

ALICANTO MINERALS LIMITED
ACN 149 126 858

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at the offices of the Company, at Suite 3, Level 3, 24 Outram Street, West Perth, Western Australia on Wednesday 31 July 2019 at 10am (WST).

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

Independent Expert's Report: Shareholders should carefully consider the Independent Expert's Report prepared for the purposes of ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of Resolution 1 to the non-associated Shareholders.

The Independent Expert has determined that the acquisition of shares in Zaffer (Australia) Pty Ltd from the Listing Rule 10.1 Vendors outlined in this Notice of General Meeting is fair and reasonable to the non-associated Shareholders.

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

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6279 9425.

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

ALICANTO MINERALS LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that the general meeting of Shareholders of Alicanto Minerals Limited (**Company**) will be held at the offices of the Company, at Suite 3, Level 3, 24 Outram Street, West Perth, Western Australia on Wednesday 31 July 2019 at 10am (WST) (**Meeting**).

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 29 July 2019 at 5:00pm (WST).

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

AGENDA

1. Resolution 1 - Approval of Acquisition and Issue of Listing Rule 10.1 Consideration Shares

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

"That, pursuant to and in accordance Listing Rules 10.1, 10.5 and 10.11 and for all other purposes, Shareholders approve the Acquisition of shares in Zaffer (Australia) Pty Ltd from the Listing Rule 10.1 Vendors and subsequent issue of Listing Rule 10.1 Consideration Shares to the Listing Rule 10.1 Vendors (or their nominees) as follows:

- (a) *up to 6 million Listing Rule 10.1 Consideration Shares to Chaffers Gold Pty Ltd as trustee for the Valhalla Investment Trust, an entity associated with Mr Peter George, the Company's Chief Executive Officer; and*
- (b) *up to 6 million Listing Rule 10.1 Consideration Shares to Mr Hamish Halliday, a Non-Executive Director of the Company,*

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Peter George, Mr Hamish Halliday, their respective nominees or any of their respective associates:

However, the Company need not disregard a vote if:

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

Independent Expert's Report

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

2. Resolution 2 - Approval to issue Unrelated Vendor Consideration Shares to Unrelated Vendors

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

"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Unrelated Vendor Consideration Shares to Unrelated Vendors on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

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

However, the Company need not disregard a vote if:

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

BY ORDER OF THE BOARD



Jamie Byrde
Company Secretary
Alicanto Minerals Limited
Dated: 28 June 2019

ALICANTO MINERALS LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, at Suite 3, Level 3, 24 Outram Street, West Perth, Western Australia on Wednesday, 31 July 2019 at 10am (WST).

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

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

Section 2	Action to be taken by Shareholders
Section 3	Background to Resolutions
Section 4	Resolution 1 - Approval of acquisition from Listing Rule 10.1 Vendors and issue of Listing Rule 10.1 Consideration Shares
Section 5	Resolution 2 - Approval to issue Unrelated Vendor Consideration Shares to Unrelated Vendors
Schedule 1	Definitions
Schedule 2	Summary of Acquisition Agreement
Schedule 3	Independent Expert's Report

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

2. Action to be taken by Shareholders

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

2.1 Voting in person

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

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All

Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

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

(b) Proxy vote if appointment specifies way to vote

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

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

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

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

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

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

2.3 Chair's voting intentions

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

3. Background to Resolutions

3.1 Background to Acquisition

On 1 May 2019, the Company announced that it had entered into an option agreement (**Acquisition Agreement**) for the acquisition of a 100% interest in the Oxberg and Naverberg VMS (Volcanogenic Massive Sulphide) Projects within the highly endowed Zn-Pb-Ag-Cu-Au Bergslagen Mining District of Southern Sweden, via the acquisition of 100% of the issued capital in Zaffer (**Assets**).

The Company will, from the date Shareholder approval under Listing Rule 10.1 is received pursuant to Resolution 1, have a period of up to six months to spend up to A\$500,000 on the Oxberg and Naverberg Projects and determine whether it will exercise its option under the Acquisition Agreement. The Company will control the exploration programmes to be undertaken during the six-month option period.

If the Company elects to exercise its option under the Acquisition Agreement, the consideration to be paid to the Zaffer Vendors by the Company is:

- (a) the issue by the Company of 30 million fully paid ordinary Company Shares (subject to Shareholder approval) to be distributed to the Zaffer Vendors equally (all to be escrowed for a period of 12 months following the date of issue, whether voluntarily or under the Listing Rules); and
- (b) a 2.5% net smelter return royalty payable by the Company to the Zaffer Vendors (to be distributed to the Zaffer Vendors equally) on the sale of zinc recovered from the Tenements, which is the subject of a separate royalty agreement.

The consideration to be issued to each Zaffer Vendor pursuant to the Acquisition Agreement is outlined within the table below:

Zaffer Vendor	Shares held by the Zaffer Vendor prior to Acquisition	Number of Shares to be issued by the Company to the Zaffer Vendor at Completion	Proportion of the Net Smelter Royalty to be paid to the Zaffer Vendor
Lenore Theresa Radonjic	150	6,000,000	20%
Symorgh Investments Pty Ltd (ACN 114 460 865) as trustee for the Symorgh Trust	150	6,000,000	20%
Hamish Halliday	150	6,000,000	20%
Erik Lundstam	150	6,000,000	20%
Chaffers Gold Pty Ltd (ACN 606 191 922) as trustee for the Valhalla Investment Trust	150	6,000,000	20%
TOTAL	750	30,000,000	100%

Two of the five vendors of Zaffer are parties to whom Listing Rule 10.1 applies - Hamish Halliday (Non-Executive Director) and Chaffers Gold Pty Ltd as trustee for the Valhalla Investment Trust, an entity associated with Mr Peter George (Chief Executive Officer). Accordingly, the Acquisition requires shareholder approval as set out in Resolution 1 of this Notice.

The Company is also required to provide an Independent Expert's Report opining on the fairness and reasonableness of the Acquisition to unassociated Company shareholders. A copy of the Independent Expert's Report is located at Schedule 3 of this Notice.

A summary of the Acquisition Agreement is set out in Schedule 2.

3.2 Royalty Deed

Pursuant to the Acquisition Agreement, Zaffer will enter into a royalty deed with the Zaffer Vendors in which (subject to completion of the Acquisition Agreement) it will pay the Zaffer Vendors a royalty on net smelter returns in respect of sales of products extracted from the Tenements (**Royalty Deed**).

The Royalty Deed provides that a net smelter return royalty of 2.5% will be paid to the Zaffer Vendors for extracted zinc, lead, copper, silver, gold, cobalt, nickel and iron that is able to be recovered from the Tenements and is capable of being sold or otherwise disposed of.

Each Zaffer Vendor will receive a 20% share of the royalty, which is set out within the table at Section 3.1 above.

The Royalty Deed contains various provisions that the Company considers customary for an agreement of this nature.

3.3 Conditions to Completion

Completion of the Acquisition Agreement is conditional upon the satisfaction or waiver of the following conditions precedent:

- (a) the Company must provide Zaffer an exercise notice and written notice that it has completed and is satisfied with its due diligence on Zaffer, the Zaffer shares and the Tenements;
- (b) the Company must obtain all Shareholder and other regulatory approvals or waivers required to perform its obligations under the Acquisition Agreement, including approval under Listing Rule 10.1 and the Independent Expert opining that the Acquisition is fair and reasonable or not fair but reasonable;
- (c) the obtaining of any consent, approval or signed document (including any deed of assignment and assumption) that is required to be obtained under the terms of any third-party agreement in connection with the Acquisition; and
- (d) Zaffer must be released from all liability under any existing shareholder loan or other loans to Zaffer.

Shareholders should note that should approval for the Resolutions at the Meeting be obtained, no further approval of Shareholders is required by the Company to exercise the Option and complete the Acquisition.

3.4 Project Information

Sweden is a tier 1 mining jurisdiction, highly ranked on the Fraser Institute Investment Attractiveness Index with a well-established mining law and highly capable workforce. Company tax rates are 20%, VAT 25% and royalties are set at 0.2% of the value of the mined ore.

The projects are well serviced by established roads, rail, port and airport infrastructure. The Bergslagen Mining District has had a mining history for more than 1,000 years. Consequently, mining enjoys strong community and governmental support. Drill permitting requires the submittal of a work proposal and typically takes three weeks to process.

The Tenements occupy a portion of the northern parts of the Bergslagen Volcanic belt within the Fennoscandian shield. Paleoproterozoic belts of dominantly rhyolitic metavolcanic and metasedimentary rocks enclosed by synvolcanic granitoid intrusions. More than 6,000 mineral deposits and prospects are known within the region with most hosted by marble units within the succession. The Tenements cover more than 45km of strike on this prospective marble horizon, with coincident large-scale hydrothermal alteration, similar to that seen at the major deposits in the region.

(a) Naverberg Project

Multiple drill ready targets have been identified within the Naverberg project area <2km along strike to the West of the historic, high-grade, Falun Mine.

(b) Oxberg Project

Located within 15km of the Naverberg project areas, the Oxberg project represents an underexplored, folded repeat of the prospective Falun stratigraphy. Large-scale hydrothermal alteration, similar to that found at significant deposits in the region has been identified as well as multiple untested mineral occurrences with multiple rock chip samples up to 9.4% Zn, 11.9% Cu and 16g/t Ag collected within the project area. Further deposits have been discovered locally within the mineralised trend (outside of Alicanto tenure) by previous explorers.

Alicanto intends to explore the Oxberg and Naverberg Project Area in the 12 months following shareholder approval of the Acquisition. It plans to undertake data compilation, field mapping, and surface geochemical sampling ahead of proposed drilling in the second half of the year.

For further information on the Naverberg and Oxberg Projects, please see the Independent Expert's Report in Schedule 3, which includes a technical report on the projects prepared by Valuation and Resource Management Pty Ltd.

3.5 Advantages of the Acquisition

As noted in the Independent Expert's Report, advantages of the Acquisition include:

- (a) The Acquisition is considered fair based on the range of fair market valuations of mineral assets provided by the Independent Technical Expert.
- (b) The Company's current exploration interests are in Guyana, a high risk country, and the Company needs to obtain new exploration interests to enhance shareholder value. The Company, by increasing mineral prospects (via the potential acquisition in Sweden), increases the opportunity to have commercial success. Diversification into a number of new mineral areas by

potentially acquiring an interest in Zaffer may reduce risk to specific projects (but at the same time the Company is taking on commitments, the first being to spend up to \$500,000 as noted).

- (c) The Company may be able to raise further funds by way of share equity as a result of acquiring an interest in Zaffer (if acquired by exercising the option to acquire Zaffer). The raising of new capital may revitalise the Company and allow it to continue in its exploration activities. The Company has recently completed a capital raising, partly on the strength of the proposal to acquire Zaffer.
- (d) There is an incentive for the Zaffer Vendors, including the Listing Rule 10.1 Vendors to make the Company a viable mineral exploration company as the interests of the Listing Rule 10.1 Vendors will have influential shareholding interests in the Company.

3.6 Disadvantages of the Acquisition

As noted in the Independent Expert's Report, advantages of the Acquisition include:

- (a) The issue of the Consideration Shares will result in as approximate 14.9% increase in the number of Shares on issue on the Company.
- (b) The Company will need to raise further significant working capital to spend on exploration and evaluation of the Assets, the timing and quantum of which is unknown but could potentially dilute current shareholder interests significantly.

3.7 Independent Expert's Report

The Directors resolved to appoint Stantons International Securities as an Independent Expert and commissioned it to prepare a report in which it would provide an opinion as to whether or not the acquisition of shares in Zaffer from the Listing Rule 10.1 Vendors in Resolution 1 is fair and reasonable to the non-associated Shareholders.

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

The Independent Expert has concluded that the proposed acquisition in Resolution 1 is fair and reasonable to the non-associated Shareholders. The Directors are pleased that an independent authority has endorsed the Board's recommendation to approve the Acquisition.

The Company strongly recommends that you read the Independent Expert's Report in full, a copy of which is located at Schedule 3.

4. Resolution 1 - Approval of acquisition from Listing Rule 10.1 Vendors and issue of Listing Rule 10.1 Consideration Shares

4.1 General

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 10.1 and Listing Rule 10.11 for the acquisition of Zaffer Shares from the Listing Rule 10.1 Vendors.

4.2 Listing Rule 10.1

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

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

The acquisition of Zaffer Shares from the Listing Rule 10.1 Vendors is a transaction to which Listing Rule 10.1 applies.

4.3 Specific Information required by Listing Rule 10.10

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

- (a) a voting exclusion statement is included in the Notice; and
- (b) the Company has obtained a report on the Acquisition from an Independent Expert, a copy of which is included with this Notice. The Independent Expert has concluded that the proposed Acquisition is fair and reasonable to the existing Shareholders. Please refer to Schedule 3 for a copy of the Independent Expert's Report.

4.4 Listing Rule 10.11

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

By virtue of their respective positions as a Non-Executive Director and Chief Executive Officer, Mr Hamish Halliday and Mr Peter George are parties to which Listing Rule 10.11 applies. As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of the Listing Rule 10.1 Consideration Shares will not be included under the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

4.5 Specific information required by Listing Rule 10.13

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

- (a) the Listing Rule 10.1 Consideration Shares will be issued to Directors Mr Peter George and Mr Hamish Halliday (or their respective nominees);
- (b) the maximum number of Listing Rule 10.1 Consideration Shares to be issued to the Listing Rule 10.1 Vendors is 12 million, in the following proportions:
 - (i) up to 6 million Listing Rule 10.1 Consideration Shares to Mr Hamish Halliday (or his nominee); and
 - (ii) up to 6 million Listing Rule 10.1 Consideration Shares to Chaffers Gold Pty Ltd as trustee for the Valhalla Investment Trust (or its nominee), an entity associated with Mr Peter George;

- (c) the Listing Rule 10.1 Consideration Shares will be issued no later than 7 months after the date of the Meeting.
 - (i) The Company has been granted a waiver from the ASX to permit Listing Rule 10.1 Consideration Shares to be issued outside of the normal 1 month period following the date of a shareholder meeting pursuant to Listing Rule 10.13.3, so as to permit the issue of the Listing Rule 10.1 Consideration Shares in accordance with the terms of the Acquisition Agreement if the Option to acquire the Zaffer Shares is exercised.
- (d) the Listing Rule 10.1 Consideration Shares will be issued for nil cash consideration as they will be issued as part consideration for the Acquisition and therefore no funds will be raised as a result of the issue;
- (e) the Listing Rule 10.1 Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) a voting exclusion statement is included in the Notice.

4.6 Chapter 2E of the Corporations Act

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

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

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

The Acquisition will result in the issue of Shares which constitutes giving a financial benefit and Mr Hamish Halliday is a related party of the Company by virtue of being a Non-Executive Director.

The Board (other than Mr Hamish Halliday, who has a material personal interest in Resolution 1) considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Listing Rule 10.1 Consideration Shares to him, because the Shares that will be issued to the Listing Rule 10.1 Vendors will be issued on the same terms as Shares issued to the Unrelated Vendors for the Acquisition, and as such the giving of the financial benefit is on arm's length terms.

4.7 Additional Information

Resolution 1 is an ordinary resolution.

The Board (other than Mr Hamish Halliday, who has a material personal interest in Resolution 1) recommends that Shareholders vote in favour of Resolution 1.

The Chair will cast all available proxies in favour of Resolution 1.

5. Resolution 2 - Approval to issue Unrelated Vendor Consideration Shares to Unrelated Vendors

5.1 General

Resolution 2 seek Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Unrelated Vendor Consideration Shares to the Unrelated Vendors (or their respective nominees).

5.2 Listing Rule 7.1

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

The effect of Resolution 2 will be to allow the Company to issue the Unrelated Vendor Consideration Shares during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

5.3 Specific information required by Listing Rule 7.3

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

- (a) a maximum of 18 million Shares are to be issued as Unrelated Vendor Consideration Shares;
- (b) the Unrelated Vendor Consideration Shares will be issued no later than 7 months after the date of the Meeting:
 - (i) The Company has been granted a waiver from the ASX to permit Unrelated Vendor Consideration Shares to be issued outside of the normal 3 month period following the date of a shareholder meeting pursuant to Listing Rule 7.3.2, so as to permit the issue of the Unrelated Vendor Consideration Shares in accordance with the terms of the Acquisition Agreement if the Option to acquire the Zaffer Shares is exercised.
- (c) the Unrelated Vendor Consideration Shares will be issued for nil cash consideration as part consideration for the Acquisition of the Zaffer Shares;
- (d) the Unrelated Vendor Consideration Shares will be issued to the following parties (or their respective nominees):
 - (i) up to 6 million Unrelated Vendor Consideration Shares to Ms Lenore Theresa Radonjic;
 - (ii) up to 6 million Unrelated Vendor Consideration Shares to Mr Erik Lundstam; and
 - (iii) up to 6 million Unrelated Vendor Consideration Shares to Symorgh Investments Pty Ltd as trustee for the Symorgh Trust,none of whom is a related party of the Company;

- (e) the Unrelated Vendor Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) no funds will be raised from the Unrelated Vendor Consideration Shares as they will be issued for nil cash consideration;
- (g) it is intended that the issue of the Unrelated Vendor Consideration Shares will occur at the date of Completion of the Acquisition Agreement; and
- (h) a voting exclusion statement is included in the Notice.

5.4 Additional Information

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

The Chair will cast all available proxies in favour of Resolution 2.

Schedule 1 - Definitions

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

\$ or A\$ means Australian Dollars.

Acquisition means the acquisition by the Company of 100% of the issued capital of Zaffer pursuant to the Acquisition Agreement.

Acquisition Agreement means the binding terms sheet entered into between the Company and Zaffer on or about 26 April 2019 for the sale and purchase of 100% of the issue capital of Zaffer, the entity holding the Assets.

Assets has the meaning given in Section 3.1.

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

Board means the board of Directors.

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

Company means Alicanto Minerals Limited (ACN 149 126 858).

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

Director means a director of the Company.

Equity Security has the same meaning as in the Listing Rules.

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

Independent Expert means Stantons International Securities.

Independent Expert's Report means the report prepared by the Independent Expert in respect of Resolution 1, attached to this Notice at Schedule 3.

Listing Rule 10.1 Consideration Shares means up to 12 million Shares to be issued to the Listing Rule 10.1 Vendors (or their nominees) pursuant to the Acquisition Agreement which is the subject of Resolution 1, to be apportioned equally between the Listing Rule 10.1 Vendors.

Listing Rule 10.1 Vendors means:

- (a) Mr Hamish Halliday; and
- (b) Chaffers Gold Pty Ltd (ACN 606 191 922) as trustee for the Valhalla Investment Trust, an entity associated with the Company's Chief Executive Officer, Mr Peter George.

Listing Rules means the listing rules of ASX.

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

Notice means this notice of general meeting.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in the Notice.

Royalty Deed has the meaning given in Section 3.2

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means any Equity Securities of the Company.

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

Shareholder means the holder of a Share.

Tenements means the mining tenements listed below, which are the subject of the Acquisition Agreement and the Royalty Deed, and includes any extension, renewal, variation, conversion, amalgamation, replacement or substitution of those tenements:

- (a) Naverberg No.1;
- (b) Naverberg No.2;
- (c) Naverberg No.3; and
- (d) Oxberg 101.

Unrelated Vendor Consideration Shares means up to 18 million Shares to be issued to the Unrelated Vendors (or their nominees) pursuant to the Acquisition Agreement which are the subject of Resolution 2, to be apportioned equally between the Unrelated Vendors.

Unrelated Vendors means:

- (a) Ms Lenore Theresa Radonjic;
- (a) Symorgh Investments Pty Ltd (ACN 114 460 865) as trustee for the Symorgh Trust; and
- (b) Mr Erik Lundstam.

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

Zaffer means Zaffer (Australia) Pty Ltd (ACN 624 317 960).

Zaffer Vendor means the Listing Rule 10.1 Vendors and Unrelated Vendors as named within the table at Section 3.1 of this Notice, who will each receive consideration pursuant to the Acquisition Agreement and a royalty pursuant to the Royalty Deed.

Schedule 2 - Summary of Acquisition Agreement

Pursuant to the Acquisition Agreement, the Company (as 'Buyer') has been granted an option (**Option**) to acquire 100% of the issued capital of Zaffer from the Zaffer Vendors, on the following terms and conditions.

Capitalised terms in this Schedule not otherwise defined in Schedule 1 have the meanings provided below:

Completion means completion of the transfer of the Zaffer Shares to the Buyer.

Exercise Notice means the notice given by the Buyer to the Zaffer Vendors to exercise the Option.

Interim Period means the period from the execution date until the earlier of the date of Completion and the date of termination of the Acquisition Agreement.

Zaffer Shares means all of the fully paid ordinary shares in Zaffer held by the Zaffer Vendors.

Item	Summary
Due Diligence, Option Period, expenditure and Option	<u><i>Due diligence and exclusivity</i></u> (a) During the Interim Period, the Buyer will be entitled to conduct due diligence investigations on Zaffer and the Tenements. (b) During the Interim Period, the Zaffer Vendors must: (i) deal with the Buyer exclusively in relation to any sale, disposal or transfer of the Zaffer Shares or the Tenements; and (ii) not solicit, encourage or enter into or continue any negotiations or discussions with any third party to sell (indirectly or otherwise), encumber or transfer the Zaffer Shares or the Tenements. <u><i>Option and Option Period</i></u> (c) The Zaffer Vendors grant the Buyer the exclusive right to acquire 100% of the Zaffer Shares (Option). (d) The "Option Period" means the period that: (i) will commence on the date that the Buyer notifies the Zaffer Vendors of the Buyer obtaining all shareholder and other regulatory approvals or waivers required to perform its obligations under the Acquisition Agreement; and (ii) will end on the earlier of: (A) the date that is 6 months after the notice above at (i) is served on the Zaffer Vendors; (B) the date that the Buyer relinquishes the Option; (C) the termination of the Acquisition Agreement in accordance with its terms; and

Item	Summary
	(D) the date one day after the Exercise Notice is served on the Zaffer Vendors. (e) If the Option Period does not commence within 4 months of the Execution Date, any Party may terminate the Acquisition Agreement. (f) The Buyer may exercise the Option at any time during the Option Period by issuing a written notice to the Zaffer Vendors stating that it is exercising the Option (Exercise Notice). (g) If, at any time during the Option Period but prior to issuing the Exercise Notice, the Buyer issues a written notice to the Zaffer Vendors stating that it relinquishes the Option, the Option will immediately lapse and any Party may terminate the Acquisition Agreement. (h) If an Exercise Notice is not provided prior to the expiry of the Option Period, any Party may terminate the Acquisition Agreement. <u><i>Contribution to Expenditure Amount during Option Period</i></u> (i) The Buyer must pay all direct expenditure, costs, charges and expenses of Zaffer in respect of exploration on the Tenements during the Option Period up to an aggregate amount of A\$500,000 (Expenditure Amount). (j) If the Buyer provides an Exercise Notice prior to incurring all of the Expenditure Amount, neither Zaffer or the Zaffer Vendors will be reimbursed for any shortfall. <u><i>Control of and ability to carry out operations on the Tenements</i></u> (k) During the Option Period: (i) the Zaffer Vendors and Zaffer must grant the Buyer an exclusive licence to conduct exploration on the Tenements; (ii) the Zaffer Vendors and Zaffer agree that the Buyer will: (A) exercise all or any of the rights of the legal and beneficial owner of the Tenements; (B) be the sole manager of all exploration and development, operations and activities pertaining to the Tenements; and (C) make all decisions relating to the Tenements, including but not limited to all exploration and development, operations and activities pertaining to the Tenements.
Conditions precedent to Acquisition	(a) Completion of the Acquisition is conditional upon the satisfaction (or waiver) of the following conditions precedent: (i) the Buyer provides the Zaffer Vendors: (A) an Exercise Notice; and

Item	Summary
	(B) written notice from the Buyer that it has completed and is satisfied with its due diligence on Zaffer, the Zaffer Shares and the Tenements; (ii) the Buyer obtaining all shareholder and other regulatory approvals or waivers required to perform its obligations under the Acquisition Agreement, including approval under Listing Rule 10.1 and the independent expert opining that the Acquisition is fair and reasonable or not fair but reasonable; (iii) the obtaining of any consent or approval (including any deed of assignment and assumption) that is required to be obtained; and (iv) Zaffer is released from all liability under any existing shareholder loans or other loans to Zaffer.
Consideration	At Completion, the consideration to be paid by the Buyer is: (a) the issue of 30 million Company shares to be apportioned equally between the Zaffer Vendors; and (b) a net smelter return royalty, as described in Section 3.2. The consideration shares are to be escrowed for a period of 12 months from their date of issue.
Interim Period	(a) During the Interim Period: (i) the Zaffer Vendors and Zaffer must provide Buyer with copies of all material notices and documents received during the Interim Period in relation to any of the Tenements; (ii) the Zaffer Vendors and Zaffer must comply with all obligations and terms and conditions that apply in connection with each of the Tenements; (iii) the Zaffer Vendors and Zaffer must not: (A) enter into any material contract or incur any material liability (including any new contracts or incurring any new liabilities in relation to the Tenements); (B) sell, transfer, dispose, relinquish or encumber any of the material assets of Zaffer (including the Tenements) or any interest in them; (C) declare any dividends; or (D) vary Zaffer's capital structure.
Completion	Completion of the Acquisition will occur on that date that is 5 Business Days after the satisfaction (or waiver) of the Conditions Precedent.
Warranties	The Parties have provided representations and warranties that are considered standard for agreements of this nature.

Schedule 3 - Independent Expert's Report

12 June 2019

The Independent Directors
Alicanto Minerals Limited
Suite 3, Level 3
24 Outram Street
West Perth, WA 6005

Dear Sirs

RE: ALICANTO MINERALS LIMITED (“ALICANTO” OR “THE COMPANY”) (ACN 81 149 126 858) - INDEPENDENT EXPERT’S REPORT RELATING TO THE ACQUISITION OF ZAFFER (AUSTRALIA) PTY LTD (“ZAFFER”) AND ISSUE OF SHARES TO RELATED PARTIES

Summary of Opinion

After taking into account all of the factors noted in this report, we are of the opinion that as at the date of this report, the proposed Transaction as defined elsewhere in this report is **fair and reasonable** to the non-associated shareholders of Alicanto.

1. BACKGROUND

- 1.1 We have been requested by the directors of Alicanto to prepare an Independent Expert’s Report (“**IER**”) to determine whether a proposed acquisition of Zaffer (Australia) Pty Ltd (“**Zaffer**”), involving the issue of new Alicanto shares to related parties, is fair and reasonable to the shareholders of Alicanto who are not associated with the proposed Transaction (as defined below).
- 1.2 Alicanto is a junior exploration company listed on the Australian Securities Exchange (“**ASX**”). Zaffer is a privately owned company which holds mineral assets in Sweden, namely the Naverberg and Oxberg projects (the “**Swedish Projects**”). Zaffer has shareholders which include Hamish Halliday, a director of Alicanto, and Peter George, Chief Executive Officer of Alicanto.
- 1.3 The key terms of the transaction are as follows:
- a) Alicanto will be granted a six-month option to conduct due diligence on Zaffer’s tenements
 - b) The six-month option is subject to Alicanto incurring up to \$500,000 in expenditure on the Swedish Project tenements during the option period
 - c) If Alicanto exercises its option to acquire 100% of the shares in Zaffer, the consideration payable for the acquisition will be:
 - (i) 30,000,000 new shares in Alicanto; plus
 - (ii) a 2.5% net smelter royalty over production of minerals from Zaffer’s tenements (the “**Royalty Interest**”).

Collectively the above are referred to as the “**Transaction**”.

- 1.4 Alicanto currently has 172,020,313 ordinary shares on issue. The issue of 30,000,000 new shares will represent an approximate 14.8% interest in the ordinary shares of Alicanto.
- 1.5 ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquire a substantial asset from, or dispose of a substantial asset to, amongst other persons, a subsidiary or a related party, without the prior approval of holders of the entity’s ordinary shareholders who are not associated with the transaction (the “**Non-Associated Shareholders**”).
- 1.6 For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration (in ASX’s opinion) for it is 5% or more of the equity interests of the entity as set out in the latest accounts submitted to ASX. As the value of the acquisition of shares in Zaffer from Hamish Halliday and Peter George (assuming the option to acquire Zaffer is exercised) is more than 5% of Alicanto’s equity interests, the Zaffer shares from those parties are considered to be a substantial asset.
- 1.7 Alicanto intends to seek shareholder approval at a general meeting for the proposed Transaction (that, inter-alia would allow Alicanto to exercise the option to acquire Zaffer and Alicanto to issue 30,000,000 shares to the vendors of Zaffer that include related parties). The Transaction will be referred to in the Notice of Meeting (“**Notice**”) and the Explanatory Memorandum (“**EM**”) attached to the Notice to be forwarded to shareholders. This IER is intended to be included with the Notice and EM.
- 1.8 Apart from this background introduction, this report includes the following:
 - Summary of opinion
 - Implications of the proposed Transaction
 - Profile of Alicanto
 - Profile of Zaffer
 - Valuation methodology
 - Valuation of Alicanto shares
 - Valuation of Zaffer
 - Value and fairness of consideration compared to value of assets acquired
 - Reasonableness of the Transaction for Alicanto shareholders
 - Conclusion as to fairness and reasonableness of the Transaction
 - Shareholders decision
 - Sources of information
 - Appendices A and B (our Financial Services Guide and an independent technical specialist’s report by Valuation and Resource Management (“**VRM**”).

2. SUMMARY OF OPINION

- 2.1 In determining the fairness and reasonableness of the Transaction to the Non-Associated Shareholders of Alicanto, we have had regard to the guidelines set out by ASIC in its *Regulatory Guide 111: Content of Expert Reports* (“**RG 111**”). RG 111 states that an opinion as to whether a transaction is fair and/or reasonable shall entail a comparison between the financial benefit to be provided to the entity, to the consideration being provided by the entity (fairness). Additionally, it should include an examination to determine whether there is justification for the transaction on qualitative grounds after reference to value (reasonableness). A transaction is “fair” if the total value of the consideration being received by a company is equal to or greater than the value of the consideration being paid.

A transaction is “reasonable” if it is “fair”, or where it is not fair, it may still be “reasonable” after considering other significant factors which support the transaction.

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

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

2.3 The opinion expressed above must be read in conjunction with the more detailed analysis and comments made in this report, including the independent technical specialist’s report prepared by Valuation and Resource Management (the “VRM Report”) dated 10 June 2019, attached as Appendix B of this report.

3. IMPLICATIONS OF THE PROPOSED TRANSACTION

3.1 As at 12 June 2019, the equity capital structure of Alicanto was as follows:

Security	Number
Fully paid ordinary shares	172,020,313
Listed options expiring 28 July 2019 with an exercise price of \$0.28	13,357,031
\$0.23 options expiring 28 July 2019	7,060,000
\$0.13 options expiring 31 July 2019	348,000
\$0.001 options expiring 30 April 2021 subject to voting conditions	1,750,000
\$0.001 options expiring 6 August 2021 subject to vesting conditions	1,000,000
\$0.03 unlisted options exercisable on or before 14 March 2024	5,000,000
Total securities on issue	200,535,344

3.2 Should the Transaction proceed and the option to acquire Zaffer be exercised, it will have the following effect on Alicanto’s capital structure:

	Ordinary shares	%	Fully diluted basis	%
Existing securities on issue	172,020,313	85.2%	200,535,344	87.0%
Additional issue to Zaffer vendors	30,000,000	14.8%	30,000,000	13.0%
Post transaction	202,020,313	100.0%	230,535,344	100.0%

3.3 Alicanto’s statement of financial position is detailed in Section 4.4. The Transaction will have the following impact on Alicanto’s financial position:

- Increase Alicanto’s tenement holdings for the Zaffer assets acquired
- Alicanto is required to contribute up to \$500,000 in expenditure on the Zaffer tenements during the option period

4. PROFILE OF ALICANTO

4.1 Principal Activities

Alicanto is an ASX listed mineral resources company, primarily focused on gold exploration activities in Guyana. Alicanto holds a portfolio of properties in which it undertakes exploratory drilling operations, involving 259 tenement agreements across 3 prospective projects in the northwest of the country.

The Arakaka property covers an area of 300 km² and involves 161 licenses. Upon the withdrawal of Barrick Gold from a joint venture in June 2018, these sites are now either 100% held by Alicanto's wholly owned Guyana-based subsidiary, or under various options agreements with Guyanese operators. As specified in the ASX announcement *Completion of Placement- Tranche 1* released 6 May 2019, Alicanto is in advanced negotiations on a potential transaction in relation to this project.

The Ianna property, located 25 km south-east of the Arakaka property, involves 94 tenement licenses and covers a total area of 114 km². Currently these are 100% owned by a Guyanese subsidiary acquired under 3-year or 4-year Options Deed announced 8 November 2016 and 1 September 2017, respectively. The ownership structure is, however, currently subject to legal proceedings.

The Tassawini property involves 4 licenses covering 13.8 km². Alicanto claims 100% ownership of this area. However, there is an ongoing dispute with the vendors, who are contesting this ownership claim, as they seek to sell the rights to a third party.

Alicanto has stated it will continue to evaluate additional projects within Guyana for possible joint ventures or acquisitions, whilst also pursuing projects involving base metals via its proposed Swedish acquisitions.

4.2 Directors of Alicanto

The directors of Alicanto are:

- Didier Murcia (Non-Executive Chairman)
- Travis Schwertfeger (Non-Executive Director)
- Hamish Halliday (Non-Executive Director)

4.3 Top Shareholders

As at 12 June 2019, the top 20 shareholders of Alicanto were as follows:

Rank	Name	Number held	%
1	Citicorp Nom Pl	17,377,377	10.10%
2	Symorgh Inv Pl	7,801,479	4.54%
3	Harmanis Hldgs Pl	7,000,333	4.07%
4	Hsbc Custody Nom Aust Ltd	4,729,540	2.75%
5	Halliday Hamish Peter	3,850,000	2.24%
6	Symorgh Inv Pl	3,796,666	2.21%
7	De Nicola Anthony + T L	3,750,000	2.18%
8	Blu Bone Pl	3,666,667	2.13%
9	George Kenneth A + R J	3,600,000	2.09%
10	Far East Cap Pl	3,462,820	2.01%
11	Serlett Pl	3,260,273	1.90%
12	Rookharp Cap Pl	2,790,304	1.62%
13	J P Morgan Nom Aust Pl	2,649,706	1.54%
14	Brisque Pl	2,500,000	1.45%
15	Slam Cons Pl	2,500,000	1.45%
16	Harden Marcus	2,391,650	1.39%
17	Schwertfeger Travis	2,350,000	1.37%
18	Schammer Pl	2,333,334	1.36%
19	Simon James Syd Bolster R	2,192,966	1.27%
20	Rebo Nom Pl	2,024,376	1.18%
Total		84,027,491	48.85%
Other Shareholders		87,992,822	51.15%
Total Ordinary Shareholders		172,020,313	100.00%

4.4 Financial Position

Set out below is Alicanto's audited statement of financial position as at 31 December 2018, adjusted for:

- Tranche 1 of the placement announced on 1 May 2019, which raised a gross \$250,000 (\$235,000 net of capital raising costs);
- Tranche 2 of the placement announced on 1 May 2019, and approved by shareholders on 4 June 2019, which raised a gross \$750,000 (\$705,000 net of capital raising costs);
- exploration and administration/corporate costs between 31 December 2018 and 31 March 2019 of \$456,000 (\$343,000 on exploration expenditure/project development) in accordance with Alicanto's March 2019 Quarterly Cash Flow Statement; and
- estimated expenditure between 31 March 2019 and 12 June 2019 of \$300,000 (\$125,000 on exploration expenditure), based on the estimated expenditure disclosed in Alicanto's March Quarterly Cash Flow Statement.

	31 Dec 2018 \$	Placements \$	Expenditure to 31 Mar 19 \$	Estimated expenditure \$	Adjusted \$
Assets					
Current Assets					
Cash and cash equivalents	886,107	940,000	(456,000)	(300,000)	1,070,107
Trade and other receivables	64,237				64,237
Total Current Assets	950,344	940,000	(456,000)	(300,000)	1,134,344
Non-Current Assets					
Trade and other receivables	20,000				20,000
Property plant and equipment	426,185				426,185
Exploration and evaluation expenditure	-		343,000	125,000	468,000
Total Non-Current Assets	446,185	-	343,000	125,000	914,185
Total Assets	1,396,529	940,000	(113,000)	(175,000)	2,048,529
Liabilities					
Current Liabilities					
Trade and other payables	88,366				88,366
Provisions	2,156				2,156
Total Current Liabilities	90,522	-	-	-	90,522
Total Liabilities	90,522	-	-	-	90,522
Net Assets	1,306,007	940,000	(113,000)	(175,000)	1,958,007
Equity					
Contributed equity	13,438,497	940,000			14,378,497
Reserves	1,497,558				1,497,558
Accumulated losses	(13,630,048)		(113,000)	(175,000)	(13,918,048)
Total Equity	1,306,007	940,000	(113,000)	(175,000)	1,958,007

4.5 Financial Performance

A summarised audited statement of comprehensive income for Alicanto for the financial years ended 30 June 2017 and 30 June 2018, and the six months to 31 December 2018 is set out below.

	6 mths to 31 Dec 2018 \$	12mths to 30 June 2018 \$	12mths to 30 June 2017 \$
Revenue from continuing operations	11,653	194,208	156,584
Other income	337,289	358,908	157,946
Administration expenses	(85,354)	(326,928)	(195,433)
Consultancy expense	(107,309)	(74,651)	(82,814)
Employee benefits expenses	(214,395)	(437,894)	(353,604)
Share based payments	(9,160)	(187,866)	(468,966)
Occupancy expenses	(21,540)	(51,114)	(10,468)
Compliance and regulatory expense	(45,289)	(71,715)	(58,743)
Insurance expenses	(12,462)	(38,953)	(30,605)
Depreciation expense	(49,383)	(99,225)	(36,175)
Finance costs	(3,211)	(8,144)	(6,351)
Exploration expensed	(876,306)	(2,123,413)	(265,900)
Provision for impairment - exploration and evaluation expenditure	(884,186)		
Loss before tax	(1,959,653)	(2,866,787)	(1,194,529)
Income tax			
Loss after tax	(1,959,653)	(2,866,787)	(1,194,529)
<i>Other comprehensive loss</i>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	(15,073)	(105,870)	30,050
Total comprehensive loss attributable to owners	(1,974,726)	(2,972,657)	(1,164,479)

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

5. PROFILE OF ZAFFER

5.1 Principal Activities

Zaffer is a privately held company which was incorporated on 8 February 2018 for the purpose of acquiring the Näverberg and Oxberg properties, covering a combined 58 km² in the Berslagen Province of Sweden. To date, no other commercial activities have been conducted. Besides holding the Swedish Projects and a cash balance of \$477, Zaffer had no other assets or liabilities as at 1 May 2019.

5.2 Directors and Shareholders

The directors of Zaffer are Andrew Radonjic and Stephen Parsons.

The current shareholders of Zaffer are:

Holder	Shares Held	% Ownership
Lenore Theresa Radonjic	150	20%
Symorgh Investments Pty Ltd (ACN 114 460 865) as trustee for the Symorgh Trust (an entity associated with Stephen Parsons)	150	20%
Hamish Halliday	150	20%
Erik Lundstam	150	20%
Chaffers Gold Pty Ltd (ACN 114 460 865) as trustee for the Valhalla Investment Trust (an entity associated with Peter George)	150	20%

6. VALUATION METHODOLOGY

6.1 Criteria for Assessment of Fairness and Reasonableness

In forming our opinion, we have considered the following definitions of “fair” and “reasonable” as outlined in RG 111, and applied to the circumstances of the Transaction.

- A transaction is “fair” if the value of the assets being acquired is equal to or greater than the value of the consideration being paid for them.
- A transaction is “reasonable” if it is fair, or where it is “not fair”, it may still be “reasonable” after considering other significant factors which support the approval of the transaction.

6.2 Valuation Methodology

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

6.2.1 Capitalisation of Future Maintainable Earnings (“FME”)

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate that reflects the business’ outlook, risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data. The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth history and forecasts, regular capital expenditure requirements and non-finite lives. The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (“EBIT”) or earnings before interest, tax, depreciation and amortisation (“EBITDA”). The capitalisation rate or “earnings multiple” is adjusted to reflect the base that is used for FME.

6.2.2 Discounted Future Cash Flows (“DCF”)

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate. This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments with equivalent risks. A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

6.2.3 Net Tangible Asset Value

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

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

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

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

Often the FME and DCF methodologies are used in valuing assets forming part of the overall net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

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

6.2.4 Quoted Market or Trading Price Basis

Another alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market, or trading, price of listed securities. Where there is an open market for securities, such as ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as a reasonable indicator of the value of a share. For entities traded on a mature securities market with a continuous disclosure regime, it is generally considered that market values reflect all factors and influences that impact upon an entity. The use of quoted market pricing is more relevant where a security displays regular high volume trading, representing a "deep" market in that security.

6.2.5 Alternative Transaction

Where any recent genuine offers have been received for the shares being valued it is appropriate to consider those offers in assessing the value of those shares. In considering any alternative offers it is necessary to assess the extent to which the alternative offers are truly comparable and to make adjustments accordingly.

7. VALUATION OF ALICANTO SHARES

7.1 Valuation Method Adopted for Alicanto

The preferred valuation method used to value the shares of Alicanto is the Net Asset value method although consideration has also been given to recent trading prices of Alicanto shares. In order to determine the Net Asset value of Alicanto, we have instructed an independent technical expert, VRM specialising in the valuation of mineral assets, to provide a range of values for Alicanto's mineral assets. The VRM Report dated 10 June 2019 is appended to this report as Appendix B.

We have not considered the FME and DCF methods as appropriate to value the shares of Alicanto due to the lack of profit history arising from business undertakings and the lack of reliable future cash flow from a current business activity.

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

Set out in section 7.3.1 is a summary of the recent traded prices of Alicanto shares on ASX since 1 June 2018.

7.2 Adjusted Net Asset Based Value of Alicanto Shares

Set out below is Alicanto's adjusted net assets as at 31 December 2018 based on Alicanto being a going concern. The low, preferred and high valuation figures reflect adjustments to the value of Alicanto's exploration expenditure in accordance with the technical valuations of Alicanto's mineral interests as described in Section 7.2.1.

	Ref	Adjusted 31 Dec 2018 \$	Low \$	Preferred \$	High \$
Assets					
Current Assets					
Cash and cash equivalents		1,070,107	1,070,107	1,070,107	1,070,107
Trade and other receivables		64,237	64,237	64,237	64,237
Total Current Assets		1,134,344	1,134,344	1,134,344	1,134,344
Non-Current Assets					
Trade and other receivables		20,000	20,000	20,000	20,000
Property plant and equipment		426,185	426,185	426,185	426,185
Exploration and evaluation expenditure	7.2.1	468,000	3,300,000	4,900,000	6,500,000
Total Non-Current Assets		914,185	3,746,185	5,346,185	6,946,185
Total Assets		2,048,529	4,880,529	6,480,529	8,080,529
Liabilities					
Current Liabilities					
Trade and other payables		88,366	88,366	88,366	88,366
Provisions		2,156	2,156	2,156	2,156
Total Current Liabilities		90,522	90,522	90,522	90,522
Total Liabilities		90,522	90,522	90,522	90,522
Net Assets		1,958,007	4,790,007	6,390,007	7,990,007
Number of shares on issue ('000)	3.1	172,020	172,020	172,020	172,020
Value per Alicanto share - control basis (cents)			2.78	3.71	4.64
Discount for minority interest basis			23.1%	23.1%	23.1%
Value per Alicanto share - minority interest basis (cents)			2.14	2.86	3.57

As there is no intention to wind up the Company, we have not considered wind up values for the purposes of this report. We have been advised that Alicanto has not been involved in any significant (material) transactions subsequent to 31 December 2018 not already referred to in this report or disclosed via ASX announcements (although note the potential for such transactions in the near term which has been flagged in recent announcements).

On a Net Asset basis using market values for Alicanto's mineral interests in accordance with the VRM Report, Alicanto's shares (on a minority interest basis) may be worth between 2.14 cents and 3.57 cents, with a preferred value of 2.86 cents.

7.2.1 VRM Valuation of Alicanto's Mineral Interests

The value of exploration expenditure has been adjusted to reflect the values described in the VRM Report.

The primary valuation methodology used in the VRM report for Alicanto's existing Guyana assets was a Geoscientific (Kilburn) valuation. This was due to the lack of ASX reported mineral resource or ore reserve estimates, and is deemed the most robust methodology for early stage properties. This method involves assessing a series of factors related to a particular property for their potential, carried out by an expert exercising judgment.

The primary driver of value using the Geoscientific valuation approach is the Base Acquisition Cost (“**BAC**”), which is the estimated cost to acquire plus the rent or exploration commitment to continue to retain the tenements in good standing. The low, preferred and high technical valuations have been calculated by multiplying the BAC by other factor estimates, as set out in section 3.4.2.1 of the VRM Report (Appendix B).

Other secondary methodologies considered by VRM for the Guyana assets were the Prospectively Enhancement Multiplier (“**PEM**”) method, and for the Tassawini project only, the Yardstick method. The PEM involves weighting the expenditures incurred since acquiring the properties by a factor that takes into account an increase or decrease in the perceived potential of the property due to this spending. The yardstick method is only appropriate for Tassawini since it is the only property considered advanced. Historical resource estimates have been used with a yardstick between 0.5% and 1.0% of the gold price at valuation date. The values generated by the secondary methodologies support the primary methodology outcomes.

The geopolitical and sovereign risk association with conducting business in Guyana was assessed, and as such a discount factor of 20% was applied. This discount factor was then applied to the technical valuations to calculate the fair market valuations of Alicanto’s existing Guyana mineral interests outlined below.

Further details on the assumptions used and adjustments made are referred to in the VRM Report (Appendix B).

The range of values for Alicanto’s existing mineral interests is summarised below.

	Low	Preferred	High
Arakaka package	1,400,000	2,060,000	2,720,000
Ianna package	1,100,000	1,690,000	2,270,000
Tassawini package	810,000	1,140,000	1,470,000
Total	3,310,000	4,890,000	6,460,000
Rounded	3,300,000	4,900,000	6,500,000

7.2.2 We have used and relied on the VRM Report in assessing the fair value of Alicanto’s mineral interests and have satisfied ourselves that:

- VRM is a suitable geological consulting firm and has relevant experience in assessing the merits of mineral projects and preparing mineral asset valuations (also the principal author of the report, Deborah Lord, is suitably qualified and experienced);
- VRM and Deborah Lord are independent of Alicanto and Zaffer; and
- VRM and Deborah Lord have employed sound and recognised methodologies in the preparation of the VRM Report on Alicanto’s mineral interests.

7.3 Traded Market Price Basis – Alicanto

7.3.1 In addition to the Net Asset valuation of Alicanto shares in Section 7.2 of this report, we have considered the recent trading history of Alicanto shares on ASX.

Set out below is a summary of the traded share prices of Alicanto on ASX (on low volumes) since 1 June 2018 to 12 June 2019. The Transaction was announced by Alicanto on 1 May 2019.

Month	High (\$)	Low (\$)	Last (\$)	VWAP (\$)	Volume traded	Volume/ weighted average shares on issue
Jun-18	0.096	0.052	0.053	0.066	6,126,543	5.4%
Jul-18	0.060	0.042	0.042	0.049	2,296,458	2.0%
Aug-18	0.041	0.030	0.033	0.037	4,126,126	3.6%
Sep-18	0.036	0.028	0.037	0.031	3,700,184	3.3%
Oct-18	0.046	0.032	0.033	0.038	1,628,500	1.4%
Nov-18	0.038	0.030	0.037	0.035	3,015,776	2.4%
Dec-18	0.037	0.026	0.030	0.030	1,794,592	1.4%
Jan-19	0.040	0.029	0.032	0.032	2,386,855	1.8%
Feb-19	0.036	0.030	0.030	0.030	2,530,570	1.9%
Mar-19	0.032	0.027	0.030	0.030	5,349,698	4.1%
Apr-19	0.037	0.030	0.035	0.033	10,174,227	7.8%
May-19	0.048	0.029	0.042	0.035	4,322,930	3.1%
Jun-19	0.042	0.039	0.040	0.040	640,746	0.4%
Total	0.096	0.026	0.040	0.038	48,093,205	38.6%



Pre/Post Announcement		\$
Pre Announcement	1 month VWAP	0.033
	3 month VWAP	0.032
	12 month volatility	95%
Post Announcement	VWAP	0.035
	High	0.048
	Low	0.029
	Last	0.040
Placement		0.025

7.3.2 Based on the above trading history, a reasonable range of values based on traded prices is between 2.50 and 4.00 cents, with a preferred value of 3.25 cents.

- 7.3.3 Generally, the market is a fair indicator of what a share is worth, however in order for a quoted market price to be a reliable indicator of a company's value, the company's shares must trade in a liquid and fully informed market.

Liquidity in Alicanto shares is considered low. A "deep" market is considered to be where the amount of shares traded on a weekly basis exceeds 1% of the company's total shares. Alicanto's shares have at times demonstrated liquidity at this level, however liquidity has generally been below this level over the past 12 months. We also note that Alicanto's shares are fairly tightly held with top 20 shareholders holding 48.85% of Alicanto shares as at 12 June 2019.

Accordingly, our preferred methodology is an asset based valuation and we have considered the traded price history of Alicanto shares as a secondary methodology for the purposes of assessing the fairness of the Transaction.

- 7.4 The future value of an Alicanto share will depend upon, inter alia:

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

7.5 Conclusion on the Value of Alicanto Shares

- 7.5.1 In Section 7 we have discussed the Net Asset value and recent trading history of Alicanto shares on ASX. These values are summarised below:

	Low value per share	Preferred value per share	High value per share
	Cents	Cents	Cents
Adjusted Net Asset value basis (preferred basis) (Section 7.2) (minority basis)	2.14	2.86	3.57
Traded market price basis (Section 7.3)	2.50	3.25	4.00
Assessed fair value of an Alicanto share	2.14	2.86	3.57

- 7.5.2 **For the purpose of this report it is considered appropriate to use the Net Asset value for Alicanto as the primary methodology. Accordingly, we have assessed the value of Alicanto shares on a minority interest basis may range from 2.14 cents to 3.57 cents, with a preferred fair value of 2.86 cents.**

8. VALUATION OF ZAFFER

8.1 Valuation of Zaffer

As mentioned in Section 5.1, Zaffer has negligible assets or liabilities other than the Swedish Projects. Accordingly, we have assessed the value of Zaffer to be equivalent to the value of the tenements as assessed in the VRM Report. We also note that the values ascribed by VRM are on a basis which is net of the Royalty Interest. VRM assessed the value of the Swedish Projects (and therefore Zaffer), net of the Royalty Interest, to be as follows:

	Low \$	Preferred \$	High \$
VRM Assessed market value of Zaffer tenements	1,500,000	2,200,000	2,800,000

We note that under the terms of the Transaction, Alicanto will spend up to \$500,000 during the option period, which may increase or decrease the value of the Zaffer tenements. We also note this will decrease Alicanto's cash balance by the equivalent amount. As the results of this future expenditure cannot be determined at this stage, we have assumed this expenditure will be value neutral to Alicanto overall.

8.1.1 VRM Valuation of Zaffer's Mineral Interests

The primary valuation method used to value Zaffer's Swedish Projects in the VRM Report is the Geoscientific (Kilburn) valuation as described in section 7.2.1.

Geopolitical and sovereign risk associated with conducting business in Sweden was assessed as being negligible, and as such no country risk discount was applied. However, the relative strength of base metal markets was considered by VRM in applying a market discount factor to arrive at a market valuation. Due to the fact that zinc, copper and lead markets are somewhat weakened as compared to highs 12-18 months ago, a market discount was applied. Furthermore, the existence of the Royalty Interest was also considered in applying a market discount. As a result of these two factors, VRM applied a 10% discount to the Geoscientific values to arrive at a market valuation of the Swedish Projects.

Secondary valuation methods considered included a comparable transactions valuation. Similar base metal project transactions were assessed, and a multiple of tenement area (in km²) derived. Applying these multiples to the leased area in Sweden provided a cross-check which supported the values derived via the primary valuation methodology.

9. VALUE AND FAIRNESS OF CONSIDERATION COMPARED TO VALUE OF ASSETS ACQUIRED

9.1 Value of Consideration Compared to Value of Assets Acquired

The value of the share consideration being paid by Alicanto to the vendors, compared to the value of the asset being acquired is shown below.

	Low	Preferred	High
Value per Alicanto share - minority interest basis (cents)	2.14	2.86	3.57
Shares to be issued to vendors	30,000,000	30,000,000	30,000,000
Value of consideration paid to Zaffer vendors	642,591	857,234	1,071,878
Value of Zaffer acquired by Alicanto	1,500,000	2,200,000	2,800,000

9.2 Fairness of Consideration Compared to Value of Assets Acquired

The above table indicates that the value of the consideration being paid by Alicanto to the vendors of Zaffer is significantly less than the value of the asset being acquired. Accordingly, the Transaction is considered to be fair to the Non-Associated Shareholders of Alicanto as at the date of this report.

10. REASONABLENESS OF THE TRANSACTION

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

Advantages

- 10.2 The Transaction as noted above is considered fair based on the range of fair market valuations of mineral assets provided by VRM.
- 10.3 The Company’s current exploration interests are in Guyana, a high risk country, and the Company is seeking to obtain new exploration interests to enhance shareholder value. The Company, by increasing mineral prospects (via the potential acquisition in Sweden), increases the opportunity for exploration success. Diversification into a number of new mineral areas by potentially acquiring an interest in Zaffer may reduce risk to specific projects (but at the same time Alicanto is taking on commitments, the first being to spend up to \$500,000.
- 10.4 The Company may be able to raise further funds by way of new equity as a result of acquiring an interest in Zaffer (if acquired by exercising the option to acquire Zaffer). The raising of new capital may revitalise the Company and allow it to continue in its exploration activities. The Company has recently completed a capital raising, following the announcement of the proposal to acquire Zaffer.
- 10.5 There is an incentive for the Zaffer vendors, including the related parties, to make Alicanto a viable mineral exploration company as the interests of these parties will be aligned with other Alicanto shareholders.

Disadvantages

- 10.6 The number of fully paid ordinary shares on issue would increase (see paragraph 3.2 above) after issuing 30,000,000 vendor shares (if the option to acquire Zaffer is exercised). This could represent an approximate 14.8% increase in the number of shares on issue.

Other Factors

- 10.7 Alicanto may need to raise further capital (in addition to the recently completed capital raising of a gross \$1,000,000) to spend on exploration and evaluation of the tenements owned by Zaffer. The timing and number of shares that may be issued to raise additional capital is not yet ascertained, however, any future capital raisings may further dilute the current Non-Associated sShareholders’ interests in Alicanto.
- 10.8 Alicanto will need to fund exploration commitments relating to Zaffer of up to \$500,000 before deciding as to whether to exercise the option to acquire all of the shares in Zaffer.

- 10.9 It is noted that for accounting purposes in the books of Zaffer, the potential issue of 30,000,000 vendor shares will be booked at the market value of the ordinary shares in Alicanto at the date of issue.
- 10.10 It is the view of the existing independent board members of Alicanto that the proposed Transaction is in the best interests of all shareholders of the Company.

11. CONCLUSION AS TO FAIRNESS AND REASONABLENESS OF THE TRANSACTION

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

12. SHAREHOLDERS DECISION

- 12.1 Stantons International Securities Pty Ltd (“SIS”) has been engaged to prepare an IER setting out whether in its opinion the Transaction is fair and reasonable and state reasons for that opinion. SIS has not been engaged to provide a recommendation to shareholders as to whether to approve the Transaction.
- 12.2 The decision whether to approve the Transaction or not is a matter for individual shareholders based on each shareholder’s views as to value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If in any doubt as to the action they should take in relation to the Transaction proposal shareholders should consult their own professional adviser.
- 12.3 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in Alicanto. This is an investment decision upon which SIS does not offer an opinion and is independent of the decision to approve the Transaction or not. Shareholders should consult their own professional adviser in this regard.

13. SOURCES OF INFORMATION

- 13.1 In making our assessment as to whether the Transaction is fair and reasonable to the Non-Associated Shareholders of Alicanto we have reviewed relevant published information and other unpublished information on the Company which is relevant to the current circumstances. In addition, we have held discussions with the management of Alicanto about the present and future operations of Alicanto. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of Alicanto.
- 13.2 Information we have received includes, but is not limited to the following items.
- Discussions with representatives of Alicanto
 - Details of historical market trading of Alicanto shares as recorded by ASX to 12 June 2019
 - Shareholding details of Alicanto as at 12 June 2019 as noted in the 2018 Annual Report
 - Annual report of Alicanto for the year ended 30 June 2018
 - Half year report of Alicanto for the half year ended 31 December 2018
 - Announcements made by Alicanto for the period from 1 January 2018 to 12 June 2019
 - The VRM Report on the mineral assets of Alicanto and Zaffer prepared by VRM and discussions with Deborah Lord, the author of the VRM Report

- Quarterly cash flow statements from 30 June 2018 to 31 March 2019
- The Zaffer Option and Share Sale Agreement relating to the Transaction
- The Royalty Deed relating to the Transaction

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

Yours faithfully

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

A handwritten signature in black ink, appearing to read 'Samir', with a long horizontal stroke extending to the right.

Samir Tirodkar
Director

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities Pty Ltd trading as Stantons International Securities dated 12 June 2019, relating to the proposed Transaction.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. Stantons International Audit and Consulting Pty Ltd (“SIAC”), the parent entity of Stantons International Securities Pty Ltd acts as the auditor of Alicanto. An internal review was undertaken on independence and it was considered that there was no impairment of independence. There are no other relationships with Alicanto other than Stanton International Securities acting as an independent expert for the purposes of this report. SIAC and Stantons International Securities undertook an independence assessment and considered that there are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is expected to be \$24,000 exclusive of GST plus out of pocket expenses. The fee is payable regardless of the outcome. With the exception of that fee, neither Stantons International Securities nor Mr Samir Tirodkar (a shareholder and director of SIAC but not the signing partner or quality audit review partner relating to the audit of Alicanto) have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the making of this report.

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

QUALIFICATIONS

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

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

DECLARATION

This report has been prepared at the request of the directors of Alicanto in order to assist shareholders of Alicanto to assess the merits of the Transaction to which this report relates. This report has been prepared for the benefit of Alicanto shareholders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons International Securities opinion as to the longer-term values of Alicanto, its subsidiaries and/or assets. Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of Alicanto or their subsidiaries, businesses, other assets and liabilities.

Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons International Securities with care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities (and SIAC, its directors, employees or consultants) for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by Alicanto and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), Alicanto has agreed:

- (a) to make no claim by it or its officers against Stantons International Securities (and SIAC) to recover any loss or damage which Alicanto may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by Alicanto; and
- (b) to indemnify Stantons International Securities against any claim arising (wholly or in part) from Alicanto, or any of its officers, providing Stantons International Securities with any false or misleading information or in the failure of Alicanto or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A final draft of this report was presented to Alicanto directors for a review of factual information only contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

FINANCIAL SERVICES GUIDE
Dated 12 June 2019

1. STANTONS INTERNATIONAL SECURITIES PTY LTD (TRADING AS STANTONS INTERNATIONAL SECURITIES)

Stantons International Securities (ABN 42 128 908 289 and AFSL Licence No 448697) (“**SIS**” or “**we**” or “**us**” or “**ours**” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide (“**FSG**”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

SIS has no employees and Stantons International Audit and Consulting Pty Ltd charges a fee to SIS. All Stantons International Audit and Consulting Pty Ltd employees receive a salary. Stantons International Audit and Consulting Pty Ltd employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd a professional advisory and accounting practice. From time to time, SIS and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints resolution

9.1 Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (“**FOSL**”). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 3001

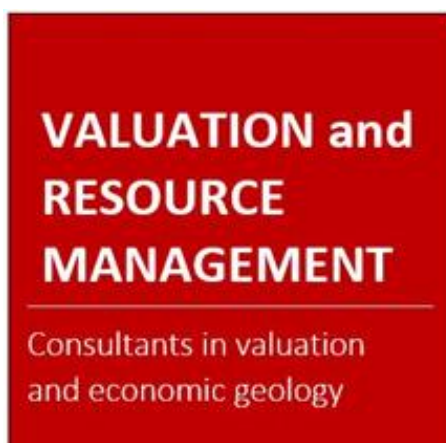
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out at section 9.1 of this FSG or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

APPENDIX B

**VALUATION AND RESOURCE MANAGEMENT INDEPENDENT TECHNICAL
SPECIALIST'S REPORT (VRM REPORT) ON ALICANTO AND ZAFFER'S MINERAL
ASSETS DATED 10 JUNE 2019**



INDEPENDENT TECHNICAL SPECIALISTS REPORT
& VALUATION

ALICANTO MINERALS LTD / ZAFFER (AUSTRALIA) PTY LTD
GUYANA / SWEDEN MINERAL ASSETS

Final Report

10 June 2019

Report Commissioned by Stantons International Securities Pty Ltd

Valuation Date: 1 May 2019
Draft Report Date: 10 June 2019
Primary Author: Deborah Lord

Distribution:
Stantons International Securities Pty Ltd
Alicanto Minerals Ltd
Valuation and Resource Management Pty Ltd

Document Reference	SIS Alicanto Valuation Report June 2019 Final Report.pdf	
Distribution	Stantons International Securities Pty Ltd Alicanto Minerals Ltd Valuation and Resource Management Pty Ltd	
Author	Deborah Lord BSc Hons (Geology) F AusIMM M AIG G AICD	<i>Deborah Lord</i> _____ Date: 10 June 2019
Valuation Date	1 May 2019	

Executive Summary

Stantons International Securities Pty Ltd (**Stantons**) commissioned Valuation and Resource Management (**VRM**), the trading name of Valuation and Resource Management Pty Ltd, to prepare an Independent Technical Assessment and Valuation Report (Report or the ITAR) of the base metal assets in Sweden of Zaffer (Australia) Pty Ltd (**Zaffer**) and the gold assets in Guyana of Alicanto Minerals Ltd (ASX: AQL) (**Alicanto**).

This Report is a public document, in the format of an ITAR and is prepared in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code (2015 edition) (**VALMIN**). VRM understands that Stantons will include the Report in an Independent Expert's Report (**IER**) relating to a proposed transaction involving the potential acquisition of Zaffer. Zaffer has shareholders who are also directors of Alicanto and ASX Listing Rule 10.1 provides that a listed company may not acquire or sell a substantial asset to a related party without shareholder approval.

Alicanto announced the proposed transaction with Zaffer on 1 May 2019 in relation to the Näverberg and Oxberg claims, in the Berslagen Province near Stockholm all 100% attributable to Zaffer. The Alicanto assets in Guyana include the Arakaka, Ianna and Tassawini Gold Properties, held under various option agreements mostly 100% attributable to Alicanto.

The Report includes a technical evaluation of the exploration and potential within project licences and a market value of these mineral assets. In accordance with VALMIN, VRM has applied several valuation methods to determine the value for the exploration properties. Importantly, as neither the principal author nor VRM hold an Australian Financial Services Licence (AFSL), this valuation is not a valuation of Alicanto or Zaffer, but rather a valuation of their mineral assets. The valuation is current as of 1 May 2019, being the date that the proposed transaction was announced. As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Alicanto along with publicly available data including Australian Securities Exchange (**ASX**) releases and public data obtained from other sources, including the System for Electronic Document Analysis and Retrieval (**SEDAR**) developed by the Canadian Securities Administrators.

VRM has undertaken suitable checks, enquiries, analyses and verification procedures to meet the VALMIN requirements for the soundness of inputs that lead to the conclusions drawn in the Report. The opinions and statements in the Report are given in good faith and under the belief that they are accurate and not false nor misleading. The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation in this Report is the likely value of the mineral Properties and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

VRM understands that Stantons will refer to, and rely on, the VRM report and mineral asset valuations which will be attached to its IER to inform the Alicanto shareholders as to the fairness and reasonableness of the proposed transaction.

Alicanto Properties - Guyana

The Guyanese Properties in this Report include the Arakaka, Ianna and Tassawini Gold (**Au**) Properties.

The Arakaka Property covers 300km² of permits in the underexplored northern Guyana Shield. Until recently, the Property was subject to a two-year joint venture earn-in by Barrick Gold Corporation (**Barrick**). Four targets were identified at Purple Heart, Gomes, Eyelash and Xenopsaris Prospects areas, and significant exploration was carried out prior to Barrick withdrawing and the properties returning to Alicanto. Previous alluvial and near surface gold has been produced from the leases and the area is considered to have been underexplored. Trench sampling and drilling has been carried out on all four prospect areas confirming mineralisation at depth, and potential for extension to known zones of mineralisation.

The Ianna Property is located approximately 25 kilometres southeast of the Arakaka Property and covers 114km². The leases extend over 12 kilometres strike of three mineralised trends. Exploration is at an earlier stage with initial drill testing returning promising results on the Ianna Main Intrusion, the Eastern Extension and the King's Ransom mineralised zones. As at the valuation date there have been no reported Mineral Resources or Ore Reserves estimates for either the Arakaka or Ianna Property. It is the opinion of VRM that ongoing exploration activities are justified to fully define mineralisation as extensions to the known zones or mineralisation or related to anomalous surface geochemistry.

The Tassawini Gold Property is situated approximately 45 kilometres east of the Arakaka Property and covers 14km². The property has an historical resource estimate that has been declared in Canada under National Instrument 43-101 (**NI43-101**), as at 2010. This resource does not meet the requirements of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - The JORC Code (2012 Edition) (**JORC**) to be considered a Mineral Resource. In addition, VRM understands that the rights to the Tassawini Property are being contested by a third party.

Zaffer Properties - Sweden

The Swedish Properties included in this Report are the Näverberg and Oxberg Properties, covering 58km² in the Berslagen Province, prospective for Volcanogenic Massive Sulphide (**VMS**) deposits. The Properties include four licence areas in the Berslagen Mining District that hosts active and historic VMS mines Province including the Zinkgruvan mine operated by Lundin Mining, Boliden's Garpenberg mine and the historic Falun deposit.

The Näverberg claims and Oxberg claims cover 58km² of permits in the Falun and Garpenberg areas. Näverberg is located immediately along strike of the Falun Zn-Pb-Cu(-Au-Ag) deposit and surrounding another historical mine at Skyttgruvan. The three claims cover almost 26km². The Oxberg claim, about 32km² in area, is located approximately eight kilometres northwest of the Näverberg claim and covers similar prospective stratigraphy.

As at the valuation date there have been no reported Mineral Resources or Ore Reserves estimates for the claim areas in Sweden. It is the opinion of VRM that initial exploration activity will be justified given the mineral endowment and historical mines and prospects of the region, as well as to follow up results of previous exploration by other companies. The option consideration includes a 2.5% net smelter return (**NSR**) royalty on potential future production.

This report documents the technical aspects of the Alicanto Properties in Guyana and the Zaffer Properties in Sweden, along with determining a valuation for the Properties, applying the principles and guidelines of the 2015 VALMIN Code.

Conclusions

The Guyanese portfolio assembled by Alicanto demonstrates potential for economic gold mineralisation. Alicanto is exploring options and is in advanced negotiations at the time of the valuation in relation to Arakaka and Tassawini. The ownership of the Tassawini Properties remains uncertain at the time of the valuation. In VRM's opinion, the mineral assets owned by Alicanto in Guyana comprising the Arakaka, Ianna and Tassawini Properties have a fair market value of between \$3.3 million and \$6.5 million with a preferred mineral assets value of \$4.9 million. Tassawini has a technical value for the historical resource of between \$3.3 million and \$6.8 million with a preferred value of \$5.1 million, but the market value of Alicanto's claim on Tassawini is considered minimal considering the ownership risk.

Alicanto plans to diversify their focus to include base metal exploration in Sweden via the proposed acquisition of Zaffer and to commence exploration in the Näverberg and Oxberg Properties recognising the historical endowment and significant potential of these Property areas. The mineral assets owned by Zaffer in Sweden consisting of the Näverberg and Oxberg claims have a fair market value of between \$1.5 million and \$2.8 million with a preferred mineral assets value, net of the NSR royalty of \$2.2 million.

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1. Introduction

Valuation and Resource Management (**VRM**), the trading name of Valuation and Resource Management Pty Ltd, was engaged by Stantons International Securities Pty Ltd (**Stantons**) to undertake an Independent Technical Assessment and Valuation Report (Report or **ITAR**) on the Swedish base metal assets of Zaffer (Australia) Pty Ltd (**Zaffer**) and the Guyanese gold assets of Alicanto Minerals Ltd (ASX: AQI) (**Alicanto**).

VRM understands that this **ITAR** will be included in the Independent Experts Report (**IER**) being prepared by Stantons. Stantons will refer to, and rely on, the VRM report and mineral asset valuations which will be attached to its **IER** to inform the Alicanto shareholders as to the fairness and reasonableness of the proposed transaction. The proposed transaction is an option and share sale agreement by Alicanto for the shares of private company Zaffer.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The **ITAR** is prepared applying the guidelines and principles of the 2015 VALMIN Code and the 2012 JORC Code. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investment Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).

This **ITAR** is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Alicanto and its Competent Persons as referenced in this **ITAR** and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing mineral asset reports is to independently describe mineral Properties applying the guidelines of the VALMIN and JORC Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Properties.

VRM has compiled the **ITAR** based upon the principle of reviewing and interrogating both the work of Alicanto and other previous exploration within the areas. This Report is a summary of the work conducted, completed and reported by the various explorers to 1 May 2019 based on information supplied to VRM by Alicanto along with the relevant ASX and System for Electronic Document Analysis and Retrieval (**SEDAR**) releases, to the extent required by VALMIN and JORC.

VRM has prepared an Independent Valuation of the Arakaka and Ianna Properties in Guyana and the Näverberg and Oxberg Properties in Sweden. A technical value for the Tassawini Property has also been estimated. VRM understands that its reviews and valuations will be relied upon and appended to an **IER** prepared by Stantons for inclusion in a notice of meeting, to assist Alicanto shareholders in their decision regarding the approval of the proposed transaction. As such, it is understood that VRM's review and valuation will be a public document.

1.3. Statement of Independence

VRM was engaged to undertake an **ITAR** of the mineral assets of Alicanto and Zaffer. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of experts (RG112).

Ms Deborah Lord of VRM has not had any association with Alicanto or Zaffer, their individual employees, or any interest in the securities of Alicanto or Zaffer, which could be regarded as affecting her ability to give an independent, objective and unbiased opinion. Neither VRM, nor Ms Lord hold an AFSL and the valuation contained within this Report is limited to a valuation of the mineral assets being reviewed. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated at \$20,000 (plus GST).

VRM employed Associate Mr Mike Dunbar to assist with compilation of the geology and exploration history of the Guyanese mineral assets. Mr Dunbar has not had any association with Zaffer or Alicanto respectively, their individual

employees, or any interest in the securities of Alicanto or Zaffer, which could be regarded as affecting his ability to give an independent, objective and unbiased opinion. VRM relied on regional geological information of the Swedish mineral assets compiled by Mr Shane Hibbird, who has no ownership interest in Alicanto but has previously provided consultancy services to the company.

1.4. Competent Persons Declaration and Qualifications

This Report was compiled by Ms Deborah Lord as the primary author and peer reviewed by Mr Paul Dunbar. Mr Paul Dunbar of VRM has not had any association with Alicanto or Zaffer, their individual employees, or any interest in the securities of Alicanto or Zaffer, which could be regarded as affecting her ability to give an independent, objective and unbiased opinion.

The Report and information that relates to technical assessment of early-stage and advanced exploration projects and the mineral asset valuation is based on information compiled by Ms Deborah Lord, BSc (Hons), a Competent Person who is a fellow of the AusIMM and a member of the AIG. Ms Lord is a Director and Principal of VRM, Consultants in Valuation and Economic Geology, and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code) and a VALMIN Practitioner. Ms Lord consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Between the 1 May 2019 and the date of this Report, nothing has come to the attention of VRM that would cause any material change to the conclusions.

1.5. Reliance on Experts

Ms Lord, the author of this report is not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the legislative environments in Guyana and Sweden. VRM has interrogated websites of several companies and reviewed NI43-101 reports relating to Properties in Guyana to confirm the local tenure system and aspects relating to required rents. VRM requested information to be supplied by Alicanto to verify security of tenure and where this has not been provided has highlighted these instances, as discussed further in the tenements section below.

For the Alicanto and Zaffer Properties VRM has relied upon the following reports and information:

- Various ASX and SEDAR releases, publicly available information and regional datasets, including from Swedish government agencies.
- Exploration reports and presentations from Alicanto that reference previous exploration work in the area.

1.6. Sources of Information

All information and conclusions within this report are based on information made available to VRM to assist with this report by Alicanto and other relevant publicly available data to 1 May 2019. Reference has been made to other sources of information, including government reports and reports prepared by other parties. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports and databases provided by Alicanto as detailed in the reference list. A draft of this Report was provided to Stantons for Alicanto to review and identify any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to Alicanto until the technical aspects were validated and the Report was declared final.

1.7. Site Visit

No specific site visit has occurred as a part of this Report or valuation. Given the long exploration history of Alicanto in relation to the Properties in Guyana, and that in Sweden the Properties are at an early stage of exploration, VRM is satisfied that a site visit would not provide any additional material information that would modify the opinion or valuation of the Properties.

2. Mineral Assets

2.1. Existing Guyanese Gold Properties

This Report details the combined existing Alicanto Project consisting of the Arakaka, Ianna and Tassawini gold properties which are treated as one project as they are in the same region and are targeting common structures. Collectively there are 259 tenements (granted and pending) within a discontinuous series of properties.

Alicanto has built up a substantial tenement holding in Guyana comprising 161 licences forming the Arakaka Property (via Stratagold Guyana Inc.), 94 licences making up the Ianna Property (via local subsidiary Calrissian (Guyana) Resources Inc.) and four Mining Permits comprising the Tassawini Property (via Stratagold Guyana Inc.). Ownership is complex, with most licences being subject to option agreements with Guyanese operators and individuals. As mentioned previously the ownership of Tassawini is being contested by a third party.

The tenure system dates to 1989 consisting of four tenement types that can be summarised at a high level as follows:

- Small scale licences (**SSL**) are available for Guyanese citizens or a local business entity comprising a prospecting permit valid for one year
- Medium scale prospecting and mining permits (**MSMP**) can be applied for by Guyanese citizens or business entities and foreign companies can enter into joint venture arrangements (private contracts) to develop the property.
- Large scale prospecting licences (**PL**) cover 500 to 12,800 hectares and can be applied for by foreign companies to conduct exploration
- Large scale reconnaissance permission is required for reconnaissance surveys (geological or geophysical) prospecting licences cover 500 to 12,800 hectares and can be applied for by foreign companies to conduct exploration

The term of a PL is three years, with rights of renewal for two additional years with an annual fee of US\$0.25/acre for the first three years increasing to US\$0.35 / acre for year 4 and US\$0.45 / acre in year 5. The annual fee for a MSMP or Mining Permit is US\$1.00 / acre for the life of the permit and for a Mining Licence this rises to US\$5.00 / acre. Aside from these annual rents, there are no yearly expenditure commitments, but the licence owner must submit reports on technical work programs and an audited financial statement on expenditure.

The tenements that constitute the combined Alicanto Project are detailed in Appendix A while Figure 1 and Figure 2 show the location and regional geology of the properties. While the ownership of Tassawini is uncertain, the remainder of the licences making up Arakaka and Ianna have been held for several years. VRM understands from Alicanto that these tenements are in good standing and that expenditure commitments for all licences have been met.

2.1.1. Location, Access and Background

The Alicanto gold project is in the Northwest Mining District of Guyana, South America, within the northern Guiana Shield geological terrane. The project covers volcano-sedimentary Paleoproterozoic greenstone rocks which are considered prospective for high tonnage, orogenic style gold deposits.

The Project has reasonable infrastructure, with an all-season road network, scheduled commercial flights to within 10km of the project, and deep-water port facilities to within 15km of the Arakaka property.

The climate is tropical and humid with the average annual rainfall of 2,500 millimetres. Generally, two rainy seasons, from early May to mid-July, and from early December to mid-January occur in Guyana. Dry-seasons occur during the remaining months with intermittent rainfall. The climate does not interfere with year-round operation of mines in Guyana. The area is heavily vegetated with primary tropical rainforest. Areas that have been cleared in the past for small scale mining and moving agriculture are generally covered with secondary re-growth forest. Water is readily available from local springs and creeks to supply the current exploration activities.

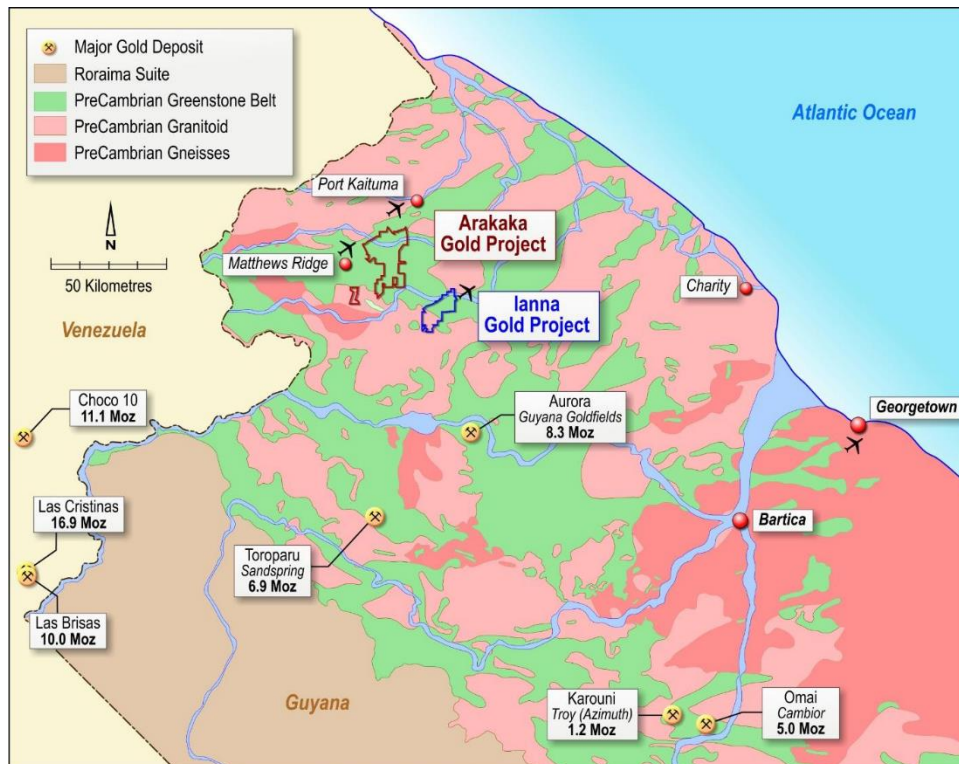


Figure 1 Location of the Alicanto Property tenements (Arakaka and Ianna Properties)
Source: Alicanto March 2019 quarterly report

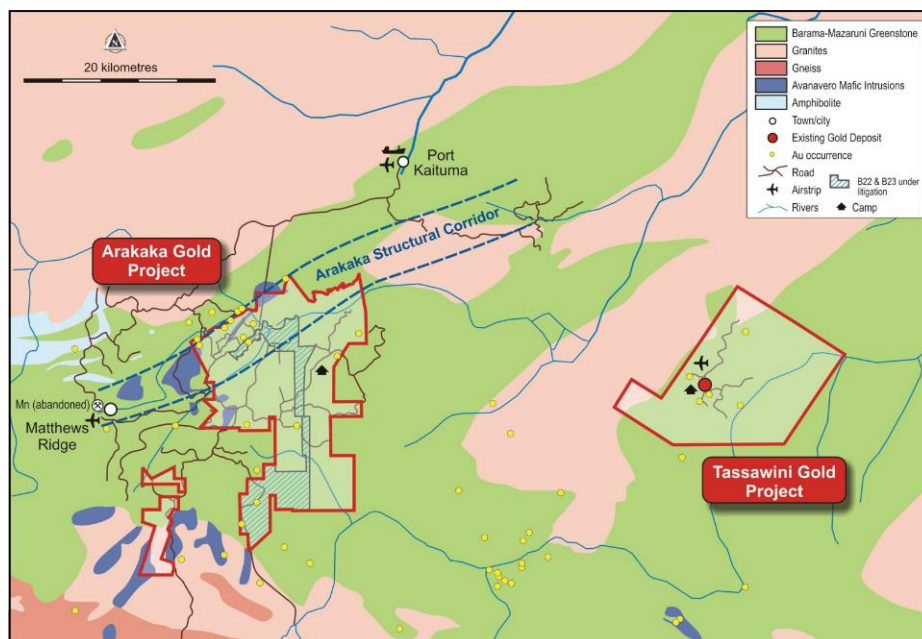


Figure 2 Location of the Alicanto Property tenements (Tassawini and Arakaka Properties)

Note: Tassawini property has been reduced in size with the large regional tenements dropped, leaving only the Medium Scale Mining Permits at the heart of the Property area

Source: Alicanto ASX Release dated 10 December 2012

The Arakaka gold properties covers over 300km² (Figure 1) that are 100% held either directly by Alicanto's wholly owned Guyanese subsidiary, or subject to an option agreement with Guyanese operators where Alicanto has an 80% interest (notably at the Macaw prospect) and is the operator (ASX release 10 December 2012). From March 2016 to June 2018, Barrick Gold was funding the exploration as part of a US\$10 million earn in joint venture (JV). Barrick Gold elected to withdraw from the JV in June 2018 after expending US\$7.1 on exploration on regional reconnaissance programs which has highlighted multiple targets throughout the Arakaka Properties.

The Ianna gold properties are located less than 25km southeast from the Arakaka Gold Properties (Figure 1) and cover an area of approximately 114 km² of 100% owned permits, which are held under either a three year option (ASX release 8 November 2016) or two and four year option agreements (ASX release 1 September 2017). Alicanto and the one of the properties' vendors is in the process of restructuring the ownership into a trust holding structure (Alicanto March 2019 quarterly report, ASX release 26 April 2019). The legal process for this transfer is ongoing.

The Tassawini gold properties are located approximately 45km to the east of Arakaka (Figure 2) and are supported by an airstrip, 120-person camp and tidal river with 1000 tonne barge capacity access. As Alicanto reported to the ASX on 12 December 2012, the Tassawini properties have an historic gold resource (NI 43-101 and JORC 2004 compliant). This has not been updated to be JORC 2012 compliant and it appears that little to no exploration has been undertaken on these properties since Alicanto claim to have acquired them via an option agreement in December 2012. While Alicanto claims 100% ownership (ASX release 10 December 2012) this has been disputed. Given the vendors are actively trying to sell the Tassawini properties to a third party, ownership is uncertain. Alicanto has made limited expenditure on the leases due to this risk to ownership. As a result, VRM consider the risk related to ownership of the Tassawini properties is significant and if this were to be established via legal proceedings the cost may be substantial.

2.1.2. Regional Geology

Northern Guyana is in the Archean-Proterozoic Guiana Shield; the shield is composed of a Paleoproterozoic granite-greenstone terrain with a general east to northeast-trending structural grain. This terrain is interpreted to be the extension of the West-African Paleoproterozoic Birimian Supergroup metasedimentary / greenstone terrains, which was originally mapped as part of the Lower Proterozoic Barama-Mazaruni Supergroup. The Barama-Mazaruni Supergroup consists of metasedimentary / greenstone terrains intercalated with Archean-Proterozoic gneisses and is intruded by granites as well as mafic and ultramafic rocks (Weiershäuser *et al.*, 2010).

The Barama Group consists of pelitic metasediments with metamorphosed lavas and pyroclastic rocks characterized by gneisses and manganese-bearing phyllites, conformably overlain by the Mazaruni Group. The Mazaruni Group includes the Cuyuni Formation (consisting of pebbly sandstones and intraformational conglomerates typical of greywackes, intercalated with felsic to mafic volcanics) and the Haimaraka Formation (consisting of a thick sequence of mudstones, pelites and greywackes) (Weiershäuser *et al.*, 2010).

The regional metamorphic grade of the Barama Mazaruni Supergroup is generally lower to middle greenschist facies. Near the contact of some of the larger granitic complexes upper greenschist to amphibolite facies is developed locally. Some of the granitic intrusions attain batholithic dimensions, causing segmentation of the volcanic and metasedimentary rocks into individual belts. Syn- to late tectonic calc-alkaline to intermediate intrusives, which range in composition from granite to granodiorite, diorite, tonolite and adamellite. These intrusions were emplaced during the Trans-Amazonian Orogeny, between 2,250 and 1,960 million years ago (Weiershäuser *et al.*, 2010).

The Trans-Amazonian granites have segmented the Barama-Mazaruni Supergroup in northwestern Guyana causing significant crustal shortening through the development of folds; gold bearing shear zones are associated with this shortening.

Late stage post-tectonic Avanavero suite dolerite dykes crosscut all of the rock types.

2.1.3. Local Geology

The Property covers volcano-sedimentary Paleoproterozoic greenstone rocks which are considered prospective for high tonnage, orogenic style gold deposits and structurally controlled mineralisation. The properties are cut by numerous shear zones, with two dominant mineralised structural trends, the Arakaka Main Trend oriented east-northeast to west-southwest and the Gomes – Ianna trend oriented northwest to southeast (Figure 3).

Within each property there are several splay structures, subparallel structures and zones of additional folding that appear to control the mineralisation, along with several intrusive bodies which also host or control mineralisation.

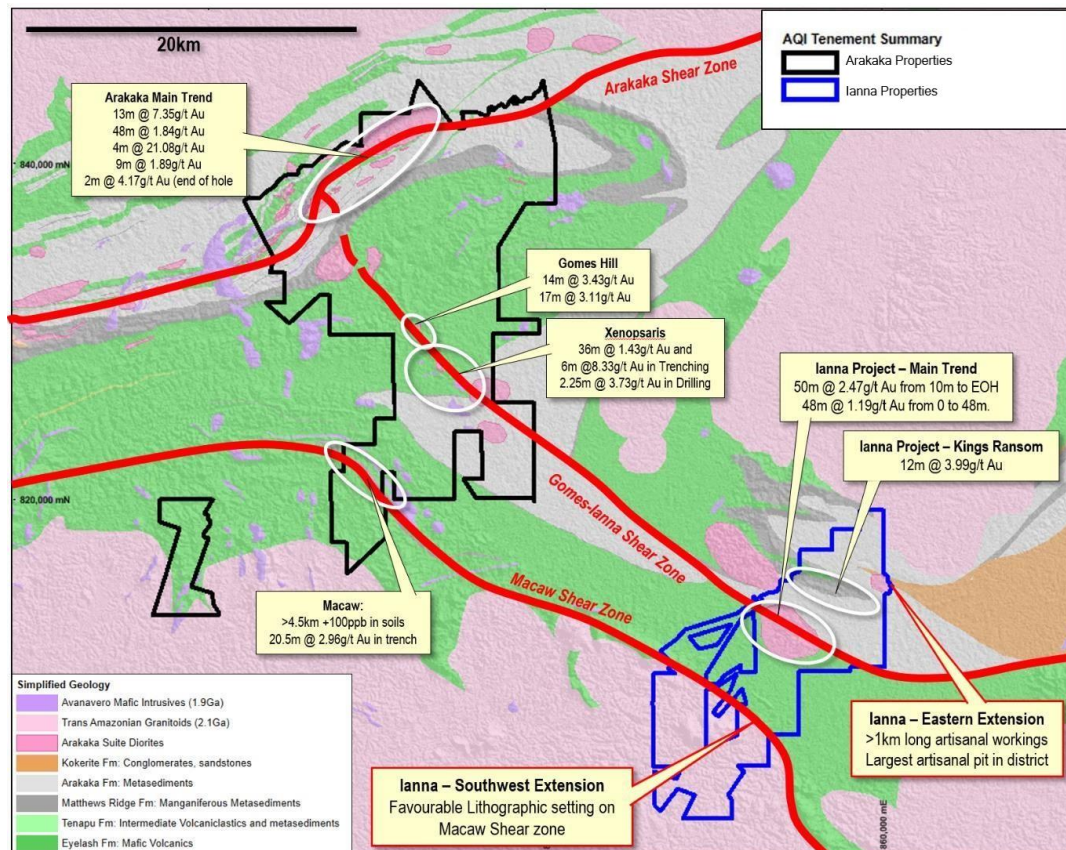


Figure 3 Local Geology of the Barama-Mazaruni greenstone belt hosting the Arakaka and the Ianna Gold Property areas, with major structural corridors and locations of key target areas

Source: Alicanto March 2019 quarterly report released on 26 April 2019

2.1.4. Previous Production and Exploration History

The exploration has been divided into activities completed prior to Alicanto's ownership and activities undertaken by either Alicanto or Alicanto's potential joint venture partners. The historical (pre Alicanto) exploration and previous production is summarised below for each of the properties.

Arakaka Property

The Arakaka Gold Property has been the source of more the 1Moz of alluvial and near surface gold production, with a mining history that extends more than 100 years (Alicanto March 2019 quarterly report , ASX release 26 April 2019), however it must be noted that this historical production has not been verified by VRM. Despite the purported production, the region has not been extensively or systematically explored using modern techniques. StrataGold Corporation (**Stratagold**) and Newmont Mining Corporation (**Newmont**) (the former owners of the Property) were among the first to implement modern exploration programs which included regional and detailed stream sediment and soil geochemistry surveys, induced polarization ground geophysical surveys, detailed structural mapping, prospecting and trenching.

This modern exploration identified several high priority targets based on the regional geochemical and geophysical surveys. Some of these targets have been trenched and drilled (Figure 4 and Figure 5).

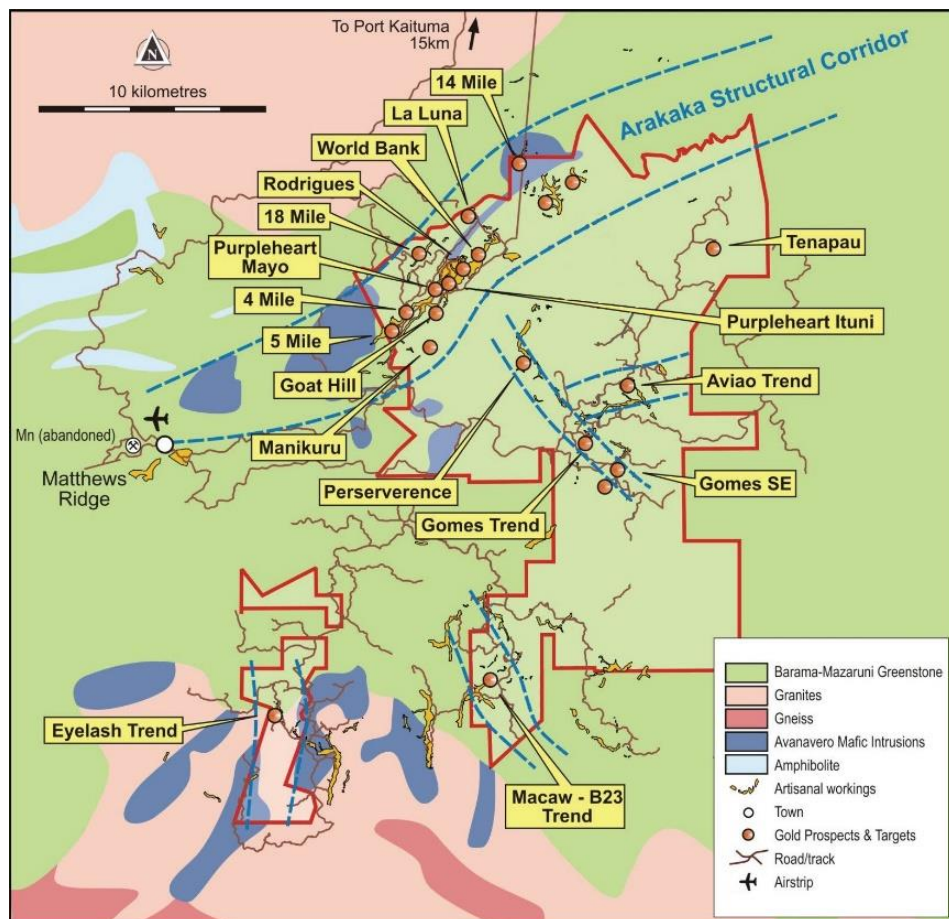


Figure 4 Arakaka Property Local Geology and historical exploration prospects

Edited from: Alicanto ASX Release 10 December 2012

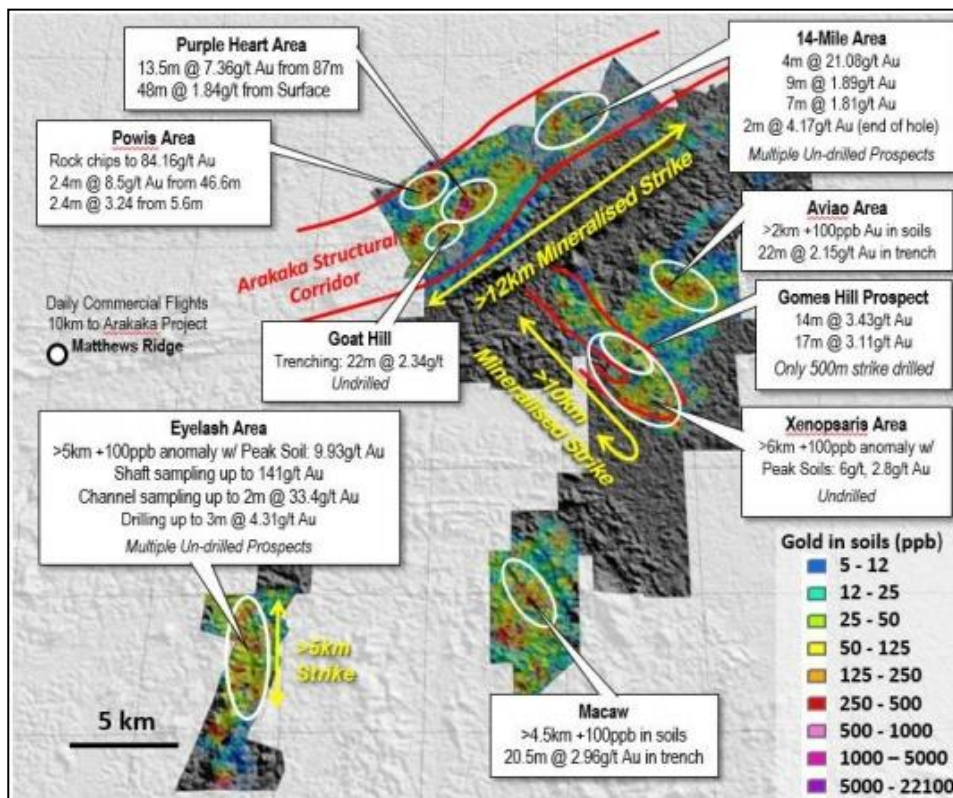


Figure 5 Arakaka Property Summary of historic Drilling and trenching results

Source: Alicanto ASX release 26 August 2015

The most significant historical drilling or trenching results include the following (previously reported in ASX release 26 August 2015 including associated JORC Table 1):

Arakaka Main Structural Corridor:

- 13.5m @ 7.36g/t gold
- 1.9m @ 30.66g/t gold
- 10.8m @ 1.66g/t gold
- 10m @ 3.10 g/t gold
- 48m @ 1.84g/t gold
- 20.5m @ 1.43g/t gold
- 24.5m @ 1.37g/t Au
- Trenching of 24m @ 2.57g/t Au

Gomes Hill – Xenopsaris Trend:

- 19.2m @ 3.4g/t gold
- 16.4m @ 3.2g/t gold
- 14m @ 3.43g/t gold
- 17.4m @ 3.11g/t gold

Eyelash Area:

The Eyelash area has been defined by surface geochemical sampling with small historical workings. Significant geochemical anomalies can be traced over a north – south trend for approximately 5km. The anomalies appear to be structurally controlled with narrow high-grade gold veins including rock chip samples up to 142g/t, 33g/t, 68g/t, 41g/t and 23g/t in multiple structures. Limited drilling has been undertaken in the area.

Other Prospects:

- Trenching of 16m @ 2.15g/t gold at the Aviao prospect
- Trenching of 20.5m @ 2.96g/t gold at the Macaw prospect

Ianna Property

The Ianna Gold Property has been historically tested with extensive surface geochemical survey work completed and over 12,400 metres of Reverse Circulation and 926 metres of Diamond drilling covering limited strike extent drilling to shallow depth, with ~95% of the drilling testing less than 50m below surface.

Two corridors of mineralisation on the Ianna trend and the King's Ransom trend (Figure 6) have been identified from the historical datasets. These trends are part of (or splay off) the regional Gomes – Ianna trend, oriented northwest to southeast (refer to Figure 3).

The two main trends historically identified include:

Ianna Main Trend:

The Ianna trend consists of multiple northwest trending zones highlighted in historical soil sampling. The combined surface soil results in a near continuous +100ppb Au anomaly with a peak soil value of 66.86g/t Au, and artisanal mining defines multiple trends extending >4km of strike length (Figure 7).

Mineralisation is hosted in a composite diorite-granodiorite intrusive body. All drilling to date is confined to the centre of the intrusions with the margins yet to be tested.

The gold in soil anomalism is limited by size of the historical sampling grids and remains open. The soil sampling was successful in identifying bedrock mineralisation which has been tested by the previous RC and Diamond drilling.

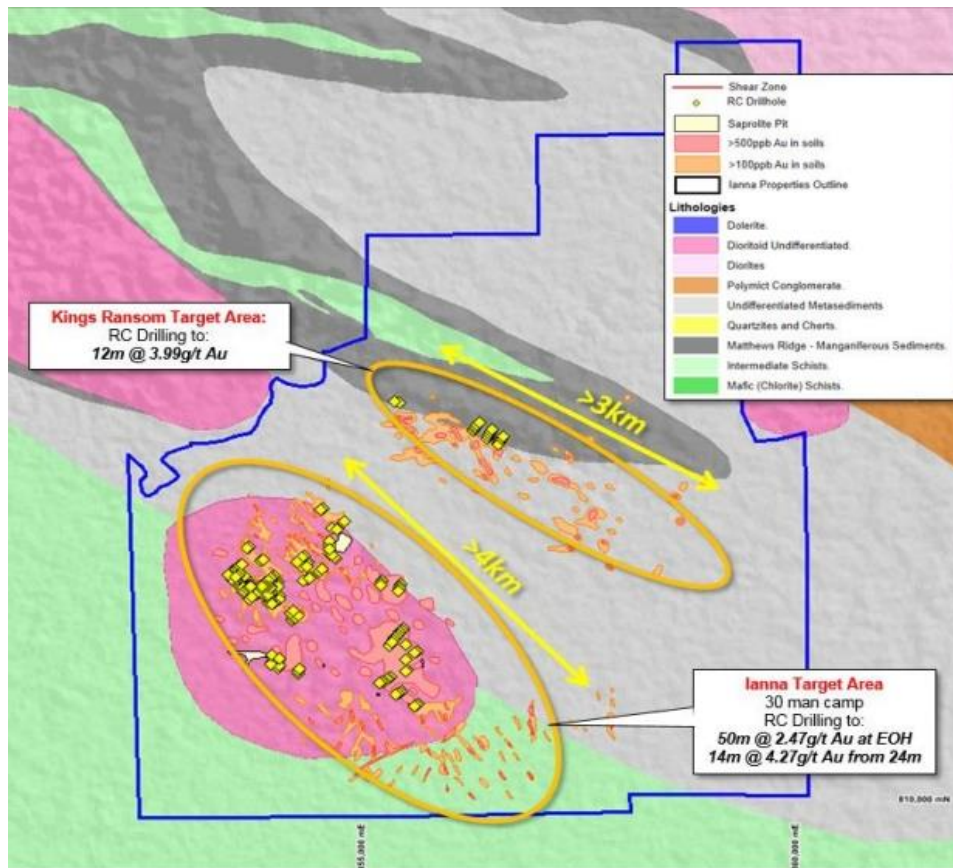


Figure 6 Ianna Property surface gold anomalism and historical drill collar locations
Source: Alicanto ASX release dated 26th July 2016

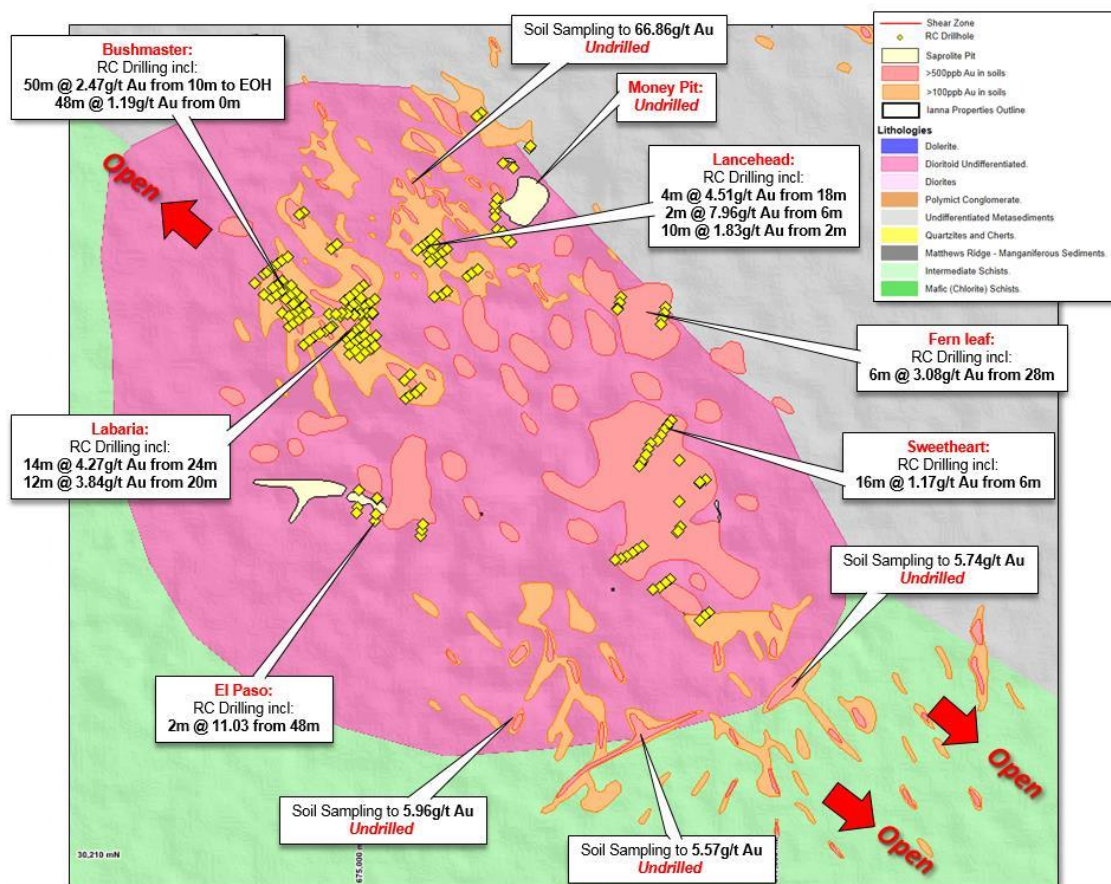


Figure 7 Ianna Main Trend surface gold anomalism and historical drill collar locations
Source: Alicanto ASX release dated 26 July 2016

Drilling has mostly been concentrated on the Bushmaster and Labaria prospects (now called Zone D) in the North-West of the Ianna trend and Lancehead prospect (now termed Zone A) in the southeast of the diorite-granodiorite intrusive body. Better historical drill intersections include the following (previously reported in ASX release 26 July 2016 including associated JORC Table 1):

Bushmaster Prospect:

- 50m @ 2.47g/t Au from 10m to End of Hole
- 48m @ 1.19g/t Au from surface

Labaria Prospect:

- 14m @ 4.27g/t Au from 24m
- 12m @ 3.84g/t Au from 20m

Lancehead Prospect:

- 4m @ 4.51g/t Au from 18m
- 2m @ 7.96g/t Au from 6m
- 10m @ 1.83g/t Au from 2m

Kings Ransom Trend:

The Kings Ransom trend was identified by extensive >100ppb Au anomalism over >3.5km strike in soil sampling, with discrete >500ppb Au centres (see Figure 6).

There have been only 16 RC drill holes completed to date over only 350m's of strike centred around artisanal workings (see ASX announcements 26 July 2016, 27 February 2018 including associated JORC Table 1 information). Narrow high-grade zones were intersected including the best intersections of;

- 12m @3.99g/t Au from surface in RC drilling
- 21m @ 9.38g/t Au in trenching
- 22m @ 1.9g/t Au in trenching
- 20m @ 6.75g/t Au in trenching

Mineralisation remains open along strike in both directions and the soil anomaly has not been fully tested.

Multiple other prospects have been identified from historical exploration within the Ianna property which have received only limited (or no) drilling (Figure 7). These areas include:

- Fern Leaf: 6m @ 3.08g/t Au from 26m
- El Passo: 2m @ 11.03g/t Au from 48m
- Sweetheart: 16m @ 1.17g/t Au from 6m
- Unnamed soil anomalies with results including 66.86g/t, 5.74g/t, 5.57g/t and 5.96g/t Au.

Tassawini Property

The Tassawini property contains two deposits (the Tassawini and the Sonne deposits). Historic Mineral Resources have been estimated for the Property (Alicanto ASX release 10 December 2012) and have been released in Canada by the previous explorers StrataGold. The ownership of the property has been contested since Alicanto announced its purchase in 2012. In December 2018, a Toronto Stock Exchange (TSX) Venture Exchange (TSXV) listed company announced it had signed a letter of agreement to acquire Tassawini from a privately held company incorporated in British Columbia. As a result, VRM believes that the ownership status is yet to be resolved.

Substantial exploration has been carried out at Tassawini by previous holders and a significant amount of drilling has been conducted (1,279 holes totalling 47,509 metres), culminating in the preparation of a resource estimate by an international, independent consultancy group. The 2009 Mineral Resource Statement for the Tassawini-Sonne deposits was issued under National Instrument 43-101 (NI43-101) by Stratagold and reissued by Takara Resources Inc. (**Takara**) in 2010. VRM notes that the resources are not reported in accordance with the requirements of the JORC Code (2012). Recent assessment of the historical resource estimate by the TSXV-listed company confirms status

of these resource as 'historic' rather than 'current' and that the historical data is suitable for resource reporting as such according to NI43-101 standards.

VRM sought clarity on the ownership of Tassawini from Alicanto and it advised that it has an agreement with the vendor of the property, but that the vendor doesn't believe the agreement is valid and is actively trying to sell the asset. Given the critical risk associated with ownership, VRM has provided a technical valuation for the Tassawini Gold Property but considers the market value of Alicanto's claim on the property is minimal due to this risk.

2.1.5. Recent Exploration Activities

Within the properties there are several areas of both modern and historical mining and exploration activities. The historical (pre Alicanto) exploration has been summarised above, while the exploration conducted since Alicanto acquired the properties is summarised below.

Arakaka Property

As outlined above, Alicanto has controlled the properties since December 2012. Between March 2016 and until June 2018 exploration was undertaken by Barrick Gold Corporation (**Barrick**) as part of a US\$10 million JV earn in arrangement (as announced on 1 March 2016). Barrick spent US\$7.1 million on exploration activities before withdrawing from the JV in June 2018. At that point ownership reverted to Alicanto 100%.

The recent exploration includes:

Arakaka Main Trend:

A total of 95 drill holes for 11,103 meters have been drilled at the Arakaka main trend since Alicanto acquired the property. This drilling has identified several new mineralised trends and structures. Better recent intersections include (ASX releases 17 September 2014 and 19 June 2018, including associated JORC Table 1 information) (Figure 8):

- 11.95m @ 1.2g/t gold from 151m in ARDD278
- 18m @ 1.63g/t gold (including 9.35m @ 2.71g/t gold) from 3m in ARDD267
- 9.72m @ 1.44g/t gold from 159m in ARDD003
- 5.1m @ 3.97g/t gold from 71m in ARDD015
- 4m @ 21.08g/t gold from 48m in ARRC015
- 9m @ 1.89g/t gold from 76m in ARRC013
- 7m @ 1.81g/t gold from 33m in ARRC013
- 2m @ 4.17g/t gold (to EOH) from 111m in ARRC013

Gomes Hill – Xenopsaris Trend:

The Xenopsaris – Gomes Trend is an early stage exploration target. The Gnomes Hill prospect has historically been an area of detailed drilling, however the Xenopsaris area had been poorly tested and undrilled. A total of 22 holes for 3,020 metres have been drilled targeting the interpreted fold closure to the south east of Gomes Hill (Figure 9). This drilling identified several high grade drill intersections including up to 1.4m @ 9.14g/t gold, 1m @ 4.25g/t gold, 6m @ 1.5g/t gold from 30m in XDD013 and 8.3m @ 1.2g/t gold from 9.7m in XDD023 (see ASX release dated 19 June 2018, including JORC Table 1). The drilling to date does not explain the high grade and wide zones of mineralisation identified in trenching which included 22m @ 2.0 g/t gold, 6m @ 8.3 g/t gold, 3m @ 4.5g/t gold or the very high grade rock chip samples (which include 162g/t gold, 62g/t gold, 34g/t gold and 22 g/t gold).

The Gomes Hill prospect has not been drilled recently, however trenching approximately 1.2km along strike to the south east has identified potential extensions of the Gomes Hill mineralisation towards Xenopsaris. Regional soil sampling has also been undertaken along strike to the north west and has identified potential extensions however, no follow up has been undertaken.

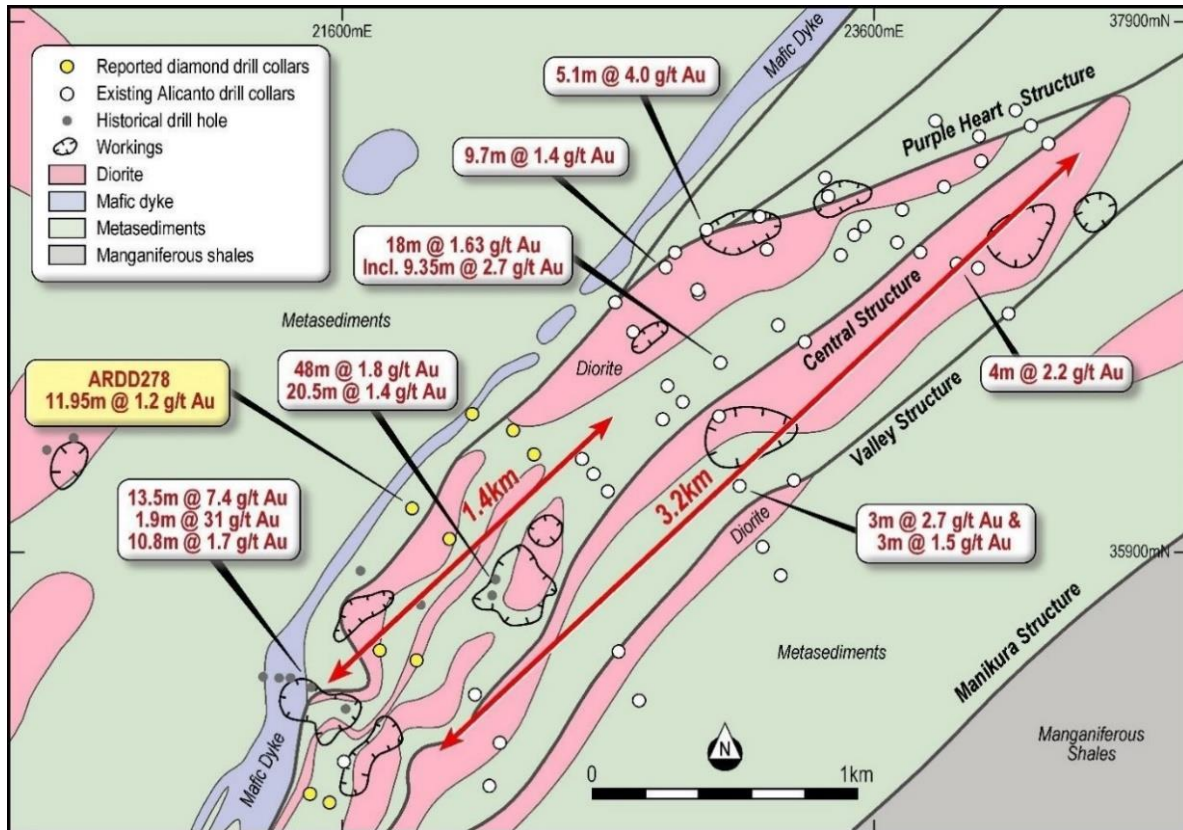


Figure 8 Location of recent drilling in the Arakaka Main trend

Edited from Alicanto ASX release dated 19 June 2018

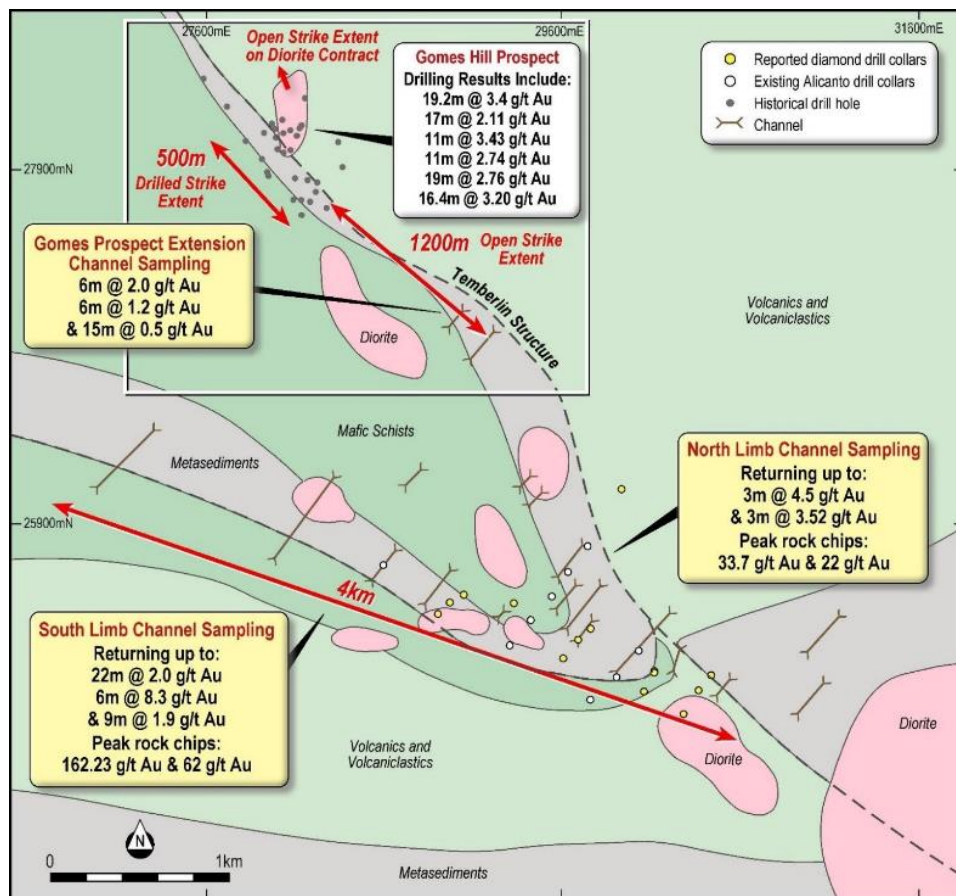


Figure 9 Gomes Hill - Xenopsaris trend on the Gomes - Ianna regional trend with drilling and trenching locations

Source: Alicanto ASX release dated 19 June 2018

Eyelash Area:

The Eyelash Area has had historical geochemical sampling and small-scale mining activities over approximately 5km of strike length. The bulk of the exploration has been focused on narrow high-grade veins and surface sampling (Figure 10). Four trenches have recently been completed, with two intersecting significant widths of mineralisation including 24m @ 1.16g/t gold and 12m @ 0.67g/t gold, with high grade rock chip samples including 26.6g/t gold, 22.5g/t gold, 22.15g/t gold and 14.2g/t gold.

One adit at the Kelly prospect has been recently been sampled with significant mineralisation identified including 5.4m @ 2.7g/t, 10m @ 2.6g/t and 2m @ 8.2g/t. There has been no recent drilling in the area.

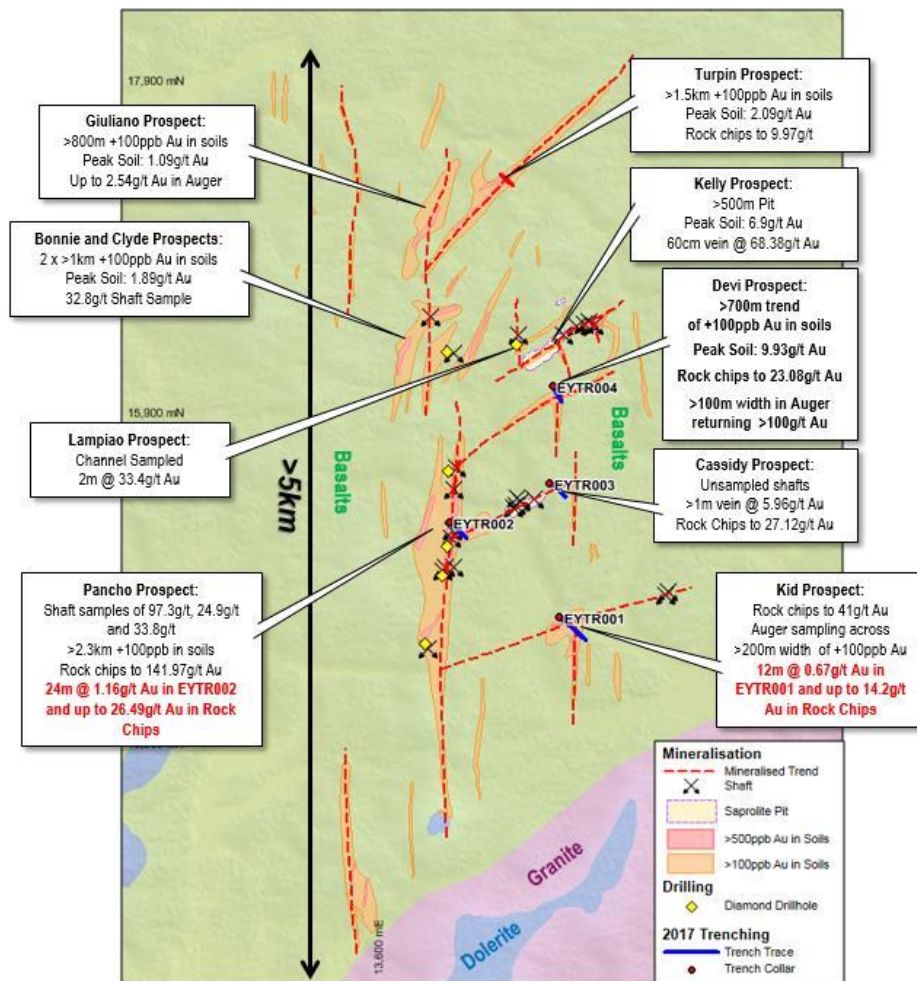


Figure 10 Eyelash Area prospects and surface sampling highlights

Source: Alicanto ASX release dated 19 June 2018

Ianna Property:

Since Alicanto acquired the Ianna Gold Property in November 2016 and expanded its ownership in September 2017, it has undertaken systematic exploration on the property including at the main Ianna granodioritic intrusion and the Kings Ransom trend as well as the Eastern Extension trend (see Figure 11). A total of 15 diamond holes have been drilled on the property (see ASX release 19 June 2018 including JORC Table 1 and June 2018 Quarterly Report). Better intersections include:

Ianna Main Trend:

- 89m @ 1.02g/t (including 13.9m @ 1.2g/t, 8m @ 1.7g/t, 18m @ 1.62g/t and 6m @ 1.6g/t) from surface in IDD002
- 1.8m @ 10.7g/t gold from 43.3m in IDD015
- 6.5m @ 1.19 g/t from 32m in IDD015

- 2.3m @ 3.1g/t from 49m in IDD003
- 2.5m @ 3g/t from 153.7m in IDD003
- 6m @ 1.4 g.t from 61m in IDD007
- 7m @ 1.4g/t from 67.9m in IDD008

Eastern Extension:

- 16.1m @ 1.4g/t gold from 164m to End of Hole in IDD009
- 10.8m @ 1.2g/t gold from 228m to End of Hole in IDD011
- 0.5m @ 26.5g/t gold from 176.8m in IDD013

While no bedrock drilling has been completed at the Kings Ransom trend, the trend has been extended with surface trenching and auger sampling to the North West, where a wide auger anomaly has been defined with peak results of 1.14g/t gold.

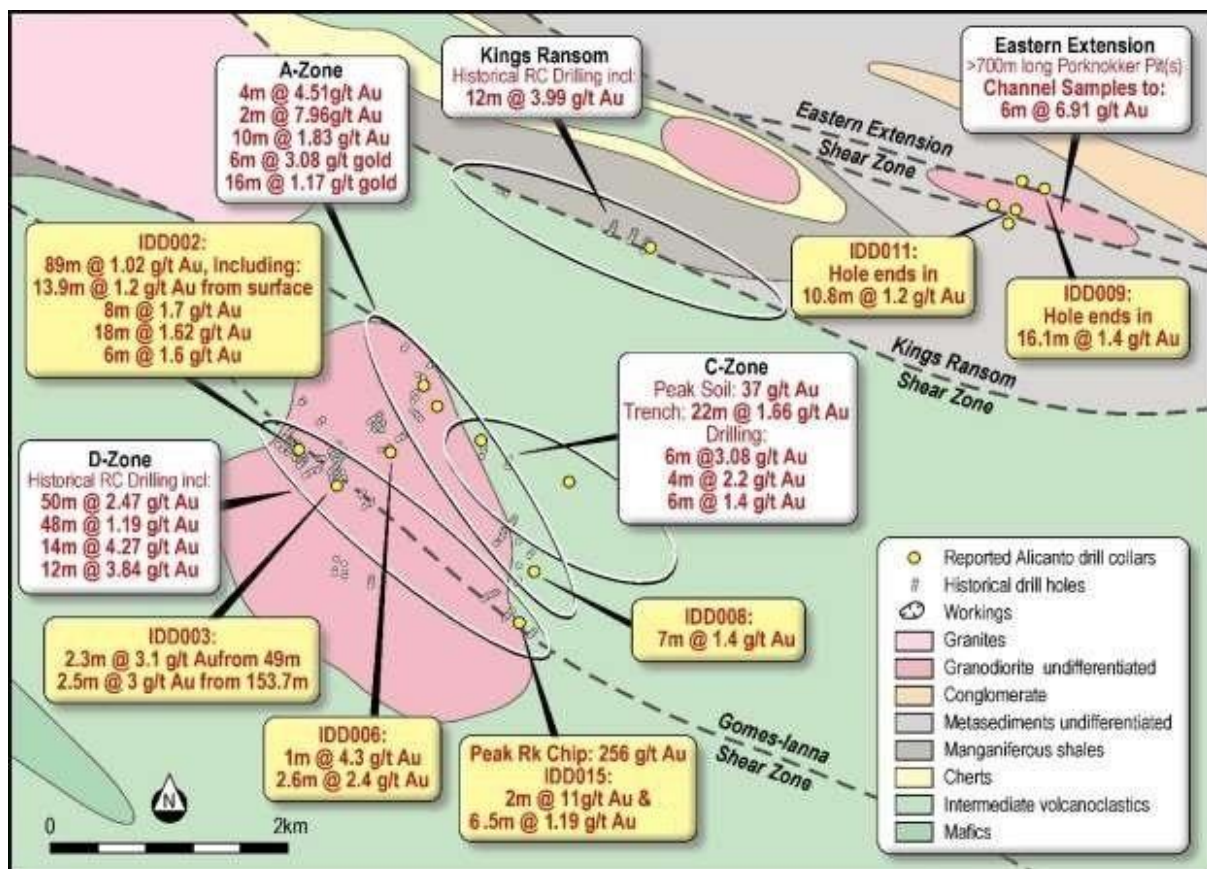


Figure 11 Ianna recent drilling at the Gomes, Kings Ransom and Eastern Extension trends

Edited from Alicanto ASX release dated 19 June 2018

Tassawini Property:

Other than review of historical work completed, no exploration has been undertaken on the Tassawini Property since it was acquired in December 2012. As mentioned above, the ownership of this property appears to still be in dispute.

2.2. Existing Swedish Base Metal Gold Properties

This Report includes the combined existing Zaffer base metal Project consisting of the Näverberg and Oxberg base metal properties which are treated as one project as they are in the same region and are targeting common structures. Collectively there are four granted tenements (subject to final approval) within the two properties.

The tenements that constitute the combined Zaffer Project are named Näverberg 1, 2, 3 and Oxberg 101. Via the proposed transaction Alicanto has an agreement to acquire the exploration concessions that are owned on a 100% basis by Zaffer (Australia) Pty Ltd (Table 1).

Table 1 Tenement schedule as at 1 May 2019 for Sweden Property portfolio

Tenement	Holder	Application Fee (Kronor - SEK)	Area ha	Grant Date	Expiry Date	Comment
Näverberg nr 1	Zaffer (Australia) Pty Ltd	500	567	08/11/2018	08/11/2021	Appeal without grounds
Näverberg nr 2	Zaffer (Australia) Pty Ltd	500	317	14/03/2019	14/03/2022	Appeal lodged
Näverberg nr 3	Zaffer (Australia) Pty Ltd	500	1671	29/03/2019	29/03/2022	Bond not paid as at 16/4/19
Oxberg nr 101	Zaffer (Australia) Pty Ltd	1000	3160	08/03/2018	08/03/2021	Appeal without grounds

VRM reviewed a due diligence report by MAQS Advokatbyrå dated 16 April 2019 and supplied by Alicanto in relation to the licence application status. As at 16 April, the four licence areas had been granted by the Mining Inspectorate of Sweden. The process allows for appeals to the grant to be lodged and this has been in the case for three licence areas. For Näverberg no. 1 and Oxberg 101, the Mining Inspectorate has indicated that the appeals are without grounds and therefore are unlikely to impact. An appeal has also been lodged in respect to Näverberg no. 2 area, but the Mining Inspectorate has not yet responded to this. As at 16 April, security in terms of a bond had not yet been paid for Näverberg no. 3 area.

The three-year anniversary (noted above as expiry date) is the first milestone as an initial exploration concession is valid for three years (years 1-3). During this time, if the holder wishes to extend a first renewal period of three years can be granted (years 4-6) and if exploration continues to be successful, a second renewal is possible of four years (years 7-10) and a third renewal period of five years after that (years 11-15). Each of these is contingent on successful application to the Mining Inspectorate and continued exploration success indicating that further exploration will likely result in a mining concession.

In terms of annual tenement rent, this has been paid at application (noted in Table 1) and the second fee within a month of application. There is also an exploration fee but there is no minimum annual exploration expenditure commitment to retain leases in Sweden. If an exploration permit is terminated without the granting of an exploitation concession, the permit holder must submit a summary report on activities within three months. If the permit holder plans to continue work, then the holder of the exploration permit is not entitled to an automatic but rather a preferential right to acquire an exploitation concession.

There are no restrictions on foreign nationals obtaining exploration permits and exploitation concessions, nor are there any restrictions concerning foreign ownership in the mining industry.

The Properties are located within the Bergslagen mining district of southern Sweden. Several operating mines in the region include the Garpenberg mine operated by Boliden and the Zinkgruvan mine operated by Zinkgruvan Mining AB, a 100% subsidiary of Lundin. There are also several previously operating, now closed mines such as Falun (along strike of Näverberg Property) and others including Stollberg, Saxbergt and Sala.

The location and regional geology of the properties is shown in Figure 12.

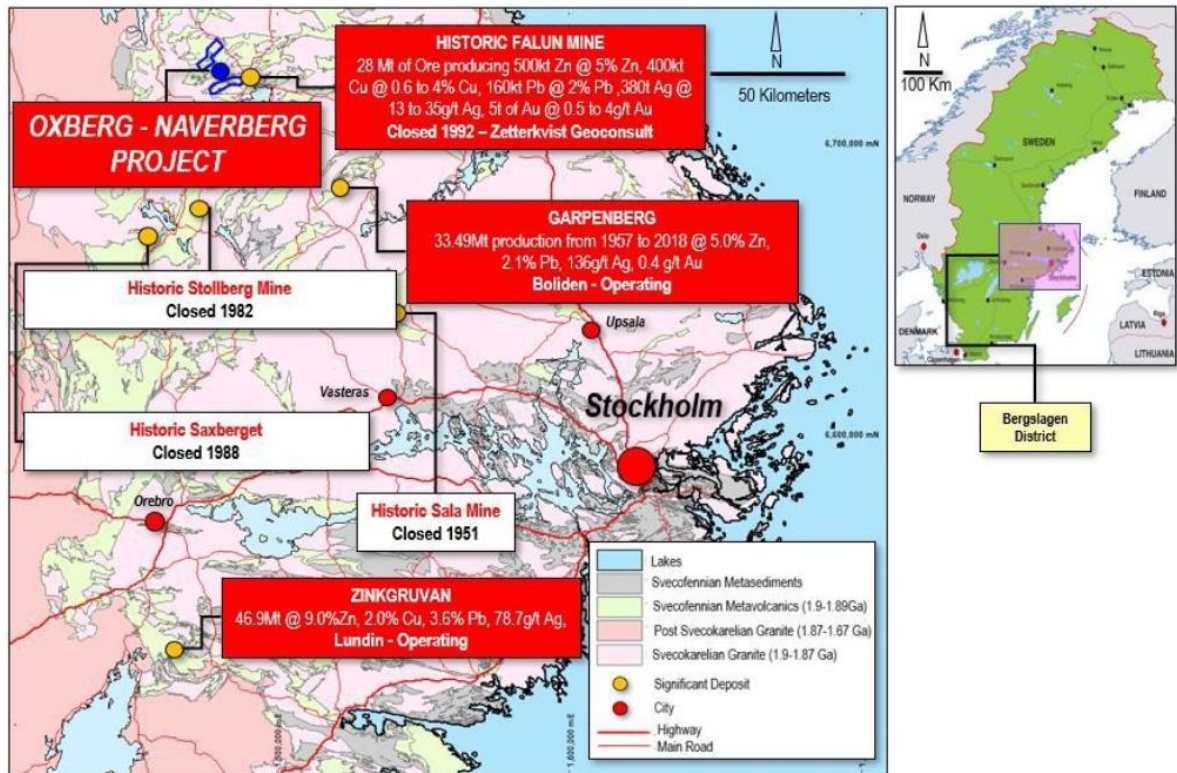


Figure 12 Location of the Swedish Properties and geology

Source: Alicanto website, May 2019

2.2.1. Location, Access and Background

The Näverberg and Oxberg claims are in the North Bergslagen Province, Sweden, near the town of Falun, within the Fennoscandian Shield geological terrane.

The Project has good infrastructure, with the nearby municipality of Falun having a population of 60,000. The nearest international airport is at Arlanda, Stockholm, approximately 225km away and the nearest town is Borlänge 20 km to the southwest. Areas outside towns are sparsely populated and consist of undulating hilly terrain with forests and small villages. The climate in Sweden is relatively mild compared to other parts of Scandinavia. Average temperatures range from 9 to 20 degrees celsius in July and -4 to -11 in January.

The Näverberg and Oxberg Properties, covering 58km² in the Berslagen Province, prospective for Volcanogenic Massive Sulphide (**VMS**) deposits. The Properties include four licence areas in the Berslagen Mining District that hosts active and historic VMS mines Province including the Zinkgruvan mine, Garpenberg mine and the historic Falun deposit.

2.2.2. Regional Geology

Sweden has a prolonged mining history with records from the Falun mine dating back to 1288. The historical mine and nearby town are listed as a World Heritage site for their historical significance. In the Berslagen district there are more than 6000 iron and base metal occurrences recorded and mining continues today at the Garpenberg and Zinkgruvan mines.

The Bergslagen region is situated predominantly in the south-western part of the Svecokarelian orogen in the Fennoscandian Shield (Stephens *et al.*, 2009) The Bergslagen district is the intensely mineralised part of a Paleoproterozoic felsic magmatic province in the Fennoscandian Shield and contains a diverse range of polymetallic sulphide- and Fe- oxide deposits (Figure 13). The supracrustal successions are dominated by moderate to shallow water volcanoclastic deposits that define large felsic caldera volcanoes. Most of the polymetallic sulphide deposits and many of the Fe- oxide deposits are associated with limestones and skarns in the upper part of, and between, major caldera eruption cycles (Allen *et al.*, 2013).

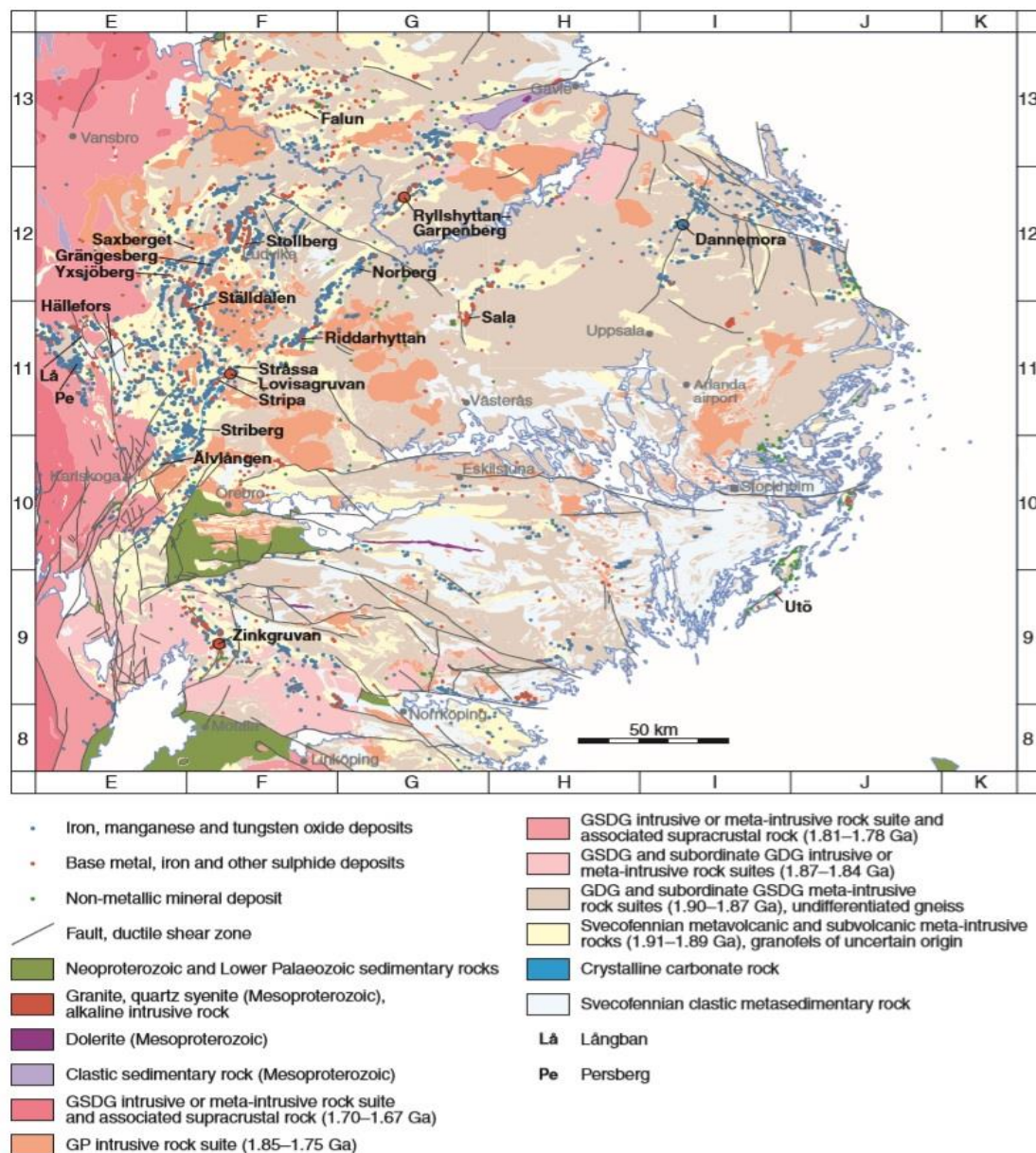


Figure 13 Regional geology and mineral occurrence of the Bergslagen area, Fennoscandian shield

Source Alicanto – after Allen *et al.*, 2013

Recent work by the Geological Survey of Sweden (SGU) has led to a new subdivision of the Palaeoproterozoic bedrock of Sweden into distinct lithotectonic units. In central Sweden, the BLU (Bergslagen Lithotectonic Unit) is delimited by major ductile shear belts to the north and south, and by 1.7 Ga magmatic and sedimentary rocks to the west. A prominent feature of the BLU is the occurrence of deformed and metamorphosed sedimentary and predominantly felsic volcanic and sub-volcanic rocks. However, the major volume in the BLU comprises plutonic rocks of different generations, which intruded into the supracrustal rocks. These intrusive rocks are affected to variable degree by ductile deformation and metamorphism.

All the major rock suites are syn-orogenic with respect to the 1.9–1.8 Ga Svecofennian orogeny in this part of the shield (Stephens *et al.*, 2009). A convergent plate boundary setting, involving subduction of oceanic lithosphere beneath an active continental margin has been inferred (Stephens *et al.*, 2009; Kampmann, 2017).

The region is one of the most metallogenetically endowed Palaeoproterozoic igneous segments in the world, with more than 6000 known mineral deposits and prospects. The historic main commodity in Bergslagen has been iron, mined from banded iron ores, skarn iron ores and apatite iron ores. Polymetallic sulphide deposits occur in

Bergslagen as two principal types of mineralisation: (1) stratiform, sheet-like Zn–Pb–Ag–(Cu) deposits (e.g., Zinkgruvan) and (2) stratabound, multi-lens carbonate replacement-type Zn–Pb–Ag–(Cu–Au) deposits (e.g. Garpenberg and Sala; Allen *et al.*, 1996). The latter type has been mined for mainly Ag and/or Cu since medieval times and in more recent centuries also for Zn and Pb. Gold endowment is generally low, although some mines have been gold producers. The region also hosts rare earth element (REE) deposits, Mn oxide deposits, W skarn deposits, climax-type Mo deposits and local Co endowments in polymetallic sulphide deposits (Stephens *et al.*, 2009). At present, there are three sulphide mines in operation in the region (Garpenberg, Zinkgruvan and Lovisa) (Jansson, 2016).

2.2.3. Local Geology

The Näverberg Property comprises three licences covering a total granted area of 2555 hectares or 25.6km². The Oxberg Property, covering 3159 hectares or 31.6km² is located eight kilometres to the north-west of Näverberg Property in the same geological setting (Figure 14).

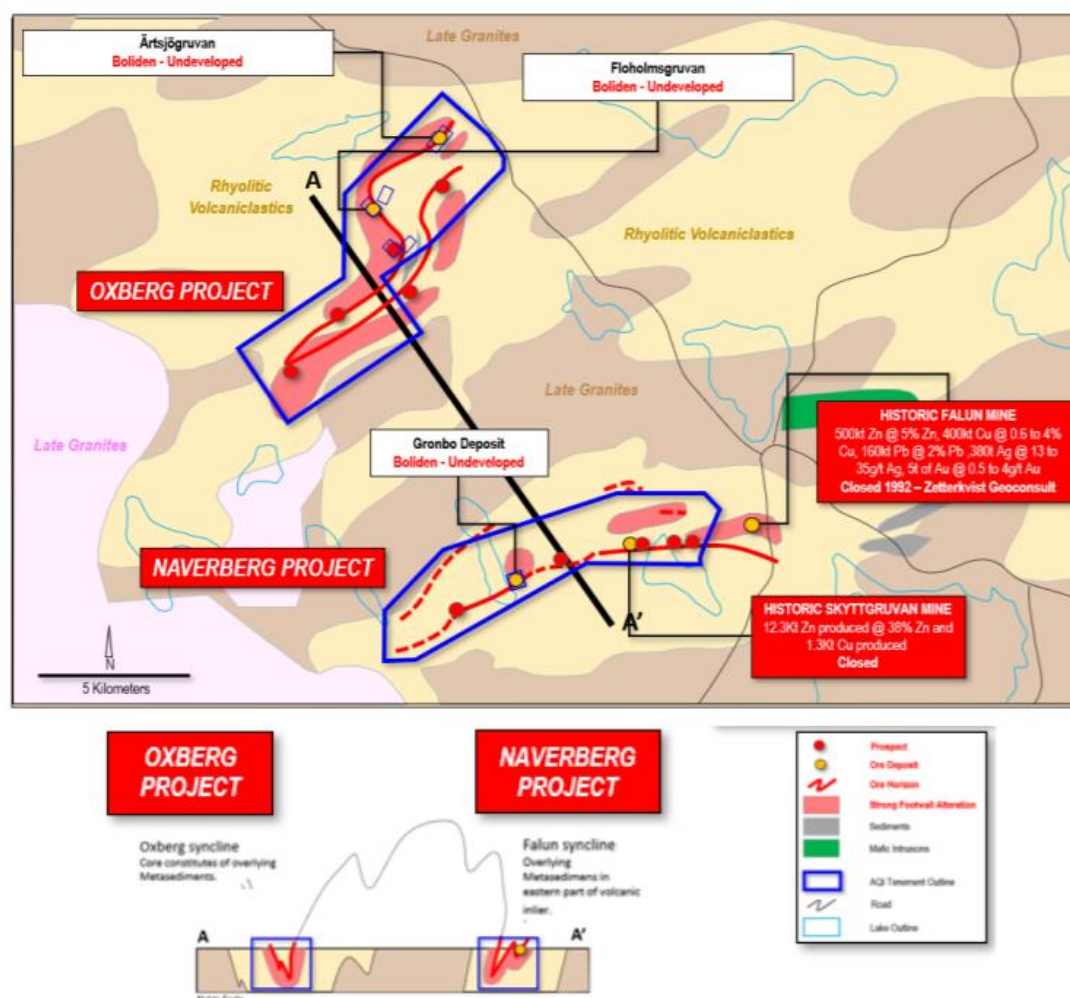


Figure 14 Oxberg - Näverberg Property tenement location and regional geology (Source Alicanto)

Näverberg Property

The Falun pyritic Zn–Pb–Cu–(Au–Ag) sulphide deposit, situated in the Palaeoproterozoic (1.9–1.8 Ga) Bergslagen lithotectonic unit in the south-western part of the Fennoscandian Shield, is one of the major base and precious metal sulphide deposits in Sweden. Felsic volcanic rocks and limestone hosting the deposit, as well as their hydrothermally altered equivalents and the mineralisation, were affected by heterogeneous ductile strain and metamorphism under low-pressure, lower amphibolite- facies conditions during the Sveco Karelian orogeny (2.0–1.8 Ga). These processes reworked the mineral assemblages of the original hydrothermal system and the mineralisation, and also reshaped the structural geometry of the deposit (Kampmann, 2017).

The geological evolution in the metavolcanic inlier that hosts the Falun deposit, constrained by secondary ion mass spectrometry (SIMS) U–Pb (zircon) geochronology, involved emplacement of a felsic volcanic and sub-volcanic rock suite at 1894 ± 3 Ma, followed by hydrothermal alteration and mineralisation. Subsequent burial and intrusion of late- to post-mineralisation dykes occurred between 1896 ± 3 Ma and 1891 ± 3 Ma, followed by further burial and emplacement of plutons with variable composition during the time span 1894 ± 3 Ma to 1893 ± 3 Ma. The age determinations for all these magmatic suites overlap within their uncertainties, indicating a rapid sequence of continuous burial and different magmatic pulses. A metamorphic event, herein dated at 1831 ± 8 Ma and 1822 ± 5 Ma (SIMS U–Pb monazite), falls in the age range of a younger Svecokarelian metamorphic episode (M2). U-Th-Pb isotope systematics in monazite was completely reset during this event.

During hydrothermal alteration and mineralisation, a hot, reducing and acidic fluid carrying metals and sulphur together flowed upward along syn-volcanic faults, leading to intense chloritization, sericitisation and silicification of calc-alkaline volcanic rocks in the stratigraphic footwall to the deposit. This resulted in proximal siliceous associations including Fe-rich chlorite, and dominant Mg-rich chlorite and sericite in more peripheral parts. Cu-Au stockwork mineralisation formed in the siliceous core of the hydrothermal system as result of fluid cooling. Neutralization of the metal-bearing fluids upon carbonate interaction stratigraphically higher in the sub-seafloor regime led to formation of Zn-Pb-Cu-rich massive sulphide mineralisation, the space for which was created by a combination of carbonate dissolution, primary porosity in the overlying volcanic rocks and secondary porosity produced during syn-volcanic faulting. A hybrid model for mineralisation is suggested by alteration styles, metal zoning and textures indicating replacement of carbonate rock or highly porous pumice breccia by pyritic massive sulphide. Aspects of a sub-seafloor volcanogenic massive sulphide (VMS) system and carbonate replacement are both present. Partly Zn-Pb-(Ag) mineralized skarns comprise a separate and subordinate type of mineralisation, probably formed after burial of the hydrothermal system to the contact-metasomatic regime (Kampmann, 2017).

Oxberg Property

The dominant lithologies are felsic volcanic units and in central parts a segment of mafic to intermediate lithologies run along a NE-SW trend. Surrounding this is an extensive zone of mica rich sedimentary units (siltstones and schists), these were termed the Oxberg formation, the majority were later reinterpreted as altered volcanic units (Stephens *et al.*, 2009). The Oxberg formation is interbedded by carbonate beds and stratigraphically overlays massive, poorly bedded pyroclastic flow deposits that locally contain quartz and feldspar phenoclasts. Local elongated fiamme-like segments occur as well. The latter facies is interpreted to represent intense volcanism while the overlying finer facies represents the waning stages of volcanism in Bergslagen (Allen *et al.*, 1996). The mica rich zone also coincides with a working geological model of the ore field consisting of a large-scale syncline running NE-SW with a fold axis dipping towards the NE. Younger dolerite dykes crosscut volcanoclastic packages in an NW-SE trend and younger regional deformation zones strike in the same direction (Lindeberg, 2015).

2.2.4. Previous Production and Exploration History

Within the district (Figure 12), the Garpenberg mine has historical production and reserves (as at 31 December 2018) of approximately 110Mt@ 3.7% Zn, 1.6% Pb, 108 g/t Ag and 0.3 g/t Au (Boliden, 2018). The Zinkgruvan mine has historical production and zinc reserves (as at 30 June 2017) of approximately 30Mt@ 8.9% Zn, 3.6% Pb and 76 g/t Ag (Wardell Armstrong, 2017). VRM has sighted yearly production records within NI43-101 reports sourced from SEDAR, and confirmed that the total production and reserves are quoted in these numbers.

Locally, the Näverberg properties are located immediately along strike of the Falun Zn-Pb-Cu(-Au-Ag) deposit and surrounding another historical mine at Skyttgruvan, covering a total of 26km². Falun has recorded historical production of 30 Mt of ore, including 500kt of zinc at 5% Zn, 400kt of copper @0.6-4.0% Cu, 160kt lead @ 2.0% Pb, 380t of silver @ 13-35g/t Ag and 5t of gold @ 0.5-4.0g/t Au (www.falugruva.se). The mine closed on 1992 and since 2000, the mine site is owned and managed by the independent Stor Kopparberget Foundation. In 2001, UNESCO appointed Falu Gruva together with parts of the city of Falun and the mountain manor to one of the world's World Heritage Sites recognising its historical significance, with first mine documents dating back to 1288.

The strike length of the belt, approximately 8 km in length also hosts several small historical mines and diggings. The former Skyttgruvan mine is reported to have produced high grade Zn-Pb-Cu ore that was mined down to about 185m depth. The Grönbo drilled Zn-deposit to the West is a prospect owned by Boliden. Historical work in the area has thus identified a prospective zone of favourable geology with known mineralisation (Figure 15).

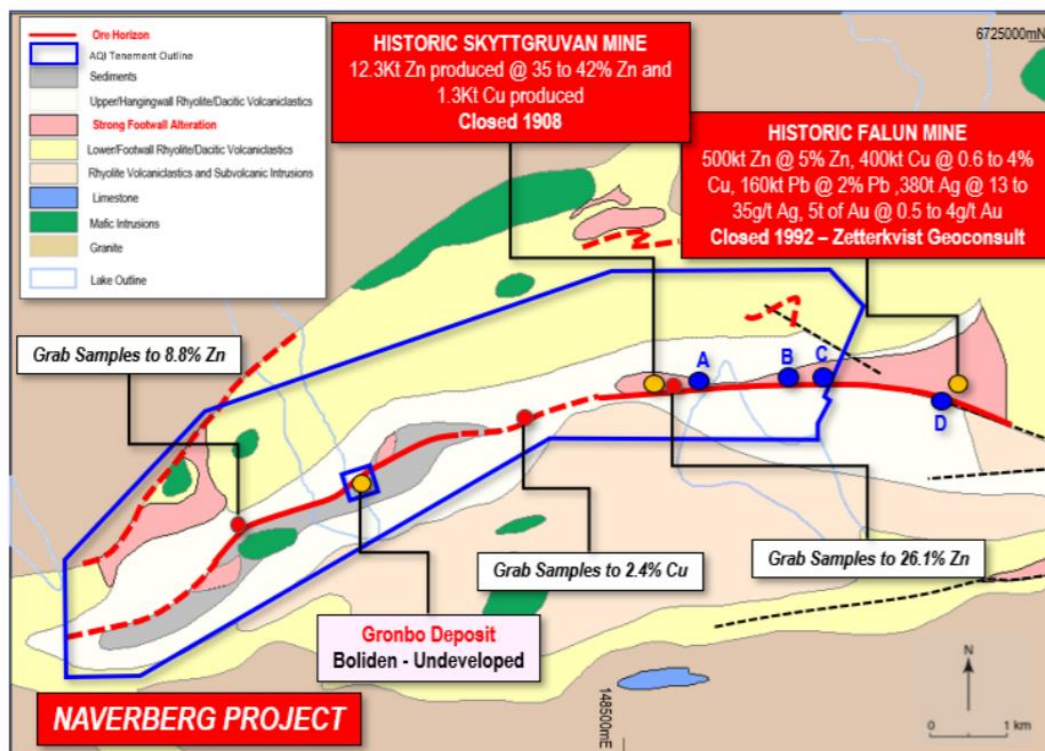


Figure 15 Näverberg Property geology and targets (Source Alicanto)

The Oxberg claim is located approximately eight kilometres northwest of the Näverberg claim and covers 32km² of similar prospective stratigraphy. Two known deposits Ärtsjögruvan and Floholmsgruvan prospect areas 'marked as undeveloped deposits' (outside of Alicanto tenure) (Figure 16).

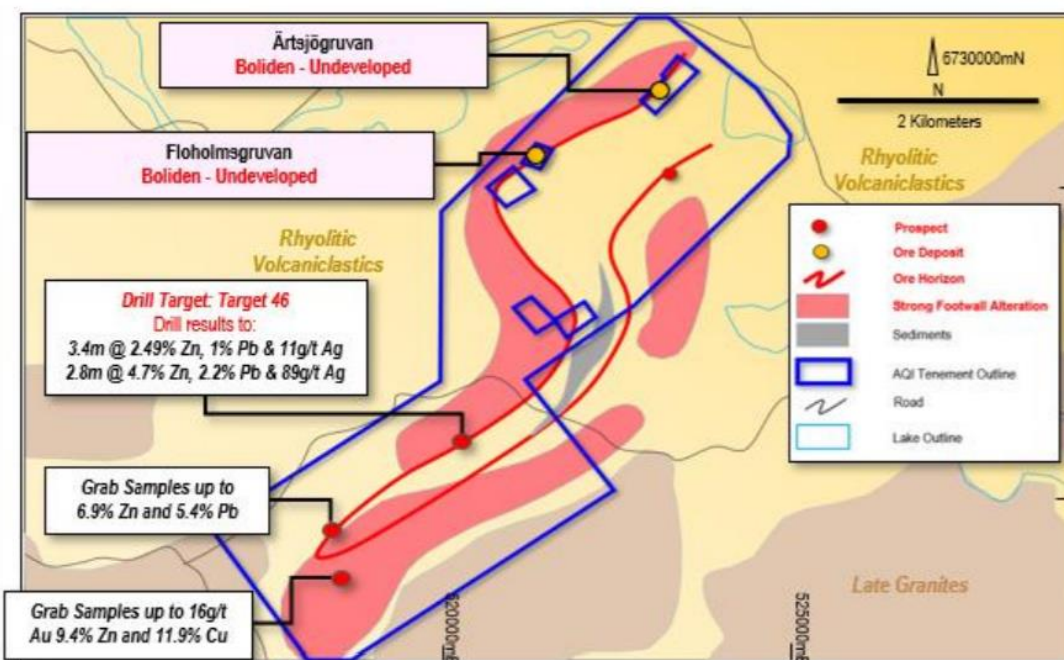


Figure 16 Oxberg Property geology and targets (Source Alicanto)

2.2.5. Recent Exploration Activities

Within the properties there are several areas of both modern and historical mining and exploration activities. The historical production has been summarised above, while the modern exploration is summarised below.

Näverberg Property

As outlined above, Alicanto is in the process of acquiring the Swedish properties and has not yet commenced exploration. Limited previous exploration has been conducted around the historic Skyttgruvan mine consisting initially of surface drilling campaigns by previous company Stora in the 1960s, 70s and 80s. Recent interpretation suggests drilling was mis-directed and did not intersect the projected orebody extensions. Boliden has also undertaken previous drilling in the licence area, focussed on the Grönbo deposit (discovered in 1933) with drilling there dating back to the period between 1952 and 1974.

LKAB carried out exploration in the Falun area through the 1980s consisting of mapping, geochemistry and geophysics (regional magnetic and sligam surveys), with no drilling undertaken. The Swedish Geological AB (SGAB) completed five traverses of deep-till sampling via tractor – mounted percussion drilling. Boliden-Inmet carried out drilling in 2001 completing 1 diamond hole to a depth of 545m to the east of Skyttgruvan. More recently, Northern Lion Gold undertook surface sampling at Näverberg in 2006 and flew VTEM and magnetic surveys in 2008. Further airborne TEM and magnetics were collected by Tumi Resources in the northern Falun belt. Eastern Highlands held claims in part of the area between 2007 and 2010 with results from this work still being compiled by Alicanto.

Results of modern exploration activities are documented more fully in the Alicanto ASX release of 6 May 2019 which includes JORC Table 1 that accompanies the announcement of the proposed Zaffer acquisition. The recent exploration activities have highlighted several opportunities at Näverberg including:

- The presence of drill ready VMS targets
- High grades from historical mining and no drilling beneath the old workings
- Exploration potential with anomalous rock chips that require drill testing
- Gravity anomalies that require follow up
- Little modern exploration
- Immediately along strike of Falun which is one of the 3 main known deposits in the region.

Oxberg Property

Exploration has been conducted by Boliden around the previously operational Floberget mine in various campaigns from the 1930s to 1973 which led to the discovery of Floholm in 1933 and Ärtsjön in 1965. Boliden is recorded to have drilled 35 diamond holes in the area. Detailed mapping was undertaken by LKAB-BP in the 1980s as well as regional airborne magnetic and slingram surveys. Follow up ground geophysical surveys were then carried and LKAB-BP drilled 13 diamond holes including on the Byngsbodarna / Lustebo zones of mineralisation.

Boliden-Inmet carried out drilling in 2001-2004 completing 12 diamond holes for approximately 3500m, in conjunction with transient electromagnetic (TEM) and magnetic surveys and follow up PEM. Northern Lion Gold undertook exploration in the area between 2006 and 2012 including surface sampling and limited drill testing in 2008 (8 holes, metreage unknown) including at Target 46.

Results of recent exploration activities are documented more fully in the Alicanto ASX release of 6 May 2019 which includes JORC Table 1 that accompanies the announcement of the proposed Zaffer acquisition.

The recent exploration activities have highlighted several opportunities at Oxberg including:

- Anomalous rock chips that are not yet drill tested
- Advanced drill ready VMS targets
- High grades from historical mining and no drilling beneath the old workings
- Untested gravity anomalies
- Recent magnetic interpretations
- Limited modern exploration
- Analogous stratigraphy and geological environment to Garpenberg deposit.

2.3. Exploration Potential / Summary

Given the historical production for some Properties, encouraging surface / underground sampling and drill results and the previous work undertaken by Alicanto in Guyana, in VRM's opinion there is justification for continued exploration. Similarly, in Sweden, the significant previous mining in the district, presence of anomalies that are not yet fully tested and favourable geological setting provide encouragement for further investigation and drill testing.

VRM considers that as at 1 May 2019, the valuation of the Properties at their current status (i.e. no Mineral Resources or Ore Reserves declared in accordance with the guidelines of JORC Code (2012)) must be based on exploration potential. VRM notes the material presence of Mineral Resources at the Tassawini Property that were prepared in accordance with the previous JORC Code (2004). Ideally these should be upgraded to meet the JORC Code (2012) guidance in order to more fully realise their potential value. Tassawini ownership remains under dispute.

At the valuation date of 1 May 2019, the exploration potential of the various prospect and Property areas is summarised in Table 2.

Table 2 Summary of Alicanto Properties in Sweden and Guyana, history and exploration potential

Property	Lease area km ²	Status	Historic mining & production	Historic resource	Exploration potential
Näverberg - Sweden	26	Exploration	Yes, from Skyttgruvan mine	No	Advanced drill-ready targets beneath previous mine and untested geophysical anomalies.
Oxberg - Sweden	32	Exploration	No	No	Advanced drill-ready targets and limited previous drilling
Arakaka – Guyana	300	Exploration	No	No	Four prospect areas identified
Ianna – Guyana	115	Exploration	Yes	No	Several prospect areas with previous drill testing requiring follow up
Tassawini – Guyana	13.8	Advanced exploration	Yes	Yes from 2008 and 2010, but not JORC (2012) compliant	JORC (2004) Mineral Resources require updating. Extent is defined, but regional potential

2.4. Mineral Resources, Ore Reserves and Mining

There are no current Mineral Resources or Ore Reserve estimates that can be reported in accordance with the ASX Listing Rules and the current JORC Code (2012). At Tassawini, Alicanto has previously reported historic Mineral Resources prepared by an international independent consulting firm. These were estimated in 2008 under the previous version of the JORC Code (2004) and were also released via Canada's NI43-101 reporting system in 2008 and reissued with no changes in 2010. In late 2018, an assessment was made of the historical resource estimate by a Qualified Person who determined that the historical resource estimate first announced in 2008 is reliable and verified as suitable for reporting as an historic resource according to NI43-101 Standards.

Previous option holders StrataGold and Takara have reported resources under NI43-101 but these are considered historic and given the critical risk associated with ownership, VRM has adopted a conservative approach and limited the valuation of Tassawini Gold Property in its final valuation of mineral assets. VRM has considered the historical Mineral Resources as material to the value of the portfolio but the legal cost associated with pursuing ownership of this property is considerable meaning the value may be negligible. Alicanto is in advanced negotiations at the time of the valuation regarding Arakaka and Tassawini is considered as part of this asset agreement.

3. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 3 and provides a guide as to the most applicable valuation techniques for different assets.

Table 3 VALMIN Code 2015 valuation approaches suitable for mineral Properties

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The Alicanto and Zaffer Properties in Guyana and Sweden respectively are best described as exploration to advanced exploration Properties. There are no Mineral Resources or Ore Reserves within the Properties that are reportable under the JORC Code (2012), although VRM notes that one area of historical / foreign estimates is located within the Tassawini Property.

Therefore, VRM does not consider an income valuation methodology is appropriate. Due to the early exploration stage of the Properties the preferred valuation for the Properties is based on market and cost valuation approaches.

The Market based valuation approach is detailed in Section 3.4 below.

3.1. Previous Valuations

VRM is not aware of any previous valuation reports on the Alicanto or Zaffer properties.

3.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 1 May 2019 being the valuation date of this Report. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the Property, the current and future gold and base metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of multiple aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

3.3. General assumptions

Mineral Assets of Alicanto and Zaffer are valued using appropriate methodologies as described Table 3 in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions;

- That all information provided to VRM is accurate and can be relied upon,
- The valuations only relate to the mineral assets of Alicanto and Zaffer and not the companies nor their shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licences will remain active,

- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The gold price assumed (where it is used / considered in the valuation) is as at 1 May 2019, being USD\$ 1,283.80 per ounce and the USD\$ - AUS\$ exchange rate of 0.703897 resulting in an Australian dollar price of \$1,824 per ounce.
- The other metal prices assumed are also as at 1 May 2019, being silver USD\$ 14.88 per ounce, zinc USD\$ 1.3097 per pound, copper USD\$ 2.8516 per pound and lead USD\$ 0.8439 per pound.
- Commodity price sources are kitco.com and kitometals.com; historical price charts are from Infomine.com and exchange rates are according to xe.com. Kitco is a Canadian company that buys and sells precious metals and kitco.com is the world's leading source of precious metals market information, news and reporting. Infomine provides comprehensive information on the mining industry and historical commodity price charts.
- All currency in this report are Australian Dollars, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with USD.

3.4. Market Based Valuations

As the Properties in Guyana being valued in this Report are dominantly prospective for gold it is important to note the current market conditions of the primary commodity being targeted. The Properties in Sweden are prospective for zinc, lead, copper, gold and silver, these commodity markets should also be considered.

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-haven investment option, especially in the current monetary policies of many of the major countries' reserve banks. Figure 17 shows the gold and silver prices over the last five years in US dollars.

The global zinc market has been in supply deficit over the past few years as several large operations close primarily due to resource / reserve depletion rather than the mines being closed due to commodity prices. This has placed the zinc market in a significant deficit with this predicted by many forecast agencies to continue into the near future. As most base metals prices, particularly zinc and lead, are driven by the supply and demand balance the market review is based on the stockpiles of zinc and lead on various exchanges and the current metal price. The copper price is often seen as a direct reflection of the global economic performance. With several of the major economies, including the USA, China and some European countries continuing to see strong growth the copper price has been reasonably resilient over the past 12-18 months. Figure 18 charts the zinc, lead and copper US dollar prices over the same five-year period.

Overall given the supply – demand fundamentals of the zinc market there has not been a significant increase in the metal price. The zinc, lead and copper prices are all somewhat lower than the five-year peak prices that occurred approximately 12-18 months ago. Therefore, it is considered reasonable to discount the technical valuations for zinc by approximately 10%. VRM considers that this market factor includes conditional payments, such as the 2.5% NSR royalty on potential future production as the probability of this eventuating is small as exploration is high risk.



Figure 17 Five-year USD Gold and Silver price graphs (source www.infomine.com)



Figure 18 Five-year USD Zinc, Lead and Copper price graphs (source www.infomine.com)

3.4.1. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties these include;

- Financial modelling including discounted cash flow (DCF) valuations (limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

The only Property to be considered as advanced is the Tassawini Gold Property in Guyana. Typically, Mineral Resources (+/- Ore Reserves) would have been reported and the valuation approach would have considered these. However, at the time of the valuation only historical resource estimates have been announced by Alicanto to the ASX. Previous option holders StrataGold and Takara have reported resources under NI43-101 but these are considered historic and VRM has discounted the valuation accordingly to estimate a technical value using this approach. Further, given the critical risk associated with ownership, VRM consider that the market value of the advanced Tassawini Gold Property is limited.

3.4.2. Exploration Asset Valuation

To generate a value of an early stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being;

- A Geoscientific (Kilburn) Valuation
- Comparable transactions (purchase) based on the Properties' area
- Joint Venture terms based on the Properties' area
- A prospectivity enhancement multiplier (PEM)

VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for early stage Properties. The Geoscientific (Kilburn) Valuation method is checked using the other valuation methods with a preference toward Joint Venture terms and comparable transactions. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation. The reason VRM usually prefers the geoscientific valuation method over comparable transaction valuations is that it is very rare to identify two truly comparable Properties. Therefore, extreme care is required in selecting comparable transactions. Where completed transactions for broadly comparable Properties have been identified a discount or premium can be assigned to a comparable transaction multiple based on observed differences between the various comparable transactions.

3.4.2.1. Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a Property that is at an early exploration stage without any Mineral Resources or Ore Reserves estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a Property are assessed for their potential. While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly and by a suitably experienced specialist enables an estimate of the value of the Property. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost (BAC), which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to, and along strike of, a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors).

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be applied over a large tenement.

Table 4 documents the ranking criteria applied.

Table 4 Ranking criteria are used to determine the geoscientific technical valuation

Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally favourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within tenement	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified, initial indications positive	
2.0	Resource targets identified	Exploration targets identified	Significant intersections - not correlated on section	Favourable geological setting
2.5				
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production	Several significant ore grade intersections that can be correlated	Mineralised zones exposed in prospective host rocks
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

In terms of estimating a BAC VRM has considered the typical value it would apply for Australia. In Western Australia, this would be derived from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) (previously the Department of Mines and Petroleum) and the costs are based on the updated tenement costs as at 1 July 2017. However, VRM understands that the licence holding costs are similar in Guyana to those in Australia, based on the annual rent on MSMP licences of US\$1 per acre. In Sweden tenement holding costs may be lower than in Australia. While these holding costs are lower, it is also understood that certain requirements must be met including preparation of technical reports on each licence in Sweden. VRM has assumed that these requirements would result in a similar holding cost to advance the Property and therefore the same BAC cost was applied (excluding tenement fees).

Using the ranking criteria from Table 4, along with the BAC values an overall technical valuation was determined.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the Property as well as the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

The technical valuation was discounted to derive a market valuation. A market factor was derived to account for the geopolitical risks of operating in Guyana. In this case, VRM has determined that a geopolitical risk would apply to Guyana and has estimated this to represent a 20% discount.

3.4.2.2. Prospectivity Enhancement Multiplier or Cost Based Valuation

As outlined in Table 3 above and in the VALMIN Code a cost based or appraised value method is an appropriate valuation technique for early stage exploration Properties. Under this method, the previous exploration expenditure

is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 5 below. VRM considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used as once a resource has been estimated it is, in the opinion of the author, preferable to use resource multiples for comparable transactions once a resource has been estimated. Table 6 documents the criteria and PEM used to determine the upper and lower valuation. The preferred valuation is the midpoint between the upper and lower valuations.

Table 5 Prospectivity Enhancement Multiplier (PEM) ranking criteria

Range	Criteria
0.2 – 0.5	Exploration downgrade the potential
0.5 – 1	Exploration has maintained the potential
1.0 - 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

3.4.2.3. Comparable Market Based Transactions

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal (for projects with Mineral Resource Estimated reported) or on an area basis for early stage projects. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable and the resources are reported according to an industry standard (like the JORC Code or NI43-101) but it is not as robust for projects where there are no resources or resources are historic in nature, reported according to a more relaxed standard or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions. Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences.

The information for the comparable transactions has been derived from various sources including the ASX and TSX releases associated with these transactions, compiled into a database compiled by VRM for exploration stage projects. The preference is to limit the transactions to completed transactions for base metal projects from the past two to three years in either the same geopolitical region or same geological terrain. An area-based comparison is considered by VRM as a less reliable means of considering the value of an exploration property compared to its geological setting, which is ultimately what drives the prospectivity of the ground. Therefore, this approach is only used to apply as a secondary valuation approach for the Swedish base metal properties. Appendix C details the areas for several transactions that can be considered at least broadly comparable to the base metal projects owned by Zaffer. Three of these transactions included a NSR royalty.

4. Valuation of the Alicanto and Zaffer Properties

This report has applied several valuation methods for the Alicanto Properties in Guyana and the Zaffer Properties in Sweden, including a geoscientific (Kilburn) and a prospectivity enhancement multiplier (PEM) valuation. A yardstick method was also applied for the Properties with reported historic mineral resources. Alicanto provided information on the holding costs, tenement rents and supplied previous exploration expenditure.

As there are no ASX reported Mineral Resource or Ore Reserve estimates for the Alicanto or Zaffer Properties the primary valuation was determined using a Geoscientific (Kilburn) approach. A supporting valuation (PEM) has been undertaken as a check to the primary valuation method for the gold properties in Guyana and a comparable transaction method was applied as a check for the base metal properties in Sweden. The details of these valuations are below and are based on the information and tenement schedule above and in Appendix A.

4.1. Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the practitioner undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the Property. In addition to ensuring the rankings are correct deriving the BAC is critical as that is the primary driver of the final value. In this case the BAC is derived by the estimating the costs of applying for a tenement of the specific type and the rent or exploration commitment to maintain the tenement in good standing.

The Geoscientific rankings were derived for each of the tenements and are summarised in Appendix B. Table 6 details the technical value of the exploration potential within the Alicanto and Zaffer Properties while the Fair Market Value of the exploration potential is included in Table 7.

Table 6 Technical Valuation for the Exploration Potential within the Alicanto and Zaffer Properties

Tenements	Property	Location	Technical Valuation (AUS\$)		
			Low	Preferred	High
3 licences	Näverberg nr1, 2, 3	Sweden	1,260,000	1,732,500	2,205,000
1 licence	Oxberg nr 101	Sweden	450,000	684,400	918,800
<i>Sweden</i>	<i>Subtotal</i>		<i>1,710,000</i>	<i>2,416,900</i>	<i>3,123,800</i>
161 licences	Arakaka package	Guyana	1,748,300	2,580,150	3,142,000
94 licences	Ianna package	Guyana	1,380,000	2,106,250	2,832,500
4 licences	Tassawini package	Guyana	1,012,500	1,425,000	1,837,500
<i>Guyana</i>	<i>Subtotal</i>		<i>4,140,800</i>	<i>6,111,400</i>	<i>8,082,000</i>
	Sweden and Guyana	Total	5,850,800	8,528,300	11,205,800

Note: Technical valuation is the base acquisition cost multiplied by the ranking factors.

Table 7 is the fair market valuation (in AUS\$) which is the technical valuation multiplied by two additional valuation factors, the geopolitical or sovereign risk factor and the market factor. In this case the location factor is 100% for Properties in Sweden and 80% for Properties located in Guyana. In terms of a market factor, the gold market is considered to currently strong, however the zinc market is not as robust as it was a couple of years ago and so a 90% factor was applied to account for this weakening in base metal prices and including consideration of the NSR royalty.

Table 7 Fair Market Valuation for the Exploration Potential within the Alicanto and Zaffer Properties

Tenement	Property	Location	Fair Market Valuation (AUS\$)		
			Low	Preferred	High
3 licences	Näverberg nr1, 2, 3	Sweden	1,130,000	1,560,000	1,980,000
1 licence	Oxberg nr 101	Sweden	410,000	620,000	830,000
<i>Sweden</i>	<i>Subtotal</i>		<i>1,540,000</i>	<i>2,180,000</i>	<i>2,810,000</i>
161 licences	Arakaka package	Guyana	1,400,000	2,060,000	2,720,000
94 licences	Ianna package	Guyana	1,100,000	1,690,000	2,270,000
4 licences	Tassawini package	Guyana	810,000	1,140,000	1,470,000
<i>Guyana</i>	<i>Subtotal</i>		<i>3,310,000</i>	<i>4,890,000</i>	<i>6,460,000</i>
	Sweden and Guyana	Total	4,850,000	7,070,000	9,270,000

Note: Appropriate rounding to the valuation has been undertaken.

Based on this Geoscientific (Kilburn) valuation, VRM considers a reasonable valuation for the Alicanto and Zaffer assets to be between \$4.9 million and \$9.3 million with a preferred valuation of \$7.1 million.

4.1.1.1. Prospectivity Enhancement Multiplier (PEM)

As detailed in section 3.4.2.2 the prospectivity enhancement multiplier or multiple of exploration expenditure (MEE) is a valuation method derived on the basis that money spent on exploration has either increased or decreased the value of the Property.

Table 8 details the expenditure on the tenement groups since they were acquired by Alicanto up to the valuation date. Normally, only expenditures for the past five years or since the Property was acquired by the current holder and the acquisition costs (if purchased in the past five years) should be used in determining a PEM valuation. VRM obtained expenditure incurred by Alicanto since acquiring the first Properties (Arakaka and Tassawini in 2012, Ianna in 2016), however the valuation using this approach applied only expenditure since the Barrick JV commencement at Arakaka and since Ianna was acquired (i.e. from 2016 to 2019).

This approach cannot be applied to value the Zaffer licences as these were applied for by a private company, and the acquisition by Alicanto has only very recently been announced. No expenditure details from previous owners is available and so VRM considers the Properties in Sweden may be more appropriately considered based on the geoscientific method.

Table 8 Previous expenditure as provided by AQI for each of the projects in Sweden and Guyana.

Property	Total expenditure (AUS\$)
Näverberg nr1, 2, 3 (3 licences)	Not applicable
Oxberg nr 101(1 licences)	Not applicable
Arakaka package (161 licences)	9,341,393
Ianna package (94 licences)	2,897,477
Tassawini package (4 licences)	158,500
Total	\$12,397,370

As this valuation is a secondary valuation method, and expenditure is recent there has been no adjustment for inflation of the previous expenditure. Table 9 assigns the prospectivity enhancement multiplier to these expenditures based on the PEM rankings from Table 5.

Table 9 Valuation of the Guyanese Properties based on a prospectivity enhancement multiples (PEM)

Tenement	Property	Location	PEM Low	Lower Valuation (AUS\$)	PEM High	Higher Valuation (AUS\$)
3 licences	Näverberg nr1, 2, 3	Sweden	Not valued using this method			
1 licence	Oxberg nr 101	Sweden	Not valued using this method			
161 licences	Arakaka package	Guyana	0.6	5,549,000	0.8	7,398,000
94 licences	Ianna package	Guyana	0.8	2,318,000	1.0	2,897,000
4 licences	Tassawini package	Guyana	2.5	396,000	3.0	476,000
Total \$				8,263,000		10,771,000
Valuation adjusted for Guyanese sovereign risk (80%)				6,610,400		8,616,800

In VRM's opinion that the value of the Arakaka, Ianna and Tassawini Properties in Guyana based on previous expenditure is between \$6.6 million and \$8.6 million with a preferred valuation being based on the midpoint of \$7.6 million.

4.1.1.2. Comparable Transaction Method

As detailed in Appendix C, VRM has reviewed a series of transactions that are considered broadly comparable to the Zaffer Projects. Three of these transactions include NSR royalties of differing percentages.

From the analysis of the recently completed VMS transactions VRM has determined that the area multiples for comparable VMS projects broadly range in values, with a median of A\$38,250/km². Applying this median value to the lease areas in Sweden derives a value that supports the geoscientific / Kilburn approach and the low and high values are based on 25% above and below the median given the large range of transaction values based on.

The area based values detailed above and supported by the information in Appendix B have been used along with the licence areas of the Näverberg and Oxberg properties to derive the value of these as shown in Table 10.

Table 10 Comparable transaction valuation (area based) for the Zaffer Properties

Tenement	Property	Area (km2)	Comparable Transaction Area Valuation (AUS\$)		
			Low	Preferred	High
3 licences	Näverberg nr1, 2, 3	25.6	738,000	984,000	1,230,000
1 licence	Oxberg nr 101	31.6	913,000	1,217,000	1,521,000
Sweden	<i>Subtotal</i>		<i>1,651,000</i>	<i>2,201,000</i>	<i>2,751,000</i>

Note: Appropriate rounding to the valuation has been undertaken.

VRM considers the areas of the Zaffer Swedish Project to be valued, based on comparable transactions applying an area basis, at between \$1.7 million and \$2.8 million with a preferred valuation of \$2.2 million.

4.1.1.3. Yardstick Method

As detailed in section 3.4.1 the yardstick method can also be considered as a valuation approach. This is typically used for valuation of Mineral Resources, but can also be considered for Exploration Targets. It is based on a percentage of the current commodity price, in this case gold. For Mineral Resources, a typical yardstick value would be between 0.5% and 2% of the current gold price as at the valuation date. For an Exploration Target this percentage would be lower again, reflecting the higher uncertainty.

VRM has considered the historical nature of the mineral resources and given this limitation, has applied a lower classification to generate the yardstick value than if they were current resources or updated to JORC (2012) status suitable for ASX reporting.

VRM has selected a range of yardstick values between 0.5% and 1.0% of the gold price at the valuation date in order to value the Tassawini historical indicated resources and a range of yardstick value between 0.1% and 0.5% of the gold price at the valuation date in order to value the Tassawini and Sonne historical inferred resources using this approach. A discount factor was also applied to account for the sovereign risk associated with the projects being located in Guyana (consistent with the Geoscientific method above). The yardstick value for Tassawini / Sonne as shown in Table 11.

Table 11 Yardstick Valuation of the Tassawini / Sonne Property.

Property / resource	Historic Mineral Resources*	Contained Au oz	Low (AUS\$ million)	Preferred (AUS\$ million)	High (AUS\$ million)
Tassawini historical Indicated Resource	10.77Mt @ 1.3 g/t Au	437,000 Valued as Inferred Resource, given historical resource	3.99	5.98	7.97
Tassawini / Sonne historical Inferred Resource	1.93Mt @ 1.0 g/t Au	62,000 valued as Exploration Target, given historical resource	0.11	0.34	0.57
Total Valuation (AUS\$M)		Based on gold price of AUS \$1824	4.10	6.32	8.54
Valuation adjusted for Guyanese sovereign risk (80%)			3.28	5.05	6.83

*Note that these historic mineral resources are reported by Weiershäuser L, Roberts L and Keller G, 2010 and announced to the ASX by Alicanto on 12 December 2012. This information was prepared and first disclosed under the JORC Code 2004 and it has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Based on a yardstick approach, in VRM's opinion the value of the Tassawini Property would be between \$3.3 million and \$6.8 million with a preferred valuation being based on the midpoint of \$5.1 million. This can be considered as a technical value for the Property. However, given the significant risks around the rights to the Property considering uncertainty of ownership, limited spend by Alicanto to date and the fact that another 'owner' is actively trying to sell the property, VRM has no confidence to include this asset within the overall valuation and considers the market value of Alicanto's claim on Tassawini to be minimal.

5. Preferred Valuations

Based on the valuation techniques detailed above, Table 12 provides a summary of the valuations derived by the various techniques with the preferred market valuation range documented in Table 13.

The preferred valuation range that VRM has determined is based on the geoscientific / Kilburn method for market valuations of all other Property areas. This is supported by the PEM valuation approach for the Guyanese properties and the Comparable transaction approach for the Swedish Projects. The yardstick method has been applied to estimate a technical value of the Tassawini / Sonne historical resources in the Tassawini Property, but the market value of the resources is minimised considering the critical risk around the claim of ownership.

Table 12 Valuation Summary on equity basis

	Valuation Technique	Lower Valuation (AUS\$ million)	Preferred Valuation (AUS\$ million)	Upper Valuation (AUS\$ million)
Swedish and Guyanese Properties	Geoscientific / Kilburn			
	Sweden	1.5	2.2	2.8
	Guyana	3.3	4.9	6.5
	PEM Valuation (Guyana only)	6.6	7.6	8.6
	Comparable transaction Valuation (Sweden only)	1.7	2.2	2.8
	Yardstick (Tassawini / Sonne historical resources only) considered technical value only	3.3	5.1	6.8

Table 13 VRM's preferred market valuation of the Swedish and Guyanese Properties, the mineral assets of Zaffer and Alicanto

Mineral Asset	Lower Valuation (AUS\$ million)	Preferred Valuation (AUS\$ million)	Upper Valuation (AUS\$ million)
Zaffer Swedish Properties Valuation	1.5	2.2	2.8
Alicanto Guyanese Properties Valuation	3.3	4.9	6.5

6. Conclusions

The Guyanese portfolio assembled by Alicanto demonstrates potential for economic gold mineralisation. Alicanto is exploring options for these Property areas recognising the significant commitments required for ongoing exploration and is in advanced negotiations at the time of the valuation. The ownership of the Tassawini Property is uncertain and therefore VRM has assigned this a minimal market value, but recognises that the historical resource has higher technical value.

Alicanto would like to diversify their focus to include base metal exploration in Sweden via the proposed acquisition of Zaffer and to commence exploration in the Näverberg and Oxberg Properties recognising the historical endowment of these Property areas.

VRM considers the Alicanto mineral assets (the Arakaka, Ianna and Tassawini Properties) to have a value within a range of \$3.3 million to \$6.5 million with a preferred mineral asset market value of \$4.9 million.

For Tassawini, VRM has estimated a technical value for the historical resource of between \$3.3 million and \$6.8 million with a preferred technical value of \$5.1 million, but the market value of Alicanto's claim to the property is considered minimal considering the ownership risk and so VRM considers the other valuation methods to better represent the market value of this asset.

VRM considers the Zaffer mineral assets (the Näverberg and Oxberg Properties) to have a value within a range of \$1.5 million to \$2.8 million with a preferred mineral asset market value, net of the NSR royalty of \$2.2 million.

7. References

None of the ASX releases of Alicanto have been listed in the Reference list but are available on the companies' and the ASX websites.

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8. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org.

The following terms are taken from the 2015 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

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

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral Property that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the Property. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of Properties detailing the Property and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Properties** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

(b) **Advanced Exploration Properties** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

(c) **Pre-Development Properties** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

(d) **Development Properties** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Properties will be proven by at least a Pre-Feasibility Study;

(e) **Production Properties** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.

Mineral Property means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral Property that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience;
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or Property to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

9. Appendices

Appendix A – Alicanto Tenement Schedule end March 2019 quarter

Project	Location	Tenement	Interest at end of quarter
Arakaka	Guyana	Y-33/000/04, PPMS/680/04	100%
Arakaka	Guyana	Y-33/001/04, PPMS/681/04	100%
Arakaka	Guyana	Y-31/000/04, PPMS/463/04	100%
Arakaka	Guyana	Y-31/001/04, PPMS/464/04	100%
Arakaka	Guyana	J-81/000/02, PPMS/884/02	100%
Arakaka	Guyana	J-81/001/02, PPMS/885/02	100%
Arakaka	Guyana	J-81/002/02, PPMS/886/02	100%
Arakaka	Guyana	J-18/MP/000/12PPMS/1068/02	100%
Arakaka	Guyana	J-18/MP/001/12PPMS/1069/02	100%
Arakaka	Guyana	J-62/MP/000/13PPMS/1060/02	100%
Arakaka	Guyana	J-62/MP/001/13PPMS/1062/02	100%
Arakaka	Guyana	J-62/MP/002/13PPMS/1070/02	100%
Arakaka	Guyana	J-62/MP/003/13PPMS/1071/02	100%
Arakaka	Guyana	J-1007/MP/000/16	100%
Arakaka	Guyana	J-1007/MP/001/16	100%
Arakaka	Guyana	J-1007/MP/002/16	100%
Arakaka	Guyana	J-1007/MP/003/16	100%
Arakaka	Guyana	J-1007/MP/004/16	100%
Arakaka	Guyana	J-1007/MP/005/16	100%
Arakaka	Guyana	J-1007/MP/006/16	100%
Arakaka	Guyana	J-1007/MP/007/16	100%
Arakaka	Guyana	J-1007/MP/008/16	100%
Arakaka	Guyana	51/324/74, May	100%
Arakaka	Guyana	Jars, Jars#1, Jars#2	100%
Arakaka	Guyana	P-109/000/2000, PPMS/809/2001	100%
Arakaka	Guyana	P-109/001/2000, PPMS/810/2001	100%
Arakaka	Guyana	P-109/002/2000, PPMS/811/2001	100%
Arakaka	Guyana	P-109/003/2000, PPMS/812/2001	100%
Arakaka	Guyana	P-109/004/2000, PPMS/813/2001	100%
Arakaka	Guyana	P-109/005/2000, PPMS/814/2001	100%
Arakaka	Guyana	P-128/000/02, PPMS/707/02	100%
Arakaka	Guyana	P-128/001/02, PPMS/708/02	100%
Arakaka	Guyana	P-128/002/02, PPMS/709/02	100%
Arakaka	Guyana	P-128/003/02, PPMS/710/02	100%
Arakaka	Guyana	P-128/004/02, PPMS/711/02	100%
Arakaka	Guyana	P-17/000, PPMS/0222/1994	100%
Arakaka	Guyana	P-17/001, PPMS/0223/1994	100%
Arakaka	Guyana	P-8/000/94, PPMS/0074/1994	100%
Arakaka	Guyana	P-8/001, PPMS/73/1994	100%
Arakaka	Guyana	P-8/002, PPMS/75/1994	100%
Arakaka	Guyana	51/2005/235, Dennis #1	100%
Arakaka	Guyana	51/2005/236, Dennis #2	100%
Arakaka	Guyana	51/2005/237, Dennis #3	100%
Arakaka	Guyana	51/2005/238, Dennis #4	100%

Project	Location	Tenement	Interest at end of quarter
Arakaka	Guyana	51/1983/034, Wintime	100%
Arakaka	Guyana	51/1983/035, Intime	100%
Arakaka	Guyana	51/1984/028, Ester aka Esta	100%
Arakaka	Guyana	S-182/MP/000/2014PPMS/631/07	100%
Arakaka	Guyana	S-78/MP/000/2012 PPMS/629/07	100%
Arakaka	Guyana	P-9/000, PPMS/76/94	100%
Arakaka	Guyana	P-9/001, PPMS/77/94	100%
Arakaka	Guyana	P-9/002, PPMS/78/94	100%
Arakaka	Guyana	Y-1/MP/000/06, MP 91/2007	100%
Arakaka	Guyana	K-1004/MP/000/2017MP085/17	100%
Arakaka	Guyana	K-1004/MP/001/2017MP086/17	100%
Arakaka	Guyana	PL 10/11/2014, GS14: S-62/S-63	100%
Arakaka	Guyana	PL 11/2014, GS14: S-63	100%
Arakaka	Guyana	P-175/MP/000/2015	80%
Arakaka	Guyana	P-175/MP/001/2015	80%
Arakaka	Guyana	P-175/MP/002/2015	80%
Arakaka	Guyana	P-184/MP/000/2015	80%
Arakaka	Guyana	PL-09/2011, GS14: B-22	80%
Arakaka	Guyana	PL-10/2011, GS14: B-23	80%
Arakaka	Guyana	P-633/000, PPMS/1190/2015	100%
Arakaka	Guyana	P-633/001, PPMS/1191/2015	100%
Arakaka	Guyana	P-633/002, PPMS/1192/2015	100%
Arakaka	Guyana	P-633/003, PPMS/1193/2015	100%
Arakaka	Guyana	P-633/004, PPMS/1194/2015	100%
Arakaka	Guyana	P-633/005, PPMS/1195/2015	100%
Arakaka	Guyana	P-642/000, PPMS/123/2016	100%
Arakaka	Guyana	51/1989/104-106, 53/2011/519-	100%
Arakaka	Guyana	51/2010/311-313, 51/1990/028-	100%
Arakaka	Guyana	53/2008/004-011, 51/1992/149-	100%
Arakaka	Guyana	51/1982/028, 51/1986/020-024	100%
Arakaka	Guyana	51/1987/110,51/1988/104,	100%
Arakaka	Guyana	51/1988,136, 51/1989/259,	100%
Arakaka	Guyana	51/1981/019-023	100%
Ianna	Guyana	B-19/MP/000	100%
Ianna	Guyana	D-15/MP/000	100%
Ianna	Guyana	D-16/MP/000	100%
Ianna	Guyana	R-31/MP/002	100%
Ianna	Guyana	R-31/MP/003	100%
Ianna	Guyana	R-31/MP/004	100%
Ianna	Guyana	R-31/MP/005	100%
Ianna	Guyana	R-31/MP/000	100%
Ianna	Guyana	R-31/MP/001	100%
Ianna	Guyana	J-10/MP/000	100%
Ianna	Guyana	J-14/MP/000	100%
Ianna	Guyana	J-14/MP/001	100%
Ianna	Guyana	J-14/MP/002	100%
Ianna	Guyana	B-19/MP/000	100%
Ianna	Guyana	Baggie	100%
Ianna	Guyana	Owen #1	100%

Project	Location	Tenement	Interest at end of quarter
lanna	Guyana	Owen	100%
lanna	Guyana	Emillio	100%
lanna	Guyana	Anita	100%
lanna	Guyana	Joy #2	100%
lanna	Guyana	Joy #3	100%
lanna	Guyana	Patsy	100%
lanna	Guyana	Patsy #1	100%
lanna	Guyana	Karen	100%
lanna	Guyana	Karen #1	100%
lanna	Guyana	Sherry	100%
lanna	Guyana	Sherry #1	100%
lanna	Guyana	Sherry #2	100%
lanna	Guyana	Tracy	100%
lanna	Guyana	Queen	100%
lanna	Guyana	Queen #1	100%
lanna	Guyana	Nick	100%
lanna	Guyana	Nick #1	100%
lanna	Guyana	Ray	100%
lanna	Guyana	Ray #1	100%
lanna	Guyana	Jeff	100%
lanna	Guyana	Sherry #2	100%
lanna	Guyana	Tracy	100%
lanna	Guyana	Queen	100%
lanna	Guyana	Queen #1	100%
lanna	Guyana	Nick	100%
lanna	Guyana	Nick #1	100%
lanna	Guyana	Ray	100%
lanna	Guyana	Ray #1	100%
lanna	Guyana	Jeff	100%
lanna	Guyana	B-85/MP/000	100%
lanna	Guyana	B-85/MP/001	100%
lanna	Guyana	B-85/MP/002	100%
lanna	Guyana	B-85/MP/003	100%
lanna	Guyana	B-85/MP/004	100%
lanna	Guyana	B-85/MP/005	100%
lanna	Guyana	B-85/MP/006	100%
lanna	Guyana	B-85/MP/007	100%
lanna	Guyana	B-85/MP/008	100%
lanna	Guyana	B-85/MP/009	100%
lanna	Guyana	Sist	100%
lanna	Guyana	Camy	100%
lanna	Guyana	Shelda	100%
lanna	Guyana	Commie #2	100%
lanna	Guyana	Irean	100%
lanna	Guyana	Chester #2	100%
lanna	Guyana	King Ransom #1	100%
lanna	Guyana	King Ransom #2	100%
lanna	Guyana	King Ransom #3	100%
lanna	Guyana	King Ransom #4	100%

Project	Location	Tenement	Interest at end of quarter
lanna	Guyana	King Ransom #5	100%
lanna	Guyana	King Ransom #6	100%
lanna	Guyana	King Ransom #7	100%
lanna	Guyana	King Ransom #8	100%
lanna	Guyana	King Ransom #9	100%
lanna	Guyana	King Ransom 1	100%
lanna	Guyana	King Ransom 2	100%
lanna	Guyana	King Ransom 3	100%
lanna	Guyana	King Ransom 4	100%
lanna	Guyana	King Ransom 5	100%
lanna	Guyana	B-102/MP/000	100%
lanna	Guyana	B-102/MP/001	100%
lanna	Guyana	B-102/MP/002	100%
lanna	Guyana	B-103/MP/000	100%
lanna	Guyana	B-505/001	100%
lanna	Guyana	Yo	100%
lanna	Guyana	Lyn	100%
lanna	Guyana	Pam	100%
lanna	Guyana	Lady Amy1	100%
lanna	Guyana	Lady Amy2	100%
lanna	Guyana	Lady Amy3	100%
lanna	Guyana	Lady Amy4	100%
lanna	Guyana	Karen #2	100%
lanna	Guyana	Karen #3	100%
lanna	Guyana	Karen #4	100%
lanna	Guyana	Lady Crystal	100%
lanna	Guyana	Lady Crystal#2	100%
lanna	Guyana	C-1011/000	100%
lanna	Guyana	B-85/MP/000	100%
Tassawini	Guyana	V-04/MP/000, MP 47/98	100%
Tassawini	Guyana	V-5/MP/000, MP 23/01	100%
Tassawini	Guyana	V-5/MP/001, MP 24/01	100%
Tassawini	Guyana	V-5/MP/002, MP 25/01	100%

1 - Interest held subject to Option Agreement announced 5 February 2016.

2 - Exclusive rights to acquire subject to terms of Option & Acquisition Agreement announced 8 November 2016 including option payments and minimum expenditure requirements to maintain option.

3 - Interest held subject to Option Agreements announced 1 September 2017

Appendix B – Geoscientific (Kilburn) ranking factors

The table below shows the technical value and market value for the Swedish and Guyanese Projects. Arakaka is mostly 100% attributable to Alicanto, apart from at the Macaw Prospect where these licences are 80% attributable.

The technical value is adjusted by a geopolitical or sovereign risk factor (100% for Sweden, 80% for Guyana) and a market factor (100% for gold in Guyana, 90% for base metals in Sweden) to estimate a fair market value.

Tenements		Equity	Off Property			On Property			Anomaly Factor			Geology Factor			Technical Valuation Equity basis (AUS\$)			Fair Market Value Equity basis (AUS\$M)												
			Low	High		Low	High		Low	High		Low	High		Lower	Preferred	Upper	Lower	Preferred	Upper										
			Low	High		Low	High		Low	High		Low	High		Lower	Preferred	Upper	Lower	Preferred	Upper										
			Low	High		Low	High		Low	High		Low	High		Lower	Preferred	Upper	Lower	Preferred	Upper										
Naverberg nr1, 2, 3		100%		4		4.5		3		3.5		3.5		4		3		3.5		1,260,000		1,732,500		2,205,000		1,130,000		1,560,000		1,980,000
Oxberg nr 101		100%		3		3.5		2		2.5		2.5		3		3		3.5		450,000		684,400		918,800		410,000		620,000		830,000
Sweden Total																				1,710,000		2,416,900		3,123,800		1,540,000		2,180,000		2,810,000
Purple Heart Prospects		100%		3		3.5		3		3.5		3.5		4		3		3.5		945,000		1,330,000		1,715,000		760,000		1,060,000		1,370,000
Gomes - Xenoparis Prospect		100%		3		3.5		2		2.5		3.5		4		3		3.5		630,000		927,500		1,225,000		500,000		740,000		980,000
Eyelash Prospects		100%		1.5		2		1.5		2		1.5		2		3		3.5		101,300		190,650		280,000		80,000		150,000		220,000
Other prospects (Macaw)		80%		1.5		2		1.5		2		2.5		3		2		2.5		72,000		132,000		192,000		60,000		110,000		150,000
Arakaka package total																				1,748,300		2,580,150		3,412,000		1,400,000		2,060,000		2,720,000
Ianna Main Intrusion prospect		100%		3		3.5		2.5		3		3.5		4		3		3.5		787,500		1,128,750		1,470,000		630,000		900,000		1,180,000
Eastern Extension prospect		100%		1.5		2		2		2.5		2.5		3		2		2.5		150,000		262,500		375,000		120,000		210,000		300,000
King's Ransom prospect		100%		3		3.5		2.5		3		2.5		3		2		2.5		375,000		581,250		787,500		300,000		470,000		630,000
Other prospects		100%		1.5		2		1.5		2		1.5		2		2		2.5		67,500		133,750		200,000		50,000		110,000		160,000
Ianna package total																				1,380,000		2,106,250		2,832,500		1,100,000		1,690,000		2,270,000
Tassawini package		100%		3		3.5		2.5		3		4.5		5		3		3.5		1,012,500		1,425,000		1,837,500		810,000		1,140,000		1,470,000
Guyana Total																				4,140,800		6,111,400		8,082,000		3,310,000		4,890,000		6,460,000
Total																				5,850,800		8,528,300		11,205,800		4,850,000		7,070,000		9,270,000

Appendix C – Comparable transactions considered

The table below documents transactions that were analysed to determine a suitable area multiple for recent base metal transactions. The Cu Au transactions were not used as these are related to different deposit styles to the VMS style targets in Sweden. The transaction values highlighted in green were considered comparable but the high range of areas and values per area should be noted. Given that this is not the primary valuation method, VRM applied a median area value and determined that a 25% variation above and below the median would provide a more suitable range than that offered using a 25th or 75th percentile.

Date	Project	Commodity	Country	Buyer	Seller	\$ (million)	Currency	Exchange rate at transaction date	A\$ (million)	A\$	Equity	100% basis	Transaction type	Area (ha)	Area Multiples (\$/km2)	Royalty
15/03/2018	Violin	Cu Au	Mexico	Pacifico	Minera GS S.A. de C.V.	0.57	US	0.781419854	0.72944141	729,441	100%	729,441	Option	2707	26,944	
18/05/2018	El Cobre	Cu Au	Mexico	newcrest	Azucar	19.07	CAD	0.967984048	19.70530923	19,705,309	20%	99,021,654	Investment	7300	1,356,461	
4/05/2018	Grapevine	Co, Ni Cu	Arizona US	New World Cobalt	Grapevine Resource LLC	0.23	USD	0.75321719	0.305356812	305,357	100%	305,357	Option	800	38,170	1% NSR
15/08/2017	Oposura	Zn, Pb, Ag	Mexico	Azure	Grupo Minero Puma	1.5	USD	0.782162978	1.917758884	1,917,759	100%	1,917,759	Purchase	690	277,936	2.5% NSR
31/05/2016	Masiqhame	Cu, Zn, Ni	South Africa	Orion	Masiqhame	0.13	AUD	1	0.13	130,000	73%	178,082	Investment	98400	181	N/A
10/06/2016	Mahar San	Cu / VMS	Myanmar	Metro Mining		0.72	USD	0.739482707	0.9736536	973,654	80%	1,217,067	JV and cash	750	162,276	N/A
15/02/2016	Red Mountain	VMS	Alaska USA	White Rock Mineral	Atlas Resources (first 2 ye	0.44	USD	0.713913876	0.61632084	616,321	100%	616,321	Option	1600	38,520	2% NSR
18/11/2015	Prieska	Cu, Zn, Ni	South Africa	Orion	Agama	5	AUD	1	5	5,000,000	73%	6,818,492	Cash and option	Unknown		
													Average		103,416	
													Median		38,520	
													25th pct		38,170	
													75th pct		162,276	
													Max		277,936	
													Min		181	

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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.