

NEMEX RESOURCES LIMITED
ACN 146 243 843
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements the prospectus dated 27 May 2019 (**Prospectus**) issued by Nemex Resources Limited (ACN 146 243 843) (**Company**).

This Supplementary Prospectus is dated 26 August 2019 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 Supplementary Prospectus.

This Supplementary Prospectus is a **refresh document** as defined in section 724(3H) of the Corporations Act, as inserted by ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded free of charge from the website of the Company at www.nemexres.com.au.

Under the Corporations Act, the Company has an obligation to update a disclosure document if it becomes aware of new information that is material to investors. This Supplementary Prospectus has been prepared to provide additional information to investors on items that the Company considers may be material. As such, this is an important document and should be read in its entirety. If you do not understand any of the information presented in this Supplementary Prospectus, you should consult your professional advisers without delay.

Applications for Shares under the Offer after lodgement of the Supplementary Prospectus must be made using the Application Form attached to or accompanying this Supplementary Prospectus. Applications after the date of this Supplementary Prospectus must not be made on the Application Form attached to or accompanying the Prospectus and any such Application Forms received after the date of this Supplementary Prospectus will not be valid.

1. PURPOSE OF THIS DOCUMENT

This Supplementary Prospectus has been prepared to:

- (a) update the date by which the conditions precedent to the Acquisition Agreements must be satisfied from 31 July 2019 to 30 September 2019;
- (b) provide an update with respect to the lead manager arrangements in respect of the Offer;
- (c) extend the Closing Date of the Offer to 30 September 2019;
- (d) refresh the period for:

- (i) admission to quotation of Shares offered under the Prospectus; and
- (ii) the minimum subscription to the Offers under the Prospectus being achieved,

pursuant to the ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**Instrument**).

2. EXTENSION OF CLOSING DATE

The Board wishes to advise that the Closing Date of the Offer has been extended until 5:00pm (WST) on 30 September 2019 and accordingly the Timetable set out in the Key Offer Information Section of the Prospectus is replaced with:

KEY DATES - INDICATIVE TIMETABLE*

Event	Date
Record Date	24 May 2019
Lodgement of Prospectus with ASIC	27 May 2019
Opening Date	4 June 2019
Lodgement of Supplementary Prospectus	26 August 2019
Closing Date	30 September 2019
Despatch of Holding Statements	14 October 2019
Expected date for quotation on ASX	21 October 2019

** The above dates 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.*

3. EXTENSION OF ACQUISITION AGREEMENTS AND FIRM COMMITMENTS

The Company is yet to receive the Firm Commitments from the Cornerstone Investors, resulting in the Company not yet having satisfied the Minimum Subscription under the Prospectus.

As a result, the Company has agreed with each of the counterparties to the Acquisition Agreements that the date by which the conditions precedent to the Acquisitions must be satisfied is extended from 31 July 2019 to 30 September 2019.

The Company remains confident that the Firm Commitments will be received within this extended period and will enable the Company to satisfy the Minimum Subscription and be admitted to the Official List.

4. LEAD MANAGER ARRANGEMENTS

The Company has been advised that financial advisory firm, Shaw and Partners Limited will acquire the Lead Manager to the Offer, DJ Carmichael Pty Limited, with settlement scheduled to occur on 30 August 2019.

The Company has agreed with the Lead Manager that the Lead Manager Mandate will terminate on 30 August 2019.

Following this date, there will be no Lead Manager to the Offer. The Company is comfortable that a replacement Lead Manager will be appointed in respect of the Offer, which is anticipated to occur following receipt of the Firm Commitments from the Cornerstone Investors.

Supplementary disclosure will be released once a new Lead Manager has been engaged, containing updated information with respect to the Lead Manager arrangements.

5. EXTENSION OF TIME TO MEET CONDITIONS FOR MINIMUM SUBSCRIPTION AND QUOTATION

5.1 Minimum Subscription

The paragraph at Section 2.6 of the Prospectus is updated to reflect the following:

If the Minimum Subscription has not been raised within 4 months after the date of this Supplementary Prospectus, the company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest (**Minimum Subscription Condition**),

This amendment is made pursuant to the Instrument.

The Company makes the following statements regarding the Minimum Subscription Condition as required by the Instrument:

- (a) as at the date of this Supplementary Prospectus, \$40,250 has been raised, representing applications for 201,250 Shares under the Prospectus;
- (b) the Minimum Subscription amount of \$4,500,000 will remain unchanged;
- (c) the Minimum Subscription Condition is being amended to extend the period for the Minimum Subscription being achieved from the date four months from the date of the Prospectus to four months from the date of the Supplementary Prospectus; and
- (d) the Minimum Subscription Condition must be satisfied by 26 December 2019, being the date that is four months from the date of this Supplementary Prospectus.

5.2 ASX listing

The second paragraph at Section 2.10 of the Prospectus is updated to reflect the following:

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

This amendment is made pursuant to the Instrument.

The Company makes the following statements regarding the Quotation Condition as required by the Instrument:

- (a) an application for admission to quotation of Shares offered under the Prospectus was made within seven days after the date of the Prospectus;
- (b) the Shares offered under the Prospectus have not been admitted to quotation as at the date of this Supplementary Prospectus;
- (c) the ASX has granted the Company conditional approval to list on ASX;
- (d) the key conditions to the Company's listing that remain outstanding include:
 - (i) completion of the issue of Shares pursuant to the Offer;
 - (ii) confirmation that the Company meets the ASX spread requirements, including that the Company receives applications for Shares to a value of \$2,000 under the Offer from at least 225 Australian investors;
 - (iii) completion of the Acquisitions; and
 - (iv) provision of restriction agreements for all securities subject to ASX imposed escrow;
- (e) the Quotation Condition is being amended to extend the period for admission to quotation of Shares offered under the Prospectus from three months from the date of the Prospectus to three months from the date of this Supplementary Prospectus;
- (f) the Quotation Condition must be satisfied by 26 November 2019, being the date three months from the date of this Supplementary Prospectus; and
- (g) as at the date of this Supplementary Prospectus, the number of Shares for which applications have been received is 201,250.

6. WITHDRAWAL OF PREVIOUS APPLICATIONS

In accordance with section 724(2) of the Corporations Act, if you applied for Shares under the Prospectus (**Existing Applicant**), you may withdraw your application and be repaid your application monies, provided you give the Company written notice of your wish to do so within one month of the date of this Supplementary Prospectus.

Any repayments made by the Company pursuant to an Existing Applicant exercising their right to withdraw their application will be made in full without interest.

An Existing Applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company's share registry by mail or delivery to the address set out below so that it is received within 1 month of the date of this Supplementary Prospectus (i.e. **by close of business on 26 September 2019**).

Mailing Address

Nemex Resources Limited
C/- Advanced Share Registry
PO Box 1156
Nedlands, WA 6009

**Hand Delivery (Please do not use
this address for mailing purposes)**

Nemex Resources Limited
C/- Advanced Share Registry
110 Stirling Highway
Nedlands, WA 6009

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that Existing Applicant.

If you do not wish to withdraw your application, you do not need to take any action.

7. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

8. DIRECTORS' AUTHORISATION

This Supplementary 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 Supplementary Prospectus with the ASIC.

Victor Liu
Executive Chairman
For and on behalf of
NEMEX RESOURCES LIMITED

NEMEX RESOURCES LIMITED
ACN 146 243 843

PROSPECTUS

For an offer of 25,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$5,000,000.

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 Shares offered by this Prospectus should be considered highly speculative.**

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CORPORATE DIRECTORY

Existing Directors

Hui Dong Liu (Victor Liu)³
Chairman and Managing Director

Hui Zhang¹
Non-Executive Director

Tao Ding¹
Non-Executive Director

Proposed Directors

Patrick Flint²
Non-Executive Chairman

Paul Jurman²
Non-Executive Director

Company Secretary

Paul Jurman

Proposed ASX Code

NXR

Share Registry

Advanced Share Registry⁴
110 Stirling Highway
Nedlands WA 6009

Registered Office

Level 2, Suite 9
389 Oxford Street
Mount Hawthorn WA 6016

Telephone: +61 8 9388 2277
Facsimile: +61 8 9380 6761

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

Lead Manager

DJ Carmichael Pty Limited (AFSL 232 571)
Level 14, 191 St Georges Terrace
Perth WA 6000

Solicitors

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

Auditor & Investigating Accountant

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Independent Geologist

Agricola Mining Consultants Pty Ltd
PO Box 473
South Perth WA 6951

Notes:

1. To resign as a Director immediately prior to the Company's admission to the Official List.
2. To be appointed as a Non-Executive Director immediately prior to the Company's admission to the Official List.
3. To resign as Chairman and Managing Director immediately prior to the Company's admission to the Official List, and shall, at the same time, be appointed as a non-Executive Director.
4. This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

IMPORTANT NOTICE

This Prospectus is dated 27 May 2019 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 Shares 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 Shares the subject of this Prospectus should be considered highly speculative.

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 Shares 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.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia 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 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 Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and may not be released or distributed in the United States of America.

Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.nemexres.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 9388 2277 during office hours or by emailing the Company at info@nemexres.com.au.

The Company reserves the right not to accept an Application Form 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.

Website

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

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 5 of this Prospectus.

Diagrams

Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

Definitions

Terms used in this Prospectus are defined in the Glossary in section 11.

CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Directors, it gives me great pleasure to invite you to become a new Shareholder in Nemex Resources Limited or to increase your existing shareholding through a priority offer to existing Shareholders.

Nemex is a junior exploration company with a conditional right to acquire mineral exploration projects prospective for gold and base metals located in Western Australia, including an 80% interest in each of the Leonora South East Project, the Ballard Project and the Pavarotti Project, and a 100% interest in the Lake Roe North Project (together, the **Projects**).

Under this Prospectus, the Company is seeking to raise up to \$5,000,000 through the issue of 25,000,000 Shares at an issue price of \$0.20 per Share. The minimum subscription is \$4,500,000 through the issue of 22,500,000 Shares.

The primary purpose of the Offer is to provide the Company with funds to undertake systematic exploration programs on each of the Projects, aimed at the discovery of an economic mineral deposit. Exploration programs have been developed to provide the Company with the best opportunity to unlock value from the Projects. The Company has engaged DJ Carmichael to act as lead manager to the Offer and has received firm commitments for Shares from Cornerstone Investors for a total of \$4.5 million.

The Offer also includes a priority offer to existing Shareholders who are Australian residents. The priority offer gives existing Shareholders a chance to increase their shareholding by subscribing for Shares under this Prospectus.

Nemex has assembled an experienced management and exploration team which is well qualified to exploit the potential of the Projects. The Board has significant expertise and experience in mineral exploration, project development and corporate finance and aims to ensure the funds raised through the Offer will be utilised in a cost-effective manner to advance the Projects.

I look forward to you joining us as, or continuing to be, a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus carefully and seek professional advice if required.

Yours sincerely



Patrick Flint
Proposed Non-Executive Chairman

KEY OFFER INFORMATION

KEY DATES - INDICATIVE TIMETABLE*

Event	Indicative Date
Record Date	24 May 2019
Lodgement of Prospectus with the ASIC	27 May 2019
Opening Date	4 June 2019
Priority Offer Closing Date	21 June 2019
Closing Date	28 June 2019
Despatch of holding statements	19 July 2019
Expected date for quotation on ASX	24 July 2019

** The above dates 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.*

KEY OFFER DETAILS

	Full Subscription	Minimum Subscription
Shares on issue as at the date of this Prospectus	25,742,648	25,742,648
Offer Price per Share	\$0.20	\$0.20
Shares to be issued under Offer	25,000,000	22,500,000
Shares to be issued upon acquisition of the Projects	850,000	850,000
Total number of Shares on issue following the Offer	51,592,648	49,092,648
Gross Proceeds of the Offer	\$5,000,000	\$4,500,000
Market capitalisation following the Offer and completion of the Acquisition	\$10,318,530	\$9,818,530

1. INVESTMENT OVERVIEW SECTION

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

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Nemex Resources Limited (ACN 146 243 843) (Company or Nemex).	
Who is the Company?	<p>The Company is an Australian company which was incorporated on 8 September 2010 and formerly listed on the ASX between May 2011 and December 2018.</p> <p>The Company was previously focused on exploration and development of iron ore and gold projects in Australian and West Africa. The Company has however disposed all of its previously held projects.</p> <p>Recently, the Company secured an interest in, and is focussed on exploration and development of, various mineral exploration projects prospective for gold and base metals in Western Australia.</p>	Section 3.1
Why was the Company removed from the Official List?	The Company was admitted to the Official List of the ASX on 2 May 2011 and subsequently removed from the Official List on 21 December 2018 in accordance with ASX policy, after it remained suspended from trading for a continuous period of 3 years.	Section 3.1
What is the history of the Company?	<p>The Company previously held interests in various mineral exploration projects in Australia and West Africa with a focus on iron ore and gold. However, exploration on the Company's key project (the Coastal Iron Project in Guinea) became limited due to an outbreak of the Ebola virus in the region and a significant fall in the iron ore price.</p> <p>In April 2014, the Company entered into an agreement to undertake a staged investment in a biometric technology development company, Wavefront Biometric Technology Pty Ltd (WBT).</p> <p>With investment and loan funding from the Company, WBT sought to develop and commercialise its technology, but progress since October 2015 has not been significant. Accordingly, the Company ceased providing funding to WBT in late 2015 and subsequently fully impaired the carrying value of its investment.</p>	Section 3.1

Item	Summary	Further information
	The Company's intention is that it will not provide any further development funding to WBT and will be a passive (diluting) shareholder.	
B. The Acquisitions		
What are the Acquisitions?	<p>The Company intends that it will primarily be a gold and base metals exploration company, and has entered into:</p> <p>(a) an acquisition agreement under which it has a conditional right to acquire an 80% interest in the Leonora South East Project, the Ballard Project and the Pavarotti Project (Legendre Acquisition Agreement); and</p> <p>(b) an acquisition agreement under which it has a conditional right to acquire the Lake Roe North Project (Lake Roe North Acquisition Agreement),</p> <p>(together, the Acquisitions).</p> <p>Following completion of the Acquisitions, the Company's primary purpose will be the exploration and development of the Projects and the acquisition of other mineral project opportunities that may be presented to the Board from time to time.</p>	Section 3.2
What are the Projects the Company will acquire under the Acquisitions?	<p>Following completion of the Acquisitions, the Company will hold interests in the following Projects:</p> <p>(a) the Leonora South East Project, which covers an area of 109 km², is prospective for gold mineralisation and is near the regional mining centre of Leonora in the north eastern goldfields of Western Australia;</p> <p>(b) the Ballard Project, which is a gold project covering 201 km² and located 150 kilometres northwest of Kalgoorlie in Western Australia;</p> <p>(c) the Pavarotti Project, which is a nickel sulphide project covering 17.7 km² located 65 kilometres north of Southern Cross in Western Australia; and</p> <p>(d) the Lake Roe North Project, which is a gold project covering 39 km² located 120 kilometres east north east of Kalgoorlie in Western Australia,</p> <p>(together, the Projects).</p>	Sections 3.4 to 3.7

Item	Summary	Further information
<p>What is the purpose of this Prospectus and the Offer?</p>	<p>The purpose of the Offer is to fund:</p> <ul style="list-style-type: none"> (a) the Company's expenditure commitments in relation to the Acquisitions and exploration of the Projects; (b) general working capital requirements, including costs associated with any acquisitions that may be presented to the Board following the Company's listing; (c) corporate overhead and administration costs; and (d) the costs of the Offer. <p>The Offer will also assist the Company in meeting the requirements of the ASX and satisfying Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX and thereby provide a market for Shares and better enable the Company to access capital markets.</p> <p>On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve these objectives.</p>	<p>Sections 3.8 and 3.10</p>
C. Business Model		
<p>What is the Company's business model?</p>	<p>Following completion of the Acquisitions and completion of the Offer, the Company's proposed business model will be to systematically explore the Projects as per the Company's intended exploration programs, which are contained in the Independent Geologist's Report in Annexure A and Section 3.8 of the Prospectus.</p> <p>The Company proposes to fund its exploration activities over the first two years as outlined in the table at Section 2.7.</p> <p>The Company will also:</p> <ul style="list-style-type: none"> (a) if an economic discovery is made, endeavour to develop the relevant Project and bring that Project into commercial production; (b) assess and secure additional mineral projects as may be presented to the Board from time to time; and (c) maintain a strong focus on corporate governance, occupational health and safety, working to best practice environmental and sustainability standards and developing strong relationships with all stakeholders. 	<p>Sections 2.7 and 3</p>

Item	Summary	Further information
What are the key business objectives of the Company?	<p>The Company's main objectives on completion of the Offer are:</p> <ul style="list-style-type: none"> (a) systematically explore the Projects through geological mapping, surface sampling and drilling; (b) implement a growth strategy and continue to pursue other acquisitions that have a strategic fit for the Company; and (c) provide working capital for the Company. 	Section 3.8 and 3.10
What are the key dependencies of the Company's business model?	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> (a) closing the Offer, successfully raising the Minimum Subscription and completing the Acquisitions; (b) retaining and recruiting key personnel skilled in the mining and resources sector; (c) maintaining title to the Projects; (d) successfully exploring for and delineating mineral deposits on the Projects and any other project interests that the Company may acquire in the future; and (e) securing further funds for continued exploration and development of any economic resources. 	
D. Key Advantages and Key Risks		
What are the key advantages of an investment in the Company?	<p>An investment in the Company provides the following non-exclusive list of advantages:</p> <ul style="list-style-type: none"> (a) a portfolio of quality assets in Western Australia considered by the Board to be highly prospective for gold and base metals; and (b) the Company has a highly credible and experienced team to progress exploration and accelerate potential development of the Projects. 	
What are the key risks of an investment in the Company?	<p>The business, assets and operations of the Company, including following admission to the Official List, are subject to certain risk factors that 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. These risks include a variety of Company, industry specific and general risks, including that:</p>	Section 5

Item	Summary	Further information
	<p>(a) the Company is subject to mineral exploration risks particular to Western Australia;</p> <p>(b) the Company is subject to customary risks associated with an exploration company, such as the volatility of commodity prices and exchange rates, exploration costs and risks with respect to the holding of exploration tenure.</p> <p>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.</p> <p>Based on the information available, a non-exhaustive list of the specific key risk factors affecting the Company are disclosed at Section 5 of this Prospectus.</p>	
E. Directors and Key Management Personnel		
Board of Directors	<p>On listing, the Board of the Company will consist of:</p> <p>(a) Patrick Flint (B.Com, CA, MAICD) – <i>Non-Executive Chairman</i></p> <p>(b) Paul Jurman (B.Com, CPA) – <i>Non-Executive Director and Company Secretary</i></p> <p>(c) Victor Liu – <i>Non-Executive Director</i></p> <p>Hui Zhang and Tao Ding, Existing Directors of the Company, will resign upon completion of the Acquisitions.</p>	Section 3.11
What experience do the Proposed Directors have?	<p>The Board has significant corporate, management and business development experience.</p> <p>See the professional biographies of each of the Proposed Directors are set out in Section 3.11 for detailed profiles of the Directors and their relevant experience.</p>	Section 3.11
Other Key Management Personnel	<p>Mr Lijun Yang (MMLM, AIG and SEG) has been appointed Exploration Manager for the Company, and brings technical expertise to the management team.</p> <p>Mr Yang is also the vendor under the Lake Roe North Acquisition Agreement.</p> <p>Mr Yang's biography is set out in Section 3.11.</p>	Section 3.11

Item	Summary	Further information
What benefits are being paid to the Directors?	The benefits being paid to the Directors are set out in Section 6.3.	Section 6.3
What interests to the Directors have in the securities of the Company?	The interests of the Directors in the securities of the Company are set out in Section 6.3.	Section 6.3
What related party agreements are the Company a party to?	<p>On listing, the Company will be party to the following related party agreements:</p> <ul style="list-style-type: none"> (a) non-executive director appointment letters with each of the Proposed Directors and Mr Victor Liu; (b) corporate advisory and company secretarial mandates with Corporate Consultants Pty Ltd; and (c) Deeds of Indemnity, Insurance and Access with the Directors on standard terms. 	Sections 6.5, 6.6, 8.5 and 8.7
F. Financial Information		
What is the Company's financial position?	<p>Financial information about the Company is included in Section 4. An Investigating Accountant's Report is included in Annexure C.</p> <p>The Board is satisfied that upon completion of the Offer, the Company will have adequate working capital to meet its stated objectives.</p>	Section 4 and Annexure C
What is the financial outlook for the Company?	<p>Given the current status of the Company as a mineral exploration company, the Directors do not consider it appropriate to forecast future earnings.</p> <p>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.</p>	
G. Offer		
What is being offered?	<p>The Company invites applications for up to 25,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$5,000,000. The Minimum Subscription amount under the Offer is 22,500,000 Shares at an issue price of \$0.20 per Share to raise \$4,500,000.</p> <p>The key information relating to the Offer and references to further details are set out below.</p>	Section 2.1

Item	Summary	Further information
Who is eligible to participate in the Offer?	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 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.	Section 2.12
What are the terms of the Priority Offer?	Of the Shares being offered under the Offer, 2,500,000 Shares will be offered in priority to Eligible Shareholders (Priority Offer). To be eligible to participate in the Priority Offer, an applicant must: <ul style="list-style-type: none"> (a) be a resident in Australia; (b) be recorded as holding Shares as at the Record Date, (Eligible Shareholders) . Allocation of Shares to the Eligible Shareholders will be subject to the allocation policy set out in Section 2.5 of the Prospectus.	Sections 2.2 and 2.5
Have any firm commitments been received in respect of the Offer?	The Company has received firm commitments for Shares under the Offer from the following Cornerstone Investors: <ul style="list-style-type: none"> (a) Natural Space Investment and Holding Group (Hong Kong) Limited - \$1,950,000; (b) Ms Ying Luo - \$1,350,000; and (c) Elephant Group Holding Ltd (a company controlled by Mr Victor Liu, a Director of the Company) - \$1,200,000. The Cornerstone Investors have been guaranteed the allocations set out above.	Sections 2.3 and 8.4
What is the effect of the Cornerstone Investor allocations on control of the Company?	Upon completion of the Offer, the Cornerstone Investors will have the shareholdings set out below, assuming the Minimum Subscription is raised under the Offer: <ul style="list-style-type: none"> (a) Natural Space Investment and Holding Group (Hong Kong) Limited – 9,750,000 Shares, being a voting power of 19.86%; (b) Elephant Group Holding Ltd – 7,000,000 Shares, being a voting power of 14.26%; and (c) Ms Ying Luo – 6,750,000 Shares, being a voting power of 13.75%. 	Section 2.4

Item	Summary	Further information
	None of the Cornerstone Investors are associated with any other Cornerstone Investor, nor are any of the Cornerstone Investors associated with any other Shareholders.	
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 2.8 and 2.9
What will the Company's capital structure be upon completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 3.13.	Section 3.13
What are the terms of the Shares 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 9.2.	Section 9.2
What are the Conditions of the Offer?	<p>The conditions to the issue of Shares offered by this Prospectus are:</p> <ul style="list-style-type: none"> (a) the Minimum Subscription to the Offer being reached; (b) ASX granting conditional approval for the Company to be admitted to the Official List; and (c) the Acquisition Agreements, the terms of which are summarised at Section 8.1 and 8.2, becoming unconditional (Refer to Sections 8.1 and 8.2 for a list of the conditions precedent to completion under the respective Acquisition Agreements). 	Section 2.11
Will any of the Shares issued under the Offer be subject to escrow?	<p>Subject to the Company being admitted to the Official List, Shares issued in accordance with the Acquisition Agreements may 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. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company's confirms its 'free float', being the percentage of Shares not subject to escrow and</p>	Section 2.10

Item	Summary	Further information
	held by Shareholders that are not related parties of the Company (or their associates) at the time of admission to the Official List will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.	
Will the Shares issued under the Offer be quoted?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 2.10
Has a lead manager been engaged in respect of the Offer	<p>The Company has engaged DJ Carmichael Pty Limited (AFSL 232 571) (Lead Manager) to act as lead manager to the Offer.</p> <p>In consideration for acting as lead manager to the Offer, the Lead Manager will receive 5% of the gross amount raised under the Offer (Capital Raising Fee).</p>	Sections 2.15 and 8.3
Is the Offer Underwritten?	No, the Offer is not underwritten.	
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Information Section.	Key Information Section
What is the minimum investment size under the Offer?	Applications for Shares must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 2,500 Shares (\$500) and payment for the Shares must be made in full at the issue price of \$0.20 per Share.	Section 2.8
H. Use of proceeds		
How will the proceeds of the Offer be used?	<p>The proceeds from the Offer will be used for:</p> <ul style="list-style-type: none"> (a) exploration expenditure and assessment of the Projects; (b) costs of the Acquisitions; (c) working capital and administration costs; and (d) costs of the Offer. 	Section 2.7
I. 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 Shares under the Offer.	Section 2.16
What are the tax implications of investing in Shares?	The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial	Section 2.16

Item	Summary	Further information
	<p>advice about the consequences of acquiring Shares 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 Shares under this Prospectus.</p>	
<p>What is the Company's dividend policy?</p>	<p>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.</p> <p>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.</p>	<p>Section 3.15</p>
<p>What are the corporate governance principles and policies of the Company?</p>	<p>To the extent applicable, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (Recommendations). The extent which the Company has complied with, or departed from, the Recommendations is set out in Annexure D.</p> <p>In light of the Company's size and nature, the proposed 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.</p> <p>The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 7.1 and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.nemexres.com.au).</p>	<p>Section 7.1, Annexure D</p>

Item	Summary	Further information
Where can I find more information?	<ul style="list-style-type: none"> <li data-bbox="564 259 1225 360">(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser. <li data-bbox="564 371 1225 439">(b) By contacting the Company Secretary on +61 8 9388 2277. <li data-bbox="564 450 1225 517">(c) By contacting the Share Registry on +61 8 9389 8033. 	

2. DETAILS OF THE OFFER

2.1 The Offer

Pursuant to this Prospectus, the Company invites applications for 25,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$5,000,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to Shares is set out in Section 9.2.

2.2 Priority Offer

Of the Shares being offered under the Offer, 2,500,000 Shares will be offered in priority to Eligible Shareholders (**Priority Offer**). To be eligible to participate in the Priority Offer, an applicant must:

- (a) be a resident in Australia;
- (b) be recorded as holding Shares as at the Record Date,

(**Eligible Shareholders**).

Allocation of Shares to the Eligible Shareholders will be subject to the allocation policy set out in Section 2.5 below. Eligible Shareholders are encouraged to submit their Application Forms as soon as possible after the Opening Date and in any event before the Priority Offer Closing Date (21 June 2019).

Eligible Shareholders will need to follow the instructions on the Application Form applicable to them to participate in the Priority Offer and submit the Application Form prior to the Priority Offer Closing Date at the address outlined below.

The Priority Offer closes 7 days before the Offer closes. This will allow the Company to accept applications under the Offer for Shares not applied for (or applications not accepted by the Company) under the Priority Offer.

To the extent that subscriptions from the Eligible Shareholders exceed 2,500,000 Shares, the excess applications will be considered as applications under the Offer.

2.3 Cornerstone Investors

The Company has received firm commitments to take up Shares under the Offer from the following parties (**Cornerstone Investors**):

Cornerstone Investors	Shares	Funds
Natural Space Investment and Holding Group (Hong Kong) Limited	9,750,000	\$1,950,000
Ms Ying Luo	6,750,000	\$1,350,000
Elephant Group Holding Ltd ¹	6,000,000	\$1,200,000

Note:

- 1. An entity controlled by Victor Liu, a Director of the Company.

The Shares to be issued to the Cornerstone Investors will be issued at the same time, and on the same terms, as all other Shares issued under the Offer.

Details with respect to the arrangements entered into between the Company and each of the Cornerstone Investors are set out in Section 8.4.

2.4 Effect on Control of the Company

Upon completion of the Offer, the Cornerstone Investors will have the shareholdings set out in the table below, assuming the Minimum Subscription is raised under the Offer:

Shareholder	Shares	%
Natural Space Investment and Holding Group (Hong Kong) Limited	9,750,000	19.86%
Elephant Group Holding Ltd ¹	7,000,000	14.26%
Ms Ying Luo	6,750,000	13.75%

Note:

1. Elephant Group Holding Ltd is controlled by Victor Liu, a Director of the Company, which currently holds 1,000,000 Shares and has agreed to take up a further 6,000,000 Shares.

None of the Cornerstone Investors are associated with any other Cornerstone Investor, nor are any of the Cornerstone Investors associated with any other Shareholders.

While Victor Liu is the brother of Robert Liu, a substantial Shareholder, their relationship does not fall within the definition of associates under the Corporations Act as they will not act in concert with one another in respect of the Company's affairs.

2.5 Allocation Policy

The Company retains an absolute discretion to allocate Shares under the Offer and the Priority Offer and reserves the right, in its absolute discretion, to issue to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application Form. If the number of Shares issued is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Offer, other than the Cornerstone Investors who have been guaranteed their allocations, has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for spread of investors, including to ensure that the Company meets the shareholder spread requirements under the ASX Listing Rules; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

In relation to the Priority Offer only, in addition to the policy outlined above, the Company also intends to consider valid Applications under the Priority Offer in order of date received. It is intended that as many Eligible Shareholders as possible will receive at least the minimum allocation of Shares (being 10,000 Shares) under the Priority Offer. However, there is no guarantee that all Eligible Shareholders who subscribe for Shares under the Priority Offer will have their applications accepted in part or in full.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

2.6 Minimum subscription

The minimum amount which must be raised under this Prospectus is \$4,500,000 (**Minimum Subscription**).

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

2.7 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 as follows:

Funds available	Full Subscription (\$5,000,000)	Percentage of Funds (%)	Minimum Subscription (\$4,500,000)	Percentage of Funds (%)
Existing cash reserves ¹	\$151,000	3.0%	\$151,000	3.3%
Funds raised from the Offer	\$5,000,000	97.0%	\$4,500,000	96.7%
Total	\$5,151,000	100%	\$4,651,000	100%
Exploration at Leonora South East Project ²	\$640,000	12.4%	\$640,000	13.8%
Exploration at Ballard Project ²	\$952,000	18.5%	\$952,000	20.5%
Exploration at Pavarotti Project ²	\$670,000	13.0%	\$670,000	14.4%
Exploration at Lake Roe North Project ²	\$801,000	15.6%	\$801,000	17.2%
Consideration under Legendre Acquisition Agreement ³	\$50,000	1.0%	\$50,000	1.1%
Consideration under Lake Roe North Acquisition Agreement ³	\$5,000	0.1%	\$5,000	0.1%
Geological Management	\$400,000	7.8%	\$400,000	8.6%

Funds available	Full Subscription (\$5,000,000)	Percentage of Funds (%)	Minimum Subscription (\$4,500,000)	Percentage of Funds (%)
Working capital and administration costs ^{4, 5}	\$1,186,000	23.0%	\$713,000	15.3%
Costs of the Offer ⁶	\$447,000	8.7%	\$420,000	9.0%
Total	\$5,151,000	100%	\$4,651,000	100%

Notes:

1. Refer to the Financial Information set out in Section 4 of this Prospectus for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the offer of which various amounts will be payable prior to completion of the Offer. Since 31 December 2018, the Company has expended approximately \$80,000 in progressing the Acquisitions and preparing the Prospectus.
2. Refer to Section 3.8 and the Independent Geologist's Report in Annexure A for further details with respect to the Company's proposed exploration programs at the Projects.
3. Refer to Sections 8.1 and 8.2 for details with respect to the consideration payable for the acquisition of the Projects.
4. Working capital costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs, including the payment of outstanding director fees of \$75,000 and outstanding adviser fees to CCPL of \$88,243 plus GST.
5. To the extent that:
 - (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company is presented with additional acquisition opportunities,

the Company's working capital will also fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward working capital for the period following the initial 2-year period following the Company's quotation on ASX.
6. Refer to Section 9.6 for further details.

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

The above table is a statement of current intentions as of the date of this 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.

On completion of the Offer, the Board believes 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 5.

2.8 Applications

Applications for Shares under the Offer must be made using the Application Form. The Application Form contains additional information that must be provided by Eligible Shareholders applying under the Priority Offer.

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 (\$2,000) and thereafter in multiples of 2,500 Shares (\$500) and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Nemex Resources Limited**" 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 28 June 2019. The Company will also accept payment by electronic means, with instructions for doing so set out in the Application Form.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Share Registry.

2.9 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) if you do not pay for your Application in full, you are deemed to have applied for such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

2.10 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 Shares and will repay all application monies for the Shares 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 Shares now offered for subscription.

Subject to the Company being admitted to the Official List, Shares issued in accordance with the Acquisition Agreements may 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 Shares issued under the Offer will be subject to escrow under the ASX Listing Rules.

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

2.11 Issue

Subject to:

- (a) the Minimum Subscription to the Offer being reached;
- (b) ASX granting conditional approval for the Company to be admitted to the Official List; and
- (c) the Acquisition Agreements, the terms of which are summarised at Section 8.1 and 8.2, becoming unconditional (Refer to Sections 8.1 and 8.2 for a list of the conditions precedent to completion under the respective Acquisition Agreements),

(together, the **Conditions**) issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares 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.

2.12 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 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 Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia 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 it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

2.13 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.14 Not underwritten

The Offer is not underwritten.

2.15 Lead Manager

DJ Carmichael Pty Limited (AFSL 232 571) (**DJ Carmichael** or **Lead Manager**) has been appointed as Lead Manager to the Offer.

DJ Carmichael is one of Australia's oldest stockbroking firms, with more than a century of providing professional financial advice and capital raising services to corporate, institutional and private clients. This has enabled DJ Carmichael to establish close relations with other Australian and international stockbrokers and institutions.

DJ Carmichael will receive a cash fee of 5% (exclusive of goods and services tax) of the gross amount raised under the Offer for acting as Lead Manager to the Offer (**Capital Raising Fee**). Any applicable third party fees will be paid by DJ Carmichael out of the Capital Raising Fee.

DJ Carmichael have advised that none of its principals currently hold Shares in the Company and do not intend to subscribe for Shares under the Offer.

The terms of the Lead Manager Mandate are summarised in Section 8.3.

2.16 Taxation

The acquisition and disposal of Shares 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 Shares 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 Shares under this Prospectus. No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offer.

3. COMPANY AND PROJECT OVERVIEW

3.1 Background

The Company was incorporated on 8 September 2010 and was admitted to the Official List of the ASX on 2 May 2011. On listing, the Company focused on exploration and development of iron ore and gold projects in Australia and West Africa. However, exploration on the Company's former key project, the Coastal Iron Project in Guinea, became limited in early 2014 due to an outbreak of the Ebola virus in the region and a significant fall in the iron ore price.

At that time, there was limited appetite from Shareholders to provide additional funding for development at the Coastal Iron Project. Funding that was available to the Company was conditional on the Company also investing funds into a technology business or technology opportunity. It was at this time that the Company entered into an agreement to undertake a staged investment in Wavefront Biometric Technology Pty Ltd (**WBT**), a Sydney-based company that was developing a biometric technology for authentication of a person's identity based on capturing data associated with the eye.

With investment and loan funding from the Company, WBT sought to develop and commercialise its technology, but progress since October 2015 has not been significant. Accordingly, the Company ceased providing funding to WBT in late 2015. Due to the significant uncertainty as to whether the WBT technology could be successfully commercialised, the Company fully impaired the Company's investment in WBT (of approximately \$2.425 million) and has fully impaired the carrying value of the Company's loan to WBT of \$1,622,714 (being a loan of \$950,000 plus accrued interest). The Company's intention is that it will not provide any further development funding to WBT and will remain a passive (diluting) shareholder.

The Company relinquished its interest in the Coastal Iron project in 2016.

The Company was removed from the Official List in accordance with ASX policy on 21 December 2018, after it remained suspended from trading for a continuous period of 3 years.

3.2 Current Opportunities

To facilitate the Company's re-listing to the Official List, the Company entered into:

- (a) the Legendre Acquisition Agreement on 12 April 2019 pursuant to which, subject to the satisfaction (or waiver) of certain terms and conditions, the Company will acquire an 80% interest in the:
 - (i) Leonora South East Project;
 - (ii) Ballard Project; and
 - (iii) Pavarotti Project,(together the **Legendre Projects**);
- (b) the Lake Roe North Acquisition Agreement on 12 April 2019 pursuant to which, subject to the satisfaction (or waiver) of certain terms and

conditions, the Company will acquire a 100% interest in the Lake Roe North Project,

(together the **Projects**).

Summaries of the Legendre Acquisition Agreement and Lake Roe North Acquisition Agreement (collectively herein referred to as the **Acquisition Agreements**) are set out in Sections 8.1 and Section 8.2, respectively.

As further set out in the Independent Geologist's Report (Annexure A) and Tenement Report (Annexure B), upon settlement of the Acquisitions, the Company will hold an 80% interest in the Legendre Projects and a 100% interest in the Lake Roe North Project.

3.3 Overview of Projects

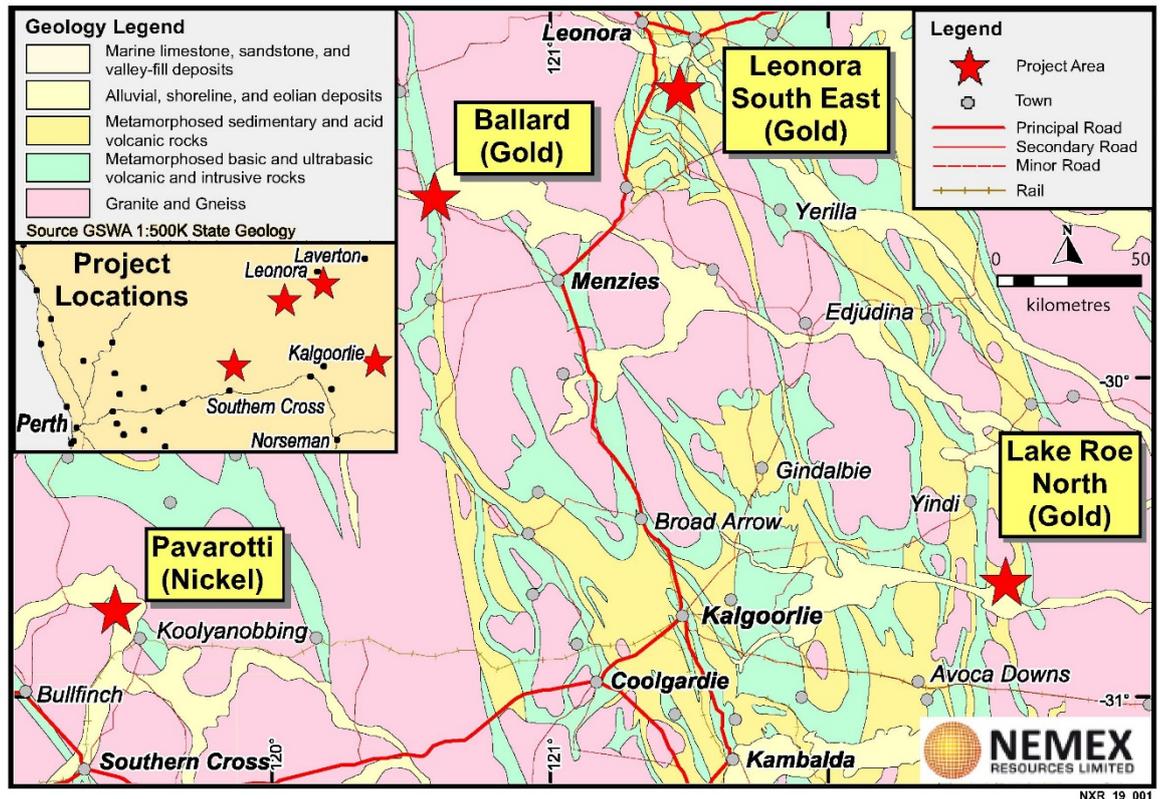
The tenements comprising the Projects are set out below:

Project	Tenement	Current Holder	Area
Leonora South East	P37/8759	Australian Minerals Exploration Pty Ltd	117 ha
	E40/379	Bruce Robert Legendre	36 blocks
Ballard	E30/472 ¹	Bruce Robert Legendre & Enterprise Metals Limited	58 blocks
	E29/991 ¹	Bruce Robert Legendre & Enterprise Metals Limited	9 blocks
Pavarotti	E77/2208-1	Bruce Robert Legendre	1 block
	E77/2478	Bruce Robert Legendre	5 blocks
Lake Roe North	E28/2748	Gold Geological Consulting Pty Ltd	6 blocks
	E28/2817 (under application)	Gold Geological Consulting Pty Ltd	7 blocks

Note:

1. It is a condition precedent under the Legendre Acquisition Agreement that Enterprise Metals Limited has transferred its interest in the tenements comprising the Ballard Project to Bruce Legendre.

An overview of the Leonora South East, Ballard, Pavarotti and Lake Roe North Projects is set out below, with further information set out in the the Independent Geologist's Report (Annexure A) and Tenement Report (Annexure B).



3.4 Leonora South East Project

3.4.1 Summary

The Leonora South East Project comprises two granted tenements, Sunset Well (P37/8759) and Melita (E 40/379), covering an area of approximately 109 square kilometres.

Both tenements are located within a 30km radius of the Leonora - Kookynie area in the North Eastern Goldfields of Western Australia, which has a history of gold mining and exploration going back over 100 years. Leonora is a regional mining centre and the district hosts a number of operating and historic gold mining operations. The goldfields highway runs through the town and it is also serviced by daily flights to Perth and rail. The Leonora South East Project is well serviced by a network of graded shire roads, and station and exploration tracks.

The close proximity of the Leonora South East Project, being near the goldfields highway, means any discovery could be trucked to a number of nearby mills for custom milling.

The Leonora South East project straddles the contact of the Gindalbie and Menangina Domains of the Kurnalpi Terrane of the Eastern Goldfields. The Kurnalpi Terrane extends some 300km from east of Kambalda to Leinster in the north. Volcanic rocks comprising mafic to felsic volcanics and volcanoclastic sediments and layered mafic intrusions dominate the geology of the terrane.

Aside from the gold mines at Sons of Gwalia and Harbour Lights that are in the adjacent Kalgoorlie Terrane, there have been many gold occurrences within the Kurnalpi Terrane in the area south east of Leonora that have been sporadically mined for over 120 years. Significant open cut production gold since the mid 1980's has included the Orient Well, Admiral Well, Butterfly and Puzzle mines.

3.4.2 Sunset Well

(a) **Geology and Mineralisation**

The tenement lies within the Kurnalpi Terrane of Eastern Goldfields Province. The tenement occupies an inlier of weathered Archaean bedrock surrounded by a veneer of colluvium and transported cover. The main rock types recognised in the tenement are basalts with a tongue of felsic volcanics occupying the south-eastern part of the tenement. Sedimentary rocks occupy the north-eastern corner of the tenement.

(b) **Previous Exploration**

Historical workings are located in the centre of the tenement, the largest of which is the Golden Sunset with smaller operations at the Darlot, Brown Hill, Firaca Hills and Tit Bit workings.

Although the tenement is in an active gold mining area, little modern exploration has been undertaken, and there is no record of any drilling being undertaken on the lease.

A systematic 40m X 80m auger sampling program was completed recently over approximately three quarters of the tenement area. The work has generated a number of areas of interest within the tenement. The central anomaly covering an area of 250m X 150m adjacent to the main group of old workings is considered a priority for follow up. Government aeromagnetic imagery shows a regional linear magnetic low feature on which most of the historical workings and geochemical anomalies are located. This structure has a strike length of approximately 1,000m within the tenement that could represent a regional control to gold mineralisation. To the north east of the workings a northwesterly striking anomaly with a strike of approximately 300m is situated on the contact between mafic volcanics and metasediments. The setting is considered prospective for gold mineralisation.

3.4.3 Melita

(a) **Geology and Mineralisation**

The tenement covers 108km² over the Melita Complex, which comprises a sequence of dacitic to rhyolitic lavas and associated volcanoclastic rocks, pillow basalts and hyaloclastite. The succession has been interpreted to be deposited in a subaerial environment or shallow subaqueous environment. The Niagara Layered Complex has intruded the sequence on the eastern side of the tenement. The Niagara Layered Complex contains dolerite and cumulate textured gabbro and gabbro anorthosite.

Structurally the tenement lies between the King George Shear to the west and the Keith Kilkenny Lineament to the east, both are deep seated regional structures. Locally the Emu – Melita Shear strikes roughly north south along the western side of the tenement and splays off into a series of horse tail structures that cross the southern part of the tenement.

Metamorphic grade is generally greenschist facies and locally amphibolite facies in narrow zones proximal to major shear zones.

Much of the tenement is covered by colluvium of variable thickness, with extensive areas of sheet wash and alluvium on the eastern and western sides of the tenement draining into the east west trending Lake Raeside immediately to the north of the tenement.

(b) **Previous Exploration**

Historical prospecting and mining activities in the district were concentrated on areas of outcrop. The Princess of Melita workings occur on the tenement boundary in the central section of the tenement but no production figures are available.

During the late 1960's and 1970's, a number of exploration companies explored the area for volcanogenic massive sulphide (VMS) mineralisation.

Since the mid 1980's, the area of the current tenement has been held by a number of parties exploring primarily for shear hosted gold mineralisation. Work undertaken has included soil and auger geochemical sampling, and limited drill testing.

3.4.4 Exploration Potential

The Leonora South East Project is located within a well-endowed gold producing region of Western Australia. Both the Sunset Well and Melita prospect areas are considered prospective for shear hosted gold mineralization.

At Sunset Well compilation of the past mining activity and recent auger geochemical sampling has defined two broad structural corridors that have not been previously tested by drilling:

- (a) the 1,000m striking structure on which the Golden Sunset and northern workings and auger gold anomalies in the central part of the tenement are located; and
- (b) the contact on the western side of the tenement between mafic volcanics and sediments includes a linear 300m-long gold anomaly and a series of smaller gold auger anomalies.

The Company's initial priority will be to complete the auger geochemical coverage over the tenement and drill test (air core) the existing structural and geochemical targets as well as any new targets identified. Anomalous results from this work will be tested by reverse circulation drilling.

The Melita prospect includes several scattered low order surface anomalies that may represent sub surface anomalism. Initial work will include field checking of anomalies, compilation of past exploration data and structural mapping using reprocessed open file aeromagnetic data. RAB drill testing of the old Princess of Melita workings returned anomalous results. The workings appear to be located on a north south striking structure that does not appear to be tested by surface geochemistry or drilling. A program of auger drilling along the structure is required to adequately test the structure. The splay structures off the Emu – Melita Fault also appear to be favourable structures for gold mineralisation. Within the tenement area these splay structures are largely under cover and have not been tested and require targeted auger traverses to adequately test. Anomalies identified from this work will be tested by aircore drilling to define bedrock anomalies.

3.5 Ballard Project

3.5.1 Summary

The Ballard Project comprises two contiguous granted exploration licences E30/472 and E29/991 covering a total area of 201 square kilometres. The project is located approximately 150km north-west of Kalgoorlie and 50km northwest of the township of Menzies.

Access to the project is via the Menzies – Sandstone Road, which passes through E30/472, and minor secondary roads and station tracks.

3.5.2 Regional and Project Geology

The tenements straddle the terrane boundary (the Mt Ida Fault) between the Barlee Domain of the Youanmi Terrane and the Coolgardie and Ora Banda Domains of the Eastern Goldfields Superterrane.

A major shear (Ballard Fault) separates the Coolgardie Domain from the Ora Banda Domain. Within the Coolgardie Domain the geology comprises komatiitic ultramafics, basalts and minor sedimentary units, with gabbro sills emplaced along lithological contacts. The Ora Banda domain comprises granitic gneisses, and the Barlee Domain comprises thin basalt, ultramafic and sedimentary units.

The Project area covers approximately 40km of strike of the Ularring Greenstone Belt. The tenements cover the thinnest part of the greenstone belt, with the thinning potentially due to both development of the strongest and thickest shearing in the gneiss in the east, and the emplacement of rounded granite stocks in the west.

3.5.3 Previous Exploration

Gold exploration has comprised generally small programs in the vicinity of limited old workings, and broader areas defined in early regional stream sediment sampling programs. Companies have explored the area from the 1960s. Work included mapping, stream sediment, soil and rock geochemistry, and RAB and RC drilling. The work successfully identified the Blue Well (with nearby historical workings) and other prospects.

Recently completed field sampling programs focused on an area in the central part of E30/472 that was considered prospective for gold mineralisation. The results indicate that gold-in-soil anomalism occurs over a strike of approximately 500m and remains open to the south and to the east. The anomalism appears to be associated with a north south striking ultramafic unit that has been intruded by a dolerite striking parallel to stratigraphy.

3.5.4 Exploration Potential

The Company's primary interest in the project is exploring for large scale gold systems associated with structural offsets associated with the Ballard Shear and Ida Lineament. A review of the open file aeromagnetic data has identified two such settings within the project area that the Company believes has the potential to host substantial gold mineralisation. In the central part of the project a series of en-echelon shears between the Ida and Ballard structures is regarded as a priority area of interest. Coincidentally the untested Blue Well, Snake Hill South and Emerald North prospects are located in the general area. The magnetics also identify a major flexure in the Ida Lineament in the southern part of the project

area where several old workings are located. This area is also regarded by the Company as a priority target.

3.6 Pavarotti Project

The Pavarotti Project comprises two granted exploration licences E77/2208-I and E7/2478 covering a combined area of approximately 17.7 square kilometres. The Pavarotti Project is located northwest of the abandoned township of Koolyanobbing located approximately 65 km north of Southern Cross.

Access to the tenement is via the sealed Southern Cross – Koolyanobbing road. The Salt Road runs north west through both tenements and provides reasonable access.

3.6.1 Regional and Project Geology

The Koolyanobbing Greenstone Belt lies within the Southern Cross Province of the Archean Yilgarn Craton. The northwest trending belt extends over a strike length of approximately 35km and has a maximum width of 8km. It is bordered by basement granitoids and gneiss, frequently incorporating rafts of highly deformed and metamorphosed greenstones. The southwestern greenstone contact is defined by a major structure, the Koolyanobbing Fault, that can be traced intermittently northwest into the Diemals area and southeast to Lake Johnson, a distance of over 650km.

The Koolyanobbing Greenstone Belt is dominated by tholeiitic basalt, dolerite, and komatiitic volcanics, along with prominent banded iron formations and subdued metasediments. In the North Ridge area, the stratigraphy on the western side is considered to face towards the northeast, however some conflicting facing evidence may be explained by isoclinal folding which is interpreted from mapping and airborne magnetic data. The stratigraphy is also disrupted by a series of north-northwest trending, low-angle, sinistral oblique faults, which create localised stratigraphic thickening or duplication. The southern margin of the belt has been intruded by quartz-feldspar porphyry dykes, and the entire sequence has been subjected to a lower amphibolite facies grade regional metamorphism, with localised retrogressive greenschist facies units in some areas.

3.6.2 Previous Exploration

Between 1968 and 1972, BHP conducted exploration for nickel sulphide mineralisation over the entire Koolyanobbing Greenstone Belt. This work was largely focused to the northwest of Koolyanobbing Township, in an area referred to as the North Range. Exploration included gossan search, gridding, mapping, ground geophysical surveys (magnetics, induced polarisation and radiometrics), soil sampling, costeaning, and drilling. Six zones of significant nickel sulphide mineralisation were identified along the western-most ultramafic horizon, including the Jock's Dream Prospect (outside current tenure) and the Pavarotti Prospect (within current tenure) where more significant results were returned by BHP.

The North Range area was again explored for sulphide nickel mineralisation between 1985 and 2013 using updated methods. Exploration involved compilation of all previous data into a digital format and reprocessing of airborne magnetic data, along with gridding, mapping, ground magnetic surveys and various drilling programmes. A high-resolution heli-mag survey and a moving loop transient electromagnetic (MLTEM) survey were also completed within the North Range area. The work confirmed the stratigraphic package to represent a single

northeast-facing sequence, comprising at least 3 cycles of ultramafic rocks, all of which have the potential to host nickel sulphide mineralization.

3.6.3 Exploration Potential

The Pavarotti Project covers approximately 7 kilometres strike of ultramafic stratigraphy prospective for channel hosted nickel sulphide mineralisation. Within the current project the majority of exploration work undertaken has been on the Pavarotti Prospect. The deeper drilling undertaken by BHP intersected thin zones of massive and disseminated nickel sulphide mineralisation. Drilling has not followed up ground electromagnetic anomalies identified over the project.

The remainder of the project area requires systematic geochemical sampling along the ultramafic stratigraphy followed by high powered ground electromagnetic surveying and reverse circulation drill testing.

3.7 Lake Roe North Project

3.7.1 Summary

The Lake Roe North Project comprises one granted exploration licence (E28/2748) and one tenement application (E28/2817) covering a total area of approximately 39 square kilometres.

The Lake Roe North Project is located 120km east north east of Kalgoorlie in the North East Coolgardie Mineral Field, Western Australia. The project area is accessed from Kalgoorlie via the sealed Yam Road northeast from Kalgoorlie to the old Kanowna townsite, then east along the unsealed Kurnalpi-Pinjin Road. Access throughout the tenement is reasonable via station tracks and fence lines.

3.7.2 Regional and Project Geology

The Lake Roe North Project is located in the eastern part of the Norseman-Wiluna Greenstone Belt, Eastern Goldfields Province of the Archaean Yilgarn Craton. The north-northwest trending greenstone belt is an extensive sequence of ultramafic, mafic, intermediate and acid intrusive and extrusive volcanic rocks with associated sedimentary rocks. Flanking the belt are major Archaean intrusive granitic bodies and smaller internal granitoid bodies intrude both the batholith granites and greenstone.

The Lake Roe North Project covers a sequence of deformed Archean greenstones within the Southern Laverton Tectonic Zone. The area is considered prospective for gold mineralisation. The zone is host to a number of large gold deposits with the Lake Roe North Project area between Carosue Dam located approximately 40km to the north, and Karonie approximately 50km to the south. The project area lies close to the Claypan Fault zone that hosts the Bombora Deposit held by Breaker Resources Limited. Gold mineralisation at Bombora is largely stratabound, occurring preferentially in the 100-150m thick, iron-rich quartz dolerite unit of the Bombora Sill. Variably-plunging lodes are formed where different mineralised structures intersect the quartz dolerite. The Bombora mineralised zone is adjacent to the Claypan Shear Zone that has been traced further north to the Lake Roe North Project area, E28/2817.

E28/2817 covers portions of the Claypan Shear and second order structures to the immediate east of the main Claypan Shear with a granite intrusion located to the immediate south east and within the tenement. Outcrop is obscured by Quaternary and Tertiary deposits of various origins (sheet wash, clays and remnant laterite deposits up to 60m depth) that conceal the Archaean sequence.

E28/2748, to the south east of E28/2817, has a similar geological setting with chlorite-biotite-sericite schists, siltstones and ultramafic schists intersected in relatively wide-spaced aircore traverses. The magnetic data suggests either a folded magnetic dolerite or BIF sequence occurs through the central portions of the tenement, truncated by a NE trending regional structure and magnetic dyke.

This SE trending fold hinge partially coincides with an historic augur gold anomaly. This structurally favourable area of interest has the potential to host sulphidised BIF and/or altered differentiated dolerite and remains to be systematically tested. On the eastern half of the tenement, a NE trending fold hinge provides an additional structural area of interest.

3.7.3 Previous Exploration

The Stag Shear Zone is a southeast northwest trending structure off the major north south trending Claypan Shear. The structure is highlighted in airborne magnetics and coincident with mildly anomalous gold indications. The anomalous gold occurs associated with sheared sericite-biotite-chlorite altered intermediate volcanoclastic rocks with a variable quartz veining. The bedrock is highly weathered to approximately 100m with up to 30m of transported cover.

An additional zone of anomalous supergene gold, termed the Triumph Trend, was also defined to the east of the Stag Shear Zone closer to the granite intrusion to the east. This anomalous zone is parallel to the Stag Shear, also trending southeast northwest.

Carnavale Resources Ltd (ASX: CAV) completed a 12 hole RC drilling programme in 2016, targeting the Stag Prospect and the Triumph Trend. The gold mineralisation at the Stag Prospect was confirmed and is hosted in partially weathered, sheared and foliated sericite-chlorite schist with minor thin quartz and carbonate rich veining. The actual Triumph structure remains untested in the fresh bedrock.

3.7.4 Exploration Potential

In addition to following up the untested southern trend potential at the Stag Prospect and drill testing of the Triumph Trend, analysis of historic auger drilling and available aeromagnetic images has identified two structural targets on E28/2748 for follow up exploration:

- (a) South East Structural Target – follow up the historic auger gold anomaly and favourable South East structure.
- (b) North East Structural Target – follow up the flex in major North East structure.

3.8 Proposed Exploration Programs and Expenditure

Further details of the Company's intended exploration programs are contained in the Independent Geologist's Report in Annexure A.

The Company proposes to complete its exploration activities over the first two years, as outlined in the table below.

Project	Program	Year 1	Year 2
Leonora South East Sunset Well and Melita	Data Review and Targeting	\$35,000	-
	Auger Geochemical Sampling	\$15,000	\$80,000
	Aircore Drilling	\$150,000	\$100,000
	RC Drilling	\$110,000	\$150,000
	Subtotal	\$310,000	\$330,000
Pavarotti	Data Review and Targeting	\$10,000	-
	Auger Geochemistry	\$80,000	-
	Ground Geophysics	\$80,000	-
	Aircore Drilling	\$120,000	-
	RC/DDH Drilling	\$50,000	\$300,000
	Downhole Geophysics	-	\$30,000
	Subtotal	\$340,000	\$330,000
Ballard	Data compilation and interpretation	\$19,000	\$12,000
	Field mapping	\$16,000	\$16,000
	Aircore Drilling	\$438,000	\$254,000
	RC Drilling	-	\$197,000
	Subtotal	\$473,000	\$479,000
Lake Roe North (E28/2748) ¹	Geophysical Data Review and Targeting	\$10,000	-
	Aircore Drilling	\$266,000	-
	Reverse Circulation (RC) Drilling	\$50,000	\$300,000
	Subtotal	\$326,000	\$300,000
Geological management		\$200,000	\$200,000
Total		\$1,649,000	\$1,639,000

Notes:

1. The exploration program and budgeted expenditure for the Lake Roe North project relate only to the granted tenement (E28/2748) the Company will acquire under the Acquisitions.

The exploration programs are subject to modification on an ongoing basis, including as a result of any tenement applications being granted, and are 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.

3.9 Competent Person's Statement

The information in this Prospectus that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Malcolm Castle, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Castle is employed by the Company as independent geologist through his company, Agricola Mining Consultants Pty Ltd.

Mr Castle 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 Castle consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

3.10 Strategy Following re-listing

The primary objective of the Company is to focus on exploration and development of mineral projects that have the potential to deliver growth for Shareholders. In order to achieve this objective following listing, the Company proposes to undertake the exploration programs highlighted above and further explained in the Independent Geologist Report in Annexure A of this Prospectus. The results of the exploration programs will determine the potential of the Projects to host significant mineralisation and possible timing for the commencement of further testing including pre-feasibility and feasibility studies in order to assess the economic viability of the Projects.

In addition to its existing exploration activities, the Company will continue to pursue other acquisitions that have a strategic fit for the Company.

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

- (a) systematically explore the Company's Projects;
- (b) explore for gold and base metal mineralisation through geological mapping, surface sampling and drilling on the Projects;
- (c) implement a growth strategy to seek out further exploration and acquisition opportunities; and
- (d) meet the costs of the Offer and provide working capital for the Company.

From time to time acquisition opportunities may be presented to the Board. At this time the Board will discuss and evaluate the merits of any acquisition opportunities presented to it depending on current market sentiments and the Company's current finances and appetite for additional assets. The Company has not identified any potential acquisition opportunities as at the date of this Prospectus. In considering future acquisitions, the Company's current intention is to consider mineral exploration projects, in particular those prospective for gold and base metals, primarily within Australia.

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 the Independent Geologist Report in Annexure A of this Prospectus.

3.11 Directors

On and from admission to the Official List of the ASX, the Board of the Company will consist of Patrick Flint, who will serve as Non-Executive Chairman, and Paul Jurman and Victor Liu each serving as Non-Executive Directors.

Immediately prior to admission to the Official List of the ASX, Existing Directors Hui Zhang and Tao Ding will resign as Directors and will cease involvement with the Company.

Professional biographies of the Directors upon the Company being admitted to the Official List are set out below:

Patrick Flint – B.Com, CA, MAICD

Non-Executive Chairman

Mr Flint has been involved in the resources sector as a director or company secretary of ASX and Toronto Stock Exchange listed companies with mineral projects in Australia, Africa and Asia for the last 25 years. Mr Flint is a Chartered Accountant and has significant experience with project acquisitions, joint venture negotiations and management, fund raisings and corporate matters.

Mr Flint has previously served as a director of ASX-listed AVZ Minerals Limited (May 2014 to 6 March 2018), Nemex Resources Ltd (September 2010 to 16 December 2015) and Explaurum Limited (November 2013 to 23 October 2015).

The Board considers that Mr Flint will be an independent Director.

Paul Jurman – B.Com, CPA

Non-Executive Director

Mr Jurman is a Certified Practising Accountant with over 15 years' experience across a diverse range of Australian public listed companies (predominantly in the mineral resources sector) acting in director, company secretarial and financial roles. He is currently company secretary of ASX-listed Platina Resources Limited and Carnavale Resources Limited.

Mr Jurman is currently company secretary of Nemex Resources Limited and would also continue in that role from the date of listing.

Mr Jurman has previously served as a director of ASX-listed Nemex Resources Limited (October 2012 to 16 December 2015) and Platina Resources Limited (5 January 2018 to 16 August 2018).

The Board considers that Mr Jurman will be an independent Director.

Hui Dong Liu (Victor Liu)

Non-Executive Director

Mr. Liu has more than 20 years' experience in corporate management and business and customer development in Australia and Asia.

Mr. Liu holds no other directorships in publicly listed companies.

3.12 Other Management

Lijun Yang - MMLM, AIG and SEG

Exploration Manager

Mr Yang is a geologist with more than 10 years working experience at various Chinese and Australian gold operations. He received his Master's Degree in Mineralogy, Lithology and Mineral Deposits from the China University of Geosciences in 2012 and developed new methodologies to explore for gold mineralisation using the typomorphic properties of minerals.

He commenced working for ASX-listed KalNorth Gold Mines Limited (KalNorth) as a Project Evaluation Geologist in August 2013 and was appointed to the Board in November 2013 as an Executive Director, with primary responsibility for the development and implementation of KalNorth's exploration activities. His role at KalNorth also included investor relations with shareholders and potential shareholders in China and other Asian countries. He resigned from the KalNorth Board in January 2017 but continues to consult to KalNorth in the role of Exploration Manager.

Mr Yang owns the consultancy company Gold Geological Consulting Pty Ltd, which provides geological consultancy services and identifies new exploration project opportunities. Mr Yang is multi-lingual (Chinese & English). He is a member of the Australian Institute of Geoscientists and the Society of Economic Geologists.

3.13 Capital Structure

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

Shares

	Minimum Subscription	Full Subscription
Shares currently on issue ¹	25,742,648	25,742,648
Shares to be issued pursuant to Legendre Acquisition Agreement ²	500,000	500,000
Shares to be issued pursuant to Lake Roe North Acquisition Agreement ³	350,000	350,000
Shares to be issued pursuant to the Offer	22,500,000	25,000,000
Total Shares on completion of the Offer	49,092,648	51,592,648

Notes:

1. The rights attaching to the Shares are summarised in Section 9.2 of this Prospectus.
2. The material terms of the Legendre Acquisition Agreement are summarised in Section 8.1 of this Prospectus.
3. The terms of the Lake Roe North Acquisition Agreement are summarised in Section 8.2 of this Prospectus.

3.14 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer (assuming full subscription) are set out in the respective tables below.

Substantial shareholdings as at the date of the Prospectus

Shareholder	Shares	%
Robert Liu ¹	2,776,427	10.79%
Pershing Australia Nominees Pty Ltd <Phillip Securities (HK) A/C>	2,198,564	8.54%
Zhaoqing Dai	1,574,163	6.12%

Notes:

1. Robert Liu is the brother of Victor Liu, a Director of the Company.

Substantial shareholdings on completion of the Offer (assuming Minimum Subscription is raised)

Shareholder	Shares	%
Natural Space Investment and Holding Group (Hong Kong) Limited	9,750,000	19.86%
Ms Ying Luo	6,750,000	13.75%
Elephant Group Holding Ltd ¹	7,000,000	14.26%
Robert Liu ^{1,2}	2,776,427	5.66%

Notes:

1. Elephant Group Holding Ltd is controlled by Victor Liu, a Director of the Company.
2. Robert Liu is the brother of Victor Liu, a Director of the Company.

Refer to Section 2.4 for a discussion with respect to the control effect of allocations of Shares under the Offer to the Cornerstone Investors.

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.

3.15 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.

3.16 Additional Information

Investors are referred to and encouraged to read in their entirety both the:

- (a) the Independent Geologist's Report in Annexure A for further details about the geology, location and mineral potential of the Company's Projects;
- (b) the Solicitor's Report on Tenements in Annexure B for further details in respect to the Company's interests in the Tenements; and
- (c) Section 4 and the Independent Accountant's Report in Annexure C for further details about the Company's financial information.

4. FINANCIAL INFORMATION

4.1 Introduction

The financial information contained in this Section 4 includes:

- (a) summary statutory audited historical consolidated Statement of Financial Position at 30 June 2017 and 30 June 2018 and statutory audited historical consolidated Statement of Profit or Loss and Other Comprehensive Income and consolidated Statement of Cash Flows of the Group for the years ended 30 June 2017 and 30 June 2018;
- (b) summary statutory reviewed historical consolidated Statement of Financial Position at 31 December 2018 and statutory reviewed historical consolidated Statement of Profit or Loss and Other Comprehensive Income and consolidated Statement of Cash Flows of the Group for the six months ended 31 December 2018; and
- (c) the pro forma consolidated Statement of Financial Position at 31 December 2018 of the Group at 31 December 2018 and supporting notes which includes the post reporting date transactions and pro forma adjustments;

(together referred to as the **Historical Financial Information**).

The Group comprises the Company and its wholly-owned subsidiaries, Nemex Ventures Pty Ltd, Nemex Guinea Pty Ltd and Nemex Ressources Guinee-SARL, all of which have not traded during the current and prior financial periods.

All amounts disclosed in this Section are presented in Australian dollars.

4.2 Basis of preparation of the Historical Financial Information

The Historical Financial Information included in this Section 4 has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (including the Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act. The Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001. Significant accounting policies applied to the Historical Financial Information are set out in note 4 of this Section 4 under the heading 'Significant Accounting Policies'.

The Historical Financial Information has been reviewed and reported on by HLB Mann Judd as set out in the Independent Limited Assurance Report in Annexure C. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The Historical Financial Information has been prepared for the purpose of the Offer.

The consolidated financial information that relates to the periods from 1 July 2016 to 30 June 2017, and 1 July 2017 to 30 June 2018, has been extracted from the financial statements of the Company which were audited by HLB Mann Judd. Unmodified audit opinions were issued for those periods with emphases of matter in relation to going concern.

The financial information that relates to the six months ended 31 December 2018, has been extracted from the financial statements of the Group which were reviewed by HLB Mann Judd. An unmodified review conclusion was issued with an emphasis of matter in relation to going concern.

The information set out in this Section 4 and the Company's selected financial information should be read together with:

- (a) the risk factors described in Section 5;
- (b) the Use of Funds described in Section 2.7;
- (c) the indicative capital structure described in Section 3.13;
- (d) the Independent Limited Assurance Report on the Historical Financial Information set out in Annexure C; and
- (e) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

4.3 Statutory Historical Statement of Profit or Loss and Other Comprehensive Income

The table below presents the Historical Statement of Profit or Loss and Other Comprehensive Income.

	Audited Consolidated 12 months to 30 June 2017	Audited Consolidated 12 months to 30 June 2018	Reviewed Consolidated 6 months to 31 December 2018
	\$	\$	\$
Revenue from continuing operations ¹	229,911	321,829	64 ¹
	229,911	321,829	64
Employee benefits expense	(75,482)	(76,560)	4,280
Impairment of exploration expenditure	(1,673)	-	-
Impairment of investment in associate	(472,388)	-	-
Impairment of loan to associate	(1,001,004)	(621,710)	-
Other expenses	(195,209)	(187,922)	(123,165)
Share of net losses of associate	(87,746)	-	-
Loss before related income tax	(1,603,591)	(564,363)	(118,821)
Income tax benefit	-	-	-
Loss for the year	(1,603,591)	(564,363)	(118,821)

		Audited Consolidated 12 months to 30 June 2017	Audited Consolidated 12 months to 30 June 2018	Reviewed Consolidated 6 months to 31 December 2018
		\$	\$	\$
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange gain / (loss) arising on translation of foreign operations		-	-	-
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(1,603,591)	(564,363)	(118,821)
BASIC LOSS PER SHARE (CENTS)	6	(0.66)	(0.23)	(0.05)

¹ Under AASB 15, revenue is recognised when a performance obligation is satisfied and recovery of the consideration is probable. As any interest accrued is not expected to be recovered, no interest income is recognised to 31 December 2018.

4.4 Statutory Historical Statement of Cash Flows

The table below presents the Historical Statement of Cash Flows.

		Audited Consolidated 12 months to 30 June 2017	Audited Consolidated 12 months to 30 June 2018	Reviewed Consolidated 6 months to 31 December 2018
		\$	\$	\$
Cash Flows from Operating Activities				
Payments to suppliers and employees		(209,859)	(129,637)	(47,424)
Interest received		184	119	64
Net Cash outflows from Operating Activities		(209,675)	(129,518)	(47,360)
Cash Flows from Investing Activities				
Payments for exploration and evaluation expenditure		(1,673)	-	-
Net Cash outflows from Investing Activities		(1,673)	-	-

	Audited Consolidated 12 months to 30 June 2017	Audited Consolidated 12 months to 30 June 2018	Reviewed Consolidated 6 months to 31 December 2018
	\$	\$	\$
Cash Flows from Financing Activities			
Proceeds from share issues	-	72,000	225,420
Proceeds from share subscriptions received in advance	-	20,000	-
Net Cash inflows from Financing Activities	-	92,000	225,420
Net (decrease) / increase in Cash and Cash Equivalents	(211,348)	(37,518)	178,060
Cash and cash equivalents at the beginning of the period	309,070	94,371	55,496
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	(3,351)	(1,357)	(52)
Cash and Cash Equivalents at end of the period	94,371	55,496	233,504

4.5 Statutory Historical Statement of Financial Position

The table below presents the Historical Statement of Financial Position.

	Audited Consolidated 12 months to 30 June 2017	Audited Consolidated 12 months to 30 June 2018	Reviewed Consolidated 6 months to 31 December 2018
	\$	\$	\$
Current Assets			
Cash and cash equivalents	94,371	55,496	233,504
Other receivables	317,595	4,299	11,707
Total Current Assets	411,966	59,795	245,211
Non-Current Assets			
Deferred exploration and evaluation expenditure	-	-	-
Investment in associated entity	-	-	-

	Audited Consolidated 12 months to 30 June 2017	Audited Consolidated 12 months to 30 June 2018	Reviewed Consolidated 6 months to 31 December 2018
	\$	\$	\$
Total Non-Current Assets	-	-	-
Total Assets	411,966	59,795	245,211
Current Liabilities			
Trade and other payables	107,570	227,762	306,579
Share applications received in advance	-	20,000	-
Total Liabilities	107,570	247,762	306,579
Net Assets / (Net Liabilities)	304,396	(187,967)	(61,368)
Equity			
Issued capital	11,982,428	12,054,428	12,299,848
Reserves	1,723,620	1,723,620	1,723,620
Accumulated losses	(13,401,652)	(13,966,015)	(14,084,836)
Total Equity / (Deficiency)	304,396	(187,967)	(61,368)

4.6 Pro Forma Statement of Financial Position

The table below sets out the post reporting date transactions and pro forma adjustments that have been incorporated into the Pro Forma Statement of Financial Position as at 31 December 2018.

The post reporting date transactions reflect material transactions that have occurred subsequent to 31 December 2018 and up to the date of this Prospectus. The pro forma adjustments reflect the financial impact of the Offer as if they had occurred at 31 December 2018.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of the Group's future financial position.

		Reviewed Consolidated 6 months to 31 December 2018	Pro Forma Minimum	Pro Forma Maximum
		\$	\$	\$
		\$	\$	\$
Current Assets				
Cash and cash equivalents	1	233,504	4,001,125	4,474,125
Other receivables		11,707	5,194	5,194
Total Current Assets		245,211	4,006,319	4,479,319
Non-Current Assets				
Deferred exploration and evaluation expenditure	2	-	225,000	225,000
Total Non-Current Assets		-	225,000	225,000
Total Assets		245,211	4,231,319	4,704,319
Current Liabilities				
Trade and other payables		306,579	-	-
Total Liabilities		306,579	-	-
Net Assets / (Net Liabilities)		(61,368)	4,231,319	4,704,319
Equity				
Issued capital	3	12,299,848	16,549,848	17,022,848
Reserves		1,723,620	1,723,620	1,723,620
Accumulated losses		(14,084,836)	(14,042,149)	(14,042,149)
Total Equity / (Deficiency)		(61,368)	4,231,319	4,704,319

4.7 Post reporting date transactions

The following material transactions have occurred subsequent to 31 December 2018, and up to the date of authorisation of this Prospectus and have been incorporated as part of the Pro Forma Statement of Financial Position.

- (a) Payment of creditors existing at 31 December 2018 of \$70,256 and current period expenses of \$17,981 and GST received post 31 December 2018 of \$6,513 to current date.
- (b) There have been no other adjusting or significant non-adjusting events that have occurred between 31 December 2018 and the date of authorisation of this Prospectus.

4.8 Pro forma adjustments

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 31 December 2018 and are set out below:

- (a) the minimum issue of 22,500,000 Shares, at \$0.20 per Share, amounting to \$4,500,000 under the Offer and a maximum of 25,000,000 Shares, at \$0.20 per Share, amounting to \$5,000,000 under the Public Offer;
- (b) cash to be paid to Vendors as part of the consideration for the Acquisitions of \$55,000 (of which \$25,000 was paid in April 2019);
- (c) issue of 850,000 Shares to the Vendors as part of the consideration for the Acquisitions with a deemed value of \$170,000;
- (d) payment of remaining outstanding creditors as at 31 December 2018 of \$100,655 and settlement of outstanding director fees owing to Mr Zhang of \$19,000 and \$56,000 for Mr Tao Ding (previously combined accrued directors fees for \$135,668); and
- (e) total expenses associated with the Offers (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be \$420,000 based on the Minimum Subscription and \$447,000 based on the Maximum Subscription (exclusive of GST). All costs are capitalised against issued capital. A full breakdown of the costs of the Offers costs is as follows:

Item of Expenditure	Minimum Subscription \$	Maximum Subscription \$
ASX fees	74,361	75,681
ASIC fees	3,206	3,206
Lead Manager and Broker Commission	225,000	250,000
CCPL Fees	30,000	30,000
Legal fees	60,000	60,000
Investigating accountant's fees	5,500	5,500
Independent Geologist's fees	12,500	12,500
Printing, design and other costs	9,433	10,113
Total	420,000	447,000

Recognition of a deferred tax asset

A deferred tax asset has not been recognised in relation to the capitalised Offer costs due to the uncertainty surrounding the flow of economic benefits in future periods.

Note 1 - Cash and cash equivalents

The reviewed pro forma cash and cash equivalents have been set out below:

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
Reviewed cash and cash equivalents at 31 December 2018		233,504	233,504
<i>Post reporting date transactions:</i>			
Payment of creditors and GST received		(81,724)	(81,724)
<i>Pro forma adjustments:</i>			
Proceeds from Shares issued under the Offer	(a)	4,500,000	5,000,000
Payment of existing creditors at 31 December 2018 (including payment of outstanding Director fees)	(d)	(175,655)	(175,655)
Offer costs	(e)	(420,000)	(447,000)
Settlement payment to Vendors	(b)	(55,000)	(55,000)
Pro forma cash and cash equivalents		4,001,125	4,474,125

Note 2 - Deferred exploration & evaluation expenditure

Deferred exploration and evaluation expenditure consists of the cash payments and issue of Vendor Shares as part consideration for the Acquisitions. The reviewed pro forma deferred exploration and evaluation expenditure has been set out below:

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
Reviewed Deferred exploration & evaluation expenditure at 31 December 2018		-	-
<i>Pro forma adjustments:</i>			
Settlement payment to Vendors	(b)	55,000	55,000
Issue of Vendor Shares	(c)	170,000	170,000
Pro forma deferred exploration & evaluation expenditure		225,000	225,000

The ultimate recoupment of the expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 3 - Contributed equity

Contributed equity consists of issued capital. The reviewed pro forma share capital has been set out below:

	Pro forma adjustment	Minimum Subscription \$	Maximum Subscription \$
Reviewed issued capital at 31 December 2018		12,299,848	12,299,848
<i>Pro forma adjustments:</i>			
Proceeds from Shares issued under the Offer	(a)	4,500,000	5,000,000
Issue of Vendor Shares	(c)	170,000	170,000
Offer costs	(e)	(420,000)	(447,000)
Pro forma share capital		16,549,848	17,022,848

	Pro forma adjustment	Minimum Subscription No.	Maximum Subscription No.
Number of shares on issue at 31 December 2018		257,425,421	257,425,421
<i>Post reporting date transactions:</i>			
The issued capital of the Company was consolidated on the basis that every ten (10) Shares be consolidated into one (1) Share, following shareholder approval received on 17 April 2019.		(231,682,773)	(231,682,773)
<i>Pro forma adjustments:</i>			
Shares issued under the Offer	(a)	22,500,000	25,000,000
Issue of Vendor Shares	(c)	850,000	850,000
Pro forma shares on issue		49,092,648	51,592,648

Note 4 - Significant Accounting Policies

(a) **Basis of preparation**

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial information has been prepared on an accruals basis and is based on historical cost.

(b) **Going concern**

The Historical Financial Information has been prepared on the basis of accounting principles applicable to a going concern which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

(c) **Basis of consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of the Company and its subsidiaries as at 31 December 2018.

The Company and its subsidiaries are referred to in this Section as the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control is achieved when the Company:

- (i) has power over the investee;
- (ii) is exposed, or has rights, to variable returns from its involvement in with the investee; and
- (iii) has the ability in its power to affect its returns.

The Company will reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(d) **Income tax**

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

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each reporting date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

At the reporting date, the Directors have not made a decision to elect to be taxed as a single entity. In accordance with Australian Accounting Interpretations, "Substantive Enactment of Major Tax Bills in Australia", the financial effect of the legislation has therefore not been brought to account in the financial statements except to the extent that the adoption of the tax consolidation would impair the carrying value of any deferred tax assets.

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.

(e) **Deferred exploration & evaluation expenditure**

Mineral interest acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Group's rights of tenure to that area of interest are current and either the costs are expected to be recouped through the successful development and commercial exploitation of the area of interest or where exploration activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy), as set out in AASB 6 Exploration for and Evaluation of Mineral Resources.

(f) **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents represent short term, highly liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advance.

(g) **Trade and other payables**

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(h) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

(i) **Employee benefits**

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services

up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(j) **Equity and reserves**

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.

(k) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(l) **Commitments**

Due to the nature of the Group's future operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure in order to retain present interests in mineral tenements.

Future annual rent on the granted exploration licenses to be held by the Group following the completion of the Acquisitions is \$20,902.75 with a minimum future exploration commitment of \$191,680 per annum.

If the Group does not spend a minimum of \$200,000 in aggregate by 31 July 2020, on drilling on the tenements comprising the Legendre Acquisition, those tenements will be transferred back to the vendor of the Legendre Acquisition for nominal consideration of \$1, subject to any required shareholder approvals.

The Vendor of the Legendre Acquisition, who will retain a 20% interest in the tenements the subject of the Acquisitions, will be free-carried until the Company makes a decision to mine (on an area the subject of a definitive feasibility study) following which the Vendor may either:

- (i) contribute pro-rata to the development expenditure; or

- (ii) convert their 20% interest in relevant tenements into a 1.5% NSR Royalty,

such that the Company will increase its respective interest to 100%, with respect to the area the subject of a decision to mine.

5. RISK FACTORS

5.1 Introduction

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

There are specific risks which relate directly to the Company's 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 Shares.

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

5.2 Company specific

(a) Limited History

The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty. While the Company has been incorporated for a significant period, the Projects have undergone varying amounts of previous exploration and appraisal work and further exploration and appraisals are required to determine whether they contain economically viable mineral deposits.

(b) Completion risk

Pursuant to the terms of the Acquisition Agreements, the Company has agreed to acquire an 80% legal and beneficial interest in the Legendre Projects and a 100% the Lake Roe North Project, subject to the satisfaction (or waiver) of certain conditions. There is a risk that if the conditions required for completion of the Acquisitions cannot be fulfilled, the Acquisitions may not occur.

If either of Acquisitions are not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved. In the event that either of the Acquisition Agreements are terminated, the Offer will not proceed and all application monies will be returned to investors.

(c) Liquidity Risk

The Cornerstone Investors will hold 23,500,000 Shares of a total of 49,092,648 Shares post-listing on a Minimum Subscription basis (being 47.87% of the Shares on issue). Should the Cornerstone Investors elect to hold their Shares rather than sell them on-market post-listing, this could be considered an increased liquidity risk as a large portion of issued capital may not be traded freely for a period of time.

(d) **Land access and tenure risk**

The Company's exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The tenements that make up the Company's Projects are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the Minister of the Department. 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. No guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be plagued by third parties.

Please refer to the Solicitor's Report on Tenements in Annexure B for further details.

(e) **Native Title and Aboriginal Heritage**

All of the Tenements, except for E28/2748 and E28/2817, are within the external boundaries of native title claims.

Legitimate common law native title rights of Aboriginal Australians may exist over areas covered by the Company's Tenements. If native title rights do exist, the ability of the Company to gain access to the 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 Annexure B of this Prospectus for further details.

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

No standard Aboriginal heritage agreements have been entered into in respect of the Tenements. The Directors confirm that the Company will ensure compliance with its requirements with respect to Aboriginal heritage. The Company notes that there is a risk that exploration activities may be delayed, and further costs incurred by the Company, in the event the Company is required to enter into standard Aboriginal heritage agreements or undertake any heritage survey.

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

(f) **Failure to satisfy Expenditure Commitments**

The Company's interests in tenements in Western Australia are governed by the *Mining Act 1978 (WA)* and other acts and regulations that are current and in force in Western Australia. Each licence or lease is for a specific term and carries with it annual expenditure and reporting

commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(g) **Exploration and Evaluation**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that future exploration of the Projects, or any other projects 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 the mineral exploration licences comprising the Projects.

(h) **Exploration costs**

The exploration costs of the Company 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.

(i) **Future Capital Requirements**

At the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. The Company proposes to use the proceeds of the Offer to fund the planned exploration programmes on the Projects. However, funds raised under the Offer will not be sufficient for expenditure expected to be required for any development of the Projects beyond these programmes. Accordingly, the Company expects to raise additional funds for exploration and development and working capital in the future. 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. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities, financial condition and its ability to continue as a going concern or its ability to pay its debts as and when they fall due. Also, no guarantee or assurance can be given as to whether the any of Projects can be developed to the stage where it will generate positive cashflow or the timing of any such development.

(j) **Restricted securities reducing liquidity**

Subject to the Company being admitted to the Official List, Shares issued in accordance with the Acquisition Agreements may be classified by ASX as restricted securities and may be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

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

(k) **Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment and water management. 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.

The Tenements are subject to various endorsements and restrictions in relation to water access and quality. There is an inherent risk that the Company may not be able to access sufficient quality water to conduct its activities and may incur costs associated with obtaining sufficient water quantities as may be required to conduct the stated exploration activities.

Mineral exploration activities have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products. The occurrence of any such safety or environmental incident could delay exploration programmes. 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.

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.

5.3 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.

(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 Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares 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 Shares will develop or that the price of the Shares 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 Shares. 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:

- (i) General economic outlook.
- (ii) Introduction of tax reform or other new legislation.
- (iii) Interest rates and inflation rates.
- (iv) Changes in investor sentiment toward particular market sectors.
- (v) The demand for, and supply of, capital.
- (vi) 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 Shares regardless of the Company's performance.

(f) **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, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, and other matters. The Company may require 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 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.

(g) **Taxation**

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

(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) **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 may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(j) **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.

(k) **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.

5.4 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 Shares offered under this Prospectus.

Therefore, the Shares 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 Shares.

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

6. BOARD, MANAGEMENT AND INTERESTS

6.1 Proposed Directors

On listing, the Board of the Company will consist of:

- (a) **Patrick Flint** (B.Com, CA, MAICD) – Independent, Non-Executive Chairman;
- (b) **Paul Jurman** (B.Com, CPA) – Independent, Non-Executive Director; and
- (c) **Victor Liu** – Non-Executive Director.

Please refer to Section 3.11 for professional biographies of each of the Proposed Directors.

6.2 Proposed Key Management Personnel

The other key management position held within the Company post-listing is held by Lijun Yang, the Company's exploration manager.

Geological Gold Consulting Pty Ltd, a controlled entity of Mr Yang, is the vendor under the Lake Roe North Acquisition Agreement.

Please refer to Section 3.11 for a professional biography for Mr Yang.

The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) 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. As the Company's Projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Projects.

6.3 Disclosure of Interests

Interest in Securities

The relevant interest of the Existing and Proposed Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares
Mr Patrick Flint ¹	800,000
Mr Paul Jurman ²	200,000
Mr Victor Liu ³	1,000,000
Mr Tao Ding ⁴	Nil
Mr Hui Zhang ^{4, 5}	1,574,163

Notes:

- 1. Comprising 374,125 Shares held by Dellfield Holdings Pty Ltd (a company of which Mr Flint is a director and holds a beneficial interest), and 425,875 Shares held by Mr Patrick Flint.
- 2. These Shares are held by Paul and Angela Jurman as trustees for the Jurman Superannuation Fund.

3. These Shares are held by Elephant Group Holding Ltd (a company of which Mr Liu is a director and holds a beneficial interest). Elephant Group Holding Ltd is also a Cornerstone Investor, and the Company has received a firm commitment from Elephant Group Holding Ltd to subscribe for 6,000,000 Shares under the Offer. Refer to Sections 2.3 and 2.4 for more information and Section 3.14 for a summary of the substantial Shareholders of the Company post-listing, which include Elephant Group Holding Ltd.
4. Each of these Directors will resign as Directors immediately prior to the admission of the Company to the Official List.
5. These Shares are held by Miss Zhaoqing Dai (wife of Mr Zhang).

Remuneration

Details of the Directors' remuneration for the previous completed and the current financial year (on an annualised basis) are set out in the table below, assuming a listing date of 1 July 2019:

Director	Remuneration for year ended 30 June 2018 (Actual)	Remuneration for year ended 30 June 2019 (Actual)	Remuneration for year ended 30 June 2020 (Proposed)
Mr Patrick Flint	-	- 3, 4	\$36,000 ³
Mr Paul Jurman	-	- 3, 4	\$24,000 ³
Mr Victor Liu	-	- 3	\$24,000 ³
Mr Tao Ding ¹	\$24,000 ²	\$56,000	Nil
Mr Hui Zhang ¹	\$26,280 ²	\$19,000	Nil

Notes:

1. From 1 January 2017, the Board agreed to suspend payment of Director fees to the Existing Directors pending an improvement in the Company's financial position. As at 31 December 2018, unpaid Director fees accrued totalled \$135,668). It has been agreed that outstanding Director fees will be settled by a once-off final payment of \$19,000 (inclusive of superannuation) to Mr Zhang and a once-off final payment of \$56,000 to Mr Ding with the balance forgiven by both Mr Zhang and Mr Ding.
2. Comprising a base salary of \$24,000 and, in the case of Mr Hui Zhang, superannuation benefits of \$2,280.
3. Each of Messrs Flint, Jurman and Liu will be entitled to Director fees (inclusive of superannuation) on and from the date the Company is admitted to the Official List of ASX.
4. During the 24 months preceding lodgement of this Prospectus with the ASIC, Corporate Consultants Pty Ltd (**CCPL**), an entity which acts as trustee for the Corporate Services Trust in which Mr Flint has a 23% interest and Mr Jurman has a 15% interest, has invoiced \$160,431, exclusive of GST for the provision of company secretarial, accounting, administration and office services to the Company (**Services**). As at the date of this Prospectus, the total amount owing to CCPL is \$88,243 exclusive of GST. The Existing Directors have resolved that this amount owing to CCPL will be paid out of funds raised under the Offer. On and from admission to the Official List, CCPL will continue to provide the Services to the Company on the terms set out in Section 8.5. In addition to this amount, CCPL will receive an advisory fee of \$30,000 for services provided to the Company in relation to the preparation of this Prospectus. Refer to Section 8.5 for the terms on which CCPL has, and will continue to provide corporate advisory services to the Company.

6.4 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 Section 8.

6.5 Agreements with Management

Refer to Section 8.6 for a summary of the Consultancy Agreement with Mr Lijun Yang.

6.6 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of the Proposed Directors and Victor Liu. Under these deeds, the Company will agree 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 will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

7. CORPORATE GOVERNANCE

7.1 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 (4th 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.nemexres.com.au).

7.2 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.

7.3 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.

On listing, the Board will consist of three non-executive directors of whom two (Messrs Flint and Jurman) will be independent. The Board does not consider Mr Liu is independent (i) as it proposed that upon completion of the Offer Elephant Group Holding Ltd, a company controlled by Victor Liu, will be a substantial shareholder of the Company, and (ii) due to his family relationship with a current substantial Shareholder of the Company. The Board considers the current balance of skills and expertise (with technical input from the Company's Exploration Manager, Mr Lijun Yang) is appropriate for the Company for its currently planned level of activity.

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.

7.4 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.

7.5 Ethical standards

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

7.6 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.

7.7 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 \$500,000 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.

7.8 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.

7.9 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.

7.10 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.

7.11 Diversity policy

The Company recognises the importance of equal employment opportunity and is committed to developing a workplace that promotes diversity. However, the Company has determined to not initially adopt a formal policy and establish measurable objectives for achieving gender diversity (and accordingly, will not initially be in a position to report against measurable objectives). The Board considers that its approach to gender diversity and measurable objectives is justified by the current nature, size and scope of the business, but will consider in the future, once the business operations of the Company mature, whether a more formal approach to diversity is required.

7.12 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 compliance and departures from the Recommendations as at the date of this Prospectus are set out in Annexure D to this Prospectus.

8. 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 Shares.

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.

8.1 Legendre Acquisition Agreement

On 12 April 2019, the Company entered into a binding term sheet with Bruce Robert Legendre and his controlled entity Australian Minerals Exploration Pty Ltd (together the **Vendor**) (**Legendre Acquisition Agreement**), pursuant to which the Company agreed to acquire up to an 80% legal and beneficial interest in the tenements comprising the Legendre Project (**Legendre Project Tenements**) from the Vendor. The material terms of the Legendre Acquisition Agreement are as follows:

- (a) (**Consideration**): As consideration, the Company will:
- (i) pay an aggregate of \$50,000 to the Vendor (or its nominee) to be paid in two tranches:
 - (A) \$20,000 was paid upon signing the Legendre Acquisition Agreement; and
 - (B) \$30,000 is to be paid at settlement; and
 - (ii) issue 500,000 Shares to the Vendor (or its nominee) at settlement; and
 - (iii) in the event the Vendor converts their 20% project interest (only), a 1.5% net smelter return royalty (**Royalty**),
- (together, the **Consideration**).
- (b) (**Conditions Precedent**): settlement is subject to the satisfaction (or waiver by the Company) of the following conditions precedent:
- (i) completion of due diligence by the Company on the Legendre Project Tenements, to the satisfaction of the Company;
 - (ii) consent of the Minister being obtained to all dealings contemplated by the Legendre Acquisition Agreement in so far as those dealings require consent to be given under section 82(1)(d) of the *Mining Act 1978 (WA)*;
 - (iii) two of the Legendre Project Tenements being transferred to the Vendor, such that at Settlement the Vendor is the sole legal and beneficial holder of those tenements (transfer duty has been paid in respect of the transfer of these tenements to the Vendor and their transfer is awaiting registration by the Department);

- (iv) the Company undertaking a capital raising and receiving valid applications for at least the Minimum Subscription or such other amount as is required by ASX to allow the Company's securities to be admitted to trading on ASX following settlement;
- (v) the Company obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Purchaser to lawfully complete the Legendre Acquisition Agreement including the Company obtaining conditional approval from ASX Limited that the Company will be admitted to the Official List on terms and conditions acceptable to the Company;
- (vi) the Company obtaining all necessary third party approvals or consents to give effect to the matters set out in this document to allow the Company to complete the Legendre Acquisition Agreement; and
- (vii) the Existing Directors, apart from Victor Liu, agreeing to resign and the Company appointing Mr Patrick Flint and Mr Paul Jurman as Directors all with effect from settlement,

(together, the **Conditions**).

- (c) **(Termination)**: If the Conditions are not satisfied (or waived) on or before 5:00pm (WST) on 31 July 2019 a party who is entitled to waive the unsatisfied Condition, may give notice to the other party that the Legendre Acquisition Agreement is at an end and the parties will be released from their obligations under it (other than in respect of any breaches that occurred prior to termination).
- (d) **(Settlement)**: Settlement of the Legendre Acquisition Agreement (**Settlement**) will occur on the date which is five (5) business days after the satisfaction (or waiver) of the Conditions.
- (e) **(Joint Venture)**: On and from Settlement, the Company and the Vendor will be deemed to have established an unincorporated joint venture in relation to the Legendre Project Tenements (**Joint Venture**). On and from Settlement, the interests of the parties in the Joint Venture will be:
 - (i) the Company – 80%; and
 - (ii) the Vendor – 20%,
 (each, **Joint Venture Interests**).
- (f) **(Joint Venture Terms)**: the material terms of the Joint Venture are as follows:
 - (i) **(Manager and Operating Committee)**: On the formation of the Joint Venture, the parties must form an operating committee and appoint a manager of the Joint Venture. Each of the parties will be entitled to appoint one representative as a member of the Operating Committee, and a representative of the Company will be the chairman of the Operating Committee and for the avoidance of doubt, will have a casting vote;

- (ii) **(Funding prior to Decision to Mine):** The Company agrees to solely fund all costs incurred in connection with the activities of the Joint Venture (including on exploration and development of the Tenements, and outgoings (rents, rates and associated costs) required to maintain the Tenements in good standing) (**JV Expenditure**) and free carry the Vendor's remaining Joint Venture Interest (**Remaining Interest**) until such time as a decision to mine has been made (**Free Carried Period**).
- (iii) **(Funding following Decision to Mine):**
 - (A) Within 30 days of completion of a Definitive Feasibility Study, the Operating Committee may make a decision to commence commercial mining operations of the deposit the subject of the study (**Decision to Mine**); and
 - (B) If a Decision to Mine is made, then the parties will thereafter contribute to all JV Expenditure in proportion to their respective Joint Venture Interests, and the Vendor may, within 21 days, elect to convert their Remaining Interest to a 1.5% net smelter royalty with respect to minerals produced at the Legendre Project Tenements.
- (iv) **(Minimum and Ongoing Expenditure):** the Company agrees that it will commit to spending, prior to 31 July 2020, a minimum amount of \$200,000 (which, for the avoidance of doubt, shall include completed a minimum of 2,000 metres of drilling on the Tenements), and, during the Free Carried Period, the minimum ongoing JV Expenditure (which is to be sole funded by the Company) is \$200,000 per annum.
- (v) **(Withdrawal):** the Company may withdraw from the Joint Venture by giving 30 days' notice in writing to the Vendor.
- (g) **(Board Changes):** At Settlement, the Company must deliver, the written resignations of each of the Existing Directors apart from Victor Liu, and the Company must appoint Patrick Flint and Paul Jurman as directors of the Company. Such resignations and appointments are to take effect immediately prior to the Company's admission to the Official List.

The Legendre Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.2 Lake Roe North Acquisition Agreement

On 12 April 2019, the Company entered into a binding term sheet with Gold Geological Consulting Pty Ltd (**Vendor**) (**Lake Roe North Acquisition Agreement**), pursuant to which the Company agreed to acquire a 100% interest in the Lake Roe North Project. The material terms of the Lake Roe North Acquisition Agreement are as follows:

- (a) **(Consideration):** The consideration payable for the acquisition of the Lake Roe North Project is:
 - (i) \$5,000, which was paid to the Vendor upon signing the Lake Roe North Acquisition Agreement; and

- (ii) the issue of 350,000 Shares to the Vendor (or its nominee) at settlement.
- (b) **(Conditions Precedent):** Settlement of the Acquisition is subject to the satisfaction (or waiver by the Company) of the following conditions precedent:
- (iii) completion of due diligence by the Company on the Lake Roe North Tenements, to the satisfaction of the Company;
 - (iv) the Company undertaking a capital raising and receiving valid applications for at least the Minimum Subscription or such other amount as is required by ASX to allow the Company's securities to be admitted to trading on ASX following settlement;
 - (v) the Company receiving a letter from ASX confirming that ASX will grant conditional approval to the listing of the Purchaser on ASX, on terms acceptable to the Purchaser (acting reasonably);
 - (vi) the Company entering into a geological consultancy agreement with Mr Lijun Yang, on terms satisfactory to the Company;
 - (vii) the Company obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to allow the Company to lawfully complete the Lake Roe North Acquisition Agreement ; and
 - (viii) the Existing Directors, apart from Victor Liu, agreeing to resign and the Company appointing Mr Patrick Flint and Mr Paul Jurman as Directors all with effect from settlement,
- (together, the **Conditions**).
- (c) **(Termination):** If the Conditions are not satisfied (or waived) on or before 5:00pm (WST) on 31 July 2019 a party who is entitled to waive the Condition that has not been satisfied (or waived), may give notice to the other party that the Lake Roe North Acquisition Agreement is at an end and the parties will be released from their obligations under it (other than in respect of any breaches that occurred prior to termination).
- (d) **(Settlement):** Settlement of the Lake Roe North Acquisition Agreement will occur on the date which is five (5) business days after the satisfaction (or waiver) of the Conditions.

The Lake Roe North Acquisition Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.3 Lead Manager Mandate

On 30 April 2019, the Company and DJ Carmichael Pty Limited (**DJ Carmichael**), a licenced securities dealer (AFSL 232571), entered into a mandate pursuant to which DJ Carmichael agreed to provide lead manager services to the Company in relation to the Offer (**Lead Manager's Mandate**).

Pursuant to the terms of the Lead Manager's Mandate, DJ Carmichael shall seek subscriptions for up to 25,000,000 Shares, the subject of the Offer, to their clients.

In consideration for acting as lead manager to the Offer, the Lead Manager will receive 5% of the gross amount raised under the Offer (**Capital Raising Fee**). Any applicable third party fees will be paid by DJ Carmichael.

In addition to the above fees, DJ Carmichael is entitled to be reimbursed for reasonable out-of-pocket expenses related to the services provided under the Lead Manager's Mandate.

The Lead Manager's Mandate contains conditions, termination and indemnity provisions customary for an agreement of this nature.

8.4 Cornerstone Investor Agreements

The Company and the Cornerstone Investors have entered into firm commitment agreements (**Firm Commitments**) under which the Cornerstone Investors each agreed to take up Shares under the Offer in the amounts set out in Section 2.3.

The Cornerstone Investors obligations under the Firm Commitments will terminate on the earlier of:

- (a) the date that this Prospectus lapses by virtue of the conditions to the Offer not having been satisfied prior to the Closing Date; and
- (b) 31 August 2019.

The issue of Shares to the Cornerstone Investors will occur at the same time as all other Shares are issued under the Offer.

The Cornerstone Investors will not receive any fees from the Company in respect of their subscriptions for Shares under the Offer and will not be entitled to appoint a nominee to the Board.

8.5 CCPL Arrangements

8.5.1 IPO Services Mandate

On or about 22 March 2019, the Company entered into a mandate (**Mandate**) with Corporate Consultants Pty Ltd (ACN 076 377 323) (**CCPL**) pursuant to which CCPL was engaged for a six (6) month fixed term to provide corporate advisory services to the Company (**Services**).

It is noted that CCPL acts as trustee for the Corporate Services Unit Trust, in which Proposed Director Patrick Flint has a 23% interest and Proposed Director Paul Jurman has a 15% interest.

In consideration for the provision of the Services, CCPL will receive a fixed fee of \$30,000 which shall be payable upon the achievement of the below milestones:

- (a) (**Milestone 1**): \$15,000 which shall be payable within 7 days of the lodgement of this Prospectus with the ASIC; and
- (b) (**Milestone 2**): \$15,000 within 7 days of the Company's admission to the Official List.

Should a milestone not be met, that component of the fee will not be payable.

The Mandate otherwise contains termination and indemnity provisions customary for an agreement of this nature.

8.5.2 Company Secretarial Mandate

The Company has also entered into a company secretarial mandate pursuant to which CCPL has been engaged to provide company secretarial and accounting and bookkeeping services to the Company for a rolling term (**Co Sec Mandate**).

The Co Sec Mandate shall be effective on and from the Company's admission to the Official List (**Commencement Date**). CCPL shall be paid \$7,000 per month (excluding GST) from the Commencement Date for the provision of the services.

The Co Sec Mandate otherwise contains termination and indemnity provisions customary for an agreement of this nature.

8.6 Consultancy Agreement – Lijun Yang

The Company has entered into a consultancy agreement with Mr Lijun Yang (**Yang CA**) pursuant to which Mr Yang is engaged as Exploration Manager of the Company on the following terms:

- (a) (**Termination**): either party may terminate the Yang CA by 1 month's notice; and
- (b) (**Fees**): \$5,000 per month (plus GST).

The Yang CA otherwise contains terms and conditions that are considered standard for agreements of this nature.

8.7 Non-Executive Director Appointment Letters – Messrs Flint, Jurman and Victor Liu

The Company has entered into non-executive director appointment letters with Mr Patrick Flint, Mr Paul Jurman and Mr Victor Liu pursuant to which Mr Flint is appointed as Non-Executive Chairman and Messrs Jurman and Liu are appointed as Non-Executive Directors of the Company on the following terms:

- (a) (**Fees**): The fees payable to the Directors are set out in Section 6.3; and
- (b) (**Reimbursements**): 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.

The appointment letters otherwise contain terms and conditions that are considered standard for agreements of this nature.

9. ADDITIONAL INFORMATION

9.1 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.

9.2 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.

9.3 **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.

9.4 **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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;

- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) 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:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Agricola Mining Consultants Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Annexure A of this Prospectus. The Company estimates it will pay a total of \$12,500 (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 has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure C of this Prospectus. The Company estimates it will pay HLB Mann Judd a total of \$5,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has not received fees from the Company for these services.

HLB Mann Judd has acted as auditor to the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has received a total of \$56,460 from the Company for audit services.

DJ Carmichael will receive a cash capital raising fee of 5% of the amount raised under the Offer (plus GST). Further details in respect to the Lead Manager Mandate with DJ Carmichael are summarised in Section 8.2. DJ Carmichael 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 at Annexure B of this Prospectus. The Company estimates it will pay Steinepreis Paganin \$60,000 (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 received \$38,067.50 from the Company for legal services rendered by Steinepreis Paganin to the Company.

9.5 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), 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 their written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Geologist's Report in Annexure A 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 Section 3 of this Prospectus in the form and context in which those statements are included. Mr Castle has not withdrawn his consent prior to lodgement of this Prospectus with the ASIC.

HLB Mann Judd 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 Annexure C of this Prospectus in the form and context in which the information and report is included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

HLB Mann Judd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Investigating Accountant's Report included in Annexure C in the form and context in which it appears. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

DJ Carmichael has given its written consent to being named as Lead Manager to the Company in this Prospectus. DJ Carmichael has not withdrawn its consent prior to the 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 Annexure B 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.

Advanced Share Registry has given its written consent to being named as the share registry to the Company in this Prospectus. Advanced Share Registry has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.6 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$420,000 (Minimum Subscription) and \$447,000 (Full Subscription), and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$4,500,000)	Full Subscription (\$5,000,000)
ASX Fees	\$74,361	\$75,681
ASIC Fees	\$3,206	\$3,206
Legal Fees	\$60,000	\$60,000
Capital Raising Fees	\$225,000	\$250,000
Independent Geologist's Fees	\$12,500	\$12,500
Investigating Accountant's Fees	\$5,500	\$5,500
Corporate Advisory Fee	\$30,000	\$30,000
Miscellaneous	\$9,433	\$10,113
TOTAL	\$420,000	\$447,000

* Refer to Section 8.3 for the terms and conditions of the Lead Manager Mandate.

9.7 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.

9.8 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.nemexres.com.au.

The Company reserves the right not to accept an Application Form 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.

9.9 Financial Forecasts

The Directors and Proposed 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.

9.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES 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 Shares 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 CHES 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.

9.11 Privacy statement

If you complete an Application Form, 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 Shares, the Company may not be able to accept or process your application.

10. 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.



Paul Jurman
Proposed Non-Executive Director
For and on behalf of
Nemex Resources Limited

11. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Acquisition Agreements means the Lake Roe North Acquisition Agreement and the Legendre Acquisition Agreements.

Acquisitions means the acquisitions of the Projects under the Legendre Acquisition Agreement and the Lake Roe North Acquisition Agreement.

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.

Ballard Project means the project described in Section 3.5.

Board means the board of Directors as constituted from time to time.

CCPL means Corporate Consultants Pty Ltd (ACN 076 377 323)

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Nemex Resources Limited (ACN 146 243 843).

Constitution means the constitution of the Company.

Cornerstone Investors has the meaning given in Section 2.3.

Corporations Act means the Corporations Act 2001 (Cth).

Department means the Western Australia Department of Mines, Industry Regulation and Safety.

Directors means the directors of the Company at the date of this Prospectus.

Eligible Shareholder has the meaning given in Section 2.2.

Existing Directors means Victor Liu, Hui Zhang and Tao Ding.

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.

Full Subscription means the total amount to be raised under the Offer, being \$5,000,000.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Lake Roe North Acquisition Agreement has the meaning given in Section 8.2.

Lake Roe North Project means the project described in Section 3.7.

Lead Manager or **DJ Carmichael** means DJ Carmichael Pty Limited (AFSL 232 571) (ACN 003 058 857).

Legendre Acquisition Agreement has the meaning set out in Section 8.1.

Leonora South East Project means the project described in Section 3.4.

Minimum Subscription means the minimum amount to be raised under the Offer, being \$4,500,000.

Non-Executive Directors means Patrick Flint, Paul Jurman and Victor Liu.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 2 of this Prospectus.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Pavarotti Project means the project described in Section 3.6.

Record Date means 5:00pm (WST) on 24 May 2019.

Priority Offer means the offer of Shares to Eligible Shareholders in priority to other applicants under the Offer, the terms of which are set out in Section 2.2.

Projects means the Leonora East Project, the Ballard Project, the Pavarotti Project and the Lake Roe North Project.

Proposed Directors means Patrick Flint and Paul Jurman.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Tenements means the mining tenements in which the Company has an interest as set out at Sections 3.3 to 3.7 of this Prospectus and further described in the Solicitor's Report on Tenements set out in Annexure B of this Prospectus.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – INDEPENDENT GEOLOGIST’S REPORT



AGRICOLA MINING CONSULTANTS PTY LTD

**INDEPENDENT TECHNICAL ASSESSMENT REPORT on the Leonora South
East, Pavarotti, Lake Roe North and Ballard Projects held by NEMEX
RESOURCES LIMITED in Western Australia**

8 May 2019



Georgius Agricola: De Re Metallica, 1556



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

8 May 2019

The Directors

Nemex Resources Limited

Dear Sirs,

Re: **INDEPENDENT TECHNICAL ASSESSMENT REPORT on the Leonora South East, Pavarotti, Lake Roe North and Ballard Projects held by NEMEX RESOURCES LIMITED in Western Australia**

Agricola Mining Consultants Pty Ltd (“Agricola”) has been commissioned by the Directors of Nemex Resources Limited (“Nemex” or the “Company”) to provide an Independent Technical Assessment Report (“Report”) on the Leonora South East, Pavarotti, Lake Roe North and Ballard Projects located in Western Australia (together the “Projects”). This Report is to be included in a prospectus (“Prospectus”) to be lodged by Nemex with the Australian Securities and Investments Commission (“ASIC”) in respect of Nemex’s initial public offer of 25,000,000 shares at A\$0.20 per share, to raise a total of up to \$5 million (before costs of associated with the issue) to facilitate a listing on the Australian Securities Exchange (the “Offer”).

Agricola has completed a review of the projects which included compiling and reviewing the project’s technical aspects, including regional geological setting, local geology, mineralisation, previous work, exploration potential and planned exploration. The objectives of this report are to provide a geological overview of the exploration projects covering pertinent aspects in detail appropriate to the strategic importance of the projects and to provide comments on the exploration potential for further discovery of mineralisation.

In consideration of the definition provided in the VALMIN Code, the mineral assets are classified as *Early Stage Exploration Projects* where no mineral resources have so far been estimated to JORC 2012 standard. The mineral properties are considered prospective, although subject to varying degrees of risk, and warrant

further exploration and development of their economic potential consistent with the programs proposed by Nemex.

The Competent Person for the preparation of this report is Mr Malcolm Castle. Mr Castle is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) with over 50 years' experience and has extensive professional experience with the geology of Western Australia and has worked extensively in that state. Mr Castle has sufficient experience that 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 by the 2012 JORC Code as incorporated in the ASX Listing Rules.

This report was prepared by Mr Castle in accordance with the *Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports* (VALMIN Code 2015 Edition) and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code 2012 Edition).

Agricola and its employees and associates are not, nor intend to be, directors, officers or employees of Nemex and have no material interest in any of the projects or Nemex. The relationship with Nemex is solely one of professional association between client and independent consultant. The review work and this report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent has been given by the author for the inclusion of this Report in the Prospectus and distribution of this Report in the form and context in which it appears.

Executive Summary

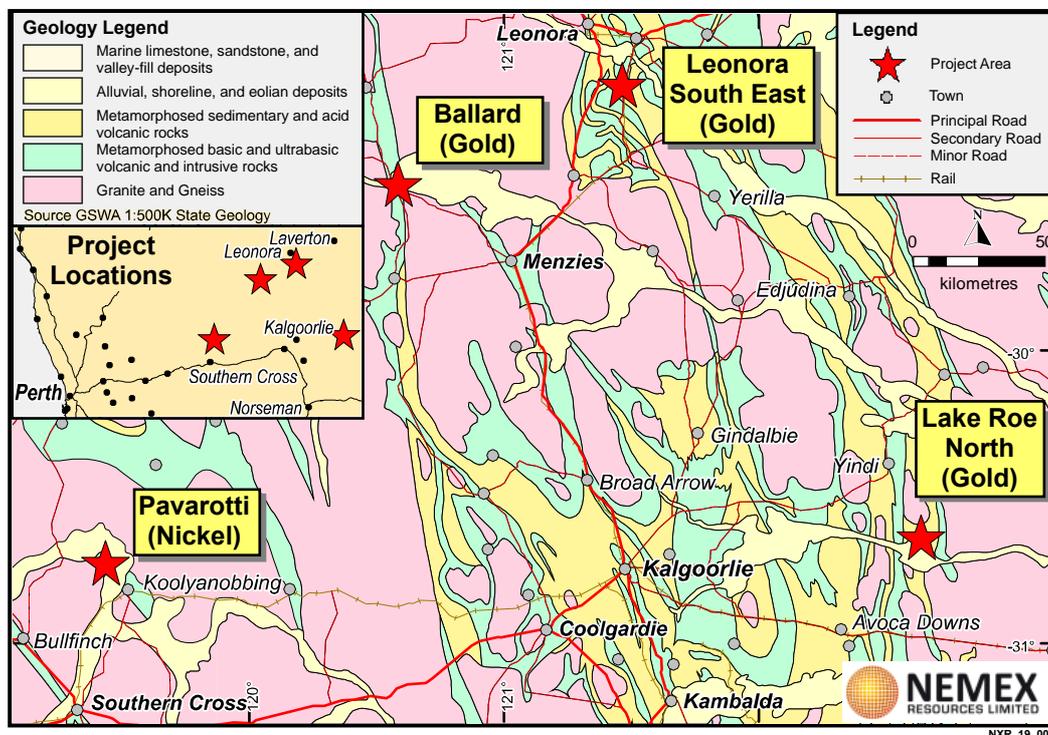
Nemex Resources Limited holds four project areas within the Goldfields region of Western Australia. The projects are located within Archean greenstone sequences prospective for shear-hosted gold, and Kambalda style nickel sulphide mineralisation.

The **Leonora South East Project** is located within 30 kilometres of the Leonora-Kookynie area, which has a history of gold mining and exploration over the past 100 years. The district hosts several large gold mines as well as a number of medium to smaller deposits that have been successfully exploited by open cut and underground mining.

The **Pavarotti Project** is immediately north of Koolyanobbing. The project is prospective for nickel sulphide mineralisation associated with ultramafic rock units. Work completed to date within the ultramafic sequences of the project show strong indications that the ultramafic units are prospective for nickel sulphide mineralisation however little effective work has been undertaken in the area for 20 years.

The **Lake Roe North Project** is an advanced exploration area. Several RC drill holes have intersected gold mineralisation adjacent to the Claypan Fault that also hosts the Bombora gold deposit further south held by Breaker Resources Limited. The area is largely under transported cover, which has hampered previous explorers. Regional work and limited exploration completed on the project to date indicate the project is intersected by a number of regional scale shear structures which provide a favourable setting for shear hosted gold mineralisation.

The **Ballard Project** straddles the terrane boundary (Mt Ida Fault) between the Barlee Domain of the Youanmi Terrane and the Coolgardie and Ora Banda Domains of the Eastern Goldfields. The project area covers approximately 40km of strike of the Ularring Greenstone Belt to the south of the Mt Ida gold mining area.



Eastern Goldfields area with Project areas

Nemex has proposed a two-year budget of \$0.64 million for the Leonora South East Project, \$0.67 million for the Pavarotti Project, \$0.80 million for the Lake Roe North Project and \$0.95 million for the Ballard Project.

Agricola considers that the exploration strategy and programs proposed by Nemex are consistent with the mineral potential and status of the Projects. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.

PROJECT DESCRIPTIONS

Leonora South East Project – Gold - (P37/8759, E40/379)

The Leonora South East Project includes two granted tenements - Sunset Well (P37/8759) and Melita (E40/379) covering an area of approximately 109.17 square kilometres. Both tenements are within 30-kilometres of Leonora in the North Eastern Goldfields of Western Australia. Leonora is a regional mining centre servicing several nearby mines - Sons of Gwalia Mine, Tarmoola, King of the Hills, Mertondale, and Kookynie. The project is well serviced by a network of graded shire roads, station, and exploration tracks.

Regional Geology and Gold Mineralisation

The Leonora South East project straddles the contact of the Gindalbie and Menangina Domains of the Kurnalpi Terrane of the Eastern Goldfields Province. The Kurnalpi Terrane extends 300 km from east of Kambalda to Leinster in the north. Volcanic rocks comprising mafic to felsic volcanics and volcanoclastic sediments and layered mafic intrusions dominate the geology of the terrane.

Three main phases of deformation have been identified in the region. The first deformation is characterised by sub horizontal faults and thrust related isoclinal folding related to both compressional and extensional tectonism. Latter east – west compression resulted in upright folding event and complementary NW sinistral faulting and north south dextral faulting. The last deformation is characterised by high angle reverse faults and reactivation of earlier faults.

The gold mines at Sons of Gwalia and Harbour Lights are in the adjacent Kalgoorlie Terrane. There have been many gold occurrences within the Kurnalpi Terrane in the area south east of Leonora that have been sporadically mined for over 120 years. Significant open cut production after 1985 has included Orient Well, Admiral Well, Butterfly and Puzzle Mines.

Sunset Well Prospect (P37/8759)

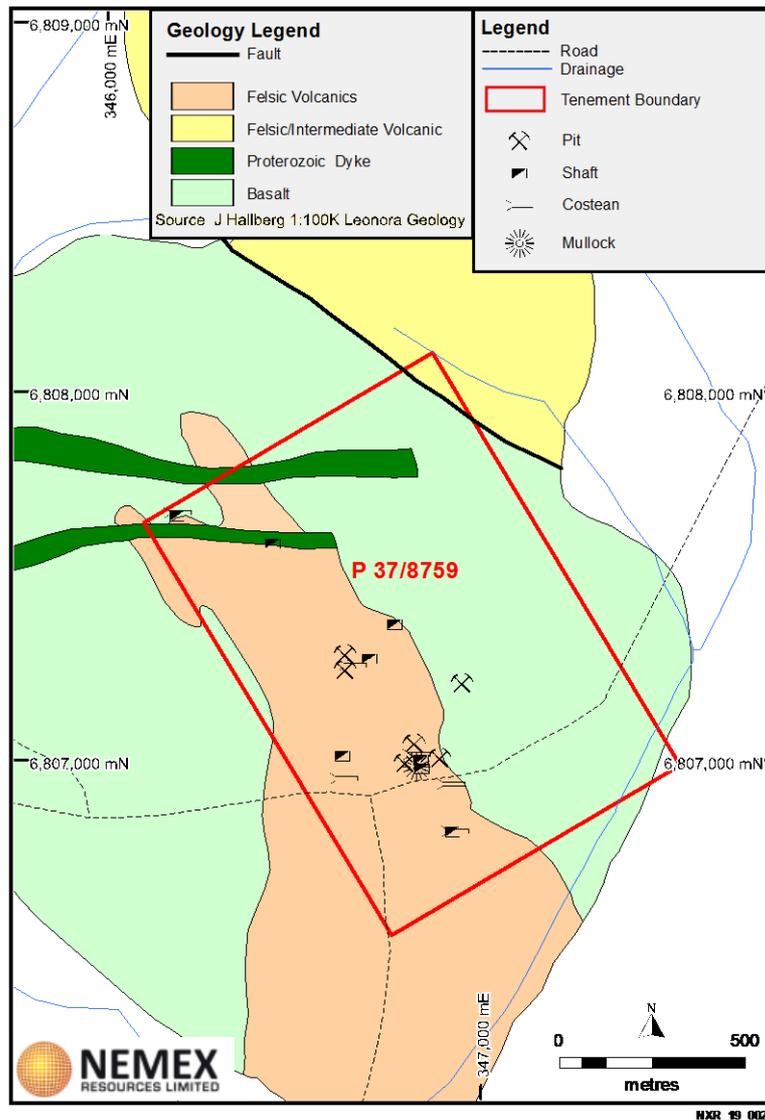
Prospect Geology

The tenement covers 1.17 square kilometres and lies within the Kurnalpi Terrane. The tenement occupies an inlier of weathered Archaean bedrock surrounded by a veneer of colluvium and transported cover. The main rock types recognised are basalts with a tongue of felsic volcanics occupying the south-eastern part. Sedimentary rocks occupy the north-eastern corner of the tenement.

Previous Exploration

Historical workings are located in the centre of the tenement, the largest of which is the Golden Sunset with smaller operations at Darlot, Brown Hill, Firaca Hills and Tit Bit workings. The only recorded production was from the Tit Bit workings.

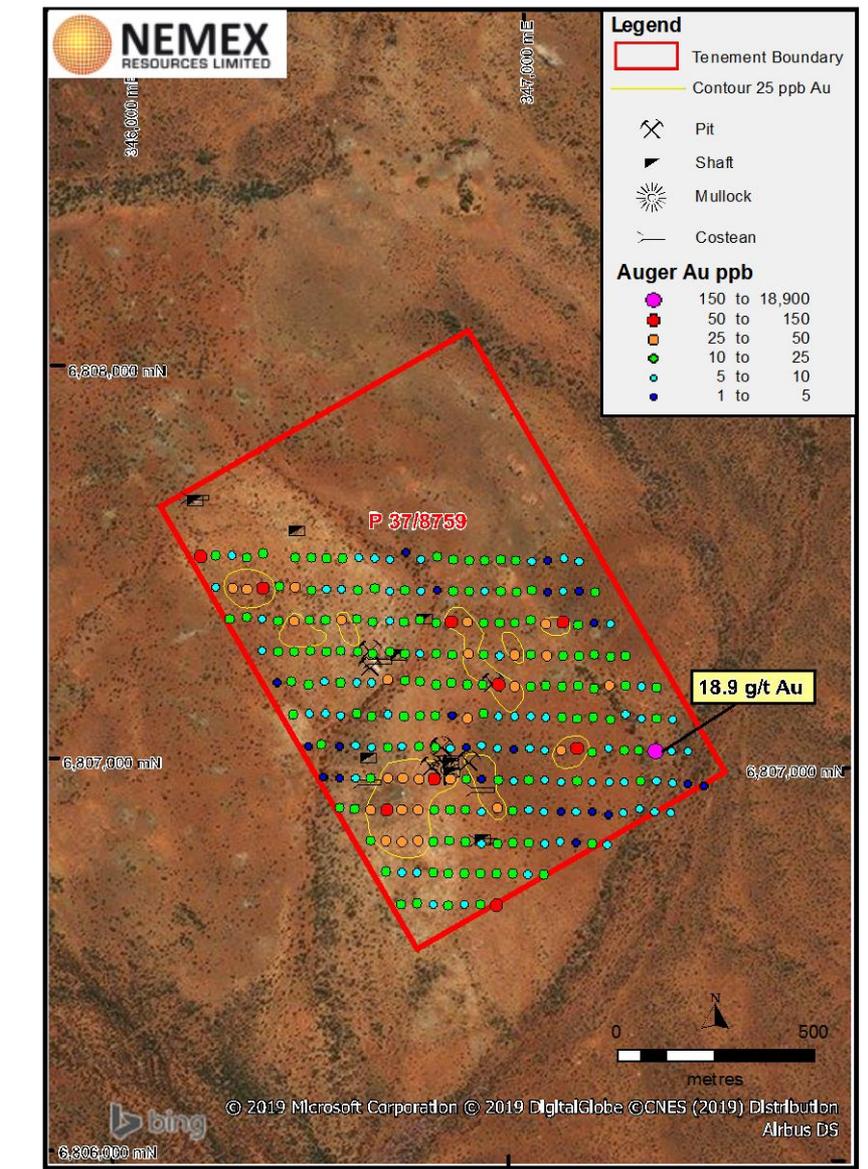
The tenement is in an active gold mining area, with several major exploration programs undertaken throughout the immediate area by other companies. The current tenement was held by the same family group for prospecting purposes for a number of years and little modern exploration undertaken. There is no record of any drilling on the lease. Prospectors completed a small auger geochemical program across the central part of the tenement in an earlier phase of work.



Sunset Well Interpreted Geology, historical Gold Workings and Tenure

A systematic 40m x 80m auger sampling program was completed in 2017 over the area of interest by Bruce Legendre, infilling the earlier work and expanding the coverage to three quarters of the tenement area. The auger holes were drilled to depths ranging between 0.2m and 2m deep. The samples were analysed for low level gold at ppb level. A full listing of the results and details with respect to the exploration undertaken are included at Appendix 1.

The auger results identified a number of areas of interest within the tenement. Principally these areas are along a corridor around the historical Golden Sunset workings and a series of unnamed workings approximately 400 metres northwest of the main group of old workings. Results ranged from 3ppb to 122ppb with an average of 16ppb. Auger gold geochemical anomalies are defined by a plus 25 ppb Au contour (the top 13% of values). One outlier of 18.9g/t Au was returned but was not supported by adjacent results.



Sunset Well >25 ppb Gold Anomalies over Aerial Photo

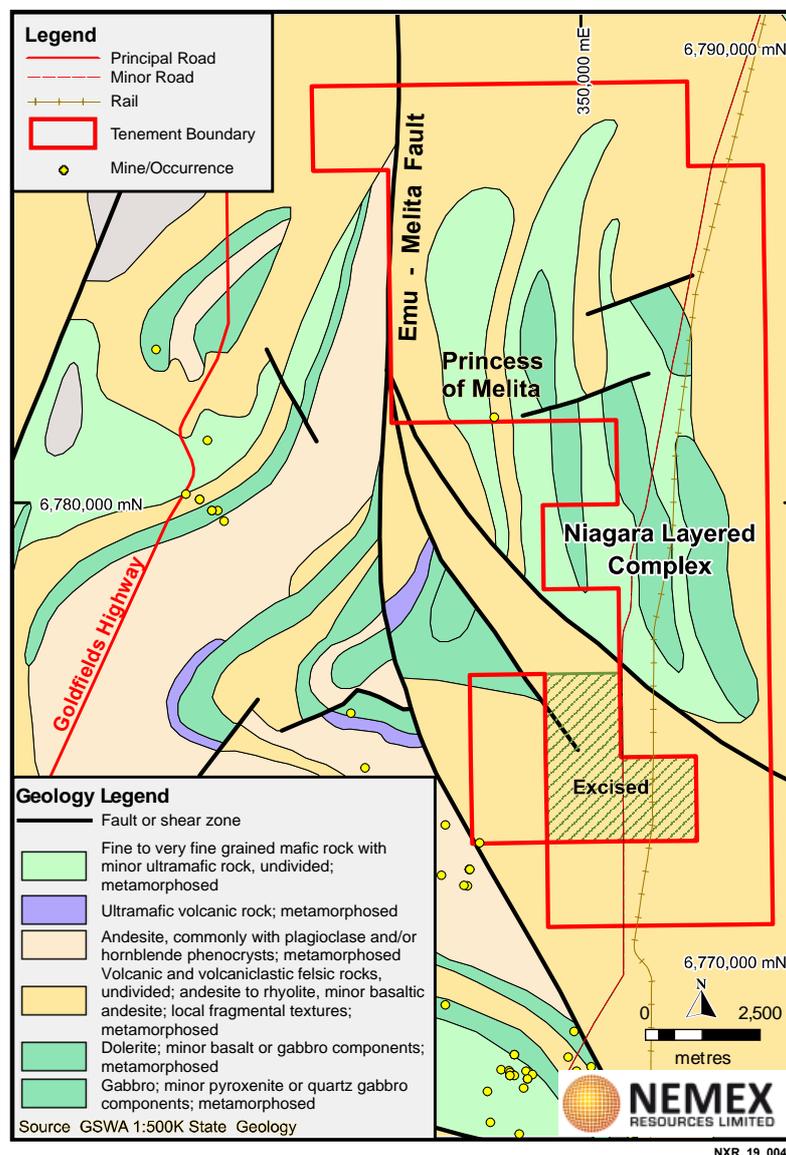
There is a large 250m x 150m auger gold anomaly associated with the Golden Sunset workings and a cluster of anomalies around the northern set of workings. Government aeromagnetic imagery shows a regional linear magnetic low feature on which most of the historical workings and geochemical anomalies are located. This structure has a strike length of approximately 1000m within the tenement

that could represent a regional control to gold mineralisation. To the north east of the workings a northwesterly striking anomaly with a strike of approximately 300m is situated on the contact between mafic volcanics and metasediments. The setting is considered prospective for gold mineralisation.

Melita Prospect (E40/379)

Prospect Geology

The tenement covers 108 square kilometres over the Melita Complex, a sequence of dacitic to rhyolitic lavas and associated volcanoclastic rocks, pillow basalts and hyaloclastite. The succession has been deposited in a subaerial or shallow subaqueous environment. The Niagara Layered Complex has intruded the sequence on the eastern side of the tenement. The Complex contains dolerite and cumulate-textured gabbro norite and gabbro anorthosite.



Melita Prospect Interpreted Tenement Geology Plan

Structurally, the tenement lies between the King George Shear to the west and the Keith Kilkenny Lineament to the east; both are deep-seated regional structures. Locally, the Emu–Melita Shear strikes roughly north-south along the western side of the tenement and splays off into a series of horse tail structures that cross the southern part of the tenement. Metamorphic grade is generally greenschist facies and locally amphibolite facies in narrow zones proximal to major shear zones.

Much of the tenement is covered by colluvium of variable thickness. Extensive areas of sheet wash and alluvium on the eastern and western sides of the tenement drain into the east west trending Lake Raeside immediately to the north of the tenement.

Previous Exploration

Historical prospecting and mining activities in the district were concentrated on areas of outcrop. The Princess of Melita workings occur on the tenement boundary in the central section of the tenement but no production figures are available.

During the late 1960s and 1970s the felsic sequences in the Kookynie region was explored for volcanogenic massive sulphide mineralisation. Le Nickel, CRAE and WMC explored the area, and a number of gossans with anomalous zinc and copper mineralisation were identified. Drilling of the targets identified sericite chlorite altered felsic volcanics and volcanogenic sediments but the majority of metal assays were generally low and the dominant sulphide was pyrite.

Since the mid 1980's the area of the current tenement has been held by a number of parties exploring primarily for gold mineralisation. Work undertaken has included soil and auger geochemical sampling and RAB drilling.

FMR Resources Pty Ltd held a substantial land holding in the Kookynie region including the Orient Well Mill when it was in operation. They completed a major compilation of historical sampling into digital format but appear to have undertaken little on ground work in the current tenement.

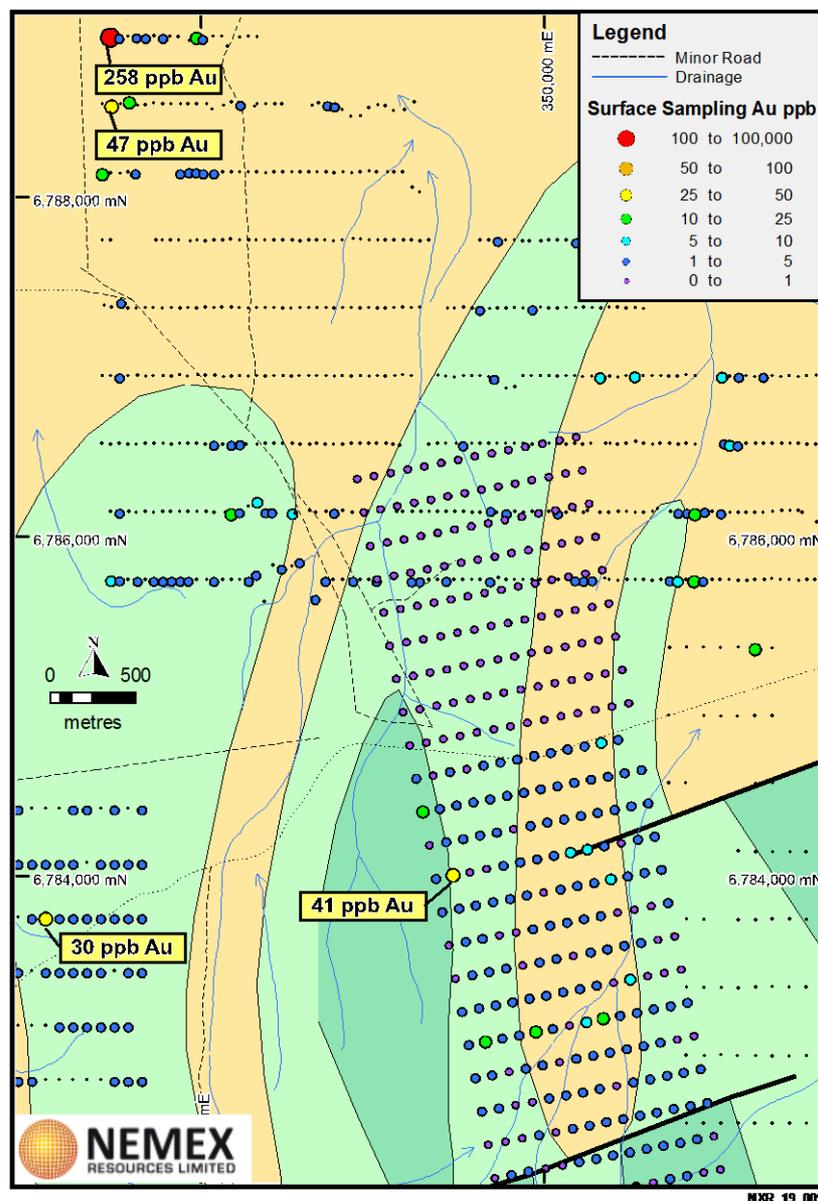
Johnstons Well Mining NL explored the Kookynie region for gold and base metal (VMS) mineralisation. Within the current tenement they completed a program of Airborne EM which generated a number of conductors which were subsequently tested by RC drilling. Testing of the Hyatt Anomaly returned sheared black shales over the target zone with weakly elevated zinc mineralisation. Another hole tested the West Melita Anomaly and again intersected black shales. A program of soil sampling on the north western side of the current tenure was also completed. Samples were collected on a 400m by 80m pattern and a 1 kg of sieved -2mm material was collected and analysed for gold.

Midas Resources Limited in joint venture with Cazador Resources Limited explored part of the southern portion of the current tenement. Inside the current boundary they completed a shallow auger geochemical sampling program in the southwest corner of the tenement partially covering an earlier program by Sons

of Gwalia. Holes were drilled on north south lines spaced 400 metres apart with holes drilled approximately 60 m along the lines, with the holes varying in depth from 0.5 to 1 m deep.

Surface Geochemical Sampling

Regis Resources Limited completed a program of lag sampling in the northern and eastern side of the tenements. Samples were collected on a 400m X 100 m grid. Samples were sieved to recover the -6+2mm fraction and analysed for low-level gold and a multi-element suite of base metals. The program identified a gold anomaly in the north and an As-Zn-Ni anomaly over which a ground EM survey was completed. No report on the EM survey or plans showing the location of the anomaly was released.



Surface geochemical sampling- North Area, Melita Prospect

The eastern side of the tenement has been covered by lag sampling on a coarse 400m X 100m or 400m X 40m grid pattern. Work undertaken by Regis Resources in the northern part of the tenement has generated a linear north south striking anomaly within the felsic unit that has not been closed off to the west. The anomaly is over 3 lines covering approximately 1,200m of strike.

A number of other isolated anomalies have been returned from work completed by other companies within the Niagara Layered Complex and on the contact between the felsic and the mafic sequences both of which are favourable sites for gold mineralisation. There does not appear to have been any follow up on these results.

Drilling

There has been no comprehensive drill program completed across the tenement. Several shallow traverses of close spaced RAB drilling were completed across the old Princess of Melita working which returned anomalous results. The remainder of the drilling completed has been part of regional programs drill programs more designed to understand bedrock geology rather than test specific targets.

The above summary of past exploration activities has been obtained from open file public records, including summaries by previous tenement holders. The Company has commenced a detailed review of these records, but at this stage the review is not complete. All historic exploration activities at the Melita Prospect are first-pass exploration work, and access to detailed reporting regarding the work is not considered material to supporting the assessment of prospectivity and planned exploration programs. All references to mineralisation are taken from reports prepared by previous explorers and have been reviewed and considered to be fit for purpose. The Company has not verified or audited any of the historic exploration data.

Exploration Potential and Proposed Exploration Program

The Leonora South East Project is located within a well-endowed gold producing region of Western Australia. Both the Sunset Well and Melita prospect areas are considered prospective for shear hosted gold mineralisation.

At Sunset Well compilation of the past mining activity and recent auger geochemical sampling has defined two broad structural corridors that have not been previously tested by drilling.

The 1,000m striking structure on which the Golden Sunset and northern workings are located and auger gold anomalies in the central part of the tenement is considered an area of interest. The contact on the western side of the tenement between mafic volcanics and sediments includes a linear 300-metre-long gold anomaly and a series of smaller gold auger anomalies.

The Melita prospect includes several scattered low order surface anomalies that may represent sub surface anomalism.

Sunset Well Prospect Exploration Program

The Sunset Well Project is located in a highly mineralised gold area. Historical prospecting and small-scale mining has won gold from a number of locations within the tenement from structurally controlled quartz veins and shears within both basalt and felsic volcanic lithologies.

The recently completed auger sampling, combined with earlier work has identified a number of gold anomalies that required drill testing. In the initial phase of exploration, the Company intends to complete detailed geological mapping of the tenement and old workings focusing on orientation of major gold mineralised structures. It will complete the auger geochemical coverage over the remaining untested parts of the tenement.

Aircore drill testing of the existing structural and geochemical areas of interest will be completed to define bedrock gold anomalies. The results will be reviewed and reverse circulation and diamond drilling will be proposed over any defined bedrock anomalies in order to identify primary gold mineralisation.

Melita Prospect

The Melita Project covers part of the Kookynie-Melita goldfield that has produced in excess of 700,000 oz Au and is considered prospective for structurally hosted gold mineralisation.

Existing surface geochemical coverage over the project includes a number of different programs, sample mediums, analytical techniques and detection limits making levelling the data difficult. The regional surface sampling completed to date has identified a number of isolated anomalies generally in the northern part of the tenement that warrant field checking however the anomalous values may be transported as there are a number of shallow lakes and sand bodies in the area.

RAB drill testing of the old Princess of Melita workings has returned anomalous results. The workings appear to be located on a north south striking structure that does not appear to be tested by surface geochemistry or drilling. A program of auger drilling along the structure is required to adequately test the structure.

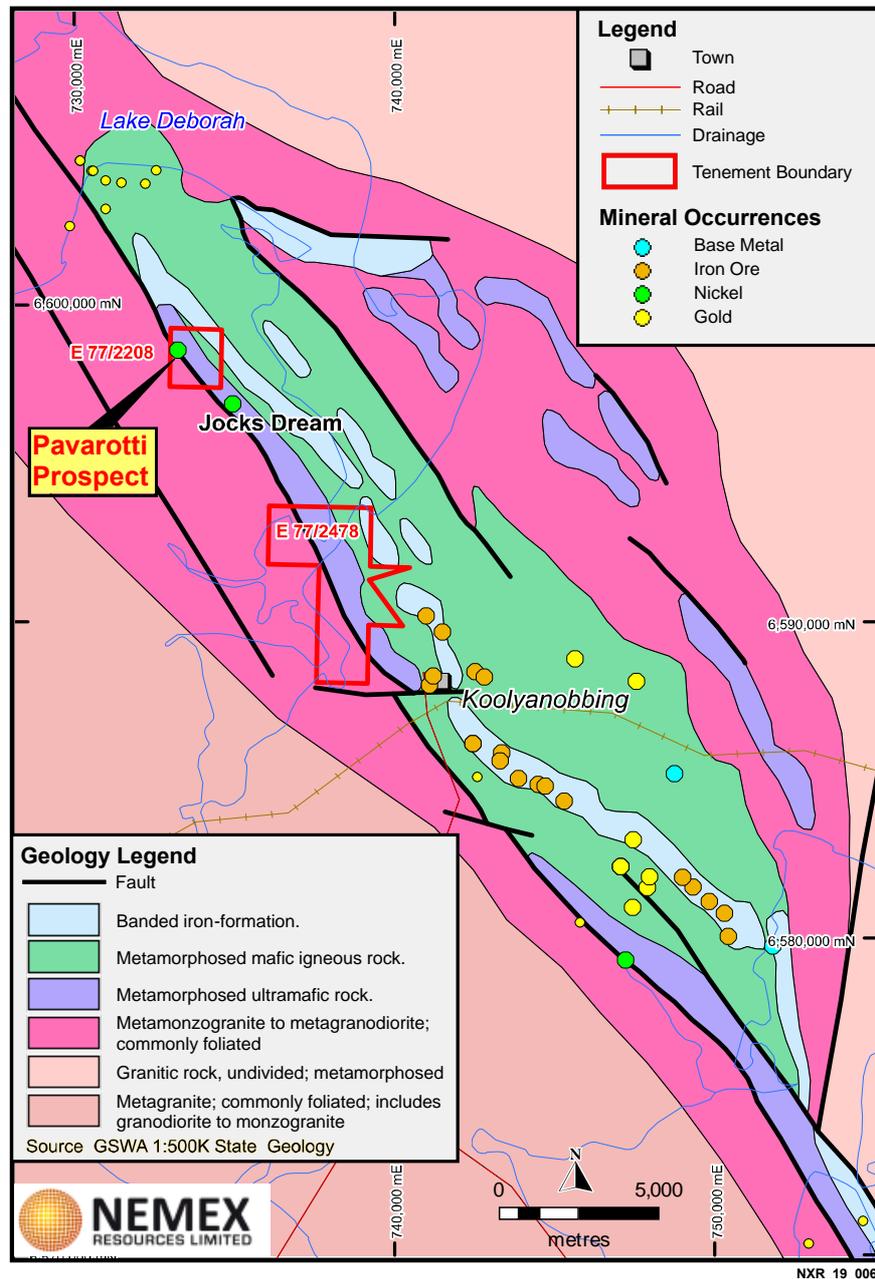
The splay structures off the Emu- Melita Fault appear to be favourable structures for gold mineralisation with work completed by Dalrymple in the excised area in the southern part of the lease returning anomalous gold results in drilling along a NNW striking structure. Within the tenement area these splay structures are largely under cover and have not been tested and would require targeted auger traverses to adequately test.

The potential of the felsic sequences to host volcanogenic massive sulphide mineralisation is considered high. There has been some preliminary base metal

exploration work in recent times, but the bulk of the base metal exploration was undertaken in the 1960 -1970's.

Pavarotti Project – Nickel (E77/2208, E77/2478)

Regional Geology and Mineralisation



Koolyanobbing Greenstone Belt Regional Geology and Mineralisation

The Pavarotti Project includes two granted exploration licences E77/2208 and E77/2478 covering a combined area of approximately 17.7 square kilometres. The project is northwest of the abandoned township of Koolyanobbing, approximately 65 km north of Southern Cross. Access to the tenement is via the

sealed Southern Cross–Koolyanobbing road. The Salt Road runs northwest through both tenements and provides reasonable access.

The Koolyanobbing Greenstone Belt lies within the Southern Cross Province of the Archean Yilgarn Craton. The northwest trending belt extends over a strike length of approximately 35 km and has a maximum width of 8 km. It is bordered by basement granitoids and gneiss, frequently incorporating rafts of highly deformed and metamorphosed greenstones. The south-western greenstone contact is defined by a major structure, the Koolyanobbing Fault, that can be traced intermittently over 650 kilometres northwest into the Diemals area and southeast to Lake Johnson.

The Koolyanobbing Greenstone Belt is dominated by tholeiitic basalt, dolerite, and komatiitic volcanics, along with prominent banded iron formations and subdued metasediments. In the North Ridge area, the stratigraphy on the western side is considered to face towards the northeast, however some conflicting facing evidence may be explained by isoclinal folding which is interpreted from mapping and airborne magnetics data.

The stratigraphy is also disrupted by a series of north-northwest trending, low-angle, sinistral oblique faults, which create localised stratigraphic thickening or duplication. Quartz-feldspar porphyry dykes have intruded the southern margin of the belt, and the entire sequence has been subjected to a lower amphibolite facies grade regional metamorphism, with localised retrogressive greenschist facies units in some areas.

Kambalda style channel hosted nickel sulphide mineralisation within komatiitic ultramafic volcanics was discovered in the belt in the early 1970s. Exploration by BHP identified a small nickel sulphide mineralised zone at Jocks Dream (outside current tenements), and several advanced areas of interest including Pavarotti (within E77/2208-I), and The Gap and Gravel Pits North (both outside current tenements) within the ultramafic sequences.

Previous Exploration

Between 1968 and 1972, BHP conducted exploration for nickel sulphide mineralisation over the entire Koolyanobbing Greenstone Belt. This work was largely focused to the northwest of Koolyanobbing Township, in an area referred to as the North Range. Exploration included gridding, mapping, ground geophysical surveys (magnetics, induced polarisation and radiometrics), soil sampling, costeaning, drilling and gossan prospecting. Six zones of significant nickel sulphide mineralisation, including the potentially significant Zone 90 (or Jock's Dream) Prospect, were identified along the western-most ultramafic horizon. Two lower-priority targets, confined to warps in the banded iron formation contact, were identified along the eastern ultramafic horizon.

Drilling at the Jocks Dream Prospect (outside current tenements) returned several significant intersections, including 20 separate intervals up to 12m wide.

Delta Gold NL explored the North Range area for sulphide nickel mineralisation between 1985 and 1996, in joint venture with Heron Exploration NL then Fodina Minerals Pty Ltd in the latter 4 years. This program was focused on the western ultramafic horizon, with the primary objective of identifying and assessing cumulate ultramafic rocks developed within the more extensive komatiitic flows. Initial work was directed toward the Zone 90 (Jock's Dream) and Zone 15 (renamed Pavarotti) Prospects, where more significant results had been returned by BHP. Exploration involved compilation of all BHP data into a digital format and reprocessing of the BHP airborne magnetic data, along with gridding, mapping, ground magnetic surveys and various drilling programmes.

Aircore drilling was completed with little success. Sons of Gwalia (SOG) completed sampling and mapping east of the North Range in 1998. During 1998 and 1999, Hunter Exploration (in JV with Delta Gold) completed a programme of soil sampling; rock chip sampling, mapping, a high-resolution heli-mag survey, and a moving loop transient electromagnetic (MLTEM) survey within the North Range area.

Mapping and airborne magnetic interpretation confirmed the stratigraphic package to represent a single northeast-facing sequence, comprising at least 3 cycles of ultramafic rocks, all of which have the potential to host nickel sulphide mineralisation. Soil and rock chip geochemistry identified several zones with a coincident nickel and copper response, some of which also include anomalous palladium results. The 1998 MLTEM survey identified numerous discrete and continuous conductors.

In the North Range, during 2001, the 1998 MLTEM survey was followed up by WSA Limited (WSA) with IP survey using GPX Services Pty Ltd (GPX). The ten line IP survey with 50 metre dipole-dipole resistivity and phase angle survey was completed on selected BHP grid lines that had been re-established. The IP data were processed using Zonge inversion programs and drill targets were designed for RC testing in 2002.

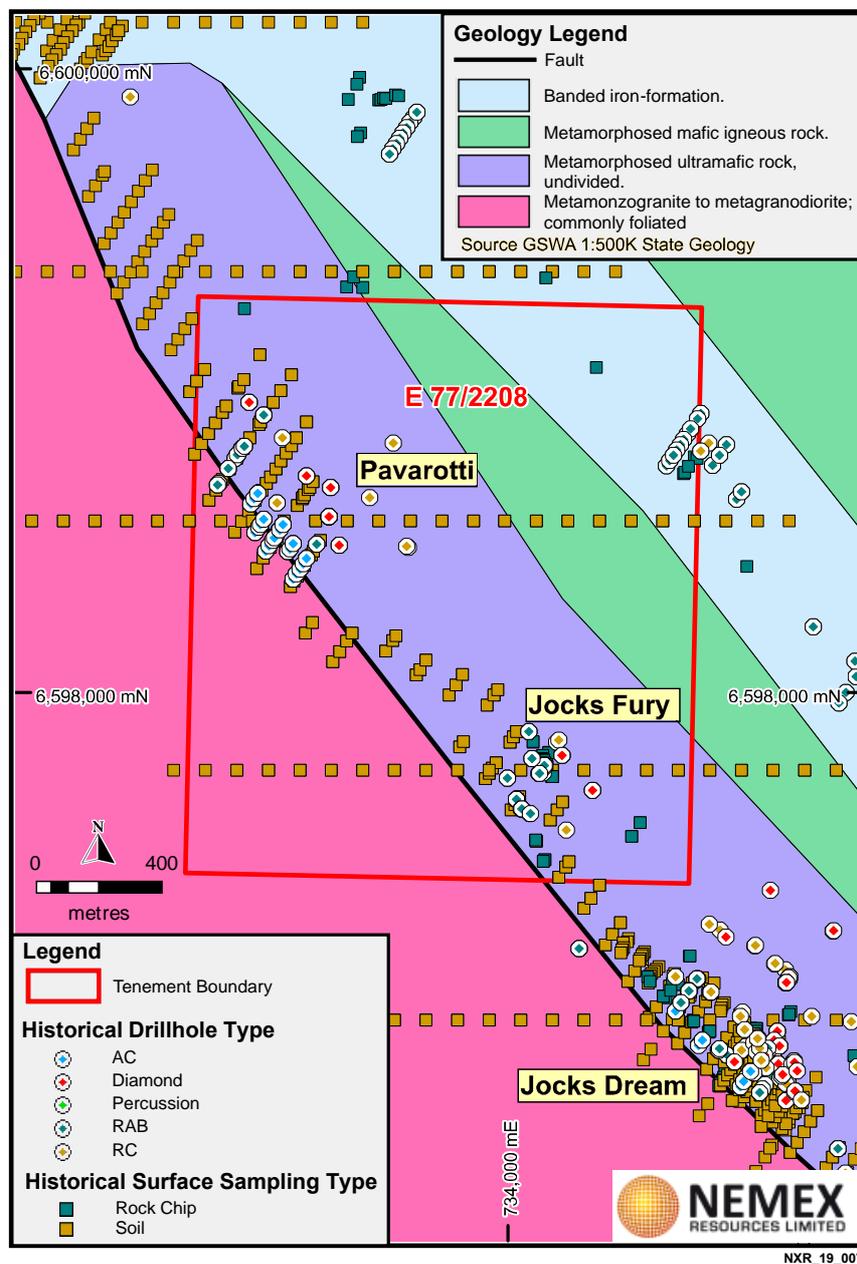
In 2001, WSA drilled a total of 38 holes totalling 1,635 metres of RAB and Aircore by contractors Southern Cross Drilling on lines covering the main geophysical and geological anomalies in the North Range area. Drilling conditions were generally good and hole depths ranged between 3 and 108 metres with an average depth of 43 metres. Problems with lacustrine clay deposits were encountered in some holes. In 2002, a further 9 RC holes tested the IP anomalies at depth.

In 2002, a high-resolution airborne aeromagnetic and radiometric survey was completed over the Koolyanobbing JV Project Area. During 2002, the new magnetic data and previous surveys were re-compiled and reprocessed by WSA. The aeromagnetic image shows the strong response with the magnetic BIF and

ultramafic units in the Koolyanobbing Area. The major folds, faults and contacts are clearly visible.

During 2004, one RC drill hole was drilled by WSA to test the northern portion of the Jock's Dream Prospect. KDRC012 was a vertical hole drilled to a depth of 150 metres to test part of the large IP anomaly defined by WSA in 2002. The hole intersected a zone of iron sulphides and minor Ni values. Cliffs completed a total of 19 RC holes at variable hole spacing's to test the Santana Prospect for iron.

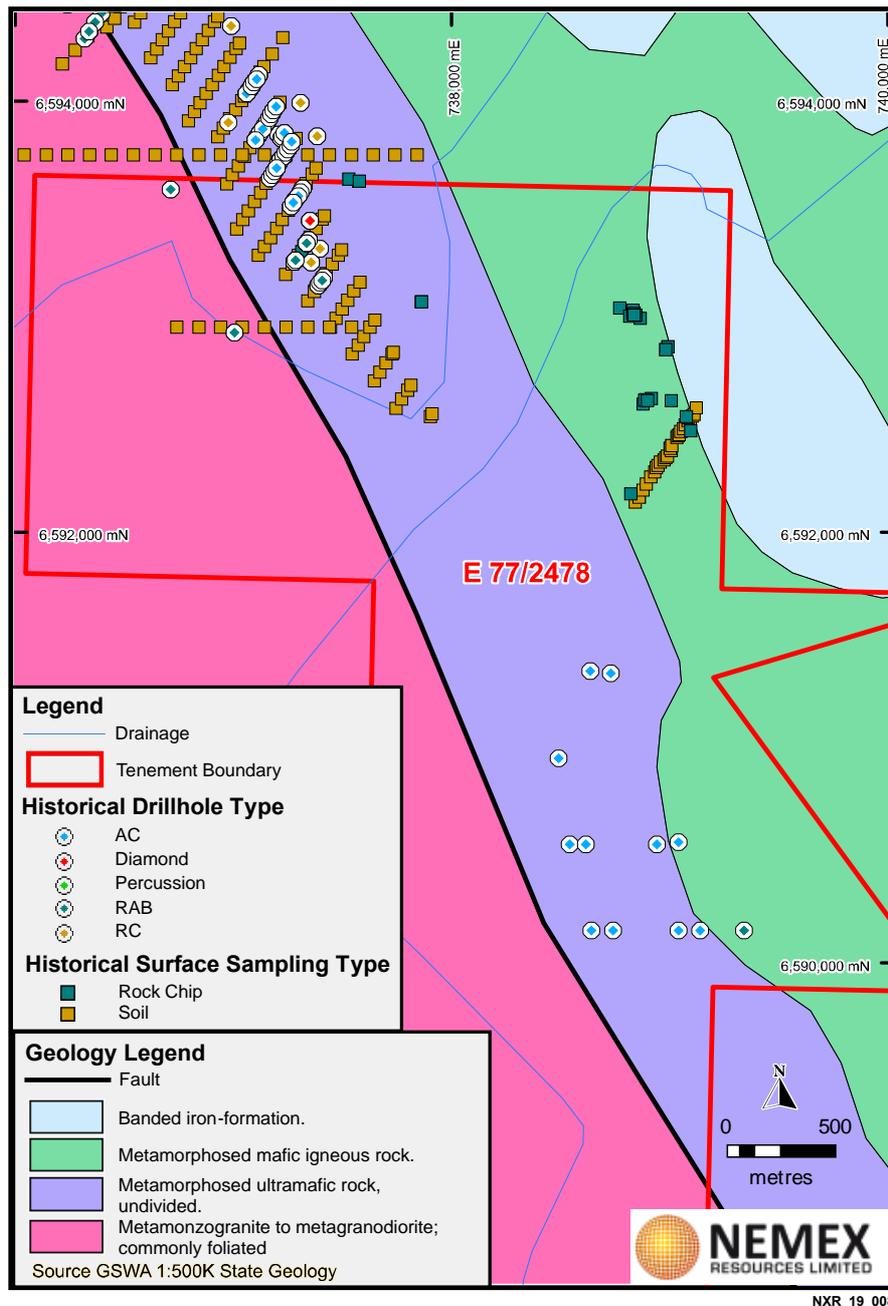
A detailed geochemical survey was completed over the Kooly East prospect using the previously established geophysical grid. The Kooly East area was prospected by Kelly and favourable lithologies for nickel were found.



E77/2206 Pavarotti Prospect Exploration Plan

The Kooly North Area was reviewed in 2011 and a new focus on the Pavarotti Prospect was one of the outcomes. Previous drill data well as Ground EM were utilised to vector toward various areas of interest.

In 2012 two RC holes were drilled in the Pavarotti prospect. The holes were designed based on mineralised intersections of previous drilling as well as targeting geological structure at the southern margin of the prospect. The 2012 drilling did not fully test the TEM target and in 2013 another RC hole was drilled to 439 meters test an EM model plate in favourable geological position.



E77/2478 Previous drilling locations

During April-May of 2013, WSA completed drilling at the Pavarotti prospect. The Pavarotti prospect has been of particular interest due to several historical nickel intersections 'updip' of the 2012 planned drill hole and with ongoing geological analysis with regard to its proximity to a major, as yet untested, fault running immediately south of the prospect. KNRC0026 was designed to intercept two highly conductive EM modelled plates hoping that they coincide with the lower ultramafic unit contact zone targeted throughout the Koolyanobbing area.

The above summary of past exploration activities has been obtained from open file public records, including summaries by previous tenement holders. The Company has commenced a detailed review of these records, but at this stage the review is not complete. All historic exploration activities at the Pavarotti Project are first-pass exploration work, and access to detailed reporting regarding the work is not considered material to supporting the assessment of prospectivity and planned exploration programs. All references to mineralisation are taken from reports prepared by previous explorers and have been reviewed and considered to be fit for purpose. The Company has not verified or audited any of the historic exploration data.

Exploration Potential and Proposed Exploration Program

The Pavarotti Project covers approximately 7 kilometres strike of ultramafic stratigraphy prospective for channel hosted nickel sulphide mineralisation. This work has demonstrated the ultramafic stratigraphy is suitable for nickel sulphide mineralisation and has helped define the detailed internal stratigraphy of the ultramafic sequences. The majority of the prospects were discovered, and drilled in the early 1970's. It wasn't until 1998 when modern ground EM surveying was undertaken, and 2000 when high powered aeromagnetic surveying was undertaken. Since the BHP era whilst a lot of geophysical work, and surface geochemical work has been undertaken there has not been a lot of deep RC or diamond drill testing of any targets outside the advanced projects at Jocks Dream, the GAP and Gravel Pits North within the belt.

Within the current project the majority of exploration work undertaken has been on the Pavarotti Prospect within E77/2208. Ground EM surveying completed in 1998 has identified two anomalies close to the sheared contact between the basement granite and overlying ultramafic units. The northern most EM anomaly is regarded as the Pavarotti Prospect and has a strike of approximately 750 m. The southern anomaly which has a strike of approximately 200m with most of the earlier drilling situated north of the EM anomaly.

The deeper drilling undertaken by BHP intersected thin zones of massive and disseminated nickel sulphide mineralisation. Drilling has not followed up ground electromagnetic anomalies identified over the project.

The remainder of the project area requires systematic geochemical sampling along the ultramafic stratigraphy followed by high-powered ground electromagnetic surveying and reverse circulation drill testing.

Lake Roe North Project – Gold - (E28/2817 application, E28/2748)

The Lake Roe North Project includes one granted Exploration Licence (E28/2748) and a tenement application (E28/2817) covering a total area of approximately 39 square kilometres. The project area is 120 km east north east of Kalgoorlie in the North East Coolgardie Mineral Field and is accessed from Kalgoorlie via the sealed Yam Road northeast from Kalgoorlie to the old Kanowna townsite, then east along the unsealed Kurnalpi-Pinjin Road. Access throughout the tenements is reasonable via station tracks and fence lines.

Regional Geology

The Lake Roe North project is in the eastern part of the Norseman-Wiluna Greenstone Belt, Eastern Goldfields Province of the Archaean Yilgarn Craton. The north-northwest trending greenstone belt is an extensive sequence of ultramafic, mafic, intermediate and acid intrusive and extrusive volcanic rocks with associated sedimentary rocks. Flanking the belt are major Archaean intrusive granitic bodies and smaller internal granitoid bodies intrude both the batholith granites and greenstone.

The tenements cover a sequence of deformed Archean greenstones within the Southern Laverton Tectonic Zone. The area is considered prospective for gold mineralisation. The zone is host to a number of large gold deposits with the Lake Roe North Project area between Carosue Dam located approximately 40km to the north, and Karonie approximately 50km to the south.

The Project occupies part of the Southern Laverton Tectonic Zone, which is a significant north-south trending regional structural corridor extending from north of the Laverton township to south of the Roe project. The regional SSE trending Keith Kilkenny Fault Zone lies to the northwest of the Lake Roe North Project. These two major tectonic zones merge at the southern margin of the Galvalley Monzogranite and extend south through to Roe Hills.

The project area lies close to the Claypan Fault zone that hosts the Bombora Deposit held by Breaker Resources Limited. Gold mineralisation at Bombora is largely stratabound, occurring preferentially in the 100-150m thick, iron-rich quartz dolerite unit of the Bombora Sill. Variably-plunging lodes are formed where different mineralised structures intersect the quartz dolerite. Four main mineralised structure types have been recognised: steep lodes, flat reefs, west-dipping lodes, and stockwork zones. The gold mineralisation is noted to be associated with fractionated dolerites and banded iron formation within the

Claypan Shear Zone and adjacent to a granite contact, similar to many other Yilgarn gold deposits in the region.

The Bombora mineralised zone is adjacent to the Claypan Shear Zone that has been traced further north to the Lake Roe North Project area, E28/2817.

Mineralisation

Breaker Resources Limited (“Breaker” - a company not connected with Nemex) holds the Lake Roe Project where it has delineated a significant 6km-long gold system at Lake Roe using wide-spaced aircore drilling in an area of thin (5m-10m) transported cover. Three subsequent phases of RC drilling commencing in March 2016 resulted in three separate gold discoveries that now constitute one continuous 2.2km-long discovery (Bombora Deposit).

A maiden JORC 2012 Mineral Resource for the Bombora discovery was released in mid-April 2018 and updated in September 2018. The Resource, which is constrained by drilling is open in all directions and only includes drilling within 250m of surface. It currently includes 12.5 million tonnes at 1.5g/t Au in the Indicated category and 12.1 million tonnes at 1.2g/t Au in the Inferred category. Total mineral resource estimate is 24.6 million tonnes at 1.4g/t Au for 1.1 million ounces (Breaker ASX Announcement 6 September 2018).

Nemex’s Lake Roe North Project covers the northern extension of the Claypan Shear Zone several kilometres north of the Bombora deposit in similar geologic units and structural elements. The Breaker mineral resource is viewed as an exploration model for the project.

The fact that the Bombora deposit is proximate to the Company’s project should not be taken as illustrative of the potential mineralisation at the Lake Roe North Project.

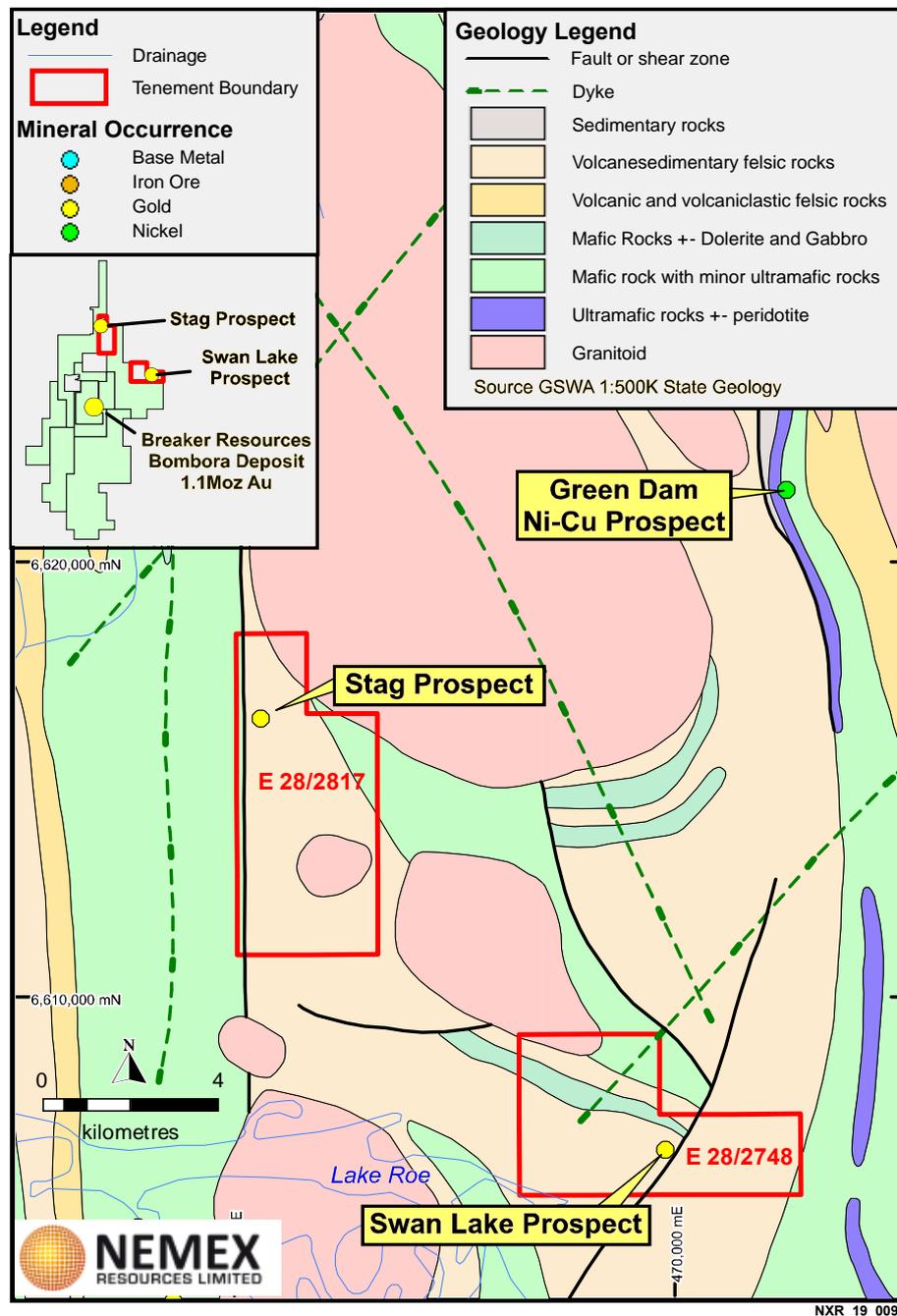
Project Geology

E28/2817 covers portions of the Claypan Shear Zone and second order structures to the immediate east of the main Claypan Shear with a granite intrusion located to the immediate south east and within the tenement. Outcrop is obscured by Quaternary and Tertiary deposits of various origins (sheet wash, clays and remnant laterite deposits, up to 60m depth) that conceal the Archaean sequence.

E28/2748, to the south east of E28/2817, has a similar geological setting with chlorite-biotite-sericite schists, siltstones and ultramafic schists intersected in relatively wide-spaced aircore traverses. The magnetic data suggests either a folded magnetic dolerite or BIF sequence that occurs through the central portions of the tenement, truncated by a NE trending regional structure and magnetic dyke.

This SE trending fold hinge partially coincides with an historic auger gold anomaly. This structurally favourable area of interest has the potential to host sulphidised BIF and/or altered differentiated dolerite and remains to be

systematically tested. On the eastern half of the tenement, a NE trending fold hinge provides an additional structural area of interest.

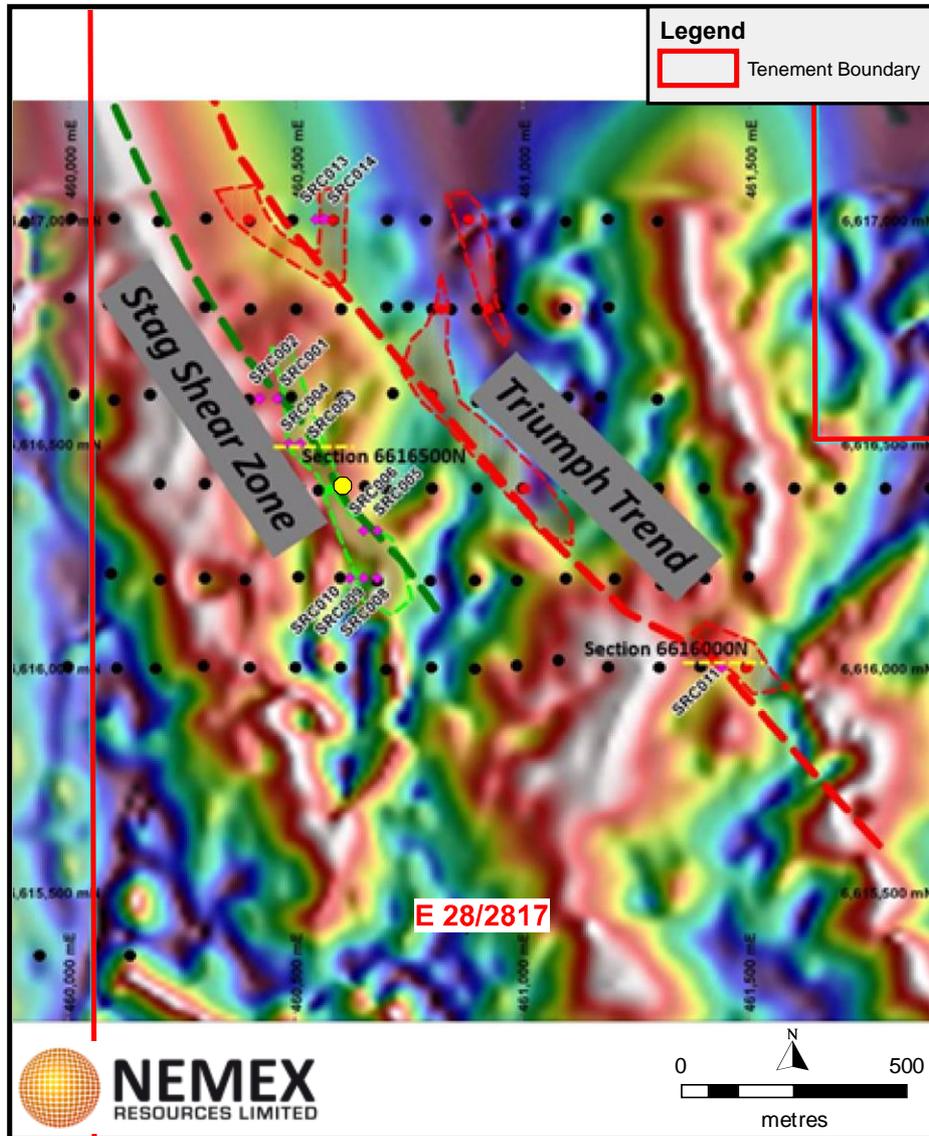


Lake Roe North Project – Tenements and Geology

Stag Shear Zone Prospect

The Stag Shear Zone is a southeast northwest trending structure off the major north south trending Claypan Shear. The structure is highlighted in airborne magnetics and coincident with mildly anomalous gold indications.

The anomalous gold zone occurs associated with sheared sericite-biotite-chlorite altered intermediate volcanoclastic rocks with variable quartz veining. The bedrock is highly weathered to approximately 100m with up to 30m of transported cover.



Location Plan - STAG and TRIUMPH Targets showing drill hole locations

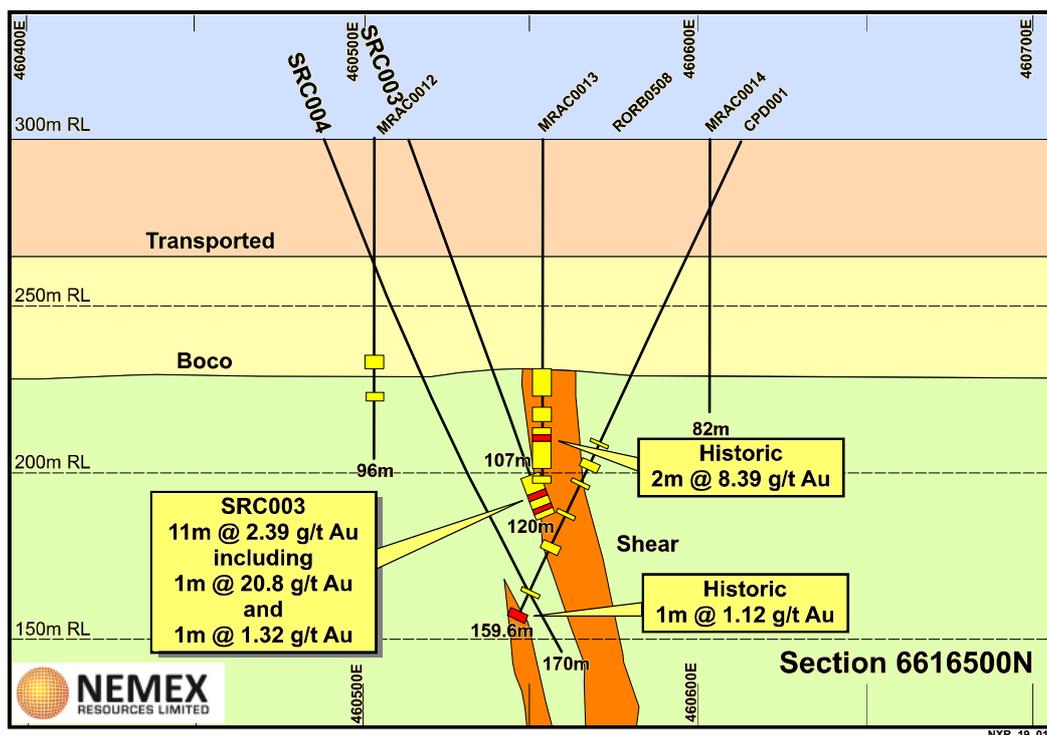
An additional zone of anomalous supergene gold, termed the Triumph Trend, was also defined to the east of the Stag Shear Zone closer to the granite intrusion to the east. This anomalous zone is parallel to the Stag Shear, also trending southeast-northwest.

Previous Exploration

The RC drilling program in 2016, by Carnavale Resources Limited (ASX Release 13 December 2016) that held the area previously, consisted of 12 holes for 1,360m.

Nine of the RC holes targeted mineralisation associated with the Stag Shear and three holes targeted the Triumph Trend.

The RC drilling program concentrated predominantly on testing the northwest southeast trending Stag Shear Zone where previous vertical RAB and aircore drilling located on 200m spaced drill traverses intersected a series of anomalous zones over a total strike length of over 600m. The drilling aimed to confirm previous mineralisation and better define the nature and tenor of gold mineralisation and host. All holes were angled to the east along east west sections to test an interpreted west dipping lode structure.



Section 6616500N on Stag Shear Zone

The trend was tested with three RC drill holes. Drilling intersected significant supergene gold mineralisation in the weathering saprock just prior to the fresh bedrock interface.

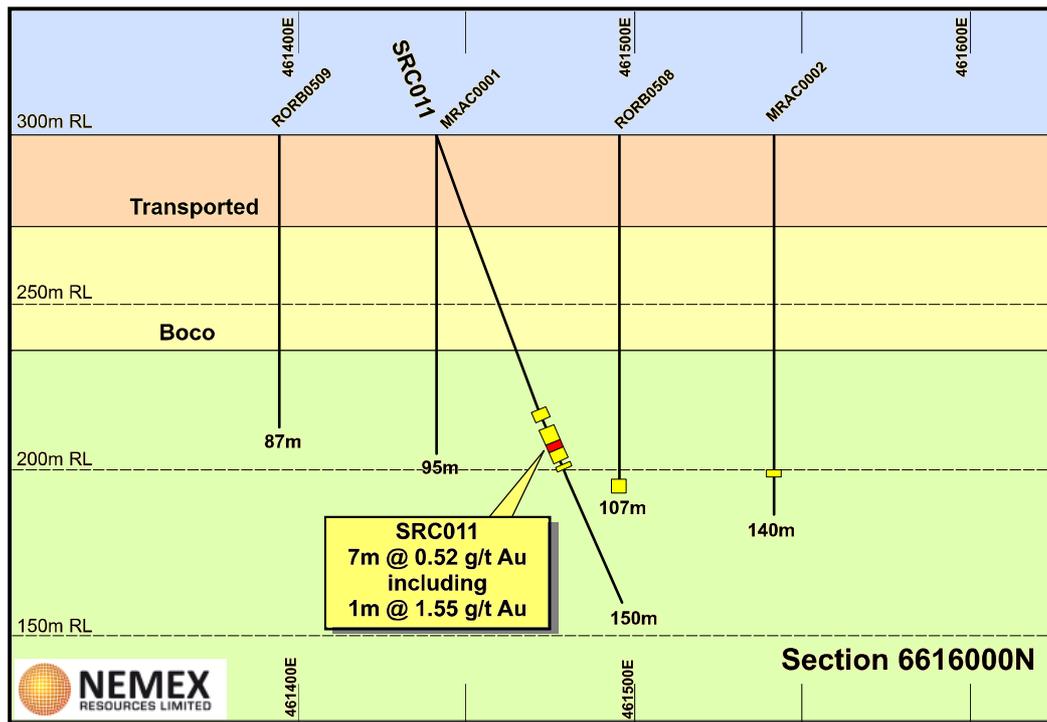
This mineralisation is remobilised in the weathered bedrock and currently the actual Triumph structure remains untested in the fresh bedrock.

Drilling on Section 6616500N, focussed on strong anomalous gold mineralisation in an earlier Aircore hole and encouraging shearing in the previous diamond hole.

The drilling showed the area is blanketed by 30-40m of barren and unconsolidated transported sediments and lateritic gravels followed by deep saprolite clays to approximately 70-80m and then partially weathered and fresh basement rocks.

The results of drill hole SRC003 at the Stag Prospect confirmed the shear hosted mineralisation with 11m @ 2.39g/t from 108m including 1m @ 20.8g/t from 112m and 1m @ 1.32g/t from 117m. All intercepts are down hole and there is insufficient information to estimate true width.

The northwest southeast trending Triumph Trend is a parallel trend/structure to the Stag Shear and is defined by a structure in magnetic imagery and to a lesser extent by anomalous results in earlier reconnaissance RAB and aircore drilling.



Section 6616000N on Triumph Shear Zone

The results of drill hole SRC011 at the Triumph Trend confirmed the shear hosted mineralisation with 7m @ 0.52g/t from 95m including 1m @ 1.55g/t from 98m. All intercepts are down hole and there is insufficient information to estimate true width.

This mineralisation is remobilised in the weathered bedrock and currently the actual Triumph structure remains untested in the fresh bedrock.

Details of the drilling and significant results are included in Appendix 2.

Exploration Potential and Proposed Exploration Program

Results of the recent RC drilling at the Stag Prospect showed the area is blanketed by 30-40m of barren and unconsolidated transported sediments and lateritic gravels followed by deep saprolite clays to approximately 70-80m depth and then partially weathered and fresh basement rocks. This deeply weathered nature and

thick transported barren overburden compounds the difficulties in exploration of the potentially mineralised structures.

The gold mineralisation was confirmed and is hosted in partially weathered, sheared and foliated sericite- chlorite schist with minor thin quartz and carbonate rich veining. This shearing is interpreted to represent the Stag Shear Zone. The results of drill hole SRC003 confirmed the shear hosted mineralisation.

The shear zone is also now interpreted to be sub-vertical in orientation and remains open at depth below the zone of depletion evident in the deepest drilling to date.

The northwest southeast trending Triumph Trend is a parallel trend/structure to the Stag Shear and is defined by a structure in magnetic imagery and to a lesser extent by anomalous results in earlier reconnaissance RAB and aircore drilling.

The trend was tested with two lines of RC drilling. Drilling intersected significant supergene gold mineralisation in the weathering saprock just prior to the fresh bedrock interface in hole SRC011.

The Company has identified four areas of interest for follow up exploration:

- Stag Prospect – untested southern trend potential
- Triumph Trend – inconclusive historic drilling
- SE Structural Area of interest – historic auger gold anomaly and favourable SE structure
- NE Structural Area of interest – flex in major NE structure

Ballard Project – Gold (E30/472, E29/991)

The Ballard Project includes two granted tenements covering an area of approximately 201 square kilometres. Both tenements are 150km northwest of Kalgoorlie and 50km northwest of Menzies in Western Australia. The project is prospective for gold, base metals and uranium. Access to the project is via the Menzies – Sandstone Road, which passes through E30/472, and minor secondary roads and station tracks.

Regional Geology

The Ballard Project straddles the terrane boundary (Mt Ida Fault) between the Barlee Domain of the Youanmi Terrane and the Coolgardie and Ora Banda Domains of the Eastern Goldfields Superterrane. The project area covers approximately 40km of strike length of the Ularring Greenstone Belt.

A major shear (Ballard Fault) separates the Coolgardie Domain from the Ora Banda Domain. Within the Coolgardie Domain the geology comprises komatiitic ultramafics, basalts and minor sedimentary units, with gabbro sills emplaced

along lithological contacts. The Ora Banda Domain comprises granitic gneisses, and the Barlee Domain comprises thin basalt, ultramafic and sedimentary units.

A series of granite bodies has intruded the Ida Fault including small stocks cutting across the major structures and lithology.

Local Geology

The tenements cover the thinnest part of the greenstone belt, with the thinning probably due to both development of the strongest and thickest shearing in the gneiss in the east, and the emplacement of rounded granite stocks in the west. South of Lake Ballard the project comprises north striking linear lithological units, transected by sub-parallel structures.

The magnetics suggest the ultramafic-mafic stratigraphy is folded about a north striking, gently double plunging fold structure, with basalt located in the core. A structure along the western limb separates this package from a probably different mafic package with minor thin ultramafics.

North of Lake Ballard (partly under E29/991) the greenstone package widens, and distinct tight, steeply plunging folding is developed within the mafic- ultramafic package. The main fold is the Kurrajong Anticline.

Sheath folds and shear bands are developed in the gneiss - considered to be part of an early extensional detachment and mapped with gold mineralised structures further to the south at Davyhurst.

Mineralisation

Mineralisation located within the district includes Ni sulphide mineralisation at Cullens, hosted in ultramafic rocks 5km north of the project area; Shear hosted gold deposits, including the First Hit mine, located 6km south of tenement E30/472; The Emerald gold mine, located in an excision within the SW corner of E30/472, mined for an unknown tonnage of reportedly high-grade gold; and several clusters of small historical gold workings located within the project area. These areas are not held by the Company and are being explored by other parties. Mineral resources have been estimated further north in the Mt Ida area on a competitor's tenure.

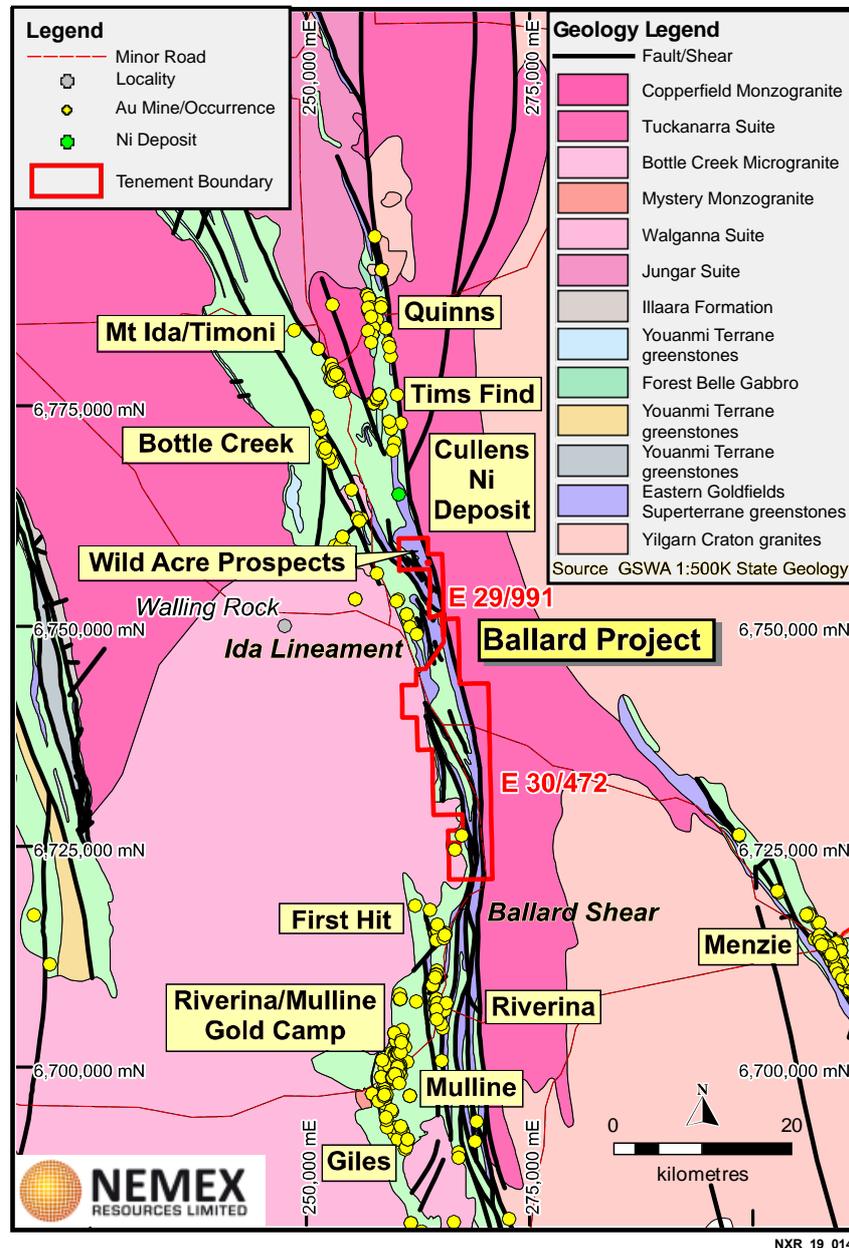
Nickel

Numerous gossans were located within the project area, in particular in the eastern belt of ultramafics located just south of Snake Hill and Lake Ballard. The work at Cullens indicates Ni sulphides are developed within the belt, although no significant economic deposits have been located.

Gold

Individual gold exploration programs have tended to be small, and focussed around existing workings, or in some cases, in areas identified from early regional

stream sediment sampling programs. The First Hit deposit mined a resource of 174,000t @ 13.4g/t for 76,200 oz. At Blue Well both coarse fraction lag and a pedogenic carbonate (“calcrete”) sample were collected, with the calcrete sample containing approximately twice the gold in soil value of the coarse fraction sample.



Regional geological setting and mineralisation

Mt Ida Gold Project (ALT Resources Ltd)

Details of the Mt Ida Gold Project Mineral Resources now held by ALT Resources Ltd are included in the ASX Release by Latitude Consolidated Limited, 6 July 2016 (a previous owner of the tenure now held by ALT Resources Ltd). The Mt Ida Gold Project is not held by the Company but is relevant to the Company’s E29/991 prospect because it includes similar host rocks and structural elements (the

Ballard Fault) that have been mapped as extending into that tenement and further south into E30/472.

E29/991 abuts the Mt Ida Gold Project held by ALT Resources immediately to the north. The Mt Ida Gold Project encompasses the Mt Ida and Ballard Faults. The Mt Ida Fault and associated splays host mineralisation at the Bottle Creek Gold Mine. The Mt Ida Deposit (held by Eastern Goldfields Ltd) is also within the broader Mt Ida area.

The Mt Ida Gold Project encompasses the Tim's Find and the Quinns projects. These projects lie on the Ballard Fault, which is host to a semi continuous mineralised sequence, including the known resources contained at Quinn's deposits in the north, and the Tim's Find Group deposits in the south. The Quinn's Group includes Measured Resources of 0.13 million tonnes at 2.5g/t Au; Indicated Resources of 0.18 million tonnes at 3.4g/t Au and Inferred Resources of 0.23 million tonnes at 2.1g/t Au. The Tim's Find Group includes Indicated Resources of 0.36 million tonnes at 2.6g/t Au and Inferred Resources of 0.33 million tonnes at 1.9g/t Au. (Latitude Consolidated Ltd, ASX Release, 6 July 2016)

The fact that the Quinn's deposits and the Tim's Find deposits are proximate to the Company's project should not be taken as illustrative of the potential mineralisation at the Ballard Project.

Previous Exploration

Historical exploration focused on nickel and gold. While extensive gossan prospecting outlined numerous gossans with high Ni and Cu values, and some PGE's locally, only one bedrock Ni sulphide body has been located, the Cullen's prospect located north of E29/991. Drilling under numerous gossans located along the east side of E30/472 south of Lake Ballard failed to identify any Ni sulphides in bedrock.

Gold exploration has comprised generally small programs in the vicinity of limited old workings, and broader areas defined in earlier regional stream sediment sampling programs. The most prominent discovery was Barra's First Hit mine, located 6km south of E30/472 that was mined in 2001-02 (not included in the Ballard Project tenements).

CRA Exploration Pty Ltd (1966-1975) conducted several percussion drilling programs to test for copper-nickel sulphide mineralisation, following up anomalous rock chip samples from gossans at Cullen's Prospect and Scorpion Prospect. Drilling provided no anomalous intercepts.

Amax Exploration Australia Inc (1972-1973) conducted percussion drilling to test continuation of a gossan at depth. Asarco Australia Ltd (1972-1977) explored their Lake Ballard-50 Mile Well Project for ultramafic-hosted nickel-copper sulphides during 1972-1977. This included drill testing several gossan areas.

Billiton Australia, International Nickel Aus Ltd, Shell Company Australia Ltd (1977 - 1987) explored for ultramafic-hosted nickel-copper sulphides across the project area that returned anomalous assays from ironstones and gossan outcrops. These were interpreted to be after massive pyrite, and metal values were ascribed to scavenging from the volcanoclastic metasediments. Stream sediment sampling was conducted for gold mineralisation across the entire prospect and results were considered encouraging enough to warrant follow-up. Geopeko, Norgold, Pancontinental Mining Ltd (1984-1990) explored for gold, nickel-sulphides and PGE's but failed to intersect economic mineralisation.

CRA Exploration Pty Ltd, Mt Kersey Mining NL (1991-1998) explored for cobalt, copper, gold, nickel and PGE's at their Snake Hill project during 1991-1998. Drilling consisted of RAB, RC and diamond, returning anomalous PGE mineralisation at the Cullen Prospect north of the Ballard Project.

Limited drilling has been completed, either as:

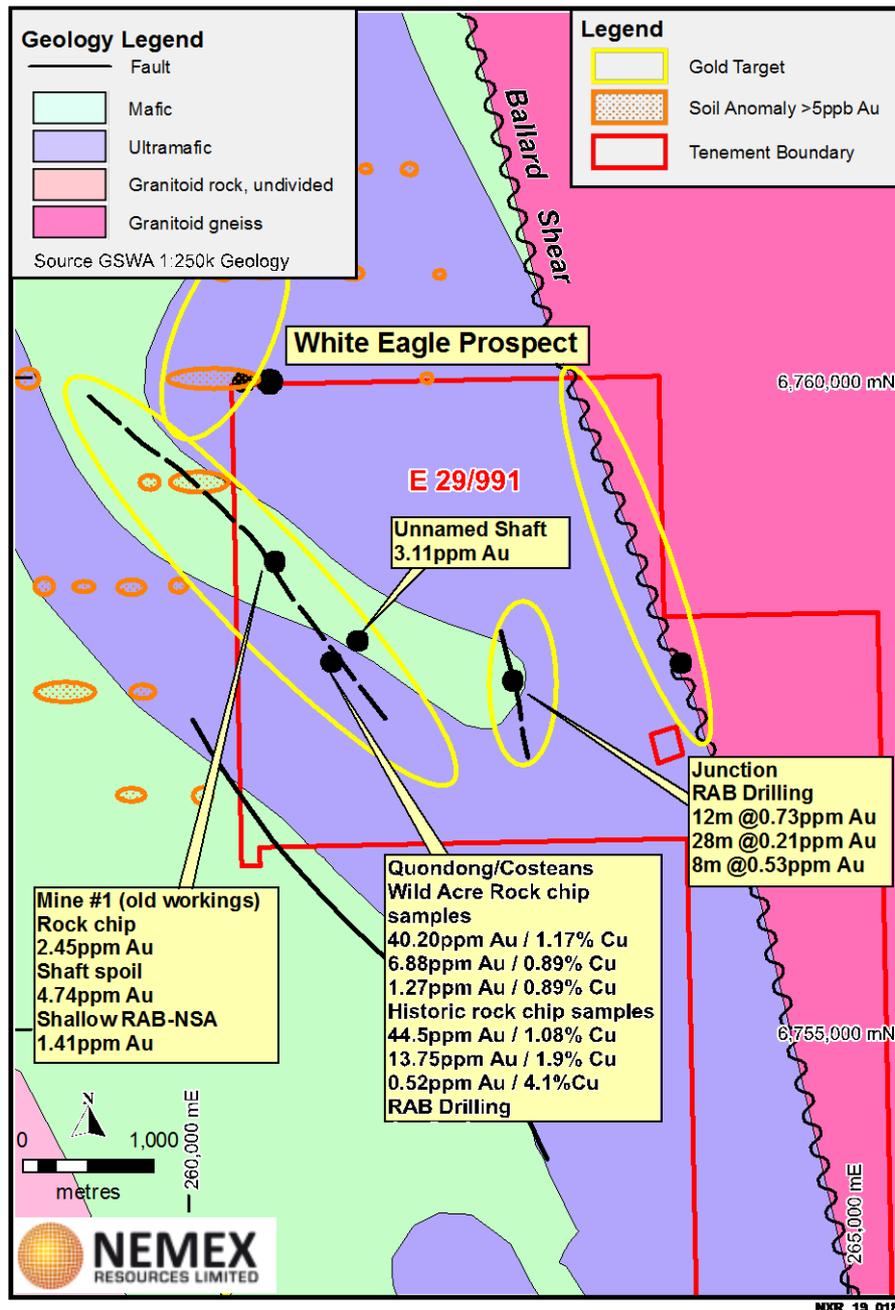
- Clusters of holes around Ni gossans, most of which were not assayed for gold. These have not been captured digitally;
- Shallow RAB drilling (average 32m) across the Blue Well gold in soil anomaly; and
- Testing a gold in soil anomaly located 2.6km broadly along strike of Legendre's "New Target" on the eastern edge of the belt. The anomaly appears to be around 900m long, thin, around 100m wide. Drilling is very shallow, commonly around 5m deep, on 40m centres, and has not adequately tested the anomaly. While the drilling has not tested the anomaly, the shallow depths suggest nearly fresh rock at surface.
- Some drilling testing the Emerald workings.

The above summary of past exploration activities has been obtained from open file public records, including summaries by previous tenement holders. The Company has commenced a detailed review of these records, but at this stage the review is not complete. All historic exploration activities at the Ballard Project are first-pass exploration work, and access to detailed reporting regarding the work is not considered material to supporting the assessment of prospectivity and planned exploration programs. All references to mineralisation are taken from reports prepared by previous explorers and have been reviewed and considered to be fit for purpose. The Company has not verified or audited any of the historic exploration data.

Wild Acre 2011

Wild Acre Resources Limited highlighted four areas of interest within E29/991 for potential gold mineralisation. Two of these areas are located along the western and southern boundaries of the White Eagle nickel laterite occurrence which is several kilometres south of the Cullens nickel deposit.

The western trend has been defined from anomalous results and extending for approximately 500 metres on 2 broad spaced traverses of geochemical soil sampling. Field checking of these areas indicate that the samples are residual in nature. Several areas of interest have been delineated from surface soil sampling that extend into E29/991. The trends include old workings that have been sampled by spoil and rock chip sampling as shown in the figure below.



Gold target areas in the general region of the White Eagle Prospect.

Source: Wild Acres ASX Release 2011

The *Quondong Prospect* occurs along the southern boundary of the White Eagle Nickel laterite occurrence. Rock chip samples were taken along a shallow costean covering a distance of approximately 20 metres. The high-grade gold and copper mineralisation occurs within an iron and quartz rich gossan. There is visible malachite throughout the rock. This rock chip sampling has returned results of 40.20 ppm gold and 1.17% copper, 6.88 ppm gold and 0.89% copper and 1.27 ppm gold and 0.89% copper. The gossan appears to be within a highly sheared ultramafic unit striking NNW.

The *Mine 1 Prospect* is located within the same mineralised trend as the Quondong Prospect and is located approximately 800 metres to the NW. This area consists of 2 shallow shafts (approximately 8 to 15 metres deep) aligned along a WNW direction over approximately 20 metres. Sampling of the immediate shaft spoils has returned results of 4.74 ppm gold, 1.41 ppm gold, 1.40 ppm gold and 1.00 ppm gold. The shaft spoils consist of talc rich ultramafic schist with little appreciable quartz. This sampling confirms a previous sample result of 2.45 ppm gold.

A previously unrecorded shaft has been located 250 metres NE of the Quondong Prospect. The shaft spoils consisting of sheared talc-rich ultramafic has returned a grab sample grade of 3.11 ppm gold.

The *Junction Prospect* (approximately 3 kilometres SE of White Eagle Prospect) is located on a sheared mafic- ultramafic contact zone. At this location there are 2 shallow shafts aligned on a NNW trend extending over approximately 30 metres. Sampling of the shaft spoil has returned results of 10.76 ppm gold, 8.06 ppm gold, 5.67 ppm gold, 3.59 ppm gold and 1.56 ppm gold. Limited surface geochemistry completed in this area is suggestive that a broader gold anomaly exists and that drilling has tested only a small portion of this anomaly. Further geochemical evaluation and deeper drilling is required at the Junction Prospect.

The sampling was carried out by Wild Acre Resources Ltd and reported to the ASX in its September 2011 Quarterly Report. The ASX Release pre-dates the requirement to comply with JORC Code 2012 and Table 1 was not prepared for the release. Limited sampling details are included with the results. The samples were standard grab samples of various material including trenches and mine spoil and signed off by a competent person. A full listing of the results and details with respect to the exploration undertaken are included at Appendix 3.

Source: Wild Acre Resources Ltd Quarterly Report for the period ended 30 June 2011 and 31 September 2011

Bruce Legendre (2016)

Two field sampling programs were completed focussing on an area in the central part of E30/472 that was considered prospective for gold mineralisation.

A total of 94 soil lag samples were collected across eight lines spaced 80 metres apart, with samples collected on approximately 40m spacing along the line where the regolith was suitable. Sample sites were located with a hand-held GPS. Samples were collected at depths ranging from 0.1 - 0.25m below surface.

A further 58 surface samples were also collected across the prospect. The sample medium included rock chips, drill spoil, calcrete, and stream sediment. Samples were located using a GPS and at each location a brief log was made of the sampled material. All samples were analysed for gold as well as a multielement suite of elements by MS using either a 10 gm or 25 gm charge after an aqua regia digestion.

The results indicate that gold in soil anomalism occurs over a strike of approximately 500m and remains open to the south and to the east. The anomalism appears to be associated with a north south striking ultramafic unit that has been intruded by a dolerite striking parallel to stratigraphy.

The results of the work completed to date indicate the potential for the tenement to host gold mineralisation. The surface geology of the areas of anomalism so far detected appears similar to the Riverina and Morleys Find deposits to the south and east respectively.

The sampling identified an anomaly that remains open to the south and east and further sampling was recommended to close off and infill this anomaly prior to drill testing. Work by Heron along strike to the north of this anomaly indicates this may be part of a larger regional target and reconnaissance soil sampling along the trend is recommended.

A full listing of the results and details with respect to the exploration undertaken are included at Appendix 4.

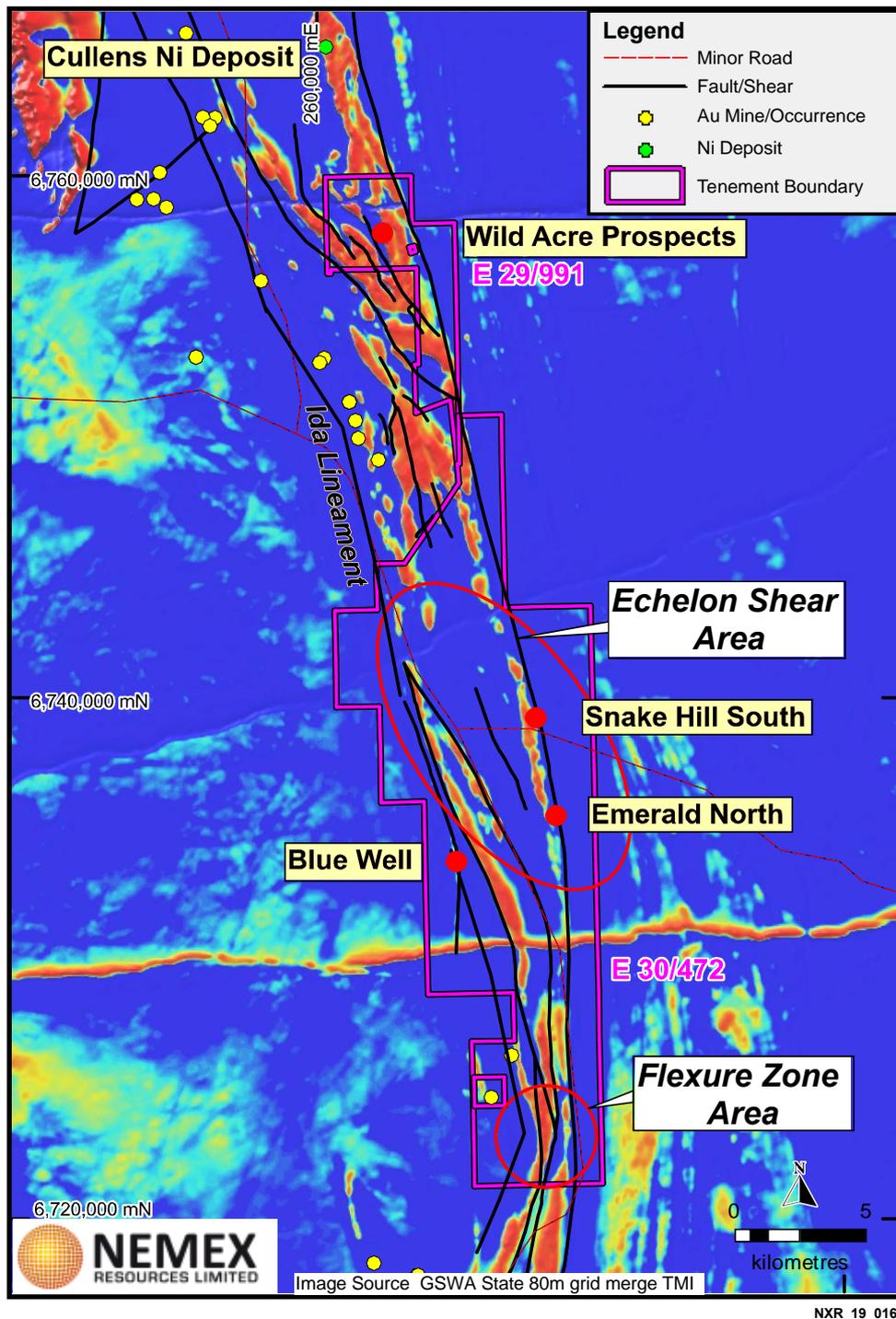
Enterprise Metals Limited (2017 – 2018)

Enterprise Metals commissioned Value Adding Resources Pty Ltd (VAR) to compile the geophysical datasets on the Ballard Project. Geophysical data, including magnetic, radiometric, gravity and DTM, were re-processed and re-analysed to define potential gold-hosting structures. The Magnetic RTP TMI Image is shown below.

The magnetic data shows that tenement E30/472 is centered over the Archaean greenstone belt, which is characterized by high amplitude N/S trending magnetic units. The granitic rocks to the west and east are characterised by low to moderate magnetic responses. The magnetics clearly show numerous late brittle faults (NNE) disrupting the greenstone belt, which are considered to be highly prospective for gold mineralization.

There is a strong uranium anomaly in the northern part. This anomaly is located on the northern margin of an E-W striking Proterozoic dyke. The uranium

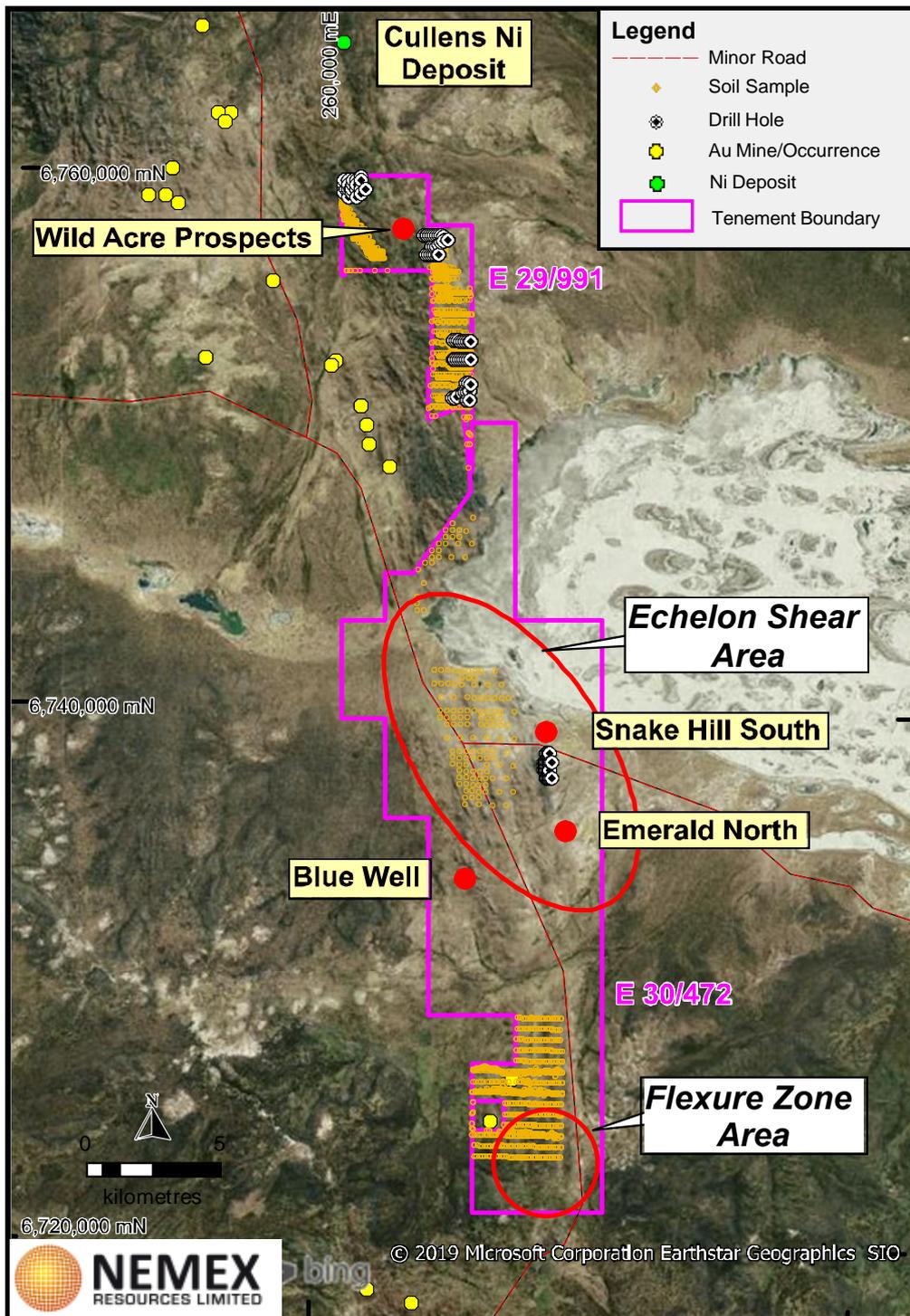
anomaly appears to be hosted by recent surficial carbonate rocks (valley calcrete), spatially and genetically related to Cretaceous to Tertiary palaeodrainage channels, now reflected by broad, dry creeks and strings of playa lakes. The underlying geology (basement) is the greenstone belt with mafic and ultra-mafic units. The style of mineralisation is likely to be calcrete hosted uranium.



Aeromagnetic image of E29/991 & E30/472 Showing areas of interest

Exploration Potential and Proposed Exploration Program

The results of the work completed to date indicate the potential for the tenement to host gold mineralisation. The surface geology of the areas of anomalism so far detected appears similar to the Riverina and Morley's Find deposits to the south and east respectively.



NXR_19_017

Structural Areas of Interest at Echelon Shear and Flexure Zone

A number of areas of interest prospective for gold mineralisation have been identified within E30/472 based on newly acquired surficial geochemistry data, and the geological and geophysical reviews.

Snake Hill South

The prospect is a 400m x 300m, Au soil anomaly, hosted in mapped outcropping ultramafic, with the anomaly open to the west and south. Gold nuggets have been collected, including specimen gold in a rounded cobble of sheared vein quartz. The anomaly is comparable in size to the Morley's Find anomaly. The anomaly is broadly along strike from an earlier soil anomaly and old workings a few kilometres to the south. These all occur in the immediate hanging wall of the prospective Lake Ballard or Mt Ida Shear Zone.

Blue Well

The prospect is a 1300m x 600m calcrete anomaly in transported sediments (sand plain and colluvium). The area is located on the north side of a small granite stock intruding basalt, with the Emerald and Hilltop historical high-grade workings being located on the south side of this stock. The anomaly is open to the south, potentially for another 800m under cover to the edge of the granite stock. The anomaly has been partially drill tested (no anomalous gold reported), but with shallow holes (32m) on 50m centres.

Blue Well East

The prospect is a 2km long subtle soil anomaly hosted in colluvium, and parallel to inferred shear zone in basement. It is located in either a demagnetised ultramafic (possible alteration), or in a package where the western granite has stopped out greenstone producing rheology contrasts along the structure. Additional anomalous samples were reported in different surveys on the southern end of the anomaly. The anomaly has not been drilled.

Emerald Hill

The prospect is based on a gap in existing sampling, over transported sediment, but located along the eastern edge of the tenement and filling in along strike south of the Legendre New area of interest.

Structural Areas of Interest

A review of the open file aeromagnetic data has identified two structural offsets associated with the Ballard Shear and Ida Lineament which have the potential for larger scale gold systems. In the central part of the project a series of en-echelon shears between the Ida and Ballard structures is regarded as a priority area of interest. The magnetics also identify a major flexure in the Ida Lineament in the southern part of the project area where several old workings are located. This area is also regarded as a priority target.

Uranium

A uranium target on the northern margin of an E-W striking Proterozoic dyke. The anomaly is hosted by recent surficial carbonate rocks (valley calcrete), spatially and genetically related to Cretaceous to Tertiary palaeodrainage channels, now reflected by broad, dry creeks and strings of playa lakes. The underlying geology (basement) is the greenstone belt with mafic and ultra-mafic units. The style of mineralisation is likely to calcrete hosted uranium.

Gold Potential – E29/991

Three areas of gold anomalism have been indicated at Mine#1, Quondong and Junction within E29/991. Historic RAB results and rock chip sampling have returned results of interest and the area requires further work.

The Ballard Shear is located within the eastern zone of the tenement within close vicinity to the White Eagle nickel laterite prospect. This trend is mineralised to the north (off tenement) and remains relatively untested within E29/991.

PROPOSED EXPLORATION EXPENDITURE

At the Leonora South East Project, the initial work program will be to complete auger testing the remainder of the Sunset Well tenement, followed by air core drill testing of the auger geochemical anomalies. Priority areas will then be tested by RC drilling. At the Melita tenement, initial work will focus on regional compilation and structural mapping followed by auger geochemical sampling.

At the Pavarotti Project initial work will involve systematic auger geochemical sampling and geological mapping along the basal ultramafic contact. Reprocessing of existing ground electromagnetic surveys as well as new surveys will be completed across geochemical anomalies identified from the auger and geological mapping. High-powered fixed loop electromagnetic surveys will also be undertaken over the area of earlier drilling to define bedrock conductors.

Conductive zones identified by the geophysical surveys will be aircore drill tested in order to verify the bedrock geology and geochemistry and allow ranking of areas for RC drill testing followed by down hole electromagnetic surveying to identify off hole conductors. Areas identified from this work will be diamond drill tested.

At the Lake Roe North Project outcrop is largely absent, so detailed aeromagnetic interpretation followed by aircore drilling is planned to test the SE Triumph structural trend and structural areas of interest on E28/2748. Following from this work reverse circulation drill testing of any bedrock geochemical anomalies. At the Ballard Project, assessment of outcrop coverage and intensity of weathering to test reliability of soil anomaly and sampling methods is planned at Snake Hill South followed by step-out soil sampling to close off the anomaly. Geochemical

anomalies will be followed up by aircore drilling. Soil sampling is planned at the Blue Well, Blue Well East and Emerald Hill prospects to re-locate, extend and close off these anomalies. Aircore drilling of two structural offsets associated with the Ballard Shear and Ida Lineament (Echelon Shear and Flexure Zone) is also planned. Subject to ranking, priority areas at the Ballard Project will then be tested by RC drilling.

Project	Program	Year 1	Year 2	Total
Leonora South East				
Sunset Well P37/8759	Data Review and mapping	\$10,000		\$10,000
	Auger Geochemical Sampling	\$15,000		\$15,000
	Aircore Drilling	\$150,000	\$100,000	\$250,000
	RC Drilling	\$110,000	\$150,000	\$260,000
Melita E40/379	Data compilation and aeromagnetic interpretation	\$25,000		\$25,000
	Auger Geochemistry		\$80,000	\$80,000
		\$310,000	\$330,000	\$640,000
Pavarotti				
E77/2208	Data review	\$10,000		\$10,000
	Auger Geochemistry	\$80,000		\$80,000
E77/2478	Ground Geophysics	\$80,000		\$80,000
	Aircore Drilling	\$120,000		\$120,000
	RC/ DDH Drilling	\$50,000	\$300,000	\$350,000
	Downhole Geophysics		\$30,000	\$30,000
		\$340,000	\$330,000	\$670,000
Lake Roe North				
E28/2748	Data compilation	\$10,000		\$10,000
	Air Core Drilling	\$266,000		\$266,000
	RC Drilling	\$50,000	\$300,000	\$350,000
E28/2817 (pending)	Data compilation	\$25,000		\$25,000
	Air Core Drilling		\$150,000	\$150,000
		\$351,000	\$450,000	\$801,000
Ballard				
E30/472	Data compilation and Interpretation	\$19,000	\$12,000	\$31,000
	Field geological mapping and soil sampling	\$16,000	\$16,000	\$32,000
E29/991	Air Core Drilling	\$438,000	\$254,000	\$692,000
	RC Drilling		\$197,000	\$197,000
		\$473,000	\$479,000	\$952,000
	Geological Management	\$200,000	\$200,000	\$400,000
TOTAL		\$1,674,000	\$1,789,000	\$3,463,000

The budget will be spent on the granted tenements at the Company's Projects. The exploration budget will be subject to modification on an on-going basis depending

on the results obtained from exploration and development activities as they progress.

It is considered that Nemex 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 mineralization.

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TENURE, DECLARATIONS, RISK and INDEPENDENCE

Tenement Schedule

The present status of the tenements is based on information made available by Nemex and independently verified by Agricola. The Report has been prepared on the assumption that the tenements are lawfully accessible for evaluation.

A determination of the Status of Tenure is necessary and must be based on a sufficiently recent inquiry to ensure that the information is accurate for the purposes of the Report. Tenure that is Material must be or recently have been verified independently of the Commissioning Entity. (*Adapted from VALMIN Code 2015, Clause 7.2*)

Tenement	Holder	Status	Area	Area, km2	Grant	Expire
Leonora South Project, Western Australia						
P37/8759	AM_Australian Minerals Pty Ltd	Exploration LIVE	117 Ha	1.17	29/3/17	28/3/21
E40/379	Bruce Legendre	LIVE	36 blocks	108.00	3/4/19	2/4/24
Pavarotti Project, Western Australia						
E77/2208	Bruce Legendre	LIVE	1 block	3.00	11/8/15	10/8/20
E77/2478		LIVE	5 blocks	15.00	24/1/19	23/1/24
Lake Roe North Project, Western Australia						
E28/2817	Gold Geological Consulting Pty Ltd	Pending	7 blocks	21.00		
E28/2748		LIVE	6 blocks	18.00	7/2/19	6/2/24
Ballard Project, Western Australia						
E30/472	Bruce Legendre	LIVE	58 blocks	174.00	1/12/15	30/11/20
E29/991		LIVE	9 blocks	27.00	5/7/17	4/7/22

The Company's Tenement Schedule

The status of the tenements has been verified based on a recent independent inquiry of the Department of Mines and Petroleum, WA, Mineral Titles On Line database (source: www.dmp.wa.gov.au) by Agricola, pursuant to section 7.2 of the Valmin Code, 2015. Expenditure commitments on the tenements have been expended in full and rent payments are up to date. Agricola is not aware of any outstanding matters that may affect the conduct of exploration on the tenements in a timely manner.

Risks for Exploration Companies

Agricola has identified a range of risk elements or risk factors, which may affect the exploration outcomes of Nemex's Projects. Some of the risk factors are completely external, which is beyond the control of management. However, advance planning can mitigate the project specific risks.

Risks inherent in exploration and mining include, among other things, successful exploration and identification of mineral resources; satisfactory performance of mining operations if a mineable deposit is discovered and competent management.

Security of Tenure

Exploration and mining companies are subject to the regulatory environments in which they operate and exploration and mining companies throughout the world are subject to the inherent risks of the minerals industry.

- Risks are associated with obtaining the grant of any or all of the mining tenements or permits which are applications, or renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground;
- The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the tenements applied for will be granted;
- Applications are also subject to additional processes and requirements under the Native Title Act in Australia. The right to negotiate process under Native Title matters can result in significant delays to the implementation of any project or stall it. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed;

Land Access

- Risks arising because of the rights of indigenous groups which may affect the ability to gain access to prospective exploration areas and to obtain exploration titles and access, and to obtain production titles for mining if exploration is successful. If negotiations for such access are successful, compensation may be necessary in settling indigenous title claims lodged over any of the tenements held or acquired by Nemex. The level of impact of these matters will depend, in part, on the location and status of the tenements;
- The risks associated with being able to negotiate access to land, including by conducting heritage and environmental surveys, to allow for prospecting, exploration and mining, is time and capital consuming and may be over budget and is not guaranteed of success;

Government Policy and Environment

- The risk of material adverse changes in the government policies or legislation of the host country affect the level and practicality of mining and exploration activities;
- Environmental management issues with which the holder may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the holder needs to

comply for land access, exploration and mining that can lead to significant delays;

Access and Equipment and Management

- Poor access to exploration areas as a result of remoteness or difficult terrain;
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues;
- Unforeseen major failures, breakdowns or repairs required to key items of exploration equipment and vehicles, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep;
- The availability and high cost of quality management, contractors and equipment for exploration, mining, and the corporate and administration functions in the current economic climate and the cost of identifying, negotiating with and engaging the right people.

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 which pertain to Independent Expert Reports (Regulatory Guides RG111 and RG112, March 2011). Agricola regards RG112.31 to be in compliance whereby there are no business or professional relationships or interests, which would affect the expert’s ability to present an unbiased opinion within this report.

Unless otherwise stated in this report, if exploration results and mineral resources have been quoted or referred to in this report, they were prepared pursuant to the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“the JORC Code”).

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 commodity 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.

Reporting of Exploration Results

Public Reports of Exploration Results must contain sufficient information to allow a considered and balanced judgement of their significance. Public Reports of Exploration Results must not be presented so as to unreasonably imply that potentially economic mineralisation has been discovered. Where assay and analytical results are reported, they must be reported either by listing all results or by reporting weighted average grades of mineralised zones. *Adapted from JORC Code 2012, Clause 19.*

Sources of Information

The information in this report that relates to Exploration Results is based on information compiled by Malcolm Castle, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Malcolm Castle 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'. Malcolm Castle consents to the inclusion in the report of the matters based on his (or her) information in the form and context in which it appears.

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by Nemex, 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 Nemex 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, familiarity with the general area, previous technical visits to the area 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. Agricola has no reason to doubt the authenticity or substance of the information provided.

The information contained in the Independent Technical Assessment Report was compiled by Agricola Mining Consultants Pty Ltd and is based on, and fairly represents, information and supporting documentation prepared by Nemex and reviewed by Malcolm Castle who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM).

This Report contains statements that are made in, or based on statements made in previous geological reports that are publicly available from either a government

department or the ASX. These statements are included in accordance with ASIC Corporations (Consents to Statements) Instrument 2016/72 (clauses 6 and 7). Other than where consent has been provided as outlined in the prospectus, the authors and competent persons of the publicly available reports referred to in the Reference section of this Report have not consented to the references made to their reports in this Report.

Agricola or Malcolm Castle is not aware of any new information or data, other than that disclosed in this Report, that materially affects the assessments included in this Report and that all material assumptions and parameters underpinning exploration results and mineral resource estimates continue to apply and have not materially changed.

This Report has been compiled based on information available up to and including the date of this Report. Consent has been given by the author 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.

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VALMIN, 2015, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. <http://www.valmin.org> (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

Qualifications and Experience

Agricola has been consulting to the mining industry since 1987 with services that include valuations, independent technical reporting and exploration management. Its capabilities include reporting for the major securities exchanges and encompass a diverse variety of commodity types.

The competent person responsible for the preparation of this Report is:

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

Malcolm Castle has over 50 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 30 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 over his professional career.

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 Technical Assessment Reports and Mineral Asset Valuation Reports over the last decade as part of his consulting business.

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, an independent geological consultancy established 30 years ago. He is a Member of the Australasian Institute of Mining and Metallurgy ("MAusIMM").

- Mr Castle is appropriately qualified geologist and is a member of a relevant recognized professional association;
- He has the necessary technical and securities qualifications, expertise, competence and experience appropriate to the subject matter of the report; and
- He has at least ten years of suitable and recent experience in the particular technical or commercial field in which he is to report.

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 The Australasian Institute of Mining and Metallurgy. Malcolm Castle is not a permanent employee of Nemex. 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: The information in this report that relates to Exploration Results and Mineral resources of Nemex is based on, and fairly represents, information and supporting documentation reviewed by Malcolm Castle, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Castle has sufficient experience, which is relevant to the style of mineralization 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’. Mr Castle consents to the inclusion in this report of the matters based on the information and supporting documentation in the form and context in which they appear.

Independence and Competency

Mr Castle has prepared assignments for a large number of companies on gold, base metals, tin, uranium, lithium and coal of the past decade. He is a Non Executive director of BMG Ltd, currently exploring lithium projects in Chile.

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

Agricola has had no material association during the previous two years with the owners/promoters of the mineral assets, the company acquiring the assets or any of the assets to be acquired and has no material interest in the projects;

There are no business relationships between Agricola and Nemex. Agricola or its employees and associates are not, nor intend to be a director, officer or other direct employee of Nemex. The relationship with Nemex is solely one of professional association between client and independent consultant;

Agricola does not hold and has no interest in the securities of the company under review; Agricola has no relevant pecuniary interest, association or employment relationship with Nemex and its subsidiaries; Agricola has no interest in the material tenements, the subject of the Report;

Agricola is not a substantial creditor of an interested party, or has a financial interest in the outcome of the proposal. The review work and this report are prepared in return for professional fees of \$12,500 plus GST based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

Consent

For the purposes of the Corporations Act 2001, Agricola Mining Consultants Pty Ltd consents to the inclusion of this Independent Technical assessment Report in the form and context as set out in the formal agreement with Nemex.

Agricola provides its consent on the understanding that the assessment expressed in the individual sections of this report will be considered with, and not independently of, the information set out in full in this report. Agricola has no reason to doubt the authenticity or substance of the information provided.

Agricola Mining Consultants Pty Ltd has not withdrawn this consent prior to the lodgement of the Report.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Malcolm Castle', is written over a light grey, textured background.

Malcolm Castle

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

Agricola Mining Consultants Pty Ltd

GLOSSARY OF TECHNICAL TERMS

GLOSSARY OF TECHNICAL TERMS

alluvial	Pertaining to silt, sand and gravel material, transported and deposited by a river.
alluvium	Clay silt, sand, gravel, or other rock materials transported by flowing water and deposited in comparatively recent geologic time as sorted or semi-sorted sediments in riverbeds, estuaries, and flood plains, on lakes, shores and in fans at the base of mountain slopes and estuaries.
alteration	The change in the mineral composition of a rock, commonly due to hydrothermal activity.
andesite	An intermediate volcanic rock composed of andesine and one or more mafic minerals.
anomalies	An area where exploration has revealed results higher than the local background level.
anticline	A fold in the rocks in which strata dip in opposite directions away from the central axis.
auger sampling	A drill sampling method using an auger to penetrate upper horizons and obtain a sample from lower in the hole.
bedrock	Any solid rock underlying unconsolidated material.
carbonate	Rock of sedimentary or hydrothermal origin, composed primarily of calcium, magnesium or iron and CO ₃ . Essential component of limestones and marbles.
chert	Fine grained sedimentary rock composed of cryptocrystalline silica.
chlorite	A green coloured hydrated aluminium-iron-magnesium silicate mineral (mica) common in metamorphic rocks.
clastic	Pertaining to a rock made up of fragments or pebbles (clasts).
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
diamond drill hole	Mineral exploration hole completed using a diamond set or diamond impregnated bit for retrieving a cylindrical core of rock.
ductile	Deformation of rocks or rock structures involving stretching or bending in a plastic manner without breaking.

erosional	The group of physical and chemical processes by which earth or rock material is loosened or dissolved and removed from any part of the earth's surface.
fault zone	A wide zone of structural dislocation and faulting.
feldspar	A group of rock forming minerals.
felsic	An adjective indicating that a rock contains abundant feldspar and silica.
folding	A term applied to the bending of strata or a planar feature about an axis.
foliated	Banded rocks, usually due to crystal differentiation as a result of metamorphic processes.
g/t	Grams per tonne, a standard volumetric unit for demonstrating the concentration of precious metals in a rock.
geochemical	Pertains to the concentration of an element.
geophysical	Pertains to the physical properties of a rock mass.
granite	A coarse-grained igneous rock containing mainly quartz and feldspar minerals and subordinate micas.
granodiorite	A coarse grained igneous rock composed of quartz, feldspar and hornblende and/or biotite.
greenschist	A metamorphosed basic igneous rock which owes its colour and schistosity to abundant chlorite.
gypsum	Mineral of hydrated, or water-containing, calcium sulphate.
hematite	Iron oxide mineral, Fe ₂ O ₃ .
hydrothermal fluids	Pertaining to hot aqueous solutions, usually of magmatic origin, which may transport metals and minerals in solution.
igneous	Rocks that have solidified from a magma.
insitu	In the natural or original position.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusions	A body of igneous rock which has forced itself into pre-existing rocks.
intrusive contact	The zone around the margins of an intrusive rock.
joint venture	A business agreement between two or more commercial entities.

laterite	A cemented residuum of weathering, generally leached in silica with a high alumina and/or iron content.
lithological contacts	The contacts between different rock types.
metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure and derived fluids.
ppb	Parts per billion; a measure of low level concentration.
RC drilling	A drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
regolith	The layer of unconsolidated material which overlies or covers insitu basement rock.
residual	Soil and regolith which has not been transported from its point or origin.
rhyolite	Fine-grained felsic igneous rock containing high proportion of silica and felspar.
rock chip sampling	The collection of rock specimens for mineral analysis.
saprolite	Disintegrated, in-situ rock, partially decomposed by the chemical and physical processes of oxidation and weathering.
satellite imagery	The images produced by photography of the earth's surface from satellites.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
scree	The rubble composed of rocks that have formed down the slope of a hill or mountain by physical erosion.
sedimentary	A term describing a rock formed from sediment.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	A fine grained, laminated sedimentary rock formed from clay, mud and silt.
sheared	A zone in which rocks have been deformed primarily in a ductile manner in response to applied stress.

sheet wash	Referring to sediment, usually sand size, deposited over broad areas characterised by sheet flood during storm or rain events. Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silcrete	Superficial deposit formed by low temperature chemical processes associated with ground waters, and composed of fine grained, water-bearing minerals of silica.
silica	Dioxide of silicon, SiO ₂ , usually found as the various forms of quartz.
sills	Sheets of igneous rock which is flat lying or has intruded parallel to stratigraphy.
silts	Fine-grained sediments, with a grain size between those of sand and clay.
soil sampling	The collection of soil specimens for mineral analysis.
stocks	A small intrusive mass of igneous rock, usually possessing a circular or elliptical shape in plan view.
strata	Sedimentary rock layers.
stratigraphic	Composition, sequence and correlation of stratified rocks.
stream sediment sampling	The collection of samples of stream sediment with the intention of analysing them for trace elements.
strike	Horizontal direction or trend of a geological structure.
subcrop	Poorly exposed bedrock.
sulphide	A general term to cover minerals containing sulphur and commonly associated with mineralization.
supergene	Process of mineral enrichment produced by the chemical remobilisation of metals in an oxidised or transitional environment.
syenite	An intrusive igneous rock composed essentially of alkali feldspar and little or no quartz and ferromagnesian minerals.
syncline	A fold in rocks in which the strata dip inward from both sides towards the axis.
talc	A hydrous magnesium silicate, usually formed due to weathering of magnesium silicate rocks.

tectonic	Pertaining to the forces involved in or the resulting structures of movement in the earth's crust.
thrust fault	A reverse fault or shear that has a low angle inclination to the horizontal.
tremolite	A grey or white metamorphic mica of the amphibole group, usually occurring as bladed crystals or fibrous aggregates.
veins	A thin infill of a fissure or crack, commonly bearing quartz.
volcaniclastics	Pertaining to clastic rock containing volcanic material.
volcanics	Formed or derived from a volcano.
zinc	A lustrous, blueish-white metallic element used in many alloys including brass and bronze.

Appendix 1, Sunset Well Auger Results

Hole No	East	North	Depth m	Au ppb	Hole No	East	North	Depth m	Au ppb
SWA248	346720	6806640	0.5	11	SWA375	347280	6807131	0.3	9
SwA249	346761	6806642	0.5	10	SWA376	347321	6807120	0.3	8
SWA250	346800	6806640	2	9	SWA377	347360	6807121	1	11
SWA251	346840	6806637	1	19	SWA378	347400	6807119	0.5	6
SWA252	346880	6806640	0.3	9	SWA379	347360	6807200	2	11
SWA253	346920	6806642	0.3	10	SWA380	347320	6807201	2	8
SWA254	346961	6806639	0.3	71	SWA381	347279	6807204	2	13
SWA255	347080	6806720	1	19	SWA382	347239	6807203	2	33
SWA256	347040	6806719	2	9	SWA383	347200	6807196	2	15
SWA257	347000	6806722	0.5	22	SWA384	347160	6807202	2	10
SWA258	346960	6806722	0.5	13	SWA385	347120	6807199	1.5	15
SWA259	346919	6806721	0.5	19	SWA386	347079	6807202	1	19
SWA260	346880	6806721	0.5	12	SWA387	347041	6807198	1	13
SWA261	346839	6806720	1.5	12	SWA388	347000	6807199	0.5	48
SWA262	346800	6806720	0.3	11	SWA389	346960	6807202	1	122
SWA263	346758	6806721	0.3	7	SWA390	346919	6807201	1	12
SWA264	346720	6806721	0.3	6	SWA391	346880	6807201	1	16
SWA265	346679	6806721	2	16	SWA392	346840	6807205	0.2	15
SWA266	346640	6806800	0.3	11	SWA393	346801	6807199	0.3	13
SWA267	346680	6806800	0.3	25	SWA394	346760	6807208	2	11
SWA268	346720	6806798	1	27	SWA395	346721	6807208	0.5	22
SWA269	346760	6806801	1	27	SWA396	346678	6807210	2	40
SWA270	346800	6806800	2	17	SWA397	346639	6807204	0.3	8
SWA271	346840	6806802	0.3	21	SWA398	346599	6807202	2	6
SWA272	346880	6806800	0.3	12	SWA399	346560	6807202	2	10
SWA273	346922	6806797	0.3	5	SWA400	346519	6807203	2	9
SWA274	346961	6806796	0.2	13	SWA401	346479	6807196	1	15
SWA275	347000	6806801	0.3	21	SWA402	346435	6807202	1	21
SWA276	347040	6806800	0.2	14	SWA403	346399	6807200	0.5	4
SWA277	347081	6806799	0.3	7	SWA404	346360	6807280	2	7
SWA278	347121	6806803	0.3	6	SWA405	346401	6807279	2	13
SWA279	347161	6806801	0.2	3	SWA406	346441	6807279	0.5	17
SWA280	347201	6806801	0.3	13	SWA407	346482	6807281	1.5	17
SWA281	347240	6806797	0.3	5	SWA408	346522	6807279	0.3	11
SWA282	347400	6806880	2	9	SWA409	346559	6807282	1	15
SWA283	347358	6806882	2	5	SWA410	346601	6807282	0.5	11
SWA284	347319	6806890	0.5	5	SWA411	346640	6807276	0.5	15
SWA285	347279	6806879	0.2	9	SWA412	346683	6807283	1	19
SWA286	347240	6806873	0.2	4	SWA413	346721	6807278	1.5	12
SWA287	347200	6806881	0.3	4	SWA414	346760	6807278	2	7
SWA288	347160	6806880	0.2	5	SWA415	346800	6807279	0.5	11
SWA289	347121	6806880	0.2	3	SWA416	346841	6807277	0.5	24

SWA290	347079	6806879	0.2	8	SWA417	346882	6807280	0.3	33
SWA291	347041	6806883	0.2	5	SWA418	346921	6807278	2	21
SWA292	347000	6806881	0.2	11	SWA419	346960	6807277	1	6
SWA293	346960	6806888	0.2	33	SWA420	347000	6807280	1	40
SWA294	346921	6806878	0.2	5	SWA421	347040	6807280	1	20
SWA295	346880	6806881	0.2	21	SWA422	347080	6807278	1	33
SWA296	346840	6806881	0.3	14	SWA423	347121	6807279	1	13
SWA297	346800	6806881	0.3	20	SWA424	347161	6807279	1	19
SWA298	346760	6806881	0.2	42	SWA425	347201	6807282	0.2	23
SWA299	346720	6806881	0.3	28	SWA426	347241	6807277	0.2	11
SWA300	346681	6806880	0.3	70	SWA427	347280	6807279	0.3	10
SWA301	346640	6806880	0.3	32	SWA428	347240	6807360	2	6
SWA302	346600	6806882	0.3	12	SWA429	347200	6807363	2	4
SWA303	346560	6806884	0.3	10	SWA430	347159	6807358	1	15
SWA304	346520	6806960	0.5	4	SWA431	347119	6807363	0.5	61
SWA305	346561	6806959	0.5	3	SWA432	347077	6807358	0.5	25
SWA306	346601	6806960	0.3	9	SWA433	347038	6807368	2	14
SWA307	346639	6806961	0.3	14	SWA434	346999	6807361	0.5	19
SWA308	346681	6806960	0.3	49	SWA435	346959	6807360	0.5	17
SWA309	346720	6806961	0.3	26	SWA436	346919	6807359	0.5	20
SWA310	346760	6806960	2	26	SWA437	346879	6807362	0.5	28
SWA311	346800	6806960	0.3	81	SWA438	346838	6807361	1	63
SWA312	346840	6806959	0.3	35	SWA439	346799	6807358	1.5	23
SWA313	346882	6806960	0.2	18	SWA440	346759	6807365	2	19
SWA314	346920	6806961	0.2	3	SWA441	346718	6807358	2	14
SWA315	346962	6806959	0.2	23	SWA442	346681	6807362	2	7
SWA316	347001	6806958	0.2	7	SWA443	346639	6807358	1	19
SWA317	347040	6806959	0.2	19	SWA444	346599	6807364	1	20
SWA318	347080	6806961	0.5	6	SWA445	346559	6807361	0.3	31
SWA319	347121	6806955	0.2	5	SWA446	346519	6807362	1	16
SWA320	347160	6806960	0.3	18	SWA447	346479	6807360	0.5	21
SWA321	347200	6806958	0.2	5	SWA448	346439	6807357	1	28
SWA322	347243	6806957	0.5	7	SWA449	346400	6807356	1	12
SWA323	347280	6806959	0.2	5	SWA450	346359	6807361	0.3	6
SWA324	347321	6806960	0.3	14	SWA451	346321	6807366	0.5	11
SWA325	347362	6806962	0.3	6	SWA452	346278	6807361	0.5	16
SWA326	347402	6806958	0.3	7	SWA453	346240	6807440	0.5	7
SWA327	347441	6806956	0.3	3	SWA454	346283	6807440	0.2	34
SWA328	347482	6806951	0.3	4	SWA455	346319	6807438	0.3	29
SWA329	347440	6807040	1	6	SWA456	346360	6807440	0.3	63
SWA330	347399	6807039	0.5	9	SWA457	346401	6807446	0.3	19
SWA331	347359	6807039	0.5	>100	SWA458	346441	6807444	0.3	42
SWA332	347315	6807040	0.5	15	SWA459	346482	6807436	0.3	13
SWA333	347279	6807039	1	18	SWA460	346521	6807441	0.3	8
SWA334	347239	6807043	0.1	5	SWA461	346559	6807440	0.5	9
SWA335	347198	6807034	0.2	20	SWA462	346600	6807439	0.5	20

SWA336	347160	6807042	0.2	71	SWA463	346642	6807445	2	12
SWA337	347119	6807036	0.3	42	SWA464	346680	6807438	1	9
SWA338	347079	6807036	0.2	5	SWA465	346720	6807441	1	13
SWA339	347040	6807040	0.2	8	SWA466	346761	6807438	0.5	6
SWA340	347000	6807039	0.2	4	SWA467	346801	6807442	1	4
SWA341	346960	6807041	0.3	7	SWA468	346841	6807439	1	13
SWA342	346919	6807046	0.3	9	SWA469	346881	6807440	1	11
SWA343	346879	6807042	0.3	4	SWA470	346921	6807439	1	9
SWA344	346838	6807038	0.2	8	SWA471	346961	6807441	2	10
SWA345	346800	6807041	0.2	21	SWA472	347003	6807439	0.5	13
SWA346	346760	6807043	0.3	14	SWA473	347041	6807443	2	10
SWA347	346718	6807043	0.3	8	SWA474	347080	6807439	0.5	3
SWA348	346680	6807040	0.3	11	SWA475	347120	6807443	0.5	9
SWA349	346640	6807038	0.3	6	SWA476	347160	6807442	0.2	3
SWA350	346600	6807042	0.3	8	SWA477	347200	6807440	0.2	10
SWA351	346559	6807039	0.3	3	SWA478	347160	6807520	0.3	6
SWA352	346512	6807045	1	11	SWA479	347120	6807526	1	7
SWA353	346480	6807039	1	3	SWA480	347079	6807520	0.3	3
SWA354	346440	6807120	1	11	SWA481	347040	6807517	1	7
SWA355	346481	6807122	1	6	SWA482	346999	6807520	2	16
SWA356	346521	6807124	0.3	8	SWA483	346959	6807521	2	13
SWA357	346561	6807119	0.5	9	SWA484	346920	6807519	2	17
SWA358	346601	6807124	1	15	SWA485	346880	6807519	2	21
SWA359	346639	6807117	0.5	10	SWA486	346840	6807520	2	19
SWA360	346681	6807122	0.3	6	SWA487	346799	6807526	1	10
SWA361	346721	6807118	0.3	10	SWA488	346760	6807520	2	9
SWA362	346761	6807121	0.5	15	SWA489	346720	6807537	2	3
SWA363	346800	6807121	0.5	11	SWA490	346681	6807519	2	7
SWA364	346842	6807121	0.5	3	SWA491	346641	6807521	1.5	9
SWA365	346881	6807116	1.5	26	SWA492	346600	6807521	2	8
SWA366	346921	6807128	0.5	14	SWA493	346560	6807519	2	12
SWA367	346961	6807121	0.5	6	SWA494	346520	6807519	0.3	16
SWA368	347001	6807122	0.5	7	SWA495	346480	6807520	0.5	10
SWA369	347041	6807123	1.5	5	SWA496	346440	6807521	0.3	18
SWA370	347080	6807120	0.2	9	SWA498	346359	6807528	0.3	13
SWA371	347121	6807120	0.5	12	SWA499	346319	6807519	0.3	24
SWA372	347160	6807119	1	11	SWA500	346279	6807523	1.5	8
SWA373	347200	6807122	0.3	11	SWA501	346240	6807523	0.5	11
SWA374	347242	6807118	0.3	13	SWA502	346200	6807520	0.5	64

Appendix 2, Lake Roe North RC Drill Hole Locations and Results

Hole_ID	Northing (m)	Easting(m)	RL	Grid	Type	Depth	Dip	Azimuth	Comment
SRC001	6616600	460460	300	GDA94_51	RC	90	-70	090	target not reached
SRC002	6616600	460420	300	GDA94_51	RC	132	-70	090	
SRC003	6616500	460510	300	GDA94_51	RC	120	-70	090	
SRC004	6616500	460485	300	GDA94_51	RC	170	-70	090	
SRC005	6616305	460680	300	GDA94_51	RC	120	-70	090	
SRC006	6616305	460650	300	GDA94_51	RC	130	-70	090	
SRC007	not drilled								
SRC008	6616200	460680	300	GDA94_51	RC	120	-70	090	
SRC009	6616200	460650	300	GDA94_51	RC	100	-70	090	
SRC010	6616200	460620	300	GDA94_51	RC	108	-70	090	
SRC011	6616000	461440	300	GDA94_51	RC	150	-70	090	
SRC012	not drilled								
SRC013	6617000	460543	300	GDA94_51	RC	60	-70	090	target not reached
SRC014	6617001	460562	300	GDA94_51	RC	60	-80	090	target not reached

Hole_ID	From (m)	To (m)	Au Intercept (0.1g/t lower cut off)
SRC003	70	71	1m @ 0.34g/t
and	108	119	11m @ 2.39g/t
including	112	113	1m @ 20.8g/t
SRC004	109	110	1m @ 0.12g/t
SRC011	88	89	1m @ 0.17g/t
and	95	102	7m @ 0.52g/t
including	98	99	1m @ 1.55g/t

Significant Drill Results – all intercepts are down hole widths and there is insufficient evidence to determine true width. All other results were not considered to be significant due to the low values encountered in transported overburden and adjacent rock units. Intercepts are calculated as weighted averaged based on down hole length. There is insufficient information available to estimate true width and all intercepts are down hole.

Appendix 3, Ballard Project Surface samples by Wild Acre Resources Limited

Sample No	East GDA94	North GDA94	Au (ppm)	Cu (ppm)	Prospect	Sample Type
BC700818	260506	6758562	1.41	261	Mine#1 West Shaft	Grab sample - Shaft spoil
BC700819	260506	6758562	1.00	306	Mine#1 West Shaft	Grab sample - Shaft spoil
BC700820	260506	6758562	1.40	42	Mine#1 West Shaft	Grab sample - Shaft spoil
BC700821	260506	6758562	0.88	41	Mine#1 West Shaft	Grab sample - Shaft spoil
BC700822	260514	6758559	0.44	38	Mine#1 East Shaft	Grab sample - Shaft spoil
BC700823	260514	6758559	4.74	129	Mine#1 East Shaft	Grab sample - Shaft spoil
BC700824	260514	6758559	0.60	61	Mine#1 East Shaft	Grab sample - Shaft spoil
BC700825	260514	6758559	0.20	109	Mine#1 East Shaft	Grab sample - Shaft spoil
BC700826	260954	6757901	0.26	6,300	Quondong Prospect - Costean	Rock chip - gossan
BC700827	260954	6757901	0.62	8,094	Quondong Prospect - Costean	Rock chip - gossan
BC700828	260954	6757901	1.27	8,900	Quondong Prospect - Costean	Rock chip - gossan
BC700829	260954	6757901	40.20	11,709	Quondong Prospect - Costean	Rock chip - gossan
BC700830	260954	6757901	1.22	4,679	Quondong Prospect - Costean	Rock chip - gossan
BC700831	260954	6757901	6.88	8,863	Quondong Prospect - Costean	Rock chip - gossan
BC700832	260954	6757901	0.40	12,569	Quondong Prospect - Costean	Rock chip - gossan
BC700833	260954	6757901	0.02	1,631	Quondong Prospect - Costean	Rock chip - sheared ultramafic
BC700834	260954	6757901	0.03	612	Quondong Prospect - Costean	Rock chip - sheared ultramafic
BC700835	261226	6757973	3.11	77	Small shaft 250 NE of Quondong Prospect	Grab sample - Shaft spoil

BC700836	262456	6757981	1.56	108	Junction Prospect	Grab sample - Shaft spoil
BC700837	262456	6757981	3.59	66	Junction Prospect	Grab sample - Shaft spoil
BC700838	262456	6757981	0.80	106	Junction Prospect	Grab sample - Shaft spoil
BC700839	262456	6757981	5.67	171	Junction Prospect	Grab sample - Shaft spoil
BC700840	262456	6757981	8.06	143	Junction Prospect	Grab sample - Shaft spoil
BC700841	262456	6757981	10.76	137	Junction Prospect	Grab sample - Shaft spoil
BC700842	262456	6757981	0.03	12	Junction Prospect	mylonitic zone - gneiss
BC700843	262456	6757981	0.10	9	Junction Prospect	mylonitic zone - gneiss
BC700844	262456	6757981	<0.01	21	Junction Prospect	UM/shale contact zone Fe rich
BC700845	262456	6757981	<0.01	13	Junction Prospect	UM/shale contact zone Fe rich
BC700846	262456	6757981	<0.01	53	Junction Prospect	UM/shale contact zone Fe rich

Notes:

1) Sample locations recorded from hand held GPS are in MGA94, zone51 and rounded to the nearest metre.

2) All Analyses were conducted by Inspectorate Kalassay (Kalgoorlie Laboratory) using a 40 gram subsample utilising Fire Assay with AAS finish for gold and a Aqua Regia digest with a ICPMS finish for copper.

3) These results pre-date the 2012 Edition of the JORC Code and therefore no JORC Table 1 is available.

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Appendix 4, Ballard Project Rock Chip Samples 2016 by Bruce Legendre

Ballard Project Rock Chip Samples 2016

Sample ID	Type	Datum	North	East	Au ppb	As ppm	Cu ppm	Ni ppm	Pb ppm	Zn ppm
E16	calcrete	94_51	6735300	268920	26	63	33.8	327.4	6	35
E17	calcrete	94_51	6735300	268880	12	28	39.8	236.5	5.6	36
E18	float	94_51	6735300	268840	13	5	55.3	278.6	7.3	37
E19	stream	94_51	6735306	268844	8	7	36.1	688	3.3	43
E20	stream	94_51	6735306	268844	14	7	37.4	498.6	5	40
E26	rock	94_51	6735380	268960	6	5	-1	84.1	15.7	74
E32	rock	94_51	6735380	269020	-1	-1	14.6	15.5	14.3	30
E34	rock	94_51	6735380	269040	2	-1	44.4	19.7	114.7	25
EF15	rock	94_51	6735060	269200	-1	-1	6.6	6.3	7.5	13
EF19	rock	94_51	6735060	269080	2					
EF20	rock	94_51	6735060	268080	2	-1	75.7	71	1.8	28
EF21	rock	94_51	6735050	269088	4					
EF23	rock	94_51	6735060	269040	2	7	40.5	622.2	0.6	24
EF27	rock	94_51	6735060	268910	9	184	6	383.3	1	13
EF28	rock	94_51	6735060	268900	3	90	70.4	206	1.9	45
EF30	rock	94_51	6735060	268869	-1					
EF31A	rock	94_51	6735060	268869	32					
EF33	rock	94_51	6735060	268800	3	1	11.9	105.2	3.5	12
EF34	rock	94_51	6735060	268760	9	4	32.8	344.7	2.9	23
EF37	rock	94_51	6734980	268800	9	-1	6.6	76.6	0.8	29
EF39	rock	94_51	6734980	268836	1	-1	78.5	48.9	2	17
EF41	rock	94_51	6734980	268800	5	-1	2.3	531.8	-0.5	47
EF42	rock	94_51	6734991	268907	4	50	24.3	1494.5	2.1	33

EF43	rock	94_51	6734991	268920	14	31	44.8	451.6	5	34
EF48	rock	94_51	6734980	269080	2	1	20.6	26.8	4.7	16
EF52	rock	94_51	6734980	269200	-1	-1	12.8	8.8	12.8	9
EF63	rock	94_51	6735540	269004	-1					
EF70	rock	94_51	6735510	268763	-1					
EF71	rock	94_51	6735510	268763	8					
EF76	rock	94_51	6735440	268640	5					
EF77	rock	94_51	6735451	268627	6					
EC25	rock	94_51	6735460	269040	10					
EC26	rock	94_51	6735447	269028	1					
EC28	rock	94_51	6735460	269000	15					
EC30	rock	94_51	6735460	268953	1					
EC32	rock	94_51	6735460	268920	-1					
EC34	rock	94_51	6735467	268888	1					
EC39	rock	94_51	6735484	268949	2					
EC40	rock	94_51	6735062	269197	-1					
EC41	rock	94_51	6735010	269175	-1					
EC42	rock	94_51	6735002	269158	-1					
EC43	rock	94_51	6734998	269134	-1					
EDT21	rock	94_51	6734998	269142	-1					
EDT22	rock	94_51	6734991	269132	-1					
EDT23	rock	94_51	6735000	269127	-1					
EDT27	rock	94_51	6735220	268974	-1	-1	30.4	94.3	15.2	43
EDT36	rock	94_51	6735140	268887	10	7	17.4	18.3	5.7	22
EDT39	rock	94_51	6735160	269040	256					
EDT40	drillspoil	94_51	6735140	269080	21					

EDT41	drillspoil	94_51	6735140	269080	32					
EDT43	rock	94_51	6735130	269097	2	-1	27.9	17.1	9.7	21
EDT44	rock	94_51	6735129	269087	1	-1	31.7	27.2	11.2	26
EDT45	rock	94_51	6735133	269075	-1	1	45.7	77.3	1	19

Ballard Project Soil Samples 2016

Sample ID	Type	Datum	North	East	Depth	Mesh size	Au ppb
E11	soil	94_51	6735300	269120	0.25	-2mm	9
E12	soil	94_51	6735300	269080	0.15	-2mm	13
E13	soil	94_51	6735300	269040	0.15		20
E14	soil	94_51	6735300	269000	0.25		12
E15	soil	94_51	6735300	268960	0.2		18
E21	soil	94_51	6735300	268800			10
E22	soil	94_51	6735380	268800	0.2		4
E23	soil	94_51	6735380	268840	0.2		8
E24	soil	94_51	6735380	268880	0.2		24
E25	soil	94_51	6735380	268920	0.2		15
E27	soil	94_51	6735380	268960	0.15		8
E28	soil	94_51	6735380	269000	0.15		11
E29	soil	94_51	6735380	269040	0.25		3
E30	soil	94_51	6735380	269080	0.25		8
E31	soil	94_51	6735380	269120	0.25		10
E33	soil	94_51	6735380	269040	0.1		17
E35	soil	94_51	6735380	269000			14
EF09	soil	94_51	6735060	269400	0.15		16
EF10	soil	94_51	6735060	269360	0.25		6

EF11	soil	94_51	6735060	269320	0.5		13
EF12	soil	94_51	6735060	269280	0.5		18
EF13	soil	94_51	6735060	269280	0.3		6
EF14	soil	94_51	6735060	269240	0.2		13
EF16	soil	94_51	6735060	269200	0.1		3
EF17	soil	94_51	6735060	269160	0.1		5
EF18	soil	94_51	6735060	269120	0.2		9
EF22	soil	94_51	6735060	269040	0.2		18
EF24	soil	94_51	6735060	269000	0.2		24
EF25	soil	94_51	6735060	268960	0.2		15
EF26	soil	94_51	6735060	268920	0.2		30
EF29	soil	94_51	6735060	268880	0.2		6
EF31	soil	94_51	6735060	268440	0.25		5
EF32	soil	94_51	6735060	268800	0.25		27
EF35	soil	94_51	6734980	268760	0.25		7
EF36	soil	94_51	6734980	268800	0.2		9
EF38	soil	94_51	6734980	268840	0.2		10
EF40	soil	94_51	6734980	268800	0.25		50
EF44	soil	94_51	6734991	268960	0.2		21
EF45	soil	94_51	6734980	269000	0.2		6
EF46	soil	94_51	6734980	269040	0.3		19
EF47	soil	94_51	6734980	269080	0.3		9
EF49	soil	94_51	6734980	269120	0.25		10
EF50	soil	94_51	6734980	269160	0.3		14
EF51	soil	94_51	6734980	269200	0.3		7
EF53	soil	94_51	6734980	269240	0.2		8

EF54	soil	94_51	6734980	269280	0.25		5
EF55	soil	94_51	6734980	269320	0.25		22
EF56	soil	94_51	6734980	269360	0.25		12
Sample ID	Type	Datum	North	East	Depth	Mesh size	Au ppb
EF57	soil	94_51	6735540	269400	0.3		13
EF58	soil	94_51	6735540	269160	0.3		14
EF59	soil	94_51	6735540	269120	0.4		6
EF60	soil	94_51	6735540	269080	0.4		11
EF61	soil	94_51	6735540	269040	0.25		7
EF62	soil	94_51	6735523	269000	0.25		3
EF64	soil	94_51	6735540	268960	0.2		3
EF65	soil	94_51	6735540	268920	0.2		6
EF66	soil	94_51	6735540	268880	0.2		2
EF67	soil	94_51	6735540	268840	0.25		13
EF68	soil	94_51	6735540	268800	0.25		5
EF69	soil	94_51	6735540	268760	0.25		5
EF72	soil	94_51	6735440	268720	0.3	-5+2mm	14
EF73	soil	94_51	6735440	268720	0.3	-2mm	6
EF74	soil	94_51	6735440	268680	0.25	-5+2mm	5
EF75	soil	94_51	6735440	268680	0.25	-2mm	2
EF78	soil	94_51	6735440	268600	0.25	-5+2mm	11
EF79	soil	94_51	6735440	268600	0.25	-2mm	6
EC21	soil	94_51	6735460	269160	0.4		17
EC22	soil	94_51	6735460	269120	0.3		9
EC23	soil	94_51	6735460	269080	0.35		11
EC24	soil	94_51	6735460	269040	0.2		6

EC27	soil	94_51	6735460	269000	0.25		15
EC29	soil	94_51	6735460	268960	0.2		10
EC31	soil	94_51	6735460	268920	0.25		8
EC33	soil	94_51	6735460	268880	0.25		6
EC35	soil	94_51	6735460	268840	0.3		21
EC36	soil	94_51	6735460	268840	0.3	-5+2mm	13
EDT24	soil	94_51	6735220	269160	0.25		9
EDT25	soil	94_51	6735220	269120	0.25		8
EDT26	soil	94_51	6735220	269080	0.3		13
EDT28	soil	94_51	6735220	268954	0.25		17
EDT29	soil	94_51	6735220	268920	0.25		17
EDT30	soil	94_51	6735220	268835	0.25		13
EDT31	soil	94_51	6735220	268865	0.25		22
EDT32	soil	94_51	6735220	268800	0.1		38
EDT33	soil	94_51	6735140	268800	0.2		42
EDT34	soil	94_51	6735140	268847	0.3		13
EDT35	soil	94_51	6735140	268887	0.2		13
EDT37	soil	94_51	6735140	268920	0.25		33
EDT38	soil	94_51	6735140	268960	0.25		36

Appendix 5, Sunset Well Project JORC Table 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

Auger Geochemical Sampling Completed by Bruce Legendre

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Auger geochemical samples • The sample material was homogenized by the drilling process, no additional processing was undertaken • Not applicable • Approximately 300gm of soil and weathered rock fragments were collected from sample spoil and placed into a prenumbered geochemical sample bag. There was no preparation of the samples in the field.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Auger drill rig was used. The rig was fitted with a 32mm auger bit. The rig was capable of drilling to a depth of 2 metres.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<ul style="list-style-type: none"> • Due to the shallow depth of the holes, no sample recovery issues were expected. • Not applicable

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Not applicable
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • The samples were primarily recovered for geochemistry. The driller recorded the acid test “fizz” to determine if calcrete was present in the hole and any recognizable bedrock lithologies were recorded • Logging was qualitative • Not applicable
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Not applicable • Samples were dry, there was no splitting of the sample • Samples were pulverised at the laboratory and subsamples taken for digestion prior to analysis • The sample preparation technique is industry standard and considered appropriate for the material • For every 50th sample a field duplicate sample was collected at the rig • Sample material was predominately fine clays and weathered rock fragments. The sample size is considered appropriate for the material
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks,</i> 	<ul style="list-style-type: none"> • A 10 gm subsamples was digested in an aqua regia solution. This technique is considered suitable for the dissolution of oxidized materials. • Solutions were read by mass spectrometry for Au • Au was read to a lower detection limit of 1 part per billion. No external certified material was included in the sample stream. The field duplicate was submitted to the laboratory under a separate sample number. Standard internal laboratory quality control

Criteria	JORC Code explanation	Commentary
	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	procedures were put in place by the laboratory. The competent person has reviewed the available QA/QC data and considers accuracy and precision of the data is acceptable for the purposes of the survey.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • There has been no independent verification of the results. • No twin holes were drilled. • The consultant geologist has compiled the data from digital laboratory reports and field data sheets provided by the driller into a spreadsheet • No averaging or adjustment of the individual assay results was applied
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • The sample location points were recorded by a handheld GPS unit with an accuracy of approximately 2 m which is considered appropriate for the survey undertaken. The competent person has verified the location of a number of the holes in the field • The grid system used was GDA 94 Zone 50 • Not applicable
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Samples were collected on a nominal 100m X 40m grid pattern. • Not applicable • Not applicable
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The sampling grid was orientated approximately perpendicular to the main geological contacts and structures. • As above

Criteria	JORC Code explanation	Commentary
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples were freighted to the laboratory by a reputable freight company. Sample numbers were sent independently to the laboratory and compared against the samples received. No discrepancies were noted.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Due to the early stage of the program, no audits or reviews were completed. The sampling and analytical procedures are widely used in the exploration industry and considered standard

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> The auger drilling was completed on P37/8759. The tenement is granted and in good standing with the Department of Mines Industrial Relations and Safety. There are no third party royalties over the tenement There is no native title access agreement in place over the tenement
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The project area covers a historical gold camp, which has been subject to prospector and small scale mine activity for over 60 years
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The company is exploring for structurally controlled gold mineralisation along the sheared contact between the basement granite and mafic volcanic sequences or shear zones within the mafic and felsic volcanic sequences
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> 	<ul style="list-style-type: none"> At this stage in the exploration the company is using the auger geochemical and aeromagnetic data to provide trends which can be used in conjunction with other data sets to define areas of interest

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> ● <i>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.</i> 	<p>for further exploration.</p> <ul style="list-style-type: none"> ● All geochemical results are provided in the attached table
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> ● <i>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.</i> ● <i>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.</i> ● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> ● Not applicable ● Not applicable ● Not applicable
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> ● <i>These relationships are particularly important in the reporting of Exploration Results.</i> ● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i> 	<ul style="list-style-type: none"> ● All auger holes were drilled vertically. The sampling was designed to collect a sample below transported material which is assumed to occur as a horizontal sheet of variable thickness over the project area. ● Not applicable ● Not applicable
<i>Diagrams</i>	<ul style="list-style-type: none"> ● <i>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.</i> 	<ul style="list-style-type: none"> ● Appropriate diagrams are incorporated in the body of the announcement

Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> A table of all auger geochemical data for the Legendre survey are presented as Schedule 3. The geochemical data has been used to contour trends that may related to bedrock mineralisation.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Aeromagnetic geophysical surveys have been flown over the area by previous exploration companies. This data has been included in the government repository of geophysical data. This data has been merged with other surveys and leveled by the Western Australian Geological Survey and has been used to assist in the interpretation of the auger geochemical results discussed in this report
	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The work completed to data on the project is preliminary in nature. The company considers the results encouraging and intends to undertake an exploration program involving trenching, aircore drilling and reverse circulation drilling to further advance the prospects.

Appendix 6, Lake Roe North JORC Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<p><i>Nature and quality of sampling (e.g. 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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></p> <p><i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘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 (e.g. submarine nodules) may warrant disclosure of detailed information.</i></p>	<p>The programme by Carnavale Resources Ltd drilled in 2016 comprised 12 RC holes.</p> <p>The drill holes were sampled on a 4m composite basis and 1m basis direct from the drilling rig cyclone system while drilling occurred.</p> <p>Initially the 4m composite samples were submitted to the laboratory to be analysed for gold. On receipt of the 4m composite sample results, the anomalous intervals (>0.1g/t) were resubmitted on a continuous 1m sample basis.</p> <p>Samples were then routinely assayed using 50 gram charge fire assay. This methodology is considered “industry standard”:</p> <p>The drilling is of a standard that could be used in a resource estimation, however insufficient drilling has occurred to warrant a resource estimation.</p>
Drilling techniques	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).</i></p>	<p>The drilling programme comprised 12 RC (reverse circulation) drill holes, typical of the exploration industry</p>
Drill sample recovery	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	<p>The RC drilling used face sampling bits which reduce the possibility of downhole contamination.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	<p>All samples were visually inspected for relative recovery. Generally, the samples were considered of good recovery.</p> <p>There was no evidence for bias based on recovery or recovery losses.</p>
Logging	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>The entire hole was geologically logged on site, chip trays collected, stored and photographed.</p> <p>Systematic sampling was undertaken on a 1 metre basis with 4 metre composite samples initially submitted to the laboratory.</p> <p>1m samples were resubmitted where anomalous gold (>0.1g/t) was received from the 4m composite samples.</p> <p>The drilling was of a standard that could be used in a resource estimation, however insufficient drilling has occurred to warrant a resource estimation.</p>
Sub-sampling techniques and sample preparation	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for</i></p>	<p>Systematic sampling using a rig based cyclone and splitter was undertaken on a 1 metre basis with 4 metre composite samples initial submitted to the laboratory.</p> <p>1m samples were resubmitted where anomalous gold (>0.1g/t) was received from the 4m composite samples.</p> <p>Industry prepared independent standards were inserted approximately 1 in 20 samples on the 1 metre samples.</p>

Criteria	JORC Code explanation	Commentary
	<p><i>field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>Sample sizes were considered appropriate for the material sampled.</p>
Quality of assay data and laboratory tests	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>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.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p>	<p>Sample analysis was considered appropriate and a total technique.</p> <p>Samples were assayed for gold by fire assay technique in an independent industry laboratory</p> <p>Independent standards were inserted into the sample batch at the ratio of 1 in 20 samples and the laboratory added further internal standards</p>
Verification of sampling and assaying	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	<p>Sample results were entered and checked by a second geologist.</p> <p>Results were uploaded into the database, checked and verified.</p> <p>No adjustments were made to the assay data.</p> <p>Where sample loss was measured, the interval was assigned a zero-gold value</p>
Location of data points	<p><i>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.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	<p>Drill hole locations were located by hand held GPS to an accuracy of +/-3m GDA94, Zone 51</p>

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.</i>	<p>The RC drilling was designed to test specific anomalous gold zones in previous wide spaced drill traverses.</p> <p>Although the RC drilling was of an acceptable standard for resource estimation, the spacing is considered insufficient to determine a resource estimate.</p> <p>Initial 4m composite samples were used to define anomalous intervals and then resampled on individual 1m sample basis. All results reported were based on the 1m samples unless noted.</p>
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<p>The RC drilling technique does not allow direct orientation of the geology.</p> <p>Drill density may allow for a geological interpretation of geological feature where sufficient density and continuity can be logged.</p> <p>RC drilling was all orientated towards 090 (east). The drilling was planned approximately perpendicular to the interpreted structure to be tested, however this cannot be confirmed at this stage.</p>
Sample security	<i>The measures taken to ensure sample security.</i>	Sample intervals were logged and sampled and delivered direct to the laboratory.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits were completed.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</i>	The drilling was on E28/2317 which is located approximately 120km east of Kalgoorlie.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The tenements have had a number of earlier exploration programmes completed by various companies (refer news release).
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The mineralisation targeted is hydrothermally emplaced and structurally controlled gold mineralisation within a shear zone and is similar in style to many other Western Australian gold deposits.
Drill hole Information	<i>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: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should</i>	Drill hole location and directional information provide in the tables within the report.

Criteria	JORC Code explanation	Commentary
	<i>clearly explain why this is the case.</i>	
Data aggregation methods	<p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	<p>Results are reported to a minimum cut-off grade of 0.1g/t gold with an internal dilution of 2m maximum.</p> <p>Intercepts are length weighted averaged</p>
Relationship between mineralisation widths and intercept lengths	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></p>	<p>The results reported are downhole intercepts only as currently there is insufficient data to determine host stratigraphy widths and true widths.</p> <p>The mineralisation reported is considered to mostly be remobilised supergene mineralisation with the source gold host unknown or not well defined at this stage.</p>
Diagrams	<i>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.</i>	Not applicable.
Balanced reporting	<i>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.</i>	This report identifies the assay results for the 12 RC drilling programme completed by Carnavale Resources Ltd in 2016.
Other substantive exploration data	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk</i>	Other data is discussed and presented in plans and sections were considered meaningful and appropriate.

Criteria	JORC Code explanation	Commentary
	<p><i>samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	
<p>Further work</p>	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>Geophysical techniques are being assessed to determine if suitable to better target the mineralised structures.</p>

Appendix 7, Ballard JORC Table 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Rock chip and soil samples were collected For rock chip 2- 3 kg of outcrop, surface float or calcrete were collected in a numbered calico bag For soil samples, the surface material was removed and a shallow pit to 20cm dug, 2- 3 kg of sieved soil material was collected in a prenumbered calico bag The samples collected provide a indication as to the presence of mineralisation in the area.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Not applicable no drilling reported
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Not applicable no drilling reported

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>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.</i> 	
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Not applicable no drilling reported
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • No preparation of the rock chip samples was undertaken • The soil samples were sieved> In some cases only the – 2mm was collected and in other cases the -2mm, and -5/+2mm fraction was also collected • Samples were crushed and pulverised in the laboratory prior to digestion and analysis • No field QAQC measures were adopted • Internal QAQC protocols of the laboratory were adopted with results within expected error margins. • Rock chip sampling is not considered representative, emphasis was placed on outcrops that were considered prospective for gold mineralisation. • Sieved soil sample is considered a representative sample for the immediate area surrounding the sample site
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks,</i> 	<ul style="list-style-type: none"> • The samples reported were collected over a number of programs and analysed by commercial laboratories, using standard analytical procedures. • Internal laboratory QAQC sample and sample duplicates were routinely completed by the laboratory. Samples were analysed by MinAnalytical Laboratories Pty Ltd and Intertek Laboratory Services Pty Ltd. • The suite of elements analysed varied between the programs and sample type.

Criteria	JORC Code explanation	Commentary
	<i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> Elements analysed included Au, Ag, Al, As, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Hf, Ho, In, K, La, Li, Lu, Mg, Mn, Mo, Na, Nb, Nd, Ni, P, Pb, Pd, Pr, Pt, Rb, Re, S, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn, Zr
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Not applicable Field location and description data was collated in a digital format Laboratory data was electronically merged with the field data using unique sample identification numbers by an experienced geologist No adjustment of the assay data was undertaken
<i>Location of data points</i>	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Sample location sites were recorded by a hand held Garmin GPS recorded with an accuracy of +/- 5 m Grid data used was MGA 94 zone 51
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The rock chip samples were collected in a random manner subject to outcrop, Soil samples were collected on a regular pattern. The samples collected are not of sufficient quality to be used in the calculation of mineral resources. Soil samples are regarded as a composite sample
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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.</i> 	<ul style="list-style-type: none"> The soil samples were collected on a grid roughly perpendicular to the strike of the major geological unit and relatively unbiased sample Rock chip sampling is biased
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Samples were collected by the tenement owner. A trucking company transported the samples to the laboratory. Sample recorded on the sample submission sheet married with the samples received at the

Criteria	JORC Code explanation	Commentary
		laboratory
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> There has been no audit or independent review of the data

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> The samples were collected on Exploration License 30/472. The registered holder is Mr Bruce Legendre. Mr Legendre has entered into a purchase and sale agreement with NEMEX Limited on the terms outlined in the material agreements section of this prospectus There is no registered native title claim over the tenement. The tenement is situated on a pastoral license. There are no third party royalty's obligations on the tenement. The tenement is in good standing with the Department of Mines Industry Regulation and Safety.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> The tenement has been explored for gold, and nickel in the past by a \number of companies. Full details are provided in the body of the report. Work completed has included soil, and lag sampling, rock chip sampling RAB and RC drilling. This work has led to the identification of a number of targets which are discussed in the report
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The tenement covers a sequences of mafic to ultramafic volcanics and sediments and basement granite and gneiss of Archean age. The greenstone sequences are separated from the basement granites by major crustal scale shear zones which have strike of several hundred kilometres. Splay structures of these main shears are prospective for shear hosted gold mineralisation. The tenement is also prospective for channel hosted "Kambalda style" massive nickel sulphide mineralisation that potentially occur on or close to hiatuses within the ultramafic units

Criteria	JORC Code explanation	Commentary
		that occur within the tenement
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> • A listing of the sample location as well as gold and selected base metal results are included in Appendix 4.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • No data aggregation methods have been used
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • Not Applicable
<i>Diagrams</i>	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being 	<ul style="list-style-type: none"> • Appropriate diagrams are in the body of the report

Criteria	JORC Code explanation	Commentary
	<i>reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All relevant data has been discussed in the body of the report
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • All relevant geological and exploration data has been included in the report.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • An outline of the planned exploration to be undertaken on the tenement is included in the body of the report.

ANNEXURE B – SOLICITOR’S REPORT ON TENEMENTS

24 May 2019

The Board of Directors
Nemex Resources Limited
Suite 9, Level 2
389 Oxford Street
Mount Hawthorn WA 6016

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the initial public offer of 25,000,000 shares in the capital of Nemex Resources Limited (ACN 146 243 843) (**Company**) at an issue price of \$0.20 cents per share to raise \$5,000,000 (**Prospectus**).

1. SCOPE

We have been requested to report on certain mining tenements in which the Company has an interest (the **Tenements**).

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

The Tenements are located in Western Australia. Details of the Tenements are set out in Part I of the Schedule.

2. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows (**Searches**):

- (a) we have obtained mining tenement register searches of the Tenements from the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**) (**Tenement Searches**). These searches were conducted on 19 March 2019, 10 May 2019 and 24 May 2019. Key details on the status of the Tenements are set out in Part I of the Schedule;
- (b) 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 9 April 2019, 14 May 2019 and 24 May 2019. Details of any native title claims (registered or unregistered), native title determinations and ILUAs are set out in Section 5 of this Report and Part II of the Schedule;

- (c) we have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Department of Indigenous Affairs (**DIA**) for any Aboriginal sites registered on the Western Australian Register of Aboriginal sites over the Tenements (**Heritage Searches**). These searches were conducted on 19 March 2019 and 10 May 2019. Details of any Aboriginal Sites are set out in Part II of the Schedule;
- (d) we have obtained quick appraisal user searches of Tengraph which is maintained by the DMP to obtain details of features or interests affecting the Tenements (**Tengraph Searches**). These searches were conducted on 19 March 2019, 10 May 2019 and 24 May 2019. Details of any material issues identified from the Tengraph Searches are set out in the notes to Part I of the Schedule; and
- (e) 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 Part III of the Schedule).

2. 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.

3. DESCRIPTION OF THE TENEMENTS

The Tenements comprise six (6) granted explorations licences and one (1) granted prospecting licence under the *Mining Act 1978* (WA) (**Mining Act**). The Tenements also comprise one (1) exploration licence application.

Enterprise Metals Limited is currently the registered holder of a 90% interest in each of E30/472 and E40/379. Settlement of the acquisition of these Tenements by the Company is conditional upon these Tenements being transferred to Bruce Legendre. We are instructed that the relevant transfer forms have been assessed for duty and that duty has been paid. The transfer to Bruce Legendre is therefore likely to be processed shortly.

The Schedule provides a list of the Tenements. Section 3.1 provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act and potential successor tenements.

3.1 Prospecting licence

Application: A person may lodge an application for a prospecting licence in accordance with the Mining Act. The mining registrar or warden decides whether to grant an application for a prospecting licence. An application for a prospecting licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

Rights: The holder of a prospecting licence is entitled to enter upon land for the purposes of prospecting for minerals with employees and contractors, and such vehicles, machinery and equipment as may be necessary or expedient.

Term: A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted after 10 February 2006, the Minister may extend the term by 4 years and if retention status is granted (as discussed below), by a further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Retention status: The holder of a prospecting licence applied for and granted after 10 February 2006 may apply for approval of retention status for the prospecting licence. The Minister may approve the application where there is an identified mineral resource in or under the land the subject of the prospecting 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 program of works or require the holder to apply for a mining lease. The holder of a prospecting licence applied for or granted before 10 February 2006 can apply for a retention licence (see below), rather than retention status.

Conditions: Prospecting licences are granted subject to various standard conditions including conditions relating to minimum expenditure, the payment of rent and observance of environmental protection and reporting requirements. These standard conditions are not detailed in Part I of the Schedule. A failure to comply with these conditions or obtain an exemption from compliance may lead to forfeiture of the prospecting licence.

Relinquishment: There is no requirement to relinquish any portion of the prospecting licence.

Priority to apply for a mining lease: The holder of a prospecting licence has priority to apply for a mining lease over any of the land subject to the prospecting licence. An application for a mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

Transfer: There is no restriction on transfer or other dealing in a prospecting licence.

3.2 Exploration Licence

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.

3.3 Mining lease

Application: Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a statement outlining mining intentions and a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

Rights: The holder of a mining lease is entitled to mine for and dispose of any minerals on the land in respect of which the lease was granted. A mining lease entitles the holder to do all acts and things necessary to effectively carry out mining operations.

Term: A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements.

An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. These standard conditions are not detailed in Part I of the Schedule.

Transfer: The consent of the Minister is required to transfer a mining lease.

3.4 Miscellaneous licence

Application: Any person may apply for a miscellaneous licence. The mining registrar or warden decides whether to grant an application for a miscellaneous licence. A miscellaneous licence may be granted for a prescribed purpose that is directly connected with mining operations. An application for a miscellaneous licence cannot be legally transferred and continues in the name of the applicant.

Rights: The holder of a miscellaneous licence is entitled to carry out the activities for the purpose specified in the miscellaneous licence.

Term: A miscellaneous licence granted or applied for before 6 June 1998 has a term of 5 years and the Minister may renew it for a further term of 5 years and if so, must renew for a further term or terms of 5 years. A miscellaneous licence applied for and granted after 6 June 1998 has a term of 21 years and the Minister may renew for a further term of 21 years and if so, must renew for a further term or terms of 21 years. Where a miscellaneous licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: A miscellaneous licence is granted subject to various standard conditions. A failure to comply with these conditions may lead to forfeiture of the miscellaneous licence. These standard conditions are not detailed in this Report.

Transfer: The consent of the Minister is required to transfer a miscellaneous licence.

4. ABORIGINAL HERITAGE

Aboriginal sites were identified from the Heritage Searches (as noted in Part II of the Schedule) for exploration licences E30/472, E29/991 and E40/379.

It is noted that no standard Aboriginal heritage agreements have been entered into in respect of the Tenements.

We note that, prior to commencing mining or exploration operations on any of the Tenements, the Company should consider entering into a standard Aboriginal Heritage Agreement with any local Aboriginal communities, or undertaking an Aboriginal heritage survey, to ensure the Company is in compliance with its requirements with respect to Aboriginal heritage and to avoid any disputes arising.

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.

4.1 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.

4.2 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, DIA 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.

5. NATIVE TITLE

5.1 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, were 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**.

5.2 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 (defined below) and the Expedited Procedure. These are summarised below.

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 5.3 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 DMP.

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.

Infrastructure Process

The NTA establishes a simplified process for the carrying out of a Future Act that is the creation of a right to mine for the sole purpose of the construction of an infrastructure facility (**Infrastructure Process**). The NTA defines infrastructure facility to include a range of transportation, marine, aeronautical, electrical, oil, gas, mineral and communication facilities. In Western Australia, DMP applies the Infrastructure Process to two classes of mining tenements:

- (a) miscellaneous licences for most purposes under the Mining Regulations 1981 (WA) that but, notably, not for a minesite administration facility or a minesite accommodation facility (both of which are dealt with under the Right to Negotiate) or for a search for groundwater (which is dealt with under the Expedited Procedure); and
- (b) most general purpose leases.

The State commences the Infrastructure Process by giving notice of the proposed grant of the tenement to any registered native title claimants or native title holders in relation to the land to be subject to the tenement. Those registered native title claimants or holders have two (2) months after the notification date to object in relation to the effect of the grant of the tenement on any registered or determined native title rights. Any objection is lodged with DMP.

If a registered native title claimant or holder objects, the applicant for the tenement must consult with that claimant or holder about:

- (a) ways of minimising the effect of the grant of the tenement on any registered or determined native title rights;
- (b) if relevant, any access to the land; and
- (c) the way in which anything authorised by the tenement may be done.

If the registered native title claimant or holder does not subsequently withdraw their objection, the State is required to ensure that the objection is heard by an independent person (in Western Australia, this is the Chief Magistrate). The independent person must determine whether or not the registered native title claimant or holder's objection should be upheld, or other conditions should be imposed on the tenement.

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.

The State of Western Australia currently follows a policy of granting mining leases, prospecting licences and exploration licences under the Expedited Procedure where the applicant has entered into a standard Aboriginal heritage agreement with the relevant registered native title claimants and native title holders. The standard Aboriginal heritage agreement provides a framework for the conduct of Aboriginal heritage surveys over the land the subject of a tenement prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

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 5.3);

- (b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 5.5);
- (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 5.5); 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 5.5).

5.3 Native title claims, native title determinations and ILUAs

Our searches indicate that all the Tenements, except for E28/2748 and E28/2817, are within the external boundaries of the native title claims specified in Part II of the Schedule.

Two claims have been determined by Native Title Registrar and one has been accepted for registration, the other not accepted for registration. The claim in respect of E40/379 (WC2019/002) is yet to be determined by the Native Title Registrar.

Our searches returned no results for ILUAs in relation to the Tenements.

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. In this regard, the fact that a claim is not accepted for registration does not invalidate the claim. Rather it results in the claimants having diminished rights under the Future Act Provisions.

It is possible that the decision by the Native Title Registrar not to accept certain claims for registration could be challenged and that there could be a determination that native title exists notwithstanding the decision not to register the claims.

Freehold land

We have assumed that all the 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 proposes to undertake exploration and, subject to receipt of relevant approvals, mining activities on areas designated as freehold land. On the basis that native title is extinguished over freehold land, the Company will not be required to enter negotiations with respect to native title in order to conduct its activities.

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.

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.

Native title mining agreement

A typical native title mining agreement would impose obligations on the Company in relation to the matters set out below.

- (a) **(Compensation):** The Company would be required to make a number of milestone payments prior to commencement of production (eg at signing of the agreement and at decision to mine). It is currently typical for these payments to total between \$150,000 and \$350,000. The Company would be required to make a payment based on mineral production, which would be likely to be calculated as a percentage of the 'Royalty Value' of the mineral, as defined by the *Mining Regulations 1981* (WA). It is currently typical for these payments to be 0.5% of the 'Royalty Value' although they vary by commodity and project. Over the past several years they have ranged between 0.25% and 1%+ of the 'Royalty Value'.
- (b) **(Aboriginal heritage):** The Company would be required to give notice prior to any ground-disturbing activities and to conduct an Aboriginal heritage survey through the relevant registered native title claimants prior to doing so. The Company's right to apply to disturb Aboriginal sites under the *Aboriginal Heritage Act 1972* (WA) would be subject to, as a minimum, an obligation to consult with the registered native title claimants prior to doing so.
- (c) **(Access):** The Company would be required to avoid unreasonably restricting the registered native title claimants' rights of access to the relevant areas.
- (d) **(Environment):** The Company would be required to provide copies of all its environmental approvals to the registered native title claimants. The Company may be required to consider funding the participation of the registered native title claimants in its environmental survey and monitoring processes.
- (e) **(Training, employment and contracting):** The Company would be required to provide certain training, employment and contracting benefits to the registered native title claimants, which may include measures such as funding for Aboriginal scholarships or traineeships, implementation of an Aboriginal training and employment policy and business development assistance for Aboriginal contractors or entities that work with Aboriginal contractors (eg in joint venture arrangements).
- (f) **(Cross-cultural awareness):** The Company would be required to ensure that all its employees and contractors participate in cross-cultural awareness training, which would be likely to be coordinated by the registered native title claimants.
- (g) **(Social impact):** The Company may be asked to fund a study into the social impact of its operations, including the social impact on the registered native title claimants.

5.4 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:

Tenements	Native Title Claim	Native Title Determination	ILUA
E29/991 E30/472 E40/379 P37/8759	WC2018/005	Federal Court No: WAD142/2018 Active claim, not accepted for registration	None found
E40/379	WC2019/002	Active claim, currently identified for registration decision.	None found
E77/2208-I E77/2478	WC2017/007	Federal Court No: WAD647/2017 Accepted for Registration – registered from 28 March 2019	None found

The status of any native title claims, native title determinations and ILUAs is summarised in Part II of the Schedule.

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.

5.5 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 the following Tenements were granted after 23 December 1996.

Tenement	Date of Grant
E30/472	1 December 2015
P37/8759	29 March 2017
E40/379	3 April 2019
E29/991	5 July 2017
E77/2478	24 January 2019
E28/2478	7 February 2019
E77/2208-I	11 August 2015

We have assumed that these Tenements were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Tenements renewed after 23 December 1996

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

Our Searches indicate that none of the Tenements were renewed after 23 December 1996

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 5.3 of this Report will need to be involved as appropriate under the Future Act Provisions.

6. CROWN LAND

As set out in Part I of the Schedule, land the subject of the Tenements overlaps Crown land as set out in the table below.

Tenement	Crown land	% overlap
E30/472	Vacant Crown Land	7.42
E77/2478	Vacant Crown Land	100
E77/2208-I	Vacant Crown Land	100

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 6(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 6(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.
 - (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 6(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 6(a).

The warden may not give the order referred to in section 6(a) that dispenses with the occupier's consent in respect of Crown land covered by section 6(a)(iii). In respect of other areas of Crown land covered by the prohibition in section 6(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.

7. CROWN RESERVES

Certain land the subject of the Tenements overlaps Crown reserves as set out in the table below.

Tenement	Crown reserve	Class	% overlap
E40/379	(a) R 18738: Timber Reserve (b) R 7198: Trigonometrical Station Reserve	C	(a) 1.53 (b) 0.01
E30/472	(a) R 19601: Water Reserve (b) R 49153: Sculptures-Landscape Exhibition Site Reserve	C	(a) 0.01 (b) 6.03

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.

Upon the *Land Act 1933 (WA)* being repealed, all Class C reserves became reserved land under the LAA. Schedule 3 of the *Land Administration Amendment Act 2000 (WA)*, at section 3(5), provides that any land which was classified as a Class C reserve, upon the day the LAA came into operation, is to be treated as a reserve within the meaning of the LAA. Tenement holders are limited as to what activities may be undertaken on reserved land, requiring the written consent of the Minister for Mines and Petroleum.

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.

8. PASTORAL LEASES

As set out in Part I of the Schedule to this Report, certain Tenements overlap with pastoral leases as follows:

Tenement	Pastoral Lease	Class	% overlap
E30/472	Riverina Pastoral Lease: PL N049888	C	86.47
P37/8759	Braemore Pastoral Lease: PL N049916	C	100
E40/379	(a) Glenorn – Aboriginal Corporation Pastoral Lease: PL N049808 (b) Melita Pastoral Lease – PL N050241 (c) Melita Pastoral Lease – PL N0 50242	C	(a) 7.2 (b) 23.6 (c) 66.26
E29/991	Riverina Pastoral Lease: PL N049888	C	100
E28/2748	Yindi Pastoral Lease: PL N049512	C	100
E28/2817	Yindi Pastoral Lease: PL N049512	C	100

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 or exploration operations on any of the 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 DMP imposes standard conditions on mining tenements that overlay pastoral leases.

9. 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.

E30/472 is being encroached by:

- (a) E30/491 (Live) by less than 0.01%; and
- (b) L29/81 (Live) by 1.77%.

E29/991 is being encroached by:

- (a) P29/2399 (Live) by less than 0.01%; and
- (b) P29/2400 (Live) by less than 0.01%.

E77/2478 is being encroached by:

- (a) L77/108 (Live) by 0.71%;
- (b) L77/179 (Live) by 0.15%;
- (c) L77/219 (Live) by 0.69%; and
- (d) L77/237 (Live) by 0.06%.

E40/379 is being encroached by L40/25 (Live) by 2.77%.

E77/2208-I is being encroached by:

- (a) L77/108 (Live) by 0.97%; and
- (b) L77/263 (Live) by 0.48%.

10. ROYALTIES

We have identified the following royalties as applying to the Tenements, based on our searches of the DMP Register and our due diligence investigations:

Tenement(s)	Agreement under which Royalty arises	Description	Royalty Holder
Leonora South East, Ballard and Pavarotti Projects			
P37/8759, E40/379, E30/472, E29/991, E77/2208-I and E77/2748	Royalty Deed entered into 12 April 2019 between Bruce Robert Legendre and Nemex Resources Limited (see Material Contract summarised in Section 3 of Part III of the Schedule)	Refer to Section 3 of Part III of the Schedule.	Bruce Robert Legendre

11. 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 the Schedule 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 the Schedule 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 the Environment and Conservation;

- (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; and
- (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 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.

12. 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 dated on or about 24 May 2019 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


STEINPREIS 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
E30/472	Bruce Robert Legendre / Enterprise Metals Limited	10 / 90	1 December 2015	30 November 2020	58	\$12,760	Previous Tenement Year to 30 November 2018: \$20,286.13 (Expended in full) Current Tenement Year to 30 November 2019: \$87,000 Commitment	Extension of Time Application (546944) in respect of Exemption from Expenditure	<p>Endorsements 1 – 5, 12 – 14</p> <p>Conditions 1 – 6, 8 - 11</p> <p>Tengraph Interests 1 – 2, 4 – 7, 10</p>	<p>Native Title Federal Court Application No: WAD142/ 2018 (Refer to Section 6.4 of this Report)</p> <p>There is one (1) registered Aboriginal Heritage Sites over the area (refer to Part II of the Schedule)</p>
P37/8759	Australian Minerals Exploration Pty Ltd	100	29 March 2017	28 March 2021	117 HA	\$321.75	Previous Tenement Year to 28 March 2019: \$4,680 (Expended in full) Current Tenement Year to 28 March 2019: \$4,680 Commitment	No material registered dealings or encumbrances	<p>Endorsements 1 – 9</p> <p>Conditions 1, 2, 4, 5</p> <p>Tengraph Interests 1, 4, 5</p>	<p>Native Title Federal Court Application No: WAD142/ 2018 (Refer to Section 6.4 of this Report)</p> <p>There are no registered Aboriginal Heritage Sites over the area (refer to Part II of the Schedule)</p>

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
E40/379	Bruce Robert Legendre	960 (100%)	3 April 2019	2 April 2024	35	\$4,760	Previous Tenement Year: N/A Current Tenement Year to 2 April 2020: \$35,000 Commitment	No material registered dealings or encumbrances	Endorsements 1 – 9 Conditions 1 – 5, 13 – 23 Tengraph Interests 1, 3 – 9	Native Title Federal Court Application No: WAD91/ 2019 (Refer to Section 6.4 of this Report) There are three (3) registered Aboriginal Heritage Sites over the area (refer to Part II of the Schedule)
E29/991	Bruce Robert Legendre / Enterprise Metals Limited	10 / 90	5 July 2017	4 July 2022	9	\$1,224	Previous Tenement Year to 4 July 2018: \$22,816 (Expended in full) Current Tenement Year to 4 July 2020: \$20,000 Commitment	No material registered dealings or encumbrances	Endorsements 1 – 9 Conditions 1 – 5 Tengraph Interests 1, 4, 5	Native Title Federal Court Application No: WAD142/ 2018 (Refer to Section 6.4 of this Report) There is one (1) registered Aboriginal Heritage Sites over the area (refer to Part II of the Schedule)
E77/2478	Bruce Robert Legendre	960 (100%)	24 January 2019	23 January 2024	5	\$680	Previous Tenement Year: N/A	Objection to Tenement Application	Endorsements 1 – 8, 11	Native Title Federal Court Application No:

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
							Current Tenement Year to 23 January 2020: \$15,000 Commitment	SC15/178 (21 September 2017) Cliffs Asia Pacific Iron Ore Pty Ltd (withdrawn) Objection to Tenement Application SC14/178 (20 September 2017) WA Salt Koolyanobbing Pty Ltd (withdrawn)	Conditions 1 – 3, 25 Tengraph Interests 2 – 5	WAD647/2017 (Refer to Section 6.4 of this Report) There is one (1) registered Aboriginal Heritage Sites over the area (refer to Part II of the Schedule)
E28/2748	Gold Geological Consulting Pty Ltd	100	7 February 2019	6 February 2024	6	\$816	Previous Tenement Year: N/A Current Tenement Year to 6 February 2021: \$20,000 Commitment	No registered dealings or encumbrances	Endorsements 1 – 3, 5 - 10 Conditions 1 – 5 Tengraph Interests 1 – 3, 5	There are no Native Title determinations over the area There are no registered Aboriginal Heritage Sites over the area (refer to Part II of the 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
E28/2817	Gold Geological Consulting Pty Ltd	100	(13 September 2018)	N/A	7	N/A	N/A	No registered dealings or encumbrances	Endorsements Nil Conditions Nil Tengraph Interests 1, 3 – 5	There are no Native Title determinations over the area There are no registered Aboriginal Heritage Sites over the area (refer to Part II of the Schedule)
E77/2208-I	Bruce Robert Legendre	960 (100%)	11 August 2015	10 August 2020	1	\$341	Previous Tenement Year to 10 August 2018: \$11,047 (Expended in full) Current Tenement Year to 10 August 2019: \$10,000 Commitment	Objection to Tenement Application SC14/134 (23 April 2014) WA Salt Koolyanobbing Pty Ltd (withdrawn)	Endorsements 1 – 5, 12 – 15 Conditions 1 – 6, 12, 24 Tengraph Interests 2 – 5, 11	Native Title Federal Court Application No: WAD647/2017 (Refer to Section 6.4 of this Report) There are no registered Aboriginal Heritage Sites over the area (refer to Part II of the Schedule)

Key to Tenement Schedule

E - Exploration Licence

P - Prospecting Licence

References to numbers in the "Notes" column refers to the notes following this table.

References to letters in the "Notes" column refers to the material contracts which are summarised in Part III of the Schedule.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of the Schedule for further details on native title and Aboriginal heritage matters.

Notes:

Tenement conditions and endorsements

ENDORSEMENTS		Tenements
1.	The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.	P37/8759 E30/472 E29/991 E77/2208 E77/2478 E28/2748 E40/379
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.	P37/8759 E30/472 E29/991 E77/2208 E77/2478 E28/2748 E40/379
In respect to Water Resource Management Areas (WRMA) the following endorsements apply:		
3.	The Licensee attention is drawn to the provisions of the: <ul style="list-style-type: none"> · Waterways Conservation Act, 1976 · Rights in Water and Irrigation Act, 1914 · Metropolitan Water Supply, Sewerage and Drainage Act, 1909 · Country Areas Water Supply Act, 1947 · Water Agencies (Powers) Act 1984 · Water Resources Legislation Amendment Act 2007 	P37/8759 E30/472 E29/991 E77/2208 E77/2478 E28/2748 E40/379
4.	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.	P37/8759 E30/472 E29/991 E77/2208 E40/379
5.	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.	P37/8759 E30/472 E29/991 E77/2208 E28/2748 E40/379
6.	The taking of groundwater from an artesian well and the construction, enlargement, deepening or altering of any artesian well is prohibited unless current	P37/8759

ENDORSEMENTS		Tenements
	licences for these activities have been issued by DoW.	E29/991 E77/2478 E28/2748 E40/379
7.	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.	P37/8759 E29/991 E77/2478 E28/2748 E40/379
8.	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.	P37/8759 E29/991 E77/2478 E28/2748 E40/379
In respect to Proclaimed Ground Water Areas (GWA 21) the following endorsement applies:		
9.	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.	P37/8759 E29/991 E28/2748 E40/379
10.	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.	E77/2478
11.	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.	E77/2478
In respect to Artesian (confined) Aquifers and Wells the following endorsement applies:		
12.	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	E30/472 E77/2208
In respect to Waterways the following endorsement applies:		
13.	Advice shall be sought from the DoW if proposing any exploration within a defined waterway and within a lateral distance of: <ul style="list-style-type: none"> · 50 metres from the outer-most water dependent vegetation of any perennial waterway, and · 30 metres from the outer-most water dependent vegetation of any seasonal waterway. 	E30/472 E77/2208
In respect to Proclaimed Ground Water Areas (GWA 21) the following endorsement applies:		
14.	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	E30/472 E77/2208
15.	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.	E77/2208

ENDORSEMENTS		Tenements

CONDITIONS		Tenements
1.	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.	P37/8759 E30/472 E77/2208 E29/991 E77/2478 E28/2748 E40/379
2.	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.	P37/8759 E30/472 E29/991 E77/2208 E77/2478 E28/2748 E40/379
3.	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.	E30/472 E29/991 E77/2208 E77/2478 E28/2748 E40/379
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.	P37/8759 E30/472 E29/991 E77/2208 E28/2748 E40/379
5.	The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of: <ul style="list-style-type: none"> • the grant of the Licence; or • registration of a transfer introducing a new Licensee; advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.	P37/8759 E30/472 E29/991 E77/2208

CONDITIONS		Tenements
		E28/2748 E40/379
6.	All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion	E30/472 E77/2208
7.	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 Environment 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.	P37/8759
8.	The rights of ingress to and egress from Miscellaneous Licence 29/81 & 30/47 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence. The Licensee shall not interfere with any installations, structures, excavations, roads and improvements situated or to be situated on the licence.	P37/8759 E30/472
9.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on Water Reserve 19601 and Sculptures-Land Exhibition Site 49153.	P37/8759 E30/472
10.	No interference with Geodetic Survey Station SSM-MENZIES 6 and SSM-R- 481 and mining within 15 metres thereof being confined to a depth of 15 metres from the natural surface	P37/8759 E30/472
11.	All Mining Act tenement activities prohibited within 200 metres of RAMSAR or ANCA listed wetlands unless written permission of the Department of Parks and Wildlife is first obtained.	P37/8759 E30/472
12.	The rights of ingress to and egress from Miscellaneous Licences 77/108 and 77/263 being at all times preserved to the licensee and no interference with the purpose of the installations connected to the licences.	E77/2208
13.	The rights of ingress to and egress from Miscellaneous Licence 40/25 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.	E40/379
14.	The prior written consent of the Minister responsible for the Mining Act 1978 being obtained before commencing any exploration activities on CR 18738 Timber Reserve & CR 7198 Trigometrical Station.	E40/379
15.	No mining within 30 metres of either side and to a depth of 15 metres of the Rail Corridor Land 14 Kookynie to Leonora as shown in TENGRAPH without the prior written approval of the Minister responsible for the Mining Act 1978.	E40/379
16.	No surface excavation approaching closer to the boundary of the Safety Zone established by Condition 15 above than a distance equal to three times the depth of the excavation without the prior written approval of Mines Safety, DMIRS.	E40/379
17.	Mining below 15 metres from the natural surface of the land in the Safety Zone established in Condition 15 above being approved by Mines Safety, DMIRS in consultation with the operator of the railway on corridor land.	E40/379
18.	No interference with the drainage pattern, and no parking, storage or movement of equipment or vehicles used in the course of mining within the Safety Zone established by Condition 15 above without the prior approval of the operator of the railway on corridor land.	E40/379
19.	The Licensee not excavating, drilling, installing, erecting, depositing or permitting to be excavated, drilled, installed, erected or deposited within the Safety Zone established in Condition 15 above, any pit, well, pavement, foundation, building, or other structure or installation, or material of any nature whatsoever without the prior written consent of Mines Safety, DMIRS.	E40/379
20.	No explosives being used or stored within one hundred and fifty (150) metres of the rail corridor land without the prior written consent of the Director, Dangerous Goods and Petroleum Safety, DMIRS.	E40/379

CONDITIONS		Tenements
21.	The rights of ingress to and egress from the rail corridor land being at all times preserved to the employees, contractors and agents of the operator of the railway on corridor land, and the Public Transport Authority of WA.	E40/379
22.	Such further conditions as may from time to time be imposed by the Minister responsible for the Mining Act 1978 for the purpose of protecting the rail corridor land.	E40/379
23.	Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.	E40/379
	In respect of FNA 10129 – Salt Harvesting Protection – Lake Deborah East the following condition applies:	
24.	No unnecessary interference or obstruction with the natural surface water or groundwater flow into Lake Deborah East that may affect operations for commercial extraction and harvesting of salt, and the salt crust forming from time to time on the lake not being contaminated or damaged by water, spoil, tailings or dust from mining or mineral exploration activities.	E77/2208
25.	The rights of ingress to and egress from Miscellaneous Licences 77/108, 77/179, 77/219 and 77/237 being at all times preserved to the licensee and no interference with the purpose of the installations connected to the licences.	E77/2478

Tengraph interests

	Land Type	Description	Tenements
1.	Pastoral Lease	<p>All Western Australian pastoral leases expired on the 30 June 2015. These were originally issued under the now repealed Land Act 1933. All pastoral leases that met renewal conditions were renewed. Those that were not renewed became unallocated Crown land.</p> <p>Some pastoral leases were subject to exclusions. Under the 2015 exclusion process submissions were received from a number of State and local government agencies detailing areas earmarked for exclusion. These exclusion areas are set aside for "public purposes". The areas range from a few hectares to protect a heritage site, to much larger areas required to consolidate national parks and conservation areas.</p> <p>The exclusion areas transition to unallocated Crown land. They are then subject to clearances by various Government agencies before a suitable reservation or tenure is established and management arrangements formalised.</p> <p>A lease of Crown land has been granted under Section 114 of the Land Act 1933 (WA), which provides that any Crown land within the State which is not withdrawn from the selection for pastoral purposes, and which is not required to be reserved, may be leased for pastoral purposes.</p> <p>The following Tenements overlap with pastoral leases:</p> <ul style="list-style-type: none"> • P37/8759: <ul style="list-style-type: none"> ◦ Braemore Pastoral Lease PL N049916 (116.9691HA, 100% encroachment) • E40/379: <ul style="list-style-type: none"> ◦ Glenorn Aboriginal Corporation Pastoral Lease PL N049808 (753.8318HA, 7.2% encroachment) ◦ Melita Pastoral Lease PL N050241 (2471.2618HA, 23.6% encroachment) ◦ Melita Pastoral Lease PL N050242 (6936.9431HA, 66.26% encroachment) • E30/472 <ul style="list-style-type: none"> ◦ Riverina Pastoral Lease PL N049888 (14366.8198HA, 86.47% encroachment) • E29/991 <ul style="list-style-type: none"> ◦ Riverina Pastoral Lease PL N049888 (2277.7408HA, 100% encroachment) • E28/2748: <ul style="list-style-type: none"> ◦ Yindi Pastoral Lease PL N049512 (1769.34442HA, 100% encroachment) • E28/2817 <ul style="list-style-type: none"> ◦ Yindi Pastoral Lease PLN049512 (2065.6395HA, 100% encroachment) 	<p>P37/8759 E40/379 E30/472 E29/991 E28/2748 E28/2817</p>
2.	Vacant Crown Land	<p>Vacant Crown Land is found on the following Tenements:</p> <ul style="list-style-type: none"> • E30/472 (1232.8568HA, 7.42% encroachment) • E77/2208-I (295.1147HA, 100% encroachment) 	<p>E30/472 E77/2478 E77/2208-I</p>

	Land Type	Description	Tenements
		<ul style="list-style-type: none"> E77/2478 (1278.466HA, 100% encroachment) 	
3.	Aboriginal Heritage Survey Area	<p>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.</p> <p>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 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.</p> <p>Aboriginal Heritage Survey Areas were identified on the following Tenements:</p> <ul style="list-style-type: none"> E40/379: <ul style="list-style-type: none"> HSA 22668 1 – (2097.8029HA, 20.03% encroachment) E77/2478 <ul style="list-style-type: none"> HSA 103890 1 – (1.8061HA, 0.14% encroachment) HSA 19303 3 – (1110.5762HA, 86.87% encroachment) HSA 19304 1 – (1110.5755HA, 86.87% encroachment) E28/2748 <ul style="list-style-type: none"> HSA 22029 1 (0.864HA, 0.05% encroachment) HSA 22034 1 (1769.3438HA, 100% encroachment) E28/2817 <ul style="list-style-type: none"> HSA 22029 1 (2.9114HA, 0.14% encroachment) HSA 22034 1 (2065.6395HA, 100% encroachment) E77/2208-I <ul style="list-style-type: none"> HSA 106092 1 (286.1653HA, 96.97% encroachment) 	E40/379 E77/2478 E28/2748 E28/2817 E77/2208-I
4.	Groundwater Area	<p>Groundwater is a reserve of water beneath the earth's surface in pores and crevices of rocks and soil. Recharge of groundwater aquifers is slow and can take many years. Groundwater often supports wetland and stream ecosystems.</p> <p>Groundwater areas are proclaimed under the Rights in Water and Irrigation Act, 1914.</p> <p>There are 45 proclaimed groundwater areas in Western Australia where licences are required to construct or alter a well and to take groundwater. The Department of Water and Environmental Regulation is responsible for managing proclaimed areas under the Act.</p> <p>Groundwater Areas were identified on the following tenements:</p> <ul style="list-style-type: none"> P37/8759 – GWA 21, Goldfields (116.9691HA, 100% encroachment) 	P37/8759 E40/379 E30/472 E29/991 E77/2478 E28/2748 E28/2817 E77/2208-I

	Land Type	Description	Tenements
		<ul style="list-style-type: none"> • E40/379 – GWA 21, Goldfields (10473.1151HA, 100% encroachment) • E30/472 – GWA 21, Goldfields (16615.3829HA, 100% encroachment) • E29/991 – GWA 21, Goldfields (2277.7408HA, 100% encroachment) • E77/2478 – GWA 21, Goldfields (1278.466HA, 100% encroachment) • E28/2748 – GWA 21, Goldfields (1769.3442HA, 100% encroachment) • E28/2817 – GWA 21, Goldfields (2065.6395HA, 100% encroachment) • E77/2208-I – GWA 21, Goldfields (295.1147HA, 100% encroachment) 	
5.	Mineralisation Zone	<p>Area in which applications of Exploration Licences are restricted to a maximum of 70 blocks (required by s57(1) Mining Act). Section 57(2aa) Mining Act states that if the area of land is in an area of the state designated under s57A(1) it shall not be more than 200 blocks.</p> <p>Section 57(4) Mining Act provides that where in any particular area extensive mining is being carried on, the Minister may, from time to time, by notice published in the Government Gazette declare that no application for an exploration licence shall be made or granted with respect to any land comprising the area or any land within such area as is specified in the notice.</p> <p>Mineralisation Zones were identified on the following tenement(s):</p> <ul style="list-style-type: none"> • P37/8759 – MZ 2, Non-Section 57(2AA), Southern (116.9691HA, 100% encroachment) • P37/8759 – S57 11 LEONORA, Section 57(4) (116.9691HA, 100% encroachment) • E40/379 – MZ 2, Non-Section 57(2AA), Southern (10473.1151HA, 100% encroachment) • E30/472 – MZ 2, Non-Section 57(2AA), Southern (16615.3829HA, 100% encroachment) • E29/991 – MZ 2, Non-Section 57(2AA), Southern (2277.7408HA, 100% encroachment) • E77/2478 – MZ 2, Non-Section 57(2AA), Southern (1278.466HA, 100% encroachment) • E28/2748 – MZ 2, Non-Section 57(2AA), Southern (1769.3442HA, 100% encroachment) • E28/2817 – MZ 2, Non-Section 57(2AA), Southern (2065.6395HA, 100% encroachment) • E77/2208-I – MZ 2, Non-Section 57(2AA), Southern (295.1147HA, 100% encroachment) 	<p>P37/8759 E40/379 E30/472 E29/991 E77/2478 E28/2748 E28/2817 E77/2208-I</p>
6.	Reserve	<p>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.</p> <p>Reservation action is normally initiated by the Department of Planning, Lands and Heritage following community or Government request, land planning decisions, or as a result of the subdivision of land. 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.</p>	<p>E40/379 E30/472</p>

	Land Type	Description	Tenements
		<p>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.</p> <p>Reserves are identified on the following Tenements:</p> <ul style="list-style-type: none"> • E40/379: <ul style="list-style-type: none"> ○ R 18738 Class 'C' Timber Reserve (Department of Planning, Lands and Heritage) (160.5974HA, 1.53% encroachment) ○ R 7198 Class 'C' Trigonometrical Station Reserve (Western Australian Land Information Authority) (0.6473HA, 0.01% encroachment) • E30/472 <ul style="list-style-type: none"> ○ R 19601 Class 'C' Water Reserve (Department of Planning, Lands and Heritage) (2.0244HA, 0.01% encroachment) ○ R 49153 Class 'C' Sculptures-Landscape Exhibition Site Reserve (Department of Planning, Lands and Heritage) (1001.74HA, 6.03% encroachment) 	
7.	Road Reserves	<p>The following Tenements overlap with Road Reserves:</p> <ul style="list-style-type: none"> • E40/379: <ul style="list-style-type: none"> ○ Kookynie Malcolm Road ○ Melita Road • E30/472: <ul style="list-style-type: none"> ○ Menzies Sandstone Road 	E40/379 E30/472
8.	Railway Reserve	<p>The following tenement overlaps with Abandoned Railways:</p> <ul style="list-style-type: none"> • E40/379 <ul style="list-style-type: none"> ○ Railway Reserve Unnumbered (Abandoned Railway) (Landgate) (92.2937HA, 0.88% encroachment) 	E40/379
9.	Railway Corridor Land	<p>The following tenement overlaps with Rail Corridor Land:</p> <ul style="list-style-type: none"> • E40/379 <ul style="list-style-type: none"> ○ Railway Corridor Land Kookynie to Leonora (Rail Corridor Land) (Public Transport Authority of Western Australia) (92.2906HA, 0.88 encroachment) 	E40/379
10	Australian Nature Conservation Agency (ANCA) Wetlands	<p>The Convention on Wetlands (Ramsar, Iran 1971) (Ramsar Convention) provides for the protection of wetlands. All Mining Act tenement activities are prohibited within 200 metres of RAMSAR or ANCA (Australian Nature Conservation Agency) listed wetlands unless written permission of the Department of Parks and Wildlife is first obtained.</p> <p>ANCA Wetland areas were identified on the following tenements:</p>	E30/472

	Land Type	Description	Tenements
		<ul style="list-style-type: none"> E30/472 – ANCA Wetlands Lake Ballard (2627.4538HA, 15.81%) 	
11	File Notation Area (FNA)	<p>File Notation Areas, (FNA's) are:</p> <ul style="list-style-type: none"> an indication of areas where Government has proposed some change of land tenure that is being considered or endorsed by DMIRS for possible implementation; and/or areas of some sensitivity to activities by the mineral resource industry that warrants the application of specific tenement conditions. <p>Many of the FNA's involve Section 16(3) clearances under the Mining Act 1978.</p> <p>The following tenements have file notation areas:</p> <ul style="list-style-type: none"> E77/2208-I: <ul style="list-style-type: none"> FNA 10129 File Notation Area Proposed Salt Harvesting Protection Lake Deborah East - (Dept Mines and Petroleum) (291.313HA, 98.71% encroachment) 	E77/2208-I

PART II – NATIVE TITLE CLAIMS

NATIVE TITLE DETERMINATIONS

TENEMENTS AFFECTED	TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTERED	IN MEDIATION	STATUS
P37/8759 E40/379 E29/991 E30/472	WC2018/005	WAD142/2018	Geoffrey Alfred Ashwin & Ors and State of Western Australia (Darlot)	No	Undisclosed	Active, Pre-notification
E40/379	WC2019/002	WAD91/2019	Patricia Lewis & Ors on behalf of the Nyalpa Pirniku Native Title Claim Group and State of Western Australia (Nyalpa Pirniku)	Currently identified for registration	Undisclosed	Active, Pre-notification
E77/2208-I E77/2478	WC2017/007	WAD647/2017	Brian Champion & Ors and Statte of Western Australia (Marlinyu Ghoorlie)	Yes	Undisclosed	Active, Pre-notification

ILUAs

The land the subject of the Tenements is not subject to any ILUAs.

HERITAGE & COMPENSATION AGREEMENTS

None.

ABORIGINAL HERITAGE SITES – WESTERN AUSTRALIA

TENEMENT NO.	ABORIGINAL HERITAGE ID	NAME	TYPE
E40/379	1515	Melita Station 3.	Man-Made Structure, Ochre
	2708	Lake Reyside (Raeside)	Mythological
	3004	Melita Station 1.	Artefacts / Scatter
E30/472 E29/991	37114	Lake Ballard and Lake Marmion Mythological Site	Mythological

PART III – MATERIAL CONTRACT SUMMARIES

The Company has provided the following material contracts in respect of the Tenements:

1. Access Agreement Relating to L77/219, L77/237 and E77/2478 (Pavarotti Project)

On 10 December 2017, Cliffs Asia Pacific Iron Ore Pty Ltd (ACN 001 892 995) (**Initial Holder**) and Bruce Robert Legendre (ABN 21 723 809 164) (**Applicant**) entered into an access agreement relating to E77/2478 (**Exploration Licence**) which was subsequently novated to Yilgarn Iron Pty Ltd (**Holder**)(**Access Agreement**). Access is restricted to the area on which the Exploration Licence encroaches on the existing tenement on miscellaneous licences L77/219 and L77/237 (**Existing Tenements**) under the terms of the Access Agreement.

On 21 September 2017, the Initial Holder lodged an objection to the grant of the Exploration Licence registered under objection SC15/178. The Objection was subsequently withdrawn on 23 January 2018 after the parties entered into the Access Agreement.

The material terms of the Access Agreement (as novated) are as follows:

- (a) (**Withdrawal of Objection**): Subject to the terms and conditions of the Access Agreement, the Holder agrees to withdraw the Objection to the grant of the Exploration Licence.
- (b) (**Applicant's covenants**): In consideration of the Holder's agreement to withdraw the Objection, the Applicant covenants with the Holder as follows:
 - (i) to comply with the provisions of the Mining Act and any other legislation which may be applicable to its activities on the Exploration Licence, or otherwise in respect of, the area of the Exploration Licence which encroach upon the Existing Tenement as delineated under the Access Agreement (**Affected Area**);
 - (ii) to allow the Holder, its employees, agents and contractors at all times to enter and pass through or over the Affected Area together with any vehicles, machinery or equipment and to use the Affected Area for the purposes for which the Existing Tenements were granted;
 - (iii) subject to the restrictions set out in the Access Agreement regarding access to the Exploration Licences, to use all reasonable endeavours to ensure that on the Affected Area its employees, agents and contractors conduct only such activities as are legally permissible for the Applicant to conduct pursuant to the provisions of the Exploration Licence and are restricted to the minimum extent reasonably necessary for the conduct of those activities;
 - (iv) to comply with all reasonable safety and emergency directives which the Holder issues to the Applicant as relating to the Affected Area and to arrange for its employees, agents and contractors to attend (at the Applicant's cost) any safety induction programs which the Holder (acting reasonably) deems necessary prior to entry on any part of the Affected Area;
 - (v) to use all reasonable endeavours to ensure that there is no interference with activities conducted or proposed to be conducted

- by the Holder, its employees, agents and contractors on the Affected Area;
- (vi) to allow the Holder unrestricted access to any of the Holder's infrastructure where the Exploration Licence encroaches or will otherwise impact upon any of the infrastructure and to ensure that any such impact has no detrimental effect on the Holder's activities;
 - (vii) to use all reasonable endeavours to avoid doing anything which will or may cause the Holder to suffer any:
 - (A) loss, cost or expense in relation to any performance or security bonds lodged in respect of the Existing Tenements from time to time; or
 - (B) increase in liability or additional cost, expense, charge or levy under the Mining Rehabilitation Fund Act 2012; and
 - (viii) to maintain all statutory workers' compensation insurance, public liability insurance and any other insurance necessary, or reasonably prudent, in connection with its activities on the Affected Area.
- (c) **(Holder Covenants):** The Holder covenants with the Applicant:
- (i) to comply with the provisions of the Mining Act and any other legislation which may be applicable to its activities on the Exploration Licence, or otherwise in respect of, the Affected Area;
 - (ii) subject to the restrictions set out in the Access Agreement regarding access to the Exploration Licences, to allow the Applicant, its employees, agents and contractors to enter and pass through or over the Affected Area together with any vehicles, machinery or equipment for the conduct on the Affected Area of all such activities as are legally permissible for the Applicant to conduct pursuant to the provisions of the Exploration Licence;
 - (iii) to use all reasonable endeavours to minimise interference with any activities conducted or proposed to be conducted by the Applicant, its employees, agents and contractors on, or adjacent to, the Affected Area;
 - (iv) to use all reasonable endeavours to avoid doing anything which will or may cause the Applicant to suffer any:
 - (A) loss, cost or expense in relation to any performance or security bonds lodged in respect of the Existing Tenements from time to time; or
 - (B) increase in liability or additional cost, expense, charge or levy under the Mining Rehabilitation Fund Act 2012; and
 - (v) to maintain all statutory workers' compensation insurance, public liability insurance and any other insurance necessary, or reasonably prudent, in connection with its activities on the Affected Area.

(d) **(Access to Existing Tenements):**

- (i) The Applicant acknowledges that the Existing Tenements contain infrastructure vital to the operation of the Holder's mining operations at Koolyanobbing.
- (ii) The Applicant and its employees, agents and contractors must not in any way interfere with the infrastructure including not conducting any mining operations on or in the vicinity of any road in the Affected Area which may in any way affect the Holder's use of that road.
- (iii) Notwithstanding any other provision of this Agreement, the Applicant, its employees, agents or contractors must not enter onto any part of any road which forms part of the Infrastructure except in accordance with the following provisions:
 - (A) the Holder, in consultation with the Applicant, will agree crossing points which will provide entry to, and exit from, the relevant road for the Applicant; and
 - (B) except during extreme weather conditions when no access is permitted, the Applicant, its employees, agents or contractors, at their own risk and on giving the Holder reasonable notice via nominated radio channels, may enter and exit the relevant road at the crossing points established pursuant to (iii)(A) only, provided that such persons observe signage or directions at or in relation to the crossing points and that they have attended any safety induction programs which the Holder (acting reasonably) deems necessary.

(e) **(Infrastructure):**

- (i) the Applicant must give the Holder written notice of any new mining tenement that this applies for in relation to all or any part of the ground covered by the Exploration Licence, in accordance with provisions of the Mining Act.
- (ii) In the event the Applicant wishes the Holder to remove the infrastructure from the Affected Area:
 - (A) as a result of a bona fide requirement on the part of the Applicant for mining operations to be undertaken upon land within the Affected Area (to be determined by the Holder in its absolute discretion); and
 - (B) the Holder's infrastructure would significantly interfere with the Applicant's proposed mining operations,
- (iii) the Parties agree that:
 - (A) the Applicant must give the Holder 12 months' prior written notice of such requirement and the Holder will, within such period, relocate the Infrastructure to facilitate the Applicant's mining operations. The notice must contain sufficient detail of the Applicant's proposed mining

operations, the manner in which it believes the Holder's infrastructure would significantly interfere with those proposed mining operations and the proposed location and manner in which the Applicant would suggest the infrastructure be moved without in any way affecting the Holder's mining operations;

- (B) all costs, expenses and other liabilities reasonably incurred or otherwise suffered by the Holder in connection with the relocation of the infrastructure will be borne by the Applicant.
- (f) **(Term):** The Access Agreement will continue until the expiration, surrender or other termination of the Exploration Licence or the Existing Tenements or there ceasing to be any Affected Area between the Exploration Licence and the Existing Tenement.
- (g) **(Assignment):** Prior to either Party transferring or creating any interest in their respective tenements in the Affected Area, they shall cause the proposed holder or holders of such interest to enter into an assumption deed with the Parties in which the proposed holder or holders gives the same covenants, and assumes the same obligations and liabilities, as those given under this Access Agreement.
- (h) **(Governing law):** The deed is governed by the laws of Western Australia and the parties submit to the non-exclusive jurisdiction of the courts of Western Australia and the Commonwealth of Australia.

2. Access Agreement – WA Salt Koolyanobbing Pty Ltd

On 23 July 2018, WA Salt Koolyanobbing Pty Ltd (ACN 009 401 558) (**Holder**) and Bruce Robert Legendre (**Applicant**) entered into an access agreement relating to E77/2208 – I and E77/2478 (**Exploration Licences**) (**Access Agreement**). Access is restricted to the area on which the Exploration Licences encroaches on the existing tenement on miscellaneous licences 77/108, 77/179 and 77/263 (**Existing Tenements**) under the terms of the Access Agreement.

On 21 September 2017, the Holder lodged objections to the grant of the Exploration Licence (in respect of E77/2208 registered under objection SC14/134 and in respect of E77/2478 registered under objection SC14/178). The Objections were subsequently withdrawn on 24 July 2018 after the parties entered into the Access Agreement.

The material terms of the Access Agreement are as follows:

- (a) **(Withdrawal of Objections):** In consideration for the Applicant's covenants, the Holder agrees to:
 - (i) withdraw the Objection within 5 business days after the date of this Access Agreement; and
 - (ii) not lodge any objections or take any other action to restrict or impede the grant of the Exploration Licences to the Applicant or its assignee under this Agreement.

- (b) **(Applicant obligations):** In consideration of the Holder entering into the Access Agreement, the Applicant agrees to:
- (i) comply with the provisions of the Mining Act and any other law which may be applicable to its activities on, or otherwise in respect of the area of the Existing Tenements which encroaches or will, when the Exploration Licences are granted, encroach on the Existing Tenements **(Affected Area)**;
- (c) **(Infrastructure):** Regarding infrastructure:
- (i) the Applicant, its related body corporate and their respective personnel may not use, enter, pass through or over any part of the facilities for carrying out exploration, development or production activities unless proper notice has been given.
 - (ii) the Holder makes no warranties or representations in respect of the standard and condition of the facilities and any permitted use of the facilities by the Applicant, its related body corporate and their respective personnel is at their own risk and expense.
 - (iii) The Holder may from time to time close or restrict usage of the facilities and issue directions or instructions to the Applicant relating to the use of the facilities by giving 3 business days' notice.
- (d) **(Access to the Affected Area and notice):**
- (i) **(Access Generally):**
 - (A) The Applicant agrees to not access the Affected Area between 1 September to 31 March (inclusive).
 - (B) The Applicant will not access the Affected Area or cross the road during the Holder's heavy haulage period.
 - (ii) **(Notice of access to the Affected Area by the Applicant):**
 - (A) The Applicant must notify the Holder in writing of the approximate time and date that the Applicant will be accessing the Affected Area.
 - (B) The Holder will provide written consent to the Applicant within 24 hours of receiving notice that the Applicant will be accessing the Affected Area or crossing the road.
 - (C) Should written consent not be provided by the Holder to the Applicant within 24 hours of receiving notice by the Applicant, then consent is deemed to be given and the Applicant may access the Affected Area and cross the road.
 - (D) In circumstances of heavy rains where the road is muddy and there is a serious safety concern for the Applicant, the Holder may reasonably withhold their consent for the Applicant to access the Affected Area.

- (iii) **(Notice of access by Incoming Party):** Should the Applicant assign its right, title or interest under this agreement or sell or transfer its right, title or interest to an Incoming Party, then:
 - (A) The Incoming Party must notify the Owner in writing of any proposed activity **(Proposed Activity Notice)** and seek the Holder's consent to carry out those proposed activities.
 - (B) The Proposed Activity Notice must describe the proposed activities and must be delivered to the Holder not less than 20 business days prior to the carry out of the proposed activities.
 - (C) The Incoming Party must not carry out the proposed activities unless the Holder provides its written consent to the proposed activities.

- (e) **(Term):** The Agreement will continue until the first to occur of:
 - (i) the expiration, surrender or other termination of the Existing Tenements or any relevant part of the Existing Tenements; or
 - (ii) the expiration surrender or other termination of the Exploration Licences or any relevant part of the Exploration Licences.

- (f) **(Assignment):**
 - (i) **(Generally):** the Applicant may not assign its right, title or interest under this agreement or sell its right, title or interest under the Subsequent Tenements to a third party **(Incoming Party)** unless the Incoming Party enters into a deed of covenant with the Holder.
 - (ii) **(Encumbrance):** a Party may grant an encumbrance in respect of the whole or any part of its interests or under this agreement or the Existing Tenements or the Exploration Licences provided the proposed encumbrance holder first enters into a deed in favour of the other party covenanting that the proposed encumbrance holder will be bound by the provisions of this agreement.

- (g) **(Governing law):** the agreement is governed by the laws of Western Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

3. Royalty Deed – Bruce Robert Legendre

On 12 April 2019, the Company and Bruce Robert Legendre **(Legendre)** entered into a royalty deed relating to P37/8759, E40/379, E77/2208-I, E77/2478, E30/472 and E29/991 **(Tenements)** pursuant to which the Company has agreed to grant Legendre a right to receive a royalty in respect of the Tenements.

The material terms of the Royalty Deed are:

- (a) **(Royalty):**
- (i) **(Royalty Obligation):**
- (A) For each quarter in which any mineral or metallic product which is extracted or recovered from the Tenements which is sold or otherwise disposed of (**Product**), the Company agrees to pay Legendre a 1.5% royalty on any net smelter return (**Royalty**).
- (B) The obligation to pay the Royalty accrues upon the receipt by the Company of revenue received from the sale or other disposal of ore, minerals or Product from the Tenements.
- (C) The Company is not obliged to pay the Royalty while Legendre holds a direct equity interest in the Tenements.
- (ii) **(Calculation and Payment of Royalty):** Within 30 days after the end of each calendar quarter following the Payment Commencement Date (being the date Legendre has relinquished or been deemed to have relinquished its equity interest in the Tenements and the extraction and recovery of product has commenced), the Company must:
- (A) calculate the Royalty payable for that quarter, if any;
- (B) give to Legendre a statement in respect of that quarter, even if there is no Royalty payable in respect of that quarter;
- (C) if the Royalty is payable, pay to Legendre the Royalty due by it for that quarter, in immediately available funds without demand, reduction or set-off (except as required by law).
- (iii) **(Continuing obligation):** The obligation of the Company to pay the Royalty continues for the full term of the Tenements, including any successor Tenement and throughout the period that any Product can be lawfully extracted and recovered by or on behalf of the Company or its successor in title.
- (iv) **(No interest in Tenements):** Without derogating from its entitlement to the Royalty, Legendre has no legal or equitable interest in the Tenements.
- (b) **(Caveat):** The Company consents to Legendre lodging a caveat against the Tenements under section 122A(2) of the Mining Act to protect its interests.
- (c) **(Governing law):** This deed is governed by the law of Western Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

ANNEXURE C – INVESTIGATING ACCOUNTANT’S REPORT

24 May 2019

The Board of Directors
Nemex Resources Limited
Level 2, Suite 9
389 Oxford Street
MT HAWTHORN WA 6016

Dear Sirs

INDEPENDENT LIMITED ASSURANCE REPORT ON THE HISTORICAL FINANCIAL INFORMATION AND THE PRO FORMA HISTORICAL FINANCIAL INFORMATION OF NEMEX RESOURCES LIMITED

Introduction

This Independent Limited Assurance Report (“Report”) has been prepared for inclusion in a prospectus to be dated on or about 27 May 2019 (“Prospectus”) and issued by Nemex Resources Limited (“Nemex” or “the Company”) in relation to the Company’s proposed re-listing on the Australian Securities Exchange (“ASX”). The Prospectus comprises a non-underwritten offer of up to 25,000,000 fully paid ordinary shares at an issue price of \$0.20 per share to raise up to \$5,000,000 (before costs), with a minimum subscription of 22,500,000 fully paid ordinary shares at an issue price of \$0.20 per share to raise \$4,500,000 (before costs) (the “Offer”). The Prospectus also contains details of an acquisition of 80% of the Leonora South East, Ballard and Pavarotti Projects for consideration of 500,000 fully paid ordinary shares together with cash of \$50,000 (“Legendre Acquisition Agreement”) and an acquisition of 100% of the Lake Roe North Project for consideration of 350,000 fully paid ordinary shares together with cash of \$5,000 (“Lake Roe North Acquisition Agreement”). These acquisitions together are referred to in this Report as the “Acquisitions”.

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

This Report does not address the rights attaching to the Shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. HLB Mann Judd (“HLB”) has not been requested to consider the prospects for Nemex, nor the merits and risks associated with becoming a shareholder, and accordingly has not done so, nor purports to do so. 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. Further declarations are set out in Section 8 of this Report.

Structure of Report

This Report has been divided into the following sections:

1. Background information;
2. Scope of Report;
3. Directors’ Responsibility;
4. Our Responsibility;
5. Conclusions;
6. Restriction on Use;
7. Liability; and
8. Declarations.

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Liability limited by a scheme approved under Professional Standards Legislation.

1. Background Information

The Company was incorporated on 8 September 2010 and was admitted to the Official List of the ASX on 2 May 2011. On listing, the Company focused on exploration and development of iron ore and gold projects in Australia and West Africa. However, exploration on the Company's former key project, the Coastal Iron Project in Guinea, became limited in early 2014 due to an outbreak of the Ebola virus in the region and a significant fall in the iron ore price.

There was limited appetite from Shareholders to provide additional funding for development at the Coastal Iron Project at that time. Funding that was available was conditional on the Company also investing funds into a technology business or opportunity. It was at this time that the Company entered into an agreement to undertake a staged investment in Wavefront Biometric Technology Pty Ltd ("WBT"), a Sydney-based company that was developing a biometric technology for authentication of a person's identity based on capturing data associated with the eye.

With investment and loan funding from the Company, WBT sought to develop and commercialise its technology, but progress since October 2015 has not been significant. The Company ceased providing funding to WBT in 2015. Due to the significant uncertainty as to whether the WBT technology can be successfully commercialised, the Company has fully impaired the Company's investment in WBT and has fully impaired the carrying value of the loan.

The Company relinquished its interest in the Coastal Iron Project in 2016.

The Company was removed from the Official List in accordance with ASX policy on 21 December 2018, after it remained suspended from trading for a continuous period of three years. Recently, the Company has been seeking out project opportunities with a view of enhancing Shareholder value.

The Offer and the Acquisitions will assist the Company in meeting the requirements of the ASX and satisfying Chapters 1 and 2 of the ASX Listing Rules to enable the Company to re-list on the ASX.

The Offer contemplated by the Prospectus will allow the Company to fund its planned exploration work on the tenements which are the subject of the Acquisitions as detailed in Section 3.3 of the Prospectus, general working capital requirements, corporate overhead and administration costs and the costs of the offer.

Further details of the projects are set out in Sections 3.4 to 3.7 of the Prospectus, as well as within the Independent Geologist's Report in Annexure A of the Prospectus.

The intended use of the funds raised by the issue of shares under the Prospectus is set out in Section 2.7 of the Prospectus.

2. Scope of Report

You have requested HLB to report on the following Financial Information as set out in Section 4 of the Prospectus:

Historical Financial Information

The Historical Financial Information, as set out in the Prospectus, comprises:

- Summary statutory reviewed historical Statement of Financial Position as at 31 December 2018, and summary statutory audited Statements of Financial Position as at 30 June 2018 and 30 June 2017;
- Summary statutory reviewed historical Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2018 and summary statutory audited historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2018 and 30 June 2017; and

- Summary statutory reviewed historical Statement of Cash Flows for the six months ended 31 December 2018 and summary statutory audited historical Statements of Cash Flows for the years ended 30 June 2018 and 30 June 2017.

The Historical Financial Information of the Company has been extracted from the financial statements which were reviewed by HLB Mann Judd for the half-year ended 31 December 2018 and audited for the years ended 30 June 2018 and 30 June 2017. An unmodified conclusion for the half-year ended 31 December 2018 and unmodified opinions for the years ended 30 June 2018 and 30 June 2017 were issued by HLB Mann Judd both containing emphases of matter in relation to going concern.

Pro Forma Financial Information

The Pro Forma Financial Information, as set out in the Prospectus, comprises:

- The Pro Forma Statement of Financial Position as at 31 December 2018 which assumes completion of the transactions outlined under the headings “Post reporting date transactions” and “Pro forma adjustments” in Sections 4.7 and 4.8 respectively of the Prospectus, which includes the Offer and the Acquisitions (the “Pro Forma Transactions”) as though they had occurred on that date.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Financial Information and the events or transactions to which the Pro Forma Transactions relate, as if those events or transactions had occurred as at 31 December 2018. Due to its nature, the Pro Forma Financial Information does not represent the Company’s actual or prospective financial position, financial performance or cash flows.

The Historical Financial Information and the Pro Forma Financial Information are presented in an abbreviated form insofar as they do not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in Australia in accordance with the *Corporations Act 2001*.

This Report has been prepared for inclusion in the Prospectus. HLB disclaims any assumption of responsibility for any reliance on this Report or on the Financial Information to which this Report relates for any purpose other than the purposes for which it was prepared. This Report should be read in conjunction with the Prospectus.

3. Directors’ Responsibility

The Directors of the Company are responsible for the preparation and presentation of the Financial Information. The Directors are also responsible for the determination of the pro forma transactions set out in Sections 4.7 and 4.8 of the Prospectus under the heading “Post reporting date transactions” and “Pro forma adjustments” and the basis of preparation of the Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Financial Information that is free from material misstatement.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and evidence we have obtained. Our engagement was conducted in accordance with Australian Auditing Standards applicable to assurance engagements. Specifically, our review was carried out in accordance with Standards on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* and ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information* and included such enquiries and procedures which we considered necessary for the purposes of this Report. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Financial Information.

The 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 Australian Auditing Standards. A review of this nature provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the Financial Information.

In relation to the information presented in this Report:

- a) support by another person, corporation or an unrelated entity has not been assumed; and
- 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.

5. Conclusions

Based on our review, which was not an audit, nothing has come to our attention which causes us to believe that the Financial Information of the Company as described in Section 4 of the Prospectus does not present fairly:

- a) the historical Statement of Financial Position of the Company as at 31 December 2018, 30 June 2018 and 30 June 2017;
- b) the pro forma historical Statement of Financial Position of the Company as at 31 December 2018;
- c) the historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows for the six months ended 31 December 2018 and the years ended 30 June 2018 and 30 June 2017; and
- d) the Pro Forma Transactions set out under the headings "Post reporting date transactions" and "Pro forma adjustments" in Sections 4.7 and 4.8 of the Prospectus, which are a reasonable basis for the pro forma Statement of Financial Position as at 31 December 2018;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Australian Accounting Standards and other mandatory professional reporting requirements.

6. Restriction on Use

Without modifying our conclusion, we draw attention to Section 4.2 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

7. Liability

The liability of HLB is limited to the inclusion of this Report in the Prospectus. HLB makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from, the Prospectus.

8. Declarations

- 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;
- 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 Nemex or the promotion of the Company;
- d) The audit and assurance practice of HLB Mann Judd acts as the current auditor of Nemex;

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- e) 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; and
- f) 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



M R Ohm
Partner

ANNEXURE D – COMPLIANCE WITH ASX CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES

This Corporate Governance Statement is current as at 24 May 2019 and has been approved by the Board of the Company on that date.

This Corporate Governance Statement discloses the extent to which the Company will, as at the date it is re-listed on the Official List of the ASX, follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (4th Edition) (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Plan is available on the Company's website at www.nemexres.com.au.

NUMBER	PRINCIPLES AND RECOMMENDATIONS	COMPLIES	COMMENT
1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The Board has adopted a Board Charter, which discloses the specific responsibilities of the Board, including detailing those responsibilities which are reserved expressly to the Board and those which are delegated to management. The Company's Board Charter is published on the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Company undertakes comprehensive checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of a director. These checks may include character, experience, education and financial history and background. In addition, the Company's Nomination Committee Charter establishes accountability for

NUMBER	PRINCIPLES AND RECOMMENDATIONS	COMPLIES	COMMENT
			<p>requiring appropriate checks of potential directors to be carried out before appointing that person or putting them forward as a candidate for election, and this will be undertaken with respect to all future appointments.</p> <p>All material information relevant to making an informed decision on whether or not to elect or re-elect a Director will be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Each Director and senior executive has a written agreement setting out the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Company Secretary is accountable to the Board in relation to matters to do with the proper functioning of the Board.
1.5	<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) the entity's progress towards achieving those objectives; and</p> <p>(iii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p>	No	<p>The Company recognises the importance of equal employment opportunity and is committed to developing a workplace that promotes diversity. However, the Company has determined to not initially adopt a formal policy and establish measurable objectives for achieving gender diversity (and accordingly, will not initially be in a position to report against measurable objectives). The Board considers that its approach to gender diversity and measurable objectives is justified by the current nature, size and scope of the business, but will consider in the future, once the business operations of the Company mature, whether a more formal approach to diversity is required.</p> <p>There are currently no women employed in the Company (as compared to four men, being the three directors and the exploration manager).</p>

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	(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	No	<p>Due to the size of the Board and the stage of development of the Company and its projects, the Board has not adopted any formal procedures for the review of the performance of the Board and individual directors. The Chairman will conduct an informal review each year whereby the performance of the Board as a whole and the individual contributions of each director are considered. The remaining Directors shall conduct a similar informal review of the Chairman each year.</p> <p>The Board considers that at this stage of the Company's development an informal process is appropriate. The Company anticipates that this recommendation will become an area of focus as the Company's operations mature.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period</p>	No	<p>The Board has not adopted any formal procedures for the review of the performance of senior executives. The Board will, as required, adopt in the future an assessment process to measure senior executive performance, with outcomes utilised to determine senior executive remuneration.</p>

NUMBER	PRINCIPLES AND RECOMMENDATIONS	COMPLIES	COMMENT
2. STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>The Board has not established a separate nomination committee. Given the scale of the Company's operations, it is anticipated that the full Board will be able to continue adequately discharge the functions of a Nomination Committee for the short to medium term.</p> <p>The Board will consider establishing a Nomination Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Company has adopted a Nomination Committee Charter, which includes specific responsibilities relating to Board composition and succession issues (discussed at least annually) and which the Board uses as a guide when acting in the capacity of the Nomination Committee.</p> <p>The Company's Nomination Committee Charter is available on the Company's website.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership	No	<p>The Proposed Board has been specifically constituted with the mix of skills and experience that the Company requires to move forward in implementing its business objectives. The skills, experience and expertise of each director are set out in Section 3.11 of this Prospectus. The composition of the Proposed Board and the performance of each Director will be reviewed from time to time to ensure that the Board continues to have a mix of skills and experience necessary for the conduct of the Company's activities as the Company's business matures and evolves.</p>

NUMBER	PRINCIPLES AND RECOMMENDATIONS	COMPLIES	COMMENT
			Currently, the Company does not consider that a specific Board skills matrix would add any separate or additional value or benefit to the Company or its shareholders. The Board will re-consider whether a formal Board skills matrix is appropriate in due course.
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes	<p>Details of the Directors, their independence status and length of service are identified in Section 6 of this Prospectus.</p> <p>Upon the Company's admission to the Official List, the Board considers the following Directors are independent: Mr Patrick Flint and Mr Paul Jurman. The Company also discloses those Directors it considers to be independent in its Annual Report and on its website.</p>
2.4	A majority of the board of a listed entity should be independent directors	Yes	Upon the Company's admission to the Official List, the Board will comprise a total of three directors, of whom two are considered to be independent. As such, a majority of the board are considered to be independent directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity	Yes	The Proposed Chair of the Company, Mr Patrick Flint, is an independent Director and is not the Managing Director.
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Nomination Committee Charter provides for induction and professional development for the Board.

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3. INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	Yes	The Company's values are articulated and disclosed in the Board Charter.
3.2	<p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	Yes	<p>The Company has adopted a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in business. All of the Company's directors and employees are required to comply with the standards of behaviour and business ethics in accordance with the law and the Code of Conduct.</p> <p>The Code of Conduct is disclosed on the Company's website.</p>
3.3	<p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	No	<p>Due to the size of the Company, number of directors and staff and stage of the Company's development, the Company has not yet developed a formal whistleblower policy. However, the Code of Conduct outlines the responsibility and accountability of Company personnel to report and investigate reports of unethical practices. The Board will develop a whistleblower policy in the future in accordance with its legal obligations.</p>
3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy</p>	No	<p>Due to the size of the Company, number of directors and staff and stage of the Company's development, the Company has not yet developed a formal anti-bribery and corruption policy. However, the Code of Conduct outlines the requirement for ethical behaviour and for Company personnel to report and investigate reports of unethical practices. The Board will consider in the future, once the business operations of the Company mature, whether a formal anti-bribery and corruption policy is required.</p>

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4. SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner</p>	Yes	<p>The Board has not established a separate Audit Committee. Given the present size of the Company and the scale of its operations, the Board has decided that the full Board can adequately discharge the functions of an Audit Committee. The Board will establish an Audit Committee when the size and complexity of the Company's operations and management warrant it. In the meantime, the Board has adopted an Audit and Risk Committee Charter, which includes specific responsibilities relating to audit and risk, and which the Board uses as a guide when acting in the capacity of the Audit Committee.</p> <p>The Company's Audit and Risk Committee Charter is available on the Company's website.</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk</p>	Yes	<p>The Board ensures it receives the required declaration in writing prior to the approval of the annual and half yearly financial statements. This representation is made after enquiry of, and representation by, appropriate levels of management.</p>

NUMBER	PRINCIPLES AND RECOMMENDATIONS	COMPLIES	COMMENT
	management and internal control which is operating effectively.		
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor	Yes	The Board reviews any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor prior to release, including making enquiry of, and representations as to compliance and integrity by, appropriate levels of management.
5. MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company has a Continuous Disclosure Policy, which includes processes to ensure compliance with ASX Listing Rule 3.1 disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the information disclosed. The Continuous Disclosure Policy is disclosed on the Company's website.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Company's Continuous Disclosure Policy requires that the Board receives copies of all material market announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company's Continuous Disclosure Policy requires that new and substantive investor or analyst presentations be released on the ASX Market Announcements Platform ahead of the presentation.
6. RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website	Yes	The Company has established a website on which it maintains information in relation to corporate governance, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors	Yes	The Company has adopted a Shareholder Communications Policy, which establishes principles to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Shareholder Communications Policy is

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			disclosed on the Company's website.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders	Yes	The Company encourages shareholders to participate in general meetings of the Company as a means by which feedback can be given to the Company and allocates scheduled question time at meetings of Shareholders to facilitate participation at those meetings.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands	Yes	The Company's Shareholder Communications Policy requires that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically	Yes	Information about the Company is regularly emailed to all shareholders who lodge their email contact details with the Company. Information on lodging email addresses and on submitting information requests with the Company is available on the Company's website. Shareholders can receive communications from, and send communications to, the Company's security registry electronically.

7. RECOGNISE AND MANAGE RISK

7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the</p>	Yes	<p>The Board has not established a separate Risk Committee. Given the present size of the company, the Board has decided that the full Board can adequately discharge the functions of a Risk Committee for the time being. The Board will establish a Risk Committee when the size and complexity of the Company's operations and management warrant it.</p> <p>In the meantime, the Company's Audit and Risk Committee Charter includes principles to guide the Board's oversight of the Company's risk function.</p>
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	<p>members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework</p>		
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place</p>	Yes	<p>The identification and management of risk is continually at the forefront of the Company's activities and decision making. The material risks associated with the future operations of the Company are discussed fully in Section 5 of this Prospectus.</p> <p>Moving forward, in accordance with the Audit and Risk Committee Charter, the Board will review the Company's risk management framework on an annual basis and will disclose in its annual report or elsewhere as appropriate whether such review has taken place.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Yes	<p>Given the present size of the company, the Board has decided that a formal internal audit function is not required for the time being.</p> <p>The risk management functions employed by the Board are summarised above.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks</p>	Yes	<p>The Company has disclosed all material risks facing the Company in Section 5 of this Prospectus, including material exposure to environmental or social risks. The Company will continue to disclose these material risks in the future in its annual report or elsewhere as appropriate.</p>

NUMBER	PRINCIPLES AND RECOMMENDATIONS	COMPLIES	COMMENT
8.	REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive</p>	Yes	<p>The Board has not established a separate Remuneration Committee. Given the present size of the Company, the Board has decided that the full Board can adequately discharge the functions of a Remuneration Committee for the time being. The Board will establish a Remuneration Committee when the size and complexity of the Company's operations and management warrant it.</p> <p>In the meantime, the Board has adopted a Remuneration Committee Charter, which includes principles for setting and reviewing the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>The Remuneration Committee Charter is available on the Company's website.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives	Yes	<p>Each Director has entered a separate employment letter agreement with the Company.</p> <p>The remuneration of Directors and senior executives is generally reviewed annually.</p> <p>As discussed under Recommendation 8.1 above, a Remuneration Committee Charter is in place, and the Board (in its capacity as the Remuneration Committee) will consider its approach to remuneration in due course having regard to the Remuneration Committee Charter.</p>

NUMBER	PRINCIPLES AND RECOMMENDATIONS	COMPLIES	COMMENT
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company does not have an equity-based remuneration scheme which is affected by this recommendation. Recipients of equity-based remuneration (eg incentives options) are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.</p>
9. ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	<p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents</p>	N/A	N/A
9.2	<p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time</p>	N/A	N/A
9.3	<p>A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit</p>	N/A	N/A



NEW INVESTOR APPLICATION FORM

This is a Supplementary Application Form for Shares in Nemex Resources Limited (**Company**) under the terms set out in the prospectus dated 27 May 2019 (**Prospectus**) as supplemented by the supplementary prospectus dated 26 August 2019 (**Supplementary Prospectus**).

The Prospectus and Supplementary Prospectus contain important information relevant to your decision to invest and you should read the entire Prospectus and Supplementary Prospectus before applying for Shares. If you are in any doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser.

<p>1 Number of Shares you are applying for:</p> <input type="text"/> , <input type="text"/> , <input type="text"/>	<p>2 Total amount payable (multiply box 1 by \$0.20 per Share)</p> <p>A\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/></p>
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Applications for Shares must be a minimum of 10,000 Shares (\$2,000.00) and thereafter, in multiples of 2,500 Shares (\$500.00).

3 Write the name(s) you wish to register the Shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town

State Postcode

5 CHESS Participants only – Holder Identification Number (HIN)

Note: if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored sub-register.

6 EMAIL ADDRESS (see reverse of form – this is for all communications legally permissible and despatched by the Company)

7 TFN/ABN/EXEMPTION CODE

Applicant 1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

8 PAYMENT DETAILS

You may elect to pay your Application Monies via either BPAY® or cheque (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "NEMEX RESOURCES LIMITED" crossed "Not Negotiable" and forwarded to Advanced Share Registry to arrive no later than the Closing Date.

<input type="checkbox"/>	Please enter cheque, bank draft or money order details	Drawer	Bank	Branch	Amount
					\$

OR



Payment by BPAY® (if selected, your Application Form does not need to be completed and returned):

To pay via BPAY® please complete the online form available at www.advancedshare.com.au/ipo.aspx and payment details will then be emailed to your nominated email address.

9 CONTACT DETAILS

Please use details where we can contact you between the hours of 9:00am and 5:00pm (WST) should we need to speak to you about your application.

Telephone Number
()

Contact Name (PRINT)

10 DECLARATION AND STATEMENTS

By lodging this application form:

- I/We declare that I/we have received a copy of the Prospectus dated 27 May 2019 and a copy of the Supplementary Prospectus dated 26 August 2019 issued by the Company and that I/we are eligible to participate in the Offer.
- I/We declare that all details and statements made by me/us are complete and accurate.
- I/We agree to be bound by the terms and conditions set out in the Prospectus, Supplementary Prospectus and by the Constitution of the Company.
- I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and Supplementary Prospectus free of charge if I/we request so during the currency of the Prospectus and Supplementary Prospectus
- I/we authorise the Company to complete and execute any documentation necessary to effect the issue of Shares to me/us; and
- I/We acknowledge that returning this Application Form with the application monies will constitute my/our offer to subscribe for Shares in the Company and that no notice of acceptance of this Application will be provided.

INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS AND THE SUPPLEMENTARY PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS.

The below instructions are cross-referenced to each section of the Application Form.

1 Number of Shares

Insert the number of Shares you wish to apply for in section 1. Your application must be a minimum of 10,000 Shares (\$2,000.00) and thereafter, in multiples of 2,500 Shares (\$500.00).

2 Payment Amount

Enter into section 2 the total amount payable. Multiply the number of Shares applied for by \$0.20 - the application price per Share.

3 Name(s) in which the Shares are to be registered

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

4 Postal Address

Enter into section 4 the postal address to be used for all written correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released. Should you wish to receive a hard copy of the annual report you must notify the Share Registry. You can notify any change to your communication preferences by visiting the registry website – www.advancedshare.com.au

5 CHESS Holders

If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.

6 Email Address

The Company's annual report and other information will be available at www.nemexres.com.au. You may elect to receive certain communications despatched by Nemex Resources Limited electronically (where legally permissible) such as annual reports via email.

7 TFN/ABN/Exemption

If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 7. Collection of TFN's is authorised by taxation laws but quotation is not compulsory, and it will not affect your Application.

8 PAYMENT DETAILS

By making your payment, you confirm that you agree to all of the terms and conditions of the Offer as outlined on this Application Form and within the Prospectus as supplemented by the Supplementary Prospectus

If paying by cheque, your cheque should be made payable to "NEMEX RESOURCES LIMITED" in Australian currency, crossed "Not Negotiable" and drawn on an Australian branch of a financial institution. Please complete your cheque with the details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your Application will be rejected.

If paying by BPAY, please complete the online form available at www.advancedshare.com.au/ipo.aspx and payment details will then be emailed to your nominated email address.

9 Contact Details

Please enter contact details where we may reach you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

10 Declaration

Before completing the Application Form the Applicant(s) should read the Prospectus and Supplementary Prospectus in full. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of the Prospectus and Supplementary Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section 1 that may be issued to the Applicant(s) pursuant to the Prospectus and Supplementary Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign this Application Form.

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address

Nemex Resources Limited
C/- Advanced Share Registry
PO Box 1156
Nedlands, WA 6009

Hand Delivery (Please do not use this address for mailing purposes)

Nemex Resources Limited
C/- Advanced Share Registry
110 Stirling Highway
Nedlands, WA 6009