| RP007 | 447,581 | 5,862,425 | 639 | RABH | 36 | -60 | 171 |
| RP010 | 447,617 | 5,862,124 | 639 | RABH | 7 | -60 | 171 |
| RP013 | 447,700 | 5,862,047 | 684 | RABH | 22 | -60 | 171 |
| RP014 | 447,519 | 5,861,777 | 794 | RABH | 20 | -60 | 171 |
| RP015 | 447,522 | 5,861,783 | 793 | RABH | 20 | -60 | 351 |
| RP016 | 447,430 | 5,861,782 | 854 | RABH | 34 | -60 | 351 |
| RP019 | 447,303 | 5,862,340 | 710 | RABH | 36 | -90 | 351 |
| RP025 | 446,441 | 5,863,063 | 744 | RABH | 29 | -90 | 351 |
| RP026 | 446,271 | 5,863,066 | 828 | RABH | 22 | -90 | 351 |
| RP027 | 446,367 | 5,862,779 | 923 | RABH | 32 | -90 | 351 |

## 9. APPENDIX 2

Oakover Project, Western Star Prospect JORC Code (2012) Table 1

Oakover Project, Western Star Prospect rock chip sample information tables

### JORC (2012) Table 1 Report (applicable to Sections 3.3, 3.4.1, 3.4.3)

*Section 1 Sampling Techniques and Data*

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | *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.*<br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>*Aspects of the determination of mineralisation that are Material to the Public Report.*<br>*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.* | Point surface samples consisting of rock chips of outcropping bedrock, to a nominal 0.5- 2kg weight.<br>Each sample was described at the site and time of collection to ensure accurate records of sampled material. Samples were selected based on mineralisation / alteration zones, or to distinguish low level alteration indicating potential mineralisation at depth. |
| *Drilling techniques* | *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).* | Not Applicable |
| *Drill sample recovery* | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>*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.* | Not Applicable |
| *Logging* | *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.*<br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>*The total length and percentage of the relevant intersections logged.* | All samples have been logged at the time and location of collection, enabling them to be placed in geological context.<br>All surface samples have been logged to high detail. |
| *Sub-sampling techniques and sample* | *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>*If non-core, whether riffled, tube sampled, rotary split,* | Samples were collected dry and consisted of multiple chips dislodged and fractured by a geological pick.<br>Samples were between a nominal 0.5-2kg weight and placed |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *preparation* | *etc and whether sampled wet or dry.*<br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>*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.*<br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | directly in to numbered calico bags at the collection point.<br>Appropriate assay techniques were designated at the point of collection based on the perspective commodity.<br>Single point samples. |
| *Quality of assay data and laboratory tests* | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>*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.*<br>*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.* | Assays were carried out by Intertek Genalysis Laboratories of Maddington, Western Australia.<br>Samples taken for predominantly copper mineralisation were assayed by Au 25g fire assay ICP-MS (Au, Pt, Pd); 4-acid digest ICP-OES (Al, Ca, Cr, Cu, Fe, K, Mg, Mn, Na, Ni, P, S, Sc, Ti, V, Zn);); 4-acid digest ICP-MS (Ag, As, Ba, Be, Bi, Cd, Ce, Co, Cs, Ga, Ge, Hf, In, La, Li, Mo, Nb, Pb, RB, Re, Sb, Se, Sn, Sr, Ta, Te, Th, Tl, U, W, Y, Zr). Method A.<br>Samples taken for predominantly manganese mineralisation were assayed by Li-borate fusion XRF ($Al_2O_3$, BaO, CaO, $Cr_2O_3$, Cu, $Fe_2O_3$, $K_2O$, LOI, MgO, Mn, $Na_2O$, $P_2O_5$, Pb, $SO_3$, $SiO_2$, $TiO_2$, $V_2O_5$). Method C.<br>Internal laboratory standards were used for each job to ensure correct calibration of elements.<br>Only relevant and material element results are reported.<br>Standard industry practices have been employed in the collection and assaying of samples from Western Star. Internal laboratory standards and checks have passed control thresholds. The assay data has sufficient quality for the reporting of Exploration Results. |
| *Verification of sampling and assaying* | *The verification of significant intersections by either independent or alternative company personnel.*<br>*The use of twinned holes.*<br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>*Discuss any adjustment to assay data.* | Assay results summarised in the context of this report have been rounded appropriately.<br>No assay data have been adjusted. |
| *Location of data points* | *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.*<br>*Specification of the grid system used.*<br>*Quality and adequacy of topographic control.* | Sample locations were surveyed by a hand held GPS +/-5m, at the time of sample collection.<br>RL was not recorded and is not relevant to surface point samples.<br>Coordinates reported are MGA Zone 51.<br>Location data is considered to be of sufficient quality for reporting of exploration results. |
| *Data spacing and distribution* | *Data spacing for reporting of Exploration Results.*<br>*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.*<br>*Whether sample compositing has been applied.* | Selective sampling based on field observation and outcrops identified as hosting potential for mineralisation.<br>Should not be considered representative of the rock mass as a whole.<br>See figures in body of the report for locations. |
| *Orientation of data in relation to geological structure* | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>*If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this* | Samples are representative only of the material sampled, and should not be considered representative of the rock mass as a whole. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *should be assessed and reported if material.* | |
| *Sample security* | *The measures taken to ensure sample security.* | No measures taken regarding sample security have been reported however this is not considered a high risk given the Project location. |
| *Audits or reviews* | *The results of any audits or reviews of sampling techniques and data.* | NA |

## *Section 2 Reporting of Exploration Results*

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

| Criteria | Statement | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | *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.*<br>*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.* | Exploration Licence E46/1069 is situated 160km northeast of Newman within the pastoral lease of Mt Divide, Western Australia. It was granted to Sheffield Resources Ltd on 11 November 2016. Subsequently it has been transferred to Carawine Resources. The tenement is due to expire on the 10 November 2021.<br>There are no known impediments to obtaining a licence to operate in the area. |
| *Exploration done by other parties* | *Acknowledgment and appraisal of exploration by other parties.* | Previous work was carried out by Pickland and Mather in 1969, although the location of activities is not stated in their statutory report or visible in the field. Golden Reef Enterprises sampled rock chip samples for copper at the prospect asdid CRA. Pilbara Manganese Pty Ltd a subsidiary of Consolidated Minerals Ltd previously held the project area, although concentrated on their core target commodity; manganese. |
| *Geology* | *Deposit type, geological setting and style of mineralisation.* | The Project is hosted in gently dipping Carawine dolomite covered by a thin veneer of recent colluvium, talus, scree and intermittent remnants of Pinjian chert breccia.<br>The exposure of the host Carawine Dolomite at Western Star is approximately 600m by 400m partially covered by overlying Pinjian chert breccia and more recent cover. Copper mineralisation is associated with discontinuous at surface brecciated fracture zones that have undergone malachite and chalcocite enrichment by metasomatic fluids injected along the lines of a Kennecott style copper deposit model. Sinuous copper veinlets are peripheral to these fracture zones which cross-cut strata or are associated with bedding planes. Mineralisation has also been observed to be associated with a fold axis, channelling metasomatic fluids in a similar manner to the bedding planes.<br>Two zones of mineralisation have been identified. A central north-south zone of discontinuous brecciated fractures with bedded veinlets spanning 400m length. To the northeast is a zone associated with a dissolution 'sink hole' structure, with peripheral cross-cutting veinlets spanning approximately 350m in length and orientated northwest-southeast.<br>Mineralisation is co-incidental with a gravity high and fault bound. These faults may not necessarily limit the mineralisation to Western Star as the gravity high extends beyond these structures.<br>Hematite alteration occurs peripheral to the copper mineralisation, often accompanied by more distal silica alteration. Sparry dolomite veining can exist in the outer aureole.<br>Copper is potentially sourced from underlying Fortescue basalts. |
| *Drill hole* | *A summary of all information material to the* | NA |

| Criteria | Statement | Commentary |
|---|---|---|
| *Information* | *understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>*easting and northing of the drill hole collar*<br>*elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>*dip and azimuth of the hole*<br>*down drill hole length and interception depth*<br>*drill hole length.*<br>*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.* | |
| *Data aggregation methods* | *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.*<br>*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.*<br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | All sample results are listed. Those considered significant in terms of grade and potential to indicate potential mineralisation are highlighted. |
| *Relationship between mineralisation widths and intercept lengths* | *These relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*If it is not known and only the down drill hole lengths are reported, there should be a clear statement to this effect (eg 'down drill hole length, true width not known').* | Mineralisation is associated within discontinuous brecciated fracture zones and veinlets.<br>Depth and continuity of these fracture zones is unknown. |
| *Diagrams* | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | See body of the report for plan and interpretative section view and tabulation of surface sample assays. |
| *Balanced reporting* | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | All information considered material to the reader's understanding of the Exploration Results has been reported. |
| *Other substantive exploration data* | *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.* | Information relating to the most advanced data from the primary prospects on the tenement have been reported. Surface mapping has been conducted at this tenement and is summarised in the plan within the body of the report.<br>All information considered material to the reader's understanding of the Exploration Results has been reported. |
| *Further work* | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Further work is detailed in the report. |

**Table A2.1: Western Star Prospect rock chip sample assay results listing.**

| Assay* | Sample | East | North | Cu (%) | Co (ppm) | Au (ppb) | Ag (ppm) | Pd (ppb) | Pt (ppb) | Fe (%) | Mn (ppm) | Description |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | CB20007 | 275003 | 7530479 | 11.4 | 34.8 | 19 | 4.93 | 3.7 | 3.6 | 11.1 | 2596 | Dolomite with veinlets of malachite, chalcocite and hematite, in small workings |
| A | CB20008 | 274986 | 7530511 | 38.9 | 810 | 21 | 9.36 | 10.7 | 1.1 | 9.55 | 1444 | Dolomite with veinlets of malachite, limonite, chalcocite, calcite and minor manganese |
| A | CB20009 | 274942 | 7530536 | 25.1 | 10.8 | 11 | 5.16 | 13.1 | 2.8 | 12.2 | 1113 | Malachite veinlets in dolomite |
| A | CB20010 | 274810 | 7530628 | 11.1 | 46.3 | 2 | 3.99 | 1.2 | 1.3 | 3.69 | 862 | Dolomite with veinlets of cuprite, malachite, chalcocite, adjacent to chert breccia |
| A | CB20011 | 274777 | 7530481 | 14.9 | 10.4 | 7 | 0.49 | 3.4 | 0.8 | 22.7 | 161 | Workings: breccia and stockwork in altered dolomite containing malachite, chalcocite, cuprite and chrysocolla |
| A | CB20012 | 274788 | 7530307 | 21.1 | 7.8 | 32 | 0.49 | 113 | 160 | 7.24 | 703 | Costean: stockwork, breccia and veins within haematitic dolomite, malachite, cuprite and chalcocite |
| A | SA042187 | 274769 | 7530416 | 0.001 | 21.0 | <1 | <0.05 | <0.5 | 0.7 | 6.01 | 1.59% | Mn-stained vuggy ferruginous dolomite |
| A | SA042188 | 274725 | 7530360 | 0.032 | 884 | 2 | 0.13 | 2.1 | 3.5 | 1.91 | 39.9% | Siliceous altered manganiferous subcrop |
| A | SA042189 | 274735 | 7530305 | 0.095 | 577 | 2 | 0.1 | <0.5 | <0.5 | 2.19 | 33.3% | Thin subvertical vein |
| A | SA062401 | 275070 | 7530453 | 6.36 | 1436 | <1 | 2.57 | <0.5 | <0.5 | 2.77 | 4109 | Thin malachite-cuprite vein |
| C | SA062405 | 275016 | 7530664 | 0.026 | NA | NA | NA | NA | NA | 2.85 | 42.8% | Mn near base of chert |
| C | SS042190 | 275047 | 7530454 | 0.058 | NA | NA | NA | NA | NA | 2.54 | 50.2% | Mn-rich goethite alteration in gossan |
| A | SA062471 | 274737 | 7530584 | 0.01 | 5 | <1 | <0.05 | 3.8 | 3.1 | 7.41 | 3088 | Small patch of hematite alteration in otherwise grey partly brecciated dolomite |
| A | SA062472 | 274741 | 7530580 | 44.5 | 495 | 6 | 14.1 | 2.6 | 2.1 | 8.69 | 986 | Small patch of malachite interstitial to brecciated dolomite |
| A | SA062473 | 274757 | 7530573 | 2.84 | 40.5 | 1 | 0.26 | 0.6 | <0.5 | 1.51 | 3064 | Brecciated dolomite with sparry dolomite and malachite infill |
| A | SA062476 | 274520 | 7530450 | 23.4 | 511 | 12 | 9.33 | 2.6 | 1.9 | 6.74 | 1395 | Small veins and pockets of malachite at chert-dolomite interface |
| A | SA062477 | 274550 | 7530453 | 32.8 | 853 | 10 | 6.24 | 3.3 | 1.6 | 8.71 | 1914 | Old workings with malachite veining in grey dolomite, copper oxides hosted in chert also. |
| A | SA062479 | 274798 | 7530357 | 0.39 | 11.8 | <1 | 0.16 | 0.8 | <0.5 | 0.97 | 6976 | Pink-grey dolomite with sparry dolomite veins |
| A | SS08326 | 274747.0397 | 7530386.06 | 0.01 | 1.4 | 1 | 0.08 | <0.5 | <0.5 | 0.44 | 3651 | Sparry dolomite, subvertical veins , pink dolomite Fe alt on halo of vein |
| C | SS08327 | 274490.9854 | 7530253.965 | 0.007 | NA | NA | NA | NA | NA | 2.00 | 53.8% | Mn alteration dolomite/chert breccia contact. Massive vuggy and powdery Mn. |

| Assay* | Sample | East | North | Cu (%) | Co (ppm) | Au (ppb) | Ag (ppm) | Pd (ppb) | Pt (ppb) | Fe (%) | Mn (ppm) | Description |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A | SS08328 | 274690.0184 | 7530409.058 | 43.7 | 22.1 | 35 | 50.4 | 2.9 | 1.9 | 6.61 | 625 | Old workings, malachite and chalcocite. Fe veinlets at surface with silica alteration on footwall of fault/ plane. |
| A | SS08329 | 274690 | 7530406 | 1.31 | 71.3 | 1 | 0.83 | 0.8 | 1.7 | 5.83 | 7001 | Chalcocite & malachite in hanging wall, Fe rich on strike with south east workings |
| A | SS08330 | 274648.9899 | 7530416.986 | 0.6 | 1.8 | <1 | 0.62 | <0.5 | <0.5 | 0.54 | 2968 | Strata bound ferric vein in dolomite |
| A | SS08331 | 274559.033 | 7530500.98 | 0.11 | 33.4 | 1 | 0.05 | 0.8 | <0.5 | 8.69 | 4034 | Strongly brecciated dolomite, malachite and chalcocite massive and veins. Fault related. |
| A | SS08332 | 274796.9872 | 7530359.979 | 0.02 | 6.2 | <1 | <0.05 | 0.8 | <0.5 | 0.93 | 6949 | Brecciated dolomite minor Fe alteration no significant mineralisation. Probable trend of old workings |
| A | SS08333 | 274927.9684 | 7530354.013 | 0.01 | 9.7 | 1 | <0.05 | 0.6 | 0.8 | 27.4 | 2945 | Black goethite vein with silica outer rim ~1-5cm, parasitic sparry dolomite veinlets off main vein |
| A | SS08334 | 275014.9676 | 7530474.025 | 12.4 | 2.1 | 2 | 14.1 | 0.6 | <0.5 | 0.75 | 3900 | Vein and fractures in dolomite |

* Assay Method

| | |
|---|---|
| A | Au, Pd, Pt 25g fire assay ICP-MS; Cu, Fe, Mn 4-acid digest ICP-OES; Ag, Co 4-acid digest ICP-MS; |
| C | Cu, Fe, Mn, Li-borate fusion XRF |

## 10. APPENDIX 3

Oakover, Paterson and Fraser Range Projects JORC Code (2012) Table 1

### JORC (2012) Table 1 Report (applicable to sections 3.4.2, 4.3, 4.4, 4.5, 4.6, 5.3, 5.4, 5.5, 5.6).

*Section 1 Sampling Techniques and Data*

(Criteria in this section apply to all succeeding sections.)

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | *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.*<br>*Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>*Aspects of the determination of mineralisation that are Material to the Public Report.*<br>*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.* | Historic reports of surface geochemical samples indicate methods employed were industry standard appropriate to the period to which the data relate. Unless otherwise stated (eg. lag, auger, rock chip), it should be assumed that the samples were collected as surface grab samples. Programs reported were of a nature and level of detail that sample representivity is not required, typical for surface geochemical surveys.<br><br>Historic reports of results from drilling refer to relevant drilling methods in the text (RAB, aircore, reverse circulation, diamond core). In all cases industry standard methods of sample collection appropriate to the period were employed. In many cases sampling methods are not reported, however it is not expected that measures of representivity are material to the context in which historic results are reported. |
| *Drilling techniques* | *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).* | Historic reports of results from drilling refer to relevant drilling methods in the text (RAB, aircore, reverse circulation, diamond core). Where the drill diameter is not reported in the text, it is not considered material to the reader's understanding of the results given the context in which historic results are reported. |
| *Drill sample recovery* | *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>*Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>*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.* | Historic reports of results refer to industry standard methods of sample collection appropriate to the period were employed. In most cases measures relating to sample recovery are not reported, however these are not expected to materially affect the understanding of the historic results given the context in which they are reported. |
| *Logging* | *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.*<br>*Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>*The total length and percentage of the relevant intersections logged.* | The results as presented are not intended to imply sufficient quality for the estimation of a Mineral Resource. Where relevant to the understanding of the results reported, results of geological logging have been included in the text of the report. In such cases it has been assumed that a sufficient proportion of each hole was logged to enable to author to report the information. |
| *Sub-sampling techniques and* | *If core, whether cut or sawn and whether quarter, half or all core taken.* | Unless stated otherwise it is assumed that industry standard methods appropriate to the period were used, and where |

| | | |
|---|---|---|
| *sample preparation* | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>*For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>*Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>*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.*<br>*Whether sample sizes are appropriate to the grain size of the material being sampled.* | relevant to the understanding of the results these have been reported in the text. |
| *Quality of assay data and laboratory tests* | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>*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.*<br>*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.* | Historic reports of results refer to industry standard assay procedures and methods used, appropriate to the period to which the data relate, and that this has resulted in appropriate levels of accuracy and precision in the data, especially in regard to the context in which the results have been reported. |
| *Verification of sampling and assaying* | *The verification of significant intersections by either independent or alternative company personnel.*<br>*The use of twinned holes.*<br>*Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>*Discuss any adjustment to assay data.* | Unless otherwise stated, the reported intersections from historic drilling have been repeated from the original technical reports as referenced in the text, and where possible verified from accompanying raw data, although in all cases this was not possible.<br>No assay data have been adjusted. |
| *Location of data points* | *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.*<br>*Specification of the grid system used.*<br>*Quality and adequacy of topographic control.* | Unless otherwise stated the accuracy and quality of location data for drill holes is assumed to be sufficient for the form and context in which the data has been reported. |
| *Data spacing and distribution* | *Data spacing for reporting of Exploration Results.*<br>*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.*<br>*Whether sample compositing has been applied.* | Where relevant and material to the understanding of the results these have included in the body of the report. |
| *Orientation of data in relation to geological structure* | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>*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.* | Where considered material to the understanding of the results reported, this information has been included in the body of the report. |
| *Sample security* | *The measures taken to ensure sample security.* | No information regarding sample security is reported, however given the Projects' locations this is not considered a high risk in the context in which the results are reported. |
| *Audits or reviews* | *The results of any audits or reviews of sampling techniques and data.* | Other than internal review by Company geologists and in the preparation of the IGR, no audits have been completed. Beyond that completed to date, further audits are not considered to be required given the context in which the data is reported, or the stage of the Projects. |

*Section 2 Reporting of Exploration Results*

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

| Criteria | Statement | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | *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.*<br>*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.* | Included in the text of the report. |
| *Exploration done by other parties* | *Acknowledgment and appraisal of exploration by other parties.* | Included in the text of the report. |
| *Geology* | *Deposit type, geological setting and style of mineralisation.* | Included in the text of the report. |
| *Drill hole Information* | *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:*<br>*easting and northing of the drill hole collar*<br>*elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>*dip and azimuth of the hole*<br>*down drill hole length and interception depth*<br>*drill hole length.*<br>*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.* | Unless otherwise stated, this information has not been included because it is either not considered material to the understanding of the results in the context in which they are reported, or complete data is not available. Where selected anomalous drill hole intervals are included, they are included to provide information relating to the tenor of the mineralisation as reported by the previous explorers, based on the opinion of the author of the historic report. They are not intended to represent an entire description of the mineralisation, and in all cases this is disclosed in close proximity to the interval in the text of the report. |
| *Data aggregation methods* | *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.*<br>*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.*<br>*The assumptions used for any reporting of metal equivalent values should be clearly stated.* | Where known, criteria for reporting weighted intervals are included in the text. No metal equivalent values are used. |
| *Relationship between mineralisation widths and intercept lengths* | *These relationships are particularly important in the reporting of Exploration Results.*<br>*If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>*If it is not known and only the down drill hole lengths are reported, there should be a clear statement to this effect (eg 'down drill hole length, true width not known').* | Unless otherwise stated down hole widths are reported and noted in proximity to the result in the text of the report. |
| *Diagrams* | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | These have been included in the body of the report where relevant and material to the reader's understanding of the results in regard to the context in which they have been reported. |
| *Balanced reporting* | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be* | All information considered material to the reader's understanding of the Exploration Results has been reported in a balanced manner. |

| Criteria | Statement | Commentary |
|---|---|---|
| | *practiced to avoid misleading reporting of Exploration Results.* | |
| *Other substantive exploration data* | *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.* | All information considered material to the reader's understanding of the Exploration Results has been reported. |
| *Further work* | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>*Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Further work is detailed in the report. |

# 10. INVESTIGATING ACCOUNTANT'S REPORT

HLB Mann Judd

Accountants | Business and Financial Advisers

31 October 2017

The Board of Directors
Carawine Resources Limited
Level 2, 41-47 Colin Street
WEST PERTH WA 6005

Dear Sirs

**INVESTIGATING ACCOUNTANT'S REPORT – CARAWINE RESOURCES LIMITED**

**INTRODUCTION**

This Investigating Accountant's Report ("Report") has been prepared for inclusion in a prospectus to be dated on or about 31 October 2017 ("Prospectus") by Carawine Resources Limited ("Carawine" or "the Company") for the issue of up to 35,000,000 ordinary shares at $0.20 each to raise a minimum of $5,000,000 and a maximum of $7,000,000 before expenses of the issue ("the Offer" or "Carawine IPO").

The Company will issue one Loyalty Option for every three Shares subscribed for and issued under the Offer.

Not to disadvantage the existing shareholders in Carawine immediately prior to the issue of securities under the Carawine IPO, Carawine also intends, that following the Distribution, it will make a bonus issue of one Loyalty Option for every three Carawine Shares held. Accordingly, all Carawine Shareholders before the issue of securities under the Carawine IPO will be issued Loyalty Options on a 1 for 3 basis.

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.

## *1. BACKGROUND INFORMATION*

The Company was incorporated as a proprietary company limited by shares on 16 March 2016, for the primary purpose of furthering the interests of its parent company Sheffield Resources Limited (**Sheffield**) in base metals and gold exploration projects.

The net assets of the Company as at 30 June 2016 were $100. The Company was dormant during the period from incorporation to 30 June 2016. The group was a 100% wholly owned subsidiary of Sheffield Resources Limited as at 30 June 2016 and was included in the Group audit, performed by HLB Mann Judd for the year then ended.

Following Shareholder approval, the Company became an unlisted public company limited by shares on 5 October 2017. As at the date of the Prospectus, the Company is a wholly-owned subsidiary of Sheffield.

Following a strategic review by Sheffield of its assets, Sheffield decided to demerge its base metal and gold exploration assets (**Carawine Assets**) situated in Western Australia and Victoria to allow for Sheffield to concentrate on the development of its Mineral Sands Assets located in Western Australia.

On 19 October 2017, Sheffield announced that, following a strategic review and subject to obtaining shareholder approval, it would demerge Carawine and accordingly spin-out its interests in the Carawine Assets by way of distributing the 20,000,000 Carawine Shares it holds in specie to eligible Sheffield's Shareholders on a pro-rata basis (**Spin-out**).

At a shareholder meeting to be held on 22 November 2017, Sheffield is seeking shareholder approval to undertake a pro rata distribution of the 20,000,000 Shares held by Sheffield to eligible Sheffield Shareholders registered on the Record Date (**Distribution**).

Subject to shareholder approval and the satisfaction of the Offer Conditions, the Company will be de-merged from Sheffield following completion of the Offer and the Distribution.

The Company holds the Carawine Assets which consist of the following:

- Oakover Project (Cu-Co) (100%);
- Paterson Project (Au-Cu-Co) (100%);
- Fraser Range Project (Ni-Cu-Au) (49% with joint venture partner holding a 51% interest with the opportunity to earn in a further 24%); and
- Jamieson Project (Cu-Ag-Zn-Pb) (0% with an opportunity to earn 100%),

Full details of the mineral leases, exploration licenses, mineral authorities, mineral lease applications and exploration licence applications which make up the Carawine Assets are set out in the Solicitor's Report on Tenements contained in Section 11 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.

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 6.5 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.

This information is presented under the following two scenarios:

- $5,000,000 capital raising (minimum); and

- $7,000,000 capital raising (maximum).

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 September 2017 and contained an unqualified audit opinion.

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 issue by the Company pursuant to this Prospectus of up to 25,000,000 ordinary fully paid shares (Shares) issued at $0.20 each to raise a minimum $5,000,000 or the issue of 35,000,000 ordinary fully paid shares to raise a maximum of $7,000,000 before the expenses of the Offer;

   ii) the write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 15.11 of the Prospectus of $549,500 for the minimum raise and $675,500 for the maximum raise;

   iii) the Company will issue one Loyalty Option for every three Shares subscribed for and issued under the Offer (minimum 8,333,333, maximum 11,666,667 options). In addition, to not disadvantage the existing shareholders in Carawine immediately prior to the issue of securities under the Carawine IPO, Carawine also intends, that following the Distribution, it will make a bonus issue of one Loyalty Option for every three Carawine Shares held at the time. Accordingly, all Carawine Shareholders before the issue of securities under the Carawine IPO will be issued Loyalty Options on a 1 for 3 basis (6,666,667 options). The Loyalty Options will be exercisable at $0.30 each, within 3 years of issue. The Loyalty Options are subject to a vesting condition that the Loyalty Option holder hold Shares on the Vesting Date, being the date that is six months following the commencement of trading of the Shares on the ASX. Refer to note 5 for further details.

   iv) Subject to achieving the Offer Conditions, the Company will issue 1,700,000 Performance Rights to Mr David Boyd pursuant to the terms of the Performance Rights Plan. Full terms of the Performance Rights Plan and the Performance Rights are set out in Sections 15.4 and 15.5 of the Prospectus. Refer to Note 6 for further details in this Report.

   v) The Company will issue 500,000 options pursuant to the terms of the Company's Employee Share Option Plan (ESOP). Full terms of the ESOP and options are set out in Sections 15.6 and 15.7 of the Prospectus. Refer to Note 5 for further details in this Report.

   vi) In accordance with the Jamieson Agreement the Company will be required to issue Shares worth $200,000 to Jamieson in accordance with the Jamieson Agreement. Refer to Section 14.1 of the Prospectus for further details. The Company anticipates that this will occur around 6 months following official Quotation.

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

### *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 8 September 2017. In HLB's capacity as auditor, HLB has audited the Company's annual financial report for the year ended 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**

**CARAWINE RESOURCES LIMITED**
**STATEMENT OF FINANCIAL POSITION**
**AS AT 30 June 2017**

| | *Notes* | *Audited Historical* | *Proforma Adjustments (Minimum)* | *Reviewed Proforma (Minimum)* | *Proforma Adjustments (Maximum)* | *Reviewed Proforma (Maximum)* |
|---|---|---|---|---|---|---|
| CURRENT ASSETS | | **$** | **$** | **$** | **$** | **$** |
| Cash and cash equivalents | 2 | - | 4,450,500 | 4,450,500 | 6,324,500 | **6,324,500** |
| TOTAL CURRENT ASSETS | | - | 4,450,500 | **4,450,500** | 6,324,500 | **6,324,500** |
| NON-CURRENT ASSETS | | | | | | |
| Deferred exploration & evaluation expenditure | 3 | 2,352,995 | - | **2,352,995** | **-** | **2,352,995** |
| TOTAL NON-CURRENT ASSETS | | 2,352,995 | - | **2,352,995** | **-** | **2,352,995** |
| TOTAL ASSETS | | 2,352,995 | 4,450,500 | **6,803,495** | **6,324,500** | **8,677,495** |
| CURRENT LIABILITIES | | | | | | |
| Trade and other payables | | - | - | **-** | **-** | **-** |
| TOTAL CURRENT LIABILITIES | | - | - | **-** | **-** | **-** |
| TOTAL LIABILITIES | | - | - | **-** | **-** | **-** |
| NET ASSETS | | 2,352,995 | 4,450,000 | **6,803,495** | **6,324,500** | **8,677,495** |
| EQUITY | | | | | | |
| Issued capital | 4 | 2,424,772 | 4,450,500 | **6,875,272** | **6,324,500** | **8,749,272** |
| Reserves | | - | - | **-** | **-** | **-** |
| Accumulated losses | | (71,777) | - | **(71,777)** | **-** | **(71,777)** |
| TOTAL EQUITY | | 2,352,995 | 4,450,500 | **6,803,495** | **6,324,500** | **8,677,495** |

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

**CARAWINE RESOURCES LIMITED**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR TO 30 JUNE 2017**

| | ***Audited Historical*** **$** | ***Proforma Adjustments*** **$** | ***Reviewed Proforma*** **$** |
|---|---|---|---|
| Exploration impairment | (71,777) | - | **(71,777)** |
| Loss before tax | (71,777) | - | **(71,777)** |
| Income tax | - | - | **-** |
| **Loss after tax** | **(71,777)** | **-** | **(71,777)** |
| Other comprehensive income | - | - | **-** |
| **Total comprehensive loss for the year** | **(71,777)** | **-** | **(71,777)** |

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

**CARAWINE RESOURCES LIMITED**
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR TO 30 JUNE 2017**

| **AUDITED HISTORICAL** | ***Issued capital*** ***$*** | ***Reserves*** ***$*** | ***Accumulated losses*** ***$*** | ***Total Equity*** ***$*** |
|---|---|---|---|---|
| **As at 1 July 2016** | **-** | **-** | **-** | **-** |
| Loss for the year | - | - | (71,777) | (71,777) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the year | - | - | (71,777) | (71,777) |
| Shares issued during the period | 2,424,772 | - | - | 2,424,772 |
| **As at 30 June 2017** | **2,424,772** | **-** | **(71,777)** | **2,352,995** |
| | | | | |
| **REVIEWED PROFORMA** | | | | |
| **$5M raising** | | | | |
| Shares issued pursuant to Prospectus | 5,000,000 | - | - | 5,000,000 |
| Share issue costs | (549,500) | - | - | (549,500) |
| **$5M raising proforma total** | **6,875,272** | **-** | **(71,777)** | **6,803,495** |
| | | | | |
| **Additional $2M raising (for a total raising of $7M)** | | | | |
| Shares issued pursuant to Prospectus | 2,000,000 | - | - | 2,000,000 |
| Share issue costs | (126,000) | - | - | (126,000) |
| **$7M raising proforma total** | **8,749,272** | **-** | **(71,777)** | **8,677,495** |

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

**CARAWINE RESOURCES LIMITED**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR TO 30 JUNE 2017**

| | *Audited Historical* $ | *Proforma Adjustments (Minimum)* $ | *Reviewed Proforma (Minimum)* $ | *Proforma Adjustments (Maximum)* | *Reviewed Proforma (Maximum)* $ |
|---|---|---|---|---|---|
| *Cash flows from operating activities* | | | | | |
| Payments to suppliers & employees | - | - | - | **-** | **-** |
| *Net cash used in operating activities* | - | - | - | **-** | **-** |
| *Cash flows from investing activities* | | | | | |
| Payments for exploration & evaluation | - | - | - | **-** | **-** |
| *Net cash used in investing activities* | - | - | - | | **-** |
| *Cash flows from financing activities* | | | | | |
| Proceeds from the issue of shares | - | 5,000,000 | **5,000,000** | 2,000,000 | **7,000,000** |
| Share issue costs | - | (549,500) | **(549,500)** | (126,000) | (675,500) |
| *Net cash provided by financing activities* | - | 4,450,500 | **4,450,500** | 1,874,000 | **6,324,500** |
| Net decrease in cash and cash equivalents | - | 4,450,500 | **4,450,500** | 1,874,000 | **6,324,500** |
| Cash at the beginning of the financial year | - | - | **-** | - | **-** |
| *Cash at the end of the financial year* | - | 4,450,500 | **4,450,500** | 1,874,000 | **6,324,500** |

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

**CARAWINE RESOURCES LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE 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(n).

*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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### (c) 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).

**CARAWINE RESOURCES LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO 30 JUNE 2017**

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

**(f) Exploration and evaluation expenditure**

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

a) the rights to tenure of the area of interest are current; and

b) at least one of the following conditions is also met:

i. the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or

ii. exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

**(g) Trade payables**

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently at amortised cost. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

**(h) 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.

**(i) Share-based payment transactions**

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares, rights or options over shares ("equity-settled transactions").

The fair value of options and rights is recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder becomes unconditionally entitled to the rights or options. The fair value of options is determined by using a Black-Scholes model. Rights are valued at the prevailing market price of the Company's share price on the grant date. In determining fair value, no account is taken of any performance conditions other than those related to the share price of the Company ("market conditions").

The cumulative expense recognised between grant date and vesting date is adjusted to reflect the director's best estimate of the number of options or rights that will ultimately vest because of internal conditions, such as the employees having to remain with the company until vesting date. No expense is recognised for options or rights that do not ultimately vest because a condition was not met.

**CARAWINE RESOURCES LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO 30 JUNE 2017**

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

Where the terms of options or rights are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options or rights are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the statement of comprehensive income. However, if new options or rights are substituted for the cancelled options or rights and designated as a replacement on grant date, the combined impact of the cancellation and replacement securities are treated as if they were a modification.

**(j) Income tax**

The income tax expense or benefit for the period is the tax payable on the current period'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 period. Management periodically 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 periods 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.

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 goodwill or 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 balance 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.

**CARAWINE RESOURCES LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO 30 JUNE 2017**

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

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.

**(k) GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables, which are stated with the amount of GST included.

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

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

**(n) 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.

**(o) 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 issue by the Company pursuant to this Prospectus of up to 25,000,000 ordinary fully paid shares (Shares) issued at $0.20 each to raise a minimum $5,000,000 or the issue of 35,000,000 ordinary fully paid shares to raise a maximum of $7,000,000 before the expenses of the Offer;

ii) The write off against issued capital of the estimated cash expenses of the Offers as outlined in Section 15.11 of the Prospectus of $549,500 for the minimum raise and $675,500 for the maximum raise;

**CARAWINE RESOURCES LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO 30 JUNE 2017**

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

iii) The Company will issue one Loyalty Option for every three Shares subscribed for and issued under the Offer (minimum 8,333,333, maximum 11,666,667 options). In addition, to not disadvantage the existing shareholders in Carawine immediately prior to the issue of securities under the Carawine IPO, Carawine also intends, that following the Distribution, it will make a bonus issue of one Loyalty Option for every three Carawine Shares held at the time. Accordingly, all Carawine Shareholders before the issue of securities under the Carawine IPO will be issued Loyalty Options on a 1 for 3 basis (6,666,667 options). The Loyalty Options will be exercisable at $0.30 each, within 3 years of issue. The Loyalty Options are subject to a vesting condition that the Loyalty Option holder hold Shares on the Vesting Date, being the date that is six months following the commencement of trading of the Shares on the ASX. Refer to note 5 for further details.

iv) The Company will issue 1,700,000 Performance Rights to Mr David Boyd pursuant to the terms of the Performance Rights Plan. Full terms of the Performance Rights Plan and the Performance Rights are set out in Section 15.4 and 15.5 of the Prospectus. Refer to Note 6 for further details in this Report.

v) The Company will issue 500,000 ESOP Options to an employee pursuant to the terms of the ESOP. Full terms of the ESOP and the Options are set out in Sections 15.6 and 15.7 of the Prospectus. Refer to Note 5 for further details in this Report.

vi) In accordance with the Jamieson Agreement the Company will be required to issue Shares worth $200,000 to Jamieson in accordance with the Jamieson Agreement. Refer to Section 14.1 of the Prospectus for further details. The Company anticipates that this will occur around 6 months following Quotation.

**2. CASH AND CASH EQUIVALENTS**

| | ***Audited Historical*** | *Proforma adjustments (minimum)* | ***Reviewed Proforma (Minimum)*** | *Proforma adjustments (Maximum)* | ***Reviewed Proforma (Maximum)*** |
|---|---|---|---|---|---|
| | ***$*** | ***$*** | ***$*** | ***$*** | ***$*** |
| Balance as at 30 June 2017 | - | - | **-** | - | **-** |
| Shares pursuant to the Prospectus | - | 5,000,000 | **5,000,000** | 2,000,000 | **7,000,000** |
| Share issue costs | - | (549,500) | **(549,500)** | (126,000) | **(675,500)** |
| | - | 4,450,500 | **4,450,000** | 1,874,000 | **6,324,500** |

**3. EXPLORATION & EVALUATION EXPENDITURE**

| | | | | | |
|---|---|---|---|---|---|
| Balance as at 30 June 2017 | 2,352,995 | - | **-** | - | **2,352,995** |

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.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO 30 JUNE 2017**

**4. ISSUED CAPITAL**

| | ***Fully Paid Number*** | ***$*** |
|---|---|---|
| ***Audited Historical*** | | |
| Balance as at 30 June 2017 | 100 | 2,424,772 |
| | | |
| ***Reviewed Proforma*** | | |
| Share split | 19,999,900 | - |
| Shares issued pursuant to prospectus | 25,000,000 | 5,000,000 |
| Share issue costs | - | (549,500) |
| **Proforma balance (minimum)** | **45,000,000** | **6,875,272** |
| Shares issued pursuant to prospectus | 10,000,000 | 2,000,000 |
| Share issue costs | - | (126,000) |
| **Reviewed Proforma (maximum)** | **55,000,000** | **8,749,272** |

**5. OPTIONS**

Assuming the successful completion of all events in the Prospectus, the following options shall be on issue (exercisable at $0.30 per share):

| | ***Number (Minimum)*** | ***Number (Maximum)*** |
|---|---|---|
| Options exercisable on or before 30 September 2020: | | |
| Balance as at 30 June 2017 | - | - |
| Options issued pursuant to the Offer[1] | 8,333,333 | 11,666,667 |
| Options issued prior to Quotation[1,2] | 6,666,667 | 6,666,667 |
| Options issued under the Employee Share Option Plan[3] | 500,000 | 500,000 |
| **Pro forma total** | **15,500,000** | **18,833,334** |

1. The Loyalty Options will be exercisable at $0.30 each, within 3 years of issue. Loyalty Options will vest on the date that is six months from Official Quotation of the Company subject to the vesting conditions. Full terms of the Loyalty Options are set out in Section 15.3 of the Propsectus.

2. As the terms of the Offer include free attaching Loyalty Options, not to disadvantage the pre Offer Shareholders, the Company intends that prior to Quotation it will make a Bonus Issue of 1 Loyalty Option for every 3 Shares held at that time. Accordingly, all Shareholders before the issue of securities under this Prospectus will be issued Loyalty Options on a one for three basis.

3. The options issued pursuant to the ESOP will be exercisable at $0.30 each, within 3 years of issue. The options vest after 1 year of service. The fair value of the options were detemrined using the following assumptions.

**CARAWINE RESOURCES LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO 30 JUNE 2017**

| Assumptions | 3. ESOP Options |
|---|---|
| Number | 500,000 |
| Grant date | 22-Nov-17 |
| Spot price | $0.20 |
| Exercise price | $0.30 |
| Expiry period (years) | 3 years |
| Expected future volatility | 90% |
| Risk free rate | 1.97% |

The total fair value of the options is $50,291. No amount has been recognised in the proforma financial statements as the vesting condition relates to future service to the Company. The options were valued using the Black- Scholes model.

**6. Performance Rights**

It is proposed that Carawine will issue 1,700,000 performance rights (Carawine Performance Rights) to Carawine Managing Director, Mr David Boyd pursuant to the terms of a Carawine performance rights plan. The Carawine Performance Rights will be subject to milestones and the performance rights plan will be on the same terms as Sheffield's Performance Rights Plan summarised in Sections 15.4 and 15.5 of the Prospectus. It is expected that these Carawine Performance Rights will be issued at the same time as the Carawine Shares and Loyalty Options under the Carawine IPO offer. The Carawine Performance Rights will only vest on the achievement of the performance milestones as set out below:

a) 250,000 on the achievement of a Carawine VWAP share price of at least $0.40 for a consecutive period of at least 30 business days within 15 months of Admission Date;

b) 350,000 on the achievement of a Carawine VWAP share price of at least $0.60 for a consecutive period of at least 30 business days within 24 months of Admission Date;

c) 550,000 on the announcement of a Carawine JORC compliant resource inventory of at least 250,000oz gold equivalent within 3 years of Admission Date; and

d) 550,000 on the announcement of an additional 250,000oz equivalent JORC compliant resource (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years of Admission Date.

The fair value of the performance rights in tranche a) is $0.0117 per right, for a total fair value of $29,250. The fair value of the performance rights in tranche b) is $0.112 per right, for a total fair value of $39,200.

The performance rights have been valued by an independent valuer using a model developed by Hoadley Trading & Investment Tools ("Hoadley") Barrier1 model, which considers the share price vesting hurdles attached to the Rights, using the following assumptions.

| Assumptions | Tranche a) | Tranche b) |
|---|---|---|
| Number | 250,000 | 350,000 |
| Grant date | 22-Nov-17 | 22-Nov-17 |
| Spot price | $0.20 | $0.20 |
| Vesting hurdle | $0.40 | $0.60 |
| Exercise price | Nil | Nil |
| Expiry period (years) | 1.25 years | 2.0 years |
| Expected future volatility | 90% | 90% |
| Risk free rate | 1.97% | 1.97% |
| Dividend yield | nil | nil |

**CARAWINE RESOURCES LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR TO 30 JUNE 2017**

The fair value of the performance rights are for tranches c) and d) is 20 cents per right, for a total fair value of $220,000. The rights were valued using the price at which funds are being raised under the prospectus.

No expense has been recognised in the Proforma statement of comprehensive income as the rights relate to future services to the Company.

**7. CONTINGENCIES AND COMMITMENTS**

In accordance with the Jamieson Agreement the Company will be required to issue Shares worth $200,000 to Jamieson in accordance with the Jamieson Agreement. Refer to Section 14.1 of the Prospectus for further details. The Company anticipates that this will occur around 6 months following Quotation.

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

**8. RELATED PARTY TRANSACTIONS**

Details of Directors' interests in the Company's issued capital and transactions with the Company are included in Sections 12.2, 14.4, 14.5, 14.8 and 15.8 of the Prospectus.

The Company has entered into a services agreement with Sheffield under which Sheffield will provide the Company with transitional administrative services and interim office space on a monthly basis. The Company will pay Sheffield a fee of approximately $11,000 per month for these services. Refer to Section 14.6 of the Prospectus.

In June 2016, at which point the Company was still a proprietary limited wholly owned subsidiary of Sheffield, the Company and Sheffield entered into a Tenement Acquisition Agreement, whereby Sheffield sold and transferred the rights, title and interest in certain tenements to Carawine. Refer to Section 14.7 of the Prospectus.

## 11. SOLICITOR'S REPORT ON TENEMENTS

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1 November 2017

Carawine Resources Limited
Level 2
41-47 Colin Street
West Perth, WA 6005

Dear Sirs,

**SOLICITOR'S REPORT ON TENEMENTS**

This Report is prepared for inclusion in a prospectus prepared by Carawine Resources Limited (ACN 611 352 348) (**Company**) for the initial public offer of up to 35,000,000 fully paid ordinary shares in the capital of the Company (**Shares**), at an issue price of $0.20 per Share to raise a minimum of $5,000,000 and a maximum of $7,000,000 (**Prospectus**).

## 1. SCOPE

We have been requested to report on certain mining tenements in which the Company has, or has made an application to have, an interest (the **Tenements**).

The Tenements are located in Western Australia and Victoria. Details of the Tenements are set out in Part I of this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

## 2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows (**Searches**):

(a) we have obtained mining tenement register searches of:

(i) the Tenements located in Western Australia (**WA Tenements**) from the registers maintained by the Western Australian Department of Mines, Industry Regulation and Safety (**DMIRS**); and

(ii) Exploration Licence E5523 (**VIC Tenement**) from the Victorian Department of Economic Development, Jobs, Transport and Resources (**DEDJTR**);

(together, the **Tenement Searches**). These searches were conducted on 27 October 2017. Key details on the status of the Tenements are set out in Part I of this Report;

(b) for each Tenement, we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered or unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 4 September 2017. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 7 of this Report and Part II of this Report;

(c) for each WA Tenement, we have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Department of Planning, Lands and Heritage (**DPLH**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the WA Tenements. For the VIC Tenement, we have obtained a search from the online Victorian Aboriginal Heritage Register maintained by the Victorian Department of Planning and Community Development for any Aboriginal sites recorded in that register that overlap with the VIC Tenement (together, the **Heritage Searches**). These searches were conducted on 8 September 2017 and 18 September 2017, respectively. Details of any Aboriginal Sites are set out in Part II of this Report;

(d) for each WA Tenement, we have obtained quick appraisal user searches of Tengraph which is maintained by the DMIRS to obtain details of features or interests affecting the WA Tenements (**Tengraph Searches**). These searches were conducted on 12 September 2017 (other than with regards to E46/1194, which was undertaken on 2 October 2017). Details of any material issues identified from the Tengraph Searches are set out in the notes to Part 1 of this Report;

(e) for the VIC Tenement we have obtained and reviewed a copy of the exploration licence in the form prescribed by Schedule 17 of the Mineral Resources (Sustainable Development) Act 1990 (**Victorian Mining Act**), an Instrument of Partial Cancellation of Licence pursuant to Section 38A of the Victorian Mining Act dated 28 September 2017, an Instrument of Variation of Licence Conditions pursuant to Section 34 of the Victorian Mining Act, and correspondence from Native Title Services Victoria Ltd (**NTSV**) dated 15 January 2015 pertaining to a potential Land Use Activity Agreement; and

(f) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the Tenement Searches and have summarised the material terms (details of which are set out in Section 14 of the Prospectus).

## 3. OPINION

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches this Report provides an accurate statement as to:

(a) (**Company's interest**): the Company's interest in the Tenements;

(b) (**Good standing**): the validity and good standing of the Tenements; and

(c) (**Third party interests**): third party interests, including encumbrances, in relation to the Tenements.

## 4. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

(a) (**Crown land**): Land the subject of the WA Tenements overlaps Crown land. Further details are provided in Section 8 of this Report. The Mining Act imposes prohibitions on prospecting, exploration and mining activities and restrictions on access to certain parts of mining tenements that overlap Crown land without the prior agreement of the occupier, which commonly involves the tenement holder paying compensation to the occupier of the Crown land. Although the Company will be able to undertake its proposed activities on those parts of the granted Tenements not covered by the prohibitions and pass over those parts of the Tenements to which the restrictions do not apply immediately upon listing on ASX, the Company should consider entering into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are required on other areas of the Tenements which are subject to prohibitions or restrictions.

(b) (**Company's interest**): The Company does not have a registered interest in the VIC Tenement. It only has an equitable interest under an earn-in agreement dated 27 June 2017 to earn up to a 100% interest. A summary of this earn-in agreement is provided in Section 14.1 of the Prospectus;

(c) (**Expenditure**): The Company has not met its minimum expenditure commitments for E28/2374-I. Schedule 1 provides details. An exemption has been applied for and recorded with regards to E28/2374-I. There is a low risk that this Tenement may be liable for forfeiture for under expenditure.

## 5. DESCRIPTION OF THE TENEMENTS

The Tenements comprise exploration licences (and applications for exploration licences) granted under the *Mining Act 1978* (WA) (**Mining Act**) and an exploration licence granted under the Victorian Mining Act. Part I of this Report provides a list of the Tenements. Section 5.1 and 5.2 provide a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and the Victorian Mining Act respectively.

### 5.1 Exploration Licence in Western Australia

**Rights:** The holder of an exploration licence is entitled to enter the land for the purposes of exploration for minerals with employees and contractors and such vehicles, machinery and equipment as may be necessary or expedient.

**Term**: An exploration licence has a term of 5 years from the date of grant. The Minister may extend the term by a further period of 5 years followed by a further period or periods of 2 years.

**Retention status**: The holder of an exploration licence granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister

may approve the application where there is an identified mineral resource in or under the land the subject of the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease.

**Conditions**: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. These standard conditions are not detailed in Part 1 of this Report. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the exploration licence.

**Relinquishment**: The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year. A failure to lodge the required partial surrender could render the tenement liable for forfeiture.

**Priority to apply for mining lease**: The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

**Transfer**: No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealings.

### 5.2 Exploration Licences in Victoria

The following provides a description of the nature and key terms of exploration licenses as set out in the Victorian Mining Act.

(a) (**Rights**): Under the Victorian Mining Act, the holder of an exploration licence is authorised to:

(i) conduct geological, geophysical and geochemical surveys;

(ii) conduct drilling;

(iii) take samples for the purposes of chemical or other analysis;

(iv) extract minerals from the land, other than for the purpose of producing them commercially; and

(v) undertake any other activity that is specified in the exploration licence.

(b) (**Application**): A person may lodge an application for an exploration licence in accordance with the Victorian Mining Act and the Minister responsible for the Victorian Mining Act will determine whether to grant the application. An application for an exploration licence cannot be legally transferred and continues in the name of the applicant.

The area of land in respect of which an exploration licence may be granted must be contained in a single licence area and must not exceed 500 lots of 1,000 metre interval blocks, based on the Australian Geodetic Datum 1966, as shown on the National Topographic Map Series published by the National Mapping Council (**Graticular Sections**).

(c) (**Term**): An exploration licence may be granted for an initial term not exceeding five (5) years and may be renewed for one (1) further period of five (5) years at the Victorian Minister's discretion. A second renewal of up to five (5) years may also be given, but only where the Victorian Minister considers there are exceptional circumstances and where it can be demonstrated that there is a likelihood of the licensee identifying a mineral resource in the term of the renewal. No further renewals are allowed.

(d) (**Conditions**): Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties (as mentioned below) and observance of environmental protection and reporting requirements. A failure to comply with these conditions or any other conditions associated with an exploration licence may lead to forfeiture of the exploration licence.

(e) (**Royalty**): The *Mineral Resources Development Regulations 2002* (Vic) levies a royalty at a rate of 2.75% of the net market value of mineral commodities sold or removed from a mine.

(f) (**Relinquishment**): Under the Victorian Mining Act, the area of an exploration licence must be reduced by 25% on the second anniversary date of the grant of the exploration licence (**Date of Grant**), by a further 35% on the fourth anniversary of the Date of Grant by a further 20% on the seventh anniversary of the Date of Grant and by a further 10% on the tenth anniversary of the Date of Grant (leaving 10% of the original license area), subject to the discretion of the Victorian Minister.

(g) (**Priority to apply for mining lease**): The holder of an exploration licence has priority to apply for a mining lease over any of the land the subject of the exploration licence.

(h) (**Transfer**): No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term. Thereafter, there is no restriction on transfers or other dealings.

## 6. ABORIGINAL HERITAGE

There may be areas or objects of Aboriginal heritage located on the Tenements. Aboriginal sites were identified from the Heritage Searches (as noted in Part II of this Report).

It is noted that standard Aboriginal heritage agreements have been entered into in respect of the Tenements (as noted in Part II following this Report) which sets out the obligations of the parties holding an interest in the Tenements (whether title or mineral rights only) in protecting Aboriginal heritage in areas where exploration takes place in a manner that is transparent, timely, certain and cost effective.

Under Aboriginal heritage agreements parties holding an interest in a tenement (whether title or mineral rights only) may dispose of any or all of its rights with respect to their interest in the tenement, but must first procure an executed deed of

assumption in favour of the relevant native title group by which the assignee (purchaser) agrees to be bound by the provisions of the heritage agreement and to assume, observe and perform the obligations of the assignor (vendor) under the heritage agreement insofar as they relate to the interest being acquired by the assignee (purchaser).

As heritage agreements relate to the process of 'clearing' areas of land on tenements in order to conduct exploration activities it is possible a purchaser may rely on surveys previously completed by a vendor where it wishes to conduct activities on areas within tenements previously cleared of heritage sites without the requirements to repeat the process and incur additional costs.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. Any interference with an Aboriginal site of cultural or heritage significance must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

### 6.1 Commonwealth legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

### 6.2 Western Australian legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons (whether or not they are recorded on the register or otherwise known to the Register of Aboriginal Sites, DPLH or the Aboriginal Cultural Material Committee).

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered. The WA Heritage Act protects all registered and unregistered sites.

### 6.3 Victorian legislation

Victorian tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 2006 (Vic)* (**Heritage Act**).

The Heritage Act makes it an offence to do an act which harms Aboriginal Culture or Heritage. The Victorian Mining Act states that a licensee of a tenement must not do any work under the licence within 100 metres laterally of any land protected under the Heritage Act.

The Secretary of the Department of Victorian Communities' consent is required where any use of the land is likely to result in harm to Aboriginal cultural heritage.

## 7. NATIVE TITLE

### 7.1 Introduction

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2) (1992) 175 CLR 1* (**Mabo no.2**).

The High Court in Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, where granted or renewed without due regard to native title rights, were invalid. The High Court concluded that:

(a) native title has been wholly extinguished in respect of land the subject of freehold, public works or other previous "exclusive possession" acts; and

(b) native title has been partially extinguished as a result of the grant of "non-exclusive possession" pastoral leases and mining leases, and also as a result of the creation of certain reserves.

As a result of Mabo no. 2, the *Native Title Act 1993* (Cth) (**NTA**) was passed to:

(a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the NNTT and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;

(b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2 (**Past Acts**). This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996 (**Intermediate Period Acts**). Broadly speaking, this means that native title is not extinguished, merely suspended, for the duration of the mining tenement; and

(c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a **Future Act**) must comply with certain requirements for the Future Act to be valid under the NTA. These requirements are called the **Future Act Provisions**.

### 7.2 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are four alternatives: the Right to Negotiate, an ILUA, the Infrastructure Process and the Expedited Procedure.

**Right to Negotiate**

The Right to Negotiate involves a formal negotiation between the State, the applicant for the tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the tenement can be granted. The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the tenement (eg in relation to heritage surveys). The classes of conditions typically included in a mining agreement are set out at section 7.3 below.

If agreement is not reached to enable the tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if so, on what conditions. The earliest an application for arbitration can be made to the NNTT is six (6) months after the date of notification of commencement of negotiations by the DMIRS.

If the Right to Negotiate procedure is not observed, the grant of the mining tenement will be invalid to the extent (if any) that it affects native title.

**ILUA**

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

**Expedited Procedure**

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

(a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;

(b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and

(c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the tenement. Otherwise, the Future Act Provisions (eg Right to Negotiate or ILUA) must be followed before the tenement can be granted.

**Exception to requirement to comply with Future Act Provisions**

The grant of a tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (eg in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the tenement.

Where a tenement has been retrospectively validated or validly granted under the NTA, the rights under the tenement prevail over any inconsistent native title rights.

**Application to the Tenements**

The following sections of the Report identify:

(a) any native title claims (registered or unregistered), native title determinations and ILUAs in relation to the Tenements (see Section 7.3);

(b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 7.5);

(c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 7.5); and

(d) any Tenements which are yet to be granted and as such may need to be granted in compliance with the Future Act Provisions in order to be valid under the NTA (see Section 7.5).

### 7.3 Native title claims, native title determinations and ILUAs

Our Searches indicate that a number of the Tenements are within the external boundaries of the five native title claims specified in Part II of the Schedule. Three of these claims are yet to be determined by the Federal Court, and two of these claims have been determined.

Our Searches indicate that the land under a number of the Tenements is subject to the ILUAs specified in Part II of the Schedule.

Our Searches also indicate that EL5523 is within land which is subject to negotiations regarding a Recognition and Settlement Agreement under section 4 of the Traditional Owner Settlement Act 2010 (Vic) (**Settlement Act**). Further details are set out in Part II of the Schedule.

Registered native title claimants (and holders of native title under the determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

**Freehold land**

We have assumed that any freehold land the subject of the Tenements was validly granted prior to 23 December 1996 and that therefore:

(a) native title has been extinguished in respect of that land;

(b) registered native title claimants (and determined native title holders) are not entitled to rights under the Future Act Provisions in respect of that land.

The Company has advised us that it currently has no plans to undertake exploration or mining activities on areas designated as freehold land, although in the future tenements may be applied for that include private land.

**Non-freehold land**

Native title may continue to subsist in certain parcels of non-freehold land or 'Crown land', including pastoral leases, vacant/unallocated Crown land and certain Crown reserves that were not vested prior to 23 December 1996 and which have not been subsequently developed as public works.

In particular, native title may continue to subsist in the following parcels within the following WA Tenements, if those parcels have not been developed as public works:

| Non-Freehold Land | Encroachment Percentage |
|---|---|
| Pastoral Lease N049553 (Balfour Downs) | **E46/1041-I**: 39481.03 Ha., 81.5% encroachment<br>**E46/1042-I**: 21810.56 Ha., 100% encroachment<br>**E46/1069-I**: 3645.34Ha., 6.4% encroachment<br>**E46/1194**: 2009.98Ha., 7.2% encroachment |
| Pastoral Lease N049420 (Mt Divide) | **E46/1041-I**: 8947.55 Ha., 18.5% encroachment<br>**E46/1069-I**: 35070.60., 61.4% encroachment<br>**E46/1119-I**: 15074.84Ha., 64.2% encroachment |
| Pastoral Lease N049879 (Wandanya) | **E46/1044-I**: 2094.32Ha., 23.6% encroachment<br>**E46/1099-I**: 4300.02Ha., 16.0% encroachment<br>**E46/1116**: 19762.56Ha., 60.4% encroachment |

| | |
|---|---|
| Pastoral Lease N050058 (Noreena Downs) | **E46/1069-I**: 15604.51Ha., 27.3% encroachment<br>**E46/1119-I**: 6821.78Ha., 29.0% encroachment |
| Pastoral Lease N049436 (Warrawagine) | **E45/4958**: 4591.35Ha., 71.8% encroachment<br>**E45/4959**: 3769.42Ha., 29.5% encroachment |
| Pastoral Lease N050421 (Kanandah) | **E28/2374**: 510.80Ha., 13.4% encroachment |
| Pastoral Lease N050433 (Fraser Range) | **E28/2563**: 1551.78Ha., 88.6% encroachment<br>**E69/3521**: 140.86Ha., 1.9% encroachment |
| Pastoral Lease N050640 (Southern Hills) | **E69/3033:** 13044.78Ha., 100% encroachment<br>**E69/3052:** 13382.67Ha., 58.6% encroachment<br>**E69/3521**: 2044.10Ha., 27.0% encroachment |
| Pastoral Lease N049404 (Indigenous Held) (Walagunya) | **E46/1194**: 26067.07Ha., 92.8% encroachment |
| Pastoral Lease N049724 (Ethel Creek) | **E46/1194:** 6.43Ha., <0.1% encroachment |
| Historical Lease 394/430 | **E46/1069-I:** 14912.29Ha., 26.1% encroachment<br>**E46/1119-I:** 3841.46Ha., 16.4% encroachment |
| Historical Lease 394/412 | **E46/1069-I:** 1094.29Ha., 1.9% encroachment |
| Historical Lease 395/436 | **E46/1099-I:** 502.51Ha., 1.9% encroachment |
| Historical Lease 394/525 | **E45/4959**: 1667.88Ha., 13.1% encroachment |
| Historical Lease 394/422 | **E45/4959**: 2017.76Ha., 15.8% encroachment |
| Historical Lease 394/482 | **E46/1116**: 7852.71Ha., 24.0% encroachment |
| Crown Land and Crown Reserves | Refer to Section 8 of this Report |

Unless it is essential that the Company has access to any of the above-mentioned parcels (or any other non-freehold land), it is recommended that all parcels of non-freehold land are excised from any applications for mining leases. If the Company wishes to undertake mining activities on any of the above-mentioned parcels, we would expect the Right to Negotiate to apply.

### 7.4 Validity of Tenements under the NTA

Our Searches indicate that the Tenements are within the external boundaries of the following native title claims, native title determinations and ILUAs:

| Tenement | Native Title Claim (Tribunal Number) | Native Title Determination (Tribunal Number) | ILUA (Tribunal Number) |
|---|---|---|---|
| E46/1041-I | WC2005/006 | | WI2012/005<br>WI2012/007<br>WI2016/003 |
| E46/1042-I | WC2005/006 | | WI2012/005<br>WI2012/007<br>WI2016/003 |
| E46/1044-I | WC2005/006 | | WI2012/005<br>WI2012/007<br>WI2016/003 |
| E46/1069-I | WC2005/006 | | WI2012/005 |

| Tenement | Native Title Claim (Tribunal Number) | Native Title Determination (Tribunal Number) | ILUA (Tribunal Number) |
|---|---|---|---|
| | WC1999/016 | | WI2012/007<br>WI2016/003 |
| E46/1099-I | WC2005/006<br>WC1999/008 | Native title exists in the entire determination area: WCD2002/002 | WI2012/005<br>WI2012/007<br>WI2016/003<br>WI2012/009 |
| E46/1116 | WC2005/006<br>WC1999/008 | | WI2012/005<br>WI2012/007<br>WI2016/003 |
| E46/1119-I | WC2005/006<br>WC1999/016<br>WC1999/008 | | WI2012/005<br>WI2012/007<br>WI2016/003 |
| E45/4958 | WC1999/008 | | |
| E45/4959 | WC1999/008 | | |
| E45/4845 | | Native title exists in the entire determination area: WCD2002/002 | WI2012/009<br>WI2015/022 |
| E45/4847 | | Native title exists in the entire determination area: WCD2002/002 | WI2012/009<br>WI2015/022 |
| E45/4871 | | Native title exists in the entire determination area: WCD2002/002 | WI2012/009<br>WI2015/022 |
| E45/4881 | | Native title exists in the entire determination area: WCD2002/002 | WI2012/009<br>WI2015/022 |
| E45/4955 | | Native title exists in the entire determination area: WCD2002/002 | WI2012/009 |
| E28/2563 | | Native title exists in the entire determination area: WCD2014/004 | |
| E69/3033 | | Native title exists in the entire determination area: WCD2014/004 | |

| Tenement | Native Title Claim (Tribunal Number) | Native Title Determination (Tribunal Number) | ILUA (Tribunal Number) |
|---|---|---|---|
| E69/3052 | | Native title exists in the entire determination area: WCD2014/004 | |
| E69/3521 | | Native title exists in the entire determination area: WCD2014/004 | |
| E46/1194 | WC2005/006 | | WI2016/003<br>WI2012/007<br>WI2012/005 |
| EL5523 | | | VI2004/004 |

The status of any native title claims, native title determinations and ILUAs is summarised in Part II of this Report.

Native title claimants, holders of native title under the determinations and native title parties under ILUAs are entitled to certain rights under the Future Act Provisions.

## 7.5 Validity of Tenements under the NTA

The sections below examine the validity of the Tenements under the NTA.

**Tenements granted before 1 January 1994 (Past Acts)**

Our Searches indicate that none of the Tenements were granted before 1 January 1994.

**Tenements granted between 1 January 1994 and 23 December 1996 (Intermediate Period Acts)**

Our Searches indicate that none of the Tenements were granted after 1 January 1994 but before 23 December 1996.

**Tenements granted after 23 December 1996**

Our Searches indicate that all of the granted Tenements were granted after 23 December 1996, as set out in Part I of this Report.

We have therefore assumed that all Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. The registered native title claimants and holders of native title identified in Section 7.3 of this Report will need to be involved as appropriate under the Future Act Provisions.

**Valid grant of applications for Tenements**

The following Tenements are all currently applications and as such the grant of the Tenements will need to satisfy the Future Act Provisions in order to be valid under the NTA.

| Applicant | Tenement |
|---|---|
| Carawine Resources Limited | E 45/4958 |
| Carawine Resources Limited | E 45/4959 |
| Carawine Resources Limited | E 45/4845 |
| Carawine Resources Limited | E 45/4847 |
| Carawine Resources Limited | E 45/4871 |
| Carawine Resources Limited | E 45/4881 |
| Carawine Resources Limited | E 45/4955 |
| Carawine Resources Limited | E69/3521 |
| Carawine Resources Limited | E46/1194 |

The registered native title claimants, holders of native title and native title parties to any ILUA identified in Section 7.3 of this Report will be involved in accordance with the Future Act Provisions.

## 8. CROWN LAND

As set out in Part I of this Report, land the subject of the WA Tenements overlaps Crown land as set out in the table below.

| Tenement | Crown land | % overlap |
|---|---|---|
| E46/1044-I | Vacant Crown Land | 76.4 |
| E46/1099-I | Vacant Crown Land | 45.2<br>6.5<br>30.3<br>1.7 |
| E45/4958 | Vacant Crown Land | 7.9 |
| E45/4959 | Vacant Crown Land | 17.7<br>51.1 |
| E46/1116 | Vacant Crown Land | 39.6 |
| E45/4845 | Vacant Crown Land | 100 |
| E45/4847 | Vacant Crown Land | 100 |
| E45/4871 | Vacant Crown Land | 100 |
| E45/4881 | Vacant Crown Land | 100 |
| E45/4955 | Vacant Crown Land | 100 |
| E28/2374 | Vacant Crown Land | 86.6 |
| E28/2563 | Vacant Crown Land | 11.4 |
| E39/1733 | Vacant Crown Land | 100 |

| Tenement | Crown land | % overlap |
|---|---|---|
| E69/3052 | Vacant Crown Land | 15.7 |
| | | 24.5 |
| | Vacant Crown Land (No. 521) | 0.1 |
| E69/3521 | Vacant Crown Land | 71.1 |

The Mining Act:

(a) prohibits the carrying out of prospecting, exploration or mining activities on Crown land that is less than 30 metres below the lowest part of the natural surface of the land and:

(i) for the time being under crop (or within 100 metres of that crop);

(ii) used as or situated within 100 metres of a yard, stockyard, garden, cultivated field, orchard vineyard, plantation, airstrip or airfield;

(iii) situated within 100 metres of any land that is an actual occupation and on which a house or other substantial building is erected;

(iv) the site of or situated within 100 metres of any cemetery or burial ground; or

(v) if the Crown land is a pastoral lease, the site of or situated within 400 metres of any water works, race, dam, well or bore not being an excavation previously made and used for purposes by a person other than the pastoral lessee,

without the written consent of the occupier, unless the warden by order otherwise directs;

(b) imposes restrictions on a tenement holder passing over Crown land referred to in section 8(a), including:

(i) taking all necessary steps to notify the occupier of any intention to pass over the Crown land;

(ii) the sole purpose for passing over the Crown land must be to gain access to other land not covered by section 8(a) to carry out prospecting, exploration or mining activities;

(iii) taking all necessary steps to prevent fire, damage to trees, damage to property or damage to livestock by the presence of dogs, the discharge of firearms, the use of vehicles or otherwise; and

(iv) causing as little inconvenience as possible to the occupier by keeping the number of occasions of passing over the Crown land to a minimum and complying with any reasonable request by the occupier as to the manner of passage; and

(c) requires a tenement holder to compensate the occupier of Crown land:

(i) by making good any damage to any improvements or livestock caused by passing over Crown land referred to in section 8(a) or

otherwise compensate the occupier for any such damage not made good; and

(ii) in respect of land under cultivation, for any substantial loss of earnings suffered by the occupier caused by passing over Crown land referred to in section 8(a).

The warden may not give the order referred to in section 8(a) that dispenses with the occupier's consent in respect of Crown land covered by section 8(a)(iii). In respect of other areas of Crown land covered by the prohibition in section 8(a), the warden may not make such an order unless he is satisfied that the land is genuinely required for mining purposes and that compensation in accordance with the Mining Act for all loss or damage suffered or likely to be suffered by the occupier has been agreed between the occupier and the tenement holder or assessed by the warden under the Mining Act.

Although the Company will be able to undertake its proposed activities on those parts of the Tenements not covered by the prohibitions and pass over those parts of the Tenements to which the restrictions do not apply immediately upon listing on ASX, the Company should consider entering into access and compensation agreements with the occupiers of the Crown land upon commencement of those activities in the event further activities are required on other areas of the Tenements which are subject to prohibitions or restrictions.

**CROWN RESERVES**

Certain land the subject of the WA Tenements overlaps Crown reserves as set out in the table below.

| Crown reserve | Class | Tenement | % overlap |
|---|---|---|---|
| Crown Reserve 15159 (stock route) | C | E46/1069-I<br>E45/4958<br>E46/1119-I | 4.8<br>20.3<br>6.8 |
| Crown Reserve 12297 (Nullagine) (rabbit proof fence no 1) | C | E46/1099-I | 0.2 |
| Crown Reserve 12297 (Balfour) | C | E46/1099-I | <0.1 |
| Crown Reserve 42274 (repeater station site) | C | E46/1194 | <0.1 |

Under section 41 of the *Land Administration Act 1997* (WA) (**LAA**) the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (**CLT**) and is depicted on an authenticated map held by Landgate.

The *Land Act 1933* (WA) provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a

special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.

Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management. Crown Reserves 15159 and 12297 are managed by the Department for Planning & Infrastructure. Crown Reserve 42274 is managed by Australian & Overseas Telecommunications Corporation Ltd.

## 9. ABORIGINAL RESERVES

The *Aboriginal Affairs Planning Authority Act 1972* (WA) (**AAPA**) governs the establishment, management and access to areas of land in Western Australia designated as Aboriginal reserves. The AAPA Act established a statutory body, the Aboriginal Lands Trust (**ALT**), to be responsible for the overall management of Aboriginal reserves. A permit is required to enter onto or pass through a number of the reserves administered by the ALT. The ALT administers the issue of permits for entry onto those designated reserves.

### Entry Permit

A mining access entry permit is required for any mining activity on any Aboriginal reserve. Mining activity includes surveying and/or marking out of tenements, fossicking, prospecting, exploring and mining. A mining related access entry permit also covers travelling through such Aboriginal reserves to access mining tenements outside the reserve for the purpose of mining activities.

The Minister for Indigenous Affairs issues mining access entry permits after seeking the views of the ALT, which in turn must be satisfied there has been adequate consultation with any resident Aboriginal community and relevant native title interests.

An application for a mining access entry permit consists of the following actions:

(a) submitting a written request to the Legal Project Officer, Department of Indigenous Affairs requesting advice on the grant of mining access entry permits. The request must include tenement details (number, holder, grant status), details of the relevant Aboriginal reserve and brief details about what works are proposed;

(b) completing the requirements set out in the response provided by the Department of Indigenous Affairs which usually includes consultation with the parties nominated by the ALT (usually the resident communities and native title interests) and obtaining an agreement from the consulted parties; and

(c) the Department of Indigenous Affairs prepares a submission for consideration by the ALT and the Minister for Indigenous Affairs based on the results of the consultation process.

In addition, mining may not take place on a tenement located within an Aboriginal reserve without the written consent of the Minister for Mines and Petroleum who will consult with the Minister for Indigenous Affairs, and obtain a recommendation from him or her as to whether mining should be allowed. Mining in this context is consistent with the broader definition applied to mining access entry permits in that it includes

prospecting and exploration and is therefore required before the grant of prospecting licences and exploration licences, not just mining leases.

If the Company proceeds to mining operations on any of its Tenements that overlap with Aboriginal reserves, the Company will need to apply for a mining access entry permit for mining and mining related activities in relation to the relevant Aboriginal reserves.

## 10. PASTORAL LEASES

As set out in Part I of the Schedule to this Report certain WA Tenements overlap with pastoral leases as follows:

(a) **Pastoral Lease N049553 (Balfour Downs)** overlaps with:

(i) 81.5% of E46/1041-I;

(ii) 100% of E46/1042-I;

(iii) 6.4% of E46/1069-I.; and

(iv) 7.2% of E46/1194.

(b) **Pastoral Lease N049420 (Mt Divide)** overlaps with:

(i) 18.5% of E46/1041-I;

(ii) 61.4% of E46/1069-I; and

(iii) 64.2% of E46/1119-I.

(c) **Pastoral Lease N049879 (Wandanya)** overlaps with:

(i) 23.6% of E46/1044-I;

(ii) 16.0% of E46/1099-I; and

(iii) 60.4% of E46/1116

(d) **Pastoral Lease N050058 (Noreena Downs)** overlaps with:

(i) 27.3% of E46/1069-I; and

(ii) 29.0% of E46/1119-I.

(e) **Pastoral Lease N049436 (Warrawagine)** overlaps with:

(i) 71.8% of E45/4958; and

(ii) 29.5% of E45/4959.

(f) **Pastoral Lease N050421 (Kanandah)** overlaps with 13.4% of E28/2374.

(g) **Pastoral Lease N050433 (Fraser Range)** overlaps with:

(i) 88.6% of E28/2563; and

(ii) 1.9% of E69/3521.

(h) **Pastoral Lease N050640 (Southern Hills)** overlaps with:

(i) 100% of E69/3033;

(ii) 58.6% of E69/3052; and

(iii) 27.0% of E69/3521.

(i) **Pastoral Lease N049404 (Indigenous Held) (Walagunya)** overlaps with 92.8% of E49/1194.

(j) **Pastoral Lease N049724 (Ethel Creek)** overlaps with <0.1% of E49/1194.

The Mining Act:

(a) prohibits the carrying out of mining activities on or near certain improvements and other features (such as livestock and crops) on Crown land (which includes a pastoral lease) without the consent of the lessee;

(b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and

(c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (ie the pastoral lessee) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

We have been advised by the Company and the Company has confirmed that to the best of its knowledge it is not aware of any improvements and other features on the land the subject of the pastoral leases which overlaps the Tenements which would require the Company to obtain the consent of the occupier or lease holder or prevent the Company from undertaking its proposed mining activities on the Tenements.

Upon commencing mining operations on any of the WA Tenements, the Company should consider entering into a compensation and access agreement with the pastoral lease holders to ensure the requirements of the Mining Act are satisfied and to avoid any disputes arising. In the absence of agreement, the Warden's Court determines compensation payable.

The DMIRS imposes standard conditions on mining tenements that overlay pastoral leases. It appears the Tenements incorporate the standard conditions.

## 11. ENCROACHMENTS

Where an application is encroached upon by a live tenement, the application as granted will be for a tenement reduced by that amount of land which falls under the live tenement licence.

(a) E45/4958 is being encroached by:

(i) G45/25 by less than 0.1%; and

(ii) M45/407 by 0.2%.

(b) E45/4959 is being encroached by E45/2201 by 0.6%.

(c) E45/4845 is being encroached by:

(i) L45/101 by 0.6%;

(ii) L45/107 by 2.2%;

(iii) L45/110 by 1.8%;

(iv) L45/128 by less than 0.1%; and

(v) L45/143 by less than 0.1%.

(d) E45/4871 is being encroached by L45/110 by less than 0.1%

(e) E45/4881 is being encroached by:

(i) L45/101 by 0.6%;

(ii) L45/110 by 0.6%;

(iii) L45/139 by 0.4%.

(f) E69/3521 is being encroached by L69/22 by 4.5%; and

(g) E69/3521:

(i) is being encroached by L69/22 by 4.5%; and

(ii) is subject to five other applications which cover 100% of the tenement area, three of which have a marking date and time equivalent to that of the Company's application.

## 12. FORFEITURE RISK

Our Searches indicate that, as at 26 October 2017, the WA Tenements set out in the table below have unmet annual minimum expenditure requirements. We understand the DMIRS allows applications for an exemption to expenditure to be lodged up to 60 days after the end of a tenement year.

The relevant tenement is at risk of forfeiture if the lodged expenditure exemption is not granted by the DMIRS. The usual outcome with under expenditure is for the DMIRS to grant an exemption, or a nominal fine is imposed in lieu of forfeiture. However, the Company should confirm whether any material tenements are affected and, if they are, discussions should be held with the DMIRS to determine if there is a real risk of forfeiture for those tenements.

| Tenement | End of previous tenement year | Rent outstanding | Expenditure Outstanding |
|---|---|---|---|
| E28/2374 | 17/06/2017 | Nil | $8,426 (exemption lodged and recorded) |

The Tenements set out below have a tenement year that expires on or before the end of 2017. The Company should ensure that rents are paid and exemption applications are lodged within time if it appears that minimum annual expenditure will not be satisfied.

| Tenement | Relevant Tenement Year end | Rent Amount due by tenement year end | Expenditure Amount due by tenement year end |
|---|---|---|---|
| E69/3052 | 10/12/2017 | Nil | $118,500 |
| E46/1069-I | 10/11/2017 | Nil | $180,000 |
| E39/1733 | 18/11/2017 | Nil | $120,000 |

Tenement E69/3033 had an expiry date of 26 July 2017. The Company's joint venture partner (refer to the Fraser Ranger JVA summarised at Section 14.2 of the Prospectus) has lodged an application for a renewal of term, which was recorded on 21 July 2017.

## 13. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

(a) we have assumed the accuracy and completeness of all Searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;

(b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;

(c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our Searches and the information provided to us;

(d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

(e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;

(f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(g) unless apparent from our Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;

(h) with respect to the application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(i) references in Parts I and II of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;

(j) the information in Parts I and II of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;

(k) where Ministerial consent is required in relation to the transfer of any Tenement, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;

(l) we have not conducted searches of the Database of Contaminated Sites maintained by the Department of Water and Environmental Regulation or of the Victorian Environmental Protection Agency;

(m) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future

(n) Aboriginal heritage sites or objects (as defined in the WA Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the WA Tenements regardless of whether or not that site has been entered on the Register of Aboriginal Sites established by the WA Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. Other than the Heritage Searches, we have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements; and

(o) an Aboriginal place (as defined in the Heritage Act) or Aboriginal heritage sites or objects (as defined in the Commonwealth Heritage Act) may exist in the area covered by the VIC Tenements regardless of whether or not that site has been entered on the Register maintained by the Heritage Act, or is the subject of a declaration under the Commonwealth Heritage Act. Other than the Heritage Searches, we have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal place, heritage sites or objects within the area of the VIC Tenement.

## 14. CONSENT

This report is given for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

Yours faithfully

**STEINEPREIS PAGANIN**

## PART I – TENEMENT SCHEDULE

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| E46/1041-I | Carawine Resources Limited | 100/100 | 23/03/2016 | 22/03/2021 | 153BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 22/03/2019: $20,502 | Previous Tenement Year Minimum Annual Expenditure to 22/03/2017 – $153,000<br>Spent: $165,610.08<br><br>Current Tenement Year Minimum Annual Expenditure to 22/03/2018 - $153,000<br>Lodged Expenditure: Nil | No material registered dealings / encumbrances | Endorsements:<br>1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14<br>Conditions:<br>2, 3, 4, 5, 6<br>Tengraph:<br>1, 2, 9 | Native Title identified<br>Registered Aboriginal Heritage Sites identified |
| E 46/1042-I | Carawine Resources Limited | 100/100 | 03/08/2017 | 02/08/2022 | 69BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 02/08/2019: $9,246 | Previous Tenement Year Minimum Annual Expenditure: N/A<br><br>Current Tenement Year Minimum Annual Expenditure to 02/08/2018 - $69,000<br>Lodged Expenditure: Nil | **Objection 457612**<br>Lodged and recorded: 13 November 2014<br>Objectors: NICHOLAS DOWNS PTY LTD<br>Objection Type: Tenement Application<br>FINALISED: 17 August 2016 | Endorsements:<br>1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14<br>Conditions:<br>1, 2, 3, 4, 5, 8<br>Tengraph:<br>1, 9 | Native Title identified<br><br>Registered Aboriginal Heritage Sites identified |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| E 46/1044-I | Carawine Resources Limited | 100/100 | 23/03/2016 | 22/03/2021 | 28BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 22/03/2019: $3,752 | Previous Tenement Year Minimum Annual Expenditure to 22/03/2017 - $28,000<br>Spent: $53,234.39<br><br>Current Tenement Year Minimum Annual Expenditure to 22/03/2018 – $28,000<br>Lodged Expenditure: Nil | No material registered dealings / encumbrances | Endorsements:<br>1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14<br>Conditions:<br>2, 3, 4, 5<br>Tengraph:<br>3, 4 | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |
| E 46/1069-I | Carawine Resources Limited | 100/100 | 11/11/2016 | 10/11/2021 | 180BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 10/11/2018: $24,120 | Previous Tenement Year Minimum Annual Expenditure: N/A<br><br>Current Tenement Year Minimum Annual Expenditure to 10/11/2017 - $180,000<br>Lodged Expenditure: Nil | No material registered dealings / encumbrances | Endorsements:<br>1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14<br>Conditions:<br>2, 3, 4, 5, 7, 8, 9<br>Tengraph:<br>1, 2, 5, 6, 7, 8, 9 | Native Title identified<br><br>Registered Aboriginal Heritage Sites identified |
| E 46/1099-I | Carawine Resources Ltimited | 100/100 | 15/05/2017 | 14/05/2022 | 85BL | Rent Due for Current Year End: Nil | Previous Tenement Year Minimum Annual Expenditure: N/A | No material registered dealings / encumbrances | Endorsements:<br>1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14<br>Conditions: | Native Title identified<br><br>No Registered Aboriginal |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Rent for Year End 14/05/2019: $11,390. | Current Tenement Year Minimum Annual Expenditure to 14/05/2018 - $85,000<br>Lodged Expenditure: Nil | | 1, 2, 3, 4, 5, 10, 11<br>Tengraph:<br>3, 4, 5, 9, 10 | Heritage Sites identified |
| E 45/4958 | Carawine Resources Limited | 100/100 | (6/7/2017) | N/A | 20BL | Rent Due for Current Year End: Nil | N/A | No material registered dealings / encumbrances | Tengraph:<br>4, 5, 11 | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |
| E 45/4959 | Carawine Resources Limited | 100/100 | (7/7/2017) | N/A | 40BL | Rent Due for Current Year End: Nil | N/A | No material registered dealings / encumbrances | Tengraph:<br>4, 9, 11, 12, 13 | Native Title identified<br><br>Registered Aboriginal Heritage Sites identified |
| E 46/1116-I | Carawine Resources Limited | 100/100 | 01/09/2017 | 31/08/2022 | 103BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 31/08/2019: $13,802 | Previous Tenement Year Minimum Annual Expenditure: N/A<br><br>Current Tenement Year Minimum Annual Expenditure to 31/08/2018: $103,000<br>Lodged | No material registered dealings / encumbrances | Endorsements:<br>1, 2, 4, 5, 9, 10, 15, 16, 17, 18, 19, 20, 21<br>Conditions:<br>12, 2, 13, 4, 5<br>Tengraph:<br>3, 4, 9, 14 | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Expenditure: Nil | | | |
| E 46/1119-I | Carawine Resources Limited | 100/100 | 01/09/2017 | 31/08/2022 | 74BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 31/08/2019: $9,916 | Previous Tenement Year Minimum Annual Expenditure: N/A<br><br>Current Tenement Year Minimum Annual Expenditure to 31/08/2018: $74,000<br>Lodged Expenditure: Nil | No material registered dealings / encumbrances | Endorsements:<br>1, 2, 4, 5, 9, 10, 15, 16, 17, 18, 19, 20, 21<br>Conditions:<br>2, 4, 5, 12, 13, 14, 22<br>Tengraph:<br>2, 5, 6, 8, 9 | Native Title identified<br><br>Registered Aboriginal Heritage Sites identified |
| E 45/4845 | Carawine Resources Limited | 100/100 | (17/10/2016) | N/A | 70BL | Rent Due for Current Year End: Nil | N/A | **Objection 496558**<br>Lodged 7 November 2016<br>Objectors: AVOCA MINING PTY LTD<br>Objection Type: Tenement Application<br>RECORDED: 07 November 2016<br>WITHDRAWN: 11 November 2016<br>**Objection** | Tengraph:<br>4, 9 | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **496718**<br>Lodged and recorded 9 November 2016<br>Objectors: NEWCREST MINING LIMITED<br>Objection Type: Tenement Application<br>**Objection 496727**<br>Lodged and recorded 9 November 2016<br>Objectors: NIFTY COPPER PTY LTD<br>Objection Type: Tenement Application | | |
| E 45/4847 | Carawine Resources Limited | 100/100 | (19/10/2016) | N/A | 69BL | Rent Due for Current Year End: Nil | N/A | No material registered dealings / encumbrances | Tengraph: 4, 9 | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |
| E 45/4871 | Carawine | 100/10 | (24/01/2017 | N/A | 61BL | Rent Due | N/A | **Objection** | Tengraph: | Native Title |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | Resources Limited | 0 | ) | | | for Current Year End: Nil | | **501592** Lodged and recorded 23 February 2017 Objectors: NEWCREST MINING LIMITED Objection Type: Tenement Application | 4, 9 | identified<br><br>No Registered Aboriginal Heritage Sites identified |
| E 45/4881 | Carawine Resources Limited | 100/100 | (20/2/2017) | N/A | 70BL | Rent Due for Current Year End: Nil | N/A | **Objection 502634** Lodged and recorded 15 March 2017 Objectors: NEWCREST MINING LIMITED Objection Type: Tenement Application | Tengraph: 4 | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |
| E 45/4955 | Carawine Resources Limited | 100/100 | (05/07/2017) | N/A | 39BL | Rent Due for Current Year End: Nil | N/A | No material registered dealings / encumbrances | Tengraph: 4, 9 | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |
| E 28/2374-I | Carawine Resources | 49/100 | 18/06/2014 | 17/06/2019 | 13BL | Rent Due for Current | Previous Tenement Year | **Partial Surrender –** | Endorsements: 1, 2, 4, 5, 7, 22, | No Native Title was identified |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | Limited<br><br>Independence Newsearch Pty Ltd | 51/100 | | | | Year End: Nil<br><br>Rent for Year End 17/06/2019: $2,704 | Minimum Annual Expenditure to 17/06/2017 - $20,000<br>Spent: $11,574<br>Under expended: $8,426.<br>Exemption 510609 lodged 17/7/17 for $20,000.<br>Status: recorded.<br><br>Current Tenement Year Minimum Annual Expenditure to 17/06/2018: $30,000<br>Lodged Expenditure: Nil | **Voluntary 486039**<br>Lodged and registered 3 May 2016<br>Surrendered Total: 23 BL. | 23, 26<br>Conditions:<br>15, 1, 2, 3, 4, 5<br><br>Tengraph:<br>4, 9, 15<br><br>Joint Venture Letter Agreement – Fraser Range Tenements – Refer to Section 14.2 of the Prospectus. | No Registered Aboriginal Heritage Sites identified |
| E 28/2563 | Carawine Resources Limited<br><br>Independence Newsearch Pty Ltd | 49/100<br><br>51/100 | 02/06/2017 | 01/06/2022 | 6BL | Rent Due for Current Year End: Nil<br><br>Rent Due for Year End 01/06/2019: $804 | Previous Tenement Year Minimum Annual Expenditure:<br>N/A<br><br>Current Tenement Year Minimum Annual Expenditure to 01/06/2018: $20,000<br>Lodged Expenditure: Nil | No material registered<br>dealings / encumbrances | Endorsements:<br>1, 2, 5, 7, 9, 10, 22, 24, 26<br>Conditions:<br>2, 3, 4, 5, 7<br>Tengraph:<br>4, 16<br>Joint Venture Letter Agreement – Fraser Range Tenements – Refer to Section 14.2 of | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | the Prospectus. | |
| E 39/1733 | Carawine Resources Limited<br><br>Independence Newsearch Pty Ltd | 49/100<br><br>51/100 | 19/11/2013 | 18/11/2018 | 80BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 18/11/2018: Nil | Previous Tenement Year Minimum Annual Expenditure to 18/11/2016 - $80,000<br>Spent: $45,792<br>Exemption 499726 granted 7/3/17 for $80,000.<br><br>Current Tenement Year Minimum Annual Expenditure to 18/11/2017: $120,000<br>Lodged Expenditure: Nil | No material registered dealings / encumbrances | Endorsements:<br>1, 2, 5, 22, 23, 25, 26<br>Conditions:<br>1, 2, 3, 15<br>Tengraph:<br>4, 9<br>Joint Venture Letter Agreement – Fraser Range Tenements – Refer to Section 14.2 of the Prospectus. | No Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |
| E 69/3033 | Carawine Resources Limited | 100/100 | 27/07/2012 | 26/07/2017 | 45BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 26/07/2019: $12,735 | Previous Tenement Year Minimum Annual Expenditure to 26/07/2017 - $67,500<br>Spent: $69,442<br><br>Current Tenement Year Minimum Annual Expenditure to 26/07/2018: $90,000 | **Partial Surrender – Voluntary 474687**<br>Lodged and registered: 21 September 2015<br>Surrendered Total: 57 BL.<br>**Extension / Renewal of Term 510994**<br>Lodged and | Endorsements:<br>1, 2, 5, 7, 22, 23, 25, 26<br>Conditions:<br>1, 2, 3, 4, 5, 15, 16<br>Tengraph:<br>17<br>Joint Venture Letter Agreement – Fraser Range Tenements – Refer to | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Lodged Expenditure: Nil | recorded 21 July 2017<br>Applied For Period: 5 Years | Section 14.2 of the Prospectus. | |
| E 69/3052 | Carawine Resources Limited | 100/100 | 11/12/2012 | 10/12/2017 | 79BL | Rent Due for Current Year End: Nil<br><br>Rent for Year End 10/12/2018: $22,357 | Previous Tenement Year Minimum Annual Expenditure to 10/12/2016 - $118,500<br>Spent: $341,390<br><br>Current Tenement Year Minimum Annual Expenditure to 10/12/2017: $118,500<br>Lodged Expenditure: Nil | **Bond 421784**<br>Lodged and recorded 26 April 2013<br>$30,000 Unconditional Performance Bond<br>$30,000<br>RETIRED – MRF: 27 June 2014<br>**Bond 421785**<br>Lodged 26 April 2013<br>$30,000 Unconditional Performance Bond<br>REJECTED 26 April 2013<br>**Bond Requirement 423266**<br>Requirement Date: 15/05/2013<br>Amount: $30,000 | Endorsements:<br>1, 2, 5, 7, 22, 25, 26, 27<br>Conditions:<br>1, 2, 3, 4, 5, 15, 17, 18, 19, 20, 21<br>Tengraph:<br>4, 9, 17<br>Fraser Range JVA – Fraser Range Tenements – Refer to Section 14.2 of the Prospectus. | Native Title identified<br><br>No Registered Aboriginal Heritage Sites identified |

| TENEMENT | REGISTERED HOLDER / APPLICANT | SHARES HELD | GRANT DATE (APPLICATION DATE) | EXPIRY DATE | AREA SIZE (Blocks) | ANNUAL RENT (Next rental year) | MINIMUM ANNUAL EXPENDITURE | REGISTERED DEALINGS/ ENCUMBRANCES | NOTES | NATIVE TITLE AND ABORIGINAL HERITAGE |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | RECORDED: 16 May 2013<br>FINALISED: 27 June 2014 | | |
| E69/3521 | Carawine Resources Limited | 100/100 | (8/9/2017) | N/A | 26BL | Rent Due for Current Year End: Nil | N/A | No material registered dealings / encumbrances | Tengraph:<br>4, 16,,17 | Native Title identified<br><br>No Aboriginal heritage identified |
| EL5523 (VIC) | Jamieson Minerals Pty Ltd | 100% | 1/10/2015 | 30/09/2020 | 38 Graticular Sections | Not specified | Previous Tenement Year Minimum Annual Expenditure to 1/10/2017 - $25,200<br>Unclear whether this was expended.<br><br>Current Tenement Year Minimum Annual Expenditure to 1/10/2018: $22,600<br>Lodged Expenditure: Nil | Not specified | Tengraph Search not obtainable in VIC.<br>Jamieson Agreement – Refer to Section 14.1 of the Prospectus | Native Title identified<br><br>No Registered Aboriginal Places or Objects identified.<br>Areas of cultural heritage sensitivity identified. |
| E46/1194 | Carawine Resources Limited | 100/100 | (29/9/2017) | N/A | 89BL | N/A | N/A | No material registered dealings / encumbrances | Tengraph<br>1, 5, 9, 18 and 19 | Native Title identified<br><br>No Aboriginal Heritage identified |

**Key to Tenement Schedule**

E/EL – Exploration Licence

References to numbers in the "Notes" column refers to the notes following this table.

References to agreements in the "Notes" column refers to the material contracts which are summarised in Section 14 of the Prospectus.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Report for further details on native title and Aboriginal heritage matters.

**Notes:**

**Tenement conditions and endorsements**

| Endorsements | |
|---|---|
| 1. | The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder. |
| 2. | The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained. |
| 3. | The grant of this licence does not include the land the subject of prior Exploration Licence 46/413. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the Third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia". |
| 4. | The Licensee pursuant to the approval of the Minister responsible for the Mining Act 1978 under Section 111 of the Mining Act 1978 is authorised to explore for iron. |
| | In respect to Water Resource Management Areas (WRMA) the following endorsements apply: |
| 5. | The Licensee attention is drawn to the provisions of the:<br>• Waterways Conservation Act, 1976<br>• Rights in Water and Irrigation Act, 1914<br>• Metropolitan Water Supply, Sewerage and Drainage Act, 1909<br>• Country Areas Water Supply Act, 1947<br>• Water Agencies (Powers) Act 1984 |
| 6. | The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water (DoW) for inspection and investigation purposes. |
| 7. | The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the DoWs relevant Water Quality Protection Notes and Guidelines for mining and mineral processing. |
| 8. | The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by DoW. |
| 9. | Measures such as drainage controls and stormwater retention facilities are to be implemented to minimise erosion and sedimentation of adjacent areas, receiving catchments and waterways. |
| 10. | All activities to be undertaken so as to avoid or minimise damage, disturbance or contamination of waterways, including their beds and banks, and riparian and other water dependent vegetation. |

| | |
|---|---|
| | In respect to Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply: |
| 11. | The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by DoW. |
| 12. | Advice shall be sought from DoW and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 metres of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users. |
| 13. | No exploration activity is to be carried out if:<br>• it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland<br>• it relates to the taking or diversion of water, including diversion of the watercourse or wetland<br>unless in accordance with a permit issued by the DoW. |
| 14. | In respect to Proclaimed Ground Water Areas the following endorsement applies:<br>a) The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by DoW, unless an exemption otherwise applies. |
| 15. | The rights of ingress to and egress from, and to cross over and through, the mining tenement being at all reasonable times preserved to officers of Department of Water and Environmental Regulation (DWER) for inspection and investigation purposes. |
| 16. | The storage and disposal of petroleum hydrocarbons, chemicals and potentially hazardous substances being in accordance with the current published version of the Department of Water and Environmental Regulation (DWER) relevant Water Quality Protection Notes and Guidelines for mining and mineral processing. |
| 17. | The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current licences for these activities have been issued by Department of Water and Environmental Regulation (DWER). |
| 18. | In respect to Proclaimed Surface Water Areas, Irrigation District Areas and Rivers (RIWI Act) the following endorsements apply:<br>a) The taking of surface water from a watercourse or wetland is prohibited unless a current licence has been issued by the Department of Water and Environmental Regulation (DWER). |
| 19. | Advice shall be sought from the Department of Water and Environmental Regulation (DWER) and the relevant water service provider if proposing exploration activity in an existing or designated future irrigation area, or within 50 metres of a channel, drain or watercourse from which water is used for irrigation or any other purpose, and the proposed activity may impact water users. |
| 20. | No exploration activity is to be carried out if:<br>• it may obstruct or interfere with the waters, bed or banks of a watercourse or wetland<br>• it relates to the taking or diversion of water, including diversion of the watercourse or wetland<br>unless in accordance with a permit issued by the Department of Water and Environmental Regulation (DWER). |
| 21. | In respect to Proclaimed Ground Water Areas the following endorsement applies:<br>a) The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by the Department of Water and Environmental Regulation (DWER), unless an exemption otherwise applies. |
| 22. | In respect to Artesian (confined) Aquifers and Wells the following endorsement applies:<br>a) The abstraction of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless a current licence for these activities has been issued by the DoW. |
| 23. | In respect to Waterways the following endorsement applies:<br>a) Advice shall be sought from the DoW if proposing any exploration within a defined waterway and within a lateral distance of:<br>• 50 metres from the outer-most water dependent vegetation of any perennial waterway, and<br>• 30 metres from the outer-most water dependent vegetation of any seasonal waterway. |
| 24. | In respect to Proclaimed Ground Water Areas (GWA 21) the following endorsement applies: |

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| | a) The taking of groundwater and the construction or altering of any well is prohibited without current licences for these activities issued by DoW, unless an exemption otherwise applies. |
| 25. | In respect to Proclaimed Ground Water Areas the following endorsement applies:<br>a) The abstraction of groundwater is prohibited unless a current licence to construct/alter a well and a licence to take groundwater has been issued by the DoW. |
| 26. | The rights of ingress to and egress from the mining tenement being at all reasonable times preserved to officers of Department of Water (DoW) for inspection and investigation purposes |
| 27. | In respect to Waterways the following endorsement applies:<br>a) Advice shall be sought from the DoW if proposing any exploration in respect to licence purpose within a defined waterway and within a lateral distance of:<br>• 50 metres from the outer-most water dependent vegetation of any perennial waterway, and<br>• 30 metres from the outer-most water dependent vegetation of any seasonal waterway. |
| **Conditions** | |
| 1. | All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (DMP). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP. |
| 2. | All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program. |
| 3. | Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations. |
| 4. | The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment. |
| 5. | The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:-<br>• the grant of the Licence; or<br>• registration of a transfer introducing a new Licensee;<br>advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer. |
| 6. | No interference with Geodetic Survey Station SSM-BFD8 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. |
| 7. | No interference with Geodetic Survey Station SSM-M 47 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. |
| 8. | No interference with the use of the Aerial Landing Ground and mining thereon being confined to below a depth of 15 metres from the natural surface. |
| 9. | Consent to explore on Stock Route Reserve 15159 granted by the Minister responsible for the Mining Act 1978 subject to the following condition:<br>a) No exploration activities being carried out on Stock Route Reserve 15159 which restrict the use of the reserve. |
| 10. | Mining on a strip of land 30 metres wide with the Rabbit Proof Fence as the centre-line being restricted to below a depth of 15 metres from the natural surface. |
| 11. | No interference with Geodetic Survey Station SSM-BFD2 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. |
| 12. | All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DMIRS. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMIRS. |
| 13. | Unless the written approval of the Environmental Officer, DMIRS is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately |

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| | stockpiled for replacement after backfilling and/or completion of operations. |
| 14. | No interference with Geodetic Survey Station SSM-M46 and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. |
| 15. | All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion. |
| 16. | The prior written consent of the Minister responsible for the Mining Act 1978 being obtained, with the concurrence of the Minister for Environment, before entering or commencing any prospecting or exploration activity on Conservation of Flora and Fauna Reserve 36957 |
| 17. | No interference with Geodetic Survey Station SSM-BALLADONIA 3,4 AND 6, SSM-BALLA 58-60, SSM-BALLADONIA 6T and mining within 15 metres thereof being confined to below a depth of 15 metres from the natural surface. |
| 18. | No excavation, excepting shafts, approaching closer to the EYRE Highway, Highway verge or the road reserve than a distance equal to twice the depth of the excavation and mining on the EYRE Highway or Highway verge being confined to below a depth of 30 metres from the natural surface. |
| 19. | The construction and operation of the project and measures to protect the environment to be carried out in accordance with the document titled:<br>• "Programme of Work on E69/3052 for Sheffield Resources Limited" (REG ID: 38748) dated 27 February 2013 signed by David Boyd, and retained on Department of Mines and Petroleum file no. EARS-POW-38748.<br>Where a difference exists between the above document(s) and the following conditions, then the following conditions shall prevail. |
| 20. | The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform. |
| 21. | All topsoil and vegetation being removed ahead of all mining operations being stockpiled appropriately for later respreading or immediately respread as rehabilitation progresses. |
| 22. | Consent to explore on Stock Route Reserve 15159 granted subject to the following condition:<br>a) No exploration activities being carried out on Stock Route Reserve 15159 which restrict the use of the reserve. |

**Tengraph interests**

| | Land Type | Description |
|---|---|---|
| 1. | Pastoral Lease N049553 (Balfour Downs) | The Tenement is partially overlapped by Pastoral Lease N049553 (Balfour Downs):<br>- E46/1041-I: 39481.03 Ha., 81.5% encroachment<br>- E46/1042-I: 21810.56 Ha., 100% encroachment<br>- E46/1069-I: 3645.34Ha., 6.4% encroachment<br>- E46/1194: 2009.98Ha., 7.2% encroachment |
| 2. | Pastoral Lease N049420 (Mt Divide) | The Tenement is partially overlapped by Pastoral Lease N049420 (Mt Divide):<br>- E46/1041-I: 8947.55 Ha., 18.5% encroachment<br>- E46/1069-I: 35070.60., 61.4% encroachment<br>- E46/1119-I: 15074.84Ha., 64.2% encroachment |
| 3. | Pastoral Lease N049879 (Wandanya) | The Tenement is partially overlapped by Pastoral Lease N049879 (Wandanya):<br>- E46/1044-I: 2094.32Ha., 23.6% encroachment<br>- E46/1099-I: 4300.02Ha., 16.0% encroachment<br>- E46/1116: 19762.56Ha., 60.4% encroachment |
| 4. | Vacant Crown Land | Under Section 41 of the Land Administration Act 1997 (WA) (**LA Act**) the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (CLT) and is depicted on an authenticated map held by Landgate.<br>Reservation action is normally initiated by the Department for Planning and Infrastructure following community or Government request, land planning decisions, or as a result of the subdivision of land.<br>The Land Act 1933 (WA) provided for State reserves to be classified as Class A, B or C. There is no provision in the LA Act to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LA Act. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.<br>Refer to Section 8 of this Report for further information and details of the Tenements which overlap vacant crown land. |
| 5. | Crown Reserve | Under section 41 of the Land Administration Act 1997 the Minister may set aside Crown lands by Ministerial Order in the public interest. Every such reservation has its description and designated purpose registered on a Crown Land Title (CLT) and is depicted on an authenticated map held by Landgate.<br>Reservation action is normally initiated by the Department for Planning and Infrastructure following community or Government request, land planning decisions, or as a result of the subdivision of land. |

| | Land Type | Description |
|---|---|---|
| | | The Land Act 1933 provided for State reserves to be classified as Class A, B or C. There is no provision in the LAA to create new Class B reserves and there is no longer reference to Class C reserves. Class A affords the greatest degree of protection for reserved lands, requiring approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. The A classification is used solely to protect areas of high conservation or high community value. Class B reserves continue, but are no longer created under the LAA. The Minister for Lands may deal with Class B reserved lands as normal reserves, provided that, should the reservation be cancelled, a special report is made to both Houses of Parliament within 14 days from the cancellation or within 14 days after the commencement of the next session.<br>Once created, a reserve is usually placed under the care, control and management of a State government department, local government or incorporated community group by way of a Management Order registered against the relevant CLT. A Management Order under the LAA does not convey ownership of the land – only as much control as is essential for the land's management.<br>Refer to Section 8 of this Report for further information and details of the Tenements which overlap crown reserves. |
| 6. | Historical Lease 394/430 | The Tenement is partially overlapped by Historical Lease 394/430:<br>- E46/1069-I: 14912.29Ha., 26.1% encroachment<br>- E46/1119-I: 3841.46Ha., 16.4% encroachment |
| 7. | Historical Lease 394/412 | The Tenement is partially overlapped by Historical Lease 394/412:<br>- E46/1069-I: 1094.29Ha., 1.9% encroachment |
| 8. | Pastoral Lease N050058 (Noreena Downs) | The Tenements is partially overlapped by Pastoral Lease N050058 (Noreena Downs):<br>- E46/1069-I: 15604.51Ha., 27.3% encroachment<br>- E46/1119-I: 6821.78Ha., 29.0% encroachment |
| 9. | Aboriginal Heritage Survey | Aboriginal Heritage Survey Areas are areas in which an Aboriginal Heritage Survey has been undertaken and results are described in a Heritage Survey Report. The Department of Aboriginal Affairs holds copies of these reports.<br><br>A heritage survey conducted in a particular area does not necessarily mean that another heritage survey does not need to be undertaken. This will depend on the type of survey undertaken and also when the original survey was undertaken. Not all Aboriginal sites within a survey area are necessarily recorded in the survey. The type of survey undertaken, such as site identification or Site Avoidance, is decided by the professional<br>heritage consultant engaged by the proponent and depends upon the scope and nature of the project. What is appropriate for one project may not be for a different project.<br><br>The following Aboriginal Heritage Survey Areas were identified on the Tenements:<br><br>**E46/1041**<br>DAA HSR Survey ID: 102261, 100.00Ha., 0.2%<br><br>**E46/1042** |

| | Land Type | Description |
|---|---|---|
| | | DAA HSR Survey ID: 23759, 52.71Ha., 0.3%<br>DAA HSR Survey ID: 23984, 13.70Ha., 0.1%<br>DAA HSR Survey ID: 23792, 46.30Ha., 0.2%<br>DAA HSR Survey ID: 23760, 46.30Ha., 0.2%<br>DAA HSR Survey ID: 23903, 46.30Ha., 0.2%<br>DAA HSR Survey ID: 200238, 0.02Ha., <0.1%<br><br>**E46/1069-I**<br>DAA HSR Survey ID: 102261, 100.00Ha., 0.2%<br>DAA HSR Survey ID: 200111, 46614.57Ha., 81.7%<br>DAA HSR Survey ID: 28981, 94.73Ha., 0.2%<br>DAA HSR Survey ID: 200274, 0.29Ha., <0.1%<br>DAA HSR Survey ID: 200385, 0.50Ha., <0.1%<br>DAA HSR Survey ID: 200383, 0.04Ha., <0.1%<br>DAA HSR Survey ID: 200380, 0.19Ha., <0.1%<br>DAA HSR Survey ID: 28917, 18004.27Ha., 31.5%<br><br>**E46/1099-I**<br>DAA HSR Survey ID: 17415, 5351.03Ha., 19.9%<br><br>**E45/4959**<br>DAA HSR Survey ID: 17615 (ID:2), 432.32Ha., 3.4%<br>DAA HSR Survey ID: 17616, 35.18Ha., 0.3%<br>DAA HSR Survey ID: 102556, 420.98Ha., 3.3%<br>DAA HSR Survey ID: 17615 (ID:1), 420.98Ha., 3.3%<br>DAA HSR Survey ID: 20669, 10.45Ha., 0.1%<br>DAA HSR Survey ID: 22901, 76.26Ha., 0.6%<br><br>**E46/1116-I**<br>DAA HSR Survey ID: 28330, 8779.02Ha., 26.8%<br>DAA HSR Survey ID: 27387, 1457.07Ha., 4.5%<br>DAA HSR Survey ID: 27420, 93.05Ha., 0.3% |

| | Land Type | Description |
|---|---|---|
| | | DAA HSR Survey ID: 27388, 12699.01Ha., 38.8%<br>DAA HSR Survey ID: 27984, 18.05Ha., 0.1%<br><br>**E46/1119-I**<br>DAA HSR Survey ID: 102261, 81.32Ha., 0.3%<br>DAA HSR Survey ID: 27234, 3492.30Ha., 14.9%<br>DAA HSR Survey ID: 200111, 23486.70Ha., 100%<br>DAA HSR Survey ID: 28981, 5.95Ha., <0.1%<br>DAA HSR Survey ID: 200385, 397.17Ha., 1.7%<br>DAA HSR Survey ID: 200377, 34.22Ha., 0.1%<br>DAA HSR Survey ID: 200376, 33.71Ha., 0.1%<br>DAA HSR Survey ID: 28917, 19236.76Ha., 81.9%<br><br>**E45/4845**<br>DAA HSR Survey ID: 21793, 4.73Ha., <0.1%<br>DAA HSR Survey ID: 17400, 2717.37Ha.,12.2%<br>DAA HSR Survey ID: 102394, 0.01Ha., <0.1%<br>DAA HSR Survey ID: 21790, 4.73Ha., <0.1%<br>DAA HSR Survey ID: 200358, 6.27Ha., <0.1%<br><br>**E45/4847**<br>DAA HSR Survey ID: 17400, 864.48Ha., 3.9%<br>DAA HSR Survey ID: 105000, 15865.14Ha., 72.5%<br>DAA HSR Survey ID: 18161, 18954.84Ha., 86.6%<br><br>**E45/4871**<br>DAA HSR Survey ID: 20607, 50.67Ha., 0.3%<br><br>**E45/4955**<br>DAA HSR Survey ID: 20607, 54.86Ha., 0.4%<br><br>**E28/2374** |

| | Land Type | Description |
|---|---|---|
| | | DAA HSR Survey ID: 17600, 3825.27Ha., 100%<br><br>**E39/1733**<br>DAA HSR Survey ID: 17600, 23205.57Ha., 97.6%<br><br>**E69/3052**<br>DAA HSR Survey ID: 17057, 59.42Ha., 0.3%<br>DAA HSR Survey ID: 17373, 413.06Ha., 1.8%<br>DAA HSR Survey ID: 17608, 413.06Ha., 1.8%<br><br>**E46/1194**<br>DAA HSR Survey ID: 102915, 0.01Ha., <0.1%<br>DAA HSR Survey ID: 102901, 0.01Ha., <0.1% |
| 10. | Historical Lease 395/436 | The Tenement is partially overlapped by Historical Lease 395/436:<br>- E46/1099-I: 502.51Ha., 1.9% encroachment |
| 11. | Pastoral Lease N049436 (Warrawagine) | The Tenement is partially overlapped by Pastoral Lease N049436:<br>- E45/4958: 4591.35Ha., 71.8% encroachment<br>- E45/4959: 3769.42Ha., 29.5% encroachment |
| 12. | Historical Lease 394/525 | The Tenement is partially overlapped by Historical Lease 394/525:<br>- E45/4959: 1667.88Ha., 13.1% encroachment |
| 13. | Historical Lease 394/422 | The Tenement is partially overlapped by Historical Lease 394/422:<br>- E45/4959: 2017.76Ha., 15.8% encroachment |
| 14. | Historical Lease 394/482 | The Tenement is partially overlapped by Historical Lease 394/482:<br>- E46/1116: 7852.71Ha., 24.0% encroachment |
| 15. | Pastoral Lease N050421 (Kanandah) | The Tenement is partially overlapped by Pastoral Lease N050421:<br>- E28/2374: 510.80Ha., 13.4% encroachment |
| 16. | Pastoral Lease N050433 (Fraser Range) | The Tenement is partially overlapped by Pastoral Lease N050433:<br>- E28/2563: 1551.78Ha., 88.6% encroachment<br>- E69/3521: 140.86Ha., 1.9% encroachment |
| 17. | Pastoral Lease N050640 (Southern Hills) | The Tenement is partially overlapped by Pastoral Lease N050640:<br>- E69/3033: 13044.78Ha., 100% encroachment<br>- E69/3052: 13382.67Ha., 58.6% encroachment |

| | Land Type | Description |
|---|---|---|
| | | - E69/3521: 2044.10Ha., 27.0% encroachment |
| 18. | Pastoral Lease N049404 (Indigenous Held) (Walagunya) | The Tenement is partially overlapped by Pastoral Lease N049404:<br>- E46/1194: 26067.07Ha., 92.8% encroachment |
| 19. | Pastoral Lease N049724 (Ethel Creek) | The Tenement is partially overlapped by Pastoral Lease N049724:<br>- E46/1194: 6.43Ha., <0.1% encroachment |

## PART II – NATIVE TITLE

### NATIVE TITLE CLAIMS

| TENEMENTS AFFECTED | TRIBUNAL NUMBER | FEDERAL COURT NUMBER | APPLICATION NAME | REGISTERED |
|---|---|---|---|---|
| E46/1041-I<br>E46/1042-I<br>E46/1044-I<br>E46/1069-I (34.8%)<br>E46/1099-I (66.3%)<br>E46/1116 (2.1%)<br>E46/1119-I (4.1%)<br>E46/1194 | WC2005/006 | WAD6280/1998 | David Stock & Ors on behalf of the Nyiyaparli People (Nyiyaparli) | 29/11/2005 |
| E46/1069-I (65.2%)<br>E46/1119-I (95.9%) | WC1999/016 | WAD6287/1998 | Cheryl Yuline & Ors & State of Western Australia (Palyku) | 02/08/1999 |
| E46/1099-I (4.2%)<br>E45/4958<br>E45/4959<br>E46/1116 (97.9%)<br>E46/1119-I | WC1999/008 | WAD6028/1998 | Kevin Allen & Ors v State of Western Australia & Ors (Njamal #1) | 03/06/1999 |

**NATIVE TITLE DETERMINATIONS**

| TENEMENTS AFFECTED | TRIBUNAL NUMBER | FEDERAL COURT NUMBER | APPLICATION NAME | DETERMINATION OUTCOME | DETERMINATION DATE AND DATE OF EFFECT |
|---|---|---|---|---|---|
| E46/1099-I (28.1%)<br>E45/4845<br>E45/4847<br>E45/4871<br>E45/4881<br>E45/4955 | WCD2002/002 | WAD6110/1998 | Jeffrey James & Others on behalf of the Martu People v The State of Western Australia and Others | Native title exists in the entire determination area | 27/09/2002 |
| E28/2563<br>E69/3033<br>E69/3052<br>E69/3521 | WCD2014/004 | WAD6020/1998 | Graham on behalf of the Ngadju People v State of Western Australia | Native title exists in the entire determination area | 21/11/2014 |

**ILUAs**

The land under Tenements listed below is subject to an ILUA. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUAs, which provided the following details.

| ILUA NAME | NNTT NUMBER | ILUA TYPE | TENEMENTS AFFECTED | REGISTERED | PARTIES TO THE ILUA | PERIOD WITHIN WHICH ILUA WILL OPERATE |
|---|---|---|---|---|---|---|
| Nyiyaparli People and BHP Billiton Comprehensive Agreement – Initial ILUA | WI2012/005 | Area Agreement | E46/1041-I<br>E46/1042-I<br>E46/1044-I<br>E46/1069-I (34.8%)<br>E46/1099-I (66.3%)<br>E46/1116 (2.1%)<br>E46/1119-I (4.1%)<br>E46/1194 | 13/03/2013 | 1. BHP Billiton for and on behalf of BHP Billiton Minerals Pty Ltd as agent; BHP Iron Ore (Jimblebar) Pty Ltd as agent; BHP Coal Pty Ltd as agent; BHP Billiton Direct Reduced Iron Pty Ltd as agent; the participants in the Mount Goldsworthy Mining Associates Joint Venture as at the Commencement Date as manager and agent; the participants in the Mt Newman Mining Associates Joint Venture as at the Commencement Date as manager and agent; the participants in the Wheelarra Joint Venture as at the Commencement Date as manager and agent; and the participants in the Yandi Joint Venture as at the Commencement Date as manager and agent.<br>2. David Stock, Gordon Yuline, Victor Parker, Raymond Drage and Billy Cadigan on their own behalf as registered native title claimants and on behalf of the Nyiyaparli People | **Start Date**: 26/06/2012<br>**End Date**: Not specified |
| RTIO and Nyiyaparli ILUA | WI2012/007 | Area Agreement | E46/1041-I<br>E46/1042-I<br>E46/1044-I<br>E46/1069-I (34.8%)<br>E46/1099-I (66.3%)<br>E46/1116 (2.1%) | 13/03/2013 | 1. Hamersley Iron Pty Ltd<br>2. Robe River Mining Co Pty Ltd on its own behalf as a Venturer and as Manager for and on behalf of the Robe River Iron Associates<br>3. Hamersley HMS Pty Ltd as Manager for and on behalf of the Hope Downs Joint Venturers<br>4. Hamersley Resources Ltd on its own behalf as a Venturer and as Manager for and on behalf of the Rhodes Ridge Joint Venturers<br>5. David Stock, Gordon Yuline, Raymond Drage, Billy Cadigan and Victor Parker on their own behalf as registered native title claimant and on behalf of the Nyiyaparli People | **Start Date:** 12/07/2012<br>**End Date:** Not specified |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | E46/1119-I (4.1%)<br>E46/1194 | | | |
| FMG-Nyiyaparli Land Access ILUA | WI2016/003 | Area Agreement | E46/1041-I<br>E46/1042-I<br>E46/1044-I<br>E46/1069-I (34.8%)<br>E46/1099-I (66.3%)<br>E46/1116 (2.1%)<br>E46/1119-I (4.1%)<br>E46/1194 | 15/12/2016 | 1. Chichester Metals Pty Ltd<br>2. David Stock, Leonard Stream, Raymond Drage, Billy Cadigan and Victor Parker for and on behalf of the Nyiyaparli People and the Nyiyaparli People #3<br>3. The Pilbara Infrastructure Pty Ltd<br>4. Fortescue Metals Group Ltd | Not specified |
| Lake Disappointment Project Mining and Indigenous Land Use Agreement | WI2012/009 | Body Corporate | E46/1099-I (28.1%)<br>E45/4845<br>E45/4847<br>E45/4871<br>E45/4881<br>E45/4955 | 21/12/2012 | 1. Holocene Pty Ltd<br>2. Reward Minerals Limited<br>3. Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC | Not specified |
| Newcrest Mining Project Area ILUA | WI2015/022 | Body Corporate | E45/4845<br>E45/4847<br>E45/4871 (<0.1%)<br>E45/4881 (10.2%) | 17/02/2016 | 1. Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC (WDLAC)<br>2. Newcrest Operations Limited (Newcrest) | **Start Date:**<br>04/12/2015<br><br>**End Date:**<br>Not specified |

| | | | | | | |
|---|---|---|---|---|---|---|
| Taungurung – Mt Conqueror Minerals Regional Exploration and Mining ILUA | VI2004/004 | Area Agreement | EL5523 | 05/05/2006 | 1. Glenys Patricia Elizabeth Merry, Brian Paterson, Judith Monk and Michael Harding on behalf of the Taungurung Native Title Group<br>2. Mount Conqueror Minerals NL | **Start Date:** 07/08/2005<br>**End Date:** Not specified |

**POTENTIAL ILUA AND LAND USE ACTIVITY AGREEMENT UNDER THE SETTLEMENT ACT**

On 15 January 2015, Jamieson Minerals Pty Ltd (**Jamieson**) received notice from NTSV advising that EL5523 will have an impact on the native title rights and interests of the Taungurung People. The correspondence advised of a negotiation between the Tuangurung People and the State of Victoria for a Recognition and Settlement Agreement under Section 4 of the Settlement Act, and that the State of Victoria had accepted the threshold statement on 4 September 2014, which is analogous to achieving registration of a native title claim under the NTA. NTSV submitted therefore that, while there is no obligation on Jamieson to do so, it would be reasonable and appropriate to negotiate an ILUA, and to do so on terms as if a Land Use Activity Agreement (which forms part of a Recognition and Settlement Agreement) under the Settlement Act applied to the area of EL5523. To date, Jamieson have not entered into such negotiations, however it is anticipated this will occur following admission to the Official List.

## HERITAGE & COMPENSATION AGREEMENTS

The following Heritage Agreements affect the Tenements:

**Heritage Agreement** between the Company and The Registered Applicants for the Njamal Claimant Group dated 2016, which applies to E46/1099, E46/1116, E46/1119, E45/4958 and E45/4959.

**Agreement for Heritage Protection Over Exploration and Prospecting Tenure** between the Company and John Walter Graham, Katie Ray & Jack Schultz on behalf of the [Ngadju] Native Title Claim [No WC99/002] Group dated 5 December 2011, which relates to E69/3033.

**Agreement for Heritage Protection Over Exploration and Prospecting Tenure** between the Company and John Walter Graham, Sonny Graham, Katie Ray & Jack Schultz on behalf of the [Ngadju] Native Title Claim [No WC99/002] Group dated 8 June 2012, which relates to E69/3052.

## ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

| Site ID | Site Name | Site Type | Status | Tenements |
|---|---|---|---|---|
| 9910 | Peeblegunja Hill South | Engraving | Registered Site | E46/1041-I |
| 9911 | Peeblegunja Hill | Engraving | Registered Site | E46/1041-I |
| 27794 | BD-HDL/002 | Artefacts/Scatter | Registered Site | E46/1042-I |
| 11888 | MT McLARTY | Artefacts/Scatter, Repository/Cache | Registered Site | E46/1069<br>E46/1119-I |
| 403 | RIPON HILLS ROAD 05 | Artefacts/Scatter | Registered Site | E45/4959 |
| 9913 | NOOGANOONGA ROCKHOLE | Grinding Patches/Grooves | Registered Site | E46/1119-I |

## ABORIGINAL HERITAGE – VICTORIA

Our searches did not return any results for registered Aboriginal Place or Object, notified place, stop order, protection declaration or cultural heritage agreement on or with regards to EL5523. Our searches provided that there are areas of cultural heritage sensitivity associated with EL5523.

## 12. BOARD, MANAGEMENT AND INTERESTS

### 12.1 Directors and key personnel

The Board of the Company consists of:

(a) **William Burbury** – *Non-Executive Chairman – Refer to Section 7.5 of this Prospectus for Mr Burbury's biography;*

(b) **David Boyd-** *Managing Director – Refer to Section 7.5 of this Prospectus for Mr Boyd's biography;*

(c) **Bruce McQuitty** – *Non-Executive Director* – Refer to *Section 7.5 of this Prospectus for Mr McQuitty's biography; and*

(d) **David Archer -** *Non-Executive Director– Refer to Section 7.5 of this Prospectus for Mr Archer's biography.*

A Biography for Company Secretary, Gemma Davies is also contained in *Section 7.5* of this Prospectus.

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. The Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Projects.

### 12.2 Disclosure of Interests

It has been agreed that the Directors will not be paid director fees until after Official Quotation. The amount of remuneration paid to the Directors for the financial year ended on 30 June 2017, and the proposed remuneration to be paid for the current financial year ending 30 June 2018 for their position in Carawine is set out in the table below.

| Director | Proposed Remuneration for the Current Financial Year (ending 30 June 2018) | Previous Financial Year (ending 30 June 2017) |
|---|---|---|
| W Burbury[1] | $44,712[3] | Nil |
| D Boyd[2] | $209,426 [4] | Nil |
| B McQuitty[1] | $41,062[3] | Nil |
| D Archer[1] | $41,062[3] | Nil |

**Notes:**

1. Mr Burbury, Mr McQuitty and Mr Archer are directors of Sheffield and will continue to receive, in addition to their director fees for Carawine, their director fees for Sheffield.

2. The remuneration payment to Mr Boyd consists of a cash based payment, superannuation payment and a share based payment, which includes 1,700,000 Performance Rights (on terms set out in 15.5 of this Prospectus) that will be issued to Mr Boyd prior to Official Quotation.

3. The calculation of proposed remuneration is based on the date that the Directors fees begin to accrue which was 1 September 2017, although as stated above these amounts will not be paid until after Official Quotation. These include superannuation.

4. D Boyd's calculation of proposed remuneration is based on the commencement date of Mr Boyd's executive service agreement, which will be just prior to the Distribution, estimated to be early December 2017.

None of the Directors hold any Securities in the Company as at the date of this Prospectus. The relevant interest in the securities of the Company each Director will obtain pursuant to the Distribution is set out in the table below.

| Director | Shares to be acquired pursuant to the Distribution[1] | Loyalty Options to be issued prior to Official Quotation [2] | Performance Rights to be issued prior to Official Quotation [3] |
|---|---|---|---|
| William Burbury | 718,546[4] | 239,515 | Nil |
| David Boyd | 20,614[4] | 6,871 | 1,700,000 |
| David Archer[2] | 718,796 [4] | 239,598 | Nil |
| Bruce McQuitty | 706,625[4] | 235,541 | Nil |

**Notes:**

1. Assuming an approximately 1 for 11.4 ratio for the Distribution for illustrative purposes only. It is not clear at the date of this Prospectus what the exact ratio for the Distribution will be.

2. Where the Directors are Shareholders prior to the issue of Securities under the Offer they will be eligible to participate in the Bonus Issue and be issued Loyalty Options on a one for every three Shares held at the necessary date. The Loyalty Options will be exercisable at $0.30 each, within three (3) years of issue. Loyalty Options will vest on the date that is six months from Official Quotation of the Company subject to the vesting conditions. These terms are set out in Section 15.3 of the Prospectus.

3. The Company will issue David Boyd 1,700,000 Performance Rights pursuant to the Company's Performance Rights Plan prior to Official Quotation. The terms and conditions of the Performance Rights and the Performance Rights Plan are set out in Sections 15.4 and 15.5 of this Prospectus.

4. Assumes a maximum allocation under the Sheffield share purchase plan (announced by Sheffield on 25 October 2017) of 21,428 Sheffield shares. In respect of Mr Archer, this also assumes Mr Archer will exercise his 61,175 options in Sheffield following the satisfaction of the relevant vesting condition which will occur on 1 November 2017 (i.e before the Record Date).

## 12.3 Agreements with Directors and Related Parties

The Company's policy in respect of related party arrangements is:

(a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and

(b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 14.4 - 14.8 (inclusive).

## 13. CORPORATE GOVERNANCE

### 13.1 ASX Corporate Governance Council Principles and Recommendations

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 Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. 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 and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.carawine.com.au.

### 13.2 Board of directors

The Board is responsible for 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:

(a) maintain and increase Shareholder value;

(b) ensure a prudential and ethical basis for the Company's conduct and activities; and

(c) ensure compliance with the Company's legal and regulatory objectives.

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

(a) leading and setting the strategic direction and objectives of the Company;

(b) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of Executives and the Company Secretary;

(c) overseeing the Executive's implementation of the Company's strategic objectives and performance generally;

(d) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;

(e) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);

(f) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;

(g) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and

(h) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

**13.3 Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto:

(a) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and

(b) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent shareholders and fulfil the business objectives of the Company.

The Board currently consists of four directors (three non-executive Directors and one executive Director) of whom none are considered independent. The Board considers the current balance of skills and expertise is appropriate for the Company for its currently planned level of activity.

To assist the Board in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors which allows new directors to participate fully and actively in Board decision-making at the earliest opportunity, and enable new Directors to gain an understanding of the Company's policies and procedures.

**13.4 Identification and management of risk**

The Board's collective experience will enable accurate 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.

### 13.5 Ethical standards

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

### 13.6 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### 13.7 Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

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 ASX Listing Rules, as applicable. The determination of non-executive Directors' 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. The current amount has been set at an amount not to exceed $250,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, 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, hotel 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 Directors' 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.

### 13.8 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its directors, officers, employees and contractors. The policy generally provides that for directors, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

### 13.9 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

### 13.10 Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

### 13.11 Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.

## 14. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Securities.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

### 14.1 Jamieson Agreement

On 27 June 2017 (**Commencement Date**), Carawine entered into an earn-in agreement with Jamieson pursuant to which Carawine was granted the opportunity to earn a 100% interest in Victorian Exploration Licence 5523 (**EL5523**) (**Jamieson Agreement**). The material terms of the Jamieson Agreement are as follows:

(a) (**Joint Venture**): On and from Commencement Date, the parties agreed to constitute themselves in an unincorporated joint venture (**Joint Venture**) with respect to exploration of EL5523, pursuant to which it is intended that Carawine will carry out, and Jamieson will observe such exploration.

(b) (**Committee**): A committee comprised of two representatives of Carawine, and one representative of Jamieson was established to oversee the administration and strategic direction of the objective of the Joint Venture.

(c) (**Good Standing**): Carawine, at its sole cost, will be responsible for keeping EL5523 in good standing.

(d) (**Earn-In**): Additionally, Jamieson has granted Carawine the right to incur earn-in expenditure of $190,000 (**Earn-In Expenditure**) by 27 June 2019 (unless extended) (**Earn-In Period**), in exchange for which Jamieson will transfer all legal and beneficial interest in EL5523 to Carawine, the costs of which will be borne by Carawine. Upon completion of this transfer, the Joint Venture is terminated (**Completion Date**).

(e) (**Post Earn-In Payment**): If at Completion Date or if Carawine is admitted to the Official List within 6 months of Completion Date, Carawine will issue to Jamieson, Shares representing a value of $200,000 (**Subscription Shares**). If Carawine is not admitted or does not intend to be admitted to the Official List, Jamieson may elect to be paid $200,000 in lieu of the issue of the Subscription Shares (**Completion Payment**).

(f) (**Withdrawal**): Carawine may terminate the Jamieson Agreement and Joint Venture at any time during the Earn-In Period, subject to satisfaction of the Guaranteed Expenditure Commitment (explained below) if payable, and rehabilitation of EL5523.

(g) (**Guaranteed Expenditure Commitment**): The Guaranteed Expenditure Commitments are calculated as follows:

(i) where a notice of withdrawal is sent on or before 27 December 2017 the Guaranteed Expenditure Commitment is $10,000;

(ii) where a notice of withdrawal is sent between 27 December 2017 and 27 June 2018 (inclusive), the Guaranteed Expenditure Commitment is $40,000; and

(iii) where a notice of withdrawal is sent between 27 June 2018 and 27 June 2019, the Guaranteed Expenditure Commitment is $190,000.

(h) (**Non-Compete**): For a period of two years from a notice of withdrawal, Carawine must not apply for or otherwise acquire a legal or beneficial interest in a mineral licence located within one kilometre of the boundaries of EL5523.

(i) (**Change of Control**): If a change of control of Jamieson occurs during the Earn-In Period, Carawine may cause Jamieson to offer to Carawine to sell its interest in EL5523 at the price of the Earn-In Expenditure yet to be expended, plus the Completion Payment (in which case no Subscription Shares will be issued).

The Jamieson Agreement otherwise contains representations, warranties and dispute resolution and termination clauses considered standard for an agreement of this nature.

**14.2 Fraser Range JVA – Fraser Range Project**

Carawine is party to the joint venture agreement (as varied) with IGO and IGONL (**Fraser Range JVA**), under which IGO acquires an interest in E28/2374, E39/1733, E69/3033, E69/3052 and E28/2563 (**Fraser Range Project**). The material terms of the Fraser Range JVA are as follows.

(a) (**Interests**): As at the date of this Prospectus, Carawine holds a 49% interest and IGO holds a 51% interest in the Fraser Range Project.

(b) (**Fraser Range JV**): IGO and Carawine operate by way of an unincorporated joint venture for the purpose of exploring and, if warranted, developing and mining the Fraser Range Project (**Fraser Range JV**). IGO is the first manager of the Fraser Range JV.

(c) **Operating Committee**): An operating committee has been established with one representative from each of IGO and the Company Until the earlier of satisfaction of the Earn-In Commitment, relinquishment by IGO, and 5 years (**Earn-In Period**), IGO shall be entitled to solely determine work programmes and budgets.

(d) (**Earn-in Right**): Carawine has granted to IGO the sole and exclusive right to earn-in an additional 19% interest in the Fraser Range JV by sole funding Fraser Range JV expenditure equal to $5,000,000 (**Earn-in Commitment**) within 5 years from commencement of the Fraser Range JV (subject to extension, or relinquishment by IGO). Carawine will not contribute to Fraser Range JV expenditure during this time. IGO may elect to pay Carawine an amount equal to the difference between actual Fraser Range JV expenditure and the Earn-in Commitment, in satisfaction of the Earn-in Commitment.

(e) (**Option to Acquire Additional Interest**): Carawine has granted to IGO an option (**IGO Option**) to purchase an additional 5% interest in the Fraser Range JV for $10,000,000, payable at the election of IGO in either cash,

or shares in IGONL based on the 10-day volume weighted average price of IGONL shares traded on the ASX (**Additional Interest Price**).

(f) (**Cash Calls and Dilution**): Carawine is free carried during the Earn-In Period after which each of IGO and Carawine must either contribute in proportion to their respective Fraser Range JV interest, or be diluted in accordance with the formula set out in the Fraser Range JVA. If Carawine's interest is diluted to 5% or less, it is deemed to have withdrawn from the Fraser Range JV, and its interest will convert to a net smelter royalty of 1% of the net smelter return.

The Fraser Range JVA otherwise contains representations, warranties and dispute resolution and termination clauses considered standard for an agreement of this nature.

### 14.3 Lead Manager Mandate

The Company has entered into a mandate letter with Patersons Securities Limited engaging Patersons to act as Lead Manager of the Offer (**Lead Manager Mandate**). Under the terms of this engagement the Company will pay Patersons:

(a) a management fee of 1% of total funds raised under the Prospectus plus GST;

(b) a 5% capital raising fee on funds raised under the Prospectus. Patersons will be responsible for paying all selling fees that Patersons and the Company agree with any other financial service licensees or brokers; and

(c) a corporate advisory fee of $60,000 payable on completion of the Offer.

Additionally, the Company will also pay Patersons for any reasonable disbursements and out of pocket expenses under the Offer.

Some of the above fees will be passed on by Patersons to other brokers and advisers that assist with raising funds under the Offer.

All other terms of the Lead Manager Mandate are considered standard for an agreement of this nature.

### 14.4 Executive Services Agreement – David Boyd

The Company and Mr David Boyd entered into an executive services agreement (**Executive Services Agreement**) pursuant to which Mr Boyd will be engaged as the Managing Director of the Company.

The material terms of the Executive Services Agreement are as follows:

(a) (**Term**): The engagement will commence on the date prior to the Distribution (**Commencement Date**) and continue until the agreement is validly terminated.

(b) (**Remuneration**): Mr Boyd will receive a base salary of $230,000 per annum (excluding superannuation) (**Salary**).

(c) (**Performance Based Bonuses**): Mr Boyd is eligible at the Company's discretion to receive a performance based bonus in addition to his Salary.

(d) (**Performance Rights**): The Company will issue 1,700,000 Performance Rights to Mr Boyd prior to the date of Official Quotation, being, 250,000 Tranche 1 Performance Rights, 350,000 Tranche 2 Performance Rights, 550,000 Tranche 3 Performance Rights and 550,000 Tranche 4 Performance Rights.

(e) (**Termination by the Company**): The Company may terminate Mr Boyd's employment:

(i) summarily by notice in writing, if Mr Boyd commits serious misconduct; or

(ii) at any time, by giving three months' written notice and a further payment of three months of his Salary in lieu.

If the Company terminates Mr Boyd's employment in accordance with clause (ii) above, within the one year of the Commencement Date, the Company must pay Mr Boyd the remaining Salary that he would have received had he been employed until the completion of the first year.

(f) (**Termination by the Executive**): Mr Boyd may terminate his appointment at any time by giving the Company three months' written notice.

The Executive Services Agreement also contains various other terms and conditions that are considered standard for an agreement of this nature.

### 14.5 Non-executive Directors Agreements

Carawine has entered into a Letter of Appointment with each of the Non-Executive Directors, Mr David Archer, Mr Bruce McQuitty and Mr William Burbury (**Letters of Appointment**). Each of the Letters of Appointment provide that amongst other things, in consideration for their services, the Company will pay the following fees to the relevant Non-Executive Directors.

| Director | Position | Amount per Annum (excl superannuation) |
|---|---|---|
| William Burbury | Non-Executive Chairman | $49,000 |
| David Archer | Non-Executive Director | $45,000 |
| Bruce McQuitty | Non-Executive Director | $45,000 |

Each Non-Executive Director is also entitled to additional payments for devoting special attention to business outside the scope or ordinary duties and is entitled to reasonable expenses properly incurred whilst undertaking their respective duties.

Each Non-Executive Director is also entitled to be reimbursed reasonable expenses incurred in performing their duties, including the cost of attending Board meetings, travel, accommodation and entertainment expenses where agreed to by the Board.

Messrs Archer, McQuitty and Burbury are not considered to be independent directors of Carawine.

### 14.6 Services Agreement between Carawine and Sheffield

The Company entered into a services agreement with Sheffield under which Sheffield will provide the Company with transitional administrative services and

interim office space on a monthly basis following the Distribution whilst the Company builds its own in-house capability (**Services Agreement**).

The Company will pay Sheffield a fee of approximately $11,000 per month for these services.

The Services Agreement was negotiated on an arm's length basis, and the Company is satisfied that the agreed terms are the best the Company was able to negotiate with Sheffield or a third party at the time.

### 14.7 Tenement Acquisition Agreement

In June 2016, at which point the Company was still a proprietary limited wholly owned subsidiary of Sheffield, the Company and Sheffield entered into a Tenement Acquisition Agreement, whereby Sheffield sold and transferred the rights, title and interest in certain tenements to Carawine. The tenements transferred were the tenements which at the time made up the Oakover Project and the Fraser Range Project being E46/1041, E456/1042, E46/1044, E46/1069, E46/1099, E46/1116, E46/1119, E69/3052, E69/3033, E28/2374, E39/1733 and E28/2563.

### 14.8 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and Access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect Board papers in certain circumstances.

## 15. ADDITIONAL INFORMATION

### 15.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

### 15.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. 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 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, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) **Voting rights**

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

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

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

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

(e) **Shareholder liability**

As the Shares under the 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**

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

(g) **Variation of rights**

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

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the

holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

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

**15.3 Rights attaching to Loyalty Options**

The terms and conditions applying to the Loyalty Options are as follows:

(a) **Entitlement**

Upon vesting, each Loyalty Option entitles the holder to subscribe for one Share upon exercise of the Loyalty Option.

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Loyalty Option will be $0.30 (**Exercise Price**).

(c) **Vesting Conditions**

The Loyalty Options are subject to a vesting condition that the Loyalty Option holder holds Shares on the date that is six months following the commencement of trading of Shares on the ASX (**Vesting Date**)**.** Up to the Vesting Date, the Loyalty Options are non- transferable.

The number of Loyalty Options to vest will be the lesser of:

(i) the number of Loyalty Options held by the holder on the Vesting Date; and

(ii) the number of Shares held by the holder on the Vesting Date divided by 3.

(d) **Expiry Date**

Each Loyalty Option will expire at 5:00 pm (WST) on that date which is 36 months from the date the Company is admitted to the Official List of ASX (**Expiry Date**). A Loyalty Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

(i) Subject to (e)(ii), the Loyalty Options may be exercised at any time after the Vesting Date and prior to the Expiry Date, in whole or part, upon payment of the exercise price per Loyalty Option (**Exercise Period**).

(ii) The Loyalty Options may be exercised in whole or in part and if exercised in part, multiples of 1,000 Loyalty Options must be exercised on each occasion. Where less than 1,000 Loyalty

Options are held, all Loyalty Options held by the holder must be exercised together.

(f) **Notice of Exercise**

The Loyalty Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Loyalty Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Loyalty Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Loyalty Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, Carawine will:

(iii) issue the number of Shares required under these terms and conditions in respect of the number of Loyalty Options specified in the Notice of Exercise and for which cleared funds have been received by Carawine;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the Official List of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Loyalty Options.

If a notice delivered under (h) (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things

necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Loyalty Options rank equally with the then issued shares of the Company.

(j) **Quotation of Shares issued on exercise**

If admitted to the Official List of ASX at the time, application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Loyalty Options.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Loyalty Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options without exercising the Loyalty Options.

(m) **Change in exercise price**

A Loyalty Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Loyalty Option can be exercised.

(n) **Transferability**

Subject to their vesting in accordance with paragraph (c), Loyalty Options will be transferrable with prior board approval and subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

**15.4 Summary of Performance Rights Plan**

The Company has adopted the Carawine Resources Limited - Incentive Performance Rights Plan (**Performance Rights Plan**) on the terms and conditions as set out below:

(a) **Eligibility**: Participants in the Performance Rights Plan may be:

(i) an executive Director of the any Group Company;

(ii) a full or part time employee of any Group Company;

(iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or

(iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

(a) **Offers**: The Board may, from time to time, at its absolute discretion, make an offer to grant Performance Rights to an Eligible Participant under the Performance Rights Plan and on such additional terms and conditions as the Board determines.

(b) **Plan limit**: The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(b) **Consideration:** Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.

(c) **Performance Rights**: Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

(d) **Not transferrable**: Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.

(e) **Vesting Conditions**: The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (**Vesting Condition**).

(f) **Vesting:** A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

(i) the participant ceasing to be an Eligible Participant due to certain special circumstances (eg due to death, severe financial hardship, total and permanent disability, retirement or redundancy) as set out in the Plan; or

(ii) the Company undergoing a change of control; or

(iii) the Company being wound up.

(g) **Conversion of vested Performance Right**: Unless the Board decides otherwise or the Performance Right has lapsed, any vested Performance Right may be exercised by the Eligible Participant within 12 months from

vesting, following which the Company will issue the participant with the applicable number of Shares.

(h) **Shares**: Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

(i) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Performance Rights (**Restriction Period**).

(j) **Quotation of Shares:** If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 Business Days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.

(k) **Lapse of a Performance Right:** Subject to the terms of an Offer otherwise providing, a Performance Right will lapse upon the earlier to occur of:

(i) an unauthorised dealing in, or hedging of, the Performance Right;

(ii) a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;

(iii) a vested Performance Right is not converted within 12 months of becoming vested;

(iv) a participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right under a good leaver exception;

(v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;

(vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right; and

(vii) the expiry date of the Performance Right.

(l) **No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

(m) **No Change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

(n) **Reorganisation**: If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all

rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

**15.5 Terms and Conditions of Performance Rights**

A summary of the terms and conditions of the specific Performance Rights are set out below otherwise the terms of the Performance Rights Plan attach to these Performance Rights:

(a) (**Milestones**): The Performance Rights shall have the following milestones attached to them (**Milestones**):

(i) **Tranche 1 Performance Rights**: if the 30 consecutive trading day volume weighted average price of fully paid ordinary shares in the capital of the Company (**Shares**) on the ASX is $0.40 or higher within 15 months of the Admission Date);

(ii) **Tranche 2 Performance Rights**: if the 30 consecutive trading day volume weighted average price of Shares on the ASX is $0.60 or higher within 24 months of the Admission Date;

(iii) **Tranche 3 Performance Rights**: the achievement of a JORC Inferred Resource of >250,000oz gold equivalent across any of the Company's Projects within 3 years of the Admission Date; and

(iv) **Tranche 4 Performance Rights**: the achievement of a JORC Inferred Resource of >250,000oz gold equivalent across any of the Company's Projects (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years of the Admission Date.

(b) (**Notification to holder**): The Company shall notify the holder in writing when the relevant Milestones have been satisfied.

(c) (**Vesting**): The relevant Performance Rights shall vest on the later to occur of:

(i) the date that the Milestone relating to that Performance Right has been satisfied; and

(ii) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

(d) (**Consideration**): The Performance Rights will be issued for $0.0001 each and no consideration will be payable upon the vesting of the Performance Rights.

(e) (**Conversion**): Upon satisfaction of the relevant Performance Rights vesting, each Performance Right will, at the election of the holder, vest and convert into one (1) Share.

(f) (**Lapse of a Performance Right**): If the Milestone attaching to a Performance Right has not been satisfied in the time periods set out below, it will automatically lapse:

(i) **Tranche 1 Performance Rights:** 15 months from the Admission Date;

(ii) **Tranche 2 Performance Rights**: 2 years from the Admission Date;

(iii) **Tranche 3 Performance Rights**: 3 years from the Admission Date; and

(iv) **Tranche 4 Performance Rights**: 4 years from the Admission Date.

Otherwise, any Performance Right that has not been converted into a Share within 5 years of the Admission Date will automatically lapse.

(g) (**Lapsing Otherwise**):

(i) if the holder's engagement with the Company (or one of its subsidiaries) is validly terminated with cause or the holder resigns from his or her position, any unvested Performance Rights held by that holder will automatically lapse; or

(ii) if the holder's engagement with the Company (or one of its subsidiaries) is validly terminated without cause, the holder will retain all vested and unvested Performance Rights.

(h) (**Share ranking**): All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(i) (**Listing of Shares on ASX**): The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for Official Quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.

(j) (**Transfer of Performance Rights**): A Performance Right is only transferable:

(i) with the consent of the board; or

(ii) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.

(k) (**Participation in new issues**): There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

(l) (**Adjustment for bonus issue**): If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.

(m) (**Adjustment for reconstruction**): If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the

Vesting Conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) (**Dividend and Voting Rights**): A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.

**15.6 Summary of Employee Share Option Plan**

The Company has adopted the Carawine Resources Limited - Incentive Option Plan (**ESOP**) on the terms and conditions as set out below:

(a) **Eligibility**: Participants in the ESOP may be:

(i) a director (whether executive or non-executive) of the any Group Company;

(ii) a full or part time employee of any Group Company;

(iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or

(iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of ESOP Options under the ESOP (**Eligible Participants**).

(b) (**Consideration**): Unless the ESOP Options are quoted on the ASX, ESOP Options will be issued for no more than nominal cash consideration.

(c) (**Conversion**): Each ESOP Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(d) (**Exercise Price and Expiry Date**): The exercise price and expiry date for ESOP Options granted under the Plan will be determined by the Board prior to the grant of the ESOP Options.

(e) (**Exercise Restrictions**): The ESOP Options granted under the ESOP may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Plan Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the ESOP Options.

(f) (**Renounceability**): Eligible Participants may renounce their offer in favour of a nominee (the Eligible Participants and their nominees are each **Participants**).

(g) (**Lapsing of ESOP Options**): Subject to the terms of the offer made to a Participant, an unexercised ESOP Option will lapse:

(i) on the Eligible Participant ceasing employment with the Company and:

(A) any Exercise Conditions have not been met by the date the Relevant Person ceases to be an Eligible Participant (**Ceasing Date**); or

(B) where any Exercise Conditions have been met by the Ceasing Date or the ESOP Option is not subject to any Exercise Conditions, the Participant does not exercise the ESOP Option within a period of one (1) month after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);

(ii) if any Exercise Condition is unable to be met; or

(iii) the expiry date has passed.

(h) (**Share Restriction Period**): Shares issued on the exercise of ESOP Options may, at the discretion of the Board, be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the ESOP Options.

(i) (**Disposal of Options**): Plan Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.

(j) (**Trigger Events**): The Company may permit ESOP Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.

(k) (**Participation**): There are no participating rights or entitlements inherent in the ESOP Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the ESOP Options.

(l) (**Change in exercise price**): An ESOP Option will not confer a right to a change in exercise price or a change in the number of underlying Shares over which the ESOP Option can be exercised.

(m) (**Reorganisation**): If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) (**Limitations on Offers**): The Company must have reasonable grounds to believe, when making an offer under the ESOP, that the number of Shares to be received on exercise of Options offered under an ESOP offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by an ASIC Legislative Instrument or an ASIC exempt arrangement of a kind similar to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

### 15.7 Summary of terms of ESOP Options

The terms and conditions applying to the ESOP Options are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each ESOP Option will be $0.30 (**Exercise Price**).

(c) **Expiry Date**

Each ESOP Option will expire at 5:00 pm (WST) on that date which is 48 months from the date the Company is admitted to the Official List (**Expiry Date**). A ESOP Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period:**

(i) Subject to (d)(ii), following the holder remaining employed by the Company for 12 months from the date the Company is admitted to the Official List (**Exercise Condition**), the ESOP Options may be exercised at any time prior to the Expiry Date, in whole or part, upon payment of the exercise price per ESOP Option (**Exercise Period**).

(ii) The ESOP Option may be exercised in whole or in part and if exercised in part, multiples of 1,000 ESOP Option must be exercised on each occasion. Where less than 1,000 ESOP Option are held, all ESOP Option held by the holder must be exercised together.

(e) **Lapsing**: The ESOP Options will lapse if the eligible holder ceases employment with the Company prior to the achievement of the Exercise Condition.

(f) **Notice of Exercise**

The ESOP Option may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the ESOP Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each ESOP Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each ESOP Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 10 Business Days after the later of the following:

(i) the Exercise Date; and

(ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, no later than 20 Business Days after the Exercise Date, Carawine will:

(iii) issue the number of Shares required under these terms and conditions in respect of the number of ESOP Option specified in the Notice of Exercise and for which cleared funds have been received by Carawine;

(iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(v) if admitted to the Official List of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the ESOP Option.

If a notice delivered under (g) (iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the ESOP Option rank equally with the then issued shares of the Company.

(j) **Quotation of Shares issued on exercise**

If admitted to the Official List of ASX at the time, application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the ESOP Option.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a ESOP Option holder are to be changed in a manner consistent with

the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the ESOP Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the ESOP Options without exercising the ESOP Options.

(m) **Change in exercise price**

A ESOP Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the ESOP Option can be exercised.

(n) **Transferability**

ESOP Options will be transferrable with prior board approval and subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

### 15.8 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

### 15.9 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(e) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(f) the formation or promotion of the Company; or

(g) the Offer.

Agricola Mining Consultants Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 9 of this Prospectus. The Company estimates it will pay Agricola Mining Consultants Pty Ltd a total of $11,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Agricola Mining Consultants Pty Ltd has not received fees from the Company for any other services.

HLB Mann Judd (WA Partnership) has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 10 of this Prospectus. The Company estimates it will pay HLB Mann Judd (WA Partnership) a total of $13,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC HLB Mann Judd (WA Partnership) has not received any fees from the Company for any other services.

Patersons will receive 6% of the total amount raised under the Prospectus (plus GST) and a payment of $60,000 following the successful completion of the Offer for its services as Lead Manager to the Offer. Patersons will be responsible for paying all capital raising fees that Patersons and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Patersons are summarised in Section 14.3. Patersons has not received any other fees for other services provided to the Company in the last two years.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Section 11 of this Prospectus. The Company estimates it will pay Steinepreis Paganin $80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

### 15.10 Consents

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

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take 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.

Agricola Mining Consultants Pty Ltd has given its written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Geologist's Report in Section 9 of this Prospectus in the form and context in which the report is included and the inclusion of statements contained in the Chairman's Letter, Investment Overview and the Company and Projects Overview in Section 7 of this Prospectus in the form and context in which those statements are included. Agricola Mining Consultants Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

HLB Mann Judd (WA Partnership) has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report included in Section 10 of this Prospectus in the form and context in which the information and report is included. HLB Mann Judd (WA Partnership) has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

HLB Mann Judd (WA Partnership) has given its written consent to being named as auditor in this Prospectus in the form and context in which the information is included. HLB Mann Judd (WA Partnership) has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Section 11 of this Prospectus in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Patersons has given its written consent to being named as the Lead Manager to the Company in this Prospectus. Patersons has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Link Market Services Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

### 15.11 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately $549,500 for the Minimum Subscription or $675,500 for the Maximum Subscription and are expected to be applied towards the items set out in the table below:

| Item of Expenditure | Minimum Subscription ($) | Maximum Subscription ($) |
|---|---|---|
| ASIC fees | 2,400 | 2,400 |
| ASX fees | 65,000 | 71,000 |
| Broker Fees | 360,000 | 480,000 |
| Legal Fees | 80,000 | 80,000 |
| Independent Geologist's Fees | 11,000 | 11,000 |
| Investigating Accountant's Fees | 13,000 | 13,000 |
| Printing and Distribution | 15,000 | 15,000 |
| Miscellaneous | 3,100 | 3,100 |
| **TOTAL** | 549,500 | 675,500 |

* Patersons will be responsible for paying all capital raising fees that Patersons and the Company agree with any other licensed securities dealers or Australian financial services licensee out of these fees paid by the Company to Patersons. For a summary of the Lead Manager Mandate refer to Section 14.3.

### 15.12 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

### 15.13 Electronic Prospectus

If you have received this Prospectus as an electronic 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 you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.carawine.com.au.

The Company reserves the right not to accept an Application Form or a payment made via BPAY as set out in Section 6.9 from a person if it has reason to believe that when that person was given access to the electronic Application Form or the BPAY method as set out in Section 6.9, it was not provided together with the

electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### 15.14 Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

### 15.15 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon 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.

### 15.16 Privacy statement

If you complete an Application Form or make a payment via BPAY as set out in Section 6.9, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

## 16. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

**William Burbury**
**Non-Executive Chairman**
**For and on behalf of**
**Carawine Resources Limited**

## 17. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

**$** means an Australian dollar.

**Admission Date** means the date the Company is admitted to the Official List of the ASX.

**Application Form** means the application form attached to or accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

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

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532).

**ASX Settlement Operating Rules** means the settlement and operating rules of ASX Settlement.

**ATO** means the Australian Taxation Office.

**Board** means the board of Directors as constituted from time to time.

**Carawine Assets** means the Projects, including the Tenements.

**Closing Date** means the closing date of the Offer as set out in the indicative timetable in Section 4 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

**Company** means Carawine Resources Limited (ACN 611 352 348).

**Constitution** means the constitution of the Company.

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

**Directors** means the directors of the Company at the date of this Prospectus.

**Distribution** has the meaning given in Section 7.1.

**ESOP Options** means an Option on the terms set out in Section 15.7.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

**Fraser Range JV** has the meaning as set out in Section 14.2(b).

**Fraser Range JVA** means the joint venture and earn in agreement between the Company, IGO and IGONL as summarised at Section 14.2.

**Fraser Range Project** means the exploration project of Carawine as per the disclosures in Section 7.2.4.

**Group Company** means the Company or any future associated body corporate.

**IGO** means Independence Newsearch Pty Ltd (ACN 142 192 701).

**IGO NL** means and Independence Group NL (ACN 092 786 304) (ASX: IGO).

**Jamieson** means Jamieson Minerals Pty Ltd (ACN 165 056 333).

**Jamieson Agreement** means the joint venture and earn in agreement between Carawine and Jamieson as summarised at Section 14.1.

**Jamieson Project** means the exploration project of Carawine as per the disclosures in Section 7.2.1.

**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

**Lead Manager** means Patersons.

**Lead Manager Mandate** has the meaning set out in Section 14.3.

**Loyalty Option** means an Option on the terms set out in Section 15.3.

**Mineral Resources** has the given by JORC.

**Mineral Sands Assets** means the five minerals sands projects owned by Sheffield, being the Dampier Project, Thunderbird Project, East Derby Project, Eneabba Project and the McCalls Project.

**Minimum Subscription** means the minimum amount to be raised under the Offer, being $5,000,000.

**Maximum Subscription** means the maximum amount to be raised under the Prospectus, being $7,000,000.

**Oakover Project** means the exploration project of Carawine as per the disclosures in Section 7.2.2.

**Offer** means the offer of Shares pursuant to this Prospectus as set out in Section 6 of this Prospectus.

**Offer Conditions** has the meaning given at Section 6.4.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

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

**Optionholder** means a holder of an Option.

**Paterson Project** means the exploration project of Carawine as per the disclosures in Section 7.2.3.

**Patersons** has the meaning set out in Section 6.14.

**Performance Right** means a performance right convertible into a Share.

**Performance Rights Plan** is the plan on the terms and conditions set out in Section 15.4.

**Projects** means the current projects of Carawine, being the Fraser Range Project, Jamieson Project, the Oakover Project and the Paterson Project, described in further details in the Independent Geologist's Report set out in Section 9 or any one of them as the context requires.

**Prospectus** means this prospectus.

**Record Date** means the record date to determine eligibility for the Distribution.

**Section** means a section of this Prospectus.

**Securities** means Shares, Options and/or Performance Rights as the context requires.

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

**Shareholder** means a holder of Shares.

**Sheffield** means Sheffield Resources Limited (ACN 125 811 083).

**Sheffield Group** means Sheffield and its subsidiaries.

**Sheffield Shareholder** means a shareholder of Sheffield.

**Spin-out** has the meaning given in Section 5.

**Tenements** means the mining tenements (including applications) in which the Company has an interest as set out at Section 7 of this Prospectus and further described in the Independent Geologist's Report at Section 9 and the Solicitors' Report on Tenements set out in Section 11 of this Prospectus or any one of them as the context requires.

**Vesting Date** has the meaning as set out in Section 15.3(c).

**WST** means Western Standard Time as observed in Perth, Western Australia.